

STC's Net Income for Q1 2019 compared to the corresponding quarter last year increased by 6.3%, and it distributes SR 1 per share dividends for Q1 2019

Riyadh, Kingdom of Saudi Arabia, 22 April 2019 - Saudi Telecom Company (STC) today announced the company's preliminary financial results for the period ending at 31 March 2019:

- **Revenue from Services for the 1st quarter reached SR 13,386m an increase of 8.4% compared to the corresponding quarter last year.**
- **Gross Profit for the for the 1st quarter reached to SR 7,903m an increase of 14.0% compared to the corresponding quarter last year.**
- **Operating Profit for the 1st quarter reached to SR 3,275m an increase of 24.4% compared to the corresponding quarter last year.**
- **Earnings before Interest, Taxes, Zakat, Depreciation and Amortization (EBITDA) for the 1st quarter reached to SR 5,386m an increase of 19.0% compared to the corresponding quarter last year.**
- **Net Income for the 1st quarter reached to SR 2,750m an increase of 6.3% compared to the corresponding quarter last year.**

In accordance with the approved dividend policy for three years starting from the 4th quarter 2018, which was announced on 16 December 2018, and remains subject to the ratification by the next General Assembly Meeting that will be held on April 24th, 2019 corresponding to 19/08/1440 H, STC will distribute a total of SR 2,000 million in cash dividend for Q1 2019, representing SR 1 per share. The eligibility of dividends shall be for the shareholders at the close of trading on Sunday 05/05/2019 corresponding to 30/08/1440 H and as per the registered shareholders in the register of The Securities Depository Center Company at the end of the 2nd trading day following the eligibility date. Dividend distribution date will be on 27/05/2019 corresponding to 22/09/1440 H

Commenting on the results, Eng. Nasser Bin Sulaiman Al Nasser, STC Group CEO, stated: what has been achieved in this quarter compared to the comparable quarter last year was a result of our commitment to implement and achieve STC's strategic plans. The commitment to provide the best technical services, the cost optimization initiatives, and the outstanding performance of our subsidiaries as well as, the investments in traditional and non-traditional sectors both had a positive impact on the financial results of the first quarter of this year.

He further added, part of the company's strategy is to invest in new and diverse domains that can enable the digital transformation and enrich the customers' experience. STC will continue to play its role as an incubator for creative projects and ideas that capture the rapid changes in the telecom industry, customer needs and requirements as both innovation and investment are key factors to accelerate and achieve the digital transformation.

In order to establish our pivotal role in enabling digital transformation within the guidelines of vision 2030, STC has signed three strategic agreements with international companies as part of the " 5G Aspiration Project " to deploy the 5G network and develop innovative services and solutions related to latest generation of networks and communication technologies, which comes across our commitment to launch one of the fastest network in the world.