Press Release

du Announces full year 2011 Results

- *Revenues of AED 8.9 billion achieved; a 25.2% increase*
- *Net profit before royalty grew by 47.8% year on year to AED 1.8 billion*
- *Proposes first dividend payment of AED 0.15 per share*

Dubai, 6 March 2012 – Emirates Integrated Telecommunications Company PJSC ("du") today announced its financial results for the full year and the fourth quarter of 2011, reflecting continued growth and further customer additions. The company also announced that it is proposing its first dividend payment to shareholders.

Highlights for the full year 2011:

- **Revenues of AED 8.9 billion achieved**; a 25.2% increase versus 2010 (AED 7.1 billion).
- **EBITDA[1] increased 44.6%** to AED 2.9 billion versus 2010 (AED 2.0 billion).
- **Net profit before royalty grew by 47.8%** year on year to AED 1.8 billion versus 2010 (AED 1.2 billion).
- **Net profit after royalty** stood at AED 1.1 billion[2] up from AED 1.0 billion[3] in 2010, reflecting the increased royalty payable to the UAE Federal Government for the year ended 31 December 2011 comprising of 15% of net profit and 5% of total company revenues (compared to a royalty payment of 15% of net profit in 2010). This resulted in a royalty payment of AED 715 million, compared to AED 184 million for 2010.
- **Pro Forma earnings per share increased 60% from AED 0.15 to AED 0.24[4]**
- **Free Cash Flow[5] reached AED 1.4 billion** up from AED 36 million in 2010.
  - **Proposed dividend payment of AED AED 0.15 per share**

Highlights for the fourth quarter:

- **Total revenues for the fourth quarter reached AED 2.4 billion**, a 17.9% increase compared to Q4 10 (AED 2.0 billion) and an 8.0% increase compared to Q3 11 (AED 2.2 billion).
- **278,100 net active[1] mobile customers added** during the fourth quarter, bringing total mobile customer base to 5.2 million.
- **Sustained momentum in post-paid active mobile customer additions** with 19,300 added in Q4 bringing the total to 362,800, up 39.6% vs. Q4 10 (260,000) and representing 6.96% of the total mobile customer base.
- **Post-paid customers** represented 42.1% of growth in mobile revenues for the quarter.
- **340 basis point increase in data contribution** to mobile revenues, increasing from 9.2% in Q4 2010 to 12.6% in Q4 2011.
- **EBITDA[2] grew 25.7%** versus Q4 10 (AED 675.0 million) to AED 848.3 million and grew 11.8% compared to Q3 11 (AED 758.7 million).
- **Net profit before royalty increased by 15.4%** year on year to AED 497.4 million in Q4 2011 versus AED 430.9 million in Q4 10, representing a 1.8% increase over the previous quarter of AED 488.7 million.

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[1] du calculates EBITDA as operating profits before interest, depreciation, amortisation, impairment charges, non-operational income and expenses and royalty

[2] Net profit for 2011 – Royalty was charged at 15% of net profit plus 5% of total company revenue. In Q4 royalty was adjusted following the announcement by the UAE Federal Government. In the quarter, AED 185 million was released, reflecting a royalty charge of AED 715 million for the year 2011.

[3] Net profit for 2010 – Royalty was charged at 15% of net profit. Net profit after royalty was AED 1.3 billion consisting of AED 1.03 billion in net profit after royalty for the year 2010 and a release of AED 268 million in provisions relating to 2009.

[4] Unadjusted 2010 earnings per share of AED 0.31 included the above release of provisions relating to 2009.

[5] Free cash flow is defined as cash generated from operating activities less net cash used in investing activities

Ahmad Bin Byat, Chairman of du, said: "As we celebrate our fifth year of operation, I am pleased to report very strong financial performance and the continuation of our company's strong growth trajectory.

"Our strong financial performance during 2011 has led to the recommendation by the Board of Directors to propose our first cash dividend to shareholders of 15 fils per share The proposed dividend has been carefully considered, ensuring we can continue to invest in our people, network, systems, products and services to deliver consistent value to our customers and shareholders. We believe this dividend proposal is an important step forward in shareholder value creation and sets the right basis for future dividend growth.

"The decision to pay dividends celebrates the position that we have built in the market. By the end of 2011 we served more than 46 percent of the UAE mobile market according to the Telecommunications Regulatory Authority, an enviable achievement in just five years. Today, more than five million people across the Emirates actively use our services.

"Despite continued global economic uncertainty throughout the last three years, we have benefited from the stability and economic momentum of the UAE, which combined with the capabilities we have built in offering innovative and attractive customer propositions, and doing so with operational efficiency, has resulted in an even greater number of customers placing their trust in us, which has in turn led to very strong financial performance.

"We have maintained a focus throughout on our responsibility for Emiratisation and we have dramatically increase the number of Emiratis working in our company: in 2011, Emiratis represented 28 percent of our workforce significantly, up from 23 percent in 2010, with 39 percent in higher management positions. We also sought to further extend job opportunities to UAE nationals across the UAE and the opening of our new, purpose-built customer care centre in Fujairah, managed and staffed entirely by Emiratis, is a prime example of these initiatives.

"I am pleased to say that we progressed significantly in 2011, net profit before royalty increased by 47.8 percent to 1.8 billion Dirhams from 1.2 billion Dirhams in 2010. We also received the determination from the Federal Government on the royalty charge for 2011 bringing the net profit after royalty to 1.1 billion Dirhams.

"We have achieved all of this while at the same time remaining committed to corporate governance, area that we believe is fundamental to the success of our business. Our efforts were recognised in 2011, when the company was ranked number one in the recently rebalanced S&P Hawkamah ESG (Environment, Social & Corporate Governance) Pan Arab Index. I know I speak on behalf of everyone on the Board of Directors in saying that we are very proud of this achievement, especially, as we are such a young company."

Osman Sultan, du's Chief Executive Officer, commented, "I am once again proud to report we have delivered another strong year of growth and excellent financial performance.

"In 2011, we maintained one of the highest growth rates for the past three years in the entire region, and we have continued to gain market share. We believe this continued growth can be partially attributed to the successes we have had in improving the customer experience, which has been a significant focus in 2011 and will continue to remain so.

"Growth in data revenue has also become a significant contributor. We expect this to become even more prominent, based on rapid growth in the penetration of smartphones.

"Our home services business, including fixed telephony, high-speed broadband, and IPTV, today limited to the geographical areas where we have deployed our own world-class fibre infrastructure, continues to grow alongside the on-going development of the UAE economy and is well-positioned to benefit from the infrastructure sharing agreement announced by the TRA. We look forward with optimism and determination to expanding and offering our state-of-the-art value proposition nationwide as a result of this development.

"Throughout the year we worked hard to continue streamlining processes and reinforcing operational and financial controls. This enabled us to better manage our overheads and capital expenditure, leading to healthy levels of profitability and cash generation in 2011. We continued to invest in our capabilities in 2011, adding more than 1,275 new base station sites, further improving our network coverage. Our data network has also been greatly improved, particularly in our 3G coverage, as we see this as a major stream of future revenue growth.

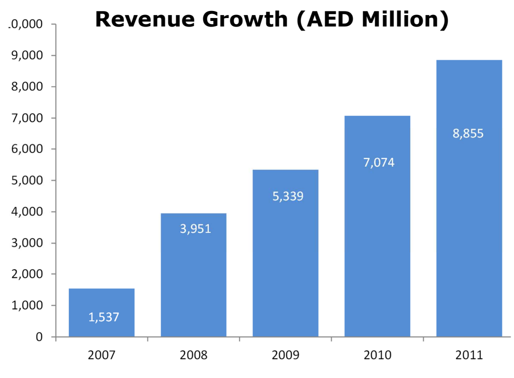
"Our investment in our employees also continued and as a result we solidified our reputation as employer of choice for the best talent in the UAE. We also made great progress in the level of employee engagement, measured by an independent agency. The investments we have made in developing future leaders included for example partnering with INSEAD on a management training programme, and establishing talent pools to enable succession planning. In addition, we delivered more than 5,000 training days through the year. Over the past five years, we have evidenced a solid track record of deploying sustainable management principles to foster outstanding employee performance.

"Our ongoing investments in our network, IT systems and processes, and in our people, coupled with the introduction of market-leading products and services, resulted in a significant increase in customer satisfaction in 2011. More importantly, this is a consequence of a comprehensive and proactive programme put in place at the end of 2010 to identify and address opportunities to further enhance our customer experience across network performance, our products and services, and our customer service. This programme has been highly successful through 2011 and we will seek to maintain and better these improvements in 2012 and onwards. Over the year, we also put in place mechanisms to assist us in continuing to drive efficiency improvements throughout the company in 2012.

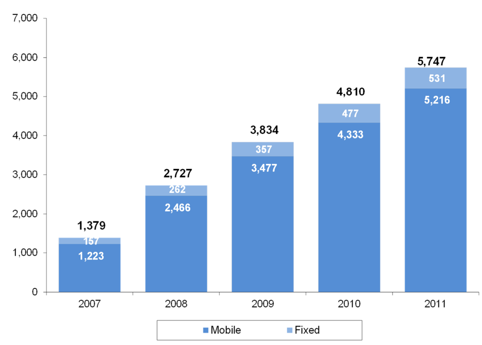
"While we continue to deliver strong results, as we mature, the pace of growth will become more measured. However, I firmly believe we are well positioned to further capitalise on market opportunities through our proven strategy that is fully focused on bringing innovation to the customer experience and driving operational efficiencies. Through these efforts we believe we can create further value for our shareholders and indeed all of our stakeholders, by making du a best-in-class telecommunications operator."

Full Year 2011 results analysis

Full year revenues for 2011 grew 25.2% to AED 8.9 billion compared to AED 7.1 billion in 2010, this can be attributed to the growth in du's market share over the past twelve months. du's position as the leading provider of choice for the majority of new mobile customers in the UAE remained apparent with 883,200 mobile customers added during the year, reaching a total of approximately 5.2 million at year end, representing 46% of the market, according to data published by the Telecommunications Regulatory Authority ('TRA') at the end of 2011.



Mobile & Fixed Subscriber



High-end mobile customers contributed significantly

Mobile revenues increased to AED 6.8 billion for the year 2011, up 28.8% compared to full year 2010 (AED 5.3 billion), driven by sustained customer acquisition and an increase in ARPU. The company's ongoing focus on attracting and retaining high-end mobile users has resulted in a 39.6% increase in the number of post-paid subscribers being added during the year bringing the total to 362,800, representing 6.96% of the mobile subscriber base.

Net revenues for du's fixed line business, including fixed telephony, TV and Broadband, amounted to AED 1.5 billion for the full year 2011, a 25.4% year on year increase (2010: AED 1.2 billion) reflecting approximately 530,800 lines[6].

Operational efficiency improvements

Overheads decreased as a percentage of revenue from 36.5% to 33.7%, despite significant growth in the number of customers and services. Total overheads for the full year 2011 increased 15.5% to AED 3 billion, compared to AED 2.6 billion in 2010.

EBITDA grew 44.6% compared to 2010, reaching AED 2.9 bill compared to AED 2.0 billion a year prior. EBITDA margins also improved to 32.94% in 2011, up 442 basis points from 28.52% in 2010.

Strong growth in net profit before royalty

du's full year 2011 net profit before royalty of AED 1.8 billion represents an increase of 47.8% compared to AED 1.2 billion in 2010.

The UAE Federal Government announced the royalty rate for du in 2011 to be 15% of net profit plus 5% of total company revenue. After royalty, net profit for the full year was AED 1.1 billion.

The ongoing royalty for subsequent years will be advised to the Company in due course.

Building on our free cash flow position last year, we are once again in a very positive position. Free cash flow at the end of 2011 was AED 1.4 billion up from AED 31 million at the end of 2010.

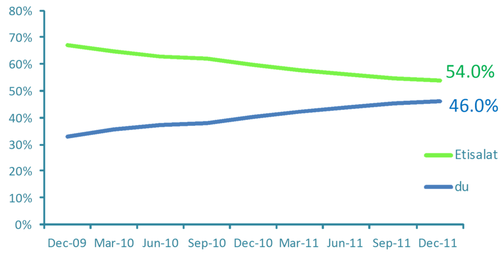
Pro Forma earnings per share increased from AED 0.15 to AED 0.24. Unadjusted earnings per share of AED 0.31 included the one-off release of AED 268 million relating to royalty provisions made in 2009.

Capital expenditure for the year stood at AED 1.3 billion up slightly from AED 1.2 billion in 2010.

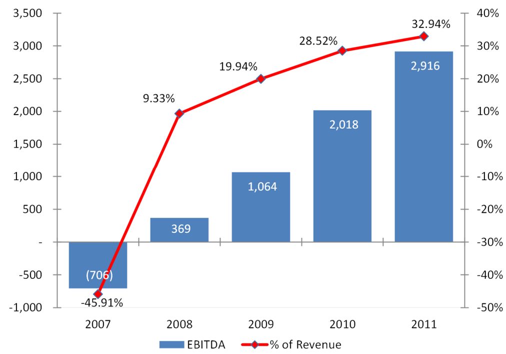
<u>Q4 2011 results analysis</u>

Total combined revenues for Q4 11 further improved to AED 2.4 billion compared to AED 2.0 billion for Q4 10, representing year on year growth of 17.9%, a reflection of the strong and sustained

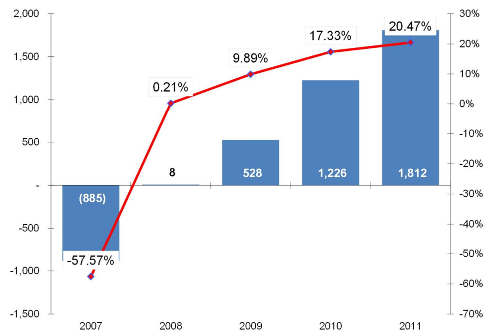
Market Share



EBITDA (AED Million)

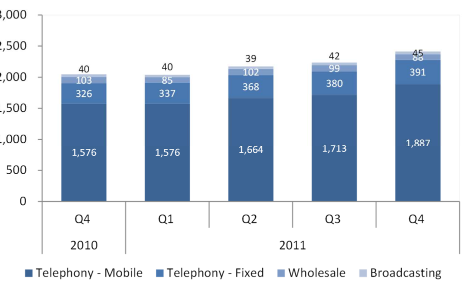


Net Profit before Royalty (AED Million)



<u>Q4 2011</u>

Revenue Growth (AED Millions)



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[6] These are the number of lines/contracts, not number of customer accounts. In case of multiple products on the same contract, a line is counted against each service.

mobile customer growth over the past twelve months. Quarter on quarter, revenues increased 8% compared to Q3 11.

Further customer additions

More than 278,100 mobile customers joined du in the fourth quarter, further evidence of the company's continued position as the provider of choice for the majority of new mobile customers in the UAE.

Customer growth and strong ARPU, especially from the post-paid segment, and increasing data usage remained the core drivers behind du's sustained growth in mobile revenues, reaching AED 1.9 billion, up 19.7% compared to Q4 10 (AED 1.6 billion) and up 10.2% versus Q3 11 (AED 1.7 billion).

Sustained contribution from high-value postpaid customers

Significantly, 42.1% of the growth in mobile revenues[7] during Q4 11 was derived from the high-value postpaid mobile customer base. 57.9% of this contribution can be attributed to growth in ARPU[8].

A further 19,300 post-paid customers joined du in Q4 11, testament to the Company's continued efforts to attract and retain high-end mobile users.

Moblie ARPU for the quarter increased from AED 118 in Q3 to AED 124 in Q4 2011.

Strong data usage component

Data usage continues to grow as an important component of du's mobile revenues, representing approximately 12.6% of mobile revenues. Mobile data revenues increased by 63.4% year on year from AED 145 million in Q4 11 to AED 237 million in Q4 11.

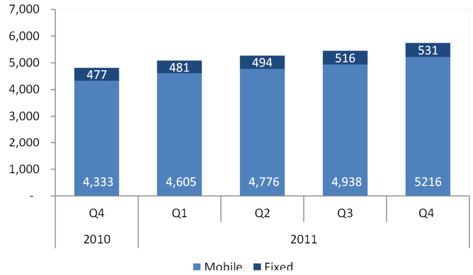
Revenues for du's fixed business, including fixed telephony, TV and Broadband, amounted to AED 391.2 million, a 20.0% year on year increase (Q4 10: AED 326.1 million) and a 2.9% quarter on quarter increase (Q3 11: AED 380.2 million).

Total overheads stood at AED 813.3 million, representing 33.73% as a percentage of revenue, a moderate increase over the same period a year ago (30.84% in Q4 10) due to certain exceptional charges during the quarter.

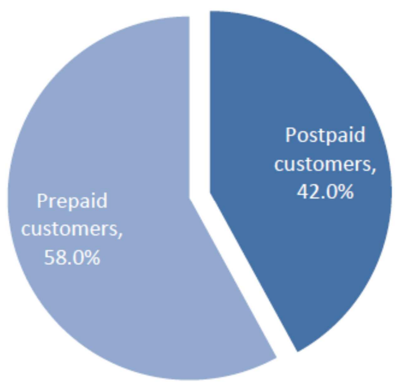
Profitability continues to increase

During the fourth quarter, EBITDA grew by 25.7% year on year, and increased 11.8% quarter on quarter to AED 848.3 million compared to AED 675.0 million and AED 758.7 million respectively. EBITDA margins also improved to 35.18% in Q4 11, up 219 basis points from 32.99% in Q4 10, and up 121 basis points compared to the previous quarter (33.97%).

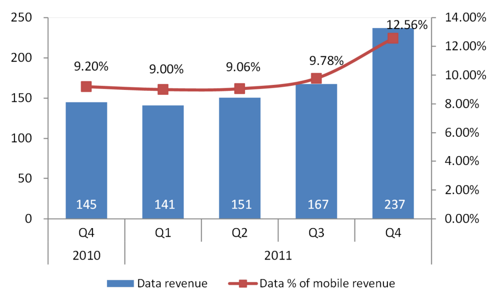
Mobile & Fixed Customer Growth



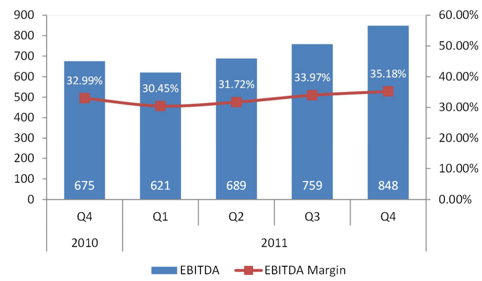
Mobile Growth Composition



Mobile Data Usage



EBITDA (AED million)



7 Excluding inbound roaming and handset revenue

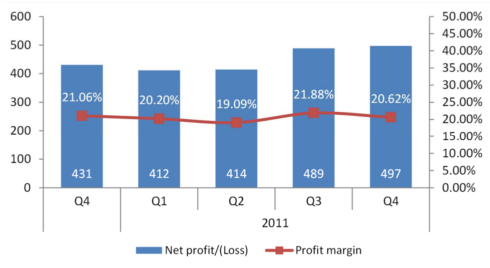
8 ARPU is defined as average revenue per user and is calculated by total recurring mobile revenue divided by the average number of customers for the quarter

Net profit before royalty for Q4 11 was AED 497.4 million representing an increase of 15.4% over the AED 430.9 million reported for Q4 10, and a 1.8% increase quarter on quarter.

The Company's capital expenditure programme remains focused, with AED 330.1 million accounted for during Q4 11. More than half of the Q4 spend was focused on investments in the mobile business.

Free Cash Flow for the fourth quarter was AED 617 million.

Net Profit Before Royalty (AED Million)



Products & Services

Product, service and promotion initiatives during the fourth quarter included:

Mobile

- Announced the launch of new prefix code (052), to be rolled out in Q1 2012
- Launched unlimited national BlackBerry Service with Elite Super Plan or Emirati Plans
- Offered unlimited free incoming calls and attractive outgoing rates while roaming in Saudi Arabia during Hajj
- Provided special off-peak rates for international calls on Diwali
- Launched Emirati Plan the new mobile package exclusively for UAE Nationals
- Created 'Social Media on the go' service: Social BlackBerry Service with daily and monthly options
- Launched 'shop in shop' concept at Virgin Megastore, adding to customer convenience and reach

Fixed

- Brought Intelsat (MCPC) to the region for the first time.
- Signed strategic partnership deal with Dubai Airport Freezone to provide integrated services
- Continued building du Live!, bringing strong acts (Metallica, Tamer Hosny, Sade and AR Rahman)
- Collaborated with Yahlive on satellite TV uplink services
- Partnered with Dubai Police to provide mobile data network for information transfer
- Joined hands with Akamai Technologies to offer robust and secure cloud-based delivery services for viedo, applicsation and site delivery

- 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 Q4 2011, du had approximately 5.2 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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