

Press Release

du Announces Second Quarter 2010 Results

- Record revenues for a quarter of *AED1.7 billion, up 30% year on year*
- *Highest ever quarterly net profit before royalty of AED275m*

Dubai, 10 July 2010 – Emirates Integrated Telecommunications Company PJSC (“du”) today announced its financial results for the second quarter of 2010, showing sustained growth in revenues, strong profitability and continued healthy subscriber additions.

Highlights for the second quarter:

- **182,100 net active¹ mobile subscribers added** during the quarter, taking the total at quarter end to 3,921,100
- **Record revenues of AED 1,703 million achieved**, a 30% increase compared to Q2 09 (AED 1,310 million) and an 8% increase compared to Q1 10 (AED 1,580 million)
- **Gross margin grew by 31%** year on year to AED 1,127 million (Q2 09: AED 863 million) and 8% quarter on quarter (Q1 10: AED 1,042 million)
- **EBITDA² grew 87%** versus Q2 09 to AED 454 million, up 24% compared to last quarter (Q1 10: AED 366 million). EBITDA margins also improved to 27% in Q2 10, up from 23% in Q1 10 and 19% in Q2 09
- **Net profit before royalty more than doubled** year on year to AED 275 million versus AED 115 million in Q2 09, representing a 42% increase over the previous quarter of AED 194 million.
- **Sustained momentum in post paid active mobile subscriber additions** with 29,700 added during the quarter, up 10% versus Q1 10, bringing the total to 194,000 or 5% of the total mobile subscriber base
- **52% growth in du’s fixed line subscriber base** from 328,600 lines in Q2 09 to 499,900 lines in Q2 10, with 43,200 lines added during the quarter

Commenting on the results, Ahmad Bin Byat, Chairman of du, said, “This quarter marks an important milestone for du. The success of our recent rights issue, raising AED 1 billion to fund our

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 du calculates EBITDA as operating profits before interest, depreciation, amoratisation, impairment charges, non-operational income and expenses and royalty

growth plans, provided a clear message from our shareholder base that the management team and the strategy in place has strong ongoing support. The company's enhanced capital structure will also provide us with access to a wider range of funding options to support our growth plans into the future, building a competitive, mature telecommunications business. We see a great deal of opportunity and are now in an even stronger position to build on the successes we have achieved to date."

Osman Sultan, du's Chief Executive Officer, said, "We continue to reach new heights every quarter and this quarter is no exception having achieved record revenues and profitability. We are also continuing to build on our market share position, adding another 182,100 net active mobile subscribers during the quarter, bringing our total active mobile subscriber base to nearly 4 million.

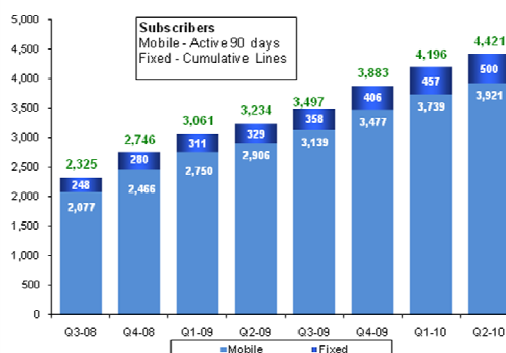
"We are also buoyed by the recent announcement by the Telecommunications Regulatory Authority ('TRA') regarding the impending infrastructure sharing in the UAE, which we believe bodes well for the market overall and for us in particular. We believe this is a great opportunity for the consumers first and the entire telecommunications sector in general in the long term, giving du access to a much broader market, and offering consumers a greater choice of telecommunications products and services. We are confident that our fixed line business, which remains one of the most developed and technically advanced in the region, will enable us to acquire further market share, supported by the innovative services we have consistently endeavoured to provide our customers, such as the recent introduction of recordable set-top boxes for our television service and our current video on demand offer."

Q2 2010 results analysis

Revenue Growth



Subscriber Growth



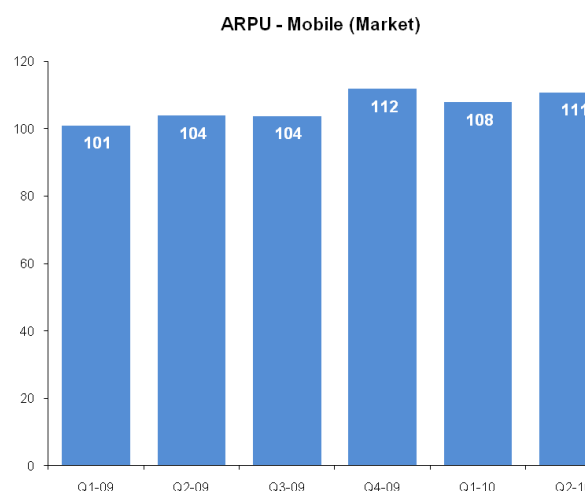
Total combined revenues for Q2 10 improved to AED 1,703 million compared to AED 1,310 million for Q2 09, representing year on year growth of 30%, a reflection of the strong and sustained mobile subscriber growth over the past twelve months.

Based on the data published by the Telecommunications Regulatory Authority ('TRA'), du remains the provider of choice for the majority of new mobile subscribers in the UAE with 182,100 added during the quarter, reaching a total of approximately 3,921,100 active mobile subscribers at quarter end.

The subscriber growth was the main driver behind du's strong sustained mobile revenues, reaching AED 1,260 million, up 43% compared to Q2 09 (AED 882 million) and 8% versus Q1 10 (AED 1,167 million). du's continued strategy and investment to attract and retain high-end mobile users is seen to be working with a further 29,700 post-paid subscribers added during the quarter (26,900 added in Q1 10), bringing the total to 194,000, equal to 5% of the mobile subscriber base, up from 4% in the previous quarter.

Mobile ARPU remains steady, standing at AED 111 for the quarter, up from AED 108 in the first quarter and AED 104 during the second quarter of 2009.

Revenues for du's fixed business, including fixed telephony, TV and Broadband, amounted to AED 290 million, a 20% year on year increase (Q2 09: AED 242 million) and a 10% quarter on quarter increase (Q1 10: AED 265 million), reflecting approximately 499,900 lines³.



Product and service initiatives during the second quarter to drive both mobile and fixed revenues included micro data SIMs that will enable iPad users to connect to the Internet on the move, the introduction of "Real Broadband Services" under the banner Surf & Talk, or Surf, Talk and Watch packages which will provide much faster speeds at current customer spend levels, representing even

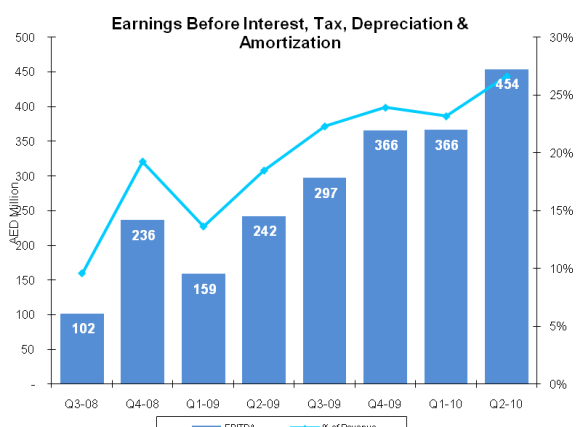
³ These are the number of lines/contracts, not number of customer accounts. In case of multiple products on the same contract, a line is counted against each service.

more competitive rates than similar services provided across the region and even in some developed markets such as Ireland and Canada.

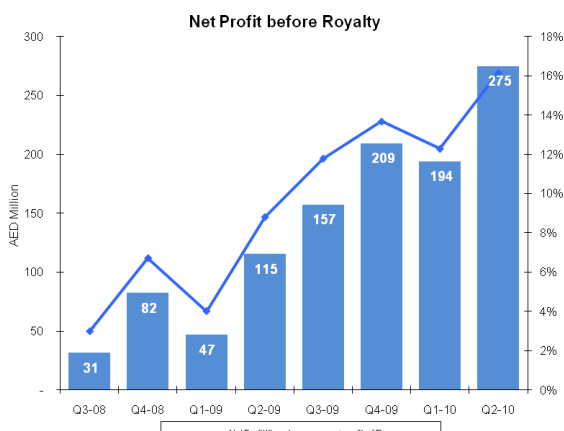
In addition du launched a new “One World Plan” to drive international calling, followed by a new “One World One Rate” service for mobile Internet while roaming, to encourage subscribers to use data services.

New marketing programs were also launched to encourage the take-up of video-on-demand services, by announcing a summer promotion of AED 1 per movie for a limited period, in addition to a new unlimited video-on-demand service, to take advantage of the hot summer months during which people tend to stay indoors. du also became the first telecommunications provider to offer 3D television in the MENA region.

EBITDA⁴



Net Profit before Royalty



EBITDA grew significantly in the second quarter, increasing by 87% year on year and 24% quarter on quarter, reaching AED 454 million compared to AED 242 million and AED 366 million respectively. EBITDA margins also improved to 27% in Q2 10, up from 23% in Q1 10 and 18% in Q2 09. du's Q2 10 net profit before royalty of AED 275 million represents record levels of profitability for the company, with an increase of 42% quarter on quarter and a two fold increase over the AED 115 million reported for Q2 09.

Total overheads remained flat quarter on quarter at AED 673 million during the quarter, compared to AED 676 million in Q1 10. As a percentage of revenues, overheads continue to decrease, dropping

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

below 40% in Q2 10 versus 43% in Q1 10 and 47% in Q2 09 primarily due to management's consistent focus on efficient growth.

du's capital expenditure programme remains on track, and is expected to exceed AED 2.2 billion in 2010, with AED 341 million accounted for during Q2 2010. The investments continue to be focused on building out infrastructure.

Additionally, during the second quarter, du successfully completed a rights issue, which was oversubscribed, indicating the continued support from shareholders and their continued belief in the strategy and direction of the company. The additional capital of AED 1 billion will be used to help drive the Company's accelerated growth strategy, by further enhancing du's industry-leading infrastructure, continuously improving the overall customer experience and targeting investment grade status that will help the the Company diversify its funding sources in the future.

- 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 Q2 2010, du had approximately 3.92 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 3000 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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