PRESS RELEASE

Du Proposes Return of AED 594.3 Million at 13 Fils per Share in Interim 2016 Dividends

Delivers AED 3.07 billion in revenue in Q2 2016

Dubai, 31 July 2016 – Emirates Integrated Telecommunications Company PJSC ("du") said it plans to distribute AED 594.3 million of interim dividends to its shareholders for the first half of 2016 at 13 fils per share, subject to approval at the General Meeting in September 2016.

In its published financial results for the second quarter of 2016, du delivered AED 3.07 billion in revenue, down 0.8% from Q2 2015. Half year revenue of AED 6.16 billion was 0.2% up on prior year (AED 6.14 billion).

Net profit before royalty for the quarter was AED 969.7 million, down 0.9% from AED 978.5 million in the same period last year.

Q2 Financial Highlights:

- Revenue of AED 3.07 billion, a 0.8% decrease compared to 2015 (AED 3.09 billion)
- EBITDA increased 0.8% to AED 1.35 billion versus 2015 (AED 1.34 billion)
- Net profit before royalty for Q2 2016 decreased 0.9% to AED 969.7 million compared to Q2 2015 (AED 978.5 million)
- Net profit after royalty stood at AED 445.4 million, down from AED 502 million in 2015, due to a AED 47.8 million increase in year-on-year royalty.

Q2 Revenue Breakdown:

- Mobile revenue totaled AED 2.17 billion, a 2.8% decrease on Q2 2015 (AED 2.23 billion)
- Mobile data revenue increased by 4.5% to AED 751.5 million from Q2 2015 (AED 719.3 million)
- Fixed revenue declined by 0.5% to AED 646.7 million compared to Q2 2015 (AED 649.8 million)
- Mobile data now represents 33.6% of mobile service revenues compared to Q2 2015 (31.2%)

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

"du continues to be a key enabler of the UAE's growth and has recorded a double digit increase in mobile subscribers during the quarter. However, our financial results reflect the challenging operating environment faced by all telecommunication companies in transforming their business models to monetize services.

"Net profit before royalty for Q2 2016 is down slightly compared with Q2 2015, reflecting the impact of a small decrease in revenue. In addition, the significant increase in royalty has impacted our net profit after royalty, which is down 11% this quarter, compared with the same period last year.

"The board of directors agreed in the meeting held on Thursday 28 July 2016 to propose a return of AED 594.3 million, or 13 fils per share, as an interim dividend for first half of 2016, to be voted on at the Ordinary General Meeting.

"As our customer's appetite for data continues to rise, we are continuously looking at ways to offer best in class products and services. Data now represents 33.6% of mobile service revenue, up from 31.2% in the same period last year. Data consumption increased by approximately 46% from 13 million GB in Q2 2015 to 19 million GB this year.

"Customers continued to be attracted by our competitive mobile packages and extensive network demonstrated by a 10.1% increase in mobile subscribers to 8.1 million. In line with our strategy of delivering quality growth by increasing the postpaid customer base, we now have over 910,000 postpaid customers, a 6.7% increase compared with Q2 2015.

"du continues to position itself as an integral facilitator of growth in the United Arab Emirates and its Vision 2021. Working closely with the UAE's Smart Government initiative, we are constantly finding new ways to improve the lives of UAE residents by facilitating digital integration across the country."

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About du

We started operating in 2007, offering mobile and fixed telephony, broadband connectivity and IPTV services. Today, we serve more than 8.1 million individual customers and over 80,000 businesses in the UAE. We also provide carrier services for businesses and satellite up/downlink services for TV broadcasters. We won the Gallup Great Workplace Award. Our recruitment strategy aims to provide fulfilling opportunities for quality talent in a cosmopolitan working environment where more than 60 nationalities work 35% of which are Emiratis. We are the first telecom company in the world to release a Sustainability Report based on GRI-G4 comprehensive guidelines. Among our other laurels, we also have the credit of being the first in the UAE to be awarded with prestigious LEED Platinum certification for 2 of our green retail outlet. du is 39.5 percent owned by Emirates Investment Authority, 20.08 percent by Mubadala Development Company PJSC, 19.5 percent by Emirates Communications and Technology LLC and the remaining by public shareholders. Listed on the Dubai Financial Market (DFM), the company trades under the name 'du'.

The company's Board members who represent Mubadala Development Company PJSC are considered related parties as Mubadala, through one of its wholly-owned subsidiaries, is the other Khazna shareholder.

Media Contacts:

Bell Pottinger

Tim Falconer: tfalconer@bellpottinger.com; +971 55559 7398
Amy Piek: apiek@bellpottinger.com; +971 55459 3260
Rima Ali: (Arabic) rali@bellpottinger.com; +971 55559 7414