

#### **PRESS RELEASE**

#### du Proposes Return of AED 1.05 billion to shareholders at 23 Fils per Share

Proposed special dividend of AED 10 fils per share on top of 13 fils per share interim dividend

Q2 2015 Net Profit Before Royalty Rises 3.1% to AED 978.5 Million

EBITDA increases 3.5% to AED 1.34 billion, while fixed revenue rises 20.2%

**Dubai, 5 August 2015** – Emirates Integrated Telecommunications Company PJSC ("du") today announced its financial results for the second quarter of 2015 which showed a 3.1% rise in net profit before royalty to AED 978.5 million.

The Company said it plans to distribute to its shareholders an interim dividend of 13 fils per share, up from 12 fils per share in Q2 2014, and a special dividend payment of 10 fils per share, both of which will be proposed at the General Meeting in September 2015.

Highlights of the quarter included a 20.2% increase in fixed line revenue, and a 4.9% rise in data revenue. Earnings before interest, tax, depreciation and amortization (EBITDA) climbed 3.5% to AED 1.34 billion.

Second quarter net income after royalty declined 8.3% to AED 502 million compared to Q2 2014, a result of increasing royalty payments, which rose 18.8% year-on-year to AED 476.4 million.

#### **Key Financial Highlights:**

- Revenues amounted to AED 3.09 billion, a 2.2% increase on Q2 2014 (AED 3.02 billion)
- EBITDA rose 3.5% to AED 1.34 billion compared to Q2 2014 (AED 1.29 billion)
- Net profit before royalty was AED 978.5 million, a 3.1% rise on Q2 2014 (AED 948.9 million)
- Net profit after royalty amounted to AED 502 million, a 8.3% decline on Q2 2014 (AED 547.7 million)
- Total mobile customer base stood at 7.36 million at the end of Q2 2015, up 2.7% from Q2 2014 (7.16 million)

### **Q2 Revenue Breakdown:**

- Mobile revenue totalled AED 2.23 billion, a 1.4% drop on Q2 2014 (AED 2.26 billion)
- Mobile data revenues increased by 4.9% to AED 719.3 million from Q2 2014 (AED 685.9 million)
- Fixed revenue climbed 20.2% to AED 649.8 million compared to Q2 2014 (AED 540.7 million)
- Mobile data now represents 31.1% of mobile service revenues compared to Q2 2014 (29.4%)



#### Commenting on the results, Ahmed bin Byat, du's Chairman, said:

"We are delighted to propose a return of AED 1.05 billion to our shareholders by way of a special and interim dividend, to reward them for their ongoing commitment and support."

"Looking ahead, we remain deeply committed to the UAE's smart government initiatives, and our partnership with the TRA's FEDNet programme is testament to our ongoing support for the government in its push to strengthen the UAE's position as a global leader."

"The recently launched bit streaming agreement with Etisalat also reflects our commitment towards supporting the UAE's efforts to deliver the best choice and customer experience to its residents and visitors, and will help to strengthen the telecommunications sector through healthy competition."

#### Osman Sultan, du's Chief Executive Officer, said:

"Our focus on 'quality growth' remained steadfast during the quarter, as evidenced by a 14.2% rise in postpaid subscribers and a 3.5% increase in EBITDA."

"As the world we operate in becomes ever more connected, the demand for data continues to grow. This trend is reflected in mobile data revenue reaching AED 719.3 million in the second quarter, representing 31.1% of overall mobile service revenues, up from 29.4% in the same period a year ago."

"It is worth noting that we have been rigorously applying the 'My Number, My Identity' campaign requirements over the year. While we continue to witness some impact to our subscriber base, we expect this to weaken over the next quarter, and we continue to support this very worthwhile initiative."

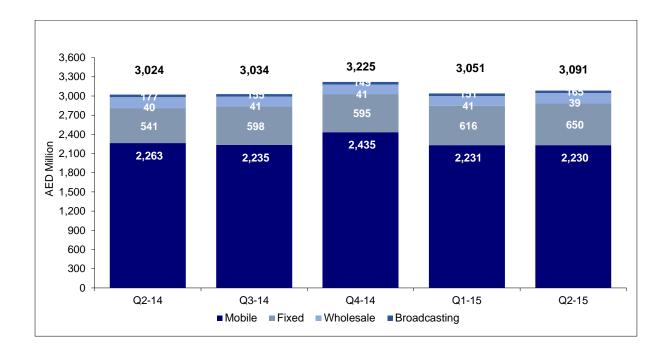


## **Q2 2015 Results Analysis:**

## **Total Revenue**

Overall revenue rose an annual 2.2% to AED 3.09 billion in the second quarter of 2015 with strong contributions from the mobile data and fixed line segments of the business.

Mobile revenue fell 1.4% year-on-year to AED 2.23 billion compared to Q2 2014 (AED2.26 billion), while fixed revenue amounted to AED 649.8 million, a 20.2% increase on Q2 2014 (AED 540.7 million).

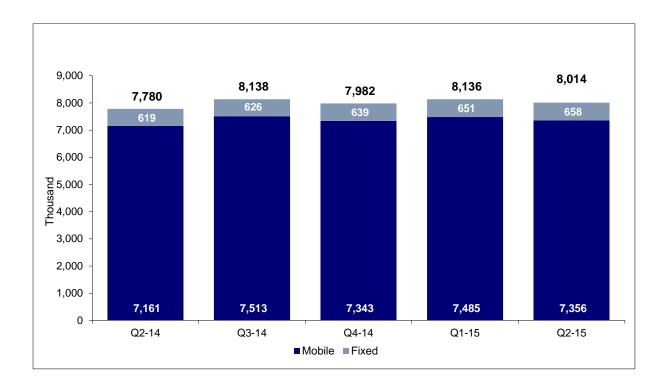




#### **Mobile and Fixed Customer:**

By the end of the first quarter, the total number of active mobile subscribers stood at 7.36 million, a 2.7% rise compared with same period in 2014. Within this, mobile postpaid customers grew 14.2% in Q2 2015 to 853,100 compared with Q2 2014 (746,700 customers).

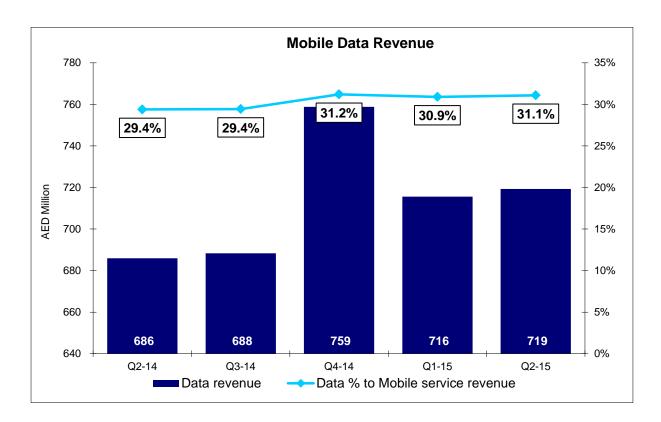
ARPU declined to AED 92.6 in the second quarter of 2015 in comparison to AED 96.8 in Q2 2014.





## **Mobile Data:**

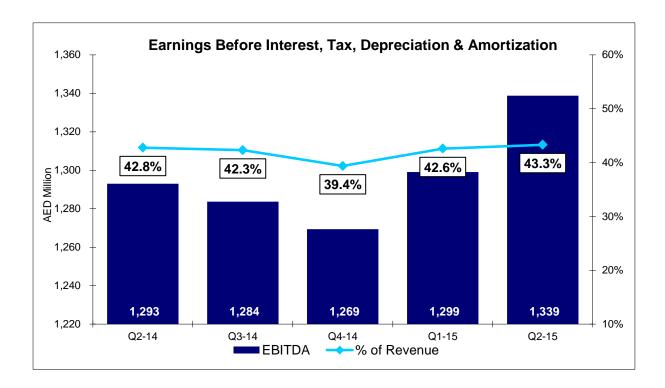
Mobile data revenue increased 4.9% to AED 719.3 million in the second quarter compared with Q2 2014 (AED 685.9 million).





#### **EBITDA:**

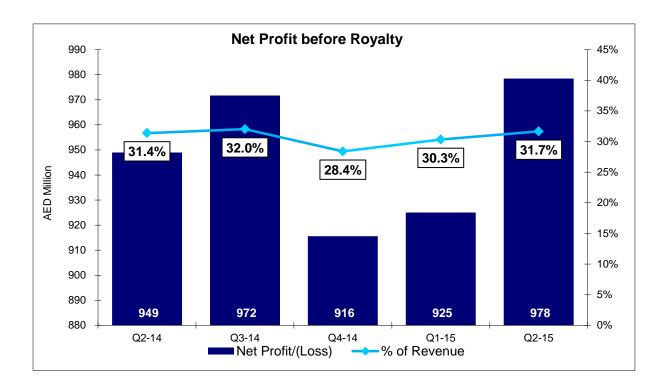
Earnings before interest, tax, depreciation and amortization (EBITDA) increased to AED 1.34 billion in the second quarter compared with Q2 2014 (AED 1.29 billion) and now stands at 43.3% of total revenue (compared to 42.8% in Q2 2014).





### **Net Profit before Royalty:**

Net profit before royalty rose 3.1% to AED 978.5 million compared with Q2 2014 (AED 948.9 million).



#### **ENDS**

#### About du

We opened for business in 2006. We offer mobile and fixed telephony, broadband connectivity and IPTV services to individuals, homes and businesses. We also provide carrier services for businesses and satellite up/downlink services for TV broadcasters. As a rapidly-growing enterprise, we have a team of experts working to enhance and expand our bouquet of service offerings. Our people come from over 60 countries - we mirror the rich cultural diversity of our nation, while being able to serve our customers in a variety of languages.

Over 50% of our senior management team and customer-facing employees are UAE nationals, and we remain committed to providing fulfilling opportunities for quality talent in a cosmopolitan working environment.

du is 39.5 percent owned by Emirates Investment Authority, 20.081 percent by Mubadala Development Company PJSC, 19.5 percent by Emirates Communications and Technology LLC and the remaining stake by public shareholders. du is listed on the Dubai Financial Market (DFM) and trades under the name 'du'.



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