

Q2 2015 Results

Emirates Integrated Telecommunications Company PJSC

August 2015



Q2 Financial Highlights

Total Revenue
(AED M)

+2.2%

3,024 → 3,091

Q2 2014 Q2 2015

EBITDA
(AED M)

+3.5%

1,293 → 1,339

Q2 2014 Q2 2015

**Net Profit before
Royalty** (AED M)

+3.1%

949 → 978

Q2 2014 Q2 2015

**Net Profit after
Royalty** (AED M)

-8.4%

548 → 502

Q2 2014 Q2 2015

Mobile subscribers
(000s)

+2.7%

7,161 → 7,356

Q2 2014 Q2 2015

Profitable revenue growth

- Strong performance on fixed revenue contributing to revenue growth
- Increased focus on higher margin products resulting in improved EBITDA margin of 43.3% in comparison with 42.8% in Q2 2014
- Net Profit impacted by increasing royalty %. Effective royalty % increasing from 42.2% in Q2 2014 to 48.7% in Q2 2015
- Mobile subscribers growing by 2.7% despite impact of subscriber cleansing due to My Number My Identity program



Progressive Dividend Payment

Proposed dividend payment*

AED per share	Q2 2014	Q2 2015
Special Dividend	-	0.10
Interim Dividend	0.12	0.13
Total	0.12	0.23

Sustained focus on creating shareholder value

- Proposed return of AED 1.05 billion to shareholders, subject to OGM approval

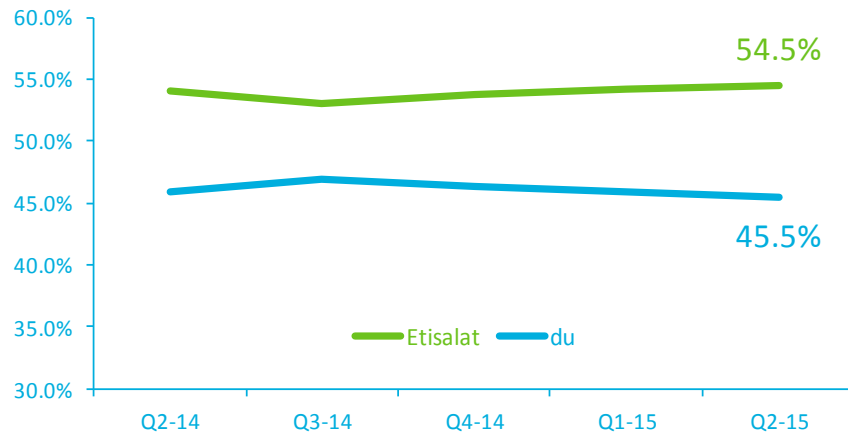
*An Ordinary General Meeting will be held on 13th September to approve the proposed dividend payment. The company will send an official notification to shareholders prior to the OGM date



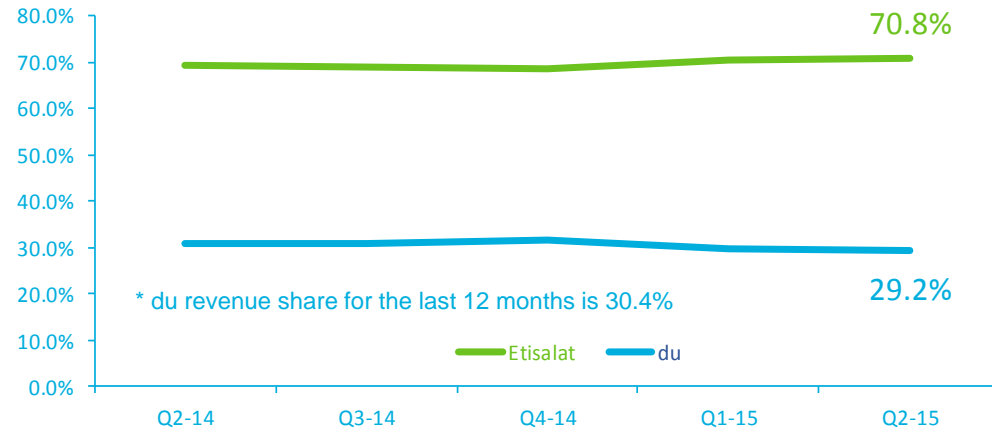
Market Overview

Market share consolidation – emphasis on growing revenue share

UAE Mobile Subscribers - Market share quarterly evolution



UAE Telecom Market – Revenue share quarterly evolution

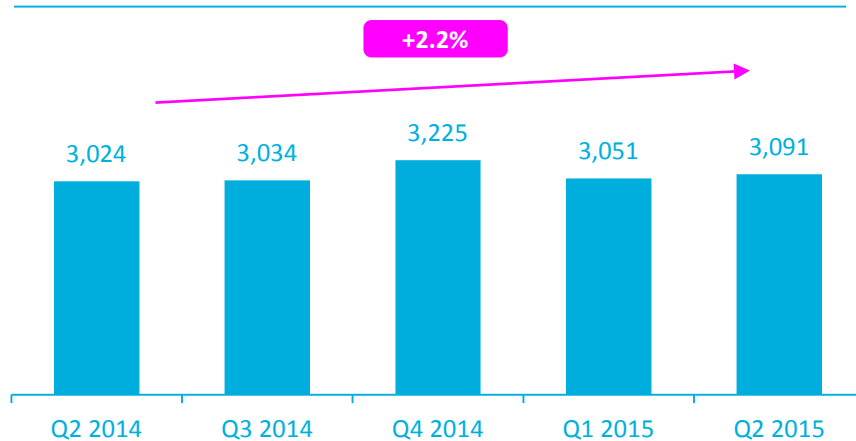


Source: TRA Market Statistics February 2015, Internal estimates, Etisalat Quarterly analyst presentations

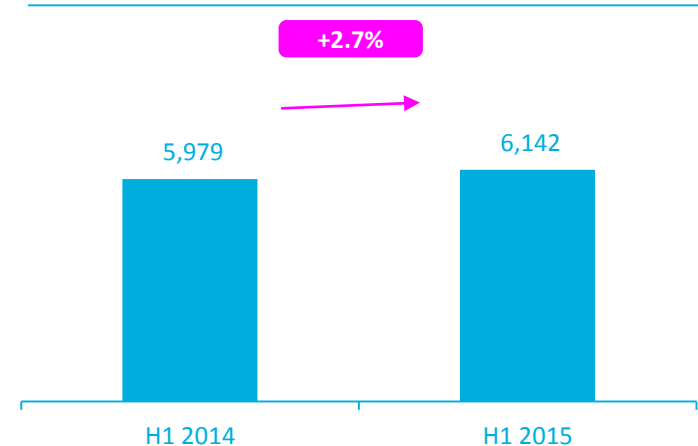
Total Revenues

Healthy growth in fixed business and postpaid mobile

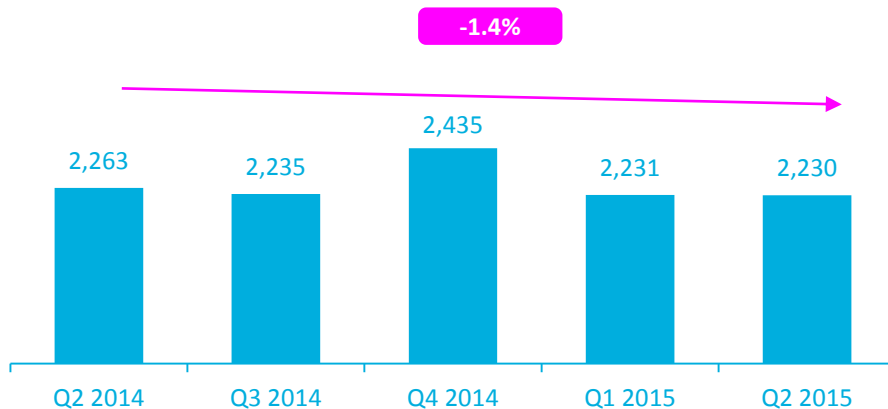
Quarterly Revenue (AED M)



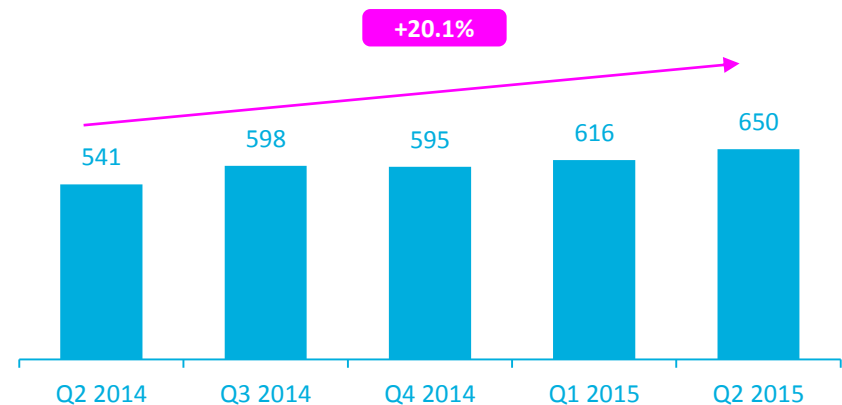
Year to date revenue (AED M)



Quarterly Mobile Revenues (AED M)



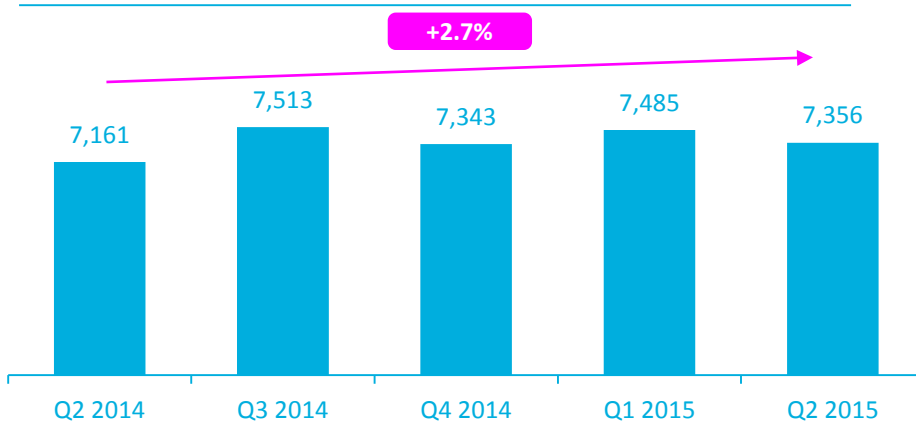
Quarterly Fixed Revenue (AED M)



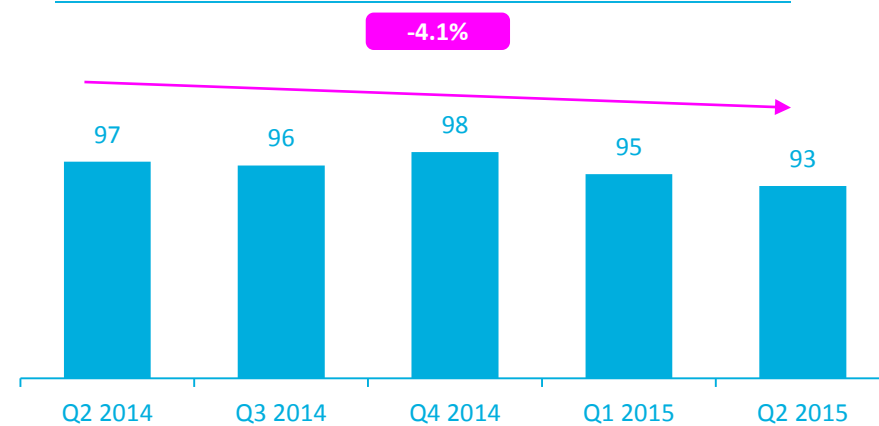
Revenue Drivers – Mobile

Growth in mobile subscribers despite subscriber cleanup

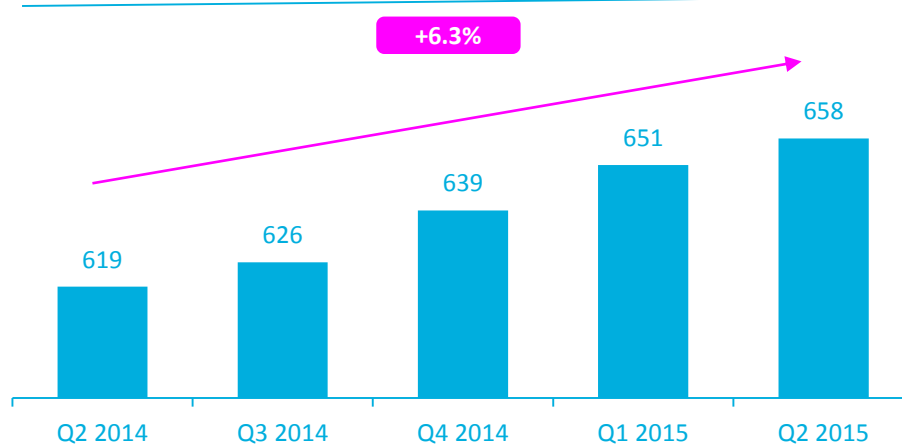
Mobile Subscribers Active 90 Days ('000)



Quarterly Mobile ARPU (AED)



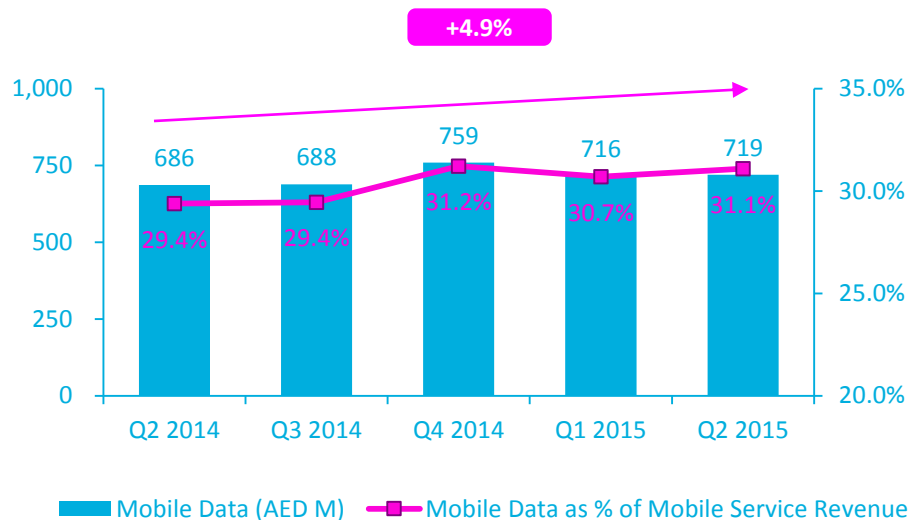
Quarterly Fixed Lines ('000)



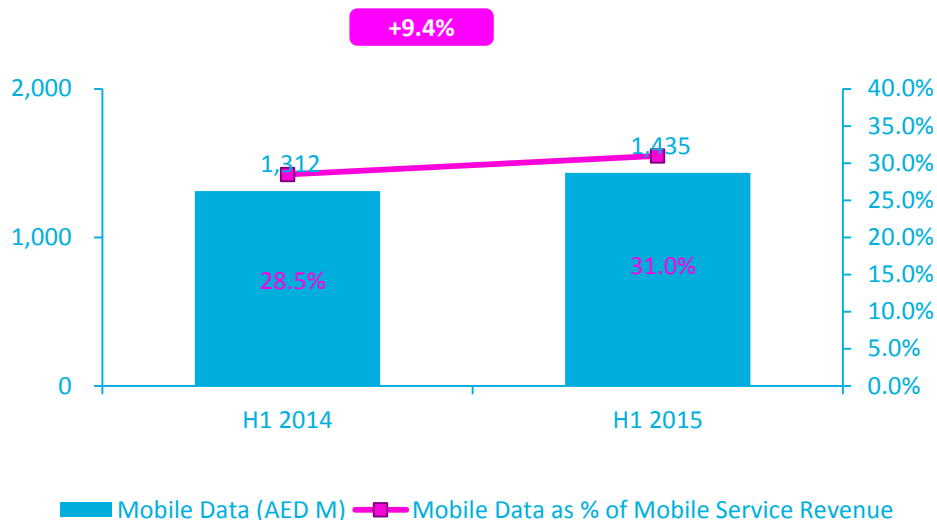
Revenue Drivers – Mobile Data

Data revenues continue to grow steadily

Quarterly Mobile Data Revenues (AED M)



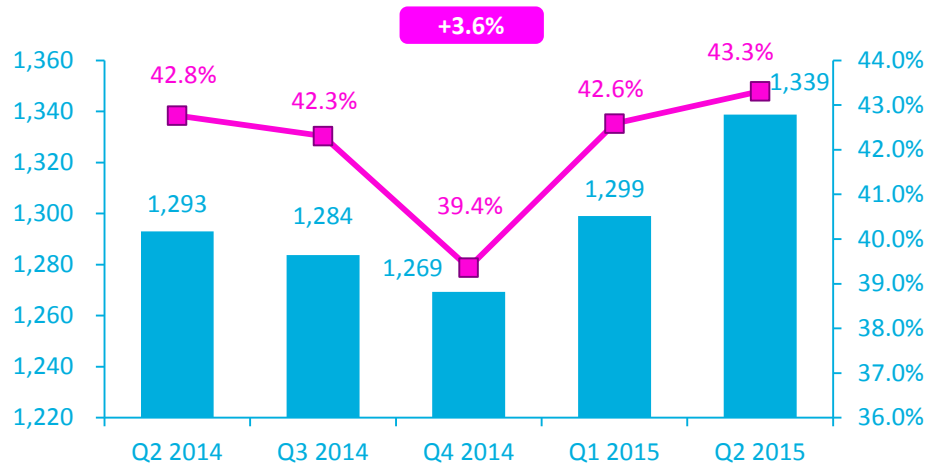
Year to Date Mobile Data Revenues (AED M)



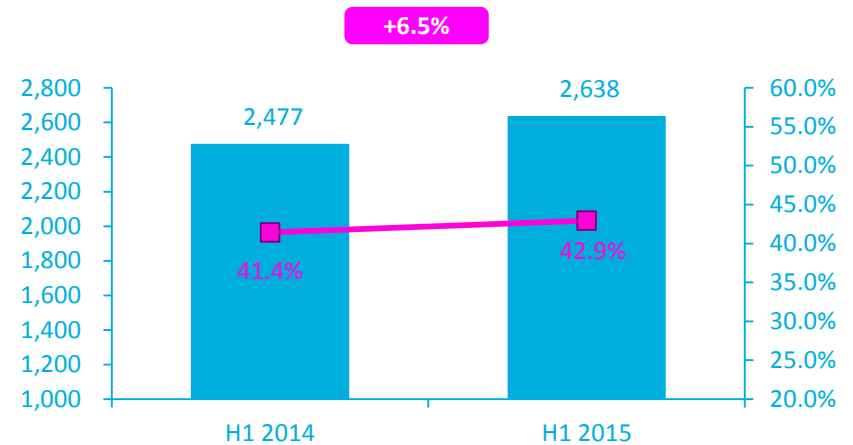
EBITDA

Increased profitability from EBITDA

Quarterly EBITDA (AED M)



Year to Date EBITDA (AED M)



Steady improvement in EBITDA

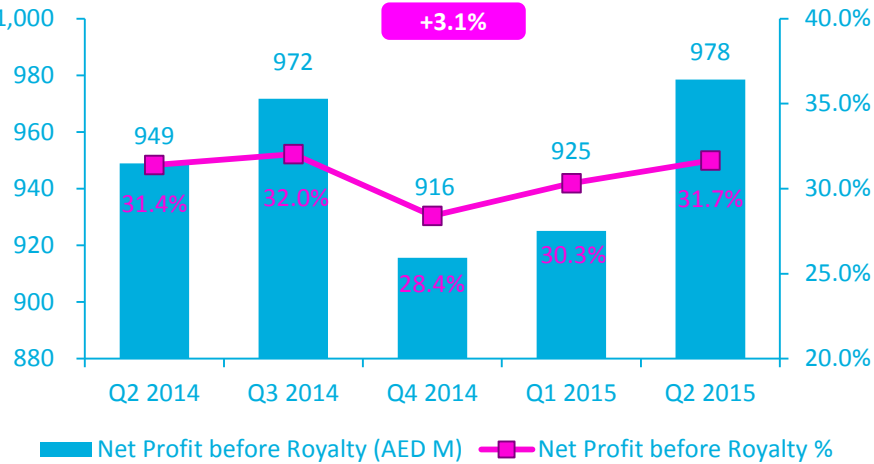
- Increased focus on higher margin products and operational efficiency driving EBITDA and EBITDA%



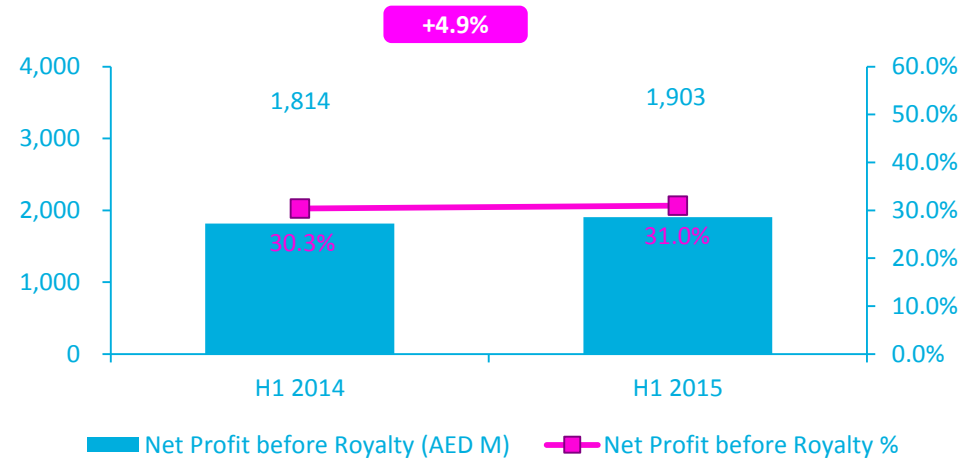
Profitability

Net Profit before Royalty

Quarterly Net Profit before Royalty (AED M)



Year to date Net Profit before Royalty (AED M)



Steady growth in Net Profit before Royalty

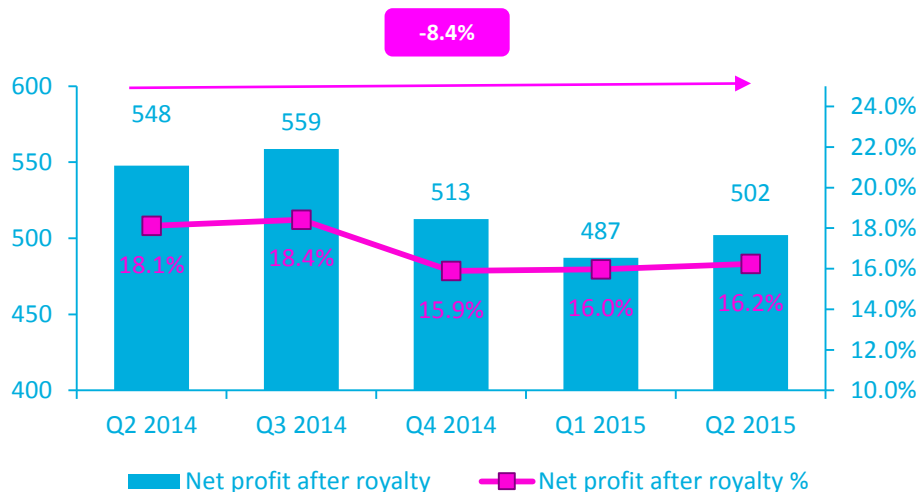
- Net Profit before Royalty driven by EBITDA growth



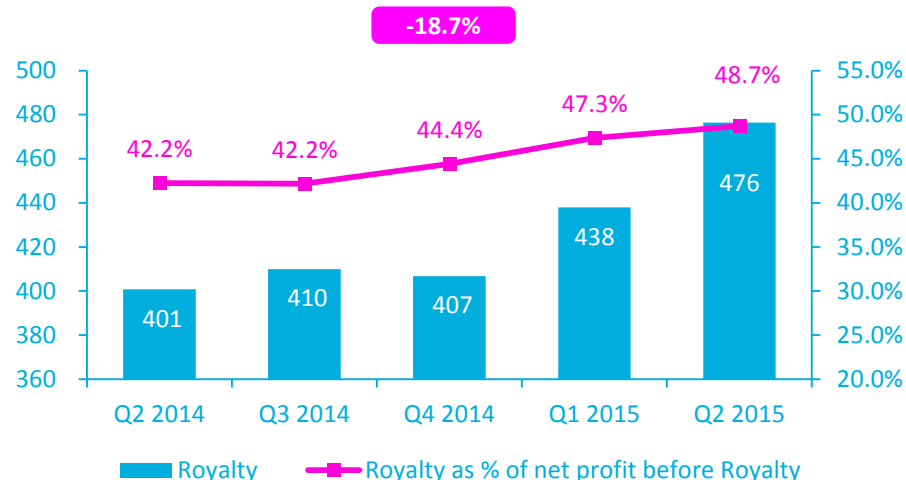
Net Profit after Royalty

Increasing royalty rates – Effective royalty increasing from 42.2% to 48.7%

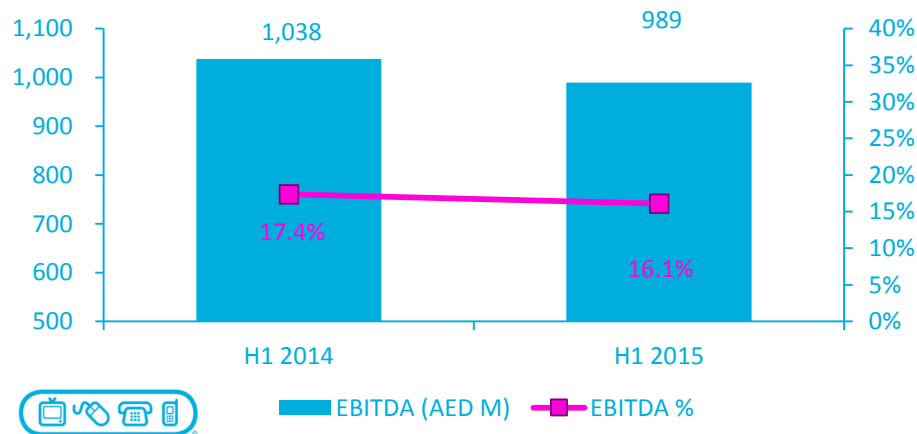
Quarterly Net Profit after Royalty (AED M)



Quarterly Royalty Compared (AED M)



Year to date Net Profit after Royalty (AED M)



Royalty Rates Compared

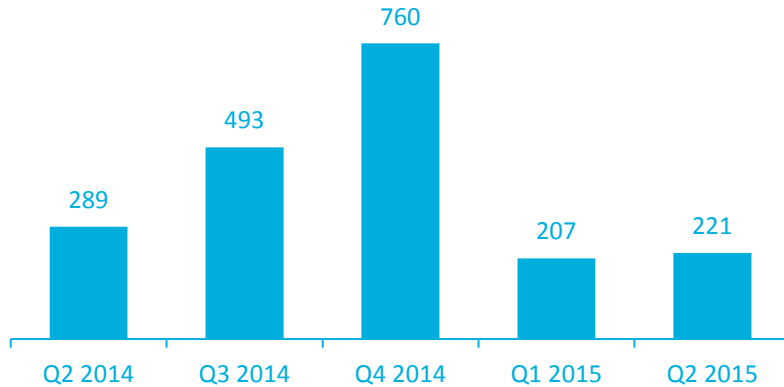
Royalty	2013	2014	2015	2016
Royalty rate on Regulated Revenue	7.50%	10.00%	12.50%	15.00%
Royalty rate on Net Profit	20.00%	25.00%	30.00%	30.00%



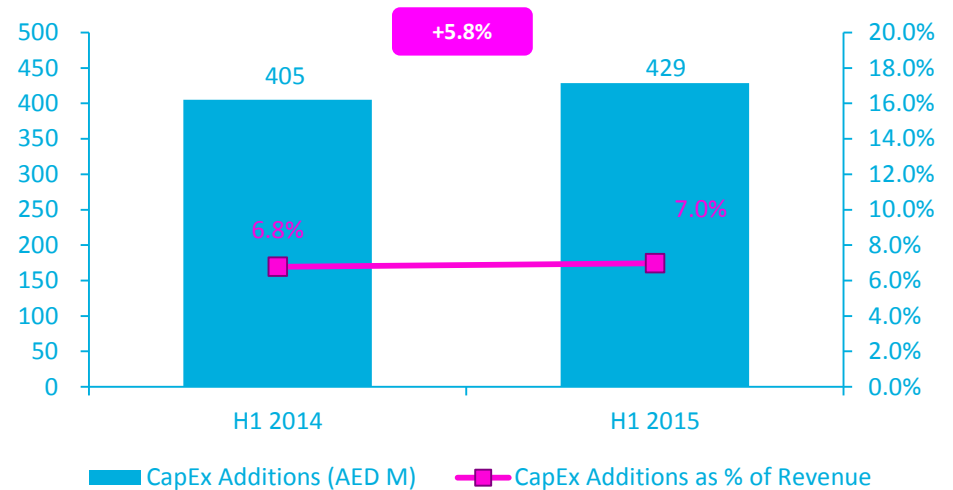
Capital Investments

Substantial investments to provide enhanced network experience to users

Quarterly CapEx Additions (AED M)

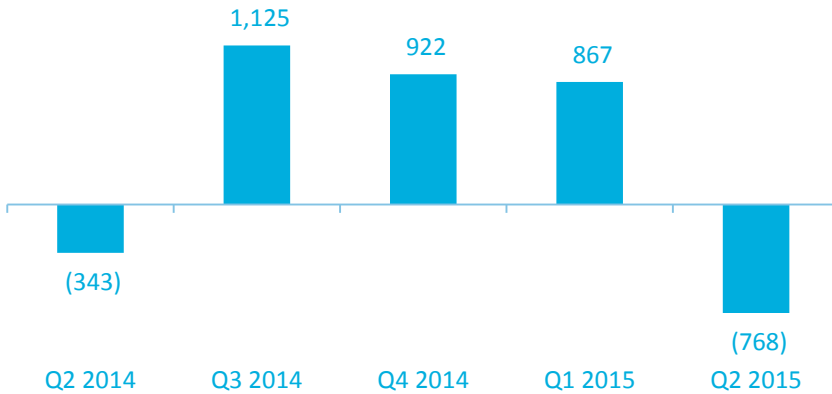


Year to date CapEx Additions (AED M)

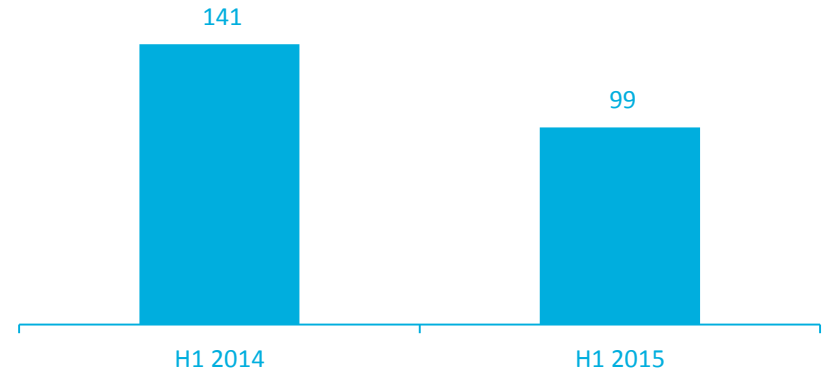


Free cash flow

Quarterly Free Cash Flow (AED M)^{*}



Year to date Free Cash Flow (AED M)



- Royalty paid in Q2 2015 of AED 1.6 billion in comparison with AED 1.1 billion in Q2 2014



* 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 or by telephone on +971 4 434 5101.

