

Irish Stock Exchange Announcement

**For Immediate Release
15 June 2018**

Gas Networks Ireland

**Series 1 - EUR 500,000,000 1.375 per cent. Notes due 5 December 2026
(ISIN: XS1529684695)**

**Series 2 - EUR 125,000,000 2.250 per cent. Notes due 5 December 2036
(ISIN: XS1529684349)**

(the "Notes")

Ervia reports a strong 2017 across its three operating businesses, Irish Water, Gas Networks Ireland and Aurora Telecom (a division of Gas Networks Ireland)

**Profit before tax and exceptional items increases by €148 million to €351 million.
There was a reduction in operating costs of €56 million. Total revenues of €1.5 billion and a dividend of €148 million paid to the Exchequer**

Ervia publishes Annual Report for 2017

June 15th 2018: Ervia, the commercial semi-state company responsible for Ireland's national gas, water and dark fibre infrastructure, today published its Annual Report for 2017. The company made significant capital investments of €673 million in nationally critical gas and water infrastructure projects to support the Irish economy during the year, while showing a profit before tax of €351 million.

2017 reflected a solid performance financially and operationally across its three businesses, Irish Water, Gas Networks Ireland and Aurora Telecom (a division of Gas Networks Ireland). The company recorded revenues of €1.5 billion, an increase of €82 million on 2016 and a year on year reduction in operating costs of €56 million.

Ervia paid a dividend to the Exchequer of €148m in 2017, bringing total dividends paid to €1.5 billion since the establishment of Bord Gáis Éireann (now Ervia). Any surplus arising in Irish Water is re-invested directly in delivering critical water and wastewater infrastructure. Net debt remained relatively stable at €1.9 billion.

Ervia now employs over 1,700 people, serving 1.7m customers 24/7, 365 days a year.

Ervia continued to expand the national gas network and work to address the historic underinvestment in Ireland's water infrastructure by making capital investments in nationally critical projects, spending €673m and bringing total assets to €5.1 billion in 2017. These include:

- **Gas Networks Ireland** invested €147 million in gas infrastructure including the

completion of 29km of the 50km twinning pipeline to Scotland, which will reinforce security of supply to Ireland.

- **Irish Water** invested €526 million in improving drinking water quality and the safe disposal of wastewater. Some 33 public water supplies were removed from the Remedial Action List of the Environmental Protection Agency during 2017, and Irish Water also launched a leak reduction programme. Major investment projects for 2017 included Vartry Water Supply Scheme, Cork Lower Harbour and a New Water Supply project for the Eastern and Midlands Region amongst others.

- **Aurora Telecom**, Ervia's dark fibre broadband business, finalised construction plans for a return path of its Dublin to Cork network, reinforcing its position as a major telecoms infrastructure provider in the Irish market.

Commenting on the publication of the Ervia annual report, CEO Mike Quinn said: "The progress we made in 2017 highlights the business' unique opportunity to support economic and social development in Ireland. There are challenges ahead, both in terms of transforming our water and wastewater network and on projects to decarbonise the gas network. However we have ambitious targets for 2018 and we will continue to drive and inspire our operational and strategic goals. I believe that by continuing to work together we will deliver on our promises to our customers and communities around Ireland while growing our business and building trust and confidence in who we are, what we do and why we do it."

Ervia's Annual Report 2017 is available at:

[http://www.ervia.ie/ervia-annual-report/19842_Ervia_AR_2017_\(Full\)_V18.pdf](http://www.ervia.ie/ervia-annual-report/19842_Ervia_AR_2017_(Full)_V18.pdf)

Gas Networks Ireland's Financial Statements for 2017 are available at: <https://bit.ly/2JKvlgp>

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