

ESB Annual General Meeting – Monday 29 April 2019

Statement by ESB ESOP Trustee Limited on behalf of the 12,000 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 in excess of 12,000 participants who are both current and former staff.

At the outset, I would like to congratulate Stephen Carrig on his appointment to the Board in January 2019 and to thank Peter O’Sullivan, following his retirement from the Board, for his contribution to the ESB Board over the last four years and to the ESOP Board over many years.

Although it is customary to thank people following their retirement, I would like to take the opportunity, in his presence, to thank John Redmond for his unfailing courtesy and professionalism.

I would like to congratulate Pat O’Doherty on his re-appointment as Chief Executive and Geraldine Heavey and Nicholas Tarrant on their respective appointments to the Executive Team in June 2018. Also Paul Stapleton on his appointment as Managing Director of NIE Networks. Indeed, the ESOP wishes all Directors and Executive Team well in their roles in the newly established organisation structure

I would also like to take this opportunity to recognise the outstanding work undertaken by ESB staff during the year – including in particular the Networks crews and supporting staff across the organisation who responded to six major storm events over the recent period. Whilst extreme weather conditions are becoming increasingly common, ESB staff continue to demonstrate the high levels of commitment and professionalism the public have come to expect. An impressive achievement.

Turning to the performance of the ESB Group in 2018, we note that operating profit is down and that a further impairment charge has resulted in profit after tax of €60 million.

We recognise that the financial results reflect the on-going challenging environment the ESB Group operates in. Generation and Trading has been particularly impacted and will continue to face the challenges of transitioning to the low-carbon economy and of operating in the Integrated Single Electricity Market.

The pillars of sound strategic analysis together with major investment supported by a strong balance sheet and the development of new business opportunities have never been more important. We welcome the clarity of approach provided through to 2030 in the Brighter Future Strategy.

We thank you, the Board, Chief Executive, management and staff for their continued commitment to delivering long term value and maintaining ESB's strong financial position in these challenging times.

Turning briefly to the ESOP's own business, I am pleased to report that 1,500 newly eligible employees signed-up to become ESOP participants in December 2018. In addition, the sixth internal market in ESB stock was successfully held in September 2018 - we are currently preparing for this year's market.

The existing market arrangements provided for a review to be undertaken in 2018 to assess market performance. Over the course of the last twelve months, the ESOP has engaged with the Company, the Group of Unions and other stakeholders on this and associated matters. Whilst not finalised, significant progress has been made and we would like to recognise and thank those involved for their continuing efforts on this.

Finally, I would remind the meeting that as the ESOP Trustee votes certain of the 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 ESOP Trustee Board. This, as has happened before, will result in a mix of abstentions and votes both for and against the motions and resolutions put to the meeting.

Thank you.

David Beattie
ESOP Chairman
29 April 2019