

Strategic investment in eir

December 20, 2017

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- ✓ **A 31.6% minority investment of c.€320m in eir** alongside NJJ (Xavier Niel's private holding company) and existing shareholders (Anchorage Capital Group, L.L.C. and Davidson Kempner Capital Management LP)
- ✓ **Option to take control with a call option** exercisable in 2024 to acquire 80% of NJJ's stake (i.e. 26.3% of eir's capital) at a 12.5% discount to fair value, as determined by an independent expert
- ✓ Incumbent operator with high quality infrastructure and **strong operating cash flow generation**
- ✓ **Acquisition price:** c.6.5x EV / 18e EBITDA – strong value creation potential
- ✓ **Rationale:** Geographic diversification in a country with favorable market trend – ability to share expertise and know-how
- ✓ A transaction **in accordance with best governance practices** (specific committee composed of the independent Board members exclusively and issuance of a fairness opinion by an independent expert)
- ✓ Transaction subject to approval of the relevant authorities – **closing expected in H1 2018**

eir – An Integrated Incumbent Operator with a Challenger Position on Mobile



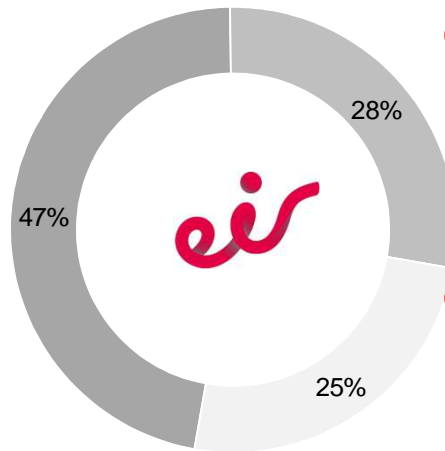
- Incumbent operator with nationwide high quality fixed network
- Largest fiber access network in Ireland with 1.7 million fixed retail and wholesale lines⁽³⁾
- Challenger in mobile with 18% market share and 1.1 million subscribers in the Irish mobile market ⁽³⁾
- Strong operating cash flow generation

€ Revenue of €1,299m⁽¹⁾

€ Adj. EBITDA of €520m⁽¹⁾⁽²⁾ (40% margin)

1 Consumer

- Leading provider of broadband and converged telecom solutions for residential customers



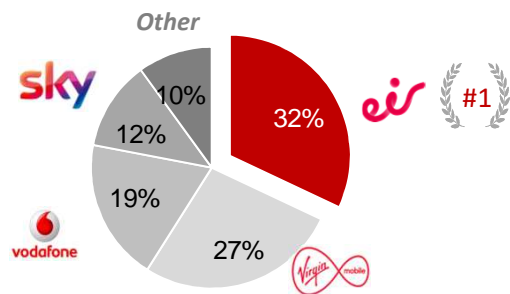
2 Business

- Leading provider of corporate connectivity solutions (incl. eir Northern Ireland and Tetra)

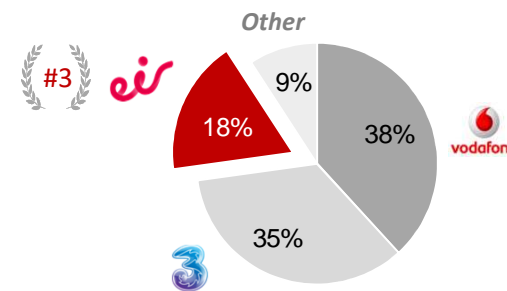
3 Open eir

- Strategic partner of choice for wholesale services
- Sole infrastructure provider in many parts of Ireland

Retail fixed broadband

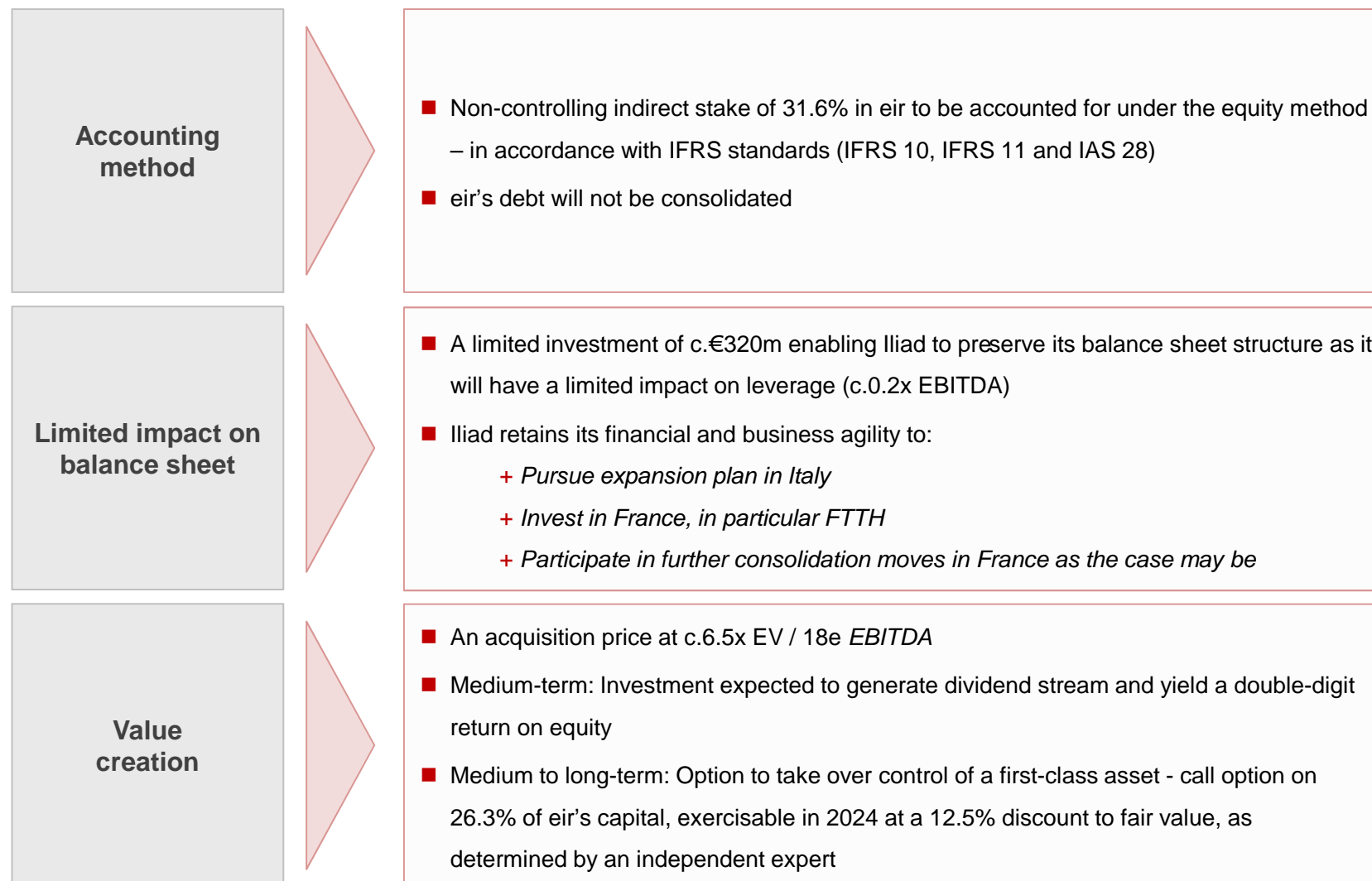


Retail mobile⁽⁴⁾



(1) Underlying revenue and EBITDA figures consolidating Tetra on a proportional basis and excluding (i) non-cash share incentive related provisions, (ii) storm costs and (iii) other one-off expenses / (2) Adjusted EBITDA is earnings before interest, taxation, amortisation, depreciation, non-cash pension charge, non-cash lease contracts, exceptional items and profit on disposal of property, plant and equipment / (3) As of June 2017 / (4) Includes mobile broadband and M2M

Financial Overview and Value Creation



Applying Best Governance Practices

- This transaction constitutes a related-party transaction and Iliad intends to apply the highest governance standards throughout the process
- Specific committee composed exclusively of Iliad's independent Board members and appointment of an independent financial expert

A related-party transaction

- Approved by the Board of Directors based on a fairness opinion of an independent expert and to be ratified by the shareholders at a simple majority of the votes cast
- Parties concerned by the transaction (Xavier Niel and Olivier Rosenfeld), did not vote at Board level and will not vote in their capacity as shareholders

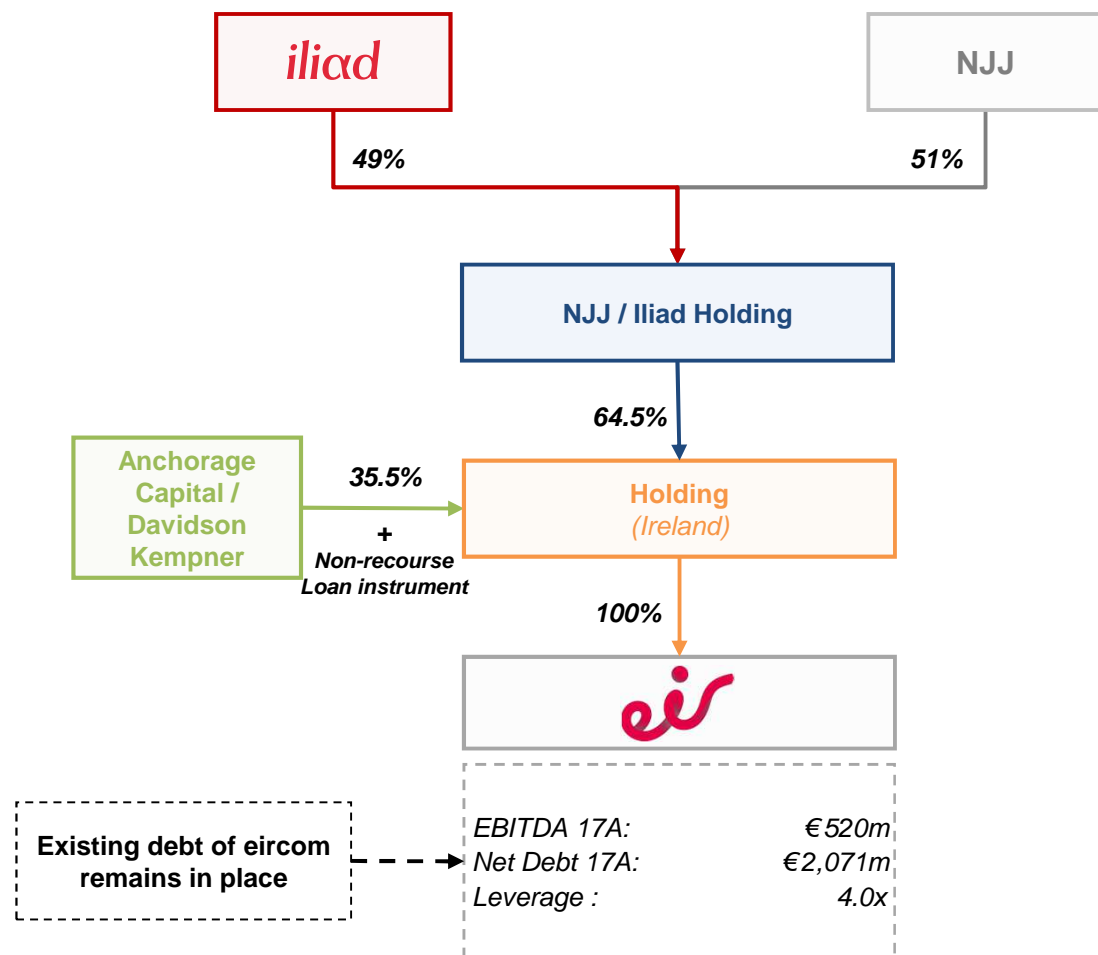


Best governance practices

- Review of the transaction by a specific committee composed exclusively of Iliad's independent Board members
- Appointment by the Board of an independent financial expert and a legal advisor:
 - Finance: Finexsi
 - Legal: BDGS



Structuring of the Transaction



- NJJ and Iliad invest pari passu in a 51/49 holding, which itself will own 64.5% of eir
- NJJ grants a call option exercisable by Iliad in 2024 to acquire 80% of NJJ's stake (i.e. 26.3% of eir's capital) at a 12,5% discount to fair market value
- Existing shareholders (Anchorage Capital and Davidson Kempner) retain a 35.5% stake in eir and grant a non-recourse loan instrument to purchaser until end of 2024

Conclusion



A first-class asset at an attractive price



Minority stake with an option to take control in the medium / long term



Geographic diversification in a country with positive market trends



Retained agility for Iliad