

**Press Release**

Dublin, Friday 9th March 2018

**ESB GROUP ANNOUNCES ANNUAL RESULTS FOR 2017**

**DELIVERED RELIABLE ELECTRICITY NETWORKS, LONG TERM SAVINGS FOR RESIDENTIAL CUSTOMERS TOTAL CAPITAL INVESTMENT OF €867 MILLION AND DIVIDEND OF €1.4 BILLION TO IRISH EXCHEQUER OVER LAST 10 YEARS.**

**Financial Highlights**

* Capital Investment - €867 million
* Operating Profit before exceptional charges- €490 million
* Dividends - €60 million declared for 2017, €1.4 billion paid to the Irish Exchequer in the last ten years
* Loss after exceptional charges, Interest and tax - €32 million

ESB Group today published its Annual Report and Financial Statements for 2017, reporting an operating profit before exceptional charges of €490 million. ESB continues to deliver reliable and safe electricity networks to 3.1 million customers, provide significant long term savings to over one million Electric Ireland residential electricity and gas customers and invest in critical long term electricity infrastructure including low carbon and renewable generation.

2017 - the 90th anniversary of the establishment of ESB – saw the delivery of a satisfactory financial performance in challenging market conditions with operating profit before exceptional charges of €490 million and capital investment of €867 million in long term electricity and other infrastructure. There was a €32 million loss after interest and taxation, mainly due to exceptional non-cash impairment charges of €276 million on ESB’s generation assets which represents approximately 2% of ESB’s total assets. ESB took this prudent decision, based on the estimated impact on projected revenues of the introduction of the new Integrated Single Electricity Market (I-SEM) in May 2018 and lower wholesale electricity margins.

ESB’s strategy through to 2030 commits to leading the transition to reliable, affordable low-carbon energy for the benefit of our customers and the economy. This is demonstrated by our capital investment in strengthening electricity networks, investing in sustainable low-carbon generation like wind and solar and empowering our customers to control how and when they use electricity through smart energy services for Homes and Businesses.

Commenting on the results Pat Fenlon, ESB’s Executive Director, Group Finance and Commercial said, “In 2017, ESB delivered a satisfactory performance in challenging market conditions with operating profit before exceptional charges of €490 million and €867 million of energy infrastructure and other investments.”

Pat O’ Doherty, ESB’s Chief Executive said, *“In 2017, ESB continued to focus on delivering long term value and investing in critical long term electricity infrastructure for the benefit of our customers, shareholders and the wider Irish economy. ESB’s solid underlying financial position ensures it well placed to lead the transition to reliable, affordable low carbon energy for Ireland”.*

**Shareholders**

A dividend of €60 million was declared in 2017. Total dividends paid to the Irish Exchequer over the past ten years amount to €1.4 billion.

**Customers**

In 2017 Electric Ireland underpinned its commitment to rewarding customer loyalty by automatically applying enduring long term savings of up to 8.5% to almost one million of its residential electricity and gas customers. In addition Electric Ireland also postponed the introduction of unavoidable electricity price increases until after the peak winter bill period. These initiatives have ensured Electric Ireland customers benefit from the best long term energy savings available in the market.

Electric Ireland continues to develop innovative products for customers including the introduction of a residential solar power offer and the launch of the Smarter home offering in early 2018. It continues to retain high customer satisfaction ratings.

ESB’s networks businesses (ESB Networks and NIE Networks) continued to focus on customer service and delivering reliable and safe electricity over increasingly smarter networks to 3.1 million homes, farms and businesses in Ireland. In October 2017, Storm Ophelia caused significant damage to the electricity network resulting in 442,000 electricity customers losing electricity supply. This commitment to customer service and delivering reliable and safe electricity networks was demonstrated with ESB’s networks businesses deploying over 3,500 staff and contractors to reconnect and safely restore electricity to all customers homes and businesses who lost supply. The safety and reliability of the electricity network is a key factor in attracting business investment in Ireland.

**Irish Economy**

ESB invested €867 million in energy infrastructure and other investments during 2017.

ESB contributes almost €2 billion annually to the Irish economy through dividends, investments, taxes and jobs. ESB provides significant employment both directly, with over 7,790 employees, and indirectly through contractors and service providers.

The ESB Group 2017 Annual Report and Financial Statements can be found here – [esb.ie/ir](https://www.esb.ie/who-we-are/investor-relations/results-centre).

**Ends**

**For Further Information please contact:**

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**About ESB**

ESB operates across the electricity market: from generation, through transmission and distribution to the supply of customers with an expanding presence in the Great Britain generation market. In addition we extract further value through supplying gas, energy services and using our networks to carry fibre for telecommunications. ESB is the owner of the distribution and transmission networks in the Republic of Ireland (via ESB Networks) and Northern Ireland (via Northern Ireland Electricity Networks Ltd). In 2017 it had a 42% share of generation in the all-island market (via Generation and Wholesale Markets) and a 34% share of electricity supply in the all-island market (via Electric Ireland) with 1.4 million customer accounts.

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