

Emirates Integrated Telecommunications
Company, PJSC

Interim financial statements

31 March 2007

Emirates Integrated Telecommunications Company, PJSC

Interim financial statements

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Independent Auditors' Report on Review of Interim Financial Statements

The Shareholders
Emirates Integrated Telecommunications Company, PJSC

Introduction

We have reviewed the accompanying interim balance sheet of Emirates Integrated Telecommunications Company, PJSC ("the Company") as of March 31, 2007 and the related interim statements of income, changes in equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes (the interim financial statements). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these interim financial statements based on our review. We have not reviewed the comparative information for the three month period ended 31 March 2006 included in these interim financial statements.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects the financial position of the Company as at 31 March 2007, and of its financial performance and its cash flows for the three month period then ended in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG

Munther Dajani
Registration No. 268

30 April 2007

Emirates Integrated Telecommunications Company, PJSC

Interim balance sheet at 31 March 2007

	Note	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Non-current assets			
Property, plant and equipment	4	1,259,277	1,122,499
IT software	5.1	228,815	180,997
Telecommunications license fee	5.2	117,594	119,128
Indefeasible right of use	5.3	123,678	125,848
Goodwill	6.1	549,050	549,050
Total non-current assets		2,278,414	2,097,522
Current assets			
Deferred fees	5.4	92,403	13,300
Inventories	7	151,573	90,393
Accounts receivable	8	33,145	129,089
Other receivables	9	230,979	120,100
Due from related parties	6.2	87,995	38,171
Cash and cash equivalents	10	1,099,542	1,646,278
Total current assets		1,695,637	2,037,331
Current liabilities			
Accounts payable and accruals	11	777,121	540,102
Net current assets		918,516	1,497,229
Non-current liabilities			
Fees payable	12	14,443	197,112
End of service benefits	13	7,255	6,562
Total non-current liabilities		21,698	203,674
Net assets		3,175,232	3,391,077
Represented by:			
Share capital	14	4,000,000	4,000,000
Accumulated losses		(824,768)	(608,923)
Shareholders' equity		3,175,232	3,391,077

The financial statements were approved on 30 April 2007 by:

Ahmad bin Byat
Chairman

Osman Sultan
Chief Executive Officer

The notes set out on pages 6 to 16 form part of these financial statements.
The Independent auditors' review report is set out on page 1.

Emirates Integrated Telecommunications Company, PJSC

Interim income statement

for the period ended 31 March 2007

		Reviewed Three month Period ended 31 March 2007 AED 000	Un-reviewed* Three month Period ended 31 March 2006 AED 000
	<i>Note</i>		
Revenue	23	183,212	94,387
Cost of sales		(73,133)	(47,765)
Gross profit		110,079	46,622
General and administrative expenses	15	(348,167)	(127,349)
Finance income	16	22,243	49,827
Pre-incorporation expenses	17	-	(24,454)
Loss for the period		(215,845)	(55,354)
Loss Per Share (AED)	18	(0.05)	(0.01)

* The Company did not issue interim financial statements for the period ended 31 March 2006 as it was not listed in Dubai Financial Market then. Comparative figures have been reclassified to reflect the commencement of commercial operations of the Company during the current period.

The notes set out on pages 6 to 16 form part of these financial statements.

The Independent auditors' review report is set out on page 1.

Emirates Integrated Telecommunications Company, PJSC

Interim statement of cash flows for the period ended 31 March 2007

	Reviewed Three month Period ended 31 March 2007 AED 000	Un-reviewed Three month Period ended 31 March 2006 AED 000
Net operating/ pre-operating cash flows before changes in working capital (refer note 19)	(144,499)	(20,889)
Increase in inventories	(61,180)	(11,200)
Decrease/(increase) in accounts receivable	95,944	(66,044)
Increase in other receivables	(110,879)	(31,269)
(Decrease)/increase in accounts payable and accruals	(33,062)	180,059
(Decrease)/increase in amounts due from related parties	(49,824)	112,686
Net cash used in operating/ pre-operating activities	(303,500)	163,343
Cash flows from investing activities		
Purchase of property, plant and equipment	(162,843)	(347,583)
Acquisition of businesses during the period (refer note 6.1)	-	(1,133,237)
Purchase of software	(55,493)	-
Payment of telecommunication license fees	(24,900)	-
Net cash used in investing activities	(243,236)	(1,480,820)
Cash flow from financing activities		
Introduction of share capital	-	4,000,000
Net cash provided by financing activities	-	4,000,000
Net (decrease)/ increase in cash and cash equivalents	(546,736)	2,682,523
Cash and cash equivalents at beginning of period (note 10)	1,646,278	-
Cash and cash equivalents at end of period (note 10)	1,099,542	2,682,523

The notes set out on pages 6 to 16 form part of these financial statements.

The Independent auditors' review report is set out on page 1.

Emirates Integrated Telecommunications Company, PJSC**Interim statement of changes in equity**
for the period ended 31 March 2007

	Share capital AED 000	Accumulated losses AED 000	Total AED 000
At 28 December 2005	-	-	-
Introduction of share capital	4,000,000	-	4,000,000
Loss for the period	-	(55,354)	(55,354)
At 31 March 2006 (Un-reviewed)	<u>4,000,000</u>	<u>(55,354)</u>	<u>3,944,646</u>
At 1 January 2007	4,000,000	(608,923)	3,391,077
Loss for the period	-	(215,845)	(215,845)
At 31 March 2007 (reviewed)	<u><u>4,000,000</u></u>	<u><u>(824,768)</u></u>	<u><u>3,175,232</u></u>

The notes set out on pages 6 to 16 form part of these financial statements.

The Independent auditors' review report is set out on page 1.

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements

1 Legal status and principal activities

Emirates Integrated Telecommunications Company, PJSC ("the Company") is a public joint stock company with limited liability. The Company was incorporated according to Ministerial resolution No. 479 of 2005 issued on 28 December 2005. The Company was registered in the commercial Register under No. 77967 on 28 December 2005.

The Company's principal objective is to provide fixed, mobile, broadband, broadcasting and associated telecommunications services in the UAE.

The commercial operations of the Company commenced on 11 February 2007.

The principal address of the Company is P.O Box 502666 Dubai, United Arab Emirates.

2 Basis of preparation

(i) Statement of compliance

These interim financial statements have been prepared in accordance with the International Accounting standard 34, 'Interim Financial Reporting'.

(ii) Basis of measurement

These interim financial statements have been prepared under the historical cost convention.

(iii) Functional and presentation currency

These interim financial statements are presented in United Arab Emirates Dirham (AED) rounded to the nearest thousand. This is the currency of the country in which the Company is domiciled.

(iv) Use of estimates and judgments

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of IFRS that have significant effect on the interim financial statements and estimates with a significant risk of material adjustment in the next year mainly comprise of residual value and useful lives of items of property, plant and equipment, provision for bad and doubtful debts and provision for slow moving inventories.

3 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the Company's interim financial statements.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements (continued)

3 Principal accounting policies (continued)

(i) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Assets acquired from related parties are stated at revalued amounts less accumulated depreciation. Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives for the current period are as follows:

	Years
Buildings	20-25
Plant and equipment	3-10
Furniture and fixtures	5
Motor vehicles	4

Capital work in progress is stated at cost. When commissioned, capital work in progress is transferred to property, plant and equipment and depreciated in accordance with the Company's policies.

(ii) Goodwill

Goodwill represents the excess of cost of acquisition over the fair market value of identifiable assets and liabilities acquired. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

(iii) Intangible assets

Intangible assets that are acquired by the Company, which have finite useful life, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on a straight line basis over the estimated useful lives of the intangible assets, other than goodwill, from the date that they are available for use which are as follows:

	Years
IT software	5
Telecommunications license fees	20
Indefeasible right of use	15

(iv) Inventories

Inventories are measured at the lower of cost and estimated net realisable value. Costs includes expenses incurred in bringing each inventory item to its present location and condition and is determined on a weighted average basis. Net realisable value is based on estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

(v) Trade and other receivables

Trade and other receivables are stated at amortised cost less impairment losses, if any. Bad debts are written off when identified.

(vi) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and balances with banks under current, call and fixed deposits maturing in less than three months from the balance sheet date.

(vii) Trade and other payables

Trade and other payables are stated at amortised cost.

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements (continued)

3 Principal accounting policies (continued)

(viii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) arising from a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reasonable estimate can be made of the amount of that obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

(ix) End of service benefits

The provision for staff terminal benefits, disclosed as a long-term liability, is calculated in accordance with UAE Federal Law and is based on the liability that would arise if the employment of the entire Company's staff were terminated at the balance sheet date except for UAE national staff who are members of the UAE Federal Pension scheme into which the Company makes contribution.

(x) Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's carrying amount is reduced to the recoverable amount. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(xi) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the interim financial statements only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

(xii) Foreign currency transactions

Transactions denominated in foreign currencies are translated to AED at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to AED at the foreign exchange rate ruling at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to AED at the foreign exchange rates ruling at the date of transaction. Exchange differences are dealt with in the income statement.

(xiii) Revenue recognition

Revenue represents amounts invoiced/ accrued for telecommunication services provided comprising usage charges, fixed monthly subscription charges, internet usage charges, activation fees, processing fees and fees for value added services.

Revenue from telecommunication services is recognised when services have been rendered and is net of discounts and rebates allowed.

Return on deposits is recognised on a time proportion basis with reference to the principal outstanding and the applicable rate of return.

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements (continued)

4 Property, plant and equipment

	Buildings AED 000	Plant and equipment AED 000	Furniture & fixture AED 000	Motor vehicles AED 000	Capital work in progress AED 000	Total AED 000
Cost						
At 1 January 2007	47,177	535,821	28,719	2,082	581,985	1,195,784
Additions	-	133,130	6,108	-	23,605	162,843
Transfer	-	280,737	17,754	-	(298,491)	-
Reclassification	31	-	-	(31)	-	-
At 31 March 2007	47,208	949,688	52,581	2,051	307,099	1,358,627
Depreciation						
At 1 January 2007	(2,206)	(59,893)	(3,135)	(277)	-	(65,511)
Charge for the period	(217)	(22,285)	(3,420)	(143)	-	(26,065)
At 31 March 2007	(2,423)	(82,178)	(6,555)	(420)	-	(91,576)
Impairment of equipment	-	(7,774)	-	-	-	(7,774)
Net book value						
At 31 March 2007	44,785	859,736	46,026	1,631	307,099	1,259,277
Net book value At 31 December 2006	44,971	468,154	25,584	1,805	581,985	1,122,499

5 Intangible assets and deferred fees

5.1 IT software

	Software in use AED 000	Capital work in progress AED 000	Total AED 000
Cost			
At 1 January 2007	73,117	116,642	189,759
Additions	48,740	6,753	55,493
Transfer	96,910	(96,910)	-
At 31 March 2007	218,767	26,485	245,252
Amortisation			
At 1 January 2007	(8,762)	-	(8,762)
Charge for the period	(7,675)	-	(7,675)
At 31 March 2007	(16,437)	-	(16,437)
Net book value			
At 31 March 2007	202,330	26,485	228,815
Net book value At 31 December 2006	64,355	116,642	180,997

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements (continued)

5 Intangible assets and deferred fees (continued)

5.2 Telecommunication licence fees

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Opening balance	119,128	-
Recognised assets during the period	-	124,500
Amortisation for the period	(1,534)	(5,372)
Closing balance	<u>117,594</u>	<u>119,128</u>

Telecommunications licence fees represent the fee charged by the Telecommunications Regulatory Authority (TRA) to the Company to grant the licence to operate as a telecommunications service provider in the United Arab Emirates. The fees are being amortised on a straight-line basis over a period of 20 years from the date of granting the licence by TRA.

5.3 Indefeasible right of use

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Opening balance	125,848	-
Recognised asset during the period	-	128,657
Transfer to property, plant and equipment (note 4)	(94)	-
Amortisation for the period	(2,076)	(2,809)
Closing balance	<u>123,678</u>	<u>125,848</u>

Indefeasible right of use represents the fee charged by an operator of a fibre-optic cable system for the right to use its submarine fibre-optic circuits and cable system. The fees are amortised on a straight-line basis over a period of 15 years from the date of activation of the cable system.

5.4 Deferred fees

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Deferred annual license fees, numbering fees and spectrum fees	<u>92,403</u>	<u>13,300</u>

Spectrum/frequency authorisation fees have been charged by the TRA for the authorisation of various frequencies to be used by the Company. Numbering fees have been charged by the TRA for the allocation of the right of use of mobile number ranges.

6 Related party transactions

Related parties comprise the shareholders of the Company, its directors, key management personnel and entities over which they exercise significant influence. Transactions with related parties are on terms and conditions approved by the Company's management, individual directors or by the Board of Directors.

6.1 Acquisition of businesses

During the period ended 31 December 2006 and based on an independent valuation report, the Board of Directors approved the acquisition of the business and assets of the following wholly owned subsidiaries/ division of Tecom Investments FZ LLC, a related party, with effect from 31 December 2005.

Sama Communications Company FZ LLC
DIC Telecom (International Operations) Limited
The technology division of Tecom Investments FZ LLC

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements (continued)

6 Related party transactions (continued)

6.1 Acquisition of businesses (continued)

The goodwill arising from the acquisition as of 31 December 2005 has been calculated as follows:

	Audited 31 December 2006 AED 000
Consideration paid	1,133,237
Less:	
Acquired property, plant and equipment	(351,244)
Acquired amount of right of use of fibre-optic cable system	(77,133)
Goodwill	<u>704,860</u>

The Company has revalued the assets acquired as of 31 December 2005 to their fair values within the one year period permitted by IFRS 3 and effected the change by reducing the goodwill value and increasing the value of property, plant and equipment as summarised below:

	Audited 31 December 2006 AED 000
Goodwill as initially reported	704,860
Less: Revaluation difference of acquired property, plant and equipment added to property, plant and equipment	(155,810)
Adjusted goodwill	<u>549,050</u>

6.2 Due from related parties

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Tecom Investments FZ LLC ("Tecom")	61,139	38,171
Axiom Telecom ("Axiom")	26,856	-
	<u>87,995</u>	<u>38,171</u>

The Company has significant intercompany transactions with Tecom. These transactions comprise expenses paid by Tecom on behalf of the Company in the course of setting it up, and billing to customers and collections on behalf of the Company. All such transactions are performed by Tecom at cost without an extra charge to the Company. Balance due from Tecom as of 31 March 2007 mainly represents collection on behalf of the Company.

Axiom is a distributor of the Company's products. The transactions are carried out at agreed rates. The balance due at 31 March 2007 mainly represents amounts due in respect of the Company's products sold to Axiom.

6.3 Compensation to key management personnel

	Reviewed 31 March 2007 AED 000	Un-reviewed 31 March 2006 AED 000
Salaries and other short term employee benefits	5,528	4,992
End of service benefits	191	191
	<u>5,719</u>	<u>5,183</u>

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements (continued)

7 Inventories

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Inventories	155,575	93,000
Less: Provision for slow moving and obsolete inventories	(4,002)	(2,607)
	<u>151,573</u>	<u>90,393</u>

8 Accounts receivables

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Trade receivables	70,670	161,564
Less: Provision for doubtful debts	(37,525)	(32,475)
	<u>33,145</u>	<u>129,089</u>

9 Other receivables

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Supplier advances	27,052	41,334
Prepayments	59,333	44,207
Interest receivable	5,031	14,840
Staff loans	11,390	14,627
Unbilled revenue	126,158	3,197
Deposits	2,015	1,895
	<u>230,979</u>	<u>120,100</u>

10 Cash and bank balances

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
The balances were held:		
At banks		
- in deposit accounts	1,088,145	1,646,224
- in call accounts	11,243	-
In hand	154	54
	<u>1,099,542</u>	<u>1,646,278</u>

During the period, the balances in deposit accounts earned interest ranging from 3.6 % to 6.5 % per annum.

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements (continued)

11 Accounts payable and accruals

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Trade payables	434,087	203,967
Staff accruals	60,843	57,699
Accruals	247,316	270,084
Customer deposits	4,759	3,325
Retention payable	4,836	3,981
Other	25,280	1,046
	<u>777,121</u>	<u>540,102</u>

12 Fees payable

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Total fees	233,485	222,012
Less: Current portion	(219,042)	(24,900)
	<u>14,443</u>	<u>197,112</u>

These comprise fees payable to TRA due after twelve months from the balance sheet date.

13 End of service benefits

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Opening Balance	6,562	-
Provision made during the period	693	6,562
Closing balance	<u>7,255</u>	<u>6,562</u>

14 Share capital

	Reviewed 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Authorised, issued and fully paid (4,000,000,000 shares of AED 1 each)	<u>4,000,000</u>	<u>4,000,000</u>

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements (continued)

15 General and administrative expenses

	Reviewed Three month period ended 31 March 2007 AED 000	Un-reviewed Three month period ended 31 March 2006 AED 000
Payroll and employee related expenses	91,021	38,581
Consulting fees	52,841	31,522
Annual license, spectrum and numbering fees charged by TRA	33,303	-
Advertising and publicity	40,291	-
Depreciation and amortisation expenses	37,349	33,625
Repairs and maintenance	37,596	5,015
Rent	16,643	1,456
Provision for receivables and inventories	6,481	4,719
Miscellaneous	32,642	12,431
	<u>348,167</u>	<u>127,349</u>

16 Finance income

	Reviewed Three month period ended 31 March 2007 AED 000	Un-reviewed Three month period ended 31 March 2006 AED 000
Interest income	20,365	50,320
Exchange gain	1,878	(493)
	<u>22,243</u>	<u>49,827</u>

17 Pre-incorporation expenses

	Reviewed Three month period ended 31 March 2007 AED 000	Un-reviewed Three month period ended 31 March 2006 AED 000
Staff cost	-	12,922
Consulting fees	-	7,197
General and administrative expenses	-	4,335
	<u>-</u>	<u>24,454</u>

These represent expenses incurred by a related party on behalf of the Company prior to its incorporation on 28 December 2005.

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements (continued)

18 Loss Per Share

	Reviewed Three month period ended 31 March 2007	Un-reviewed Three month period ended 31 March 2006
Net loss for the period (AED 000)	(215,845)	(55,354)
Number of shares (Number in 000)	4,000,000	4,000,000
Loss Per Share (AED)	<u>(0.05)</u>	<u>(0.01)</u>

19 Cash flow from operating/ pre-operating activities

	Reviewed Three month period ended 31 March 2007 AED 000	Un-reviewed Three month period ended 31 March 2006 AED 000
Loss for the period	(215,845)	(55,354)
Adjustment for:		
Depreciation of property plant and equipment	26,065	20,099
Amortisation of intangible assets	11,285	13,526
Provision for end of service benefits	693	840
Amortisation of fees charged by TRA	33,303	-
Net pre-operating cash flows before changes in working capital	<u>(144,499)</u>	<u>(20,889)</u>

20 Contingent liabilities and commitments

The Company has outstanding capital commitments and outstanding bank guarantees amounting to AED 754,111 thousands and AED 8,468 thousands, respectively as of 31 March 2007 (31 December 2006: 783,698 thousands and 8,600 thousands respectively).

21 Financial instruments

Financial assets of the Company include cash and bank balances, trade and other receivables, amounts due from related parties and financial liabilities of the Company include trade and other payables.

Interest rate risk

The Company's deposits with banks carry interest at agreed rates. The Company does not have significant interest rate risk.

Credit risk

Cash is placed with local banks. Trade and other receivables include contract receivables, retentions and other receivables and are stated at cost less impairment losses. These receivables are subject to market credit risks, which are closely monitored by management.

Foreign currency risk

The Company deals mainly in US Dollar and AED and does not have other significant exposures to foreign currency. The exchange rate of the AED has been pegged against the US Dollar since November 1980.

Fair value

The fair values of the Company's financial instruments approximate their carrying values.

Emirates Integrated Telecommunications Company, PJSC

Notes to the interim financial statements (continued)

22 Statutory reserve

In accordance with the UAE Federal Law No 8 of 1984 (as amended) and the Company's Articles of Association, 10% of the net profit is required to be transferred annually, at the end of each financial year, to a non-distributable statutory reserve. Such transfers are required to be made until the balance of the statutory reserve equals one half of the Company's paid up share capital. Since the Company incurred a loss, no transfers were made.

23 Segment analysis

Business segments:

The Company is organised and managed in three major segments, each representing a strategic business unit offering products and services to different markets.

	Enterprise 2007 AED 000	Consumer 2007 AED 000	Carrier 2007 AED 000	Total 2007 AED 000
Segment revenue	82,937	68,662	31,613	183,212
Segment result	27,415	(38,648)	10,110	(1,123)
Unallocated costs				(236,965)
Finance income				22,243
Net loss for the period				(215,845)

24 Comparative figures

The Company did not issue interim financial statements for the period ended 31 March 2006 as it was not listed in Dubai Financial Market then. As a result, the comparative figures for the period ended 31 March 2006 are not reviewed and have been marked as such. Comparative figures have been reclassified to reflect the commencement of commercial operations of the company.