

eircom Announces Third Quarter Results To 31 March 2013

- **Trading performance continues in line with expectations**
 - **Group revenue down 10%**
 - **Operating costs savings of 4%**
 - **EBITDA down 11%**
 - **Market leading growth in mobile post-pay**
 - **Superfast fibre broadband launched**
- **Successful re-entry to capital markets with €350 million senior bond**
 - **Sale of non-core PhoneWatch subsidiary**
 - **Total customer base of 2,406,000**

(Issued Thursday, 30th May, 2013) eircom Group today announced results for the third quarter of the financial year through 31 March 2013.

Commenting on today's announcements, Herb Hribar, CEO eircom Group, said "The business continues to perform in line with our expectations as we make progress to stem our customer losses, and revenue decline. However, trading conditions remain challenging due to increased competition and the macro-economic environment.

"Work continues at pace as we execute on our investment strategy to build **a network for a nation** that supports superfast fibre and mobile broadband for consumers and businesses. Since the conclusion of the reporting period, we have successfully launched our fibre broadband network and eFibre, which offers customers broadband speeds of up to 70Mb per second. The network is already available to more than 325,000 homes and businesses throughout the country and we are on track to pass 600,000 by the end of December 2013.

"The launch of eFibre underlines the Group's ability to deliver quality products, competitively bundled together. We will also start trialling high speed 4G data services at scale in the coming months with an anticipated commercial offering this September."

Trading Update

Revenue for the third quarter through 31 March 2013, declined to €338 million, down €37m or 10% on the corresponding quarter in the previous year. Operating costs were €153m for the quarter down €7m from the prior year, a 4% improvement. This contributed to an overall reduction in costs of €24m in the year to date. Despite these savings, EBITDA decreased by

€15 million on the prior year to €122 million for the quarter, down 11% on the same period in 2011. The retail customer base, comprising fixed and mobile customers stood at 2,006,000 at 31 March 2013 and includes 1,066,000 mobile customers. The total customer base including wholesale customers is 2,406,000 at 31 March 2013.

In the fixed line segment, revenues fell 11% for the quarter to €267 million which was reflected in a corresponding 12% decline in fixed line EBITDA to €116 million compared to the previous year.

In the broadband market, eircom had 455,000 retail broadband customers, a 1% decrease on its retail broadband customer base since 31 December 2012. The PSTN customer base fell to 940,000, a reduction of 24,000 customers in the quarter.

In the mobile segment, the Group's customers fell by 2% in the quarter to 1,066,000 through the end of March 2013. However there were 15,000 net additions in the higher value post-pay segment during the quarter through March 2013, reflecting a year on year increase of 67,000 post-pay customers. Mobile revenues continued to decline by 6% for the quarter but mobile EBITDA grew by €5m, more than double compared to the corresponding period in the previous year.

Commenting on the results, CFO Richard Moat said, "We have taken a number of recent steps to improve the capital structure of the Group. We raised a €350 million senior bond and reduced the Group's net debt while diversifying our funding sources. This was an important endorsement by the market that supports our strategy across both fixed and mobile platforms. We also sold eircom PhoneWatch to Sector Alarm Corporation of Norway as it was no longer a core business activity."

"While revenues continue to decline, we are making progress to address the underlying fundamentals of the business. We continue to outperform the market in the post-pay mobile segment, acquiring half of the total customers that join this segment of the market. In addition, our costs continue to decline, providing improved competitiveness and a compelling network proposition that will offer greater value to our customers."

ENDS

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