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Emirates Integrated Telecommunications Company (EITC)

**Q1 2009 results
Earnings Conference Call
29 April 2009**



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Q1 2009 Highlights

Solid results and strong momentum

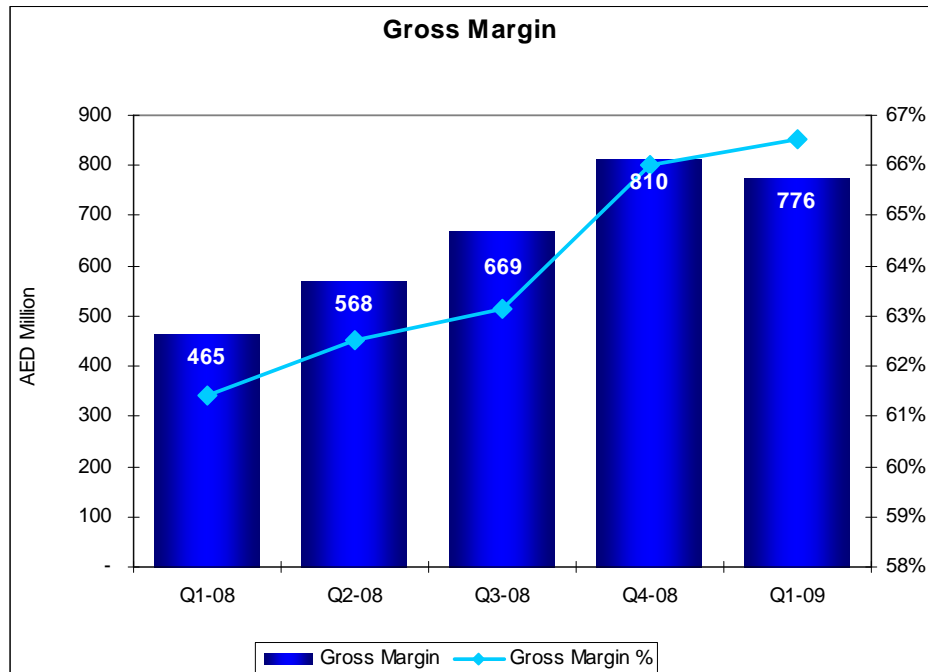
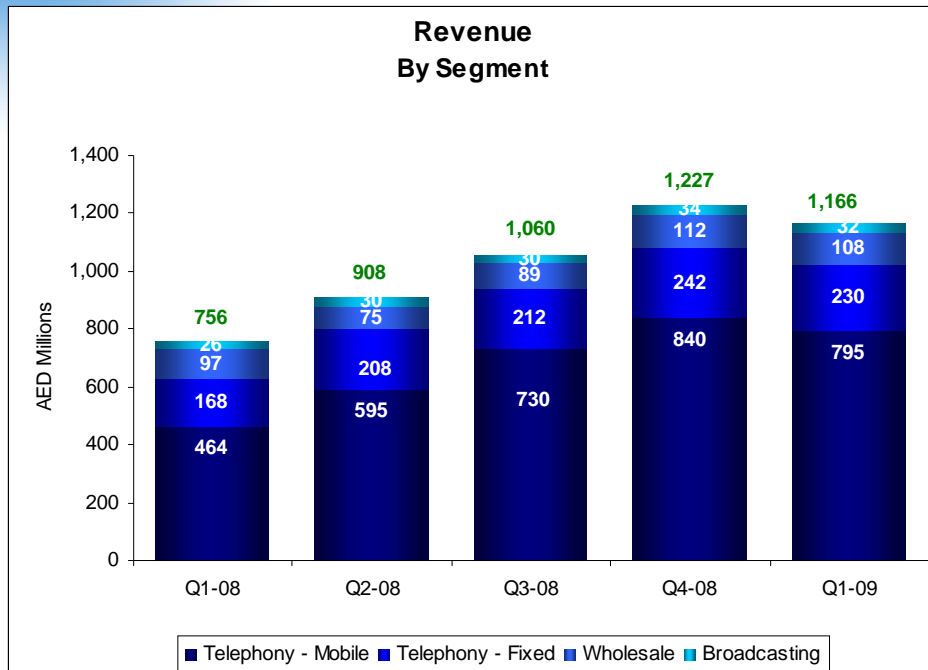
- **Revenues increased 54%** to AED 1,166 million compared to AED 756 million in Q1 08 driven by strong mobile subscriber growth over the past 12 months
 - Marginal 5% decline in revenues versus Q4 08 (AED 1,227 million) due to seasonality, decreased business travel and a shorter quarter
- **Improved Gross margin of 67%**, up from 61% in Q1 08 and 66% in Q4 08 due to ongoing cost of sales optimisation
- **A substantial increase in EBITDA** to AED 159 million, compared to AED 2 million in Q1 08
 - Decline compared to Q4 08 (AED 236 million) due to a 7.5% increase in overheads to support the growth of the business
- **Net profit of AED 47 million before Royalty**, up from a net loss of AED 62 million in Q1 2008
- **252,000 active mobile subscribers added during the quarter** bringing the total active mobile subscriber base to 2,750,000 at quarter end
- **Capex programme expected to exceed AED 2 billion** in 2009 to further enhance the quality of du's service offering



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Revenue & Margins

54% revenue growth year on year; ongoing gross margin improvement



Revenue reduction Q4'08 vs. Q1'09 due to:

Q1 shorter by 2 days	- 26m
TV revenue accounting treatment	- 26m
Decreased inbound roaming	- 23m
Total	- 75m

Gross Margin

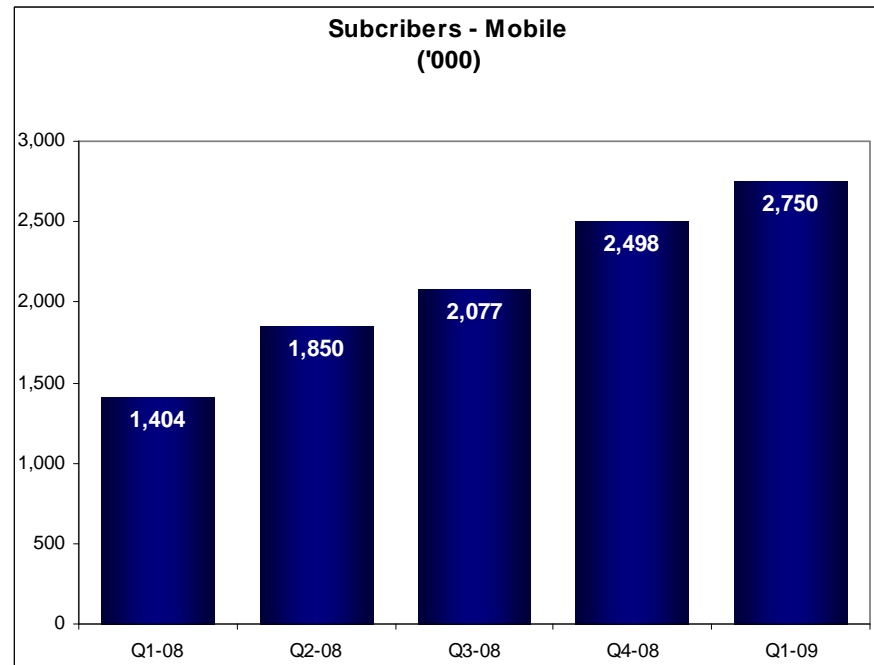
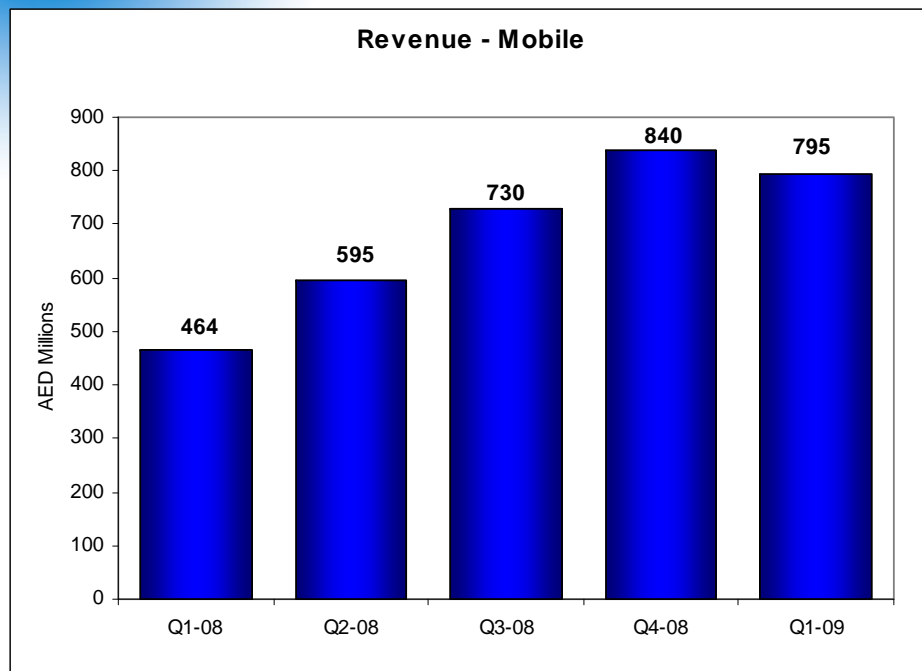
Gross Margin of 67%, up from 61% in Q1 2008 and 66% in Q4 08 due to ongoing cost of sales optimisation



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Revenue Drivers - Mobile

71% increase in mobile revenues year on year; subscribers almost doubled



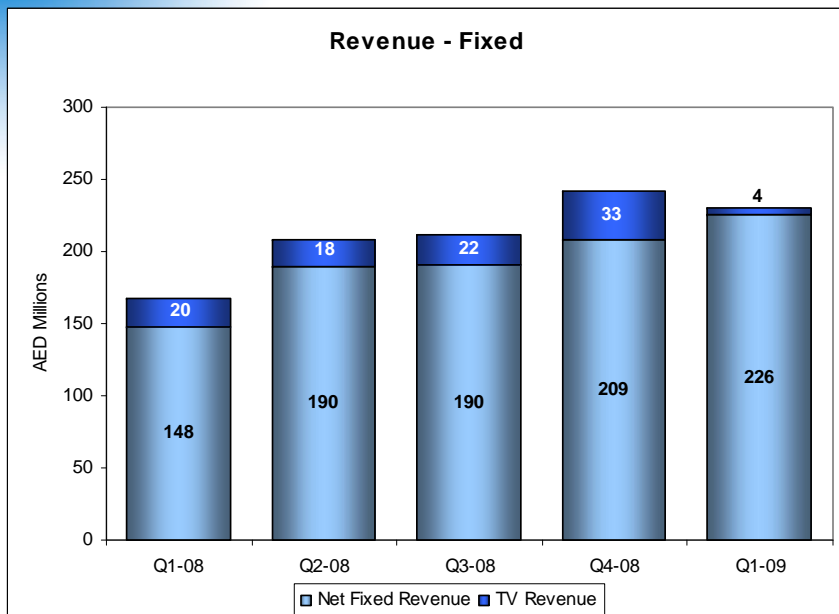
- Mobile revenue growth driven by continued strong subscriber base growth since Q108
- Customers attracted by value and innovation of du's products and services; approach particularly popular during financial downturn
- 252,000 active mobile subscribers added during the quarter, 4.5 times the competition
- Total mobile active subscribers increased to 2,750,000 from 2,498,000 at the end of 2008
- Downward trend on inbound roaming since during the quarter



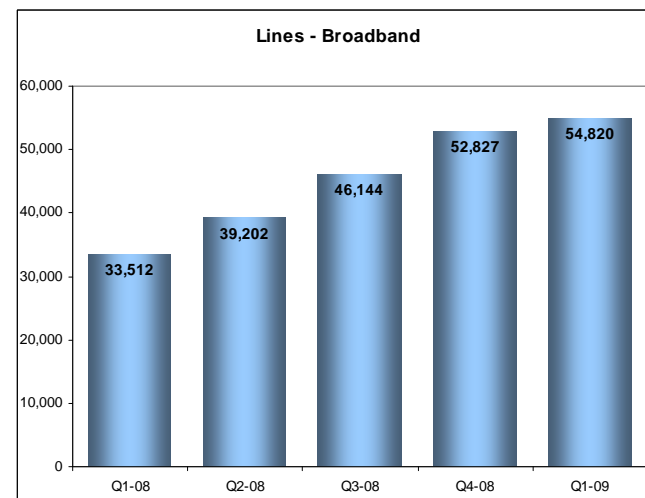
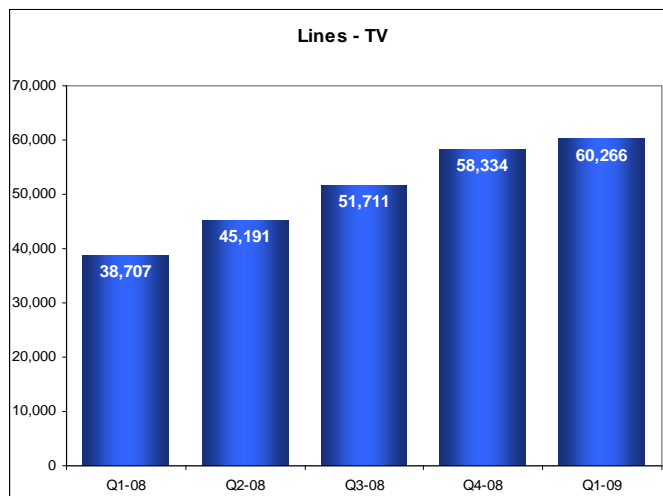
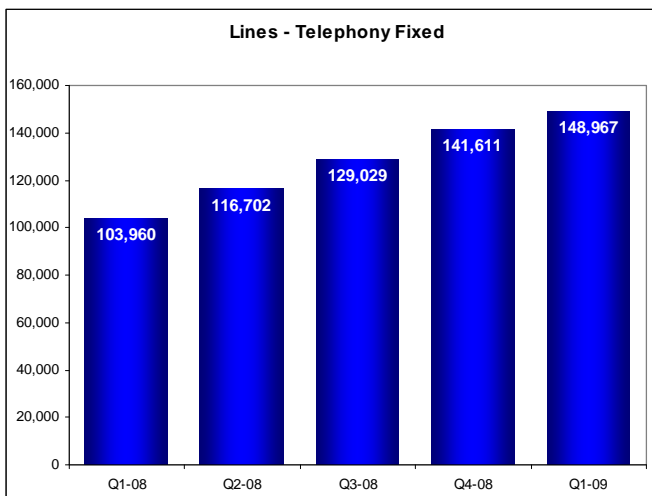
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Revenue Drivers - Fixed

Service Expansion in Dubai



- Fixed revenues grew 37% to AED 230 million from AED168 million in Q1 08
- Total fixed lines increased 69% to 311,000 compared to 184,000 in Q1 08
- Fixed telephony lines rose 43% to 148,967 year on year
- TV lines increased 56% to 60,266 in Q1 09
- Broadband lines rose 64% to 54,820 over the year

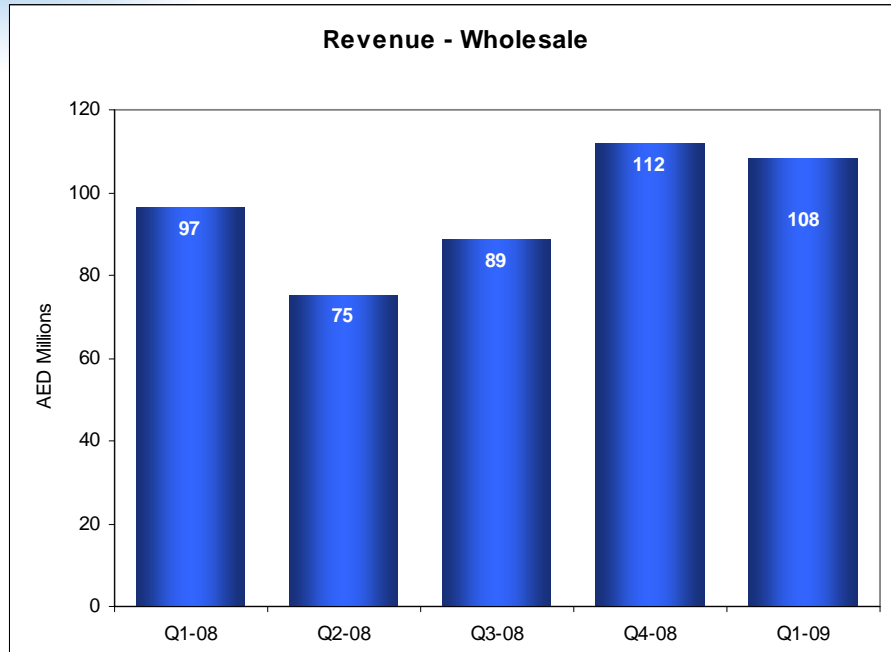




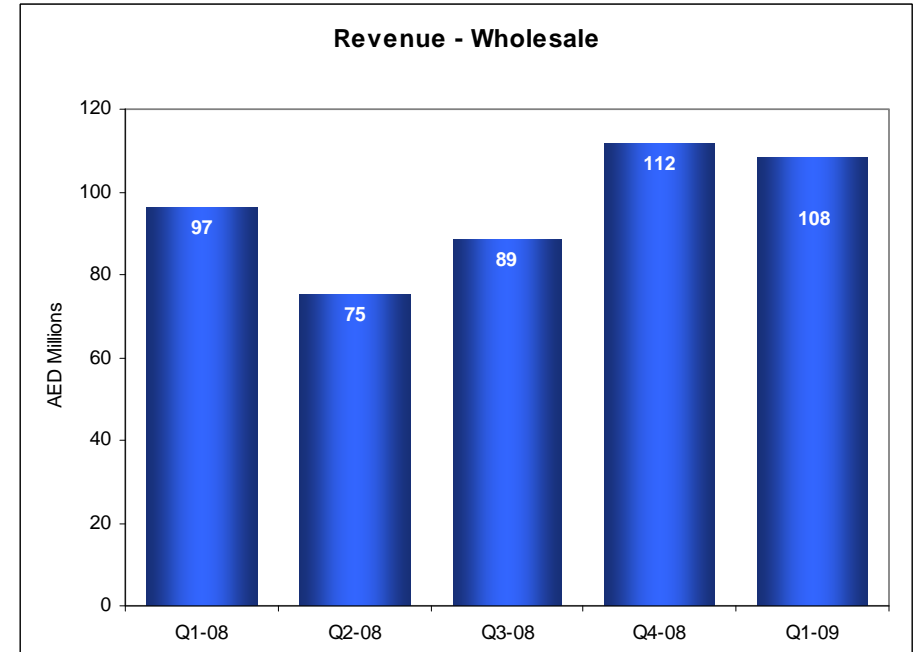
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Revenue Drivers - Wholesale & Broadcasting

Steady contribution



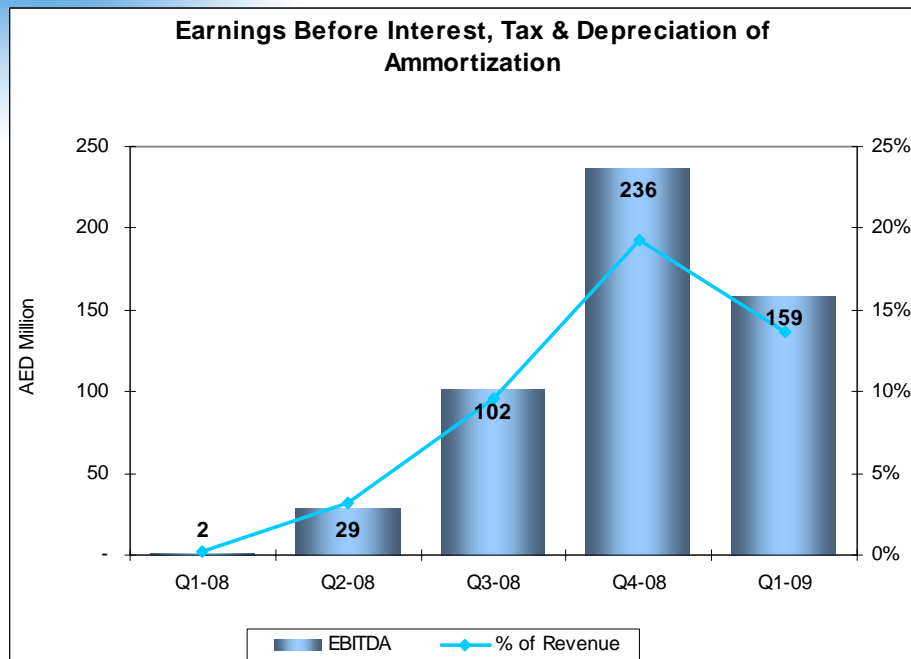
- Strong year on year growth for business unit
- Q1 relative decline compared with Q4 08 due to seasonality and short quarter



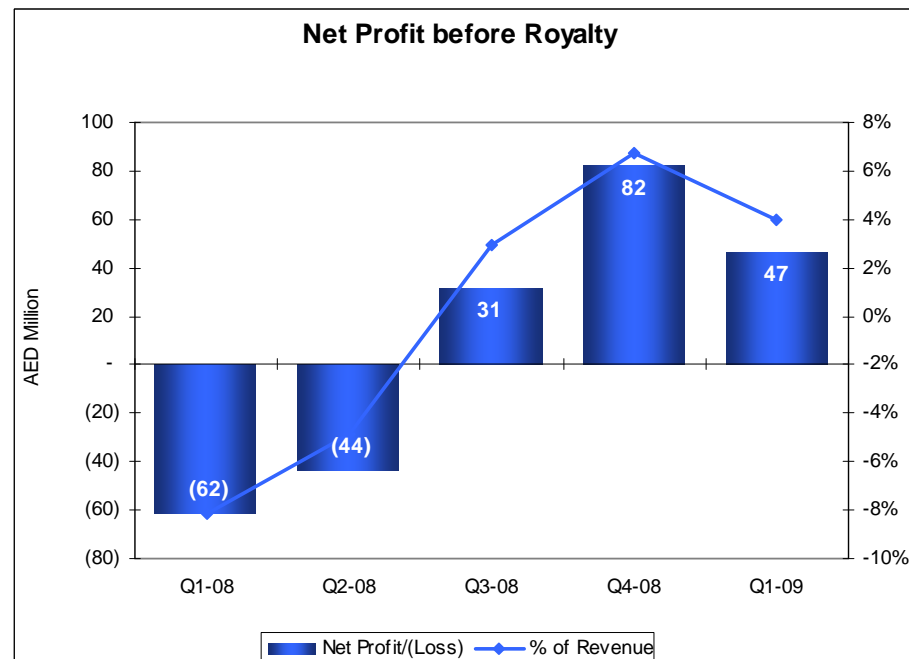
- Consistent quarter in business unit
- Business efficiency main value driver in times of economic uncertainty

Profit & Loss

Continued profitability despite challenging market conditions



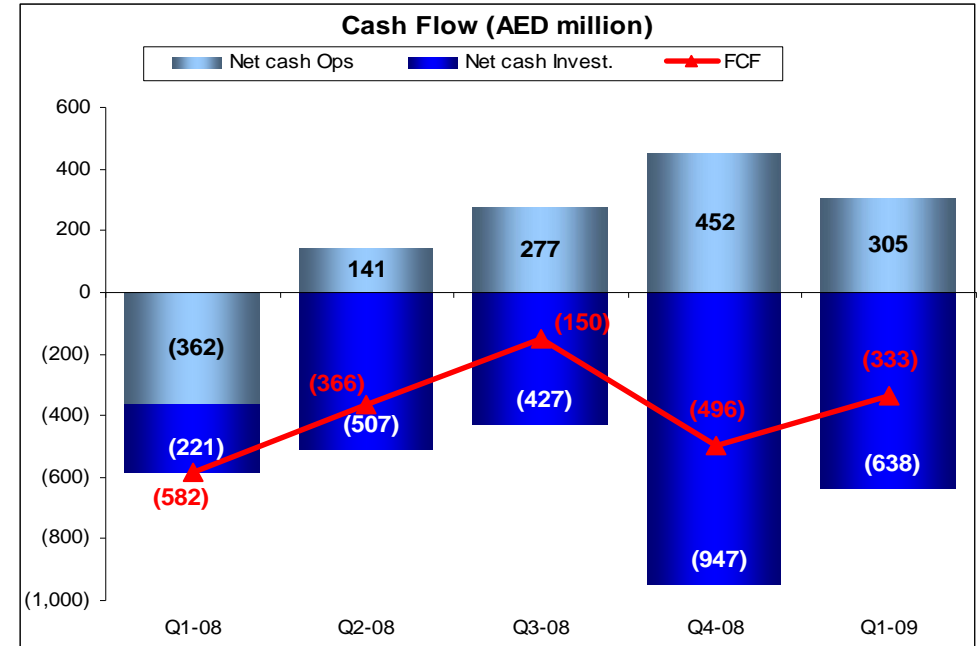
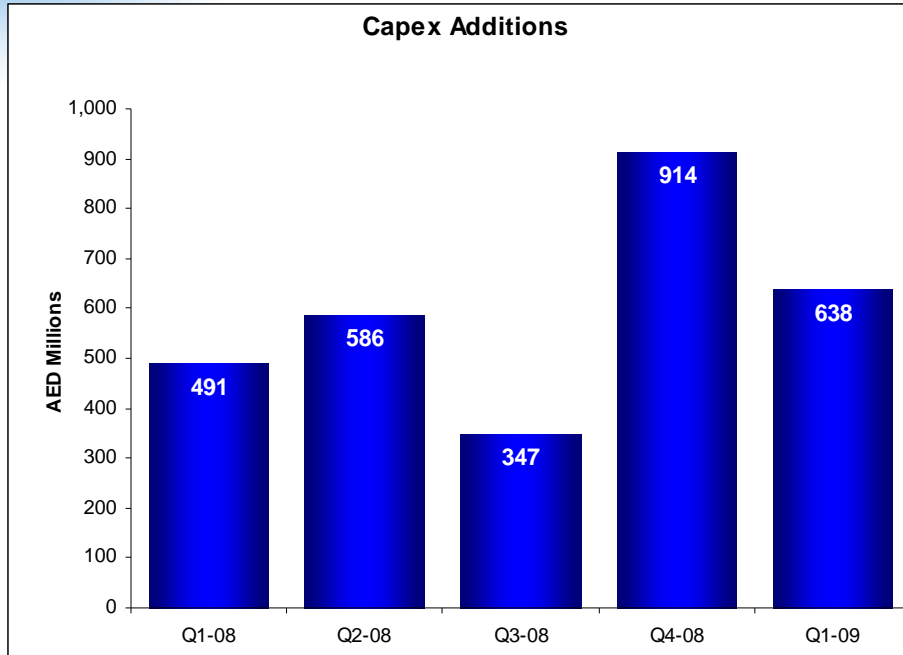
- EBITDA for the quarter of AED159 million compared with AED 2 million for Q1 08
- Year on year growth through operating efficiency
- Slowdown versus Q4 08 due to increased overheads to support business growth
- More moderate growth expected in 2009 due to economic environment



- Q1 09 net profit before royalty of AED47m compared with net loss of AED62m for Q1 08
- Provided for a potential royalty at 50% of Net profit (AED23.5m)
- No update received in quarter by company on royalty structure

Capital Investments and Cash Flow

CAPEX Program for ongoing growth based on high quality services



- Capital investment to exceed AED 2 billion in 2009
- 638 million accounted for during Q1 2009
- Investment to improve network quality and support value added services for du customers

- Strong cash generation from operations
- Investments made from Operating cashflow plus syndicated loan

Q&A