

Press Release

du Announces Third Quarter 2011 Results - sustains growth momentum

- *Revenue increase of 28% year on year*
- *Net profit increase of 50% year on year*
- *Continued positive free cash flow*

Dubai, 31 October 2011 – Emirates Integrated Telecommunications Company PJSC ("du") today announced its financial results for the third quarter of 2011.

Customer highlights for the quarter:

- **162,000 net active¹ mobile customers added** during the quarter, taking the total to 4,937,900.
- **Postpaid mobile customers continued to grow**, now representing 6.96% of base.
- **24% growth in du's fixed line customer base** from 515,400 lines in Q3 10 to 639,700 lines in Q3 11, with 16,100 lines added during the quarter.

Financial highlights for the quarter:

- **Revenues of AED 2,234 million increased by 28%** compared to Q3 10 and increased 2.9% over Q2 11.
- **Mobile revenue of AED 1,713 million increased 31%** compared to Q3 10.
- **Postpaid mobile customer base contributed 46% of the growth in mobile revenues²**. 66% of this contribution can be attributed to growth in ARPU³.
- **Mobile data revenues increased 46%** year on year to 167 million (9.8% of mobile revenues).
- **EBITDA⁴ grew to AED 759 million, a 45%** increase compared to Q3 10.
- **Net profit before royalty increased 50%** year on year to approximately AED 489 million from AED 326 million in Q3 10.
 - Provisioning for royalty maintained at 50% of net profit
- **Continued positive free cash flow**, generating AED 509 million of free cash flow in the quarter.

Osman Sultan, du's Chief Executive Officer, said, "I am very pleased to say that the third quarter has been business as usual as far as du's performance is concerned. We have maintained our positive trajectory, achieving strong, profitable growth. We continue to attract new customers and we are seeing our existing customers further increase their use of data.

"Following ongoing growth in our customer numbers in the third quarter we are reaching the five million active customers milestone. I believe this continued momentum can be attributed to our consistent delivery of innovative products and service initiatives, and the ongoing improvements in customer care and service. Our focused efforts to improve customer service is further reflected in our ability to attract high-value postpaid customers.

¹ Defined by the Telecommunications Regulatory Authority as a customer that has sent or received a call, or sent an SMS or MMS within the last 90 days.

² Excluding inbound roaming and handset revenue

³ ARPU is defined as average revenue per user - calculated by total recurring mobile revenue divided by the average number of customers for the quarter

⁴ du calculates EBITDA as operating profits before interest, depreciation, amortisation, impairment charges, non-operational income & expenses & royalty



"We are now also in the third consecutive quarter of free cash flow generation, a real sign of the company's strong performance and of our unwavering focus on creating shareholder value, which is our overall goal."

Q3 2011 results analysis

Total combined revenues for Q3 11 further improved to AED 2,234 million compared to AED 1,745 million for Q3 10, representing year on year growth of 28%, a reflection of the strong and sustained mobile customer growth over the past twelve months. Quarter on quarter, revenues increased 2.9% compared to Q2 11.

Maintained market share growth

At the end of September, du commands a 45% share of the UAE mobile market, based on the data published by the Telecommunications Regulatory Authority ('TRA') and competitor disclosures. A net 162,000 mobile customers joined du in the third quarter, further evidence of du's continued position as being the provider of choice for the majority of new mobile customers in the UAE. du now serves a total of approximately 4,937,900 active mobile customers.

Mobile revenue growth remains strong

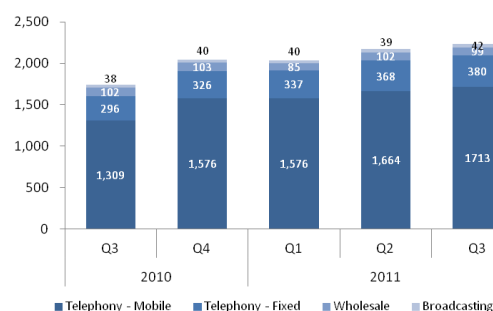
Customer growth, strong ARPU, especially from the post-paid segment, and increasing data usage remained the core drivers behind du's sustained growth in mobile revenues, reaching AED 1,713 million, up 31% compared to Q3 10 (AED 1,309 million) and up 3% versus Q2 11 (AED 1,664 million).

High-value postpaid customer contribution continues to grow

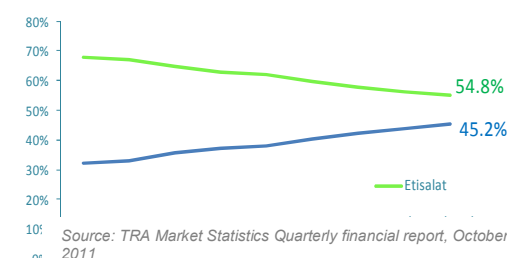
Significantly, 46% of the growth in mobile revenues⁵ during Q3 11 was derived from the high-value postpaid mobile customer base. 66% of this contribution can be attributed to growth in ARPU⁶.

A further 20,100 post-paid customers joined du in Q3 11, testament to the Company's continued efforts to attract and retain high-end mobile users. 343,500 high-value postpaid customers now represent 7% of the mobile customer base.

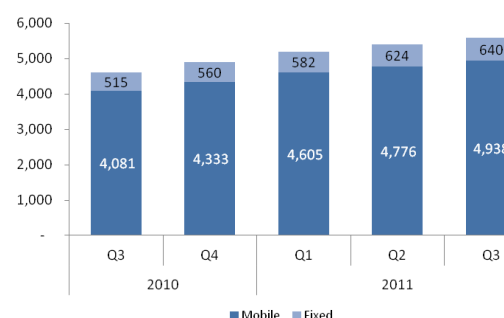
Revenue Growth (AED million)



Market Share



Mobile & Fixed Customer Growth (thousand)



Mobile Growth Composition



⁵ Excluding inbound roaming and handset revenue

⁶ ARPU is defined as average revenue per user and is calculated by total recurring mobile revenue divided by the average number of customers for the quarter

Mobile ARPU⁷ remained steady at AED 118, for the third quarter running, up from AED 109 during the Q3 10.

Growth in data usage

Data usage continues to grow as an important component of du's mobile revenues, representing approximately 9.8% of mobile revenues. Mobile data revenues increased by 46% year on year from AED 114 million in Q3 10 to AED 167 million in Q3 11.

Revenues for du's fixed business, including fixed telephony, TV and Broadband, amounted to AED 380 million, a 28% year on year increase (Q3 10: AED 296 million) and a 3.4% quarter on quarter increase (Q2 11: AED 368 million).

Overhead efficiencies year on year

Total overheads stood at AED 712 million, representing 32% as a percentage of revenue and a decrease (as a percentage of revenue) over the same period a year ago (34.6% in Q3 10). This demonstrates the Company's efforts to improve efficiencies through internal optimisation programmes.

EBITDA margin remains strong

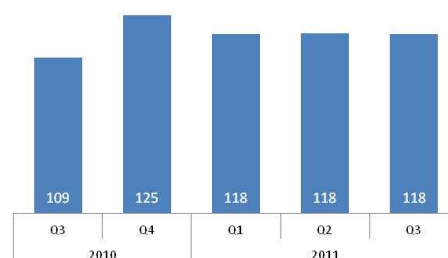
During the third quarter, EBITDA grew by 45% year on year, and increased 10% quarter on quarter to AED 759 million compared to AED 523 million and AED 689 million respectively. EBITDA margins also improved to 34% in Q3 11, up from 30% in Q3 10, and up 2% compared to the previous quarter (32%).

Continued strong growth in net profit before royalty

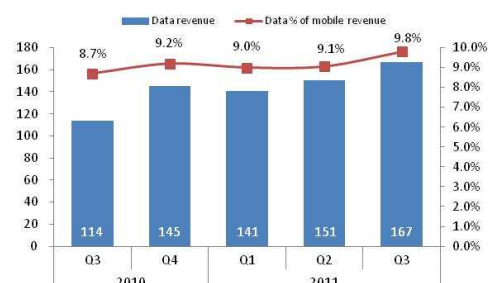
Net profit before royalty for Q3 11 was AED 489 million representing an increase of 50% over the AED 326 million reported for Q3 10, and a 18% increase quarter on quarter. Provisioning for royalty continues to be made at 50%.

The Company's capital expenditure programme remains focused, with AED 270 million accounted for during Q3 11. 55% of the Q3 spend was focused on fixed line investments.

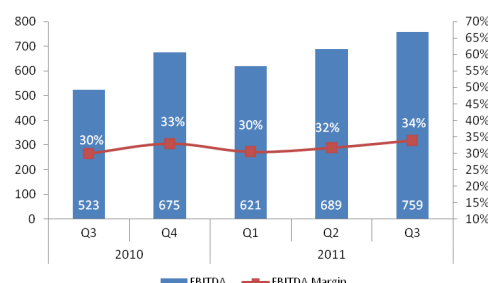
Mobile – Average Revenue Per User (AED)



Mobile Data Usage (AED million)



EBITDA (AED million)



Net Profit Before Royalty (AED million)



⁷ 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

Product & Service initiatives during the third quarter

Mobile

- New Business Super Plan Plus launched - building on the success of Business Super Plan, the new plan offers even more value for money than ever before and offers a 'Joining Bonus' and 'Super Rewards' to both new and existing customers.
- RIM and du launched the new Blackberry Torch 9860, available to customers across UAE.
- du announced a first-of-its-kind 'more data' Pay as you Go® recharge option, offering revolutionary top-up options for mobile data users.

Fixed

- du was awarded ISO 9001-2008 certification for its Network Development programme to enhance technology and customer experience; a testament to du's service delivery and consultation standards offered by its Professional Services team.
- du and On-Demand Group announced a deal with Al-Arabiya Cinema Production and Distribution to bring key high quality movies to the du video on demand service.
- du announced a partnership with Rotana to expand its Arabic library available through its Video On Demand service.
- du announced a Gigabit-capable Passive Optical Network (GPON) solution deal with Ericsson, empowering its FTTH Network.
- du launched the first phase of its Optical Transport Network (OTN) transporting traffic between the various parts of its Core Network. With this, du is among the first few telecom service providers in the Middle East to establish OTN on a national scale across the country – a milestone for the growth of its network infrastructure.
- du and Jumeirah Group signed an agreement to launch the regions first global immersive Telepresence Service, in order to provide global Immersive Telepresence Public Rooms in selected Jumeirah hotels.
- du announced the opening of its 41st du Shop in one of the leading shopping destinations in Dubai – Mall of the Emirates, reiterating its promise of improving customer experience and convenience.
- Reaffirming its commitment in delivering comprehensive and state-of-the-art telecom technology, du connected the world's current highest residential tower, The Torch Dubai Marina, with its highly advanced telecom services to what is deemed as the tallest completed residential skyscraper situated in the Dubai Marina.
- du announced the full repayment of the company's three year AED 3 billion (USD 817 million) dual currency syndicated loan facility as part of its ongoing capital optimisation programme.

- Ends -

About du

du, a leading integrated telecommunications service provider in the UAE, launched mobile telecommunication services in February 2007 across the UAE, in addition to internet and pay TV services that du provides in some of the free zones of Dubai. Call Select, du's nationwide fixed line services for voice telephony, was launched in July 2007. By the end of Q3 2011, du had approximately 4.9 million mobile customers.

Among du's many firsts is its historic Number Booking Campaign for both individuals and business, Pay by the Second billing system, Mobile TV, Mobile Payments, first of its kind 'WoW' recharge card (which offers



customers the choice between more credit, more time and now 'more international' recharge option with additional credit on international calls) and Self Care.

For business customers, du business offers include Closed Business User Group and preferred International Destinations. du Broadcast Services division brings scalable media technology platforms and telecommunication solutions to the broadcast community through its world class teleport (Samacom) and Master Control Room (MCR) facilities.

du products and services for consumers and business are available through du's retail network, currently comprising over 30 du shops located in strategic locations across the UAE, more than 3,000 authorized dealers or through du e-shop, accessible at <http://www.du.ae/en/where-to-buy/eshop.html>. du shops are a "one stop shop" for mobile service, carrier select and the payment of the service bills.

du is 39.5 percent owned by Emirates Investment Authority, 19.75 percent by Mubadala Development Company PJSC, 19.5 percent by Emirates Communications and Technology LLC and the remaining stake by public shareholders. It is listed on the Dubai Financial Market (DFM) and trades under the name du.

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