

du Announces Second Quarter 2012 Results

- *AED 2.5 billion in total revenues*
- *AED 651 million in net profit before royalty*

Dubai, 30 July 2012 – Emirates Integrated Telecommunications Company PJSC (“du”) today announced its financial results for the second quarter of 2012.

Financial highlights for the quarter:

- **Revenues increased 12.9% year on year** to AED 2.5 billion, up from AED 2.2 billion in Q2 2011.
- **Mobile revenue increased 14.0% year on year**, to AED 1.9 billion.
 - **Mobile data revenue increased 84.8% year on year to AED 278 million** from AED 151 million in Q2 2011.
- **EBITDA increased by 36.6% year on year** to reach AED 941 million
 - **EBITDA margin grew to 38.4%**, up from 31.7% in Q2 2011
- **Net profit before royalty increased 57.1% year on year**, reaching AED 651 million compared to AED 414 million in Q2 2011.
 - **Net profit margin (before royalty) stood at 26.6%**, up from 19.1% in Q2 2011.

Customer highlights for the quarter:

- **196,300 active mobile customers added**, bringing total mobile customer base to 5.7 million.
 - **36,300 post-paid mobile customers added**, now representing 7.8% of the mobile customer base.
- **Fixed line subscribers increased to 546,600**; a 10.6% increase from Q2 2011.

Osman Sultan, du’s Chief Executive Officer, said, “The second quarter remained strong for du, with continued healthy customer additions, particularly in the high-value post-paid segment, which now represents nearly eight percent of our mobile customer base. There are clear signs that the Company is entering the next phase of its evolution. Delivering value for our Shareholders remains our priority and we will consistently seek to do this through a continued emphasis on driving efficiencies, and a sustained focus on innovation and the introduction of new customer-centric products and services.

Our ongoing efficiency programme continues to gather pace as evidenced by new initiatives that are driving further efficiency improvements, such as the recent announcement of an outsourcing agreement signed with Huawei for the management of our converged network. This falls within a programme designed to outsource activities to achieve efficiencies. The benefits of this will be seen in future financial performance.”

Profit & Loss Summary

(AED m)	Q2'12	Q2 '11	YoY change	Q1 '12	QoQ change
Revenue	2,452	2,172	12.9%	2,447	0.2%
EBITDA	941	689	36.6%	925	1.8%
EBITDA Margin	38.4%	31.7%	670 basis points	37.8%	60 basis points
Net profit	651	414	57.1%	666	(2.3)%
Net profit margin	26.6%	19.1%	750 basis points	27.2%	(60) basis points

Balance Sheet Summary

(AED m)	Reviewed 30 June 2012	Audited 31 Dec 2011
Cash & Cash Equivalents	2,021	2,376
Total Assets	12,098	12,055
Total Liabilities	5,897	5,836
Net Cash	138	104
Total Equity	6,202	6,219

Cash Flow Summary

(AED m)	Q2 2012	Q2 2011
Operating	721	597
Investing	(307)	(377)
Financing	(839)	(2,083)
Net change in cash	(425)	(1,864)
Ending cash balance	2,021	1,041

Customer Summary

(000s)	Q2'12	Q2 '11	YoY change	Q1 '12	QoQ change
Mobile customers	5,733	4,776	20.0%	5,537	3.5%
Fixed line customers	547	494	10.6%	545	0.2%
Telephony	217	191	13.6%	217	0.1%
Broadband	132	111	19.0%	130	1.6%
TV	117	104	13.2%	118	(0.4)%
Call Select	80	88	(9.3%)	81	(0.5)%

Q2 2012 results analysis

Total combined revenues for Q2 12 reached AED 2.5 billion, representing an increase of 12.9% year on year (up from AED 2.2 billion) and 0.2% quarter on quarter (from AED 2.4 billion).

Continued strengthening of mobile business

Mobile revenues grew by a further 14.0% year on year, reaching AED 1.9 billion, compared to Q2 11 (AED 1.7 billion), and decreased 1.3% versus Q1 12 (AED 1.9 billion) due to exceptional performance in the previous quarter.

Drivers of performance in this segment continue to include growth in the Company's customer base, strong minutes of use, especially from the post-paid segment, and data usage.

At the end of July, du's share of the UAE mobile market stood at 46.5%, based on the data published by the Telecommunications Regulatory Authority ('TRA') and competitor disclosures. 196,300 mobile customers were added in the second quarter of 2012. This further reaffirms du's position as being the provider of choice for the majority of new mobile customers in the UAE. du now serves a total of approximately 5,732,900 active mobile customers.

The high-value postpaid mobile customer base continues to increase in importance.

Approximately 18.5% or 36,300 of the additions in the second quarter were high-value post-paid customers. This is testament to the Company's continued efforts to attract and retain high-end mobile users. 449,500 high-value postpaid customers now represent 7.8% of the mobile customer base (up from 6.8% in Q2 2011).

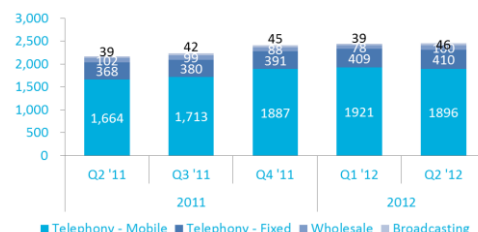
Mobile ARPU¹ stood at AED 112 for the second quarter.

Data revenue growth year on year

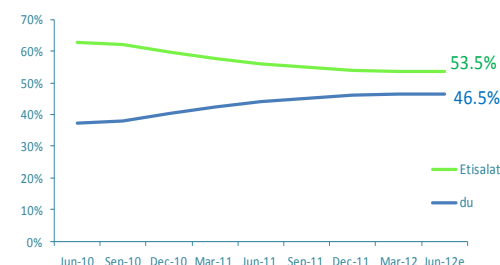
Mobile data usage remains an important component of du's mobile revenues, growing 84.8% year on year from AED 151 million in Q2 11 to AED 278 million in Q2 12. Quarter on quarter growth was impacted by Q1 mobile data revenue being boosted by AED 29 million from a promotion that began at the end of December.

Revenues for du's fixed business, including fixed telephony, TV and Broadband, amounted to AED 410 million, a 11.4% year on year increase (Q2 11: AED 368 million) and a 0.2% quarter on quarter increase (Q1 12: AED 409 million).

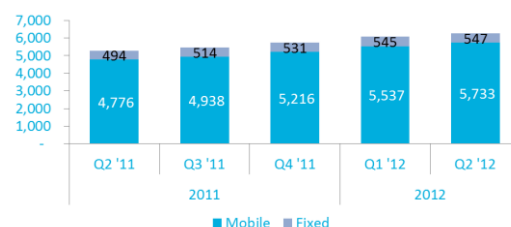
Total Revenue (AED million)



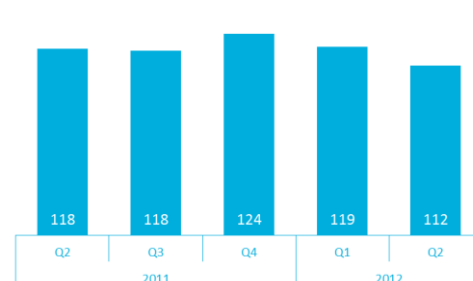
Market Share



Mobile & Fixed Customer Base (thousand)



Mobile ARPU (AED)



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

Decrease in overheads as percentage of revenue

Total overheads stood at AED 733 million, representing 29.9% as a percentage of revenue and a decrease of nearly five percentage points (as a percentage of revenue) over the same period a year ago (35.2% in Q2 11). This reflects the Company's focus on profitability and its efforts to improve operating efficiencies through internal optimisation programmes.

During the second quarter, EBITDA grew by 36.6% year on year, and increased 1.8% quarter on quarter to AED 941 million compared to AED 689 million and AED 925 million respectively. EBITDA margins also improved to 38.4% in Q2 12, up by more than six percentage points from 31.7% in Q2 11, and up compared to the previous quarter (37.8%).

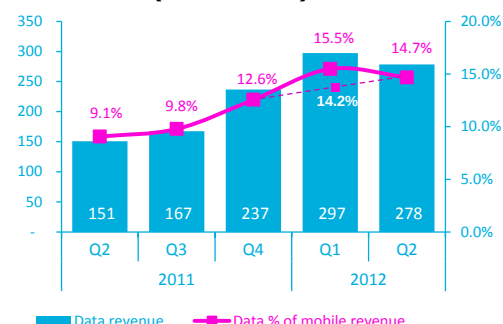
Net profit before royalty for Q2 12 was AED 651 million representing an increase of 57.1% over the AED 414 million reported for Q2 11, and a 2.3% decrease quarter on quarter (from AED 666 million in Q1 12).

Quarter on quarter change in net profit before royalty in Q2 2012 was impacted by exceptional one-off gains of approximately AED 30 million from favourable settlements in Q1 2012.

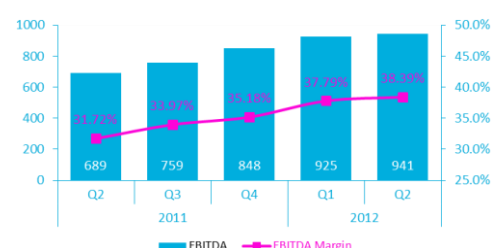
Provisioning for royalty continues to be made at 50%.

The Company's capital expenditure programme remains focused, with AED 444 million accounted for during Q2 12. Q2 spend was focused on the mobile business.

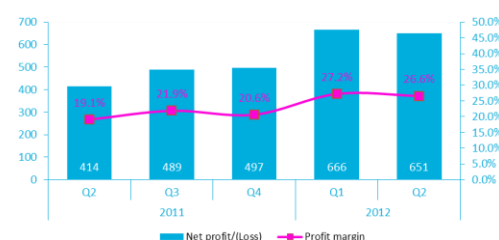
Mobile Data (AED Million)



EBITDA (AED million)



Net Profit Before Royalty (AED million)



Product & Service initiatives during the first quarter

Mobile

- Launched new Pay as you Go® reward scheme
- Initiated international call offers among "Premier Plan" and Talk More Business Plan" customers with international calls from as low as 30 fils per minute
- Launched 24/7 Physician Helpline to coincide with World Health Day, in partnership with Mobile Doctors
- Partnered with Quintessentially™ to launch an exclusive set of plans

Fixed

- Enhanced mobile broadband experience with Internet speeds of upto 100Mbps with the launch of its LTE network
- Introduced a new direct escalation channel to the Chief Commercial Officer for home customers
- Launched a new service enabling du TV customers to access Facebook, twitter, games and other popular apps
- Launched a new VSAT service platform that provides better connectivity for remote sites, or as an alternative route to traditional telecommunication services
- Partnered with Dubai SME and Microsoft Gulf to launch ICT package for businessmen and investors, Over 72,000 small and medium enterprises can benefit from the service package

- Gained Globally Recognized BS-25999 Certification for Business Continuity Management for meeting the highest standards
- Became the first Middle East telecom provider to be awarded TL9000 certification for Network Development Department

- 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 2012, du had approximately 5.7 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, 20.075 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.

For more information, please contact:

Media/Analysts – English

James Hawksworth
Capital MSL
+971 55 211 1658
du@capitalmsl.com

Media - Arabic

Hiba Berrekia
Capital MSL
+971 55 123 0208.
du@capitalmsl.com