



2018

A transformational year

Our brand is not just our logo,
not just our advertising.
Our brand is not just about
what we look like and what we say –
it’s about what we do and how we do it.

Our Vision

To enhance your life –
anytime, anywhere.

Our Mission

We want to delight our
customers, be the employer
of choice for the best talent,
create optimal value for our
shareholders through business
excellence and innovation,
and proudly contribute
to the transformation of
our community.

We can do this by using our
talent, skills and energies to
connect, inspire and reward all
we touch, every day.

Our Values

Confident: Taking responsibility
and having the courage to trust
your judgment.

Friendly: Relating to others in
a human way - approachable,
respectful and compassionate.

Honest: The basis of any
successful relationship is trust,
and that starts with the simple
and straightforward truth.

Surprising: New, different and
better ways of doing things, no
matter how small.

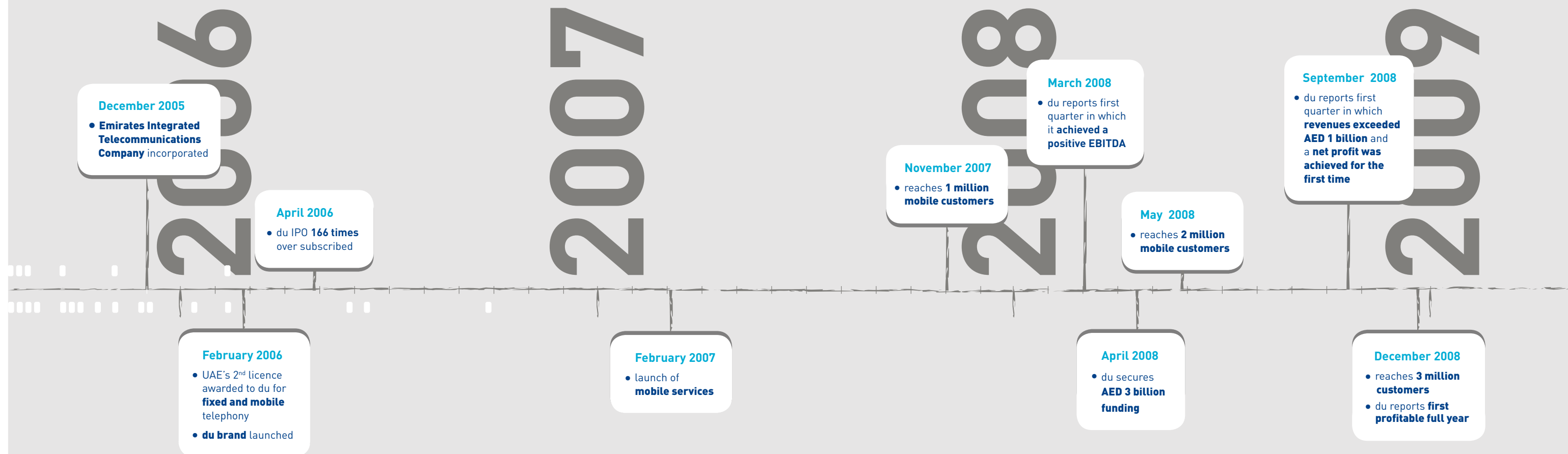
Our Brand Positioning

For the most diverse, active
and mobile people on the
planet, du is the UAE’s
relentless pioneer of creative
communication services at
the best price, helping you to
stay easily involved with what
matters in your life.

Our Brand Promise

Add life to life.

Achievements beyond expectations



Emirates Integrated Telecommunications Company PJSC, trading as du, was awarded the UAE's second fixed and mobile licence in February 2006 and, a year later, entered the market as a fully integrated telecom service provider.

The Company now delivers services, including full quadruple play, to over 3 million customers in the UAE. In December 2008, du achieved a 30% share of the mobile market.

du is 39.5 percent owned by the UAE Federal Government, 19.75 percent by Mubadala Development Company, 19.5 percent by Emirates Communications & Technology Company LLC and the remaining stake by public shareholders. The company is listed on the Dubai Financial Market (DFM).

2008 highlights

Mobile growth driven by 2.5 million active mobile subscribers

72% growth in du's fixed lines

Total revenues more than doubled to AED 3,951 million

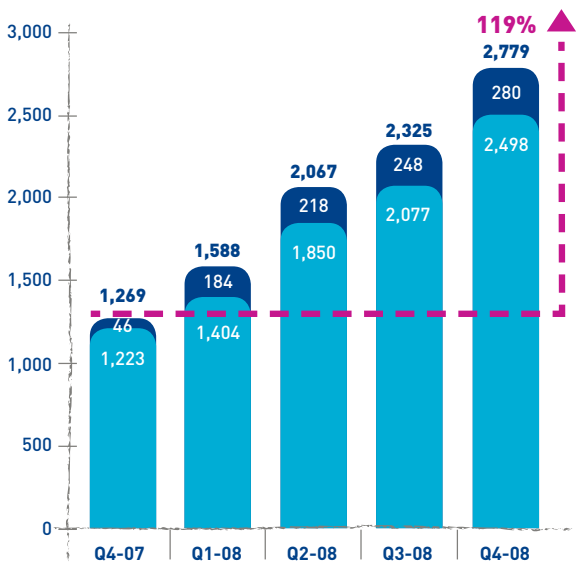
Strong quarter-on-quarter EBITDA growth throughout 2008

Net profit before royalty of AED 8 million

First profitable year achieved in less than 2 years of operation

Subscribers

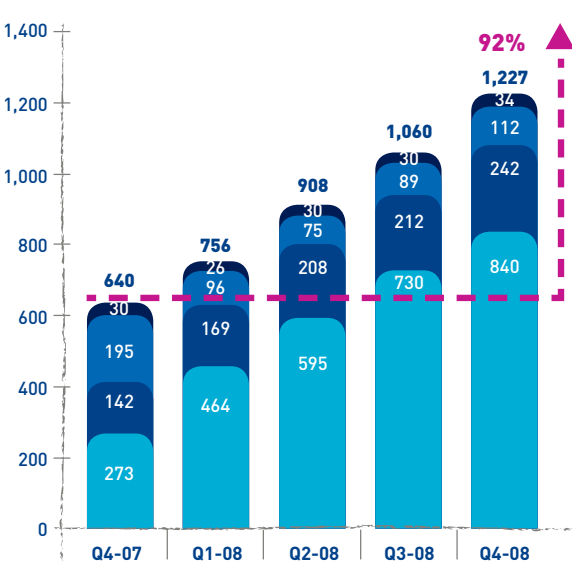
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Fixed Mobile

Revenue*

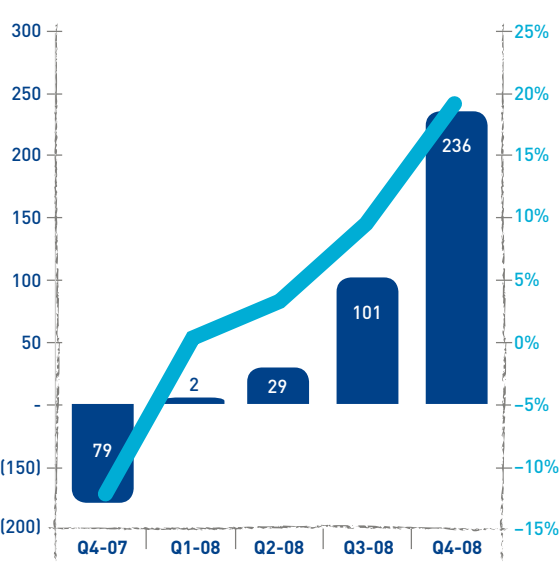
(AED Million)



Broadcasting Wholesale Fixed Mobile
*By Segment

Earnings*

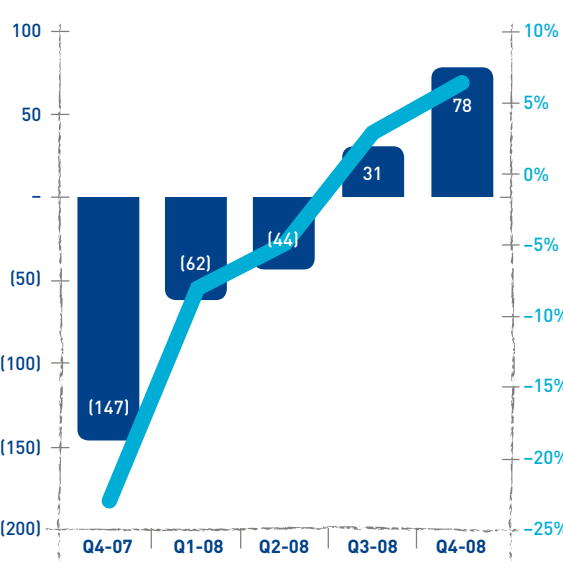
(AED Million)



EBITDA % of Revenue
*Before Interest, Tax & Depreciation of Ammortisation

Net Profit

(AED Million)



Net Profit (Loss) % of Revenue



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A year of exceptional performance



“Our goals were to proudly contribute to the transformation of the UAE through providing customers with choice, and to make a difference on quality, innovation, and pricing.”

Ahmad Bin Byat
Chairman

Dear Shareholders,

A Year of Exceptional Performance

On behalf of the Board of Directors, it is a privilege to present to you our annual report for the 2008 financial year.

2008 has been a truly transformational year for du. When the company first launched its commercial services in February 2007, management had ambitious targets to make a real mark on the UAE telecommunications landscape. Our goals were to proudly contribute to the transformation of the UAE through providing customers with choice, and to make a difference on quality, innovation, and pricing.

In just 2 years, the company has undoubtedly achieved these goals. We have beaten our operational and financial targets and du is now the operator of choice for the majority of new subscribers in the UAE market.

This year we delivered to our shareholders du's first full year net profit of AED 8 million before royalty, up from a net loss of AED 885 million in 2007. This was driven by very strong revenue growth for the business. Revenues broke the AED 1 billion mark in the third

quarter, and by the end of 2008 reached AED 3.95 billion, more than double 2007 revenues of AED 1.5 billion. Having exceeded 1 million mobile active subscribers during the fourth quarter of 2007, 2008 has seen us end the year with 2.5 million active mobile subscribers, a truly exceptional result.

We continued to invest in our fixed and mobile networks during the year and capital expenditure totalled AED 2.3 billion in 2008 to further improve coverage and capacity for our customers. Capital expenditure remains fundamental to our plans and our balance sheet was strengthened during the year with the successful syndication of a AED 3 billion loan facility, during volatile market conditions, to support our investment programme, an excellent testament to the credit worthiness of du.

To reach this level of operational and financial performance in such a short period is an achievement in itself. To do so in a market with one of the highest telecommunications penetration levels in the world is truly remarkable. I am personally very proud of this success and thank every one of our employees and business partners for making it happen with such enthusiasm and dedication.

Demonstrating the success of market liberalisation

The success of du is testament to the success of the UAE government's decision to liberalise the market by introducing competition in mobile and fixed line telecommunications. Through the launch of du, the benefits to UAE mobile and fixed line telecommunications community are clear - more choice, more innovation, better pricing and more personalisation.

Leading in governance and transparency

Honesty is a core value at du. We are an early adopter of the UAE legislature on corporate governance, and in 2008 we continued to improve the level of disclosure that we communicate to external audiences. We also became the first operator in the UAE to disclose 'active subscribers', the performance indicator used in the international telecoms market. We will remain committed to ensuring that du continues to be a leader in transparency and governance.

Commitment to the UAE

du takes its role in society very seriously, contributing in all areas where we believe we can make a difference. As the business grows strongly, so does the extent of



activities in which we are involved. 2008 saw us develop and participate in several new projects in the areas of education, heritage, talent development and social issues.

Human capital

The strong corporate culture and dedication of the du team has played an integral role in the company's performance and achievement to date. Our employees are quality professionals handpicked from the UAE and around the world. They are our most valuable asset and we ensure that we continually invest in initiatives that develop talent and promote excellence across the business.

Looking to 2009

We have come a long way in a short

period but this is a long-term journey and we must continually look forward and challenge ourselves. We have built a very strong base, and the next phase for du is about delivering further growth, building on the momentum that has been created so far.

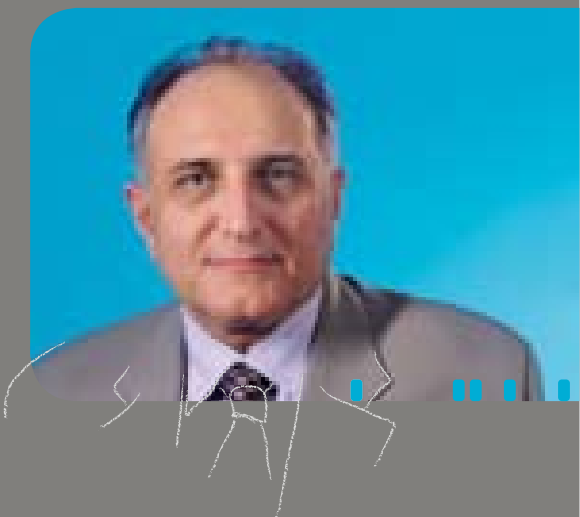
Looking ahead, we continue to see many more opportunities at du. While the region is not immune to the global economic slowdown that has had an impact on businesses in many sectors, people will always want to communicate, will always need to keep in touch. It is in supporting this critical area of life that du comes into its own.

du is totally committed to serving its customers - we will continue to

develop and launch services that our customers want to use in this rapidly evolving industry and current environment. As our customer base grows, 2009 will see us continue to roll out more value added products and services that are targeted at meeting the needs of our ever broadening range of customers. Ultimately, we expect to continue to build a long term, sustainable and, importantly, profitable company for all of our shareholders.

Ahmad Bin Byat
Chairman

Geared for future growth



“du will continue building on the strong foundation that has been laid over the past 2 years to provide increased shareholder value through continued growth fuelled by sustainable profitability.”

Osman Sultan
Chief Executive Officer

When du launched commercial services in the UAE in February 2007, it became the world's first new challenger to a state monopoly to enter into all converging telecom markets simultaneously: mobile, internet, fixed and pay TV. To make a success of the company, especially in one of the most penetrated telecoms markets in the world, was an exceptional feat, one that required a highly ambitious, dynamic and innovative approach throughout the business.

I am delighted to report to our shareholders that du has met this challenge, and has, in a short period of time, established itself as the legitimate telecommunications alternative in the UAE. 2008 was an exceptional year that has seen us beating the expectations of many in the UAE. We have come a long way, and have laid strong foundations for further growth.

From our shareholders' point of view, du became a profitable business in the third quarter, and recorded its first ever profitable year, with full year 2008 profits, before royalty, of AED 8 million, up from a loss of AED 885 million in 2007. This was on the back of very strong revenue growth for the

business. Revenues broke the AED 1 billion mark in the third quarter, and by the end of 2008 reached AED 3.95 billion.

The momentum that has been building since the launch of du in 2007 continued to grow apace throughout 2008. Having started the year with just over 1.5 million customers, another milestone achievement took place on UAE National Day, December 2 - for the first time, the number of du customers passed 3 million, more than doubling in under a year. Such rapid growth is widely recognised in the global telecoms business as a truly exceptional achievement for a business of du's scale and youth, and comes a full year ahead of the initial stated plan.

Our core values that help drive our strategy and our day-to-day business decisions, have proved to be right for the UAE. From the beginning, du has promised to be: confident to deliver attractive products and services that customers want; friendly in its accessibility and approachability; honest in only making promises it can keep and surprising, by constantly challenging the norms. Looking throughout the du

business, in each of our employees, you will see these values hard at work. The results achieved this year speak for themselves.

Continued focus on innovation

du believes in excellence. We are constantly improving our products and setting the benchmark for service.

In 2008, du's continual introduction of innovative campaigns and new services has helped to build the momentum of subscriber growth. Credit goes to du's product development and marketing teams, for developing very unique products, services and campaigns which have made a clear difference in the marketplace.

Just as in 2007, when we first launched our mobile services, we have introduced many 'firsts' in the region. October 2008 saw us launch MyFamily, a mobile plan that brings families and friends together in a more convenient and cost-effective manner. du also became the first telecom operator in the region to introduce a simple, unified pan-GCC roaming tariff. We also introduced unprecedented broadband packages for both consumers and business customers.

Striving to be the customer's champion

When we entered the monopoly market in 2007, we were not only bringing a credible choice to customers, but also a differentiated offering, with new and original packages, and the market responded very quickly.

Since then, du's decision to focus on innovative services, value for money, network quality and customer satisfaction has proven to be the right approach. du is now the operator of choice for the majority of new subscribers to mobile services in the UAE. Everything that we do, every product, every service, is tailored to respond to customer needs.

Investing for future growth

While 2008 has been a year of success for du and its many shareholders, we continue to look ahead, and to invest in the future growth through developing and implementing the most appropriate technologies.

As part of an ongoing programme of improvement, in 2009 we plan to invest up to AED 2 billion in our telecommunication infrastructure to increase capacity, coverage and quality. This will enable us to better meet the requirements of our

existing customer base and to position ourselves for future success.

2009 and beyond

While 2008 was a transformational year for du, marked with many successes, the broader economic environment in the UAE does not remain untouched by the global slowdown.

I see 2 main opportunities for du to continue building on the strong foundation that has been laid over the past 2 years which will provide increased shareholder value through continued growth fuelled by sustainable profitability. Firstly, we intend to make sure that as in 2008, du remains the operator of choice for the majority of new customers. The entire du team is focused on building on our market share, and I expect to see us gain even more traction moving beyond our target market share of 30% in the year ahead.

Secondly, and the area that will see greatest attention from everyone at du, is to create new reasons for our existing customers to love du, to build ever stronger loyalty to the brand. We will focus on delivering new and unique products and services, for business and individual

customers: more and faster downloads, a wider range of mobile TV channels, wider international roaming choices, faster network access, more imaginative and personalised offers and more competitive pricing packages. Of course this will not be possible without ensuring that we embark all our employees with us on this exciting journey.

The first 2 years have been extraordinary. We have built a strong reputation and a loyal following that we will be working hard to deepen as we enter the next chapter of du's history. I would like to personally thank each and every one of the du team for bringing us this far. And on behalf of the du team, I would like to thank our Board of Directors, Chairman and Members, and each of our Shareholders, Customers and other Stakeholders in du for their support, and look forward to an even more exciting 2009 and beyond.

Osman Sultan
Chief Executive Officer

Strength behind our success

“While the region is not immune to the global economic slow down that has had an impact on businesses in many sectors, people will always want to communicate, will always need to keep in touch. It is in supporting this critical area of life that du comes into its own.”



Ahmad Bin Byat
Chairman

Ahmad Bin Byat holds the position of Secretary General of the Executive Council of Dubai Government as well as the position of Chairman for the Aswaaq Funding Committee. He is also President of The Dubai Government Excellence Programme. Currently, he also holds a number of senior administrative positions including his role as Executive Chairman of TECOM Investments, a Member of the Board of Dubai Holding and as the Chairman of Dubai Real Estate Corporation.



Khalid Al Bustani
Vice Chairman

Khalid Ali Al Bustani is the Assistant Under Secretary for Revenue & Budget in the Ministry of Finance and Industry.



Waleed Al Muhairi
Board Member

Waleed Ahmed Al Mukarrab Al Muhairi is currently the Chief Operating Officer of Mubadala Development Company. He is also the Chairman of Yahsat; Chairman of Mubadala Infrastructure Partners; Chairman of ATIC; Vice Chairman of Lease Plan Corporation; Vice Chairman of Tabreed and Board Member of AMD.



Saeed Al Yateem
Board Member

Saeed Rashed Al Yateem is the Director of the Budget Department for the Ministry of Finance and Industry since 2002.



Ziad Galadari
Board Member

Ziad Abdulla Galadari is the Founder and Principal of Galadari & Associates and has been practicing as Advocate, Legal Advisor and Arbitrator since 1983. He is a member of the Board of Directors of Dubai World Trade Centre and DANA Gas.



Jassem Al Zaabi
Board Member

Jassem Mohamed Al Zaabi is the CEO of Yahsat and is currently the head of the Information and Communications Technology (ICT) Unit of Mubadala. He serves on the EITC board, as well as Abu Dhabi Media Authority and the Advanced Technology Investment Company (ATIC).



Abdulla Al Shamsi
Board Member

Abdulla Hamad Rahma Al Shamsi is currently General Manager, United Arab Shipping Agencies Co (Emirates). He is also the Vice-President of the Dubai Shipping Agents Association and Executive Director of Trans-Emirates Energy (LLC).



Fadel Al Ali
Board Member

Fadel Al Ali is Executive Chairman for Operations of Dubai Holding. He is also on the Board of Dubai Holding and several of its entities; on the Board of Directors at Dubai Bourse, the Dubai Mercantile Exchange, Dubai Bank, Bank Islam in Malaysia and National Bonds.

Management team

Osman Sultan
Chief Executive Officer

Rashid El Sheikh
Executive Vice President
Procurement & General
Services

Andrew Grenville
Executive Vice President
International & Wholesale

Fahad Al Hassawi
Executive Vice President
Human Resources

Anneliese Reinhold
Senior Vice President
Legal Affairs

Raghu Venkataraman
Executive Vice President
Corporate Strategy &
Strategic Marketing

Yatinder Mahajan
Executive Vice President
Technology

Farid Faraidooni
Executive Vice President
Commercial

Hala Badri
Executive Vice President
Brand & Communications

Ananda Bose
Executive Vice President
Corporate Affairs

Mark Shuttleworth
Chief Financial Officer

Amir Al Gergawi
Senior Vice President
Internal Audit





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Company performance

“The momentum that had built in 2007 continued across the business with total revenues increasing by 157% to AED 3.95 billion.”

Mark Shuttleworth
Chief Financial Officer



du has outperformed all internal and external expectations from a customer acquisition and profitability perspective in 2008. We entered an over-penetrated monopoly market and presented a credible, differentiated choice to which consumers responded favourably. In December 2008, after just 21 months in operation, we reached a milestone of over 3.4 million customers, of which 2.5 million are 90-day active subscribers.

The momentum that had built in 2007 continued across the business with total revenues increasing by 157% to AED 3.95 billion. Revenues in mobile reached AED 2.63 billion, with fixed line contributing AED 830 million, Wholesale AED 372 million and Broadcasting contributing revenues of AED 121 million.

Throughout 2008, we concentrated on evolving our existing offering, as well as pioneering new products and services. Our product and marketing teams have worked tirelessly to devise and deliver innovative propositions which can be easily accessed via our diverse sales channels.

Having seen such rapid growth, it is important that we work even

harder to maintain and exceed the standards that our customers now expect from us - we are entering a new phase of maturity. We have performed well as the newcomer and achieved remarkable success in a short space of time, but now is the time to ensure continued growth for the future in order to deliver sustained profitability to our shareholders.

In what looks to be a challenging economic climate in the year ahead, we want to continue to be the customer's champion, offering more for the same, or more for less, whilst maintaining exemplary standards of care. Our value proposition is already extremely compelling as seen by our rapid customer growth and our increased customer satisfaction.

According to our ongoing customer research, customers are truly relating to the du brand. The findings of a recent brand health study, conducted by independent research company AMRB, show that there is a high awareness of the brand, with du enjoying an unusually high 99% spontaneous awareness level across all consumer segments.

“All our products and campaigns undergo a very thorough product development process to ensure they meet our innovation standards and reflect the market's requirements.”

Farid Faraidooni
Executive Vice President (Commercial)

We are extremely proud of our creative marketing and skilled technology teams who have helped du to continue setting the pace of telecoms innovation in the UAE. It is something we want to be known for and we are committed to maintaining this reputation.

All products and campaigns undergo a very thorough product development process to ensure they meet with our innovation standards and reflect the market's requirements. We are constantly looking at ways to improve our customers' experience, responding to evolving trends and helping to shape those trends.

This has made possible the introduction of a number of distinctive offers, many of which were seen for the first time in the UAE, the region or in some instances, the world.

For example, du was the first operator in the region to introduce a flat-rate roaming charge within the GCC region, while the WoW recharge card was a world first. Both are true to our value-for-money philosophy.

In May 2008, we launched a newly enriched Mobile TV service to

subscribers across the country. The revamped service gives a wider choice of channels and multiple subscription choices to keep subscribers in control. The revamped service goes further by allowing subscribers to select and view a wide variety of video content.

We also launched our ground breaking Freetime offer in July 2008 to all du mobile customers. With Freetime, du mobile users can receive free credit every time they make an international call to any destination, saving as much as 60% on international call rates depending on the country called and the time of the call.

While understanding the ever-evolving needs of our customers, du is committed to leading the broadband revolution by offering the best, most cost-effective broadband and access solutions. In 2 innovative campaigns in September, du introduced 4, 8 and 12 Mbps Broadband speeds, some of the fastest internet broadband speeds in the region.

Targeting the unique communication needs of the large expatriate labour workforce in the UAE, du introduced 'Alo', a Pay as you Go®

mobile service, specially developed in cooperation with the Permanent Committee of Labour Affairs in Dubai. Continuing our philosophy of providing comfort and convenience to our customers, the same month saw the launch of MyFamily, another first of its kind offer in the region. Under the Monthly Plan, du and non-du customers have the flexibility of selecting a preferred du family and friends group and enjoying a 50% discount on all calls made between the group members.

Our team has also been working hard to continue delivering high-definition TV broadcasting to customers in the region through our Business Broadcast Services which provide broadcast services to over 165 TV channels from our state-of-the-art teleport facilities in the UAE.

As a cornerstone of the du offering, innovation will continue to be at the forefront of our development in 2009.

Distribution channels

“In 2008 we increased the number of channel partners by 50%, a process that will continue through 2009.”

Farid Faraidooni
Executive Vice President (Commercial)



A priority at du is to provide customers and potential customers with round-the-clock access to our services. We achieve this through a robust channel structure which includes du shops, authorised dealers and du’s award winning e-shop.

In 2008 we increased the number of channel partners by 50%, a process that will continue through 2009. There are now over 1,500 vendors in the UAE who can introduce new customers to the du experience.

Being accessible to all customers is just one part of du’s strategy. The customer’s retail experience is an important focus for us too.

We continually examine the entire sales cycle to ensure that it provides the best experience possible for customers. A recent mystery shopping exercise conducted by a third party expert showed that 80% of respondents who visited a du shop were satisfied with all elements of their shopping experience and in 2009 we will look to increase this further.

du’s award winning online shop, offering a round-the-clock, easy and enjoyable way to buy du packages and accessories, has also proved to be a great success.

Customer experience

“We have paid a great deal of attention to the quality of our customer services offering, and feedback shows that it has been well received.”

Farid Faraidooni
Executive Vice President (Commercial)

We are always striving to offer the best quality experience for all of our customers, from the start of the sales process to billing and then to customer service.

We start with the du web e-portal, which provides users with detailed information about our products and services. Our award winning web site is offering more people more information on more products than ever before.

Having reached 1,500 sales channels in the UAE, we are seeing a real impact on customer growth. It’s not just about numbers – we are focused on making sure that the du brand experience is consistent and enjoyable across the country.

In 2008 we became the first operator in the UAE with an integrated billing platform, giving retail customers the option to receive a single bill for fixed

and mobile services. The first integrated retail consumer bill was mailed in June 2008, and we’re now looking forward to introducing the same facility to our enterprise customers in 2009.

2008 was also a year of further improvements in customer services, from key account management to call centre management. We have paid a great deal of attention to the quality of our customer services offering, and feedback shows that it has been well received.

As a relative newcomer to the market, du has already achieved a highly credible score for customer satisfaction. In just over a year, du’s scores are on par with Nielsen’s global telecom norms which, in its eQ customer satisfaction index, studies over 300 telecom companies globally.



Human capital

“Our job is to bring out the best in each of our employees by motivating them and providing the right environment for them to flourish and grow in their roles and with the company.”

Fahad Al Hassawi
Executive Vice President (Human Resources)



At du, we believe that our people are our most valuable asset. Year on year, our employees continue to play an integral role in the company’s growth and development and through the hard work and dedication of our team, we’ve been able to achieve our first ever profits well ahead of schedule.

Our corporate culture has been a priority in 2008. We like to know and understand our workforce, utilise successful practices from different cultures and integrate them into the overall du corporate culture. This year we employed Gallup to undertake an employee engagement survey which in a company so young underscores the company’s commitment. We are now investing time and resources focusing our attention to many of the points highlighted by the survey and will continue this important initiative over the coming years.

Our job is to bring out the best in each of our employees by motivating them and providing the right environment for them to flourish and grow both in their roles and with the company. We work hard at this and have introduced several initiatives and training programmes to make sure that du people are reaching their potential.

du’s successful ‘Masar’ training and development programme, which is designed to harness the enthusiasm and ability of fresh UAE National graduates, has now brought 69 of the best employees into the company. We are also proud to have achieved an Emiratisation level of 20%, out of which 30% are at senior management level, and look forward to increasing this even further during the coming year.

Our two-way internal communications structure and processes were significantly improved in 2008 in line with the growth and maturity of the du team. Designed to keep du staff informed, it also serves to project our values effectively and efficiently.

We constantly strive to ensure that the company’s best asset is available to meet the company’s growth and aspirations. In order to achieve this, we have continued to develop our manpower models to understand headcount requirements in advance and to plan, recruit and train accordingly whilst ensuring that the company operates with the optimum number of employees to maximise profitability, at all times.

360 Your Voice Makes a Difference
employee engagement
program at du

du constantly strives to design, deploy and improve the organisation and HR systems that enable achieving du’s strategic long term goals. Employees are our critical link in the delivery to our key stakeholders.

It is our belief in du that our employees are our ‘key competitive differentiators’ and an ‘engaged employee’ gets us ‘engaged customers’. ‘360 Your Voice Makes a Difference’ is the name of the employee engagement programme at du. Our internal HR team partnered with Gallup the reputed US organisation who has conducted similar programs across the globe for a range of companies including fortune 50 companies, to conduct this exercise.

The first measurement of our employee engagement was done in June 2008 which will be followed by the next one in mid 2009. Areas for key improvements have been identified and shared.



“We are always working to improve in 3 core areas – coverage, network quality and capacity. In 2008 we continued to invest in improving all 3, with our capital investment programme touching AED 2.3 billion.”

Yatinder Mahajan
Executive Vice President (Technology)



At du, we are always working to improve 3 areas – coverage, network quality and capacity. In 2008 we continued to invest in improving all 3, with our capital investment programme touching AED 2.3 billion.

In 2008 we continued to build new base stations to expand our coverage and capacity across the UAE, providing deeper access to du services to more people in more areas of the country. We now have over 1350 base stations across the UAE, having recently added base stations covering customers at the Saudi Arabian border in the Western region, and at Khor Fakkan in the north.

To help us speed up the network build-out, we have increased the number of network vendors we work with. This has helped us in giving more bandwidth to our network development teams, enabling them to build more base stations, more quickly and in a more cost effective way.

We have also taken on the resources and processes required to design fast, efficient networks into the du family – this is helping us to make the process even more efficient. Our advanced 2G mobile network now covers over 94.3% of the population whilst we continue to build out our 3G capabilities. We aim to keep on improving on this achievement in 2009.

In fixed line, we continue to improve services for existing customers. In 2008, we announced a new initiative to replace the existing IP TV platform with a state-of-the-art IP TV service, to be launched in 2009, that will radically change the way customers manage their TV viewing.

Despite geographical limitations, and with a target to provide fixed services in every Emirate, we’ve set in motion many initiatives to expand the fixed line network. 2009 will see us continue to follow a thorough network roll-out plan to build a backbone infrastructure to connect the major cities of the UAE.

Another achievement in the fixed business was the introduction of an all-fibre network infrastructure which replaced our copper cabling in buildings. This advancement gives our customers the opportunity to increase their bandwidths to a maximum of 20MB per second, making it one of the fastest connections anywhere in the region.

The network build-out will continue in 2009, as we work hard to become the best network provider in the UAE.

Technology

Corporate affairs & governance

“Setting up a strong Corporate Governance structure and strict adherence to the Regulatory framework have been priorities for du since inception. We continuously strive to achieve best-in-class performance in these areas.”

Ananda Bose
Executive Vice President (Corporate Affairs)



At the core of our management team is a strong corporate governance culture. We place great importance on running the business in the interests of all stakeholders.

Our corporate governance systems exceed existing regional requirements and are being improved continually. During 2008, we adopted a new comprehensive Corporate Governance framework based on the requirements of ESCA (Emirates Securities and Commodities Authority) and international best practice.

Our Corporate governance highlights:

du’s Board and Committees

The Board of Directors, which is chaired by Ahmad Bin Byat and meets on a quarterly basis, consists of 9 Directors. In line with ESCA and international guidelines, the roles of Chairman and Chief Executive Officer are split.

The Board represents and is accountable to all of du’s shareholders and oversees the activities of the executive management.

It regularly evaluates the strategic direction of the company, management policies and the effectiveness with which management implements them, and assesses the company’s overall risks. The Board’s responsibilities further include overseeing the structure and composition of the company’s top management and monitoring legal compliance and the management of risks related to the company’s operations.

There are several Board Committees at du, in line with international best practice and the ESCA guidelines.

Audit Committee

The Audit Committee, which meets quarterly, consists of 3 Board Directors. The responsibility of the Committee is to review du’s results and financial statements, review the activity of the internal and external auditors and monitor compliance with statutory and listing requirements.

Remuneration Committee

The Remuneration Committee meets as required and consists of 3 Directors. It is chaired by Khalid Ali Al Bustani and is responsible for the assessment and recommendation

of policy on executive remuneration and packages for individual executive directors.

Investment Committee

The Investment Committee, which is not an ESCA requirement, consists of 4 Directors of which its main function is to evaluate the company’s investment plans to ensure that shareholders will see an appropriate return. It meets a minimum of 4 times per year and is chaired by the Vice Chairman of the company, Khalid Al Bustani.

Corporate values

The key to our success is to empower our employees and enhance their personal commitment to achieve our common goals through good communication, efficiency, competence, accuracy and reliability across all business levels. We continually assess the efficiency of our systems and drive innovation to improve our business performance and achieve profitable growth results in all aspects.

Code of conduct

du has fostered a culture of honesty, integrity and ethical work practices, with employees acting with propriety and respect in the

course of business with customers, competitors, shareholders and governance. We always comply with legal, regulatory and ethical guidelines in everything we do.

In line with international best practice, we are committed to timely and open disclosure of material information to our shareholders while protecting commercially sensitive information.

Risk management

Risk management is a cornerstone of du’s decision making process. Our risk management processes are built around a carefully crafted, integrated risk management function.

Risk management is an explicit and routine part of strategic and business planning and operational financial management processes. All decisions are subject to du’s Risk Management function.

It comprises developing and evolving the corporate risk profile, building risk management capacity and capability and linkage with strategic planning.

International reach

“We now have roaming agreements with 346 operators in 120 countries, an impressive achievement in only 2 years.”

Andrew Grenville
Executive Vice President (International & Wholesale)



2008 saw our International & Wholesale business continue to improve the global footprint that du customers enjoy in voice, internet and mobile. This extended footprint also allowed du to reach out to international operators and carriers seeking UAE & Middle East access.

We now have roaming agreements with 346 mobile operators in 120 countries - an impressive achievement in only 2 years.

During the year, du also invested in Europe India Gateway cable, the first direct, high-bandwidth optical-fibre submarine cable system from the

United Kingdom to India. The system will significantly enhance capacity and diversity between the countries of these regions and will bring in considerable diversity and bandwidth into the Middle East, while providing global access to operators in the region.

Another significant milestone this year was that du began the testing phase of its in flight connectivity services with OnAir, a pioneering provider of mobile phone services to airlines. This is in line with du's commitment to offer innovative and convenient communication services to its users wherever they are.



Awards

“Our awards reassure us that we are communicating our brand values successfully. They underscore our commitment to excellence and strengthen our resolve to continue aiming for the best.”

Hala Badri
Executive Vice President (Brand & Communications)

We continue to be recognised for our commitment to excellence, adding to the impressive list of awards won in 2007 with nominations for a number of industry awards in 2008 as well.

The du corporate brand launch was awarded a highly respected advertising industry award, the MENA Cristal award, in 2008.

du won 2 prestigious awards at the UAE Web Awards 2008: du's e-shop portal won the best strategic online portal award in the e-commerce category. du e-shop is a sub-section of www.du.ae and gives users full access to details on du's services and information about select mobile handsets and accessories.

At the same event, du Media Club, an online forum aimed at bringing UAE media professionals together, won the bronze award in the 'Media and Press' category. The du Media Club portal offers visitors an opinion corner and exclusive access to a library of information on du and on the UAE telecommunications sector.

In the financial community du has been recognised for its successful AED 3 billion syndicated loan facility by being nominated by Euroweek for the Best Middle Eastern Local Currency Deal Award.

These awards underscore our commitment to excellence. These wins will strengthen our resolve to continue aiming for the best.

“As a national company, du has a responsibility to contribute to the UAE community and we take this commitment seriously.”

Hala Badri
Executive Vice President (Brand & Communications)

As a national company, du has a responsibility to develop and be a part of the UAE community and we take this commitment seriously. In 2008 we built on the foundations laid in 2007, focusing on ‘stars of the future’, education, heritage-reviving culture and social issues.

In 2008 we joined forces with the Ministry of Social Affairs to create an online portal bringing all non-profit organisations (NGOs) together to promote volunteering opportunities.

We supported the “UAE Free of Thalassemia by 2012” National Health campaign in June by holding a voluntary blood screening drive for our employees to check

against Beta Thalassemia and Sickle Cell diseases.

During the holy month of Ramadan, we set up tents across the UAE to provide free meals to visitors. During Eid Al Fitr, in addition to offering discounted rates to all mobile subscribers, members of our staff visited homes for the elderly and a children’s hospital and celebrated the day with them.

du and Microsoft collaborated to launch a new platform for young and talented scientific minds. The ‘Let your dream mobile application out’ competition aimed at all UAE college and university students, succeeded in unleashing creativity



around the development of intelligent mobile application suites, within the themes of social networking, lifestyle enhancement and the environment.

To facilitate communication between du customers and their loved ones during public holidays, we offered discounted rates on local and international calls and text messages.