

Press Release

du Announces Third Quarter 2010 Results

Milestone of 4 million active mobile subscribers surpassed

Revenues up 31% year on year to a record AED1.74 billion

Dubai, 8 November 2010 – Emirates Integrated Telecommunications Company PJSC (“du”) today announced its financial results for the third quarter of 2010, showing sustained growth in revenues, and continued healthy subscriber additions.

Highlights for the third quarter:

- **159,800 net active¹ mobile subscribers added** during the quarter, taking the total at quarter end to 4,080,900.
- **Record revenues of AED 1,745 million achieved**, a 31% increase compared to Q3 09 (AED 1,333 million) and an 2% increase compared to Q2 10 (AED 1,703 million)
- **Gross margin grew by 29%** year on year to AED 1,126 million (Q3 09: AED 876 million) and remained flat quarter on quarter (Q2 10: AED 1,127 million).
- **EBITDA² grew 76%** versus Q3 09 to AED 523 million and 15% compared to last quarter (Q2 10: AED 454 million).³
- **Net profit before royalty increased** year on year to AED 326 million versus AED 157 million in Q3 09, representing a 19% increase over the previous quarter of AED 275 million³.
- **Sustained momentum in post paid active mobile subscriber additions** with 15,300 added during the quarter bringing the total to 209,400, up 91% vs Q3 09 and 8% vs Q2 10, equal to 5% of the total mobile subscriber base.
- **44% growth in du’s fixed line subscriber base** from 358,000 lines in Q3 09 to 515,400 lines in Q3 10, with 15,500 lines added during the quarter.

Osman Sultan, du’s Chief Executive Officer, said, “I am delighted to be able to say we have passed a significant milestone, with our active mobile subscriber base growing beyond 4 million. By the end of August we had an estimated 37% market share of active mobile subscribers and expect this to have increased further by the end of the quarter, which is an outstanding achievement in just three years. This is testament to the strength of our product and service offering, our tailored marketing strategies but most importantly our ability to deliver to our customers.”

¹ Defined by the Telecommunications Regulatory Authority as a customer that has sent or received a call, or sent an SMS or MMS within the last 90 days.

² du calculates EBITDA as operating profits before interest, depreciation, amoratisation, impairment charges, non-operational income and expenses and royalty

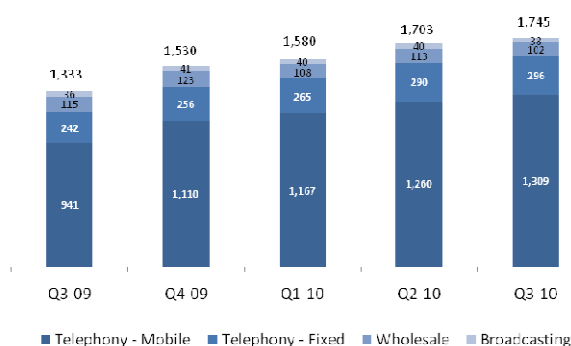
³ Q3 overheads include one time favourable adjustment of AED 104 million as a result of a regulatory decision in favour of du, of which AED 69 million relates to 2009.

"During the third quarter, we continued to raise capital to fund our infrastructure build-out programme, announcing a \$207 million export credit facility to fund the purchase of Nokia Siemens Networks solutions and services. So far this year we have raised around \$1 billion, including our rights issue and the recently announced \$255 million financing deal with The Export-Import Bank of China."

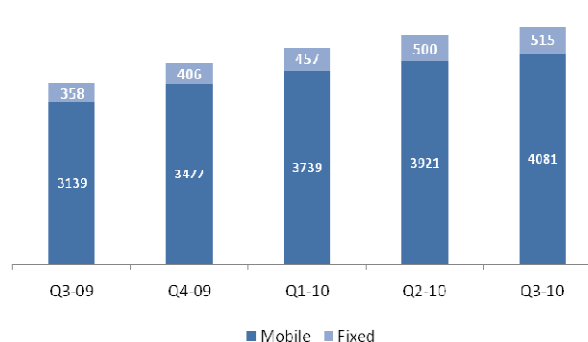
"This quarter we continued to provide the quality, product innovation and value for money that our customers have come to expect. Our launch of 'Real Broadband' means that du home and business customers can now enjoy up to 16 times faster download speeds. This was complimented by the launch of the region's fastest mobile broadband network at 42.2 Mbps covering 98% of the UAE population. iPhone4 bundled with data plans was also launched this quarter, receiving a tremendous response from customers, as well as new postpaid plans targeting high-end consumer and SME segments. The launch of these exciting products and services reinforces du's strong market position. We have started and we will continue to lead the way for fixed and mobile broadband services, serving business and consumers alike, across the UAE."

Q3 2010 results analysis

Revenue Growth (Millions)



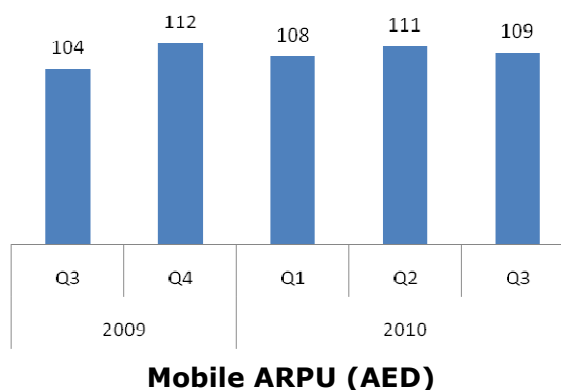
Mobile & Fixed Subscriber Growth (Thousands)



Total combined revenues for Q3 10 improved to AED 1,745 million compared to AED 1,333 million for Q3 09, representing year on year growth of 31%, a reflection of the strong and sustained mobile subscriber growth over the past twelve months.

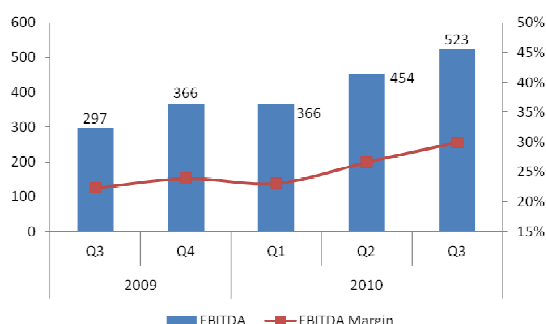
Based on the data published by the Telecommunications Regulatory Authority ('TRA') at the end of August, du had gained a 37% market share and continued to be the provider of choice for the majority of new mobile subscribers in the UAE with 159,800 added during the quarter, reaching a total of approximately 4,080,900 active mobile subscribers at quarter end.

The subscriber growth was the main driver behind du's strong sustained mobile revenues, reaching AED 1,309 million, up 39% compared to Q3 09 (AED 941 million) and 4% versus Q2 10 (AED 1,260 million). du's continued strategy and investment to attract and retain high-end mobile users is seen to be working with a further 15,300 post-paid subscribers added during the quarter bringing the total to 209,400, equal to 5% of the mobile subscriber base. Mobile ARPU remained steady, standing at AED 109 for the quarter, up from AED 104 during the third quarter of 2009.

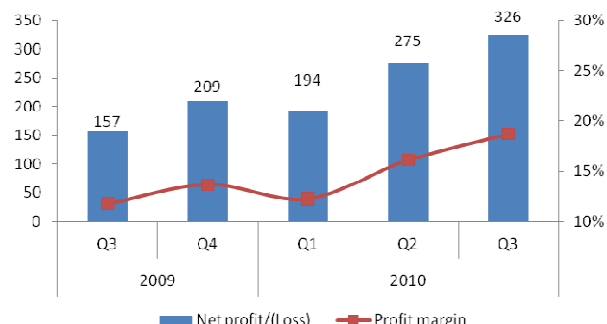


Revenues for du's fixed business, including fixed telephony, TV and Broadband, amounted to AED 296 million, a 23% year on year increase (Q3 09: AED 242 million) and a 2% quarter on quarter increase (Q2 10: AED 290 million), reflecting approximately 515,400 lines⁴.

EBITDA⁵ (AED Millions)



Net Profit before Royalty (AED Millions)



Total overheads decreased quarter on quarter to AED 603 million, compared to AED 673 million in Q2 10. This includes a one time favourable adjustment of AED 104 million as a result of a regulatory decision in favour of du, of which AED 69 million relates to 2009.

During the third quarter, EBITDA grew by 76% year on year and 15% quarter on quarter, reaching AED 523 million compared to AED 297 million and AED 454 million respectively. EBITDA margins also improved to 30% in Q3 10, up from 27% in Q2 10 and 22% in Q3 09.

du's Q3 10 net profit before royalty of AED 326 million represents an increase of 19% quarter on quarter and a two fold increase over the AED 157 million reported for Q3 09.

du's capital expenditure programme remains focused and is expected to reach AED 1.8 billion in 2010, with AED 161 million accounted for during Q3 2010. The investments continue to be primarily focused on building out the mobile infrastructure. During the quarter du entered into a \$207 million export credit facility to fund the purchase of Nokia Siemens Networks solutions and services and an additional \$255 million equipment financing facility was announced in October with The Export-Import Bank of China.

Products & Services

Product and service initiatives during the third quarter to drive both mobile and fixed revenues included improving connectivity across all segments. du has set about demonstrating market leadership for both mobile and fixed broadband services by:

⁴ 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.

⁵ du calculates EBITDA as operating profits before interest, depreciation, amortisation, impairment charges, non-operational income and expenses and royalty.

- Launching the region's fastest mobile data network, Real Broadband, already covering 98% of the UAE population. Real Broadband provides fixed broadband for homes and businesses with speeds up to 16 times greater for no extra charge.
- Enhanced connectivity using the latest Global IP VPN technology providing global business customers with rapid connectivity solutions linking their international offices back to the UAE.

The launch of mobile products this quarter includes:

- A new Business Super Plan (100, 200 and 400) along with a new smartphone package, providing an office-on-the-move solution for enterprise and SME segments. The plans include bundled services allowing customers to budget and plan expenditure, as well as avail themselves of the latest technology and services.
- A new consumer proposition, Elite Super 100, providing bundled services, meeting the calling, texting and data access needs of customers who prefer to use a post paid solution.
- The iPhone 4, introduced in September in du's stores and also through the company's extensive premium distributor channels.
- The launch of the microsim to support both the iPad and iPhone 4, coupled with attractive mobile data bundles allowing customers, who are on the move, to access the web, look up information such as news and sports and also download entertainment services such as music, videos and games.

Finally using innovation to save costs and increase convenience, pre-paid customers can now benefit from a new e-voucher recharge service which is being rolled out across the country,

- 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 Q3 2010, du had approximately 4 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 3000 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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