

Press Release

du Announces First Quarter 2012 Results

- *320,600 mobile customers added in first quarter*
- *Mobile data revenues more than doubled year on year*
- *Net profit before royalty grew by 61.8% year on year*

Dubai, 10 May 2012 – Emirates Integrated Telecommunications Company PJSC (“du”) today announced its financial results for the first quarter of 2012.

Financial highlights for the quarter:

- **Revenues increased 20.1% year on year** to AED 2.4 billion, up from AED 2.0 billion in Q1 2011.
- **Mobile revenue increased 21.8%**, growing to AED 1.9 billion.
- **Mobile data revenue grew to 15.5% of mobile revenues**
 - **Mobile data revenue more than doubled to AED 297 million** from AED 141 million in Q1 2011.
- **Post-paid mobile customer base contributed 48.6% of the growth in mobile revenues.**
- **EBITDA increased by 49.0%** year on year to reach AED 925 million
 - **EBITDA margin grew to 37.8%**, up from 30.5% in Q1 2011
- **Net profit before royalty increased 61.8%** reaching AED 666 million compared to AED 412 million in Q1 2011¹.
 - **Net profit margin (before royalty) increased to 27.2%** from 20.2% in Q1 2011.

Customer highlights for the quarter:

- **320,600 mobile customers added**, bringing total mobile customer base to 5.5 million.
 - **50,400 postpaid mobile customers added**, now representing 7.5% of the mobile customer base.
- **Fixed line subscribers increased to 545,300**; a 13.5% increase from Q1 2011.

Osman Sultan, du’s Chief Executive Officer, said, “We have enjoyed a strong start to the year. We have achieved healthy growth in revenues, with strong performance from what we believe will be key drivers going forward, including mobile data revenue and our post-paid subscriber base. Our mobile data revenues in particular more than doubled year on year. We believe this will continue to grow in importance as a revenue stream, and we will seek to continue developing innovative products and services that encourage data usage.

While top-line growth has been significant, it has more importantly been achieved with greater efficiency. Our EBITDA and net profit have both grown significantly, with margins both increasing by more than seven percentage points, an achievement we are very pleased with.

Delivering value is at the heart of everything we do and is considered in every strategic decision. We believe that the areas we are focusing on will deliver the greatest value to all of our stakeholders – our customers, our employees, and of course our shareholders.”

¹ Net profit growth was healthy due to revenue growth combined with increased operational efficiency improvements. Quarter on quarter growth in net profit before royalty in Q1 2012 was positively impacted by an exceptional impairment of AED 47 million in Q4 2011 and one-off gains of approximately AED 30 million from favourable settlements in Q1 2012.

Profit & Loss Summary

(AED m)	Q1'12	Q1 '11	YoY change	Q4 '11	QoQ change
Revenue	2,447	2,038	20.1%	2,412	1.5%
EBITDA	925	621	49.0%	848	9.0%
EBITDA Margin	37.8%	30.5%	730 basis points	35.2%	260 basis points
Net profit	666	412	61.8%	497	34%
Net profit margin	27.2%	20.2%	700 basis points	20.6%	660 basis points

Balance Sheet Summary

(AED m)	Reviewed 31 March 2012	Audited 31 Dec 2011
Cash & Cash Equivalents	2,446	2,376
Total Assets	12,347	12,055
Total Liabilities	6,475	5,836
Net Cash	410	104
Total Equity	5,872	6,219

Cash Flow Summary

(AED m)	Reviewed 31 March 2012	Reviewed 31 March 2011
Operating	604	520
Investing	(298)	(488)
Financing	(236)	87
Net change in cash	70	119
Ending cash balance	2,446	2,904

Customer Summary

(000s)	Q1'12	Q1 '11	YoY change	Q4 '11	QoQ change
Mobile customers	5,537	4,605	20.2%	5,216	6.1%
Fixed line customers	545	481	13.5%	531	2.7%
Telephony	217	191	13.3%	210	3.5%
Broadband	130	104	25.3%	124	4.8%
TV	118	98	20.2%	114	3.8%
Call Select	81	87	(7.7%)	84	(3.6%)

Q1 2012 results analysis

Total combined revenues for Q1 12 increased 20.1% year on year to AED 2.4 billion compared to AED 2.0 billion for Q1 11. The primary driver of revenue growth was the mobile business. Quarter on quarter, growth was 1.5%, partially impacted by seasonal differences typically affecting the fourth quarter, with a positive impact from what is a traditionally busy period for conferences, as well as cultural festivals such as EID Al-Adha, Diwali, and Christmas. In addition the first quarter was a day shorter than the fourth quarter, impacting comparable revenues.

Significant customer additions

At the end of March, du's share of the UAE mobile market stood at 46.7%, based on the data published by the Telecommunications Regulatory Authority ('TRA') and competitor disclosures. 320,600 mobile customers were added in the first quarter of 2012, more than in any of the quarters in the last two years.

More than a sixth of the additions were high-value post-paid customers. This is further evidence of the strength of du's position as being the provider of choice for the majority of new mobile customers in the UAE. du now serves a total of approximately 5,536,600 active mobile customers.

Sustained growth in mobile revenues

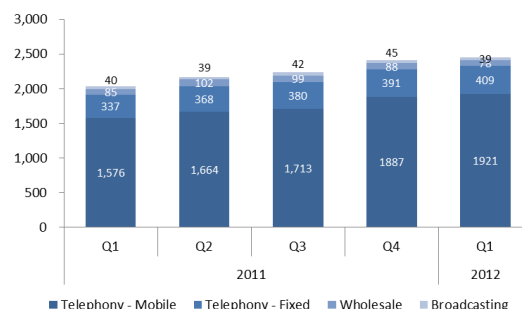
Mobile revenues grew by a further 21.8% year on year in the first quarter, reaching AED 1.92 billion, compared to Q1 11 (AED 1.58 billion) and up 1.8% versus Q4 11 (AED 1.89 billion)

Drivers of performance in this segment continue to include growth in the Company's customer base, strong ARPU², especially from the post-paid segment, and increasing data usage.

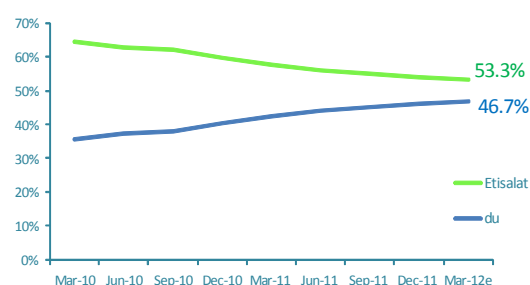
The high-value postpaid mobile customer base continues to increase in importance, contributing 48.6% of the growth in mobile revenues³ during Q1 12. 43.6% of this contribution can be attributed to growth in ARPU.

A further 50,400 post-paid customers were added in Q1 12, testament to the Company's continued efforts to attract and retain high-end mobile users. 413,200 high-value postpaid customers now represent 7.5% of the mobile customer base (up from 6.7% in Q1 2011).

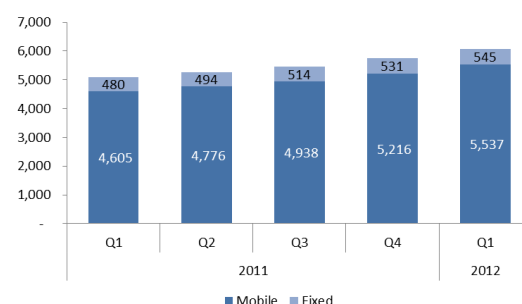
Revenue Growth (AED million)



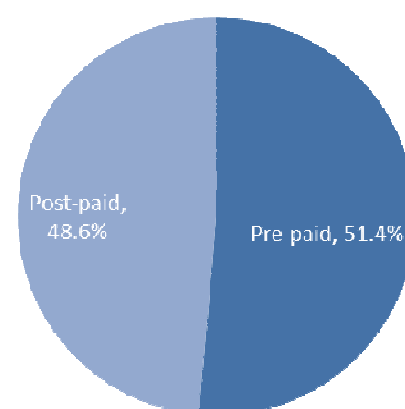
Market Share



Mobile & Fixed Customer Growth (thousand)



Mobile Growth Composition



² ARPU is defined as average revenue per user and is calculated by total recurring mobile revenue divided by the average number of customers for the quarter

³ Excluding inbound roaming and handset revenue

Mobile ARPU⁴ remained steady at AED 119, for the first quarter, up from AED 118 during Q1 11.

Data revenue contribution growing

Mobile data usage continues to grow as an important component of du's mobile revenues, representing approximately 15.5% of mobile revenues. Mobile data revenues more than doubled year on year from AED 141 million in Q1 11 to AED 297 million in Q1 12. Mobile data revenue for the quarter was boosted by a promotion that began at the end of December and finished during the first quarter.

Revenues for du's fixed business, including fixed telephony, TV and Broadband, amounted to AED 409 million, a 21.2% year on year increase (Q1 11: AED 337 million) and a 4.5% quarter on quarter increase (Q4 11: AED 391 million).

Decrease in overheads as percentage of revenue

Total overheads stood at AED 769 million, representing 31.4% as a percentage of revenue and a decrease of nearly three percentage points (as a percentage of revenue) over the same period a year ago (34.2% in Q1 11). This reflects the Company's focus on profitability and its efforts to improve operating efficiencies through internal optimisation programmes.

Growing profitability

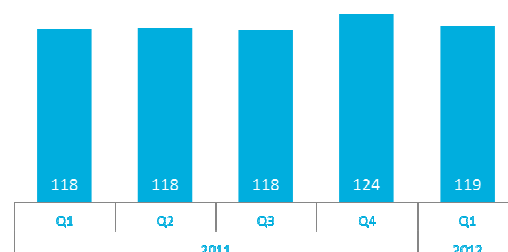
During the first quarter, EBITDA grew by 49.0% year on year, and increased 9.0% quarter on quarter to AED 925 million compared to AED 621 million and AED 848 million respectively. EBITDA margins also improved to 37.8% in Q1 12, up by more than seven percentage points from 30.5% in Q1 11, and up compared to the previous quarter (35.2%).

Net profit before royalty for Q1 12 was AED 666 million representing an increase of 61.8% over the AED 412 million reported for Q1 11, and a 34.0% increase quarter on quarter (up from AED 497 million in Q4 11).

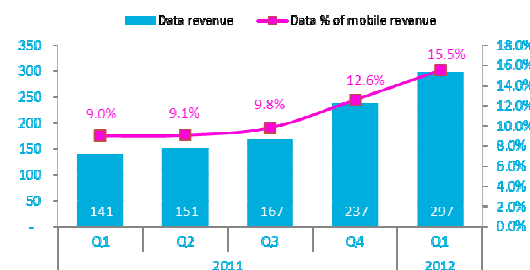
While net profit growth was healthy due to revenue growth combined with increased operational efficiency improvements, quarter on quarter growth in net profit before royalty in Q1 2012 was positively impacted by an exceptional impairment of AED 47 million in Q4 2011 and one-off gains of approximately AED 30 million from favourable settlements in Q1 2012.

Provisioning for royalty continues to be made at 50%.

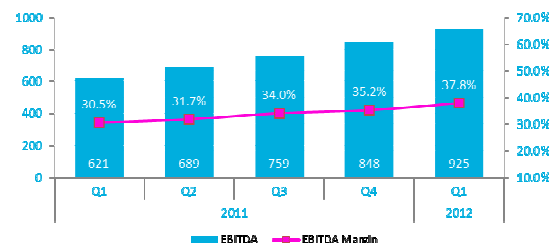
Mobile ARPU (AED)



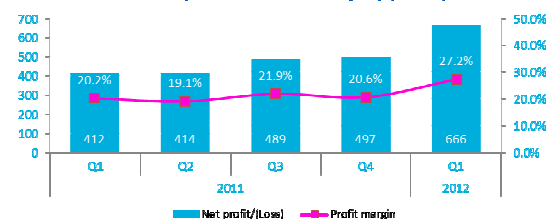
Mobile Data (AEDm)



Quarterly EBITDA (AEDm)



Quarterly Net Profit before royalty (AEDm)



⁴ ARPU is defined as average revenue per user and is calculated by total mobile revenue divided by the average number of customers for the quarter

The Company's capital expenditure programme remains focused, with AED 335 million accounted for during Q1 12. More than half of the Q1 spend was focused on mobile infrastructure.

Product & Service initiatives during the first quarter

Mobile

- Introduced 'The Executive Plan': specifically targeted at the new generation of business executives.
- The best value on international calls comes from Pay as you Go® from du.
- Introduced the "Music Store": The 24 hour mobile destination for unlimited music downloads.
- Launched the new Sony PlayStation® Vita 3G in the UAE.
- Built the 4G/LTE Network with Cisco Mobile Internet Solutions to meet the growing demand for advanced mobile services.
- Received international recognition for having the best mobile broadband network in the Middle East and Africa.

Fixed

- Dubai SME, du and Microsoft Gulf to launch ICT package for businessmen and investors which will benefit over 72,000 small and medium enterprises.
- Partnered with Mobile Doctors to launch 24/7 Physician Helpline to coincide with World Health Day
- Introduced a new VSAT service platform to provide better connectivity for remote sites as an alternative to traditional telecommunication services.
- Launched Russian Prime Package targeted at the rapidly increasing market of Russian Expats in the UAE

- Ends -

About du

du, a leading integrated telecommunications service provider in the UAE, launched mobile telecommunication services in February 2007 across the UAE, in addition to internet and pay TV services that du provides in some of the free zones of Dubai. Call Select, du's nationwide fixed line services for voice telephony, was launched in July 2007. By the end of Q1 2012, du had approximately 5.5 million mobile customers.

Among du's many firsts is its historic Number Booking Campaign for both individuals and business, Pay by the Second billing system, Mobile TV, Mobile Payments, first of its kind 'WoW' recharge card (which offers customers the choice between more credit, more time and now 'more international' recharge option with additional credit on international calls) and Self Care.

For business customers, du business offers include Closed Business User Group and preferred International Destinations. du Broadcast Services division brings scalable media technology platforms and telecommunication solutions to the broadcast community through its world class teleport (Samacom) and Master Control Room (MCR) facilities.

du products and services for consumers and business are available through du's retail network, currently comprising over 30 du shops located in strategic locations across the UAE, more than 3,000 authorized dealers or through du e-shop, accessible at <http://www.du.ae/en/where-to-buy/eshop.html>. du shops are a "one stop shop" for mobile service, carrier select and the payment of the service bills.

du is 39.5 percent owned by Emirates Investment Authority, 19.75 percent by Mubadala Development Company PJSC, 19.5 percent by Emirates Communications and Technology LLC and the remaining

stake by public shareholders. It is listed on the Dubai Financial Market (DFM) and trades under the name du.

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