

## **STC Net Income for the 1st quarter increased 5.4% to reach SR 2.5 billion compared to the same quarter last year, and distributes SR 1 per share dividends for the 1st quarter**

*Gross profit and operating profit for the quarter increased 4.3% and 42.4% respectively compared to the immediate prior quarter*

**Riyadh, Kingdom of Saudi Arabia, 4 May 2017** - Saudi Telecom Company (STC) today announced the company's interim financial results for the period ending at 31 March 2017

STC group net income for the 1<sup>st</sup> quarter of 2017 increased 5.4% compared to the comparable quarter last year, and increased of 21.3% compared to the immediate prior quarter. Earnings Per share for the 1<sup>st</sup> quarter grew to reach SR 1.26 compared to SR 1.20 for the comparable quarter last year.

In accordance with the approved dividend policy for three years starting from the 4<sup>th</sup> quarter 2015 which was announced on 11 November 2015, and have been ratified during the General Assembly Meeting on April 4<sup>th</sup> 2016, STC will distribute a total of SR 2,000 million in cash dividend for Q1 2017, representing SR 1 per share.

**Commenting on the results, STC Group CEO, Dr. Khaled H. Biyari, stated:** "The financial results achieved for the 1<sup>st</sup> quarter of 2017 reflects the efforts being made to constantly evolve, improve and develop the company's strategy and operations and achieve the best returns for the shareholders. Despite the various difficulties facing the sector, company sponsored programs contributed to improve operational efficiency and cost control leading to improved income and margins. Therefore, net income for the 1<sup>st</sup> quarter increased 5.4% compared to the comparable period last year. Also, net income for the quarter increased 21.3% compared to the immediate prior quarter as the company managed to reduce the cost of revenues by 4.3% and reduce operating expenses by 13.6% compared to the previous quarter."

Dr. Biyari, added : "STC continues to invest in digital platforms to provide unique and innovative services to customers, both individuals and businesses. This goes along with the world economy direction towards the digital economies, also comes under the Kingdom's Vision 2030 and the national transformation plan 2020 and its pursuit of serious transition to the digital economy because of its positive impact on people's lives in health, education, cultural aspects and everything that touches people's lives. The company operates through an integrated program of digital transformation for all internal processes, in addition to digitizing various services both in service delivery and after sales services. As an example, the company recently launched "JAWWY" as an innovative mobile service that provides integrated digital platform for STC customers. In this context, the company also had several meetings with different sectors in the Kingdom to achieve homogeneity of employing modern technology with these sectors both in terms of health, education, financial transactions and other sectors. STC is going in this direction, and monitor the great progress in digital communications and its impact on changing the nature of the Telecom sector. Hence the importance of STC's vision, to continue to adopt initiatives to invest in the development of non-traditional communications infrastructure, especially the transition to digital services, cloud computing services and managed data services with great emphasis on information security."