



## **Du Delivers Another Year of Solid Performance in 2014 Full Year Results**

*Emirates Integrated Telecommunications Company PJSC ("du") publishes Full Year Results for 2014*

- Revenues for 2014 of AED 12.2 billion a 13.3% increase on 2013
- Annual dividend payment of AED 0.32 for full year 2014 confirmed

**Dubai, 19 February 2015** – Emirates Integrated Telecommunications Company PJSC ("du") today announced its financial results for the full year and the fourth quarter of 2014 highlighting further growth across all key indicators.

Due to a continued drive to address efficiency and innovative products and services in line with consumer demand, the company has maintained its double-digit growth trajectory that in turn, has ensured an increased dividend payout to shareholders.

By continuing to invest in the business, du strives to deliver consistently excellent service for customers, generate long term value for all shareholders and contribute to the growth of the UAE's economy.

### **Highlights for the full year 2014:**

- Revenues grew to AED 12.2 billion, a 13.3% increase compared to 2013 (AED 10.80 billion)
- Mobile data revenues increased by 18% year on year, from AED 2.36 billion in 2013 to AED 2.79 billion, with Data now representing 29.7% of mobile service revenues
- Fixed line revenue grew to AED 2.25 billion, up 31.3% over the course of 2013
- EBITDA increased 16.8% to AED 5.03 billion versus AED 4.31 billion in 2013
- Net profit before royalty grew 22.8% year-on-year to AED 3.70 billion versus 2013 (AED 3.01 billion)
- Net profit after royalty stood at AED 2.11 billion up from AED 1.99 billion in 2013 despite an increase in royalty of 55% year-on-year
- Free cash flow reached AED 2.19 billion down from AED 2.33 billion in 2013
- Proposed final dividend payment of AED 0.20 bringing the total annual dividend payment to AED 0.32

### **Highlights for the fourth quarter:**

- Revenues in Q4 2014 reached AED 3.23 billion, a 12.4% increase on Q4 2013 (AED 2.87 billion)
- EBITDA grew to AED 1.27 billion up 17.8% compared to Q4 2013 (AED 1.08 billion)
- Net profit before royalty was AED 915.6 million in Q4 2014 a 27.8% increase compared to Q4 2013 (AED 716.7 million)
- In Q4 2014, Net profit after royalty decreased to AED 512.7 million from Q4 2013 (AED 570.3 million)
- Total mobile customer base grew to 7.34 million by the end of Q4 2014 from 7.24 million in Q4 2013

### **Operational highlights:**

- We were named the official Smart City partner for the Dubai Government for its flagship 'WiFi UAE' initiative and we will be deploying free wifi in popular locations across the Emirate and providing customers with a seamless experience when it comes to accessing and using data
- Securing a major contract with the UAE Federal Government to build and design the environment required for the Government's FEDnet initiative, which will provide high speed connectivity and consolidation between the various existing e-Government systems
- Leveraging our stake in the Khazna data center to provide both internal and external efficiencies
- Migrating more of our own infrastructure into the data centre in order to save significant operational costs, and increasing our data centre capability for our Enterprise customers



- Introducing Business Roaming Packs to offer corporates greater flexibility, value and continued connectivity with their employees when travelling overseas, and a set of social media and email bundles tailored to the roaming requirements of business customers
- Launching daily and monthly social media bundles for pre-paid and post-paid customer segments, allowing people to stay connected more easily via their favourite social media apps
- Offering greater flexibility to customers through a new multiscreen feature to enable them to watch their favourite programmes on their mobile devices
- Extending our 3G and 4G network, enhancing our capability and coverage and rolling out our fibre optic network

**Ahmad Bin Byat, Chairman of du, said:** "I am honored to report another year of solid growth for our company. In line with our strategic objectives, 2014 saw us continue to deliver excellent results and consistent shareholder value, with a commitment towards developing our talent and Emiratisation strategy.

"We are focused on increasing value for our customers, and delivering more value to our shareholders. As such, we have cited 2015 as the year of innovation, in line with His Highness Sheikh Mohammed bin Rashid Al Maktoum's new innovation strategy. By embedding a culture of creativity and entrepreneurialism throughout our business we are focused on implementing cutting-edge solutions designed to enhance our customers experience.

"We will also remain committed to working with our esteemed partners to deliver on the Smart Government strategy and will continue to deliver against the Smart City initiatives as we help to make Dubai the 'smartest place on Earth'. We are very proud to have been named as an official Smart City partner for the Government and our flagship initiative, 'Wifi UAE', will allow us to play an important part in moulding Dubai's future as a Smart City."

**Osman Sultan, du's Chief Executive Officer, commented:** "2014 was a very good year for us as we continued to deliver robust growth across all financial indicators. A solid and structured strategy implemented throughout the year, focused on the delivery and value of growth, allowed us to deliver improved financial and operational efficiency and growth in a profitable way to our shareholders.

"By focusing on efficiency and fostering innovative techniques, policies, services and mechanisms, we have delivered strong growth in both revenues and net profit, achieving one of the highest growth rates for telecommunications companies, not just in the UAE, but also across the region. We achieved revenue of AED 12.2 billion, 13.3% higher than 2013, maintaining the significant momentum we have demonstrated since we began our services in 2007.

"Our strong performance was reflected in our net profit before royalty indicator, which increased 22.8% year-on-year to AED 3.70 billion versus 2013. EBITDA for the year reached AED 5.03 billion, an annual increase of 16.8%. Data continued to drive the momentum in our business as customers' demand for connectivity remained strong. As a result, demand translated into growth in mobile data revenue of 18% year on year, from AED 2.36 billion in 2013 to AED 2.79 billion, with Data now representing 29.7% of mobile service revenues.

**ENDS**



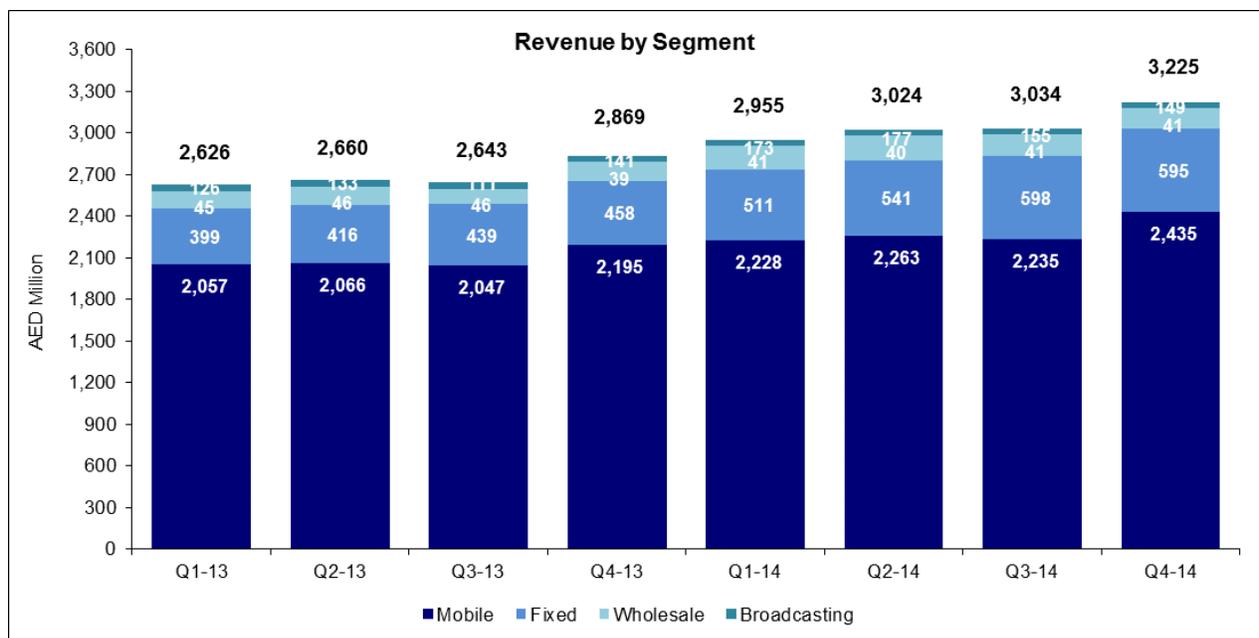
## Results Analysis

### Total Revenue

Revenues for the fourth quarter were AED 3.23 billion, a 12.4% increase on Q4 2013 (AED 2.87 billion). The increase in revenue growth overall was driven by consistent data revenues and a number of additional data services implemented. The continued focus on the post-paid segment also contributed to the significant revenue growth.

Mobile data revenue increased by 18% to AED 2.36 billion compared to 2013 and fixed line revenue grew to AED 2.25 billion, up 29.9% over the course of 2014.

The company remains focused on innovation and improving service experience to retain high value customers across all segments.



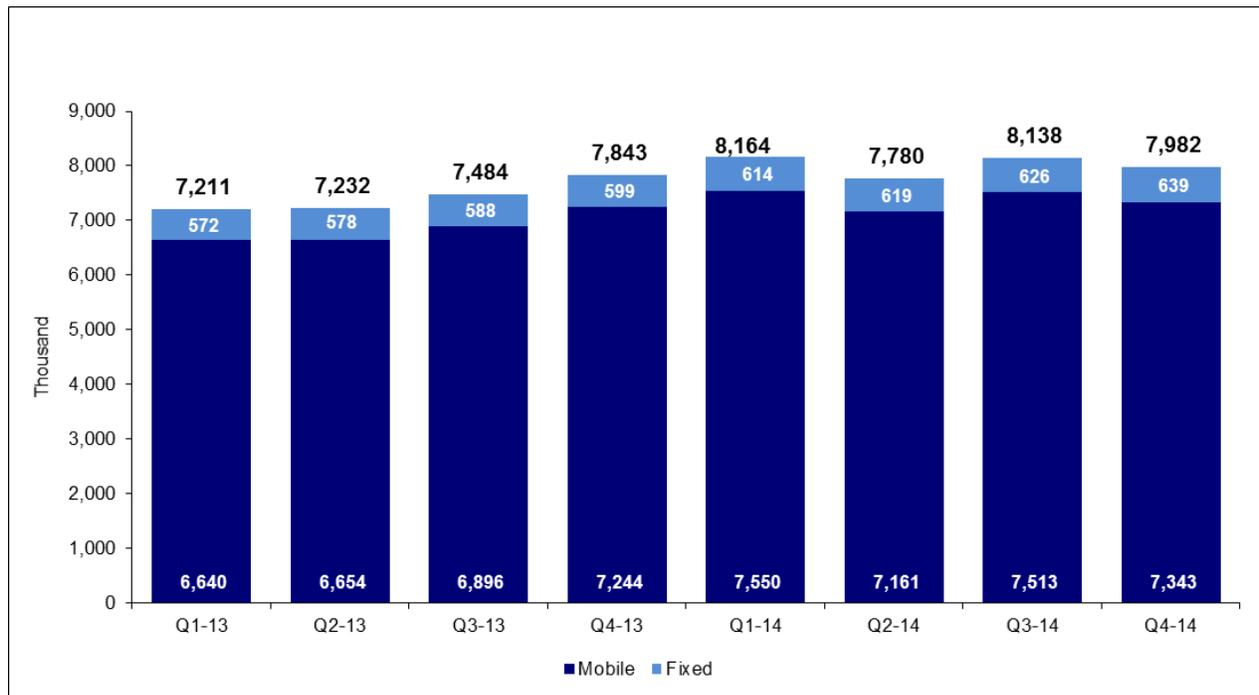
### Mobile and Fixed Customer

The company is proud to serve approximately 7.3 million active mobile subscribers. The steady increase of the total mobile subscriber base year-on-year is an acknowledgement of du's attention to product innovation and customer service.

In Q4 2014, there was a slight increase in mobile revenue to AED 2.43 billion from AED 2.19 billion in Q4 2013 driven by natural seasonal churn. Du's commitment to wider marketing initiatives rolled out in Q4 2014 should result in an up-tick in revenues for the coming quarter.

ARPU lifted slightly in Q4 2014, by 5.6% to AED 109.3 per user from AED 103.5 per user in Q4 2013. This bucks the industry trend of an overall decline in ARPU.

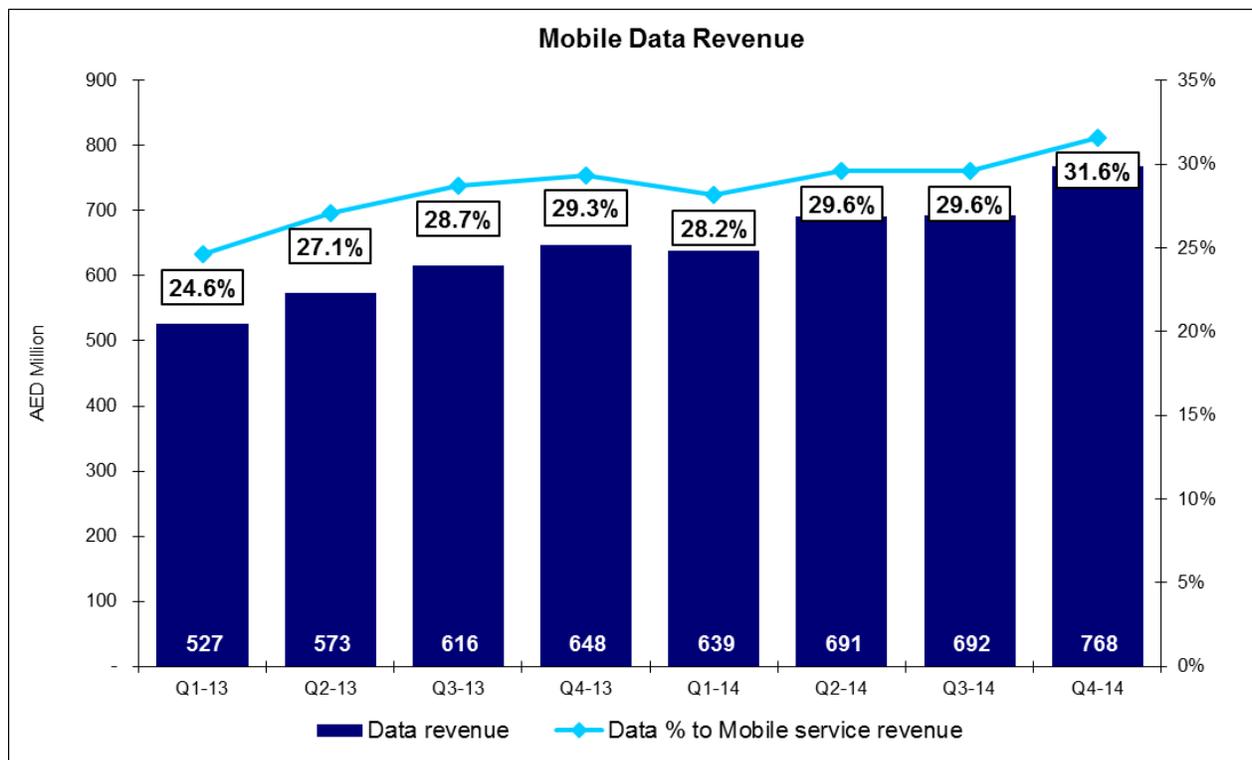
du is likely to continue to experience pricing pressures from competitors and the popularity of VOIP services, a trend the entire industry is facing in future quarters.



### Mobile Data

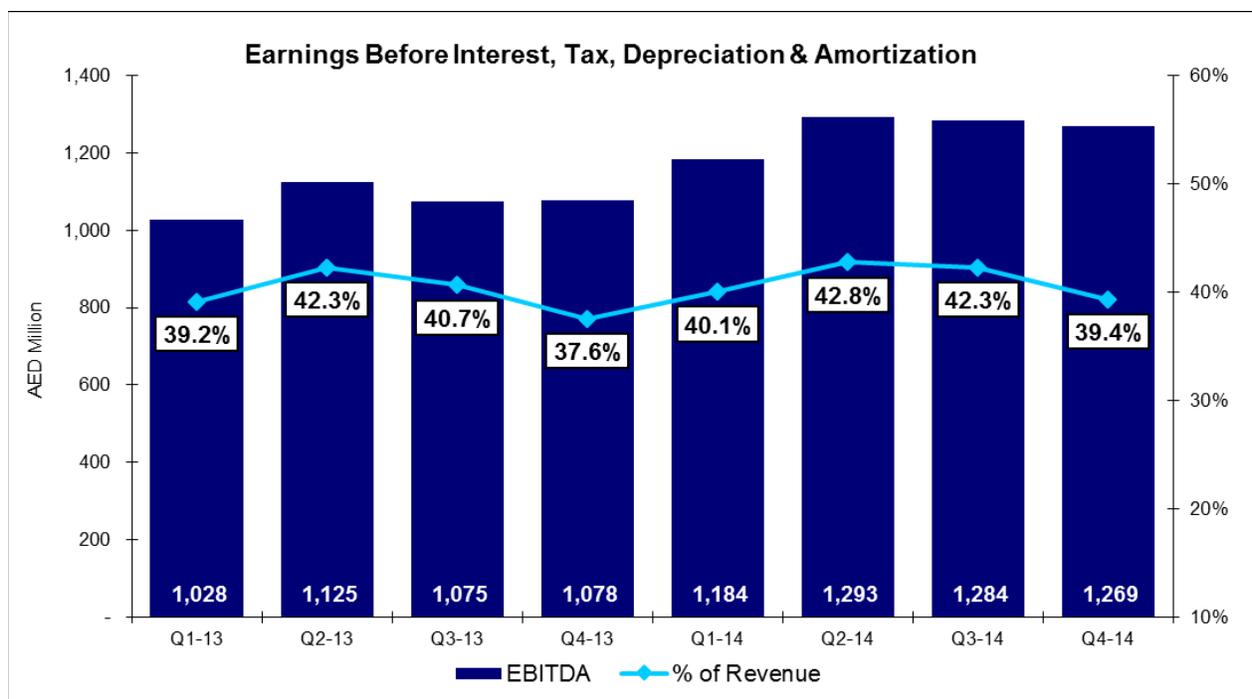
Mobile data revenue increased 18.5% to AED 768 million in Q4 2014 from AED 648 million in Q4 2013.

A key challenge facing the industry is the difficulty in monetizing data services. Du is working towards solutions to this issue and as such, there are likely to be further developments in services for customers focused on driving revenue in this area.



## EBITDA

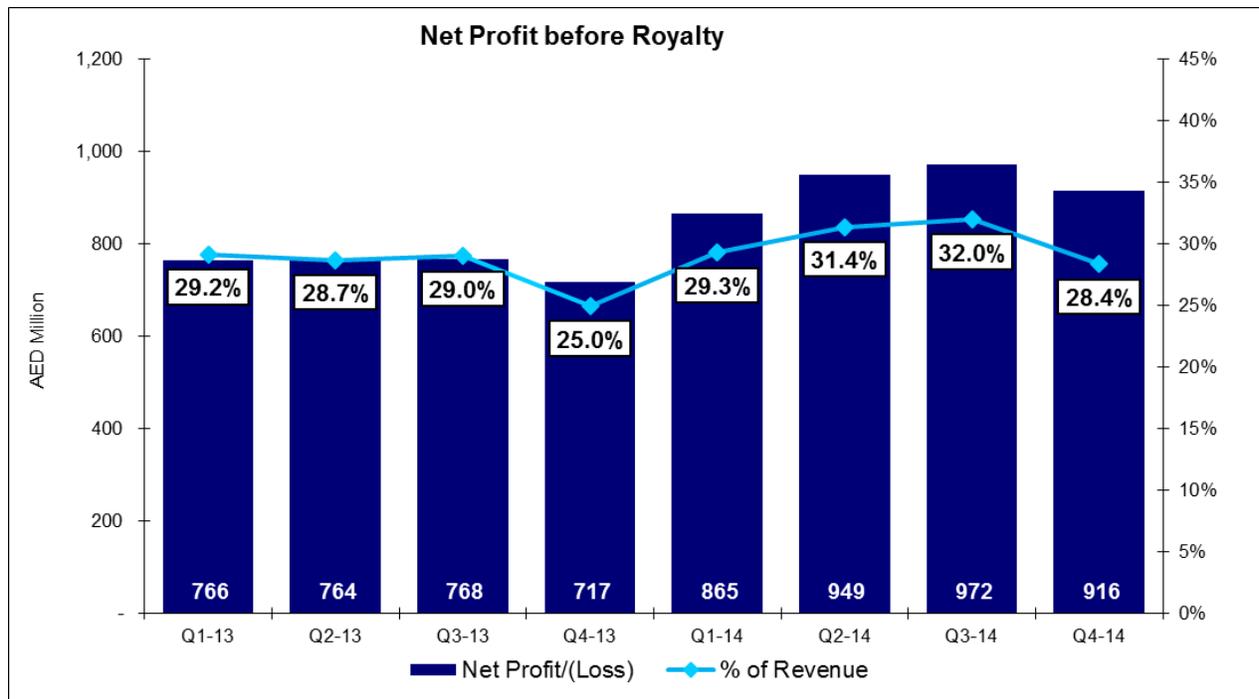
EBITDA in Q4 2014 increased by 17.8% compared to Q4 2013 from AED 1.08 billion in Q4 2013 to AED 1.27 billion in Q4 2014. However, year on year EBITDA saw a 16.8% increase reaching AED 5.03 billion for 2014.





## Net Profit Before Royalty

Du demonstrated continued growth in net profit before royalty of 27.8% year on year reaching AED 916 million in Q4 2014 compared to AED 717 million in Q4 2013.



-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.

We remain committed to providing fulfilling opportunities for quality talent in a cosmopolitan working environment. By the end of Q4 2014, more than 7 million individual customers and over 80,000 businesses have chosen to use our services. In 2013 we were awarded the Dubai Chamber CSR Label for the second year in recognition of our continuing commitment to CSR best practice and the Small Energy Award – Golden Category at Emirates Energy Award for our LEED platinum-certified Fujairah retail shop. We were also awarded with the Premier Plan Best Business Service commsMEA awards in 2013 and the award Best Cloud Provider for Datamena at Telecom Review Industry Awards.



du is 39.5 percent owned by Emirates Investment Authority, 20.08 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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