





Contents

An overview	04
Share dealing	06
Board of directors	08
Executive management	20
Related party transactions	24
External auditor	25
Internal control	27
Disclosure and communication with shareholders	30
General	31
Our contribution to sustainability and community engagement	33

1. An overview

Our corporate governance programme instils confidence in our ability to drive efficiency and generate revenues to contribute to the economy of the UAE.

1.1 Introduction

Our corporate governance system meets all relevant UAE legislation on corporate governance and the Law of Companies. It follows international corporate governance best practices and adheres to Ministerial Resolution No. 518 of the 2009 Federal Law on Governance Regulations and the Criteria of Corporate Discipline.

Our governance systems are currently managed according to our “Corporate Governance Manual”. The Manual is approved by the Board of Directors and was revised with updated policies in March 2011. This manual governs our organisational framework, policies, and procedures to ensure we comply with international best practices as well as the rules and practices set by the Securities and Commodities Authority (ESCA). In addition to complying with the requisite laws, our corporate governance programme instils confidence in our company’s ability to drive efficiency and generate revenues to contribute to the economy of the UAE.

1.2 Our Governance System

Our governance system is managed according to Ministerial Resolution No. 518/2009 on the Principles of Governance and Criteria of Corporate Discipline and the rules and criteria of governance detailed in “The Corporate Governance Manual”. They include, for example, a clear definition of the role and duties of the Board’s Chairman and Chief Executive Officer. They also prevent the Chairman from acting as Chief Executive Officer for our company. Additional rules of the Board have been agreed, including supervision of our company’s internal audit system and monitoring its efficacy.

Our corporate governance initiatives extend beyond legal requirements. We launched a governance page on our website, on which we post an annual governance report, the Board structure, and details of our founding shareholders. The webpage also contains information on all of the applicable governance

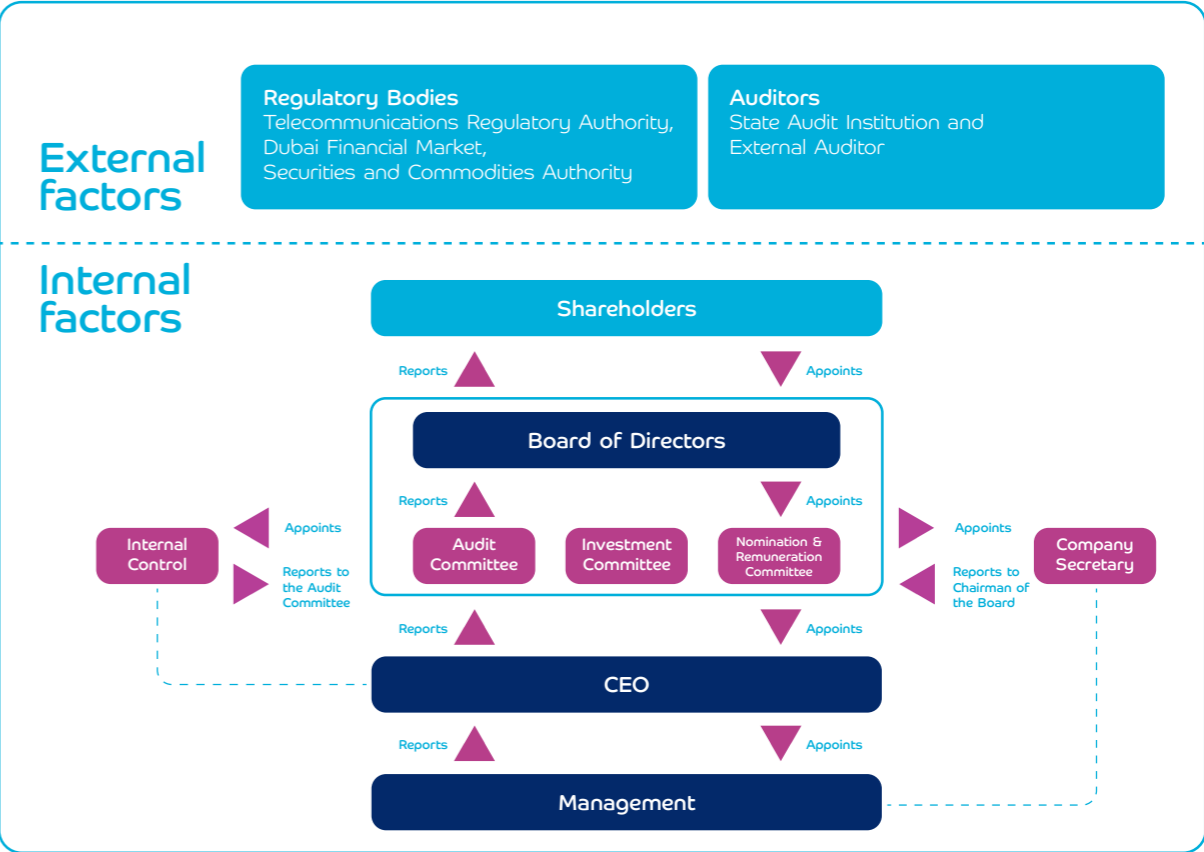
policies. We communicate with our Board and shareholders (in the UAE and internationally) via corporate governance email. This enables an atmosphere of transparency and disclosure and ensures consistency between Board, Executive Management and other staff practices.

Our “Corporate Governance Manual” contains policies and rules that govern the following corporate activities to ensure the highest standards of business integrity:

- Corporate Social Responsibility (where our company contributes to enhance the quality of life of its workforce and the wider community)
- Dividend distribution (our company’s commitment to creating value for shareholders in a balanced and sustainable way)
- Code of Conduct covering all company employees (Board, Executive Management and employees must all adhere to the Code of Conduct)
- Share Dealing policy (see section 2.1)
- Related Party Transactions (identifies the requirements relating to transactions between our company and its stakeholders)
- Whistleblowing (see section 7.3)
- Board evaluation (a recently developed governance policy that has been adopted worldwide, reflecting the extent to which the Board is efficient, competent, and able to overcome any potential economic difficulties)
- Disclosure and communication with shareholders (see section 8)
- External auditor appointment (see section 6.2)
- Directors Access to Independent Professional Advice Policy (under this policy a Board Member is free to consult an internal or external expert that will support the member’s decisions and opinions to the advantage of our company)

1.3 Our Governance Model

The effectiveness of our governance model relies on the distribution of duties and responsibilities amongst shareholders, management, and Directors, including the Board of Directors and permanent committees as illustrated in the chart below:



2. Share dealing

2.1 Share Dealing Policy

Scope of the policy

The Share Dealing Policy applies to all individuals working for us or any of our subsidiaries, at all levels and grades including, members of the Board of Directors, Executive Management, senior managers, and other employees (including permanent employees, contractors and trainees). Third parties who gain access to price-sensitive information (whether by reason of a contractual relationship with our company or any of its subsidiaries, or a personal relationship with an employee) should also be made aware of this policy.

The purpose of the policy is to:

a. Educate our Directors, Executive Management and other employees (including permanent employees, contractors and trainees) on the illegality of insider dealing and tipping, i.e. dealing in our company's shares - either directly or through others - whilst in possession of unpublished price-sensitive information, such as:

- Annual and interim financial results of our company before they are made public;
- Information about our company's forecasts and trading prospects;
- Dividends the Directors propose to declare and any changes to the dividend policy;
- Expansion plans, including entrance into new markets or the introduction of new technology;
- Strategic alliances or any proposed mergers or acquisitions;
- Corporate restructuring programmes;
- Significant changes in the nature of our company's business;
- Disposal of any shares of our company by a significant shareholder;
- Changes to the Board of Directors' structure or members of the Executive Management;
- News concerning our company's services, such as regulatory approvals or licensing deals;
- A potential dispute which may result in significant litigation; and

- Any other information that our company's management may determine to be price-sensitive information.

b. Establish a framework for our employees to adhere to when dealing in the company's shares

c. Set out the consequences of failure to adhere to this policy

2.2 Trading Restrictions

During the closed periods, Directors, Executive Management and other employees are not allowed to deal, directly or through others, in shares of our company (or of any of its subsidiary or affiliated companies) irrespective of whether or not they are in possession of unpublished price-sensitive information.

a. A closed period is the 15-day period preceding any of the following:

- Our company's General Assemblies (including the Annual General Meeting and any Extraordinary General Assembly);
- The announcement of any unpublished price-sensitive information; and
- The announcement of yearly, half-yearly and quarterly financial results in:
 - April;
 - July;
 - October; and
 - February.

b. Any proposed dealings in our company's shares at any time by an employee requires consent from:

- The Chairman of the Audit Committee in the case of dealings by any Director and the CEO;
- The Chairman of the Board of Directors in the case of dealings by the Chairman of the Audit Committee; and
- The CEO in all other cases.



c. All applications to deal in our shares must be made through our Company Secretary's office using the Share Dealing Consent Form or through our company's internal, online portal for staff. The form must state the number of shares that the applicant proposes to buy or sell and the proposed date of the transaction. The applicant must also confirm that he or she is not in possession of unpublished price-sensitive information. After the transaction has been completed, the applicant must promptly (and in any event no later than four days from receiving that confirmation) notify our Company Secretary's office - using the Share Dealing Completion Form - that the share dealing has taken place.

d. An applicant cannot proceed with a proposed transaction until he or she receives written confirmation of such consent through our Company Secretary.

e. Any employee joining our company must disclose any shareholding in our company that they may have. Furthermore, Directors and Executive Management must inform the Company Secretary of their shareholding in our company annually.

f. The Audit Committee will be responsible for reviewing this policy at least annually and shall report to the rest of the Board on its activities under this policy.

We continue to adhere to international best practice guidelines, as well as meeting the guidelines of the DFM and ESCA.

3. Board of directors

Our commitment to good governance begins with an autonomous Board of Directors enforcing a strict code of business ethics and compliance standards.

3.1 Structure

According to our "Corporate Governance Manual", all members of our Board are non-executive, a provision that is consistent with Ministerial Decision No. 518/2009 on the Principles of Governance and Criteria of Corporate Discipline.

Under the Memorandum of Association, the UAE Government, Emirates Communication and Technologies Company LLC and Mubadala Development

Company have the right to jointly appoint eight members of the Board, with two members to be elected from public shareholders.

The re-appointment and re-election of all members of the Board was approved on 28 March 2012 for a term of three years.

The Board consists of eight non-executive and independent members and two non-executive members:

Name	Date of first appointment/ election	Board Position	Membership of Committees	Representing	Academic Qualifications
Ahmad Bin Byat	2006	Chairman, non-executive Board Member	Investment Committee	Emirates Communications and Technology Company	MA, Information Technology and Business Administration, USA
Younis Al Khoori	2009	Vice Chairman, non-executive and independent Board Member	Investment Committee	Emirates Investment Authority	BSc, Computer Engineering Sciences, Boston University, USA MA of Engineering Management Sciences, Northeastern University, USA
Abdulhamid Saeed	2009	Non-executive and independent Board Member	Audit Committee	Emirates Investment Authority	BSc, Business Administration, Arizona, USA
Waleed Al Muhairi	2006	Non-executive and independent Board Member	Nomination and Remuneration Committee (Chairman)	Mubadala	MA Harvard University, USA BSc in Foreign Service, Georgetown University, USA

Jassem Al Zaabi	2006	Non-executive and independent Board Member	Investment Committee (Chairman)	Mubadala	MBA from London Business School, UK
Fadhel Al Ali	2009	Non-executive Board Member	Audit Committee, Investment Committee	Emirates Communications and Technology Company	BSc, Industry Sciences and Engineering Systems, University of Southern California, USA Certificate of Finance (CFA Level 1), American University of Sharjah
Ziad Galadari	2007	Non-executive and independent Board Member	Audit Committee (Chairman)	General	BSc, Law, United Arab Emirates University, Al Ain
Abdulla Al Shamsi	2007	Non-executive and independent Board Member	Nomination and Remuneration Committee	General	BSc, General Administration and Business (Finance & Business), New York University
Saeed Al Yateem	2006	Non-executive and independent Board Member	Audit Committee, Nomination and Remuneration Committee	Emirates Investment Authority	BSc, Political Science, United Arab Emirates University, Al Ain
Mohamed Al Suwaidi	2012	Non-executive and independent Board Member	Investment Committee	Emirates Investment Authority	BSc, General Administration and Business (Accounting), United Arab Emirates University, Al Ain

The UAE Federal Government, represented by the Emirates Investment Authority (EIA), appointed Mohamed Al Suwaidi as its fourth representative on our Board of Directors after Eissa Al Suwaidi stepped down as a Board Member on 27 June 2012.



Ahmad Bin Byat
Chairman
(non-executive member)

Ahmad Bin Byat is the Founding Chairman of our company.

He is one of the most prominent corporate leaders in Dubai. He holds a number of high-ranking directorial positions, and plays an instrumental role in leading key economic initiatives designed to drive Dubai's knowledge-based economy forward. He is currently Chief Executive Officer of Dubai Holding, Member of the Board of Trustees at Dubai School of Government and Director General at Dubai Technology and Media Free Zone Authority.

Bin Byat has also held a number of other senior roles. These include stints as Executive Chairman of TECOM Investments; Chairman of Dubai Real Estate Corporation (DREC); Secretary-

General of the Dubai Executive Council; President of Dubai Government Excellence Programme; Chairman of the Dubai Education Council; Member of the Board of Trustees for Zayed University; Chairman of the Board of Directors at The Consulting Office; and Member of the Board of Thuraya Telecommunications Company. Additionally, he is a former Member of the Supreme Committee for the Supervision of the Telecommunication Sector in the UAE and the Dubai Supreme Fiscal Committee.

His educational background, leadership qualities and technology skills have made him a highly resourceful and inspiring corporate leader. Charisma and motivational skills have helped him build high-performing teams, create partnerships, and nurture long-term relationships.



Younis Al Khoori
Vice Chairman
(non-executive, independent member)

Al Khoori is the Undersecretary of the UAE Ministry of Finance. In this capacity, he is responsible for the implementation of the new Zero-Based Budget.

Since his appointment at the Ministry of Finance in 2007, Al Khoori has led various initiatives including the restructuring of the budget process.

Prior to that, Al Khoori was the IT Director at the Department of Finance in Abu Dhabi. He also worked as a Senior Engineer with ADNOC.

Al Khoori sits on the Board of Directors of major UAE companies such as The Central Bank of the UAE, the General Pensions and Social Security Authority (GPSSA) and the Abu Dhabi Investment Council.



Abdulhamid Saeed
Board Member
(non-executive, independent member)

Abdulhamid Saeed is Chief Executive Officer and Board Member of First Gulf Bank.

He also holds key positions in several governmental organisations, including as a Board Member of the Dubai Stock

Exchange, Emirates Investment Authority (EIA) and Mubadala Development Company. He is a Board Member of Sky News Arabia and a Member of the Board of Trustees at Abu Dhabi University. He is Chairman of Aseel Finance, and Chief Executive Officer of Reem Investments.



Waleed Al Muhairi
Board Member
(non-executive, independent member)

Waleed Al Muhairi is Chief Operating Officer of Mubadala Development Company.

As Mubadala's Chief Operating Officer, Waleed oversees the company's investment portfolio and is responsible for its strategic, operational and business development activities.

Waleed is also Chairman of the Board of Directors of Yahsat, Mubadala Infrastructure Partners, the Advanced Technology Investment Company (ATIC), Cleveland Clinic Abu Dhabi and Tabreed. He is Vice Chairman of Piaggio Aero Industries and is a Director of Al Maabar, GLOBALFOUNDRIES and the Abu Dhabi Future Energy Company (Masdar). He is also a Member of the Board of Trustees of Cleveland Clinic.



Jassem Al Zaabi
Board Member
(non-executive, independent member)

Jassem Al Zaabi is the Executive Director of Mubadala Information & Communications Technology.

Before joining the Company, Jassem worked for Thuraya Satellite Communications Company as a business development area manager in the GCC

region and Egypt. Board Positions: Chairman of Injazat Data Systems; Board Member of Emerging Markets & Telecommunication Services (EMTS), Abu Dhabi Ship Building, Abu Dhabi Ports Company PJSC and Advanced Technology Investment Company (ATIC).



Fadhel Al Ali
Board Member
(non-executive member)

Fadhel Al Ali is Chief Executive Officer of Operations at Dubai Holding. He is a Member of its Executive Committee and that of several of its entities, including

Jumeirah Group. He is currently acting as a Board Member at Cyprus Popular Bank, Dubai Financial Services Authority and Emaar.



Ziad Galadari
Board Member
(non-executive,
independent member)

Ziad Galadari is Founder and Chairman of Galadari Brothers Company LLC and has been practicing law, providing legal consulting and arbitration services

since 1983. He is Chairman of Galadari Investment Office and a Member of the Board of Directors of the Dubai World Trade Centre and Dana Gas.



Abdulla Al Shamsi
Board Member
(non-executive,
independent member)

Abdulla Al Shamsi is General Manager of United Arab Shipping Agencies Co. (Emirates) and Vice President of Dubai Shipping Agents Association. He serves

as Chairman of Dubai Properties Group (Member of Dubai Holding) as well as Chairman-Middle East Container Repair Co. (LLC).



Saeed Al Yateem
Board Member
(non-executive,
independent member)

Saeed Al Yateem is Assistant Undersecretary of Budget and Revenues Affairs at the Ministry of Finance, UAE.

He supervises UAE Federal Government budgeting process and performance and UAE Federal Government public revenues.



Mohamed Al Suwaidi
Board Member
(non-executive,
independent member)

Mohamed Al Suwaidi is Executive Director of Asset Management, Emirates Investment Authority (EIA). He is also Chief Executive Officer of Treasury Management at the Abu Dhabi Investment Authority

(EIA). He has worked as a Board Member for many UAE companies and is currently a Board Member of the Zayed Higher Organisation for Humanitarian Care and Special Needs.

3.2 Board Committees

Our Board of Directors maintain three committees to assist in discharging their oversight responsibilities:

- a. An Audit Committee;
- b. An Investment Committee; and
- c. A Nomination and Remuneration Committee.

The Board may add new committees or remove existing committees as needed to fulfil its responsibilities.

The Directors who serve on each of the three committees are independent. In determining the independence of a Director, the Board of Directors applies the definition of “independent director” used in the Ministerial Resolution No. 518 of 2008 concerning Corporate Governance and Corporate Discipline Standard as well as applicable laws and regulations. The Board will also consider other relevant facts and circumstances bearing on independence.

The Audit Committee

The principle roles of the Audit Committee are to monitor our company’s financial statements; to renew and recommend changes to our company’s financial and control systems; and to maintain an appropriate relationship with our company’s external auditors.

The Audit Committee Chairman is Ziad Galadari; its members are Fadhel Al Ali, Abdulhamid Saeed and Saeed Al Yateem.

Committee invitees: CEO, CFO, Head of Internal Audit and Company Secretary.

a. Committee Duties:

- Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment of our company’s external auditors; follow up and continuously monitor the performance, independence and objectivity of the external auditor;
- Monitor and review the integrity of the financial statements of our company and the yearly, half-yearly and

- quarterly reports;
- Review our company’s financial and control systems, risk management and internal control procedures;
- Review our company’s Share Dealing Policy;
- Review and brief the Board of Directors on financial and accounting policies and procedures;
- Monitor, review and inform the Board of Directors of the effectiveness of our company’s Internal Control Department; review and approve the annual internal audit plan;
- Ensure compliance with the policy on the appointment of an external auditor;
- Any other duties as may be assigned to the Committee by the Board for consideration.

b. Authority

The Committee is authorised by the Board of Directors to examine any activity within its terms of reference and is authorised to have unrestricted access to our company’s external auditors and to obtain, at our company’s expense, professional advice on any matter within its terms of reference. The Committee is authorised to seek any information it requires from any employee or Director, and all employees and Directors will be directed to cooperate with any request made by the Committee.

The Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is to set the policy for remuneration of the Executive Management, determine targets for performance related pay and determine the total individual package of each executive director (if any), including salary, bonuses, pensions and incentive schemes.

The Nomination and Remuneration Committee Chairman is Waleed Al Muhairi; with Abdulla Al Shamsi and Saeed Al Yateem as members.

Committee invitees: CEO, Chief Human Resources & Shared Services Officer and Company Secretary.



Standing, left to right:
Younis Al Khoori
Saeed Al Yateem
Abdulla Al Shamsi
Fadhel Al Ali
Abdulhamid Saeed
Jassem Al Zaabi
Mohamed Al Suwaidi

Seated, left to right:
Osman Sultan
Waleed Al Muhairi
Ahmad Bin Byat
Ziad Galadari

a. Committee Duties:

- If the Committee discovers that the condition of independence is not fulfilled by any Director who claims to be independent, it shall refer such matter to the Board of Directors, which in turn shall notify the affected Director by a letter to be sent by registered mail to the Director’s registered address recorded in our company’s files, of the apparent reasons for his/her lack of independence. The Director shall provide clarification to the Board on the matter of his/her independence within fifteen days from the date of the notification.
- A Director’s loss of independence does not impact on our company’s satisfaction of the requirement for a minimum number of independent directors on the Board of our company.
- Without prejudice to the provisions of Article (102) of the Commercial Companies Law, if a decision taken by the Board which holds that a Director

is no longer independent is to impact on the requirements for a minimum number of independent directors, the Board shall appoint a new independent Director to replace such Director, and such appointment shall be reviewed at the earliest General Assembly in order to give effect to the decision of the Board.

The Investment Committee

The role of the Investment Committee is to review and approve our company’s investment strategy in relation to core and non-core business which falls outside the Executive Management’s authority matrix.

The Investment Committee Chairman is Jassem Al Zaabi; members are Ahmad Bin Byat, Fadhel Al Ali, Younis Al Khoori and Mohamed Al Suwaidi.

Committee invitees: CEO, CFO, Chief Strategy & Investment Officer and Company Secretary.

a. Committee Duties

- Examine all proposals related to financial and strategic investment opportunities, provided that investment does not exceed AED 100 million.
- All investments exceeding AED 100 million require the approval of the Board of Directors.

Our Board of Directors and Executive Management teams are now more transparently governed than ever before.

Transactions of Board Members and their immediate relatives in our shares in 2012

Member	Kinship	Total shares sold	Total shares purchased
Abdulla Al Shamsi	Himself	-	50,000
Abdulhamid Saeed	Himself	-	700,000

These were the only Board Members to trade in our shares in 2012.

3.3 Board Meetings

For Board meetings to be held, a majority of members should be present. During the fiscal year ending 31 December 2012, our Board of Directors held nine meetings; the

Audit Committee held eight meetings; the Nomination and Remuneration Committee held six meetings; and the Investment Committee held eight meetings.

Timeline of Board of Directors' meetings

No. of Meeting	Date			
BOD 1	5	March	2012	
BOD 2	4	April	2012	
BOD 3	10	May	2012	
BOD 4	7	June	2012	
BOD 5	29	July	2012	
BOD 6	14	August	2012	
BOD 7	23	September	2012	
BOD 8	21	October	2012	
BOD 9	10	December	2012	

Timeline of Audit Committee meetings

No. of Meeting	Date			
AC 1	4	March	2012	
AC 2	27	March	2012	
AC 3	25	April	2012	
AC 4	7	June	2012	
AC 5	29	July	2012	
AC 6	19	September	2012	
AC 7	21	October	2012	
AC 8	10	December	2012	

Timeline of Nomination and Remuneration Committee meetings

No. of Meeting	Date			
NRC 1	15	January	2012	
NRC 2	5	March	2012	
NRC 3	19	April	2012	
NRC 4	7	June	2012	
NRC 5	23	October	2012	
NRC 6	10	December	2012	

Timeline of Investment Committee meetings

No. of Meeting	Date			
IC 1	19	February	2012	
IC 2	28	March	2012	
IC 3	15	April	2012	
IC 4	7	June	2012	
IC 5	25	July	2012	
IC 6	7	October	2012	
IC 7	20	November	2012	
IC 8	6	December	2012	

Board Members present at meetings in 2012

Board Members	BOD meetings		AC meetings		NRC meetings		IC meetings	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings	
Ahmad Bin Byat	9	C					6	*
Younis Al Khoori	9	*	2	*			6	*
Eissa Al Suwaidi	4	*					4	C
Abdulhamid Saeed	8	*	6	*	2	*		
Waleed Al Muhairi	8	*			6	C		
Jassem Al Zaabi	7	*					8	C
Fadhel Al Ali	9	*	8	*			7	*
Ziad Galadari	9	*	8	C				
Abdulla Al Shamsi	8	*			5	*		
Saeed Al Yateem	9	*	5	*	3	*		
Mohamed Al Suwaidi	3	*					3	*

C = Chairman
* = Member

Annual General Meeting

The Annual General Meeting convened on 28 March 2012 (at the Conference Centre at Dubai Knowledge Village) and agreed to:

- a. Review and approve the Board of Directors’ report for the fiscal year ending 31 December 2011;
- b. Consider and approve the auditors’ report for the fiscal year ending 31 December 2011;
- c. Approve our company’s financial statements along with the profit and loss account for the fiscal year ending 31 December 2011;
- d. Approve the distribution of cash dividends of AED 0.15 per share for shareholders;
- e. Discharge and release the Board of Directors and the auditors from all liability for the fiscal year ending 31 December 2011;
- f. Approve the Board of Directors’ remuneration;
- g. The appointment of KPMG as auditors of our company’s accounts for 2012 and determine the fees;
- h. The election of Board Members Ziad Galadari and Abdulla Al Shamsi to represent our public shareholders.

Candidates for Board membership were able to apply during the period from Wednesday 8 February 2012 to Thursday 8 March 2012, as per Article 12 of Ministerial Decision No. 518/2009 on the Principles of Governance and Criteria of Corporate Discipline.

We posted the names of candidates Ziad Galadari and Abdulla Al Shamsi, along with their nomination details, on our website, www.du.ae on 13 March 2012

3.4 Board Member Remuneration

The proposal for Board Members’ remuneration is submitted to the Board of Directors by the Nomination and Remuneration Committee. Following the Board’s approval, the proposal is referred to shareholders at the Annual General Meeting where it is voted on.

Our Board Members are remunerated based on a structured framework in line with international and regional best practices and recommended by Mercer Consultants. Our Board Members are compensated with an annual retainer, Committee Chairman/membership fee and meeting attendance fees.

In 2012, the AGM approved a remuneration total of AED 7,264 million to be distributed among all Board Members based on the approved policy as fees for 2011.

At the AGM in March 2013 the Board will propose a remuneration of AED 8,748 million to be distributed among all Board Members as fees for 2012 based on the approved policy.

3.5 Powers of the Executive Management

The Board’s primary focus is to support and advise the Executive Management on the delivery of our company’s strategy within a clear and transparent governance framework.

- a. Schedule of Matters Reserved for the Board of Directors

In line with Article 11 of the Code of Corporate Governance (delegation of Management), the Board has agreed the Schedule of Matters reserved for the Board and its committees set out below.

Our Board shall be responsible for carrying out the functions set out in the schedule to the extent that those functions have not been delegated in writing to a Board committee (in the Terms of Reference of the relevant committee) or to the Executive Management.

The responsibilities retained by the Board of Directors in summary are:

- Strategy and Management;
- Board Memberships and other appointments;
- Remuneration;
- Structure and capital;



- Financial reporting and controls;
- Internal controls;
- Contracts and expenditure (those which are beyond the powers of the Executive Management) as per the applicable policy;
- Communication;
- Delegation of authority;
- Corporate governance matters;
- Other policies.

3.6 Workshops for Board Members

In 2012, we conducted two workshops for Board Members. The first workshop, on The Future of Telecom Operators, covered the evolution of telecom companies, the current challenges and what telecom companies can do to transform their businesses, and was delivered by KPMG. The second was presented by Capital Advantage, Inc who provided general updates on governance, specifically on share trading and conflicts of interest.

3.7 Performance Evaluation of the Board

In order for our Board of Directors to improve their performance and efficiency, and create value for our company and its shareholders, the Board has put in place a structure of assessments and evaluation of its own performance. At the end of 2012 the Board underwent a performance evaluation. This involved the completion of assessment questionnaires by all Directors, covering the performance of the Board and its Committees. Other areas reviewed included the effectiveness of the Chairman and CEO, the monitoring of operational performance, corporate governance, and leadership and culture. The Board has subsequently put in place a roadmap for 2013 to fill any existing gaps and optimise its efficiency and performance.

The Board is committed to improving its performance and efficiency, creating value for our company and its shareholders.

4. Executive management



Osman Sultan
Chief Executive Officer

We estimate our overall market share at the end of 2012 as 48.7%.

In addition to the Board Members, the Executive Management monitors the progress of the business.

4.1 Members of the Executive Management

Osman Sultan was named Chief Executive Officer of Emirates Integrated Telecommunications Company PJSC (du) in January 2006. His vision of creating a telecommunications company that would transform the UAE's industry monopoly, while adhering to its values and delivering on its promise, has since manifested to form one of the region's most vibrant success stories.

Under Sultan's guidance, our founding team has expanded to a corporate family of more than 2,000 colleagues, with a network of 57 Shops and 3,000 affiliated retailers across the UAE. Our rapid growth success includes an ever-increasing customer base of more than five million mobile customers and a market share of 48.7 per cent in six years of service; company profits within two years of operations, and a focus that is as people-centric as it is driven by providing the best value and adding life to life. We were also the first telecommunications company in the UAE to release a Sustainable Development Report, the first edition of which was launched in October 2011. We also ranked first in the S&P/Hawkamah Environmental, Social and Corporate Governance (ESG) Index 2011. The ranking comes as a result of our sustained efforts to enhance corporate governance standards within our company and community.

Having joined the telecommunications industry in 1983, Sultan's experience in the field is varied and covers operations in Europe, North America and the MENA region. He has held management positions in sales, marketing and customer services, as well as leadership roles in three of the world's largest telecommunications companies: Questel.Orbit Inc and the Egyptian Company for Mobile Services (MobiNil) which he founded in 1998 and continued to head for seven years.

As a recognised industry leader, he has been invited to address several conferences on Telecommunications, Digital World, IPTV and Internet in the Middle East and beyond; he has also mentored a generation of key telecom sector players, who have gone on to occupy leadership roles across the world.

His drive and acute business acumen has earned him several industry accolades. To name a few:

- Ranked 32nd "Most Innovative Business Leaders in the Arab World 2012" according to Amwal Magazine (2012)
- Recognised with "Top Executive Management in the Arab World 2012" award during Forbes Middle East CEO Forum (2012)
- Named Innovator of the Year at Gulf Business Industry Awards (2012)
- Recognised as one of the "30 Most Influential People in the GCC" according to Business Pioneer Magazine (2012)
- Selected among the most powerful executives in the telecoms industry on GTBPower100 List for two consecutive years 2010 and 2011.
- Named the CEO of the Year- Telecommunications, at the 4th CEO Middle East Awards (2011)
- Master Class CEO of the Year, organised by the GCC Chamber of Commerce and Industry (2010)
- MEComs Lifetime Achievement (2009)
- MENA Cristal Media Man of the Year for his wealthy contribution to the world of digital media and content (2008)
- Man of the Year award from the Professional Electronic Information Services Community in France (1996)
- The Best Website - Legal Product from the American Information Association (1996)





Farid Faraidooni
Chief Commercial Officer

In his current role as Chief Commercial Officer, Farid Faraidooni is responsible for all of our sales, marketing, customer care, International Carrier Relations, Brand and Communications and Business Development functions.

In his previous roles as Executive Vice President of Commercial and as Executive Vice President of Corporate Affairs, Faraidooni handled corporate programme management, telecom regulatory affairs, corporate governance and investor relations. He was also involved in developing our policy and strategic directions.

Prior to joining us, Farid played a key role in the successful implementation of the information communications technology clusters such as Dubai Internet City (DIC), Dubai Media City (DMC), Knowledge Village, Dubai Healthcare City and other business parks. Farid also served as the

Deputy General Manager-Telecom for TECOM Investments from April 2002 to December 2005.

In 2003, he was nominated by TECOM in the Distinguished Government Employee category in the Dubai Government Excellence Program (DGEF) Awards.

A UAE National, Farid served as a Member of the Board of Directors of Interoute, one of Europe's fastest growing telecoms providers, for three years, and is on the Board of Trustees for the UAE ICT Development Fund. He is also a founding Member of the Information Technology Forum in the UAE.

Farid holds a Bachelor's degree in Electrical/Electronics Engineering from Baylor University in Texas (USA) and has completed management courses at Cranfield University.

role he devised and implemented HR improvement processes. He also established and executed the group's national career development strategy. Fahad started his career as a First Lieutenant Engineer for Dubai Police. He holds a Masters in Industrial Engineering from the University of Miami, USA. He also has a Bachelor of Engineering in Communications and a BTEC National Diploma in Engineering.

operator in Oman. Before joining Qtel, he was the Chief Financial Officer of European Telecom plc, listed on London Stock Exchange. He is a member of the Institute of Chartered Accountants in England and Wales and a founding director of the Middle East Investor Relations Society (ME-IR Society).



Yatinder Mahajan
Chief Technology Officer

Before joining us as EVP International and Wholesale, at startup in 2006, Yatinder Mahajan was the Director of SamaCom, a limited liability company established in Tecom in 2001. His work at SamaCom led to the company taking a top position among satellite broadcast providers in MENA. Prior to setting up the SamaCom business, he served as Director of Network

Services in Globecom systems, New York. He also served in various engineering and executive positions during his stint with the incumbent Operator in UAE. Yatinder started his career in the R&D Unit of the Indian Ministry of Communications, where he worked on the development of microwave radio communication systems and design.



Raghu Venkataraman
Chief Strategy & Investments Officer

Before joining us, Venkataraman worked for the Orange Group in London as Head of Commercial Strategy & Insurance, where he set up commercial business models for third party transactions with content providers including Warner Bros., Sony, PMG, and Disney. He previously spent four

years in the Middle East where he occupied a number of senior executive management positions at Mobinil (Egypt). He has an MA from Michigan University and a BSc in Electronic Engineering from the Indian Institute of Technology (Madras).



Ananda Bose
Chief Corporate Affairs Officer

Ananda is a senior professional with experience of over 20 years in diverse areas such as finance, strategy, regulatory affairs, corporate governance, systems implementation and project management. He has worked with some of the largest Middle Eastern telecom operators and international consulting firms. Before moving to the telecom industry in 2003,

he worked for 11 years in management consulting with firms such as Arthur Andersen, Ernst & Young and Coopers & Lybrand, mostly in their telecom practices. Ananda holds a Bachelor's degree with honours in Accounting and a Masters degree in Business Management from India. He is also a professionally qualified Cost Accountant.



Fahad Al Hassawi
Chief Human Resources & Shared Services Officer

Fahad Al Hassawi is tasked with managing our strategic human resources and corporate services plan (including Procurement, Facilities and Government Relations), implementing best practices in recruitment, training and development, compensation and benefits and organisational design.

Prior to joining us, Fahad was Vice President Human Resources (Employee Services) for Emirates Airlines. In this



Mark Shuttleworth
Chief Financial Officer

Mark has held senior finance roles for more than 25 years, working initially in business regeneration and latterly across the telecommunications industry. Before joining us, he was the Chief Finance Officer at Qtel (Qatar Telecom), cooperating with the Board of Directors and the Chief Executive Officer to set an expansion strategy based on the second mobile

4.2 Total compensations paid for the executive management in 2012

Position	Date of appointment	Total salaries and allowances paid in 2012 (AED)	Total bonuses paid in 2012 (AED)*
Chief Executive Officer	1 January 2006	4,382,940	
Chief Commercial Officer	1 January 2006	2,593,695	
Chief Human Resources & Shared Services Officer	23 April 2006	2,593,695	
Chief Financial Officer	1 January 2006	1,775,124	
Chief Technology Officer	1 January 2006	1,830,712	
Chief Strategy & Investments Officer	1 January 2006	1,782,827	
Chief Corporate Affairs Officer	1 January 2006	1,759,195	

*Remuneration and bonuses are paid subject to our company's performance. They are calculated based on the individual's performance and within a framework approved by our Board of Directors. The evaluation and approval process for all members of the Executive Management team is currently under review. Remuneration and bonuses for 2012 are being calculated and will accordingly be disclosed once approved.

5. Related party transactions

Transactions with related parties are on terms and conditions approved by our Board of Directors.

Related Party Transactions can present potential or actual conflicts of interest for our company and may create the appearance that business decisions are based on considerations other than the best interests of our company and its shareholders.

The policy applies to all Directors, Executive Management and significant shareholders and any persons or entities related to them. Parties are considered to be related if that party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

Transactions with related parties are on terms and conditions approved by our company’s Board of Directors.

We exclude transactions with related parties once a relationship is disclosed, but if no other party is capable of providing the same service, then all transactions with the related parties should be executed at commercial prices and telecommunication services should be provided to the parties at normal market value.

Description	AED (in thousands)
Payments due from related parties 2012	
Axiom Telecom (LLC)	108.825
Eros Electronics	16.432
Due from shareholders	45.764
Payments due to related parties	
TECOM Investments Free Zone (LLC)	28.058
EMAAR Properties	20.486
All related parties transactions in detail	
TECOM office rental and miscellaneous services	64.832
TECOM infrastructure development	35.146
Axiom Telecom - accredited distributor - net sales	2.021.536
Eros Electronics - accredited distributor - net sales	395.053
Injazat Data Systems (LLC)-data centre rental and related services	11.13
EMAAR Properties	39.262

All transactions with related parties are carried out at commercial rates. Telecom services to related parties are provided at normal market value and are excluded from

reportable related party transactions. The above table reflects the gross value of transactions with related parties.

6. External auditor

6.1 Overview

KPMG is a leading professional services company. It provides business consulting, auditing and tax services in 152 countries and currently engages 145,000 professionals. KPMG was established in the UAE in 1974 and has grown to 750 professional staff led by more than 30 Partners, across seven offices across the country. KPMG believes its employees should play a full role in the communities in which they live and work.

KPMG has been our external auditor since inception of the company in December 2005. However, it should be noted that KPMG was reappointed at the 2011 AGM on the basis of engagement partner rotation.

6.2 Appointment of an External Auditor

We have updated our Governance Manual and introduced a policy on the appointment of an external auditor. The new policy regulates the appointment of an external auditor, sets out the powers of the external auditor and ensures its absolute independence. It also stipulates the requirements that should be fulfilled by an external auditor, which are recommended by the Board of Directors and approved at the AGM.

Our Annual General Meeting convened on 28 March 2012. The Board approved the re-engagement of KPMG as its auditor for the fiscal year 2012 in return for a fee of AED 700,000.

The only additional work undertaken by KPMG’ audit practice, was the required provision of an audit opinion relating to a financial transaction, later aborted, for which they were paid a fee of AED 65,000. No other external auditor was used in auditing the published financial statements of the Company.

Consistent with Article 36 on disclosure and transparency, all financial reports have been prepared in line with the IFRS standards issued by the International Accounting Standards Board to increase

competitiveness in the financial markets, attract foreign investment and provide liquidity to better support the economy.

6.3 Our Relationship with the External Auditor

The Audit Committee supervises the relationship between our company and our internal and external auditors. Our interaction with our auditors is governed according to the following Audit Committee responsibilities:

- a. Review the terms of engagement of the external auditors and the scope of the external audit plan;
- b. Follow the procedure for selecting and appointing the external auditor; report to the Board of Directors any matters that, in the Committee’s opinion, necessitate an action and provide recommendations on the necessary steps;
- c. Follow-up and continuously monitor the performance, independence and objectivity of the external auditor and discuss with the external auditor the nature, scope and efficiency of the audit in accordance with IFRS;
- d. Review any proposed appointment of the external auditor to provide services (other than audit services) to our company.
- e. In appointing the external auditor, the Committee shall have regard to the following:

- Our company must appoint one or more external auditors for a renewable period of one year by the General Assembly who shall determine their remuneration;
- The Committee shall determine the willingness to act of potential auditors, and obtain proposals from them addressing the Committee’s selection criteria;
- The Audit Committee, and as may be deemed necessary by the Audit Committee, our company’s Chief Financial Officer, and/or Head of Internal Control, will meet with and interview representatives of the candidate auditor firms;

All financial reports are prepared in line with IFRS standards to increase competitiveness in the financial markets, attract foreign investment and provide liquidity to better support the economy.



- Our company's auditor must be registered in the Register of Accountants and Auditors in accordance with the provisions of Federal Law No. 9 of 1975 regulating the accounting and auditing professionals;
- The external auditor must be independent and must not be a partner or an agent of one of our company's founder members or a member of the Board of Directors or any of their relatives up to the fourth degree;

- Selection of the external auditor shall be based on competence, reputation and expertise.

If the Board of Directors does not agree with the Committee's recommendations on the election, appointment, resignation or dismissal of the external auditor, the Board of Directors shall include in our company's Corporate Governance Report a statement articulating such recommendations and the reason(s) behind the Board of Directors' disapproval.

7. Internal Control

7.1 Internal Control System

The Board of Directors is responsible to the shareholders for creating and delivering sustainable value through the management of our businesses. It should determine the objectives and policies of our company to deliver such value, providing overall strategic direction within a framework of controls. The Board should ensure that management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives.

a. The role of the Board of Directors in internal control

- The Board of Directors has an overall responsibility for ensuring that Executive Management designs and implements an effective Internal Control system which provides assurance of effective and efficient operations, accurate financial reporting and compliance with laws and regulations within Ministerial Decision No. 518/2009 on the Principles of Governance and Criteria of Corporate Discipline.
- The Audit Committee is delegated by the Board of Directors to oversee the following:
 - Review systems of risk management and internal controls at least once every year to ensure all the risks to achieving business objectives are mitigated by implementing appropriate and effective controls;
 - Review procedures followed by our management in determining, evaluating and managing significant risks;
 - The changes since the last review on the nature and extent of major risks and our ability to respond to changes of operations and external environment;
 - The scope and nature of ongoing control activities over risks, internal control systems and external auditor's operations; the Board of Directors shall review the Audit Committee Report of results of Internal Control activities. The frequency of reporting of control activities will be reviewed by

the Board of Directors;

- Review the weaknesses and shortcomings of the control system and unexpected emergencies that have materially affected, or may materially affect, the performance of the financial position of our company, and the procedures we follow to address material control issues;
- Review our compliance with applicable laws and regulations;
- Review of our company's policy on whistleblowing.

- Based on Ministerial Decision No. 518/2009 Article 8, the Audit Committee as delegated by the Board of Directors has carried out a review of our company's financial and control systems and risk management procedures. With the findings of the review, the Committee asserts that the internal control system of the company is adequately designed and being implemented effectively to accomplish our company's objectives.

b. Internal control system responsibilities

Internal Control is broadly defined as a process, effected by an entity's Board of Directors, management and all employees, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Risk management: Ensure identification of risks and controls for achievement of our objectives;
- Effectiveness and efficiency of operations: Addresses our basic business objectives, including adherence to performance standards and the safeguarding of resources;
- Reliability of financial reports: Ensures that reliable financial statements and other financial information are presented to the Board, shareholders and Executive Management;
- Compliance with applicable laws and regulations: Covers laws and regulations which our company is subject to in order to avoid any damage to reputation or fines/penalties.

The Board ensures that management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives.

The internal control system aims to establish, document, maintain and act consistently with the principles of the internal auditing policy. The system should apply across all departments, with our company integrating the system with its standard activities of corporate governance and risk management.

c. Internal control management process

- Ensure that the control procedures are appropriately designed and effectively applied as per our company's annual plan, reviewed by the Audit Committee and approved by the Board of Directors.
- Produce reports for submission to management and the Audit Committee on the efficiency and effectiveness of the applicable internal control systems. The reports should include any relevant suggestions and recommendations for improving the control systems. However, the department is not responsible for the development or maintenance of internal control systems, which falls under the responsibility of the authorised relevant department.
- Appoint a compliance officer with clear and independent responsibilities to monitor compliance with laws, legislations and internal procedures. The Compliance Control Department supervises our activities and ensures its consistency with UAE law and all other internal and external regulations. It may also modify and update the procedures included in the compliance control system in order to ensure that we continue to meet the highest applicable standards.
- Provide reasonable assurance to the Audit Committee as delegated by the Board of Directors regarding achievement of our objectives.
- Internal Control Management is headed by Amer Al Gergawi a UAE National who took office as the Senior Vice President of internal control in mid-2007. He is a Board Member of the Internal Auditors Association

and has more than fourteen years' financial experience in accounting, internal auditing and banking. He was appointed as Director in the Dubai Government's Department of Financial Control in 1998, where he remained until 2007.

d. How internal control management addresses a serious issue:

- The department oversees four divisions:
 - Internal Audit (Operational and Financial audits);
 - Information Systems Audits;
 - Forensic; and
 - Compliance.
- The department investigates serious issues through each of the four divisions according to the nature of the issue, providing the Executive Management and Audit Committee with effective recommendations for solving each issue. The implementation of these recommendations should be regularly followed up and a subsequent report should be submitted to the Audit Committee.

7.2 Management of Corporate Risks

We believe that strategic effectiveness as well as the policies and practices of corporate risk management are an essential requirement across all departments. We are committed to ensuring that our risk management systems are in line with the latest international standards.

The Corporate Risks Department sets frameworks and methodologies that enable us to maintain our assets and properties, whilst protecting the interests of shareholders and clients. We are also committed to abiding by all applicable laws and regulations related to our commercial and operational scope of operation.

A comprehensive risk management framework has been established, based on global risk management standards, such

as COSO and ISO, and in consultation with local and international risk management experts. The existing framework is consistent with the general policies adopted by our company to identify, assess, handle and report risks to the relevant parties.

Using this framework, the Risk Management Department handles and assesses risk on a regular basis. The department discusses our company's risk status with the Chief Executive Officer and the Executive Management team on a regular basis in order to identify the best approaches for addressing any potential areas of risk.

We are currently implementing new risk management procedures and practices that are designed to boost the department's performance and efficiency in addressing risks. The Risk Management Department is now affiliated to General

Management, Sector of Corporate Affairs. This gives the department a new level of independence and the ability to deliver consistency of risk awareness throughout all corporate affairs and corporate policies, strategies, and programmes.

The Chief Executive Officer is responsible for reviewing the efficiency of all risk management processes and for submitting a subsequent report to the Audit Committee.

7.3 Whistleblowing

Our "Corporate Governance Manual" includes a whistleblowing policy, which sets clear and reliable procedures for employees to disclose any wrong-doing or malpractice of which they become aware.

Compliance with this policy is supervised by the Internal Control Department, which is also responsible for creating a suitable environment for pursuing this policy.

Our whistleblowing policy sets clear and reliable procedures for employees to disclose any wrong-doing of which they become aware.

8. Disclosure and communication with shareholders



We are committed to providing accurate, timely information and fair disclosure of corporate information.

We are dedicated to keeping our shareholders fully informed of developments and important information affecting our company. We endeavour to ensure that all shareholders have access to information about our company's business and that they have the opportunity to meet, and hold positive discussions with, the Board of Directors during the company's Annual General Meeting.

We are committed to providing accurate, timely information and fair disclosure of corporate information in accordance with

our obligations under various rules and regulations relating to disclosure which apply to it (SCA "Disclosure Rules").

Each Board Member discloses to the Securities and Commodities Authority (ESCA) details of the shares they own in our company and the positions they have occupied since the start of the calendar year. The Board of Directors notifies the financial market and official authorities of all relevant and material information that may affect the share price when disclosed to shareholders.

9. General

9.1 Our Share Price Performance in 2012

Date			High	Low	Closing price
31	January	2012	2.95	2.82	2.95
28	February	2012	3.17	2.95	3.17
31	March	2012	3.25	3.03	3.18
30	April	2012	3.63	2.96	3.16
31	May	2012	3.17	2.98	2.99
6	June	2012	3.09	2.97	3.04
31	July	2012	3.23	3.05	3.23
31	August	2012	3.57	3.21	3.41
30	September	2012	3.52	3.40	3.52
31	October	2012	3.79	3.50	3.70
30	November	2012	3.90	3.70	3.82
31	December	2012	3.88	3.42	3.49

9.2 Our Share Price Performance in Comparison with the Market in 2012

Date			Financial market	Our share
31	January	2012	1,405.61	2.95
28	February	2012	1,698.22	3.17
31	March	2012	1,683.18	3.18
30	April	2012	1,639.44	3.16
31	May	2012	1,470.61	2.99
30	June	2012	1,452.18	3.04
31	July	2012	1,537.89	3.23
31	August	2012	1,555.66	3.41
30	September	2012	1,569.50	3.52
31	October	2012	1,622.35	3.70
30	November	2012	1,588.77	3.82
31	December	2012	1,629.07	3.49

9.3 Share Ownership on 31 December 2012

Investor/ shareholder	Customer category	Number of investors	Total shares
United Arab Emirates	Governmental	2	6,233,550
	Banks	6	15,850,486
	Corporate	031	3,984,545,808
	Individuals	104,162	516,149,604
GCC countries	Governmental	-	-
	Commercial	-	-
	Individuals	208	16,056,090
Arabs	Governmental	-	-
	Commercial	-	-
	Individuals	774	22,077,601
Other nationalities	Governmental	-	-
	Commercial	-	-
	Individuals	668	10,433,863

9.4 Key Milestones in 2012

- a. Appointing and re-electing Board Members
- b. Distributing cash earnings of 15 fils per share
- c. Applying royalties of 5 per cent of revenues and 17.5 per cent of net profit for the fiscal year ending 31 December 2012
- d. Replacing a Board Member who represents the UAE Government
- e. With the exception of founding shareholders (the UAE Government, Emirates Communications and Technology Company and Mubadala Development Company) no shareholder owns more than 5 per cent of our company's shares

- f. Our company is 39.5% owned by Emirates Investment Authority, 20.08 per cent by Mubadala Development Company, 19.5 per cent by Emirates Communications & Technology Company LLC and the remaining stake by public shareholders
- g. No material offences were made during the fiscal year ending on 31 December 2012, and no violation was made to the Ministerial Resolution No. 518/2009 concerning Governance Regulations and the Criteria of Corporate Discipline standards.
- h. Our company's listing on the Dubai Financial Market was moved to category one.

10. Our contribution to sustainability and community engagement

Our approach to sustainability and community engagement continues to focus on measurable social, economic and environmental impacts. In 2012 we worked hard to improve the wellbeing of our people, provide greater transparency and fairer pricing for our customers, increase our contribution to community and society, and implement lower carbon emission solutions.

Our brand message, 'add life to life' captures our shared sense of responsibility for the role of sustainable development in our business. It means that our roadmap to sustainable growth is through integrity, transparency and behaving responsibly in all that we do.

Any advances in operational efficiency have been made with business sustainability and responsibility in mind. Our investments in infrastructure have been made on a platform of environmental awareness, with new reporting measures monitoring our environmental performance.

Our product diversification has focused not only on meeting the needs of our enterprise and high-value segments but also on those members of our community on the very lowest incomes.

What it comes down to is this: with profit comes responsibility.

Our people

Key areas of focus

- Emiratisation
- Training and development
- Safety and wellbeing
- Supply chain
- Employee engagement
- Diversity
- Business integrity
- Recruitment and retention

We aim to build a sustainable workforce that is happy, rewarded and empowered.

We believe that job satisfaction and employee engagement are enhanced by enabling our people to reach their full potential. To this end, we support our employees with their career development by providing world-class training platforms across our organisation.

Our goal is to be the 'employer of choice' for the most talented UAE Nationals.

In 2012 we doubled the number of Emirati staff in our Fujairah-based UAE National Call Centre and we are delighted that 146 Emiratis have successfully graduated from our 18-month Masar Graduate Trainee programme. These and other initiatives in our National Development programme have helped us to achieve our Emiratisation target of 31% for the year, up from 28% in 2011. Furthermore, Emiratis now make up 41% of our senior executives.



Our community

Our four pillars

- Entrepreneurship
- Social development
- Education
- Heritage and culture

We continue to strengthen our community involvement partnerships and we are proud that during 2012 we were able to combine flagship campaigns with a focus on national culture and heritage. Our community projects included a nation-wide campaign during the Holy Month of Ramadan that encouraged a community spirit towards the less privileged within our community. Our Ramadan campaign successfully raised more than AED 10.3 million towards the renovation of 50 homes for Emirati orphans. We continued our efforts towards strengthening the love of the Arabic language in children, a programme carried out in association with Kalimat children books publishers. Our collaboration with Zayed University by opening the first du multimedia lab on campus, demonstrates our ongoing support of education through practical, vocation-oriented learning for students in the UAE.

Promoting Entrepreneurship within the UAE remains a primary objective for us and we were delighted to receive recognition as 'Best Supporting Partner for SMEs' this year, receiving an award from HH Sheikh Hamdan bin Mohammed Bin Rashid Al Maktoum, Crown Prince of

Dubai. We strengthened our partnership with business incubator, Shelter and in November the winner of the first season of our reality television business show in support of new business start-ups, 'The Entrepreneur' was announced. During the year we also extended our support to the Global Entrepreneurship Summit, Entrepreneurial Ventures of Arabia (GES-EVA).

Under the umbrella of our 41st National Day campaign, created as a tribute to the phenomenal achievements of the UAE, our Social Media Awards ceremony was attended by HH Sheikh Abdullah bin Zayed Al Nahyan and included a forum to discuss the sustainable impact of social media channels.

We remain committed to community action as a force for good and in 2012 we launched an initiative that enabled communities to work with environment agencies to make our country a cleaner place to live. We participated in the Dubai Municipality's Desert Clean-up campaign, enabling du volunteers to lend a helping hand by picking up litter in the desert near Al Warqa.

Our customers

Key focus areas

- Customer satisfaction
- Privacy and security
- Customer protection
- Customised offers for special categories in the community (customising offers, meeting special needs)
- Responsible marketing
- Innovative offerings

We were the first telecommunications company to customise a subscription package for Emiratis. The Elite plan not only includes more local calls and data, every month we donate 5% of the monthly fee to support a community need within the UAE. The first payment was in the form of a contribution towards the housing renovation for a number of Emirati orphans. It was released during Ramadan.

Tailoring services to meet the needs of the different socio-economic groups within the UAE is a key strategic focus. In partnership with the Permanent Committee of Labour Affairs in Dubai we launched 'Alo', a Pay As You Go mobile service tailored for the expatriate labour workforce in the UAE. The line has no joining fee, renewal costs or annual fees. Its cost is covered in monthly instalments debited from the available

credit and it comes loaded with AED 10 so the user can make the first call as soon as the line is activated. We understand the importance of being able to stay in touch with family members and we are pleased that this new package offers an affordable way for low income workers away from home to stay in touch with their loved ones.

We take our role as an enabler of access to information very seriously. We work hard to provide a safety net for the young and vulnerable in society, with a particular focus on threats from cyber-bullying, access to social networking and protecting privacy. We are in regular contact with the National Media Council and we receive approval on all new content activities through the Telecommunications Regulatory Authority.

Tailoring services to meet the needs of the different socio-economic groups within the UAE is a key strategic focus.

"لمن يخلق الفرص من التحديات." «مسار» - برنامج التطوير المهني للمواطنين



Our environment

Key focus areas

- Natural resources and energy management
- Waste management and recycling
- Environmental benefits of communication technology

We chart our sustainability progress on a Scorecard, enabling us to constantly review our progress. We have now integrated energy management into this Scorecard, a move supported by our recent commitment to install hybrid power and smart energy management controllers at 137 of our base transceiver stations. In 2012, we reduced our average annual diesel fuel consumption by 1 million litres and subsequent CO² emissions by more than 11% on the previous year. Sites running on electricity are now 6% more efficient than in 2011. Furthermore, our du Retail Shop was awarded the Fujairah City Centre 2012 "LEED® Green Building Certification".

We were pleased to announce the launch of our new Environmental Procurement Policy during the year, the goal of which is to promote more efficient use of

natural resources by making purchasing decisions based on both environmental and economic factors. The policy also covers requirements on hazardous waste management and we have improved our reporting on waste management, giving our stakeholders access to information on our environmental progress. We have also revised our supply chain requirements to oblige employees of all our suppliers to comply with UAE regulations on health, safety and environment.

Further information on our approach to corporate governance is available online at: www.du.ae/en/about/corporate-governance

Ahmad Bin Byat
Chairman



