



Press Release

du Announces its First Quarter Results Revenues of AED756.5 for the First Quarter of 2008

Dubai: 5th May 2008 – Emirates Integrated Telecommunications Company PJSC (du) today announced its first quarter's financial results for 31 March 2008.

Financial highlights:

The company reported revenues for the quarter ended 31 March 2008 of AED756.5m an increase of 18% from the previous quarter (AED 639.7m) and 313% from the comparable quarter in 2007.

Mobile revenue for the quarter has increased on the back of the successful subscriber acquisitions made in quarter 4 2007; this increase in our customer base has resulted in a 20% quarter on quarter revenue growth. Fixed line revenues also continue to show significant growth posting a 19% quarter on quarter increase reflecting the continued expansion of the company's fixed line network

Ahmed Bin Byat, Chairman of du said: "du continues to achieve its declared targets and has once again demonstrated a successful operational performance in the first three months of 2008. We are confident this performance will continue to improve and add value to du's clients as well as its shareholders."

du's total number of mobile customers at 31 March 2008 reached over 1,757,000 mobile customers. However, according to its policy to pioneer best practices and in order to bring greater clarity into the market, du will starting from this quarter, releasing the active subscribers' number. The Telecommunications Regulatory Authority (TRA) has published a definition of mobile subscribers in line with world wide standards. Under the TRA's definition, any mobile customer who has made a call, or sent an SMS or MMS, or received a



call within the last 90 days is considered an “active subscriber”. du is pleased to announce that its active subscribers reached 1,403,000 by the end of the first quarter of 2008.

Osman Sultan, CEO, du said: “We are on track to achieve our target market share of 30% earlier than the declared three years, as can be seen by the excellent growth of our customer base and the performance of our company”

Gross margin in the quarter was reported at AED464.4m (61.4%), an increase of 25% from the previous quarter (AED370.2m and 57.9%). Gross margin improvements have been assisted by the international inbound roaming which the company has been able to and continues to attract onto its network

Whilst driving the expansion of the company through revenue growth the management has remained focused on ensuring that this is not achieved at the expense of efficiency; this has been demonstrated in limiting quarter on quarter growth in overheads to 3.4% whilst growing revenues by over 18%.

For capital intensive industries, where depreciation and amortisation can be significant, it is common practice to reference the performance of a company to its Earnings Before Interest Tax Depreciation and Amortisation (EBITDA). In this respect the company reported an EBITDA of AED1.6m for the quarter, compared to a negative AED79.2m in quarter 4. This is a significant milestone in the company’s history which has been achieved earlier than analyst’s expectations.

The overall results of the company for the quarter was a loss of AED61.7m compared with a loss of AED146.6m incurred in Quarter 4 2007.

The Company continued its capital expenditure programme covering both the fixed and mobile networks and invested AED490.7m in the quarter.

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