

**Emirates Integrated Telecommunications Company PJSC (“du”) Announces Revenue Growth to AED 13.41 billion and Total Dividend Payment of 35 Fils Per Share for 2018
Board of Directors and CEO actively identifying a successor to the founding CEO**

- *FY 2018 Net profit after royalty up by 2.4% to AED 1.75 billion in 2018*
- *FY 2018 EBITDA up by 5.6% to AED 5.49 billion, reflecting increased efficiency across the business*

Dubai, UAE, 20 February 2019: Emirates Integrated Telecommunications Company PJSC (DFM: “du”) today published its financial results for 2018 and proposed a total annual dividend of 35 fils per share amounting to AED 1,586 million, 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 2018.

Full Year and Fourth Quarter 2018 Analysis

(AED million)	Fourth Quarter Analysis			Full Year Analysis		
	Q4 2017	Q4 2018	% change	FY 2017	FY 2018	% change
Revenue	3,452	3,401	-1.5%	13,004	13,414	3.2%
<i>Fixed revenue</i>	556	627	12.7%	2,154	2,349	9.1%
<i>Mobile revenue</i>	1,820	1,706	-6.3%	7,233	7,104	-1.8%
<i>Other¹</i>	1,076	1,068	-0.7%	3,617	3,961	9.5%
Net Profit after Royalty ²	425	347	-18.3%	1,712	1,753	2.4%
Mobile subscribers (thousands)	8,249	7,894	-4.3%	8,249	7,894	-4.3%
Fixed line subscribers (thousands)	740	769	3.9%	740	769	3.9%

Commenting on the results, Mohamed Al Hussaini, Chairman of EITC, said:

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 for the full year. Excluding the impact of the cost reversal, FY 2018 EBITDA increased by 2.3% and net profit after royalty decreased by 4.5%, when compared to 2017.

“In the UAE, the telecom sector is fortunate to be a key enabler in the ambitious agenda set out by the nation’s leadership, mandating digital transformation as a tool to develop and sustain a knowledge-based economy.

“To support our country’s digital transformation and indeed, that of our own company, in 2018 we continued to invest in ensuring we maintained our best-in-class network, while re-engineering our IT capabilities and the support structures around it. Our ability to extract revenue from new streams residing in offering end-to-end solutions to our large enterprise and government customers will add substantial value for our shareholders, while also bolstering EITC’s reputation as the innovative and customer-centric telecom, ICT leader in the UAE.

“Our future is made possible by our people. I am particularly proud to announce that for the fifth consecutive year, EITC has won the prestigious Gallup Great Workplace Award and that In 2018 the highest percentage of employees of all 65 cultures in our company were Emiratis.”

“I am also pleased to report that EITC delivered another year of strong financial performance and that our Board of Directors is proposing a total annual dividend of 35 fils per share amounting to AED 1,586 million, 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 2018.

Commenting on the CEO succession plan, Mohamed Al Hussaini, Chairman of EITC, continued:

“In accordance with best governance practices, a CEO Succession plan was put in place in EITC in 2017. This plan has reached now the active phase of looking for a successor. The Board have asked the CEO for his support in the selection process. Osman Sultan, EITC’s founding CEO, is committed to the delivery of the company’s ambitions in 2019 and to ensuring a smooth transition once the successor is appointed.”

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

“During 2018 we delivered good results under our strategy to drive more efficiency in our core business, while capturing new areas of growth through ICT.

“Revenues reached an all-time high of AED 13.41 billion in 2018, up by 3.2% from AED 13.0 billion in 2017. Growth was driven primarily by a strong performance in fixed revenues, up by 9.1% in 2018 over the previous year; as well as an increase in other revenues and the benefits derived from our strategy to capture more of the high-value segment of mobile post-paid subscribers, now up by 15.9%.

“EBITDA was up by 5.6% to AED 5.49 billion in 2018, supported by a strong efficiency programme and a reduction in operating expenses. Net Profit after royalty also increased by 2.4% to AED 1.75 billion in 2018, as compared to AED 1.71 billion in 2017.

“We maintained a good subscriber base in 2018, proudly serving almost 9 million customers across our fixed line and mobile networks. Fixed line subscribers increased by 3.9% to 769 thousand while mobile subscribers decreased by 4.3% to 7.89 million in 2018. The decline in our mobile base is a result of a clean-up of our prepaid base in line with the “My Number My Identity” Campaign and our strategy to focus more on the higher value post-paid segment.

“During 2018 we invested close to AED 1 billion in capital expenditure. We have a healthy balance sheet with a strong capital position, enabling us to make the right investments to grow our business. Looking ahead to the future, we maintain an opportunistic view in terms of our growth strategy.

“Operationally, we have established and grown a wide range of successful and evolving partnerships between our ICT & Enterprise Solutions and the UAE government and private sector in 2018.

“For our consumer business, 2018 was the first full year of operations for our second brand Virgin Mobile. Catering to the fast growing ‘tech savvy’ market, Virgin Mobile enabled us to better address the needs of specific market segments, focusing on fully digital customer experience. Moreover, the roll out of digital operations for Virgin Mobile enabled us to validate a new business model and add incremental value to EITC.

“Our business results for 2018 are proof of our resilience and agility in a mature market. We have the right structure, people and focus for the long term, reflecting our equally dynamic connectivity and non-connectivity businesses.”

Commenting on the CEO succession plan, Osman Sultan, founding CEO of EITC, continued:

“In 2017, I have expressed to the Board my intention to pass on my role to the next executive leadership. This process is now actively engaged by the Board. I am committed to supporting the Board in the selection process and to steering the organization on the delivery of 2019 plans and ambition.”

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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 almost 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 39.89 percent owned by Emirates Investment Authority, 19.91 percent by Mubadala Investment Company PJSC, 19.66 percent by Emirates International Telecommunications and the remaining by public shareholders and National companies. Listed on the Dubai Financial Market (DFM), the company trades under the name 'du'.

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