

ESB Annual General Meeting – Monday 22 May 2017

Statement by ESB ESOP Trustee Limited on behalf of the 10,650 participants in the ESB Employee Share Ownership Plan (ESOP)

Chairman, thank you for inviting me to address the meeting on behalf of the ESOP, representing the 10,650 participants who are both current and former staff.

At the outset, I would like to welcome Paul Lynam and Alf Smiddy to the Board (both appointed in October 2016) and, at Executive level, to congratulate Pat Fenlon on his formal appointment as Executive Director, Group Finance and Commercial in July 2016.

Turning to the performance of the ESB Group, the Trustee wishes to congratulate the Board, Chief Executive, management and staff on a strong operational performance in 2016.

We understand that the ESB Group continues to operate - both at home and abroad - in a very challenging environment. Addressing those challenges – not least climate change and the transition to a low-carbon economy; the structural changes required for advances in smart metering and similar new technologies; and the implications of Brexit - will continue to require sound strategic analysis, major investment backed by a strong balance sheet and the pursuit of new business opportunities.

Turning briefly to the ESOP's own business, the balance of the original 5% ESOP shareholding was appropriated - or passed out - to participants in December 2016. I am also pleased to report that an internal market in ESOP shares – the second held under the amended rules agreed by all parties in 2015 - was successfully held in September 2016. The success of those markets is a direct result of assistance received from ESB, the Group of Unions and the two Departments (Public Expenditure and Reform and Communications, Climate Action and Environment). We are currently preparing for this year's market.

Finally, I would remind the meeting that as the ESOP Trustee votes certain stock at its own discretion and also represents at the meeting those participants who have the right to decide how to vote their ESB stock, I will be voting in accordance with those directions as well as at the direction of the Trustee Board. This, as has happened before, will result in a mix of abstentions and votes both for and against the motion and resolutions put to the meeting.

Thank you.

David Beattie
ESOP Chairman
22 May 2017