

du Announces Third Quarter 2012 Results

- *AED 2.52 billion in total revenues*
- *33.8% year on year increase in net profit before royalty, reaching AED 654 million*

Dubai, 22 October 2012 – Emirates Integrated Telecommunications Company PJSC ("du") today announced its financial results for the third quarter of 2012.

Financial highlights for the quarter:

- **Revenues increased 12.9% year on year** to AED 2.52 billion, up from AED 2.23 billion in Q3 2011
- **Mobile revenue increased 13.0% year on year** to AED 1.94 billion, up from AED 1.71 billion in Q3 2011
 - **Mobile data revenue increased 93.0% year on year** to AED 323 million from AED 167 million in Q3 2011
- **EBITDA increased by 26.1% year on year** to reach AED 957 million up from AED 759 million in Q3 2011
 - **EBITDA margin increased to 37.97%**, up from 33.97% in Q3 2011
- **Net profit before royalty increased 33.8% year on year**, reaching AED 654 million compared to AED 489 million in Q3 2011
 - **Net profit margin (before royalty) stood at 25.94%**, up from 21.88% in Q3 2011
- **Free Cash Flow** stood at AED 507 million in Q3 2012

Customer highlights for the quarter:

- **227,800 active mobile customers added**, bringing total mobile customer base to 5,960,700 active mobile customers; a 20.7% increase from Q3 2011 (which had a total of 4,938,000)
 - **26,300 post-paid mobile customers added**, now representing 7.98% of the mobile customer base
- **Fixed line subscribers increased to 554,900**; a 7.9% increase from Q3 2011

Osman Sultan, du's Chief Executive Officer, said, "We continue to place a great deal of emphasis on delivering excellence in our customer service. This is clearly reflected in ongoing healthy net additions to both our post-paid and pre-paid customer bases. The number of high value post-paid customers we serve increased 39 percent year on year, and now represents nearly eight percent of the total customer base.

"Financial performance during the third quarter was stable, with a solid improvement in data usage. This reflects the global trend which indicates a shift of some voice revenues to data. du is well positioned to take advantage of this shift, as we continue to bring relevant and strong data products to market such as the roaming data bundles we introduced during the third quarter, and other value added services.

"Operationally, we maintained control on overheads, although we saw certain costs increase due to seasonality and with the initialisation of outsourcing arrangements. Our focus on efficiency continues, as our company continues to mature. As always, our sights remain focused on delivering value to our shareholders. We believe our commitment to innovation and bringing a competitive batch of customer-centric products and services to market supports this objective."

Profit & Loss Summary

(AED m)	Q3'12	Q3 '11	YoY change	Q2 '12	QoQ change
Revenue	2,521	2,234	12.9%	2,452	2.8%
EBITDA	957	759	26.1%	941	1.7%
EBITDA Margin	37.97%	33.97%	400 basis points	38.39%	(42) basis points
Net profit	654	489	33.8%	651	0.4%
Net profit margin	25.94%	21.88%	406 basis points	26.56%	(62) basis points

Balance Sheet Summary

(AED m)	Reviewed 30 Sept 2012	Audited 31 Dec 2011
Cash & Cash Equivalents	2,483	2,376
Total Assets	12,628	12,055
Total Liabilities	6,097	5,836
Net Cash	645	104
Total Equity	6,532	6,219

Cash Flow Summary

(AED m)	Q3 2012	Q3 2011
Operating	819	824
Investing	(312)	(316)
Financing	(44)	88
Net change in cash	463	597
Ending cash balance	2,483	1,637

Customer Summary

(000s)	Q3'12	Q3 '11	YoY change	Q2 '12	QoQ change
Mobile customers	5,961	4,938	20.7%	5,733	4.0%
Fixed line customers	555	514	7.9%	547	1.5%
Telephony	222	200	10.7%	217	2.1%
Broadband	136	117	16.0%	132	2.9%
TV	120	109	10.3%	117	2.2%
Call Select	77	88	(11.9%)	80	(3.5%)

Q3 2012 results analysis

Total combined revenues for Q3 2012 remained at AED 2.52 billion, representing an increase of 12.9% year on year (up from AED 2.23 billion) and 2.8% quarter on quarter (from AED 2.45 billion).

Stable mobile revenues

Mobile revenues grew by 13.0% year on year, reaching AED 1.94 billion, compared to AED 1.71 billion in Q3 2011, and were in line with last quarter's mobile revenues, having increased by 2.1% from AED 1.90 billion. Continued additions to the company's customer base, post-paid segment growth and data usage supported revenue growth in this business.

During the third quarter of 2012, du added 227,800 new mobile customers to its base. The company now proudly serves a total of approximately 5,960,700 active mobile customers. du's healthy customer base has been reflected in its share which the company estimates to be 47.2% of the UAE market, according to the Telecommunications Regulatory Authority ('TRA') and competitor reports.

The Company has made progress in attracting and retaining high-end mobile users, as this customer base continues to increase in importance. Approximately 11.5% or 26,300 of the additions in the third quarter were high-value post-paid customers. 475,800 high-value post-paid customers now represent 7.98% of the mobile customer base (up from 6.96% in Q3 2011).

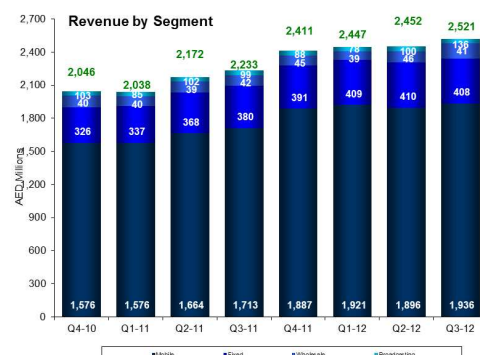
Mobile ARPU¹ stood at AED 110 for the third quarter.

Continued data revenue growth

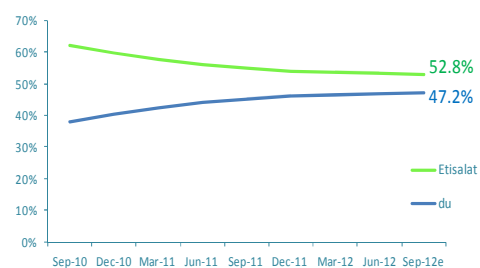
In line with global trends, mobile data usage continued to grow from AED 167 million in Q3 2011 to AED 323 million in Q3 2012, representing a 93.0% increase year on year.

While the Company experienced a 0.5% decline in fixed line revenues quarter on quarter from AED 410 million in Q2 2012 to AED 408 million in Q3 2012, year on year growth stood at 7.2% compared to AED 380 million in Q3 2011. The fixed business revenue includes fixed telephony, TV and Broadband.

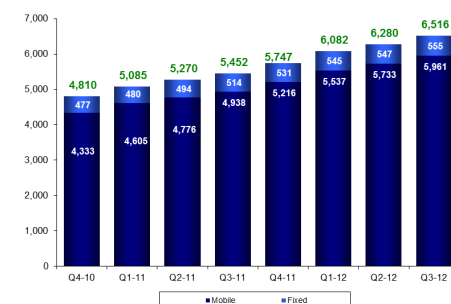
Total Revenue (AED million)



Market Share



Mobile and Fixed Customer



Mobile Data (AED million)



¹ ARPU is defined as average revenue per user and is calculated by total mobile revenue divided by the average number of customers for the quarter

Maintained control on overheads

Total overheads stood at AED 752 million, or 29.83% as a percentage of revenue, representing a decrease of nearly 2 percentage points (as a percentage of revenue) over the same period a year ago (31.86% in Q3 2011). This reflects the Company's ongoing focus on controlling costs and delivering shareholder value. Quarter on quarter, overheads increased slightly from AED 733 million in Q2 2012 to AED 752 million. This can be attributed to the short term impact of one-time costs associated with initialising outsourcing arrangements and the seasonality nature of sales and marketing spend.

During the third quarter, EBITDA grew by 26.1% year on year, and increased by 1.7% quarter on quarter to AED 957 million compared to AED 759 million and AED 941 million respectively. EBITDA margins stood at 37.97% in Q3 2012, up by 4 percentage points from 33.97% in Q3 2011, and down by less than half a percentage point compared to the previous quarter.

Net profit before royalty grew by 33.8% year on year from AED 489 million during Q3 2011 to AED 654 million during Q3 2012. Quarterly, net profit before royalty increased by 0.4% (from AED 651 million in Q2 2012).

Provisioning for royalty continues to be made at 50%.

The Company continues to invest to enhance its services and performance. AED 318 million was invested during Q3 2012, with a focus on the mobile and fixed telephony business.

Product & Service initiatives during the third quarter

Mobile

- Introduced new pricing schemes to enhance data usage, such as the Roaming Data Daily Bundle and du's new Mobile Wi-Fi
- Launched new value added services, such as the UAE's first Song Search enhancement for caller tunes and the free of charge Mobile Doctors 24-7 Physician Helpline service throughout Ramadan, as well as a smartphone privilege offer in collaboration with MasterCard
- Launched promotions with discount incentives to drive usage of high value products, such as the Elite and Emirati Plans, the Business Super Plan and bundle data packages

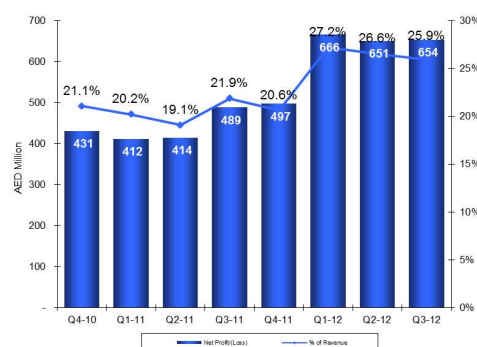
Fixed

- Enhanced fixed line offerings through the launch of new services such as the Real Home Broadband 100Mbps, the UAE's first 100 Mbps home broadband service
- Announced a five year network managed services agreement with Huawei to bolster customer services. The partnership will provide a state-of-the-art experience as part of du's commitment to developing customer experience
- Launched new services to entice new customers, such as the Talk to the Stars direct line offer introduced for the first time in the GCC, for customers to talk to their favourite celebrities
- Achieved the globally recognized BS-25999 Certification for Business Continuity Management

EBITDA (AED million)



Net Profit Before Royalty (AED million)



- Recognised for ongoing contributions to the UAE community - du VP AbdulAziz Alfalahi received the Abu Dhabi Industry Award 2012 from HE Sheikh Nahyan Bin Mubarak Al Nahyan and His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum

- Ends -

About du

We opened for business in 2006. We offer mobile and fixed telephony, broadband connectivity and IPTV services to individuals, homes and businesses. We also provide carrier services for businesses and satellite up/downlink services for TV broadcasters.

As a rapidly-growing enterprise, we have over 2,000 people working to enhance and expand our bouquet of service offerings. Our people come from over 60 countries - we mirror the rich cultural diversity of our nation, while being able to serve our customers in a variety of languages.

Over 50% of our senior management team and customer-facing employees are UAE nationals, and we remain committed to providing fulfilling opportunities for quality talent in a cosmopolitan working environment.

By the end of Q3 2012, more than 5.96 million people and over 50,000 businesses have chosen to use our services. In a survey conducted by ARC Chart, we were named the Best Mobile Broadband Network 2012 in the Middle East and Africa region. We also ranked first in MENA's Standard & Poor/Hawkamah Environmental, Social and Corporate Governance Index in 2011.

du is 39.5 percent owned by Emirates Investment Authority, 20.081 percent by Mubadala Development Company PJSC, 19.5 percent by Emirates Communications and Technology LLC and the remaining stake by public shareholders. du is listed on the Dubai Financial Market (DFM) and trades under the name 'du'.

For more information, please contact:

Media/Analysts – English

Samantha Dumas
Capital MSL
+971 55 123 0210
du@capitalmsl.com

Media - Arabic

Nahed Ashour
Capital MSL
+971 50 423 0537
du@capitalmsl.com