

du Announces First Quarter 2013 Results

- 12.86% year on year increase in net profit before royalty, reaching AED 752 million
 - 10.73% increase in revenues to AED 2.63 billion

Dubai, 02 May 2013 – Emirates Integrated Telecommunications Company PJSC (“du”) today announced its financial results for the first quarter of 2013.

Financial highlights for the quarter:

- **Revenues¹ increased 10.73% year on year to AED 2.63 billion**, up from AED 2.37 billion in Q1 2012
- **Mobile revenue increased 11.13% year on year to AED 2.06 billion**, up from AED 1.85 billion in Q1 2012
 - **Mobile data revenue increased 32.77% year on year to AED 520 million** from AED 392 million in Q1 2012
- **EBITDA increased by 13.92% year on year to reach AED 1.05 billion**, up from AED 925 million in Q1 2012, with an **EBITDA margin of 40.11%** in Q1 2013 compared to 38.98% in Q1 2012
- **Net profit before royalty increased 12.86% year on year**, reaching AED 752 million compared to AED 666 million in Q1 2012
- **Net profit after royalty² increased 40.46% year on year**, reaching AED 468 million compared to AED 333 million in Q1 2012

Customer highlights for the quarter:

- **182,261 active mobile customers added**, bringing the total mobile customer base to 6,639,549 active mobile customers; a 19.92% increase in customers from Q1 2012 (which had a total of 5,536,614)
 - **Postpaid mobile customers** now represent 8.30% of the mobile customer base, up from 7.46% in Q1 2012
 - **144,010 prepaid mobile customers added**, now representing 91.70% of the mobile customer base
- **Fixed line subscribers increased to 571,516**, a 4.81% increase from Q1 2012

Osman Sultan, du’s Chief Executive Officer, said, “The quarter saw a solid performance across all areas of the business, with a double digit rise in total revenues on the same period in 2012. Growth in mobile data revenues reflects the ongoing shift in network traffic from voice to data, a trend we expect to continue, consistent with sector developments worldwide. Our strategic emphasis on market segmentation resulted in an increase in revenues from the postpaid customer segment, as a percentage of total mobile revenues, and we will remain focused on building this high-value customer base through relevant product offerings and an enhanced service experience.

“Our emphasis on optimising operational efficiencies contributed to a significant reduction in overheads year on year. As we have communicated, efficiency and cost control will remain a strategic driver throughout 2013 and beyond, while rapidly evolving consumer requirements and technology advances will continue to drive our investment programmes.

“As our company moves to maturity we will continue to demonstrate our commitment to delivering value to our shareholders through retaining our position as the operator of choice, fostering innovation, our ongoing focus on efficiency and our ability to generate cash.”

¹ Like for like revenues based on the change in accounting treatment reported at full year 2012. There is no effect on EBITDA due to the change in accounting treatment.

² du has applied revenue royalty to 100% of revenue excluding broadcasting and certain allowable deductions.

Profit & Loss Summary

(AED m)	Q1'13	Q1 '12	YoY change	Q4 '12	QoQ change
Revenue	2,626	2,372	10.73%	2,649	(0.85)%
EBITDA	1,053	925	13.92%	1,176	(10.39)%
EBITDA Margin	40.11%	38.98%	113 basis points	44.38%	(427) basis points
Net profit before royalty	752	666	12.86%	852	(11.79)%
Net profit margin	28.63%	28.09%	54 basis points	32.18%	(355) basis points

Balance Sheet Summary

(AED m)	AS of 31 March 2013	As of 31 Dec 2012
Cash & Cash Equivalents	3,949	3,319
Total Assets	14,695	13,922
Total Liabilities	8,068	6,395
Net Cash	1,685	1,146
Total Equity	6,627	7,528

Cash Flow Summary

(AED m)	Q1 2013	Q1 2012
Operating & investing cash	544.1	305.9
Financing	86	(236)
Net change in cash	630	70
Ending cash balance	3,949	2,446

Customer Summary

(000s)	Q1'13	Q1 '12	YoY change	Q4 '12	QoQ change
Mobile customers	6,640	5,537	19.92%	6,457	2.82%
Fixed line customers	572	545	4.81%	561	1.96%
Telephony	234	217	7.99%	228	2.91%
Broadband	145	130	11.36%	140	3.47%
TV	124	118	5.59%	122	2.15%
Call Select	68	81	(15.47%)	71	(4.35)%

Q1 2013 results analysis

du delivered a stable revenue performance in the first quarter, with total combined revenues for Q1 2013 reaching AED 2.63 billion, representing an increase of 10.73% year on year (up from AED 2.37 billion) and a 0.85% decrease quarter on quarter (from AED 2.65 billion).

Stable performance in mobile revenues

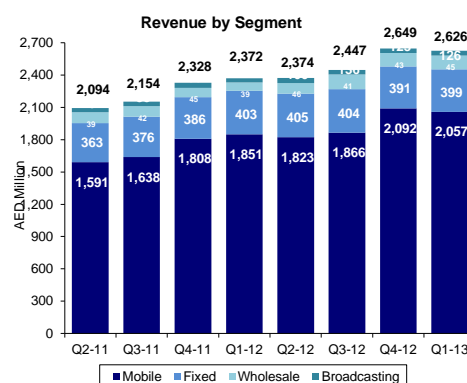
Mobile revenues increased by 11.13% year on year, reaching AED 2.06 billion, compared to AED 1.85 billion in Q1 2012, and saw a slight decrease of 1.65% on last quarter's mobile revenues of AED 2.09 billion. Revenue growth was supported by strong additions across all customer segments.

During the first quarter of 2013, du strengthened its position as operator of choice, adding 182,261 new mobile customers to its base and bringing the total mobile customer base to approximately 6,639,549 active mobile customers. du's sustained momentum in growing its mobile customer base is reflected in its share of the UAE market, which the company estimates to be 48.1%, according to the Telecommunications Regulatory Authority ('TRA') and competitor reports.

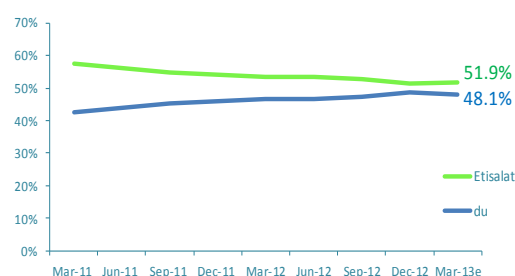
The company's focus on improving service experience and bringing innovative products to the market continues to have a positive impact on attracting and retaining high-end mobile users. In spite of seasonality, a total of 38,251 postpaid customers were added during the quarter and postpaid now represents 8.30% of total mobile customers, with prepaid customers representing 91.70% of the total mobile subscriber base.

Mobile ARPU³ stood at AED 110 for the first quarter.

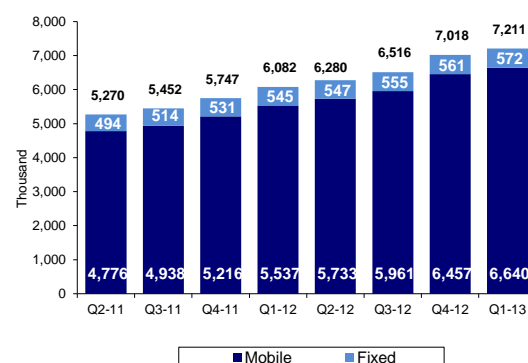
Total Revenue (AED million)



Market Share



Mobile and Fixed Customer base



³ 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.

Data revenue growth reflects global trends

Patterns in data usage continue to mirror global sector trends, with mobile data revenue growing from AED 392 million in Q1 2012 to AED 520 million in Q1 2013, representing a 32.77% increase year on year.

While the company experienced a 1.20% decline in fixed line revenues year on year, there was a 1.99% quarter on quarter increase from AED 391 million in Q4 2012 to AED 399 million in Q1 2013.

Maintained control on overheads

The company is committed to delivering shareholder value and its progress in controlling overheads and optimising efficiencies is clearly demonstrated in the total overheads for the quarter, which stood at AED 698 million, or 26.58% as a percentage of revenue. This represents a decrease of nearly 9.20% in total overheads, and a decrease of 5.83% as a percentage of revenue, over the same period a year ago (32.42% in Q1 2012).

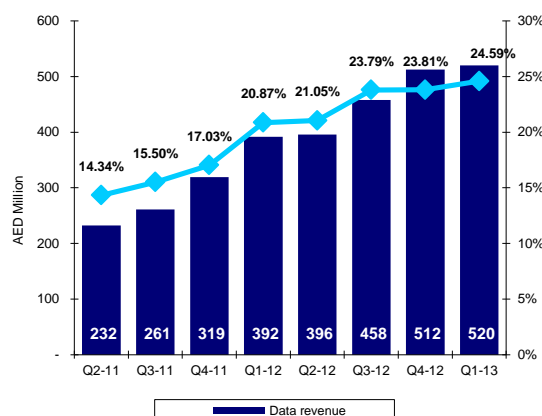
During the first quarter, EBITDA grew by 13.92% year on year, and decreased by 10.39% quarter on quarter to AED 1,053 million, compared to AED 925 million and AED 1,176 million respectively. EBITDA margins stood at 40.11% in Q1 2013, up by 1.13% from 38.98% in Q1 2012, and down by 4.27% compared to the previous quarter.

Net profit before royalty grew by 12.86% year on year from AED 666 million during Q1 2012 to AED 752 million during Q1 2013. Quarterly, net profit before royalty dropped 11.79% (from AED 852 million in Q4 2012).

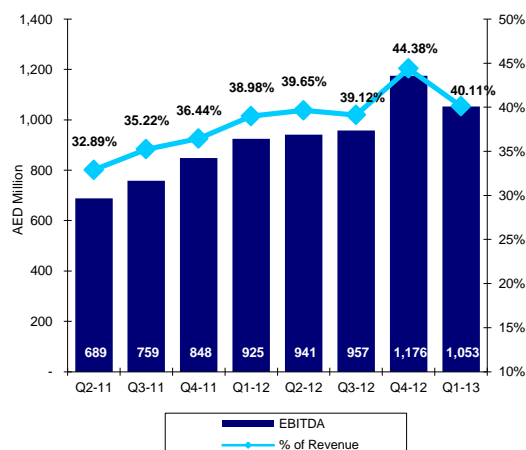
Net profit after royalty grew by 40.46% year on year to reach AED 468 million in Q1 2013, up from AED 333 million. Quarterly, net profit after royalty dropped 52.93% (from AED 994 million in Q4 2012).

The company is maintaining its levels of investment in infrastructure and networks to ensure it is well positioned to take advantage of opportunities presented by the evolving telecommunications landscape. To this end, AED 368 million was invested during Q1 2013.

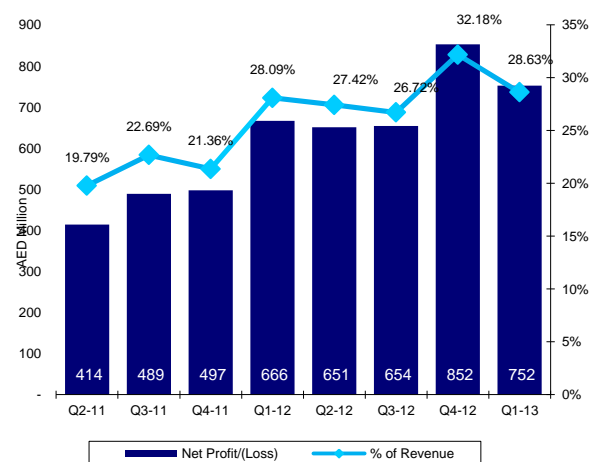
Mobile Data (AED million)



EBITDA (AED million)



Net Profit Before Royalty (AED million)



Product & Service initiatives during the first quarter

- Launched Mobile Device Management (MDM), offering both on-premise and cloud-based solutions for businesses to manage corporate data on employees' personal mobile devices
- Implemented Bill Shock Prevention for users to keep track of data usage and to eliminate the bill shock effect for subscribers, increasing their confidence in using data
- Launched Blackberry Z10, along with the Easy Payment Plan data package (Elite, Elite Super, Emirati and Pay As You Go) with instalment payments at 0% interest for AED 255 a month for a period of 12 months. The package includes 1GB of data per month, discounted by 60% and worth AED 739.
- Launched special Pay As You Go rates for UAE's top international calling destinations in Asia, including Pakistan, Bangladesh, Nepal, Sri Lanka and the Philippines
- Launched Absher Plan, a postpaid plan specifically designed to meet the lifestyle requirements of Emiratis working in the private sector

- 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 Q4 2012, more than 50,000 businesses had 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's/Hawkamah Environmental, Social and Corporate Governance Index in 2011.

du is 39.5 per cent owned by Emirates Investment Authority, 20.08 per cent by Mubadala Development Company PJSC, 19.5 percent by Emirates Communications and Technology LLC and the remaining stake is owned by public shareholders. du is listed on the Dubai Financial Market (DFM) and trades under the name 'du'.

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