

Emirates Integrated Telecommunications Company PJSC (“du”) Announces 9.2% Growth for 9M 2018 Net Profit after Royalty to AED 1.41 billion

- 9M 2018 revenue up 4.8% to AED 10.01 billion; Q3 2018 revenue increased 6.4% to AED 3.33 billion
- Healthy increase in fixed line revenue by 7.8% for 9M 2018 compared to the same period last year.

Dubai, UAE, 1 November 2018: Emirates Integrated Telecommunications Company PJSC (DFM: “du”) today published its financial results for the nine months ended 30 September 2018 (“the period”), showing a 4.8% growth in revenue to AED 10.01 billion compared to the same period last year. Net profit after royalty was up 9.2% to AED 1.41 billion for the nine-month period, compared to AED 1.29 billion in the same period last year.

Third Quarter Analysis

(AED million)	Third Quarter Analysis			Year to Date Analysis		
	Q3 2018	Q3 2017	% change	YTD 2018	YTD 2017	% change
Revenue	3,331	3,131	6.4%	10,013	9,553	4.8%
Fixed revenue	579	537	7.8%	1,723	1,598	7.8%
Mobile revenue	1,779	1,773	0.3%	5,398	5,414	-0.3%
Other ¹	973	821	18.5%	2,892	2,541	13.8%
Net Profit after Royalty ²	441	476	-7.4%	1,406	1,287	9.2%
Mobile subscribers (thousands)	7,714	7,975	-3.3%	7,714	7,975	-3.3%
Fixed line subscribers (thousands)	760	724	5.0%	760	724	5.0%

¹ In 2018 EITC changed its revenue classification to provide a more accurate view of the revenue segments. Handsets and various others were moved to the “Other” revenue category. Previous period revenue numbers were also adjusted to provide a “like for like” comparison.

² In Q1 2018 EITC recorded a one-off reversal related to regulatory costs, which positively impacted company profitability year to date. Excluding the impact of the cost reversal, Year to date 2018 EBITDA and net profit after royalty increased by 4.0% and 0.0% respectively, when compared to same period last year.

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

"I am pleased to report a strong revenue growth and increased profitability for the nine-month period ended 30 September 2018. We grew our revenue by 4.8% to AED 10.01 billion for the nine-month period and 6.4% to AED 3.33 billion for three-month period ended 30 September 2018.

"Fixed line revenues are very healthy and continue to show strong growth, up 7.8% to AED 1.72 billion in the first nine months of 2018, and up 7.8% to AED 579 million for the three-month period ended 30 September 2018. Despite more pressure in the pre-paid market, Mobile revenue remained stable at AED 5.40 billion, driven by growth in our post-paid customer segment during the first nine months of the year.

"We reported a solid normalized EBITDA growth of 4.0% to AED 4.06 billion for the first nine months of 2018, which excludes the impact of one off regulatory cost benefits. Reported EBITDA shows 8.3% growth to AED 4.23 billion for the nine-month period ended 30 September 2018. For the three-month period, EBITDA increased by 2.8% reaching to AED 1.37 billion, driven by the solid revenue performance and the continued success of our efficiency programme launched two years ago.

"Net profit after royalty increased by 9.2% to AED 1.41 billion for the nine-month period. Looking at Q3 2018, net profit after royalty was solid at AED 441 million.

"Operationally, we made excellent progress during the quarter in advancing our digital transformation agenda and cementing our growth to a fully integrated ICT player. We partnered up with ADGM to provide digital and ICT solutions, we opened the first fully-digital store in DIFC to support our enterprise customers and won the Smart Cities Award at the Telecoms World Middle East 2018 for our role in developing Dubai Pulse – a platform owned by Smart Dubai office.

"As we look towards a smart future, we are working diligently to bring next generation technologies such as 5G, IoT, AI, and blockchain into our network. We are operating in an environment characterised by rapid change and disruptive innovations and we are proud to be at the forefront of the digital revolution. We have a clear vision and well-defined framework to become an ICT service provider by 2021 and support the UAE Vision 2021 strategy.

"I am extremely pleased to announce that on October 2nd, du was awarded the MOHRE Emiratisation Award, in recognition of our outstanding efforts and success in promoting and nurturing Emirati talent. Under the patronage of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, we won the award in the Advanced Technology Companies category for implementing notable policies to promote Emiratisation and support the government's vision to establish an advanced economy based on knowledge and innovation."

As a result of its outstanding Emiratisation policies, EITC has doubled the number of UAE nationals employed since 2006. Emirati employees form the highest percentage among all 65 nationalities within EITC.

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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 more than 10 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 and the remaining by public shareholders and National organisation. Listed on the Dubai Financial Market (DFM), the company trades under the name 'du'.

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