

Emirates Integrated Telecommunications Company PJSC (“du”) publishes its financial results for Q3 2017

- Q3 2017 Net profit after royalty increases 4% year on year to AED 476 million
- Q3 2017 postpaid mobile subscribers up by 14%

Dubai, UAE, 31 October, 2017: Emirates Integrated Telecommunications Company PJSC (“du”) today published its financial results for the quarter ended 30 September 2017 (“the period”), showing a 4% growth in net profit after royalty to AED 476 million. Revenue was stable at AED 3.13 billion, compared to AED 3.14 billion in Q3 2016.

Third Quarter Analysis

(AED million)	Third Quarter Analysis		
	Q3 2016	Q3 2017	% change
Revenue	3,137	3,131	(0.2)%
<i>Fixed revenue</i>	545	586	7.5%
<i>Mobile revenue</i>	2,381	2,304	(3.3)%
<i>Other</i>	210	242	14.9%
Net Profit after Royalty	457	476	4.0%
Mobile subscribers ¹	9.058	9.118	0.7%
Fixed line subscribers	688	724	5.3%

Commenting on the results, Osman Sultan, EITC’s Chief Executive Officer, said:

“The third quarter of the year marked a milestone for EITC with the official launch of the Virgin Mobile brand. Featuring an innovative, all-digital platform, Virgin Mobile is ushering a new era of connectivity and simplicity for our customers, while also reinventing the traditional telecom business to a more efficient and lower cost base operating model.

“Looking at our financial performance, I am pleased to report a steady Revenue of AED 3.13 billion, despite more pressure in the pre-paid market, and a 4% growth in Net Profit after Royalty to AED 476 million for the quarter ended 30 September 2017.

“We continue to see pressure on mobile rates, with mobile revenue decreasing 3.3% to AED 2.30 billion. We remain on track with our strategy of attracting higher quality customers and are pleased to report that the post-paid segment increased 14% in Q3 2017 compared to the same period last year.

¹ Mobile subscriber numbers disclosed for the period are in line with the definition set by the UAE Telecommunications Regulatory Authority.

“EBITDA was AED 1.33 billion in Q3 2017, compared to AED 1.38 billion for the same period last year, showing a decline year on year as the company invests in adjacent business areas to transition to its next phase of growth.

“As we look towards a smart future, we are investing in pushing forward our digital transformation agenda and driving EITC to its next phase of growth as a fully integrated ICT player. Our increased reliance on the IoT has fundamentally changed the way people interact and we therefore must change the way we do business. To this end, post-period we announced a significant change in our organizational structure with the creation of three new business divisions to support EITC’s growth.

“The newly formed *ICT Solutions division* will provide UAE government entities and enterprises with advanced end-to-end ICT infrastructure and services; the *Digital Lifestyle and Innovation division* will be focused on the development of innovative products and services for UAE consumers, including smart home services, and the *Infrastructure division* will consolidate all infrastructure, network and data center operations under the EITC umbrella.

“As part of the new organizational model, it gives me pleasure to announce the nominations of Fahad Al Hassawi and Farid Faraidooni as Deputy CEOs, each with oversight and mandate on specific areas. I have the upmost confidence that together we will successfully drive EITC’s transformation agenda and allow expansion into new areas of growth.”

ENDS

About Emirates integrated Telecommunications Company PJSC (EITC)

The Emirates Integrated Telecommunications Company (EITC) was founded in 2006 as the UAE’s second licensed telecommunications provider. EITC has two telecommunications brands under its umbrella: the du brand was launched in 2007 and serves 9 million active subscribers and over 100,000 businesses throughout the UAE; EITC has launched its second brand, Virgin Mobile, the region’s first digital service, in September 2017.

EITC is 39.5 percent owned by Emirates Investment Authority, 19.75 percent by Mubadala Investment Company PJSC, 19.5 percent by Emirates Communications and Technology LLC and the remaining by public shareholders. Listed on the Dubai Financial Market (DFM), the company trades under the name ‘du’.

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