

FIRST QUARTER RESULTS ANNOUNCEMENT TO 30 SEPTEMBER 2017

Financial performance in line with expectations with continued growth in
broadband, mobile, TV & bundles

First Quarter Financial Update



Underlying revenue⁽¹⁾ of €322 million, down €7 million or 2% year on year



EBITDA of €125 million, up €3 million or 2% year on year



Operating costs⁽²⁾ reduced €5 million or 4% year on year

Business update



1.7 million premises passed with fibre technology

- 34% take up of high speed broadband
- Delivered over 100,000 premises of our 300,000 rural commitment contract
- Strong momentum in FTTH - 16,000 connections



574,000 fibre broadband connections, 64% of total broadband base

26% of customers now on triple or quad play bundles



Submitted detailed solution for National Broadband Plan tender

¹ Underlying revenue is before Mobile Termination Rate (MTR) reductions and the impact of Foreign Exchange (FX) movements

² Operating costs are pay and non-pay costs excluding non-cash pension charge, non-cash lease fair value credits, amortisation, depreciation, and exceptional items

(Issued 3rd November 2017) eir today announced results for the first quarter ended 30 September 2017. Commenting on today's announcement, Richard Moat, CEO eir, said: "We have started the year with good momentum, and the group continues to deliver solid results with EBITDA growth of 2% compared to the prior year.

We remain focused on our strategic objective of providing high speed broadband to over 80% of homes and businesses throughout Ireland by December 2018. We have now completed the rollout of fibre to the home technology to more than one third of our targeted 300,000 rural homes and businesses and we are very happy with the take-up rates so far. When combined with our mobile network, which delivers 4G coverage to 96% of the population, our network infrastructure provides seamless connectivity for our customers and supports our convergence strategy.

"During September we also submitted 3,000 pages of information and maps as part of our detailed solution for the National Broadband Plan tender process. This reflects our unrivalled knowledge, expertise and skills in this area.

"This past quarter we consolidated our mobile services under one 'eir' brand which now offers a suite of enriched propositions for all of our customers whether fixed or mobile. More and more customers are opting for our value rich bundles, which include an exciting range of the latest eir sport content, with 26% of households now on triple or quad play bundles.

"It has been a great start to the new season from eir sport with added content including our inaugural live coverage of the GAA Club Championship action which has proved very popular with our customers.

"This is a good start to the financial year and we remain on track to meet our full year outlook".



Trading Update



Strong broadband growth

903,000 broadband connections, up 4% or 36,000 year on year



TV growth

eir Vision base at 74,000 customers, up 16,000 year on year

31% take up by consumer fibre base



Stable mobile base with improving mix of customers and more customers opting for bundles

1,057,000 total mobile customers

49% of customers are on postpay contracts, up 2 p.p. year on year

22% of households include mobile in a bundle, up 3 p.p. year on year



Household Revenue Generating Units (RGUs) growing

3P/4P bundle penetration increased to 26%, up 4 p.p year on year

2.2 RGUs per household

Huib Costermans, CFO eir, said: “These are an encouraging set of financial results and are in line with our expectations. Underlying revenue of €322 million for the quarter was down by 2% year on year, mainly due to a strategic decision to exit low margin business lines within the eir business division. The gross margin remained relatively flat compared to the prior year. EBITDA of €125 million for the quarter continued to grow, increasing by 2% year on year, driven by our focus on simplification and overall cost efficiencies throughout the business. We remain committed to our programme of capital investment and continue to focus on delivering improved operational KPIs across our retail and wholesale divisions against a very competitive market backdrop”.

Reported revenue of €316 million for the quarter ended September 2017 decreased by 3.5% or €11 million compared to the corresponding prior year period. This was driven mainly by mobile termination rate (“MTR”) reductions implemented on 1 September 2016 which had a €4 million impact year on year coupled with a strategic

decision to exit low margin business lines in the eir business divisions. Operating costs of €121 million for the quarter, reduced by €5 million or 4% compared with the same quarter last year. EBITDA for the quarter was €125 million, an increase of €3 million or 2% compared to the corresponding prior year period.

In the fixed line segment, revenue (before intra company eliminations) for the quarter ended 30 September 2017 was €239 million, a 4% decrease when compared to the quarter ended 30 September 2016. Fixed line EBITDA of €110 million for the quarter ended 30 September 2017 was broadly flat compared to the corresponding prior year quarter.

The total group broadband customer base was 903,000 at 30 September 2017, growing by 36,000 or 4% compared to the prior year period. Wholesale broadband connections grew by 36,000 compared to the corresponding prior year period, bringing the total wholesale broadband lines to 460,000 lines at the end of September 2017. The retail broadband base was 443,000 at the end of September 2017 and was broadly flat compared to the corresponding prior year period.

At the end of September 2017, 574,000 or 64% of our broadband customers were using our fibre based high-speed broadband services, representing growth of 23,000 customers during the quarter and 111,000 since September 2016. Fixed line net access line losses for the quarter ended 30 September 2017 were 6,000, down from 12,000 losses in the prior year quarter.

In the mobile segment, adjusting for the reduction in MTR's which occurred on 1 September 2016, mobile revenue of €91 million increased by 1% compared to the corresponding prior year period. Reported mobile revenue (before intra company eliminations) was €85 million for the quarter, a decrease of €3 million when compared to the same period of the prior year. Mobile EBITDA for the quarter of €15 million increased by €2 million or 20% compared to the corresponding prior year quarter. Mobile EBITDA margin was 18% for the quarter ended 30 September 2017, representing an increase of 3.5 percentage points when compared to the corresponding prior year period. The Group mobile customer base was 1,057,000 at the end the quarter, of which 49% of customers were on postpay contracts.

In summary, the first quarter results are in line with expectations and continue to show the progress of the group.

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For more information on today's announcement, please visit our Investor Relations site:
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