

Emirates Integrated Telecommunications Company PJSC (“du”) Announces 7.9% Increase in Q1 2018 Net Profit After Royalty; Exceptional One-Off Item Boosts it to a 40.5% Increase

- Solid 5.2% increase in Q1 2018 Revenue to AED 3.33 billion, compared to the same period last year
- EBITDA increased 4.5% in Q1 2018, compared to the same period last year; exceptional one-off item boosts it to a 18.2% increase to AED 1.45 billion

Dubai, UAE, 26 April 2018: Emirates Integrated Telecommunications Company PJSC (“du”) today published its financial results for the three months ended 31 March 2018 announcing revenue of AED 3.33 billion, an increase of 5.2% over the same period last year.

In Q1 2018 EITC recorded a one-off reversal related to regulatory costs, which positively impacted company profitability. Consequently, EBITDA and net profit after royalty increased by 18.2% and 40.5%, respectively in Q1 2018 as compared to the same period last year. Excluding the impact of the cost reversal, EBITDA and net profit after royalty increased by 4.5% and 7.9% respectively, for the same time period.

During the period, EITC announced the appointment of Mr. Mohamed Al Hussaini as Chairman of the Board of Directors. EITC also announced the results of the General Meeting regarding the appointment and election of a number of new Board members in-line with the Company’s Articles of Association that every three years, a new Board be constituted.

Emirates Investment Authority appointed Khaled Balama, Mohamed Al Suwaidi, Mohamed Al Shehi, and Kaj-Erik Relander. Mubadala Investment Company appointed Masood Mahmood and Khaled Al Qubaisi and Emirates International Telecommunications appointed Malek Al Malek and reappointed Mohamed Al Hussaini. The shareholders elected Ziad Galadari and Ahmed Julfar.

First Quarter 2018 Analysis

(AED million)	First Quarter Analysis		
	Q1 2017	Q1 2018	% change
Revenue ¹	3,166	3,331	5.2%
Fixed revenue	528	561	6.3%
Mobile revenue	1,793	1,801	0.4%
Other	845	969	14.7%
EBITDA	1,228	1,451	18.2%
Net Profit after Royalty	365	513	40.5%
Mobile subscribers ² (thousands)	9,220	9,335	1.3%
Fixed line subscribers (thousands)	707	753	6.5%

¹ Q1 2018 revenue classification was changed to provide a more accurate view of the 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 Mobile subscriber numbers disclosed for the period are in line with the definition set by the UAE Telecommunications Regulatory Authority.

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

"EITC had an excellent start to the year, with the new strategy delivering growth in revenue, subscribers and net profit. The first quarter of the year has also marked an important event in the life of our company when we welcomed our new Chairman, Mr. Mohamed Al Hussaini, as well as new Board members.

"Q1 2018 revenue increased by 5.2% to AED 3.33 billion, compared to the same period last year. Growth has come from continued growth in our fixed and other revenues. A positive for the quarter, the average revenue per user (ARPU) has also stabilised compared to the declining trends seen last year.

"Growth in our mobile subscriber base, now counting more than 9.3 million subscribers, was mainly driven by the post-paid base, which is in line with our strategy to attract better quality customers. Our fixed line subscriber base increased by 6.5% in Q1 2018, compared to the same period last year.

"We continued to maintain tight control on costs, to optimise our capex spend and to improve efficiencies across the business. These actions have benefitted our profitability. Our EBITDA increased by 4.5% and net profit after royalty increased by 7.9%, excluding the one-off regulatory cost reversal."

"We remain cognisant of industry-wide challenges, with continued pressure on voice revenues and challenges in monetising data. In 2017 we embarked on a transformation journey designed to respond to these new market realities, with a new strategy, as well as the launch of our fully digital brand Virgin Mobile.

"Our results for the first three months of the year are a testament to the positive benefits already derived from the changes implemented in 2017. Looking ahead to the rest of the year, we will continue to focus on capitalising on the ever expanding technology needs of the UAE and its people, maximizing value for our subscribers, customers and shareholders."

ENDS

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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