

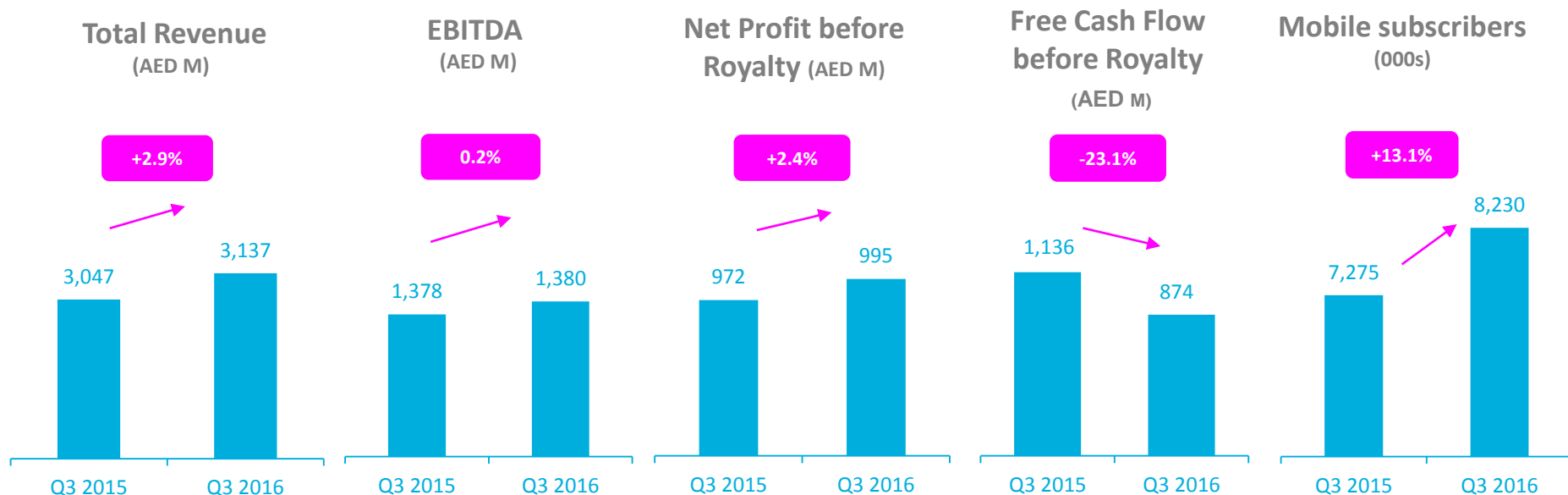
# Q3 2016 Results

Emirates Integrated Telecommunications Company PJSC

01 November 2016



# Quarterly Financial Highlights

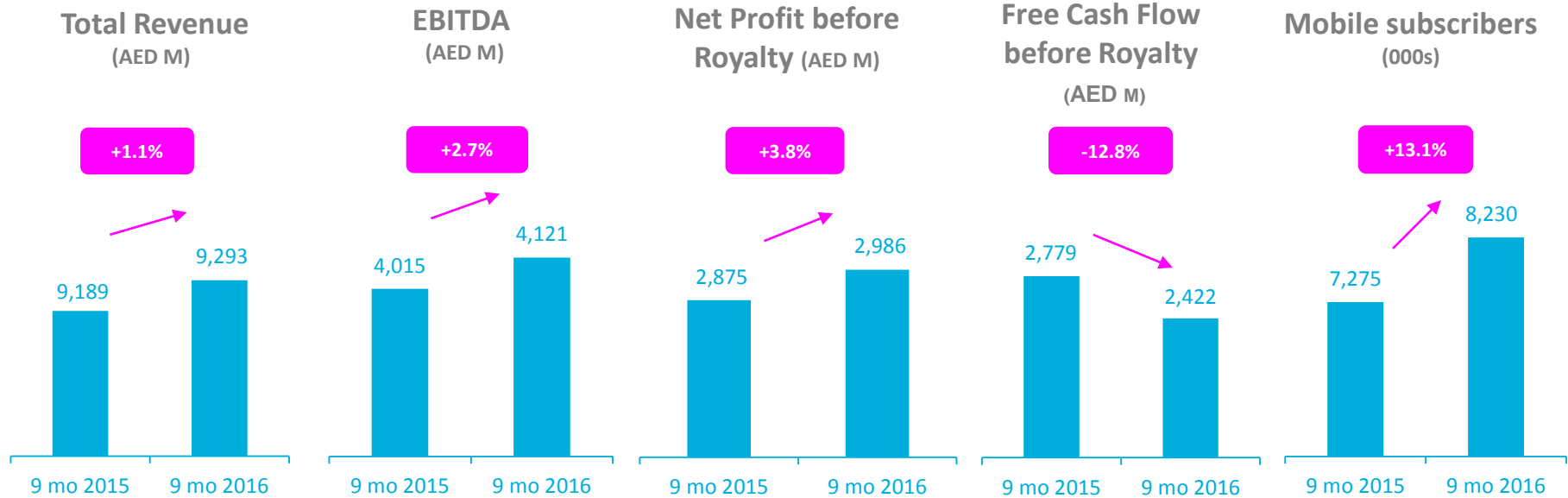


## Profitable revenue growth

- 2.9% growth in quarterly revenue mainly in fixed and mobile
- Healthy growth in mobile subscriber base
- Steady EBITDA
- 2.4% increase in net profit before royalty



# Year to Date Financial Highlights



## Solid year to date results

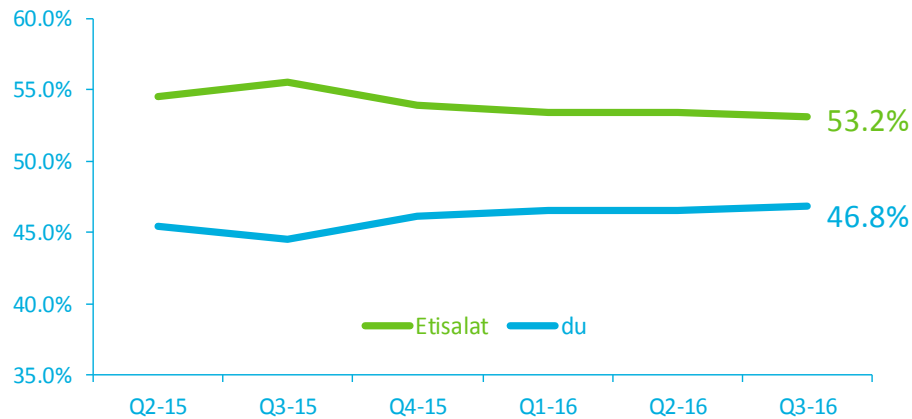
- 2.9% growth in quarterly revenue mainly in fixed and mobile
- 2.7% growth in EBITDA due to operational efficiency
- Healthy growth in mobile subscriber base



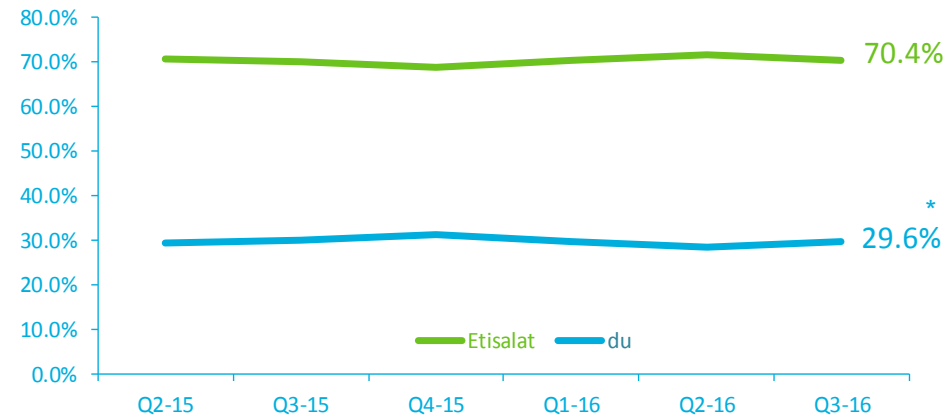
# Market overview

Market share consolidation – sustain competitiveness in the market

## UAE Mobile Subscribers - Market share quarterly evolution



## UAE Telecom Market – Revenue share quarterly evolution

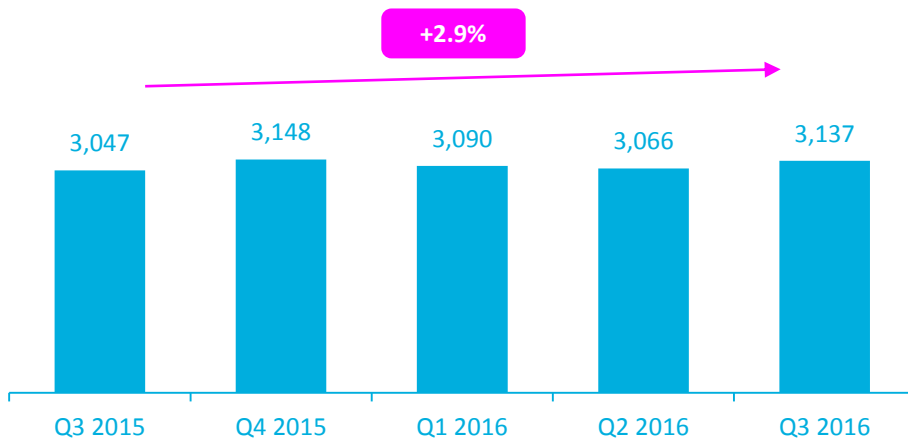


Source: TRA Market Statistics Jun 2016, Internal estimates, Etisalat Quarterly analyst presentations/ financials

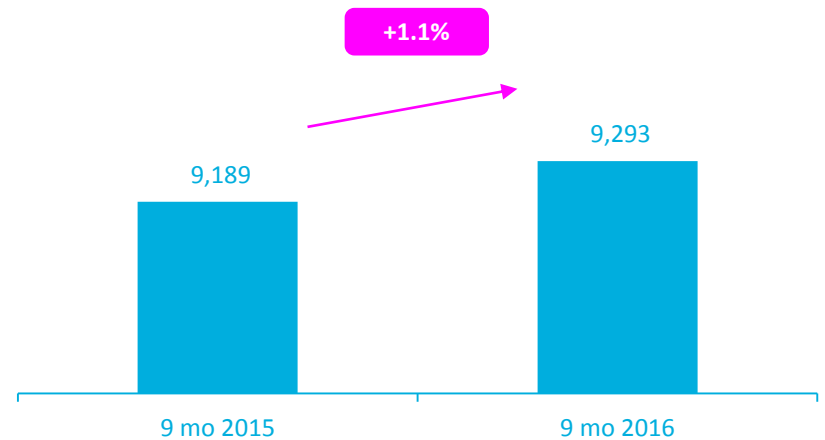


# Revenue

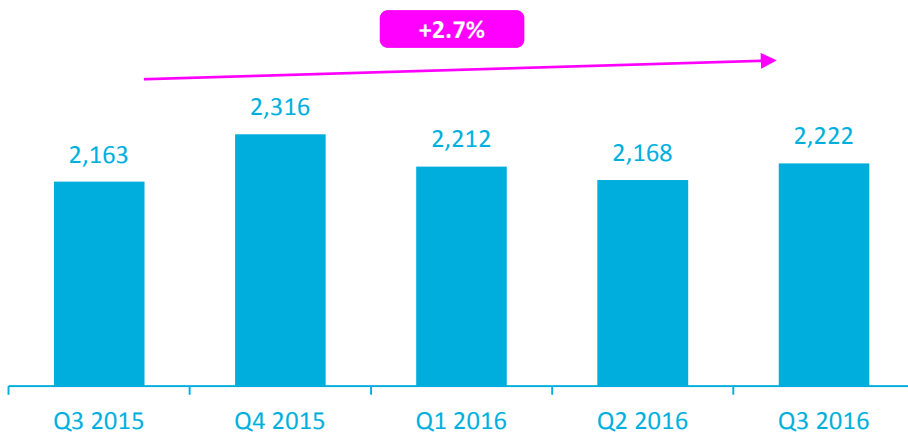
## Quarterly Revenue (AED M)



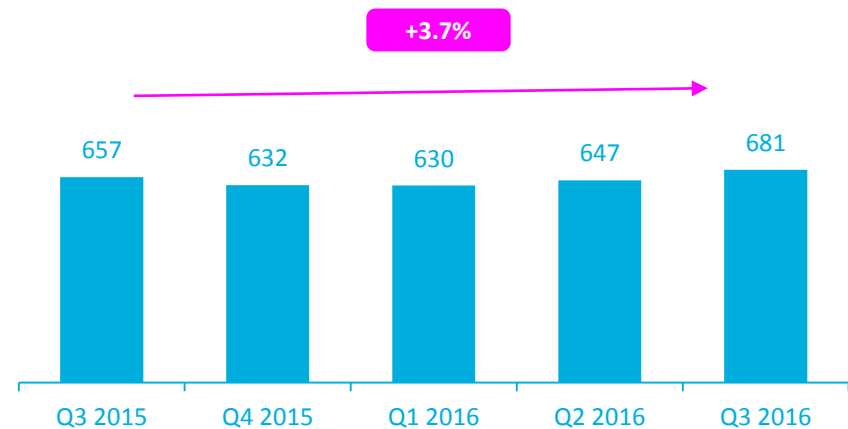
## Year to Date Revenue (AED M)



## Quarterly Mobile Revenue (AED M)

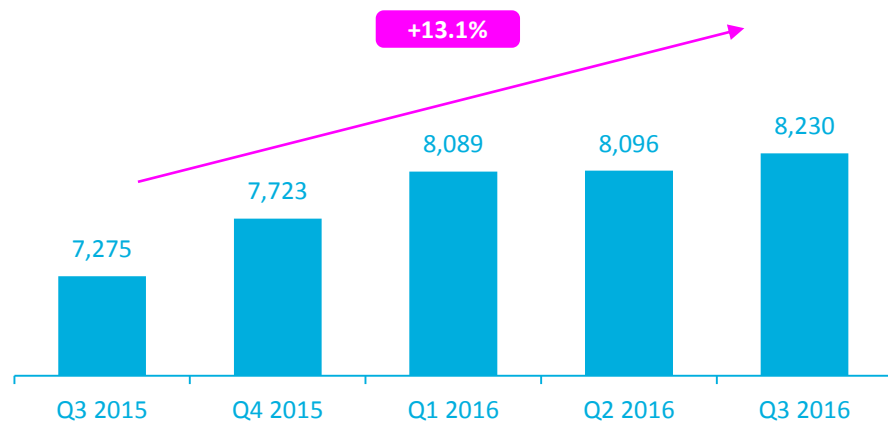


## Quarterly Fixed Revenue (AED M)

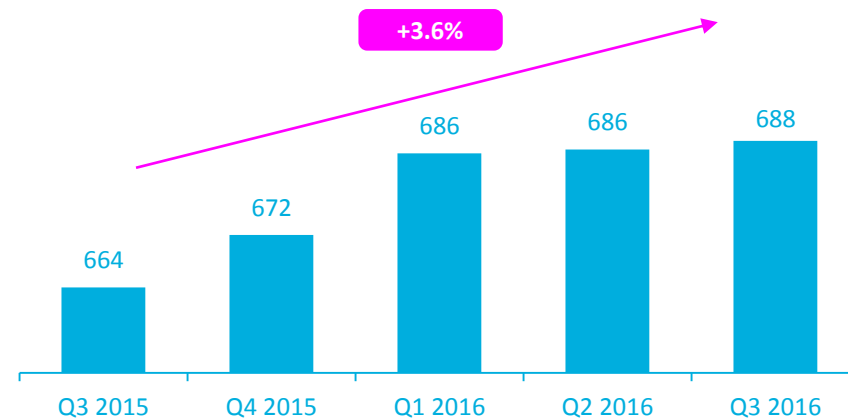


# Revenue Drivers

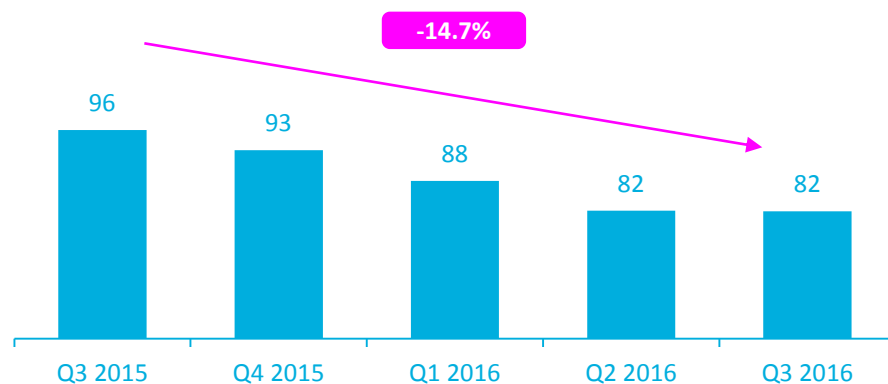
## Mobile Subscribers Active 90 Days ('000)



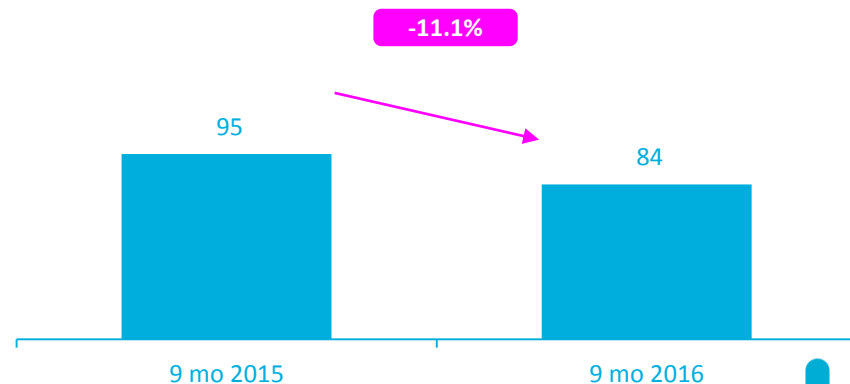
## Quarterly Fixed Lines ('000)



## Quarterly Mobile ARPU (AED)

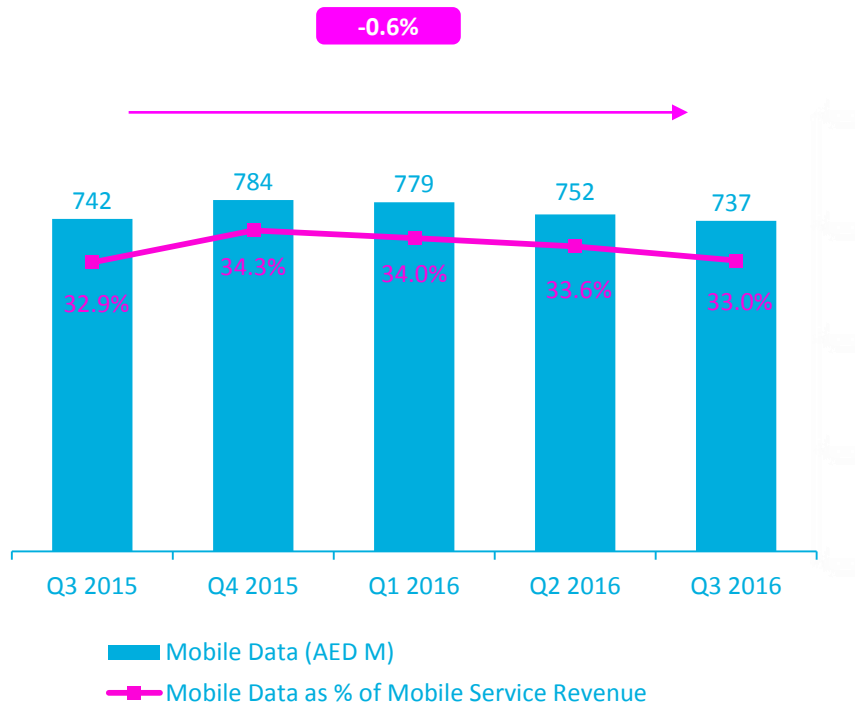


## Year to Date Mobile ARPU (AED)

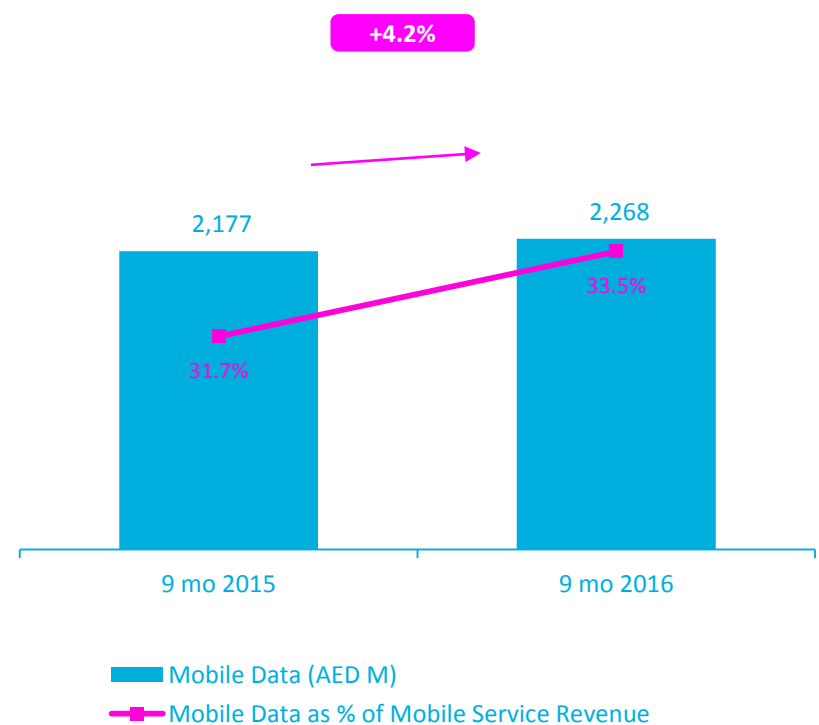


# Revenue Drivers – Mobile Data

Quarterly Mobile Data Revenues (AED M)



Year to date Mobile Data Revenues (AED M)



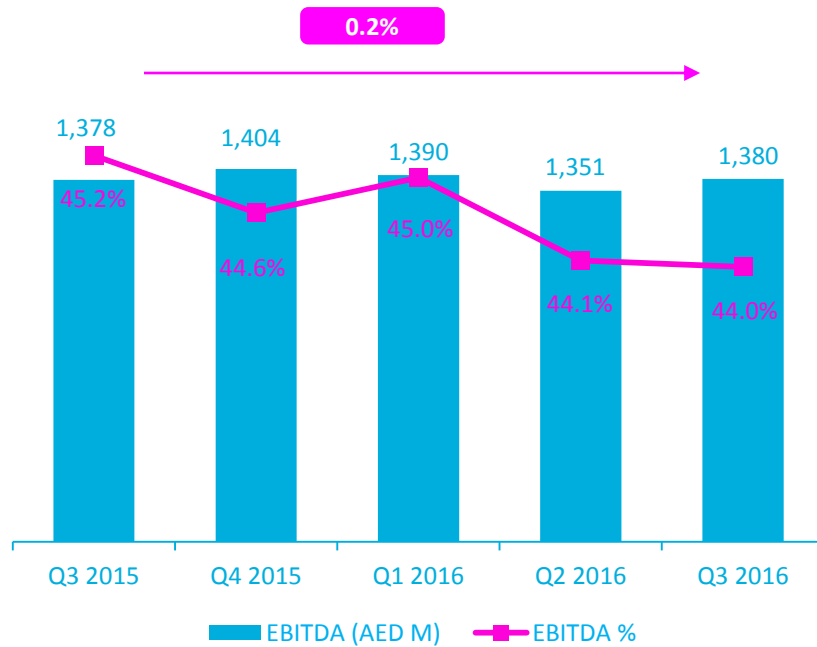
## Mobile data revenue stabilising

- Quarterly mobile data revenue has stabilised from highs at start of 2016, although still up YoY
- 4.2% growth in mobile data revenue year to date

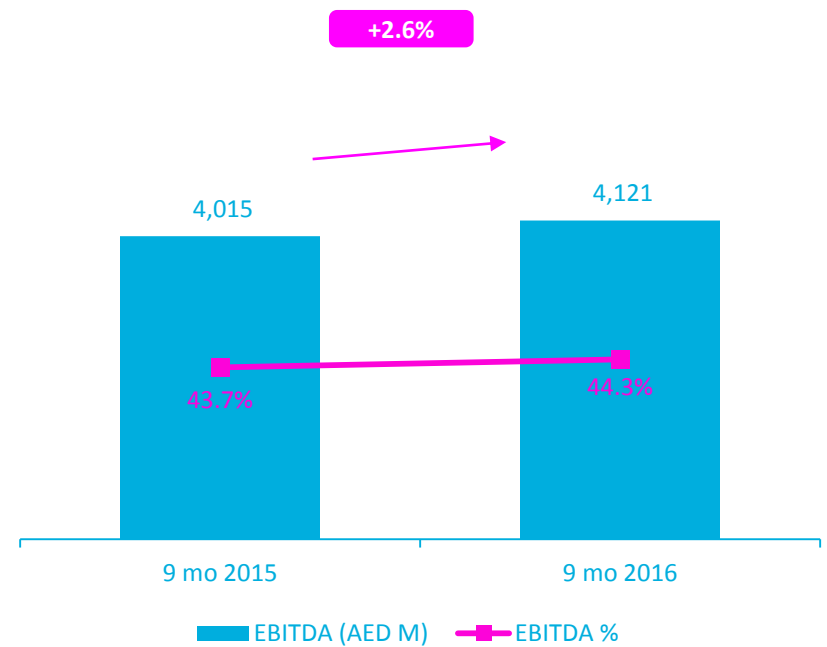


# EBITDA

## Quarterly EBITDA (AED M)



## Year to date EBITDA (AED M)



## Healthy EBITDA

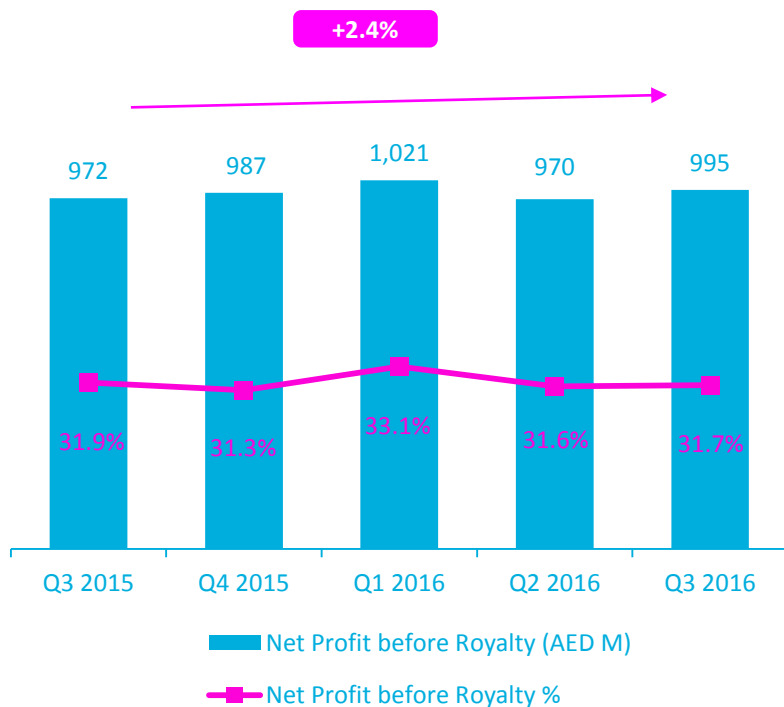
- EBITDA steady while EBITDA margin is stabilising but remains at the high end of our guidance
- EBITDA driven by cost efficiency initiatives



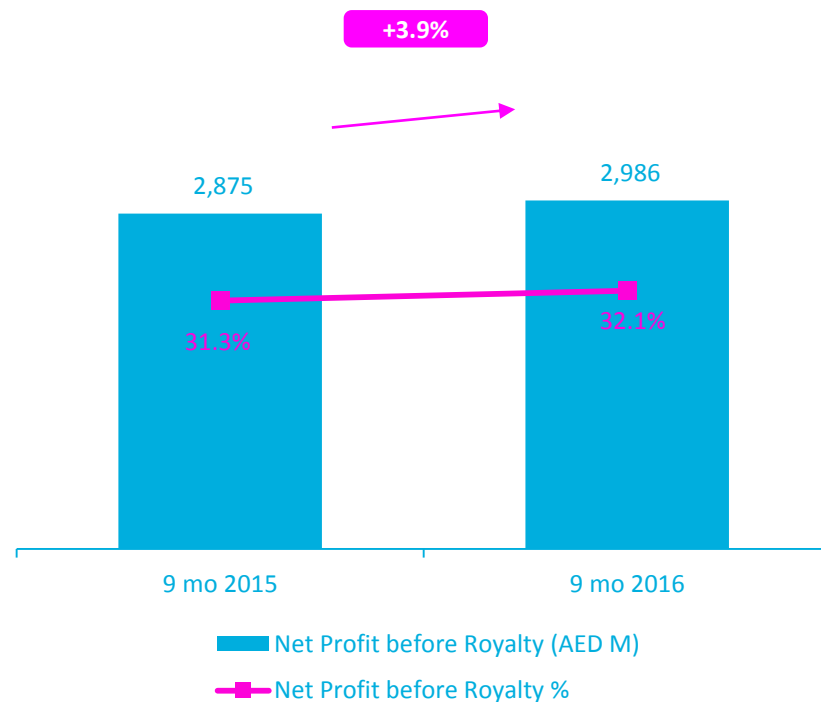


# Net Profit before Royalty

Quarterly Net Profit before Royalty (AED M)



Year to date Net Profit before Royalty (AED M)



## Steady Net Profit before Royalty

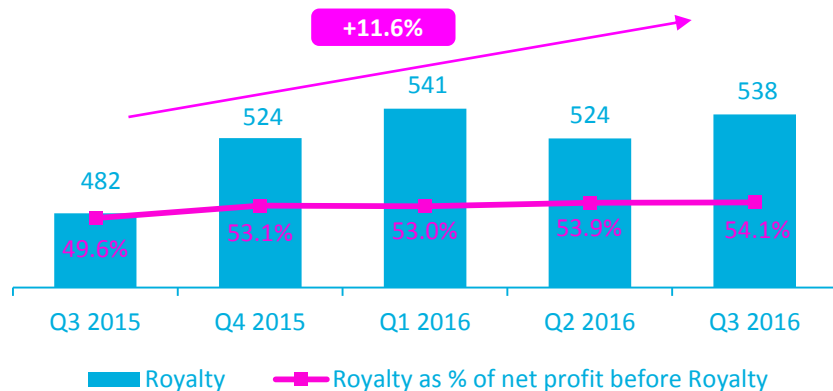
- Net profit before royalty grew 2.4% YoY with Net Profit before Royalty margin steady
- Year to date net profit up 3.9% compared with 2015 driven by higher revenues and cost efficiencies



# Net Profit after Royalty

Increasing royalty – Effective royalty up to 54.1% from 49.6% in Q3 2015

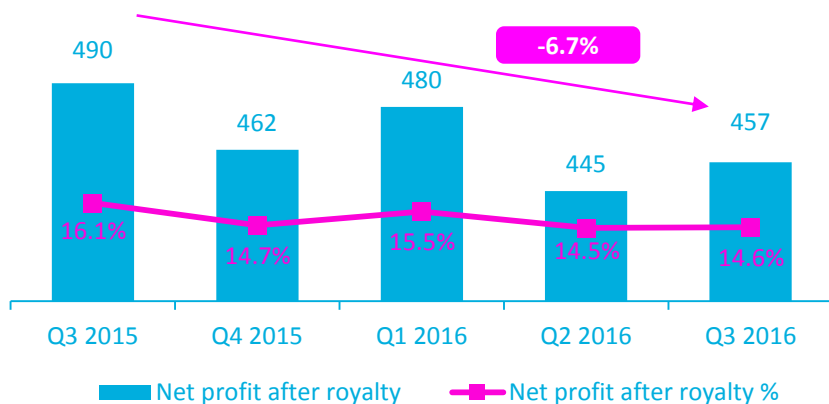
## Quarterly Royalty (AED M)



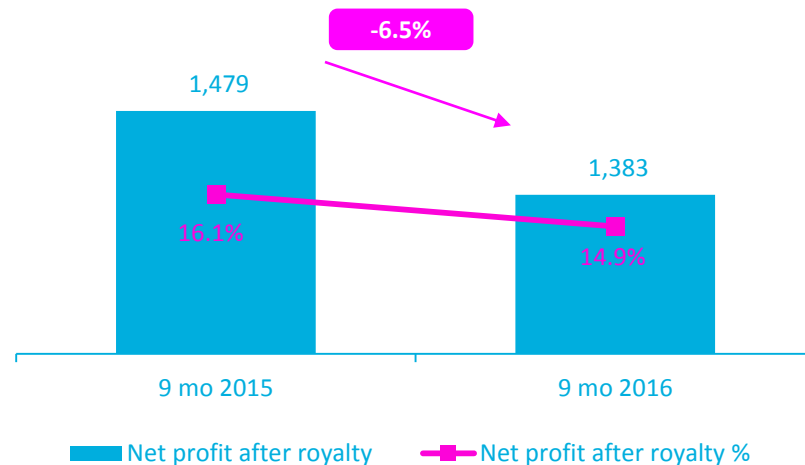
## Royalty Rates Compared

Royalty	2013	2014	2015	2016
Royalty on Regulated Revenue	7.5%	10.0%	12.5%	15.0%
Royalty on Net Profit	20%	25%	30%	30%

## Quarterly Net Profit after Royalty (AED M)

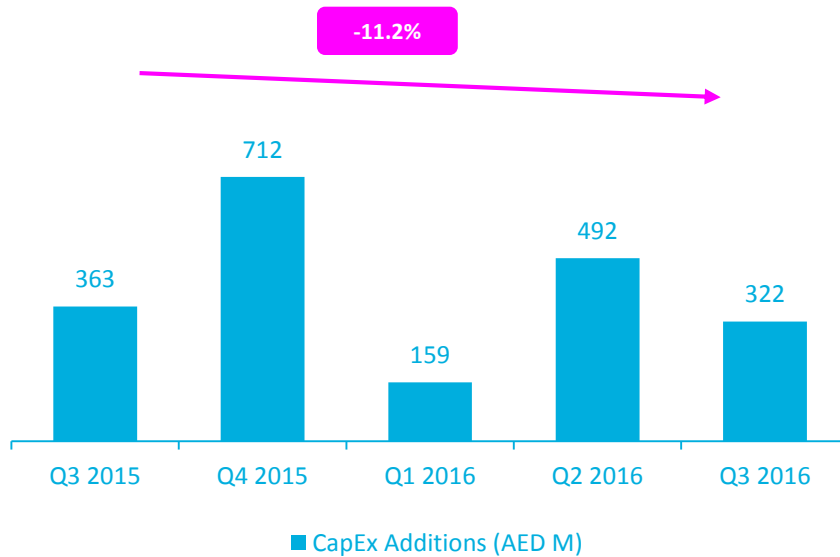


## Year to Date Net Profit after Royalty (AED M)

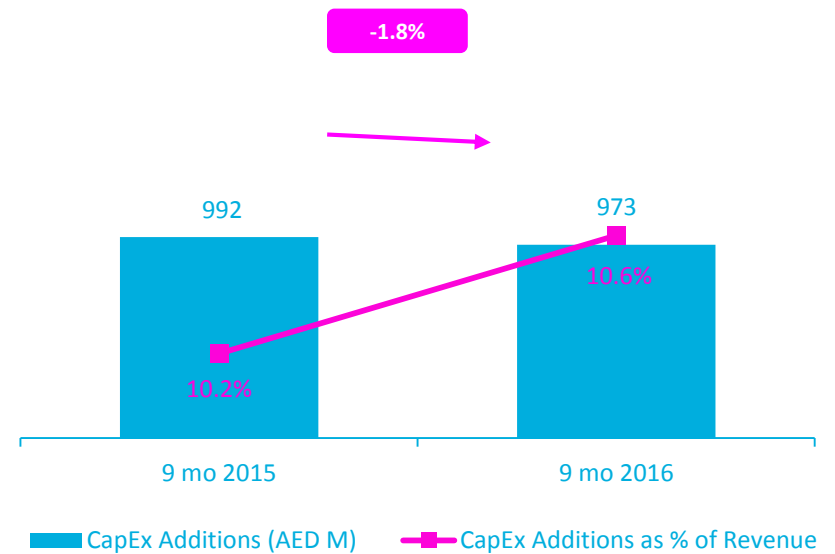


# Capital Investments

Quarterly Capex Additions (AED M)



Year to Date Capex Additions (AED M)



## Capex deployed at same level as 2015

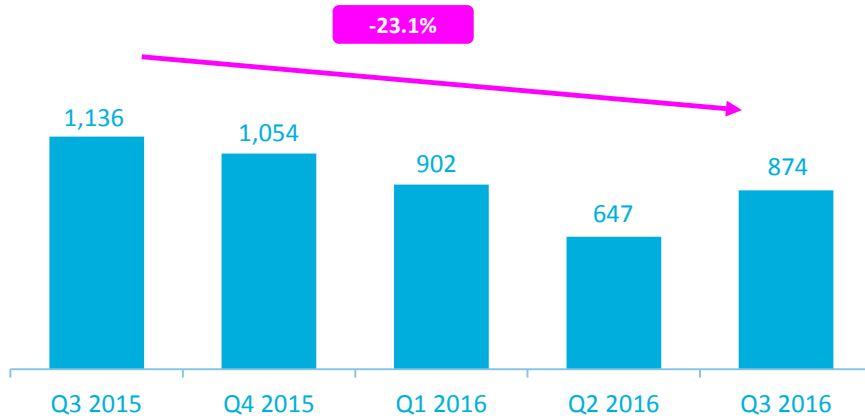
- Capex prioritised in areas of fundamental growth including IT, mobile rollout and digitisation of services
- Projected Capex remains in the region of AED 1.8 billion for 2016



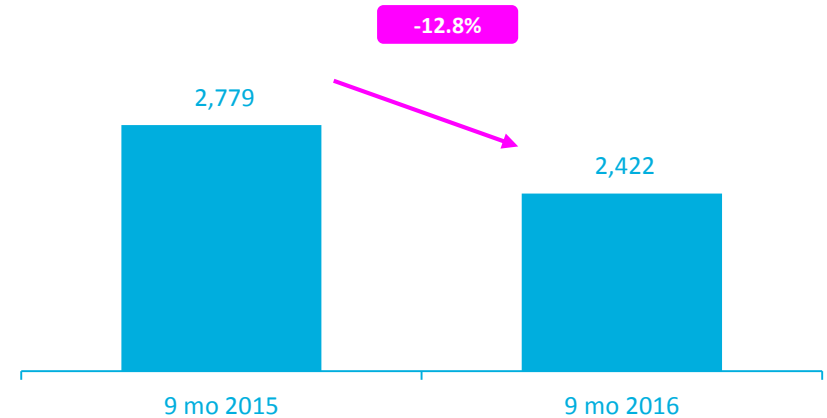
# Free cash flow

Robust despite declines

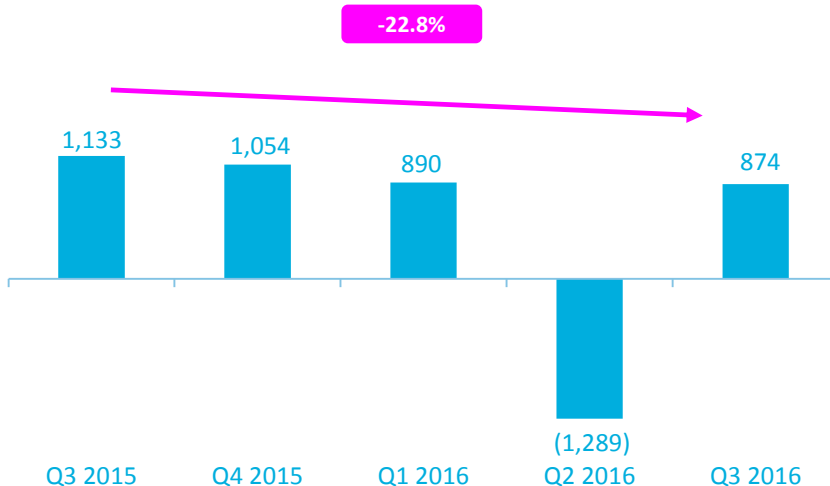
Quarterly Free Cash Flow <sup>\*</sup> before Royalty (AED M)



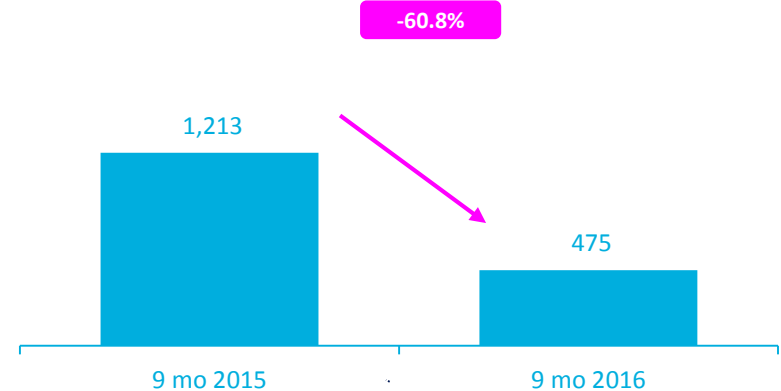
Year to Date Free Cash Flow before Royalty (AED M)



Quarterly Free Cash Flow <sup>\*</sup> after Royalty (AED M)



Year to Date Free Cash Flow after Royalty (AED M)



Free cash flow is defined as cash from operations less spending on tangible and intangible assets and investments in subsidiaries and associates

# Disclaimer

- Emirates Integrated Telecommunications Company PJSC (hereafter "du") is a telecommunication services provider in the UAE.
- du cautions investors that certain statements contained within this document state management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements.
- Management wishes to caution the reader that forward-looking statements are not historical facts and are only estimates or predictions. Actual results may differ materially from those projected as a result of risks and uncertainties, but are not limited to:
  - Our ability to manage domestic and international growth and maintain a high level of customer service
  - Future sales growth
  - Market acceptance of our product and service offerings
  - Our ability to secure adequate financing or equity to fund our operations
  - Network expansion
  - Performance of our network and equipment
  - Our ability to enter into strategic alliances or transactions
  - Co-operation by the incumbent in provisioning lines and enabling us to interconnect our equipment at the local exchange
  - Regulatory approval processes
  - Changes in technology
  - Price competition
  - Other market conditions and associated risks
- The company undertakes no obligation to update publicly any forward-looking statements, whether as a result of future events, new information, or otherwise.
- For further information about the company, or material contained within this forward looking statement, please direct your enquiries to our Investor Relations team by email at [investor.relations@du.ae](mailto:investor.relations@du.ae) or by telephone on +971 4 434 5101.

