

# **2009 Full Year Results Presentation**

## **Emirates Integrated Telecommunications Company PJSC**

24 February 2010

## Highlights

### 2009 another successful year of growth for du with record revenues & profits

- Upward trend across all revenue segments: mobile, fixed, wholesale & broadcasting
- More than 1 million active mobile subscribers added in 2009, confirming du as a serious player in the UAE telecommunications sector
- Value proposition in fixed telephony, broadband Internet & IPTV most developed, integrated and technically advanced in Arab world
- Mobile market share exceeded target of 30% at year end, a tremendous achievement in our 3<sup>rd</sup> year of operation
- Continue to invest in developing and enhancing our network, services and capabilities
- Well positioned to achieve long term growth and sustainable profitability
- 2010 focus on continuing to increase value for customers, driving quality, choice and performance

# Financial Summary

## Q4 2009

**337,900 active mobile subscribers added** during the quarter

**Solid 27,500 increase in post-paid mobile subscribers**, now 4% of mobile subscriber base

**Record quarterly revenues** reaching AED1.5bn up 25% vs.Q4 08

**Continued strong EBITDA** of AED366m for the quarter, up 55% vs. Q4 08

**du's strongest quarterly net profit before royalty** to date of AED209m, up 154% vs. Q4 08

**Capex spend of AED960m** during the quarter, similar level to Q4 08

## FY 2009

**1,011,200 active mobile subscribers acquired during the year**, up 41% to 3,477,000 at year end

**Revenues grew to AED5.3bn** increasing 35% compared to 2008

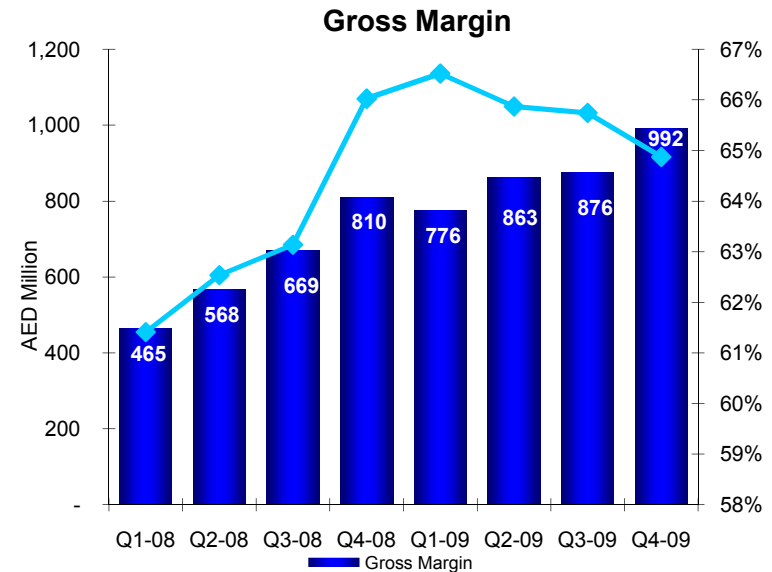
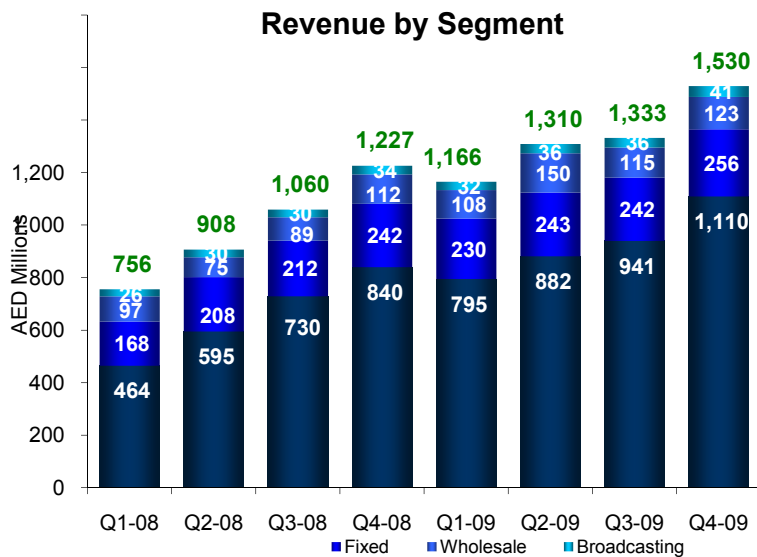
**EBITDA rose to record levels** of AED1.1bn up 189% vs 2008

**Net profit before royalty reached AED528m** vs AED 8m in 2008

**Capex spend of AED2.4bn for the year**, in line with guidance provided, investing in network and infrastructure upgrades to enhance coverage and capacity

# Revenues & Margins

Revenues driven by strong mobile subscriber acquisitions

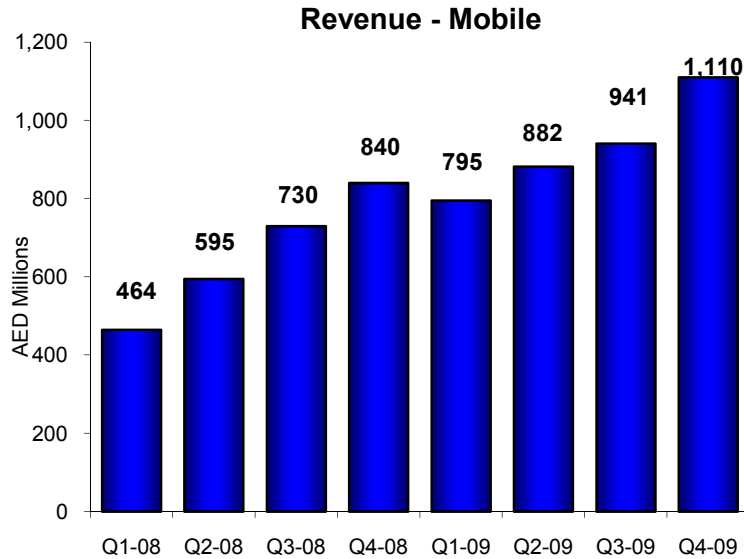


- Combined Q4 09 revenues reached AED1,530m, a solid 25% increase year on year
- Revenue growth driven primarily by mobile, up 32% vs. Q408, through strong subscriber acquisitions attracted by new launches and enriched existing products
- Combined Q4 09 revenues grew by 15% compared to Q3 09 mainly due to mobile with 18% growth and solid performance across all business segments

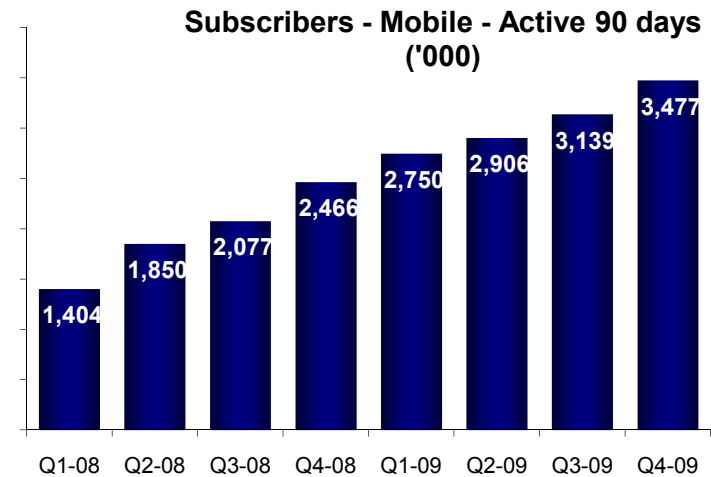
- Slight decrease in gross margin in Q409 (65%) due to high customer intake impacting commissions
- Growth in gross margin in 2009 (66%) related to high active customer base combined with innovative products like WoW International and Elite

# Revenue Drivers - Mobile

Strong increase in mobile revenues and subscribers during 2009



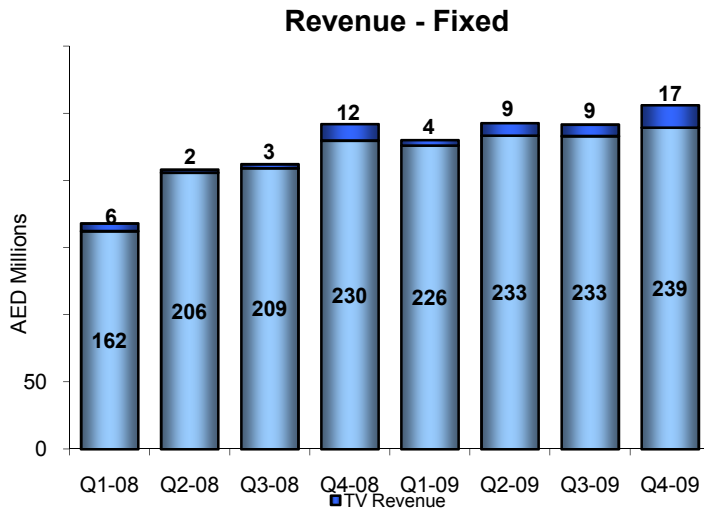
- Record mobile revenues achieved again during the quarter, up 18% vs. Q3 09 and 32% vs. Q4 08, with an additional 337,900 subscribers acquired in Q4
- Mobile revenues for the full year also reached a record AED3,727m, an increase of 42% vs. 2008
- Mobile subscriber growth driven by exciting new launches, including Elite, Apple iPhone, WoW International and excellent customer service



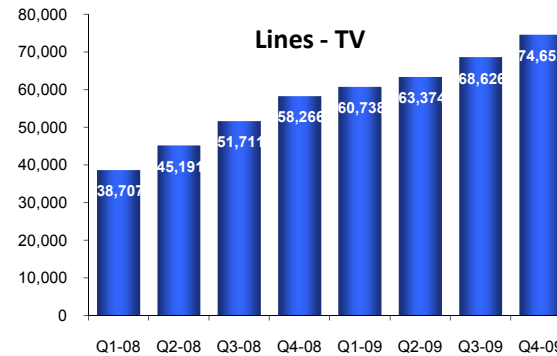
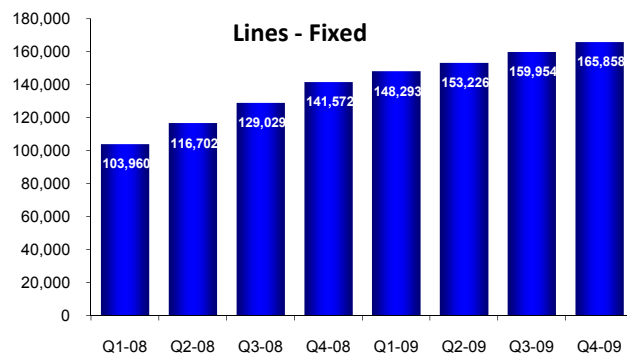
- Total mobile active subscribers increased to 3,477,000 from 2,465,800 in 2008, up 41%
- 1,011,200 net active mobile subscribers added during the year
- 27,500 post paid active mobile subscribers added during the quarter bringing the total to 137,500, more than double that of 2008 (66,300). This growth is driven by Elite for consumers and Premier Plan for enterprise customers

# Revenue Drivers – Fixed

Fixed line take up rises by 45% year on year



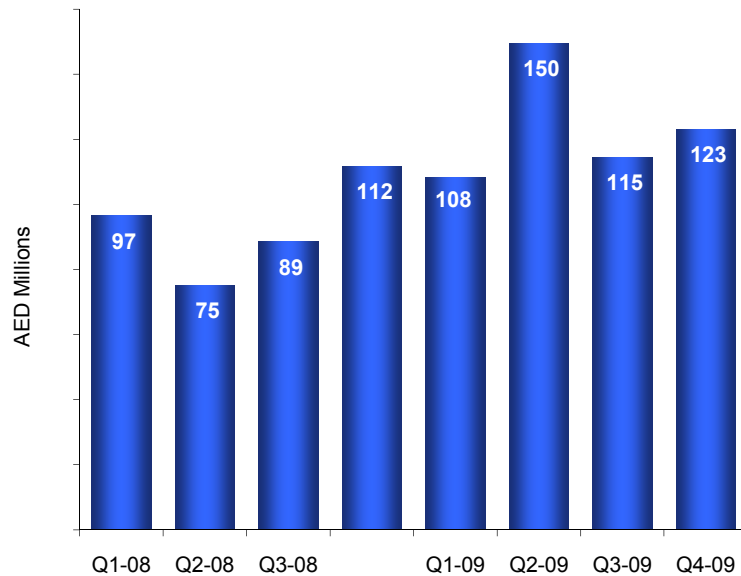
- Fixed revenues grew by 6% for the quarter to AED 256m and reached AED 970m for the full year, up 17%
- Total fixed lines increased 13% qoq and 45% yoy closing with 405,900 lines
  - 47,900 lines added during the quarter
  - 125,500 lines added for the year
- Fixed telephony lines rose 17% to 165,900 year on year
- TV lines increased 28% yoy to 74,700 at year end
- Broadband lines rose 37% year on year to 72,400



## Revenue Drivers

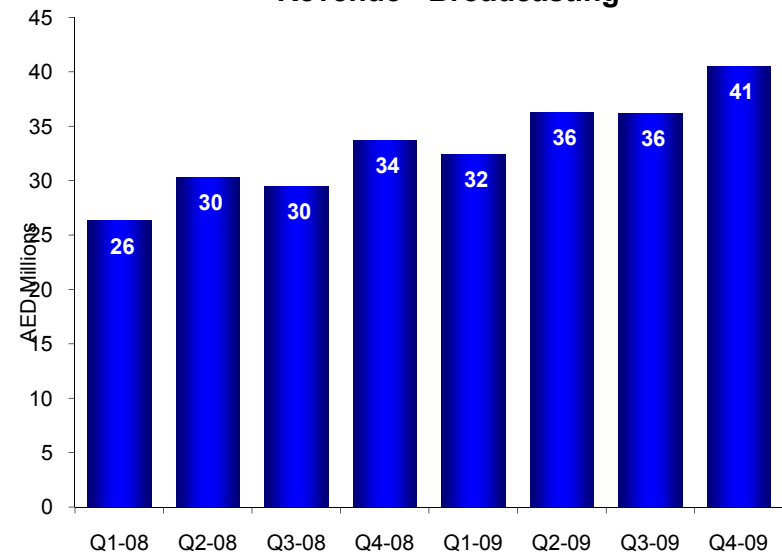
### Wholesale & Broadcasting

Revenue - Wholesale



- Solid wholesale revenue performance of AED496m at year end, up 33% year on year, enhanced by exceptional revenues in Q2 09
- Q409 wholesale revenues remained steady at AED123m with growth of 10% year on year and 7% quarter on quarter

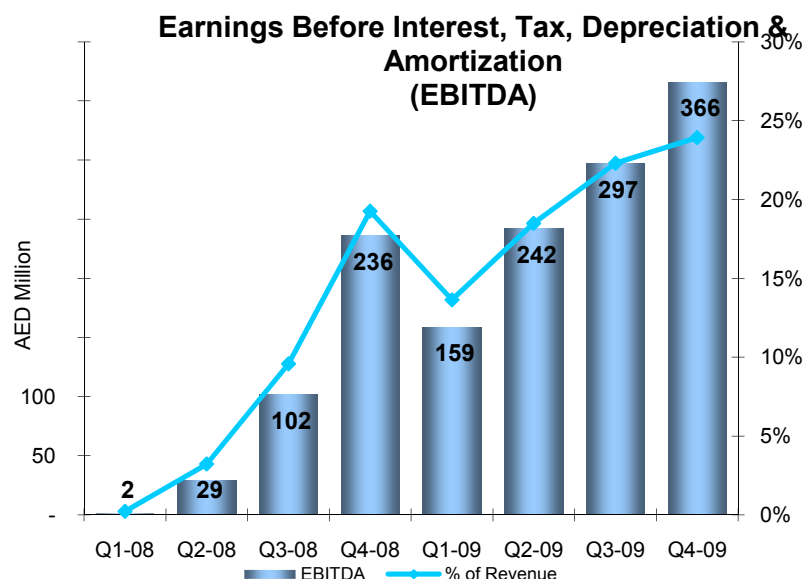
Revenue - Broadcasting



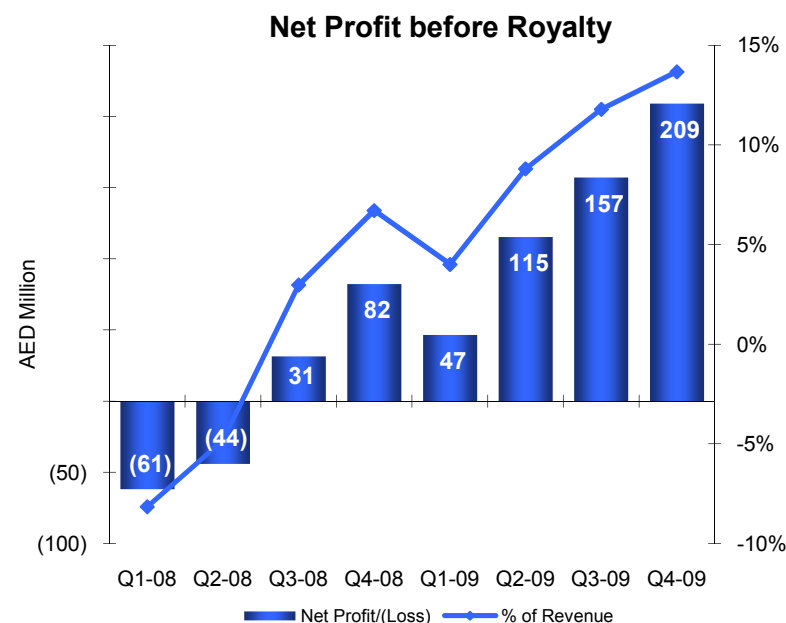
- Broadcast revenues reached record levels at AED41 million for Q409, up 21% vs Q4 08 and 14% vs Q3 09
- For the full year, broadcasting revenues increased by 21% to AED 145m. This is a result of strong customer growth combined with customer retention

# Profit & Loss

Net profit before royalty reached AED528m



- EBITDA for the quarter increased by 55% to AED366m compared with AED236m for Q4 08
- Annual EBITDA increased by 189% to record levels of AED1,064m
- EBITDA as a % of revenue at 24% for Q4 and 20% for FY
- Q4 09 overheads increased to AED626m but as a % to revenue dropped to 41% from 47% Q4 08
- Full year overheads increased to AED2,443m but decreased to 46% from 54% as a % of revenue

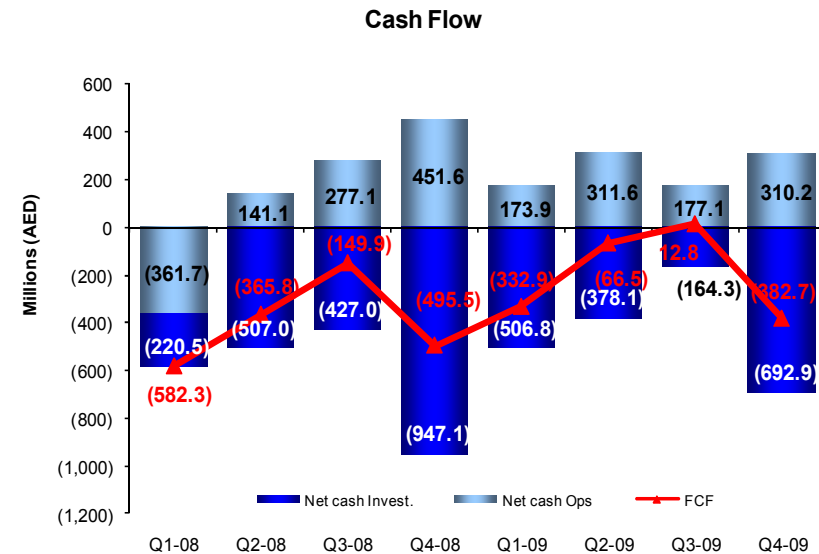
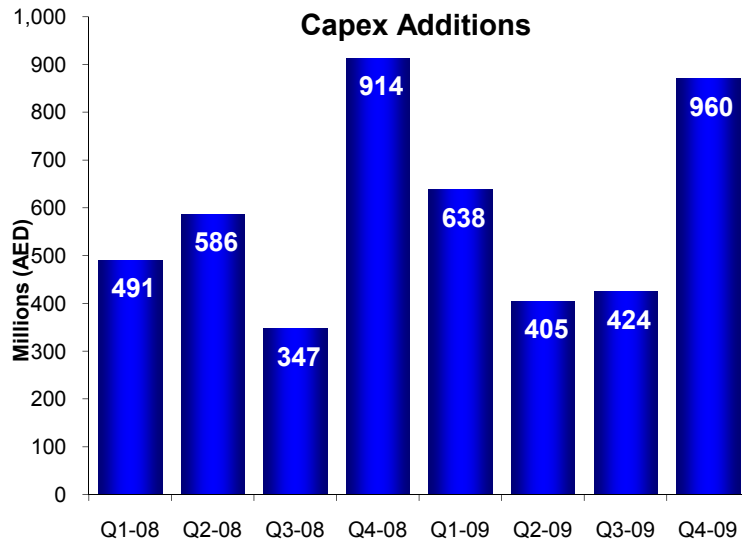


- Q4 09 net profit before royalty reached AED209m, an increase of 155% over Q408
- Full year profit increased by 189% reaching AED528m compared to AED8m FY 08
- Provision for potential royalty maintained at 50% of net profit (AED264m)
- Strong profitable growth achieved throughout 2009 despite global economic volatility



# Capital Investments and Cash Flow

Continued investment in du's network and infrastructure to support growth



- Investment in du's network and infrastructure continued throughout the year, with AED960m accounted for in Q4 09
- Total capex for the full year reached AED 2,427m (AED 2,338m FY 08)
- Investment to enhance coverage and quality to provide a solid base for future growth

- Strong cash flow generation throughout 2009, up from AED508m in 2008 to 973m in 2009, corresponding to 92% growth yoy

# Q&A

Mr Osman Sultan  
Chief Executive Officer



Mr Mark Shuttleworth  
Chief Financial Officer

