



وتحيا بها الحياة
add life to life

Emirates Integrated Telecommunications Company (EITC)

**Q2 2009 results
Earnings Conference Call
26 July 2009**

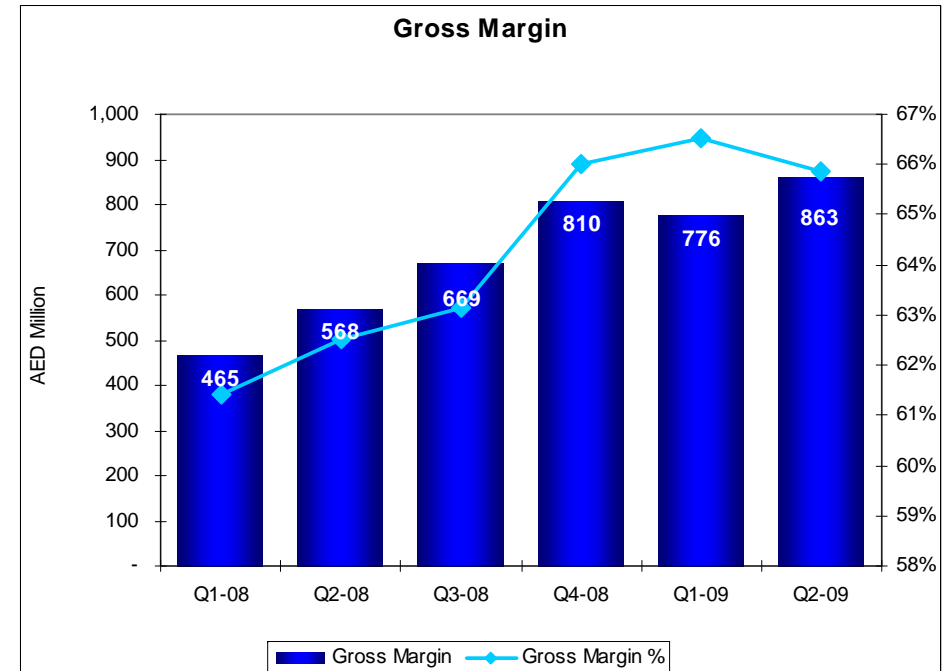
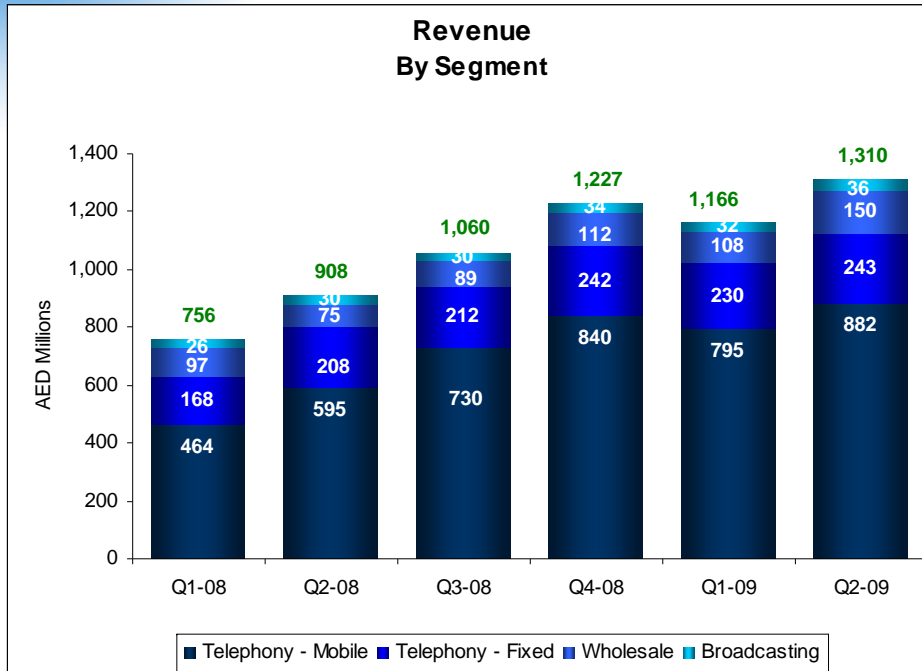
Q2 2009 Highlights

Record results achieved but operating environment remains challenging

- **Revenue growth continued** reaching AED1.3bn (+12% vs Q1 09, +44% vs Q2 08) driven by robust performance in mobile and wholesale
- **EBITDA very strong**, up 52% to AED242m vs Q1 09, reaching similar levels achieved during Q4 08 (AED236m) and representing 18% of revenues vs 14% in Q1
- **Net profit** (before Royalty) **exceeded AED100m for the first time**, reaching AED115m; this compares with AED46.7m in Q1 09 and a net loss of AED 43.9m in Q2 08
- **155,900 active mobile subscribers added during the quarter** bringing the total active mobile subscriber base to 2,905,800 at quarter end
- **16,700 post-paid mobile subscribers** added showing promising take up of Elite and Premier plans; Post-pay now 3% of mobile subscriber base
- **Capex spend of AED404.5m** during the quarter on network infrastructure development to enhance coverage and capacity

Revenue & Margins

Healthy results performance & stable margins despite tough economic climate

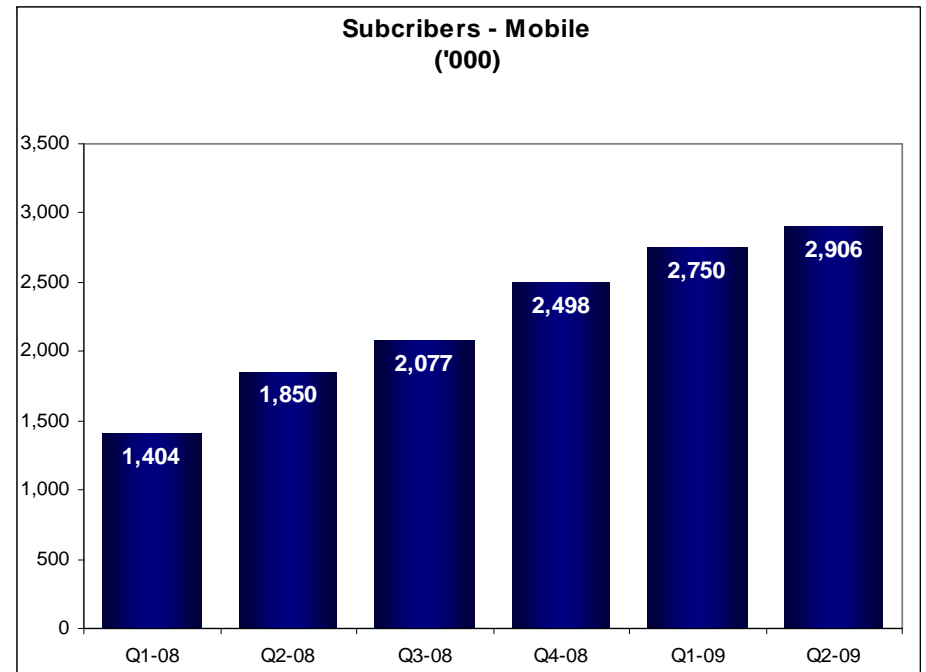
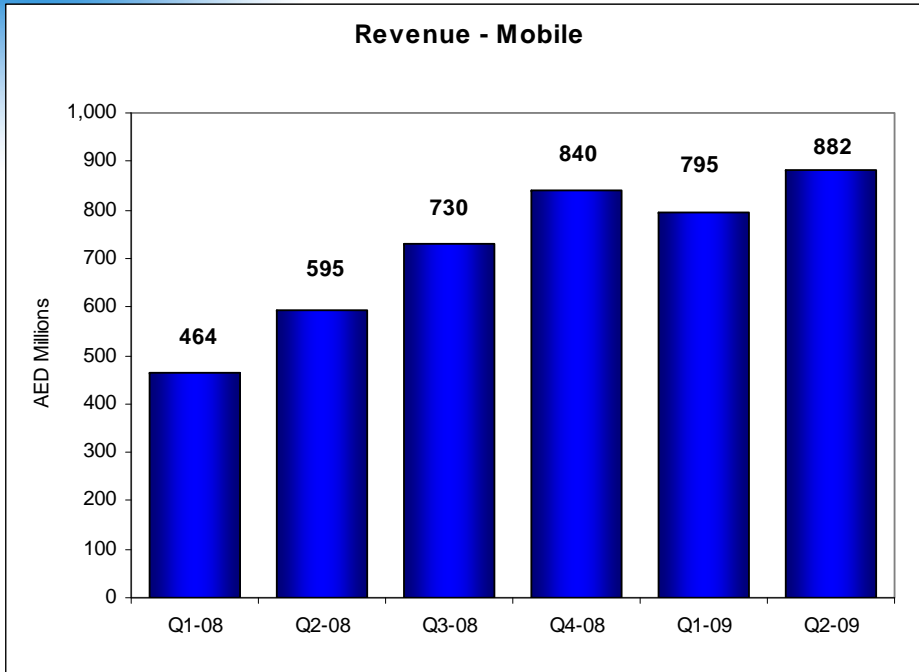


- Quarterly revenue growth driven by continued strong mobile and wholesale performance
- Mobile revenues grew 11% qoq & 48% yoy due to a growing subscriber base and usage, based on continued net additions
- Opportunistic wholesale growth in Q2 also boosted quarterly results

- Gross margin remained strong at 66%
- Slight decrease vs Q1 09 resulting mainly from WoW international scratch card introduction, although margin up vs Q2 08 (63%)

Revenue Drivers - Mobile

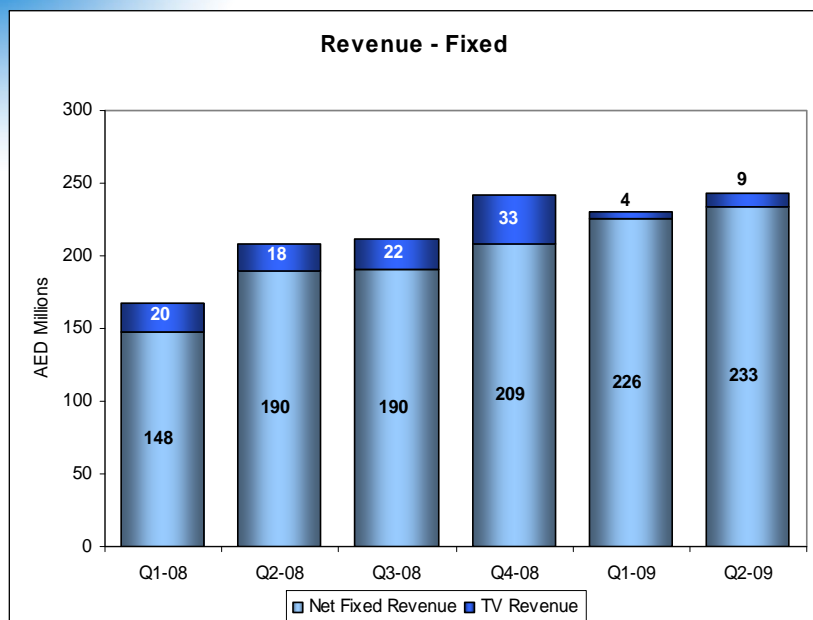
48% increase in mobile revenues year on year; subscribers up 57%



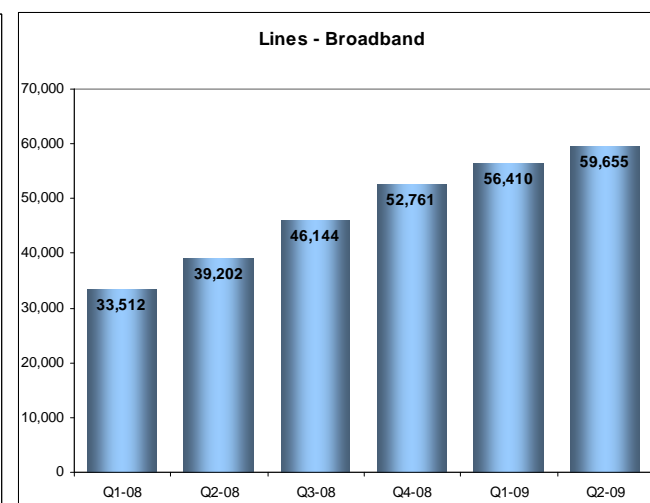
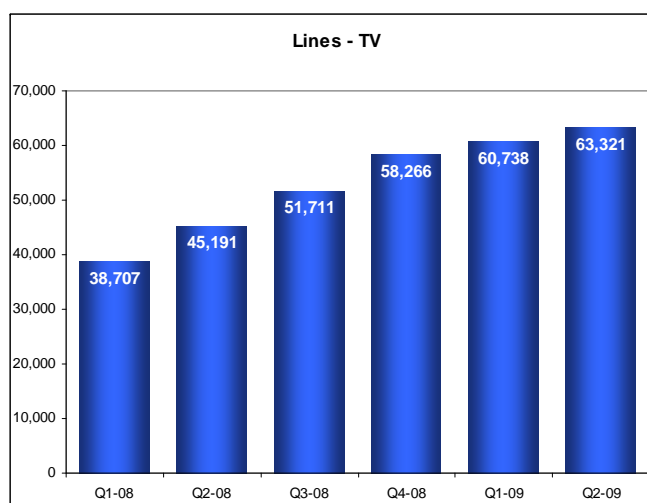
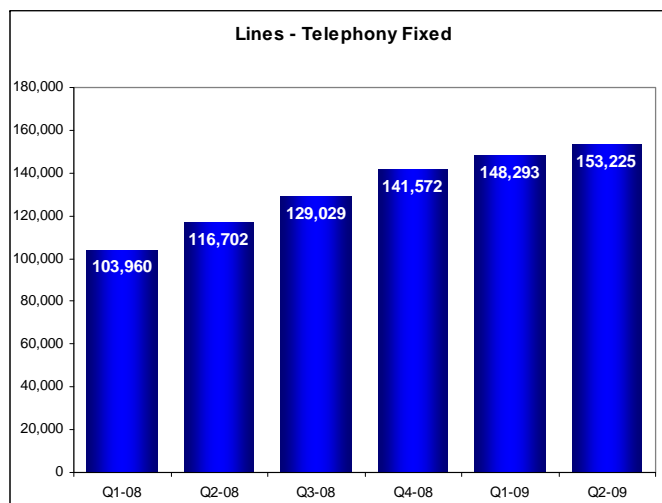
- Strong revenue growth in the quarter reaching the highest level in du's history
- du's innovation, value proposition and customer service remain attractive to consumers and enterprise; post-paid launches well received with 16,700 subscribers added during Q2
- 155,900 active mobile subscribers added during the quarter; this compares favourably with the competition
- Total mobile active subscribers increased to 2,905,800 from 2,750,000 in Q1 2009
- Mobile subscriber growth declined in line with the economic downturn

Revenue Drivers - Fixed

Continued fixed line take up during Q2; crisis impacting growth

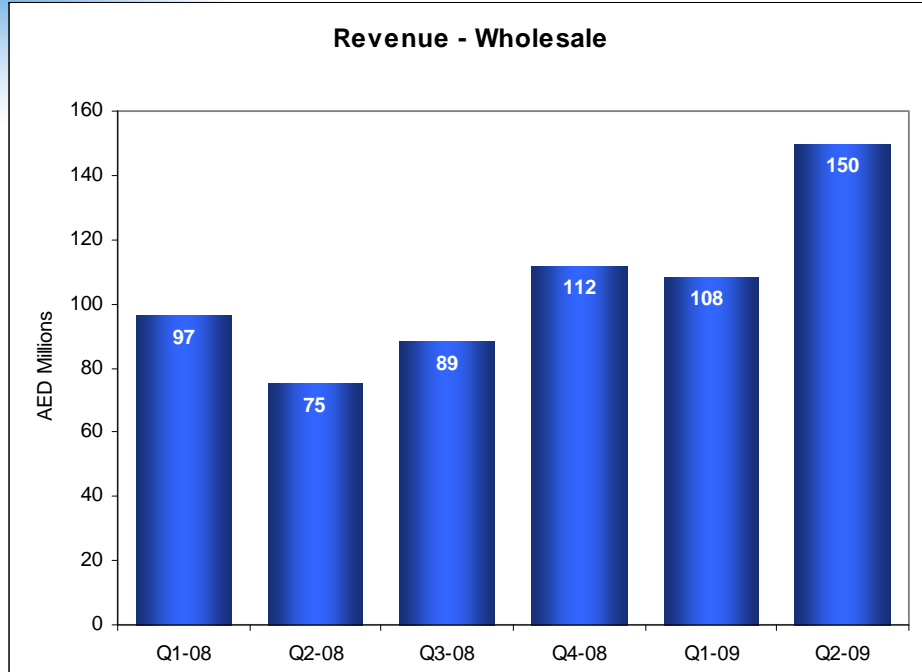


- Fixed revenues grew 5% to AED 242 million vs AED230m in Q1 09 and 17% vs AED207.6m in Q2 08
- Total fixed lines increased 51% to 328,500 compared to 217,700 in Q2 08;
 - 17,700 lines added during the quarter; fixed line growth at lower levels due to economic conditions
- Fixed telephony lines rose 31% to 153,200 year on year
- TV lines increased 40% to 63,300 in Q2 09 vs Q2 08
- Broadband lines rose 52% year on year to 59,700

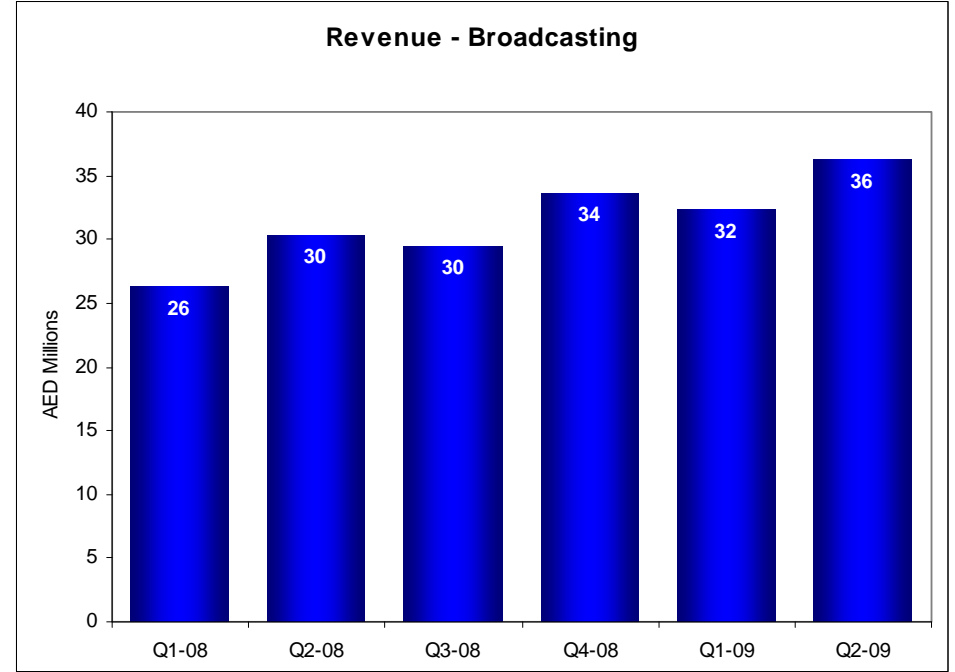


Revenue Drivers - Wholesale & Broadcasting

Exceptional wholesale performance; solid broadcast results



- Strong increase in quarterly wholesale revenues of AED 42m mainly related to new bilateral agreements providing traffic opportunities for du; revenues not sustainable due to expected competition in forthcoming quarters
- In addition there has been a favourable price increase on some destinations which will benefit du going forward.

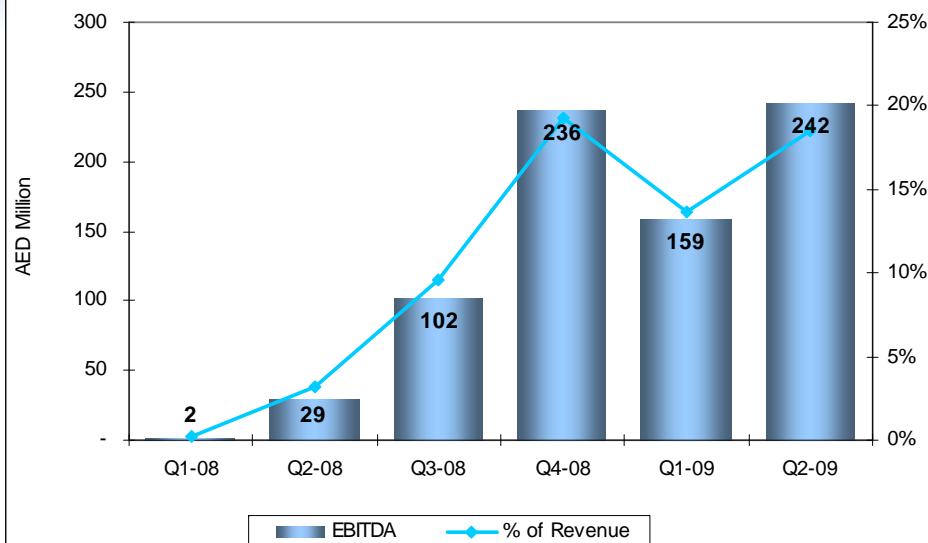


- Consistent quarter in business unit
- Increase of AED4m from Q1 to Q2 related to more customers and lower churn

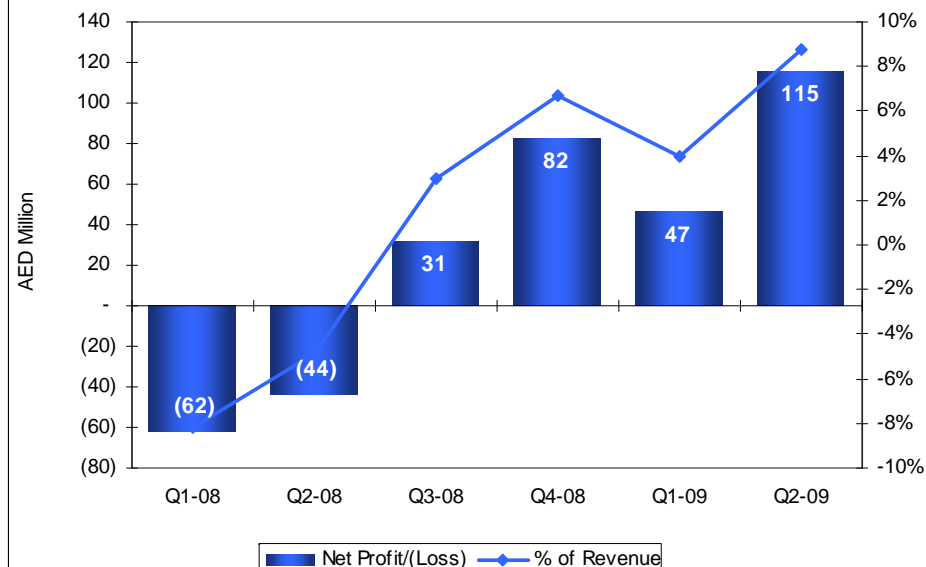
Profit & Loss

Sustained strong profitability despite challenging market conditions

Earnings Before Interest, Tax & Depreciation of Ammortization



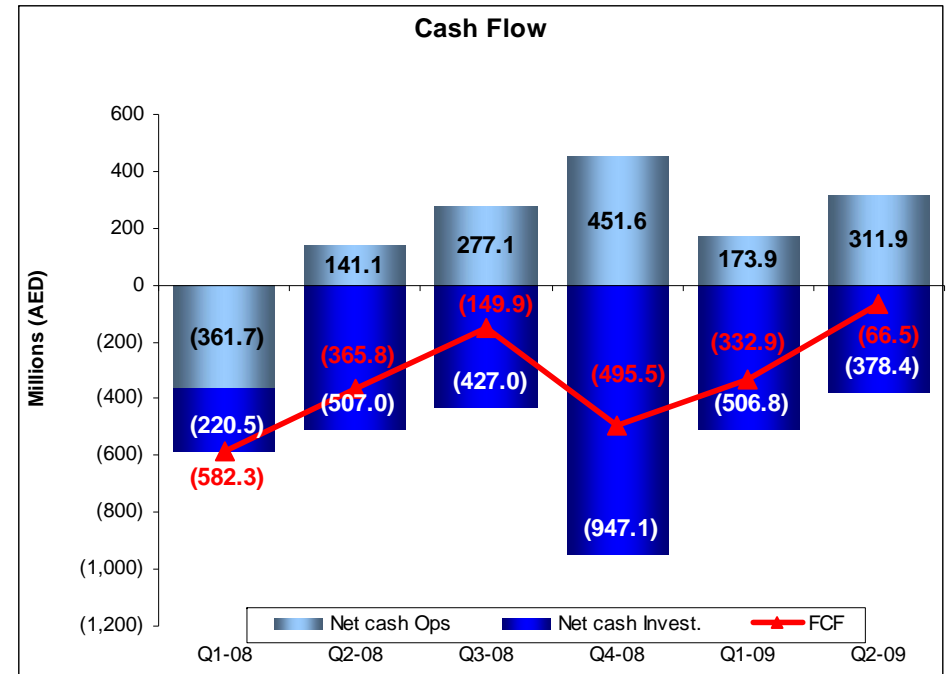
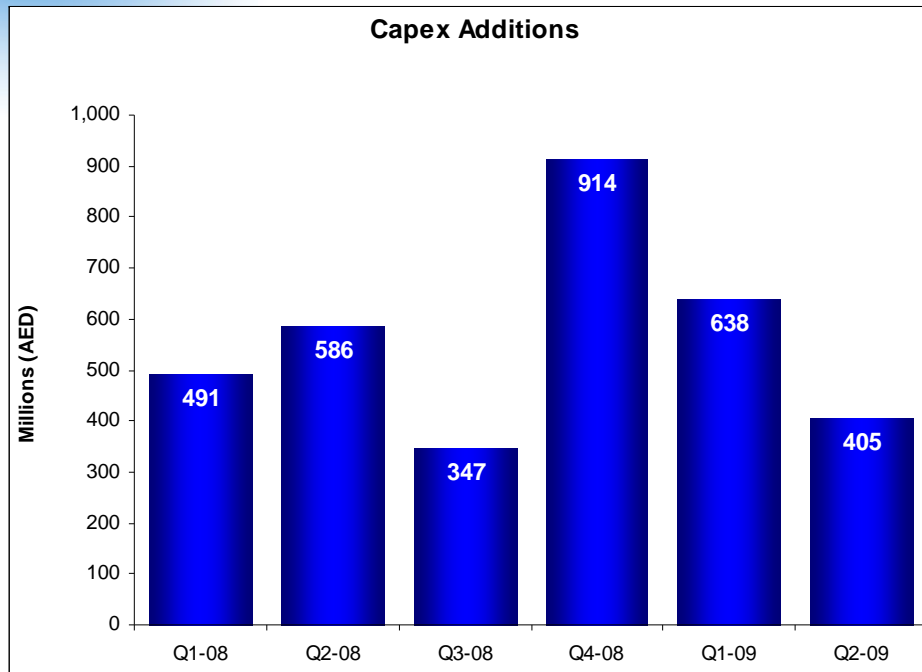
Net Profit before Royalty



- EBITDA for the quarter of AED242m compared with AED 29 million for Q2 08; back at FY 08 levels
- EBITDA as a % of revenues up to 18% vs 14% in Q1 09
- Continued focus on cost controls and driving efficiencies
- Overheads increased slightly to AED620.9m (0.6%) but % of costs to revenues fell from 53% to 47% in Q2
- More moderate growth expected for the remainder of the year
- Profits (before Royalty) exceeded AED100m for the first time, reaching AED115m
- Excellent quarterly performance; more modest expectations for the second half of 2009
- Provided for a potential royalty at 50% of net profit (AED57.6m)
- No update received in quarter by company on royalty structure

Capital Investments and Cash Flow

Capex to support enhanced network capabilities & improved service offering



- Continued investments to improve network quality and support value added services for du customers
- AED404.5m accounted for during Q2 2009 bringing year to date spend to AED1,043 million
- Capital investment to exceed AED 2 billion in 2009

- Strong cash generation from operations, almost doubled during the quarter



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Q&A