

Emirates Integrated Telecommunications Company PJSC (“du”) Announces Record Revenue of AED 13 billion and Total Dividend Payment of 35 Fils Per Share for 2017

- Q4 2017 Net profit after royalty increased 14.9% year on year to AED 425 million
- Fixed line subscribers increased 6.1% during 2017

Dubai, UAE, 15 February 2017: Emirates Integrated Telecommunications Company PJSC (“du”) today published its financial results for 2017 and proposed a final annual dividend payment of AED 997 million bringing the total annual dividend for the year to 35 fils per share, of which 22 fils per share is the final dividend payment for the year, subject to approval at the Annual General Meeting. 13 fils per share was awarded as an interim dividend in October 2017.

Full Year and Fourth Quarter 2017 Analysis

(AED million)	Fourth Quarter Analysis			Full Year Analysis		
	Q4 2016	Q4 2017	% change	FY 2016	FY 2017	% change
Revenue	3,434	3,451	0.5 %	12,727	13,004	2.2%
Fixed revenue	575	578	0.5 %	2,172	2,286	5.3 %
Mobile revenue	2,593	2,632	1.5 %	9,618	9,732	1.2 %
Other	267	241	(9.5)%	937	986	5.2 %
Net Profit after Royalty	370	425	14.9 %	1,753	1,712	(2.3)%
Mobile subscribers ¹ (thousands)	8,646	8,249	(4.6)%	8,646	8,249	(4.6)%
Fixed line subscribers (thousands)	698	740	6.1 %	698	740	6.1 %

Commenting on the results, Ahmad Bin Byat, Chairman of EITC, said:

“2017 was a strong year for our Company, with revenue reaching the mark of AED 13 billion for the first year since inception. As a result of our solid financial performance and a good efficiency programme we can deliver on a sustainable dividend policy in spite of the increasing pressure on the margins of telco service providers globally.

“I am pleased to announce that our Board of Directors has proposed a total annual dividend payment of 35 fils per share, of which 22 fils per share represents the final dividend payment for

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

the year, which is subject to approval at our Annual General Meeting (AGM). 13 fils per share was awarded as an interim dividend in October 2017.

“The successes achieved last year are an indication that the strategic transformation our company has undertaken is enabling us to adapt to the evolving industry and accommodate the changes in customer and business behaviour. Our strategic goals have the UAE at their core, contributing to the nation’s sustainable growth through digital transformation. During 2017 we made good progress in this regard, having developed the Dubai Smart City platform, now fully operational, with core infrastructure in place and delivering.

“The world of tomorrow is inextricably linked to talent. During 2017 we invested in developing the skills of our people and in bringing in the right talent to support the growth of our Company.

“As we move towards an increasingly digital future, we are committed to making the right investments to turn EITC into a fully integrated ICT player, serving the digital ambitions of our country and people.”

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

“Looking at our financial performance, I am pleased to report a record Revenue of AED 13 billion for 2017, representing a 2.2% increase over 2016. This comes as we continue to attract higher quality customers resulting in a 12.3% growth in our post-paid segment during the year, stimulated by our increased focus on that segment. Revenue growth was also supported by a solid performance in our fixed line business.

“Net Profit after Royalty had an excellent growth quarter on quarter, up 14.9% in Q4 2017 to AED 425 million, which helped maintain a stable annual Net Profit after Royalty of AED 1.71 billion, recovering from a weak quarter in Q1 2017. Growth was supported by the increase in revenue, improvement in gross margin and the impact of our cost optimisation programme. EBITDA margin is solid at 40% for the year.

“Operationally, in 2017 we officially launched our second brand Virgin Mobile, an innovative fully-digital platform complementing our well established du brand. This ushers in a new era of connectivity and simplicity for our customers, while also reinventing the traditional telecom business towards a more efficient, lower cost base operating model. Virgin Mobile firmly places EITC at the head of the curve in terms of innovation in the telecom sector.

“In line with our intention to transform our company, we put a new organisational structure in place last year, with the objective to protect our core telecom business and grow our adjacent businesses. Our focus is on both the enterprise sector, expanding into ICT, and the consumer sector where we will grow our digital, lifestyle and entertainment services.

“The structural changes in our organisation are underpinned by an effective delivery model enabled by next generation network and IT, streamlined and simplified end to end processes and best in class human capital, thereby building a strong foundation for the future.

“We are proud of our achievements this past year. EITC is well positioned to capitalise on the ever expanding technology needs of our clients, maximizing value for both customers and shareholders.”

In October 2017, EITC announced a new organisational structure with the launch of three new divisions: the *ICT Solutions division* will provide UAE government entities and private 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 centre operations under the EITC umbrella.

Three bright Emirati leaders were promoted within the company to senior leadership positions. Fahad Al Hassawi and Farid Faraidooni were appointed Deputy CEOs, each with oversight and mandate on specific areas, and Saleem Al Blooshi was appointed Chief Infrastructure Officer. In 2017 we also strengthened our strategic capabilities, appointing Eddy Skaf as Chief Strategy Officer to oversee the development and implementation of EITC’s overall corporate strategy.

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About Emirates Integrated Telecommunications Company PJSC (EITC)

The Emirates Integrated Telecommunications Company PJSC (EITC) was founded in 2005 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 International Telecommunications Company 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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