EMIRATES TELECOMMUNICATIONS
GROUP COMPANY PJSC
'ETISALAT GROUP'

EARNINGS RELEASE
THIRD QUARTER 2019

23 OCTOBER 2019

INVESTOR RELATIONS
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FINANCIAL HIGHLIGHTS FOR Q3 2019

- Aggregate subscriber base stood at 148 million, representing a year over year increase of 5%;
- Consolidated revenue amounted to AED 13.0 billion, representing a decrease of 1% year over year; At constant exchange rates, revenue increased year over year by 0.4%;
- Consolidated EBITDA totaled AED 6.8 billion, representing an increase of 3% year over year and resulting in EBITDA margin of 52%, 2 percentage points higher than the prior year. At constant exchange rates, EBITDA increased year over year by 4%;
- Consolidated net profit after Federal Royalty amounted to AED 2.3 billion, remaining flat year over year and resulting in a net profit margin of 18%, similar to the prior year; and
- Consolidated capital spending increased by 16% to AED 1.9 billion, representing 14% of the consolidated revenues.

KEY DEVELOPMENTS IN Q3 2019

- Etisalat signed an agreement to acquired Help AG's operations in the UAE and KSA;
- Etisalat Digital and Microsoft partnered to deliver intelligent cloud solutions;
- Etisalat named 'Best Regional Wholesale Carrier' by Telecoms World Middle East;
- Etisalat Academy launched the GCC's first accredited Service Automation Framework (SAF) Training Centre; and
- Maroc Telecom Group started to consolidate Tigo Chad operations effective from July 2019.

STATEMENT FROM SALEH AL ABDOOLI, CEO OF ETISALAT GROUP

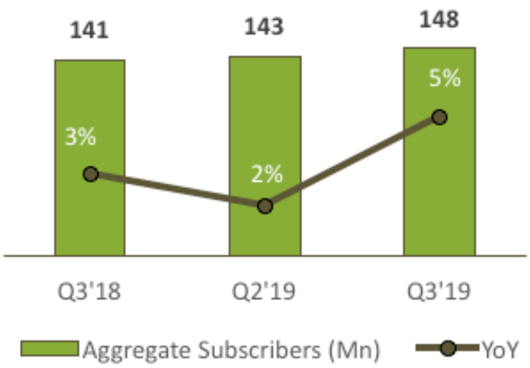
Eng. Saleh Abdullah Al Abdooli, CEO, Etisalat Group said: "Etisalat's performance in the third quarter demonstrates our agility in adapting to the rapid changes in the telecom industry; we have channelled our efforts towards leading the digital transformation with the successful roll out of 5G networks while equipping our operations with the next generation of technologies like AI and robotics.

"Thanks to our strategy of 'Driving the digital future to empower societies' paving the way to achieve our digital ambitions. As we move into the 5G era, it has opened a world of opportunities enabling the deployment of innovative solutions and services across different sectors which will accelerate digital growth, drive efficiencies, and enrich the overall customer experience.

"With continuous collaboration with our partners in the public and private domains, we are well geared to deliver 5G innovative solutions that will alter and reshape our society and industry on a large scale. Our investments in Etisalat's infrastructure and human capabilities have given us confidence moving forward to achieve our strategic goals to meet the current and future needs of our customers across our operations."

"Etisalat is thankful to the vision and support of the wise leadership of the UAE in inspiring us to deliver world-class networks and innovative services. We also extend appreciation to our shareholders and loyal customers who are at the heart of everything we do."

SUBSCRIBERS



Etisalat Group aggregate subscribers as at 30 September 2019 was 148 million reflecting a net addition of 7.2 million during the last 12 month period, due to strong subscriber growth in Pakistan, Morocco, Ivory Coast, Saudi Arabia, Burkina Faso, Niger and Togo as well as integration of subscribers of Tigo Chad. Quarter over quarter subscriber base increased by 3%.

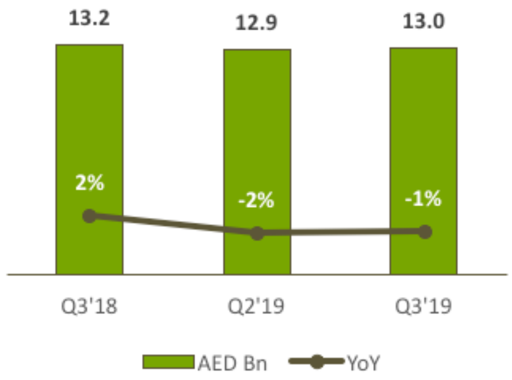
In the UAE, the subscriber base dropped to 12.4 million subscribers in the third quarter of 2019 representing a year on year decline of 1% while quarter over quarter remained flat. The mobile subscriber base declined year on year by 1% to 10.5 million subscribers representing a net reduction of 0.1 million subscribers, of which 0.2 million was prepaid while the postpaid segment increased by 0.1 million subscribers. eLife segment continued to drive consistent growth with 2% year on year increase to over 1 million subscribers. Total broadband segment grew by 1% year on year to 1.2 million subscribers.

For Maroc Telecom, the subscriber base reached 67.6 million subscribers as at 30 September 2019, representing a year over year growth of 11%. This growth is mainly attributable to the operations in Morocco, Burkina Faso, Ivory Coast, Niger and Togo as well as to the integration of Tigo Chad.

In Egypt, subscriber base decreased by 5% year over year and remained flat quarter over quarter at 26.5 million mainly due to the regulatory restrictions on subscriber acquisitions through indirect channels and higher government fees applied on new sims.

In Pakistan, subscriber base increased by 7% year over year and remained flat quarter over quarter at 25.2 million. This increase is attributed to the mobile segment.

REVENUE



Etisalat Group's consolidated revenue for the third quarter of 2019 amounted to AED 13.0 billion, representing a decrease of 1% in comparison to the same period last year and an increase of 1% quarter over quarter. The year over year performance was impacted by unfavourable exchange rate movements in Pakistani Rupee and Moroccan Dirham against AED and more challenging operating environment in the UAE market. At constant exchange rates, revenue increased year over year by 0.4%.

In the UAE, revenue in the third quarter decreased year on year by 1% to AED 7.7 billion mostly attributed to decline in mobile prepaid segment, handset sales and fixed voice impacted by a weaker macro environment and increased competition. Quarter over quarter revenue also decreased by 1% mostly attributed to unfavorable impact of summer seasonality characterized by increased promotional activities.

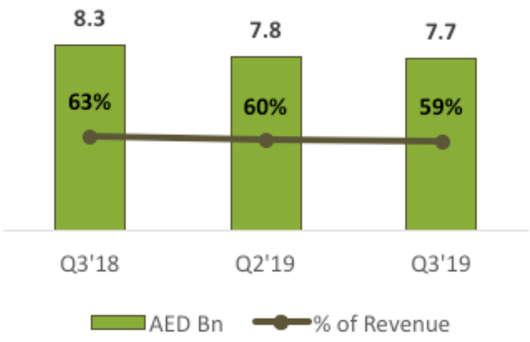
Revenues of International consolidated operations for the third quarter of 2019 decreased year over year by 1% to AED 5.2 billion. This is mainly due to unfavourable exchange rate movements in Pakistani Rupee, Moroccan Dirham and CFA Franc in West African operations as well as a more competitive environment in the international operations of Maroc Telecom Group. At constant exchange rates, revenues from International operations grew year over year by 3%. Revenues from International operations represented 40% of Group consolidated revenue.

Maroc Telecom consolidated revenue for the third quarter of 2019 amounted to AED 3.4 billion representing a year over year increase of 1% mostly attributed to the growth in Morocco's operations as well as consolidation of Tigo Chad's operations effective from July 2019. In Moroccan Dirham revenue increased year over year by 3%. In Morocco, revenue increased year over year in local currency by 1% attributed to 1% growth in both mobile and fixed segments. This increase is attributed to increase in mobile subscriber base by 3%, increase in fixed subscriber base by 4% and revenue growth in mobile data. Revenue from international operations increased year over year by 3% in Moroccan Dirham, resulting in 45% contribution to Maroc Telecom Group's consolidated revenue. This increase is attributed to the consolidation of Tigo Chad operations effective from July 2019.

In Egypt, revenue for the third quarter of 2019 was AED 0.9 billion, an increase of 25% year on year and 10% quarter over quarter. Year on year growth is mostly attributed to mobile data and higher penetration in postpaid segment.

In Pakistan, revenue for the third quarter decreased by 25% to AED 0.7 billion as compared to the same period in 2018 and decreased by 11% as compared to the previous quarter. Revenue growth is impacted by unfavourable exchange rate movements of Pakistani Rupee against AED. In local currency, revenue for the quarter declined by 3% mainly attributed to mobile segment that was impacted by the reinstatement of taxes on telecom services effective from mid-April 2019 that were suspended in prior year. This decline was partially offset by revenue growth in fixed broadband, corporate segment and Ubank revenues.

OPERATING EXPENSES



Etisalat Group has adopted "IFRS 16 Leases" using the modified retrospective approach effective from 1 January 2019 and accordingly the comparative figures have not been restated. Further details about Etisalat's accounting treatment under IFRS 16 is included in the Significant Accounting Policies section of the financial report.

Consolidated operating expenses for the third quarter of 2019 was AED 7.7 billion, a decrease of 7% from the same quarter of the previous year and a decrease of 1% as compared to the second quarter of 2019. The year over year decrease is attributed to lower cost of sales, staff costs, operating lease rentals, consultancy costs as well as incurring foreign exchange gain as compared to foreign exchange losses prior year. Key components of operating expenses are:

- Direct cost of Sales decreased year over year by 2% to AED 3.1 billion in the third quarter of 2019, while increased by 2% quarter over quarter. As a percentage of revenue, direct cost of sales remained flat in the third quarter at 24%.

- Staff expenses decreased by 6% to AED 1.2 billion for the third quarter of 2019 as compared to the same period of last year and by 3% quarter over quarter. As a percentage of revenue, staff costs remained flat at 9% in the third quarter.

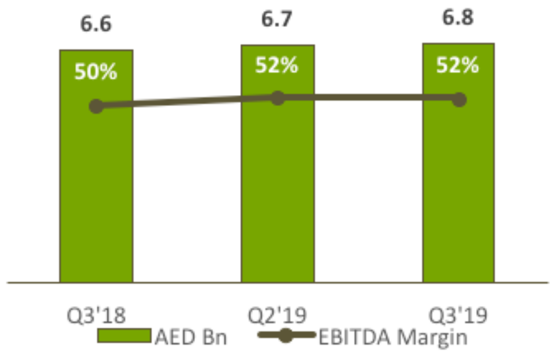
- Depreciation and Amortization expenses increased year over year by 5% to AED 1.9 billion in the third quarter of 2019 as compared to the same period in 2018, and increased quarter over quarter by 1%. As a percentage of revenue, depreciation and amortization expenses increased by 1 percentage point to 14% in the third quarter and remained flat compared to the second quarter of 2019.

- Network costs decreased by 1% to AED 0.7 billion in the third quarter of 2019 as compared to the same period in 2018 and increased by 5% as compared to the second quarter of 2019. As a percentage of revenue, network costs represented 5% of revenue, similar to the third quarter of the prior year and second quarter of this year.

- Marketing expenses decreased by 2% to AED 0.2 billion in the third quarter of 2019 as compared to the same period in 2018 and decreased by 13% in comparison to the second quarter of 2019. Marketing expenses represented 2% of the third quarter revenue, similar to the third quarter of the prior year and the second quarter of this year.

- Other operating expenses decreased by 42% year over year to AED 0.7 billion in the third quarter and declined by 12% quarter over quarter. This decline is mainly attributed to the adoption of IFRS 16, incurring foreign exchange gains as compared to foreign exchange losses in prior year and lower consultancy cost during the period. Other operating expenses represented 6% of the quarter's revenue, 4 percentage points lower than the prior year and 1 percentage point lower than the prior quarter.

EBITDA



Group Consolidated EBITDA for the third quarter of 2019 increased by 3% year on year and remained flat quarter on quarter at AED 6.8 billion, resulting in EBITDA margin of 52%, 2 percentage points higher than the prior year and consistent with the prior quarter. At constant exchange rates, EBITDA increased year over year by 4%. Excluding the impact of IFRS 16, EBITDA increased year over year by 0.3% and EBITDA margin increased by 0.8 percentage point.

In the UAE, EBITDA in the third quarter of 2019 was AED 4.2 billion, a 4% year-over-year increase leading to an EBITDA margin of 54%, which increased by 2% compared to the previous year. EBITDA decreased by 1% with EBITDA margin flat in comparison to the second quarter of 2019. The year over year increase is mainly attributed to lower cost of sales and lower operating costs driven by cost control measures and adoption of IFRS16.

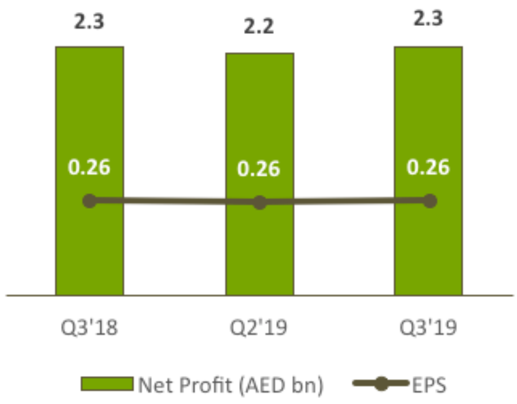
EBITDA of International consolidated operations increased by 4% year over year to AED 2.6 billion in the third quarter, resulting in a 38% contribution to Group consolidated EBITDA. At constant exchange rates, EBITDA from International operations grew year over year by 7%. EBITDA margin of international operations reached 50%, the highest quarter ever, representing an increase of 3 percentage points year on year and remained flat as compared to the second quarter of 2019.

Maroc Telecom's consolidated EBITDA for the third quarter of 2019 amounted to AED 1.9 billion increasing year on year by 6%, resulting in EBITDA margin of 56%, 3 percentage points higher than the prior year. In Moroccan Dirham, EBITDA in absolute terms increased by 8% due to strong growth in Morocco and its international operations that grew by 6% and 11%, respectively. Growth in EBITDA is mainly attributed to increase in revenue, cost control measures, lower mobile termination rates in international subsidiaries and positive impact of IFRS 16.

In Egypt, EBITDA in the third quarter increased year on year by 33% to AED 0.4 billion and EBITDA margin increased by 3 percentage points to reach 47%. Quarter over quarter, EBITDA increased by 34% and EBITDA margin increased by 8 percentage points. The third quarter EBITDA continued to improve driven by an enhanced revenue trend coupled with better operating cost control measures in addition to one-off positive impact related to the settlement of the dispute over interconnection rates with other mobile operators. Excluding one-off, EBITDA margin for the third quarter would be 42%.

In Pakistan EBITDA in the third quarter of 2019 decreased year on year by 33% to AED 0.2 billion with EBITDA margin decreasing by 3 percentage points to 30%. Quarter over quarter EBITDA declined by 22% and EBITDA margin by 4 percentage points. During the quarter, EBITDA was impacted by unfavourable exchange rate movements of Pakistani Rupee against AED, lower revenue, higher cost of sales and higher staff costs. In local currency, EBITDA decreased by 13% year on year attributed to mobile operation.

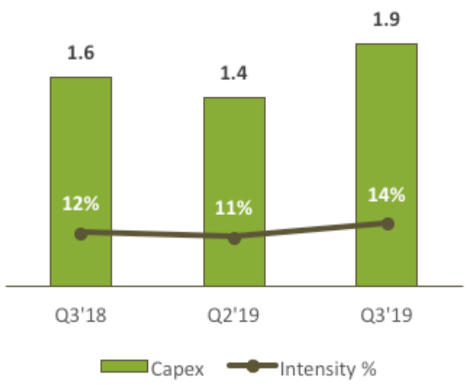
NET PROFIT & EPS



Consolidated net profit after Federal Royalty remained flat year on year and increased by 2% quarter on quarter to AED 2.3 billion in the third quarter of 2019 resulting in a profit margin of 18%, consistent with the prior year. The third quarter net profit was positively impacted by higher EBITDA, forex gains as compared to forex losses in prior year, lower loss from discontinued operations, and lower minority interest.

Earnings per share (EPS) amounted to AED 0.26 in the third quarter of 2019, which remained flat compared to EPS of the same period of last year.

CAPEX



Consolidated capital expenditure increased year over year by 16% to AED 1.9 billion in the third quarter of 2019 resulting in a capital intensity ratio of 14%. This increase is attributed to domestic and international operations. Our capital investment continued to focus on ensuring reliable high-speed data services and network quality that are essential to improve customer experience.

In the UAE, Etisalat continued to invest in network modernization and upgrades to support the rising data traffic across its network, expand network capacity and deploy 5G network. Capital expenditure during the quarter amounted to AED 0.8 billion, a 2% increase in comparison to the same period last year. Capital intensity ratio was 11%, similar to the same quarter of the prior year and 2 percentage points higher as compared to the second quarter of 2019.

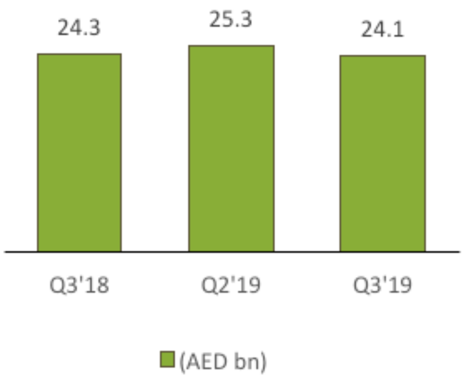
Capital expenditures in International consolidated operations in the third quarter of 2019 increased by 30% to AED 1.0 billion compared to the same period last year and represented 55% of total Group capital expenditure.

In Maroc Telecom, capital expenditure for the third quarter increased by 27% year over year to AED 0.5 billion resulting in a capital intensity ratio of 15%, 3 percentage points higher than the same period of the prior year.

In Egypt capital expenditure for the third quarter increased by 17% year over year to AED 0.2 billion resulting in a capital intensity ratio of 18%, 1 percentage point lower than the same period of the prior year. Capital spending was mainly focused on 4G network deployment and capacity expansion.

In Pakistan, capital expenditure for the third quarter increased by 43% year over year to AED 0.3 billion resulting in a capital intensity ratio of 41%, 20 percentage points higher than the prior year. Capital spending mainly focused on network transformation of fixed network and enhancement of mobile network's capacity.

DEBT



Total consolidated debt amounted to AED 24.1 billion as of 30 September 2019, as compared to AED 23.5 billion as at 31 December 2018; an increase of AED 0.6 billion.

Consolidated debt breakdown by operations as of 30 September 2019 is as following:

- Etisalat Group (AED 14.6 billion)
- Maroc Telecom (AED 7.2 billion)
- PTCL Group (AED 1.2 billion)
- Etisalat Misr (AED 1.1 billion)

Around 72% of the debt balance is of long-term maturity that is due beyond the third quarter of 2020.

Currency mix for external borrowings is 40% in Euros, 24% in US Dollars, 18% in MAD and 17% in various currencies.

Consolidated cash balance amounted to AED 26.4 billion as of 30 September 2019 leading to a net cash position of AED 2.3 billion.

PROFIT & LOSS SUMMARY

(AED m)	Q3'18	Q2'19	Q3'19	QoQ	YoY
Revenue	13,150	12,879	12,977	+1%	-1%
EBITDA	6,579	6,722	6,754	0%	+3%
EBITDA Margin	50%	52%	52%	0pp	+2pp
Federal Royalty	(1,553)	(1,584)	(1,628)	3%	+5%
Net Profit	2,282	2,232	2,286	+2%	0%
Net Profit Margin	17%	17%	18%	0pp	0pp

BALANCE SHEET SUMMARY

(AED m)	December 2018	September 2019
Cash & Bank Balances	28,361	26,429
Total Assets	125,243	124,329
Total Debt	23,526	24,124
Net Cash / (Debt)	4,835	2,305
Total Equity	57,245	55,939

CASH FLOW SUMMARY

(AED m)	9M' 2018	9M' 2019
Operating	10,742	10,692
Investing	(4,611)	(4,572)
Financing	(9,096)	(8,529)
Net change in cash	(2,966)	(2,409)
Effect of FX rate changes	118	504
Reclassified as held for sales	(24)	(27)
Ending cash balance	24,254	26,429

	Average Rates			Closing Rates		
Foreign Exchange Rates	Q3'18	Q3'19	YOY	Q3'18	Q3'19	YOY
EGP - Egyptian Pound	0.2055	0.2221	8.08%	0.2049	0.2252	9.87%
SAR - Saudi Riyal	0.9792	0.9792	0.00%	0.9793	0.9790	-0.02%
CFA - Central African Franc	0.0065	0.0062	-4.54%	0.0065	0.0061	-5.58%
PKR - Pakistani Rupee	0.0299	0.0231	-22.70%	0.0298	0.0234	-21.47%
AFA - Afghanistan Afghani	0.0501	0.0457	-8.67%	0.0483	0.0470	-2.71%
MAD - Moroccan Dirham	0.3890	0.3816	-1.89%	0.3891	0.3770	-3.11%

RECONCILIATION OF NON-IFRS FINANCIAL MEASUREMENTS

We believe that EBITDA is a measurement commonly used by companies, analysts and investors in the telecommunications industry, which enhances the understanding of our cash generation ability and liquidity position, and assists in the evaluation of our capacity to meet our financial obligations. We also use EBITDA as an internal measurement tool and, accordingly, we believe that the presentation of EBITDA provides useful and relevant information to analysts and investors.

Our EBITDA definition includes revenue, staff costs, direct cost of sales, regulatory expenses, operating lease rentals, repairs and maintenance, general financial expenses, and other operating expenses.

EBITDA is not a measure of financial performance under IFRS, and should not be construed as a substitute for net earnings (loss) as a measure of performance or cash flow from operations as a measure of liquidity. The following table provides a reconciliation of EBITDA, which is a non-IFRS financial measurement, to Operating Profit before Federal Royalty, which we believe is the most directly comparable financial measurement calculated and presented in accordance with IFRS.

(AED m)	Q3'18	Q2'19	Q3'19
EBITDA	6,579	6,722	6,754
Depreciation & Amortization	(1,771)	(1,841)	(1,864)
Exchange Gain/ (Loss) & Hedge ineffectiveness	(197)	(24)	102
Share of Associates and JV's results	(9)	(2)	12
Impairment and other losses	(17)	-2	0
Operating Profit before Royalty	4,585	4,857	5,004

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This Presentation includes certain "forward-looking statements". Such forward looking statements are not guarantees of future performance and involve risks of uncertainties. Actual results may differ materially from these forward looking statements.

ABOUT ETISALAT GROUP

Etisalat Group is an international, blue-chip organisation with operations in 16 countries across the Middle East, Africa and Asia. It is one of the leading telecom operators with one of the largest market capitalization among Middle East, African and Asian telcos. It is a highly rated telecom company with ratings from Standard & Poor's and Moody's (AA-/Aa3).

Etisalat Group's shareholding structure consists of 60% held by the Emirates Investment Authority and 40% free float. Etisalat (Ticker: Etisalat) is quoted on the Abu Dhabi Stock Exchange (ADX).

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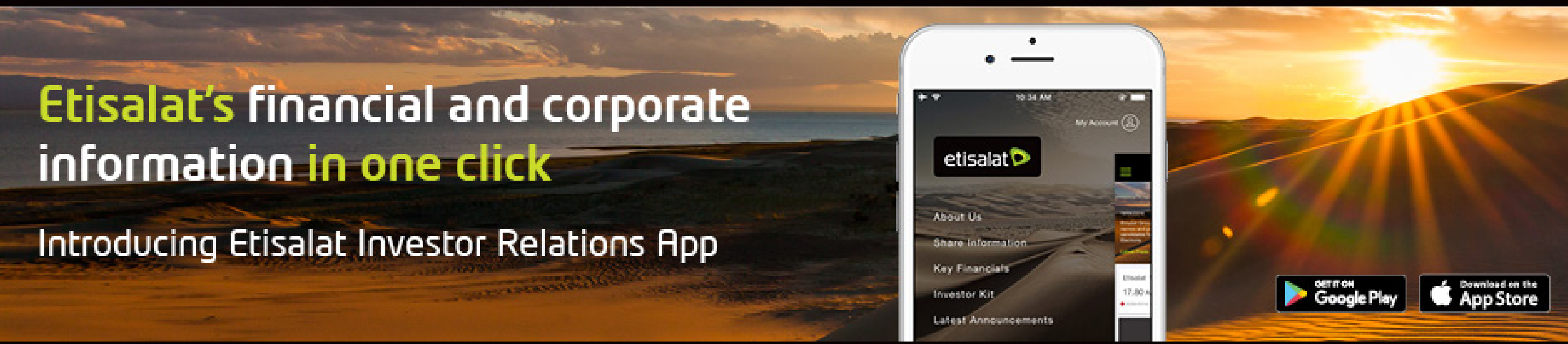

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