

Etisalat:

Ranked among the top telecom companies in the world

Chairman - Mohammad Hassan Omran
speaks to Teletimes International



Teletimes - What is Etisalat's main strategy for 2010?

Mohammad Hassan Omran - Etisalat continues to follow a strategy with clear and specific goals for all aspects of its operations. This will ensure Etisalat is ranked among the top telecommunication companies in the world.

Over the coming period Etisalat will work to leverage its scale to drive synergies, innovate and grow new businesses, transform itself to achieve operational excellence and expand internationally to further build scale.

This will help us achieve our ambition to be the service provider of choice in each market we operate in and become a leading global telecom player – delivering top quality services and innovation, driven by empowered people.

Within the coming 5 years the world will become even more connected than anyone has ever imagined and Etisalat will continue to be one of the pioneering companies across all these services.

Etisalat is also continuing to expand its operations in international markets. We are continuing to carry out studies of possible investment opportunities to enter new markets, and to increase the services we offer to increase the number of subscribers and the added value that these subscribers generate.

TT - How do you review Etisalat Financial performance for 2009 ?

MHO - Etisalat has enjoyed another successful year in 2009. This is in spite of the difficult economic circumstances which the world's economy continues to face. Etisalat Recorded Net Profit of AED 8,836m which is 16% higher than 2008. Etisalat also recorded Net Revenues of AED 30,831m for the Group in 2009 compared to AED 29,360m in 2008, an increase of 5%.

These results highlight that Etisalat has followed the correct strategy by following a selective policy in our international investments. In this way, we have made use of the

current financial environment to identify the brightest opportunities that have arisen as a result of this situation.

TT - In which parts of the world does Etisalat see the greatest potential at present?

MHO - Asia and Africa. These are markets with high populations and low technology penetration. These markets are ripe for the many new technologies and value added services that we are introducing to the region in addition voice & data communications to financial remittance services which bring banking services into reach of all segments of the community, and mobile broadband services, providing the benefits of the Internet to communities which are normally cut off from towns and other infrastructure.

TT - Going forward, besides standard telecom services, which are the potential revenue streams identified by the company?

MHO - Change in the world of telecommunications is a constant factor with new business models, technology, and different technologies converging.

An area of significant growth potential we foresee in the region is in mobile commerce. There have been some remarkable success stories already in some parts of the world. And we would like to not only replicate those successes, but perhaps exceed established benchmarks.

Applications in mobile commerce present an excellent opportunity for us to capitalise, given that Etisalat is already a known technology leader in the region.

To do so, we have initiated certain steps, including our tie-up with some of the national banks. Through this we aim to revolutionise banking technology in a pilot program enabling customers to make day to day purchases and pay for them through their mobile phones.

Further to this, the facilitation of money transfer through mobile phones to India opened up a completely new service and



revenue stream for the Corporation.

We are also continuing to develop our portfolio of non-core services through Etisalat Services Holding LLC. This includes business in diverse areas such as SIM card manufacturing, submarine cable maintenance and deployment, training and education, roaming clearing house, facilities management as well as directory enquiry services and land cabling projects. Each of these non-core subsidiaries are being prepared to fuel our growth and international expansion adding several strengths to the Etisalat Group.

TT - Where does Etisalat stand on CSR?

MHO - Etisalat is committed to help integrating all parts of society through technology. This includes those who have special needs. Etisalat sponsored the activation of a law which supports people with special needs in the UAE and has also launched a discounted bundles of services which provide specialist services such as IBSAR - a software solution which reads text from a screen allowing blind

people to use the Internet.

Etisalat is also a leader in terms of promoting sustainability. It is the key sponsor of the UAE's mobile phone and electronic waste recycling campaign Envirofone which has so far collected 150 tonnes of waste. Etisalat is also adopting technologies which consume less energy like its fiber optic network which consumes 73% less electricity than traditional infrastructure and carbon dioxide emissions reduced to 85%. Etisalat also deployed approximately 160 solar powered facilities in the UAE including pay phones and large base stations.

Etisalat is also active in its regional subsidiary markets and is participating in various community projects. These include the award winning 'Origin' programme in Egypt which seeks to provide potable water for hundreds of thousands of people in Egypt. In Sudan, Canartel is providing support to reduce the impact malaria and in Pakistan scholarships are provided to aspiring students from local communities.

We are also the Middle East's exclusive distributor of EasyLearning - which offers in coordination with the United Nations a low-cost electronic learning programme with over 1550 courses. The knowledge from this initiative is supporting people in developing countries to gain a high quality education, and also to sell their skills around the world through participating in online skills marketplaces.

I believe that CSR is a very important issue that all industries should consider in their priority agenda.

TT - How your business will protect itself from the global financial instability in 2010?

MHO - Etisalat has realised some remarkable milestones in 2009. Most notably, we have entered Sri Lanka which was a logical addition to our interests in Asia.

We will soon start our operations in India, one of the largest Telecom markets in the world and have just applied to acquire a controlling 51% stake in Etisalat DB.

We also plan to invest in the company to ensure that it has the dynamism to take the leading position in the markets in the next few years and that it continues its effective role in the development and growth of the telecommunications sector in the countries that we are operating in and create value added and unique services to our customers.

We look at 2010 with a mix of confidence and interest, and expect the year to bring many challenges. The telecom sector, however, is quite unique. Communications has joined the basic necessities club in the hierarchy of need in our everyday lives. People look to communications technologies because they utilize these new technologies to help support their business or personal life, whether it's a mobile phone and its services, the internet, the fixed lines, or cable TV. This means we remain positive for the future and believe opportunities will continue to appear. ■