



Investor Forum Q4 2010

Enriching Sri Lankan Lives

an axiata company

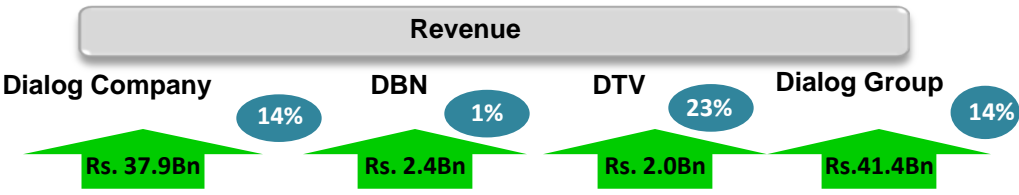


Dialog Group

Group Performance Highlights - 2010 vs 2009

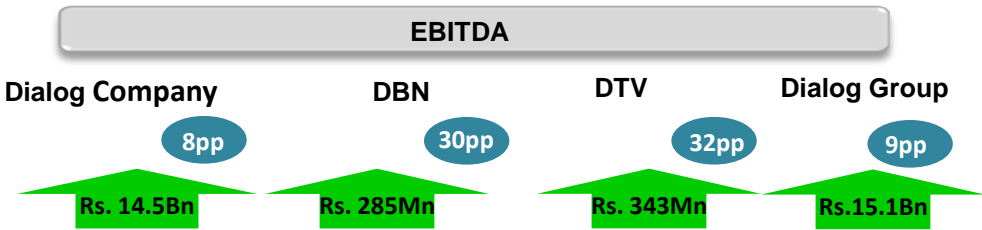
Significant YoY growth in Revenue at Group, Company and DTV

YoY growth

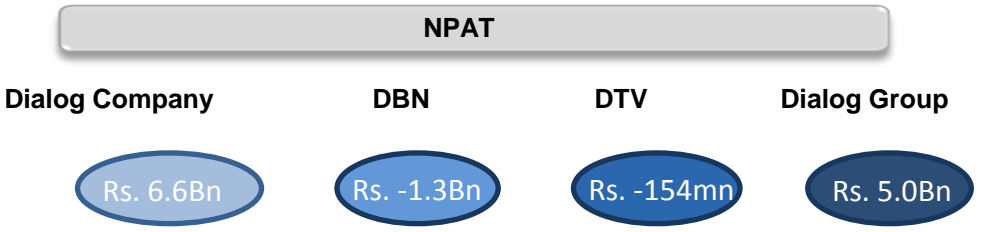


Improvement in EBITDA due to re-scaled operating cost structure

Increase in EBITDA margin

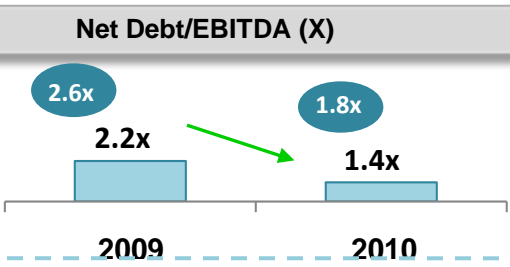


Robust NPAT improvement at Group and Company level

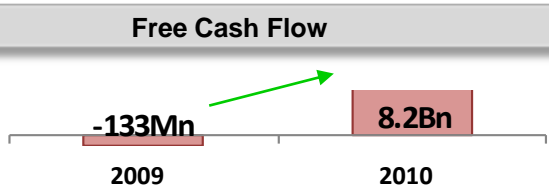


Strengthened Group balance sheet with Net Debt / EBITDA at 1.4x

Gross Debt / EBITDA



Healthy Free Cash Flow due to strong operating cash flows and prudent Capex



Performance Trend

QoQ Performance Overview
(Q4 10 Vs. Q3 10)

	Revenue	EBITDA	NPAT	EBITDA Margin
Dialog Axiata PLC (Company)	2%	4%	18%	3pp
Dialog Broadband Networks (DBN)	2%	32%	139%	9pp
Dialog Television (DTV)	1%	159%	262%	26pp
Dialog Group	2%	2%	25%	1pp

YoY Performance Overview*
(Q4 10 Vs. Q4 09)

	Revenue	EBITDA	NPAT	EBITDA Margin
Dialog Axiata PLC (Company)	11%	14%	29%	1pp
Dialog Broadband Networks (DBN)	1%	>1000%	62%	21pp
Dialog Television (DTV)	11%	>1000%	156%	43pp
Dialog Group	11%	24%	68%	4pp

*Q4 10 Vs. Q4 09 (normalised performance)



Dialog Group: P&L Highlights

- Q4 10 Group EBITDA remain stable largely due to improved EBITDA in DTV
- Q4 10 Group PAT impacted by higher depreciation charge and lower forex gain
- **Turnaround in 2010 driven by strong revenue growth, opex rescaling and a decline in finance expenses**

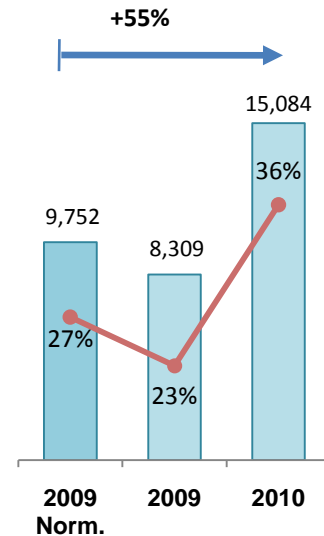
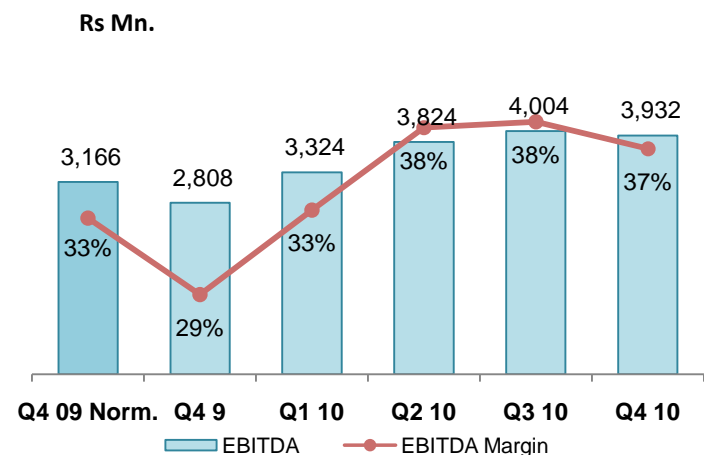
(All figures in Rs. Mn.)	Q4 10	QoQ change	Q4 10 Vs. Q4 09	2010	YoY change
Revenue	10,754	2%	11%	41,423	14%
Total Cost*	6,822	4%	6%	26,339	1%
EBITDA**	3,932	2%	24%	15,084	55%
NPAT**	1,275	25%	68%	5,047	535%

* Excl. depreciation and impairment

** Q4 2010 and 2010 reported performance has been compared against normalised performance in Q4 09 and 2009

Dialog Group – Consolidated Performance Trends

Group EBITDA



EBITDA margin

37%

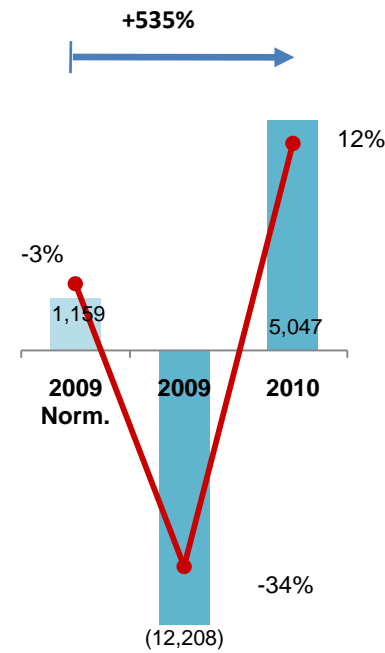
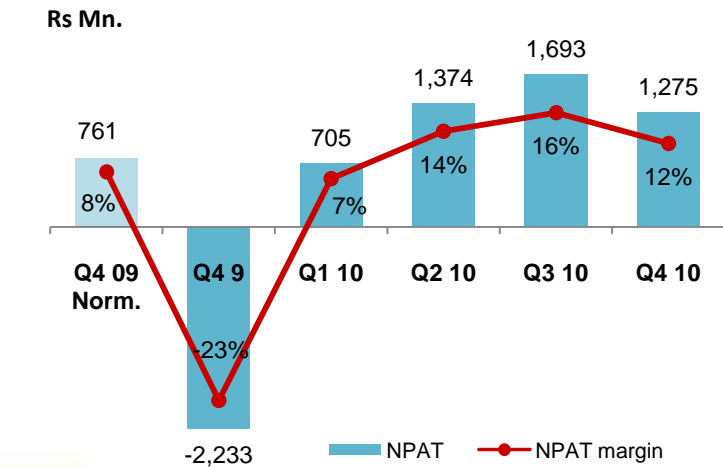
- Up 4% pts Vs Q4 09 (Norm)
- EBITDA **growth of 55% YoY**

NPAT margin

12%

- Up 4% pts Vs Q4 09 (Norm)

Group NPAT



Dialog Axiata PLC – Company

Dialog Company: P&L Highlights

- QoQ revenue growth driven by strong growth in Cellular, Global and infrastructure businesses
- Decline in QoQ EBITDA due to increased international origination cost and outbound roaming cost
- Q4 2010 NPAT impacted by higher depreciation charge of Rs. 124Mn and lower forex gain of Rs. 101Mn

(All figures in Rs. Mn.)	Q4 10	QoQ change	Q4 10 Vs. Q4 09	2010	YoY change
Revenue	9,886	2%	11%	37,954	14%
Total Cost*	6,282	6%	11%	23,449	1%
EBITDA	3,604	4%	14%	14,455	43%
NPAT	1,562	18%	29%	6,552	481%

* Excl. depreciation and impairment

** Q4 2010 and 2010 reported performance has been compared against normalised performance in Q4 09 and 2009

Revenue Trends - Company

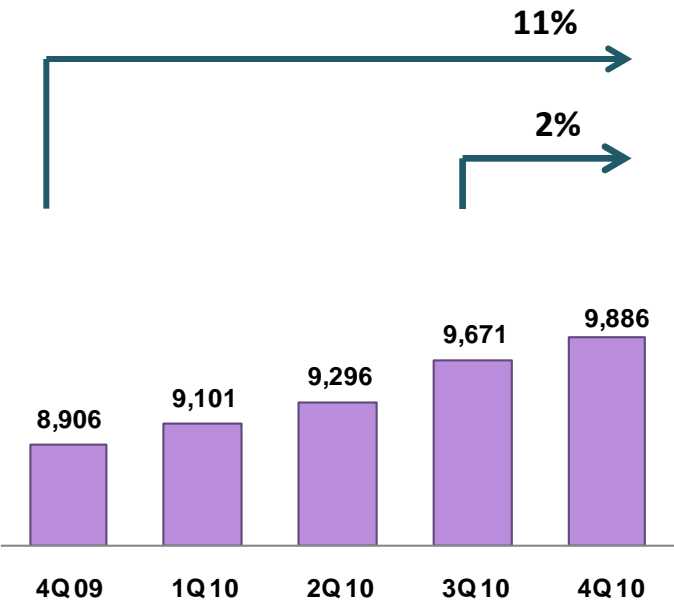
Company Revenue



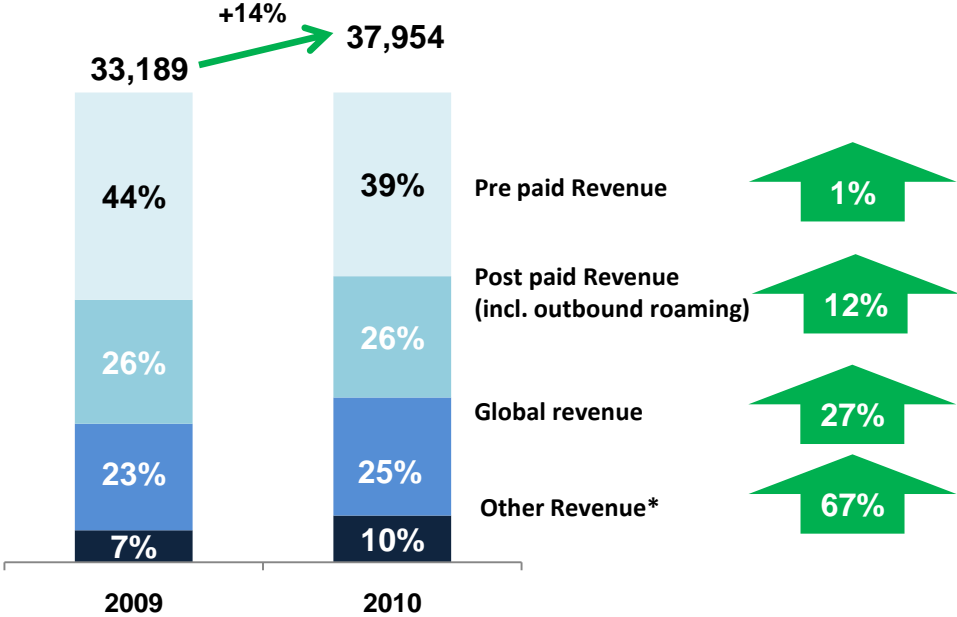
- ✓ Amidst intense competition
- ✓ Increase in Inbound roaming revenue
- ✓ Global revenue up 17% YoY
- ✓ Interconnection revenue

- Pre-paid revenue dominant contributor to revenue with 39% share
- Post-paid revenue continued to increase
- Non voice revenue account for 10% of total revenue
- Robust 48% increase in infrastructure revenue

Quarterly Revenue – Rs. Mn.



Revenue mix



• other revenue incl. revenue from local interconnection, inbound roaming, site sharing and phone and accessories sales

DAP Company – Operational Performance

Increase in MOUs in the wake of Improved Affordability

Pre : Post mix

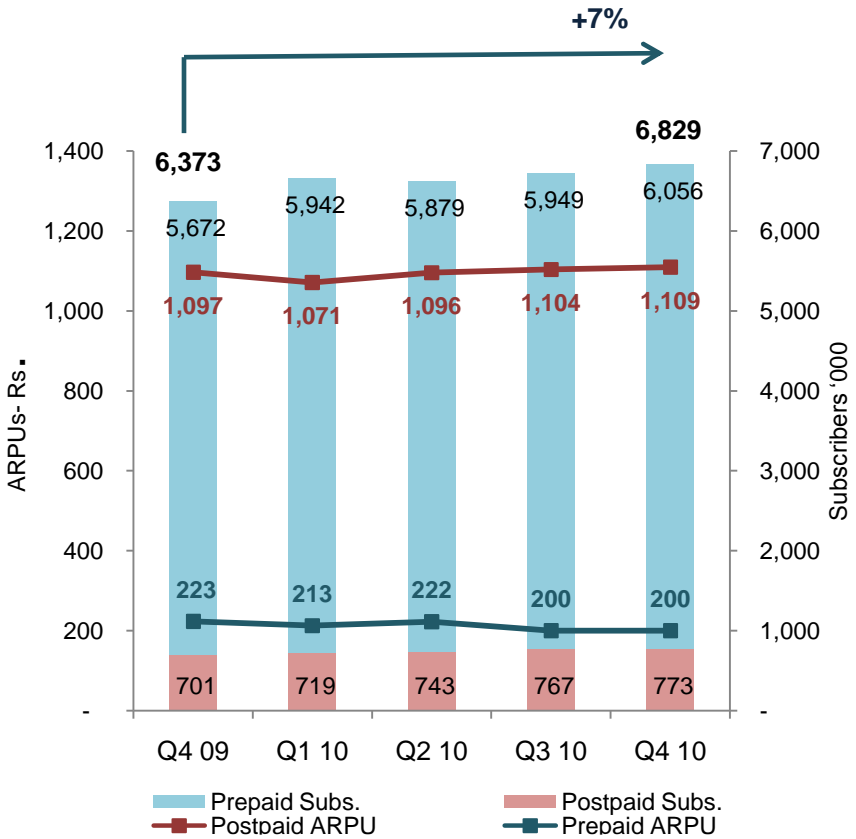
89%

Pre-paid

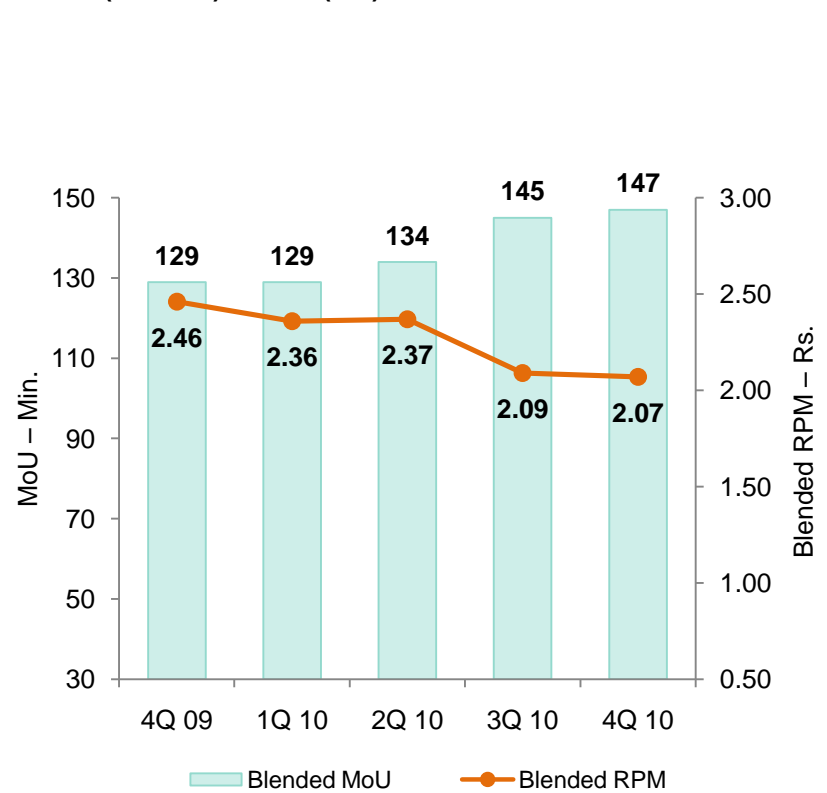
11%

Post-paid

No of Subscribers & ARPUs



MOU (Minutes) & RPM (Rs.)



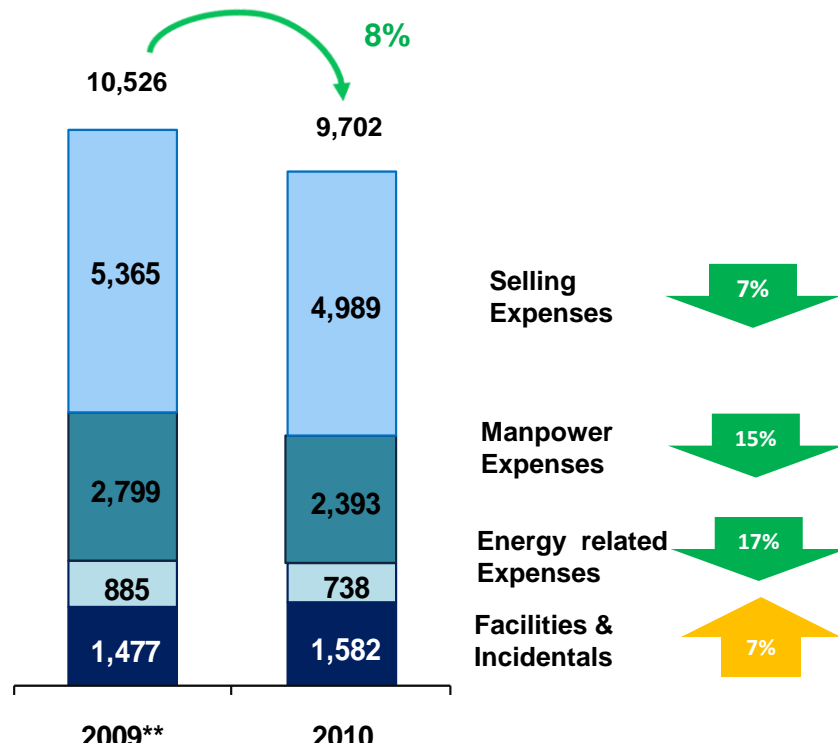
Operating Costs : Re-Scaled Costs Structure continues to deliver improvements

Operating Costs declined by 8% YoY

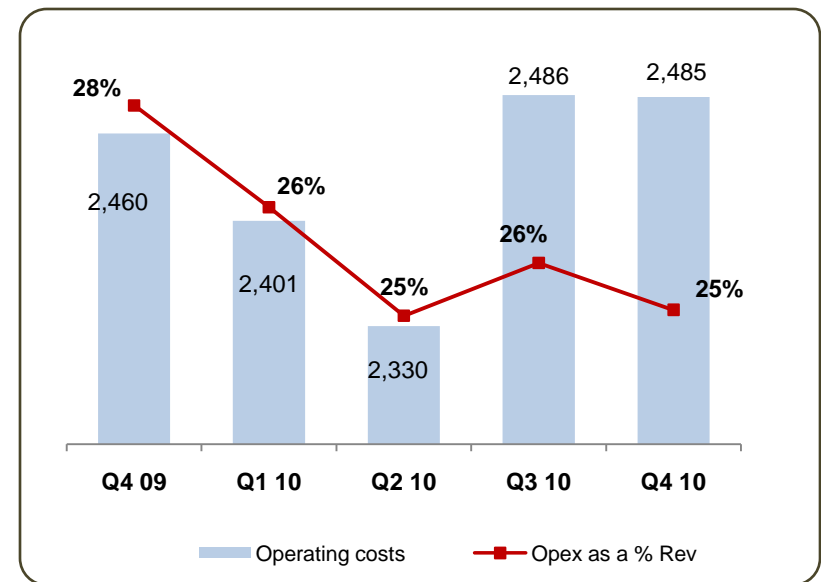
- ✓ Decline in operating costs were driven by reduction in operating overheads, administration & manpower related expenses
- ✓ Increase in facilities & incidental cost due to one off consultancy costs

- Cost rescaling initiatives continue to drive down operating costs in Q4 10
- QoQ opex as a % of revenue decline by 1% pts relative to Q3 10

Operating Cost Composition* Rs. Mn

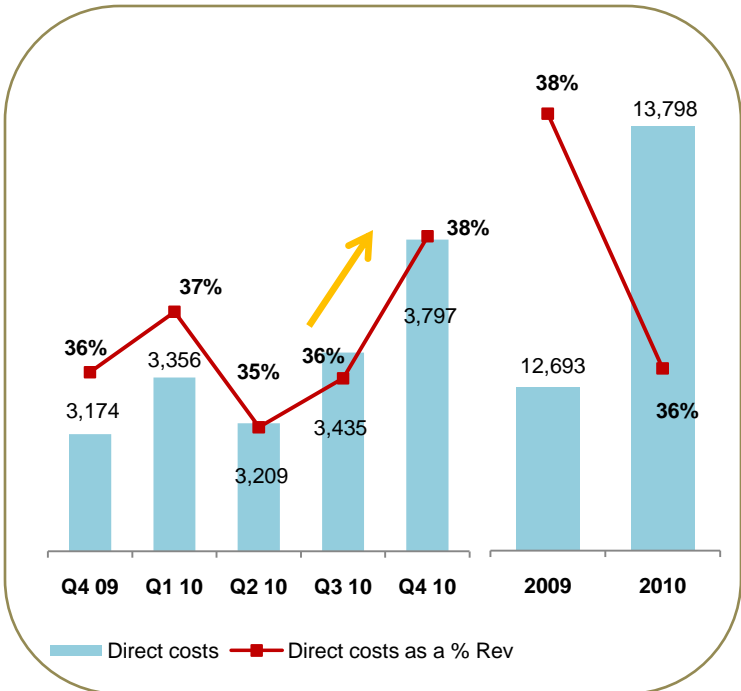


Operating Costs trends Rs. Mn* – Q4 09 to Q4 10

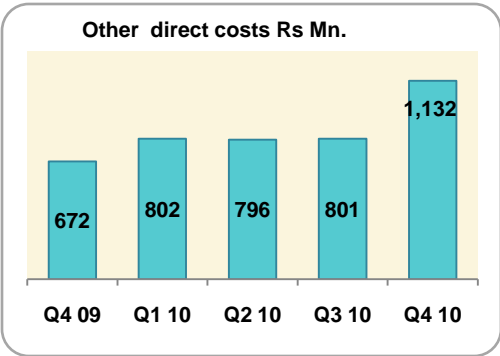
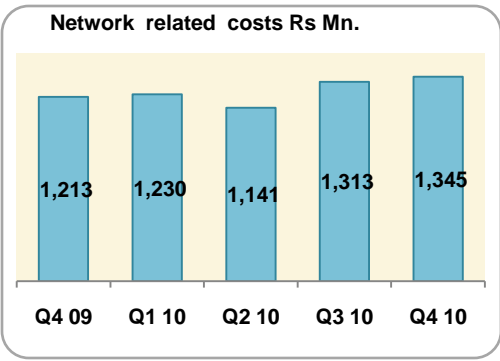


*excl. depreciation and impairment
 ** Excl. non-recurring charges

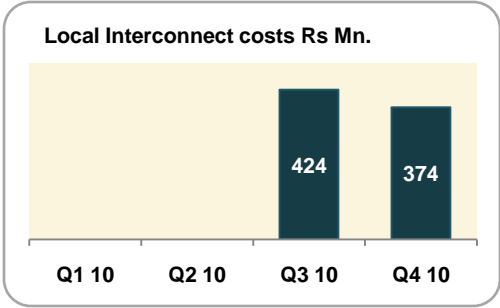
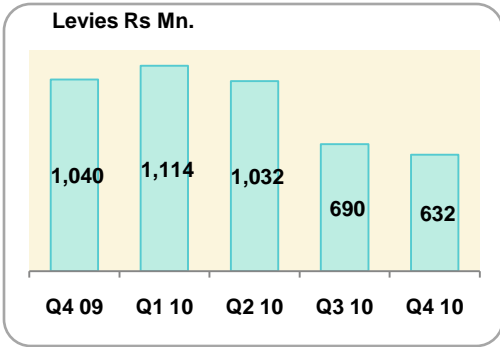
Direct Cost



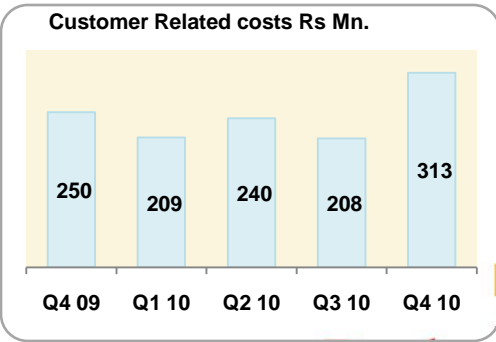
Direct cost as a % of revenue grew by 2% pts driven by increase in international origination and outbound roaming cost



Increased by 51% due to; phone sales in Dec '10



Increased by 41% due to;
▪ International Origination cost
▪ Outbound roaming cost



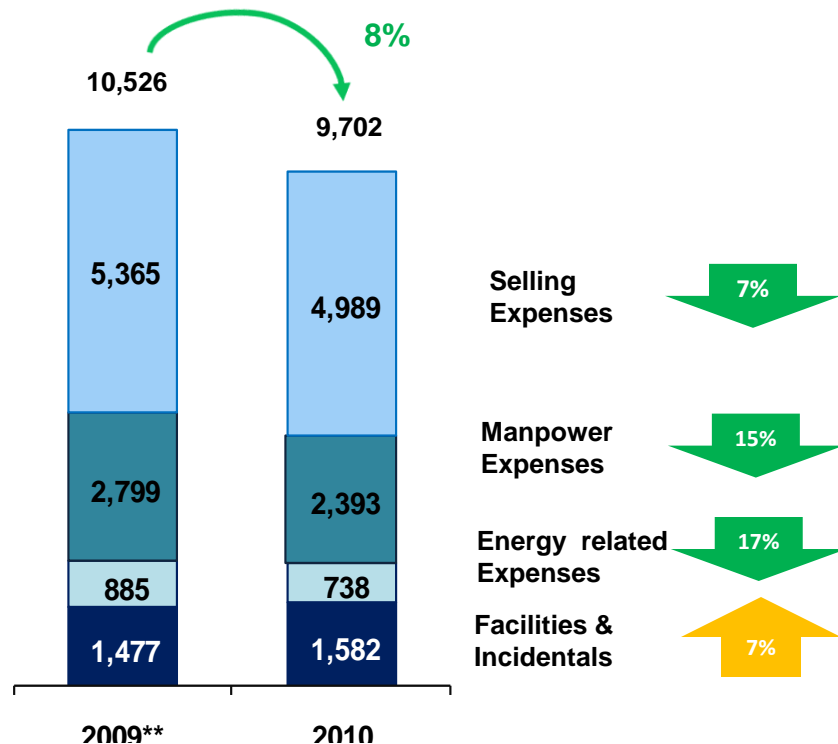
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Operating Costs declined by 8% YoY

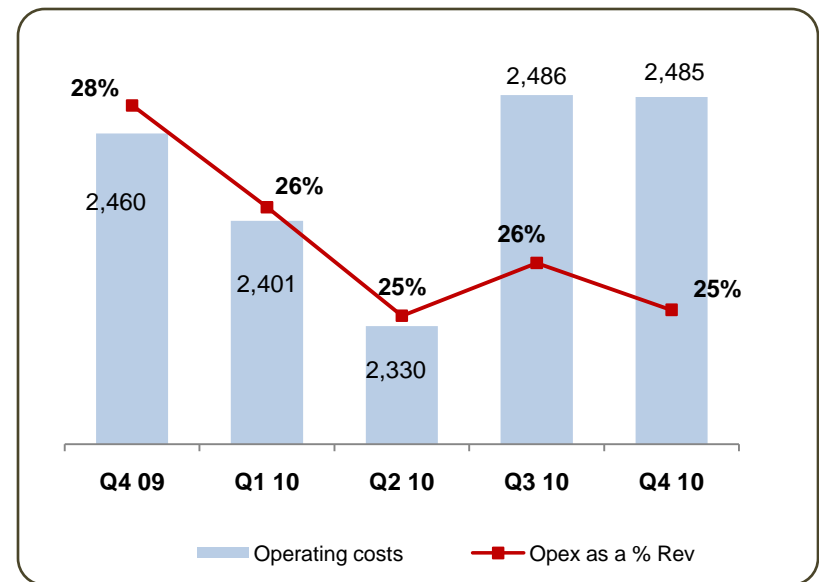
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Operating Cost Composition* Rs. Mn



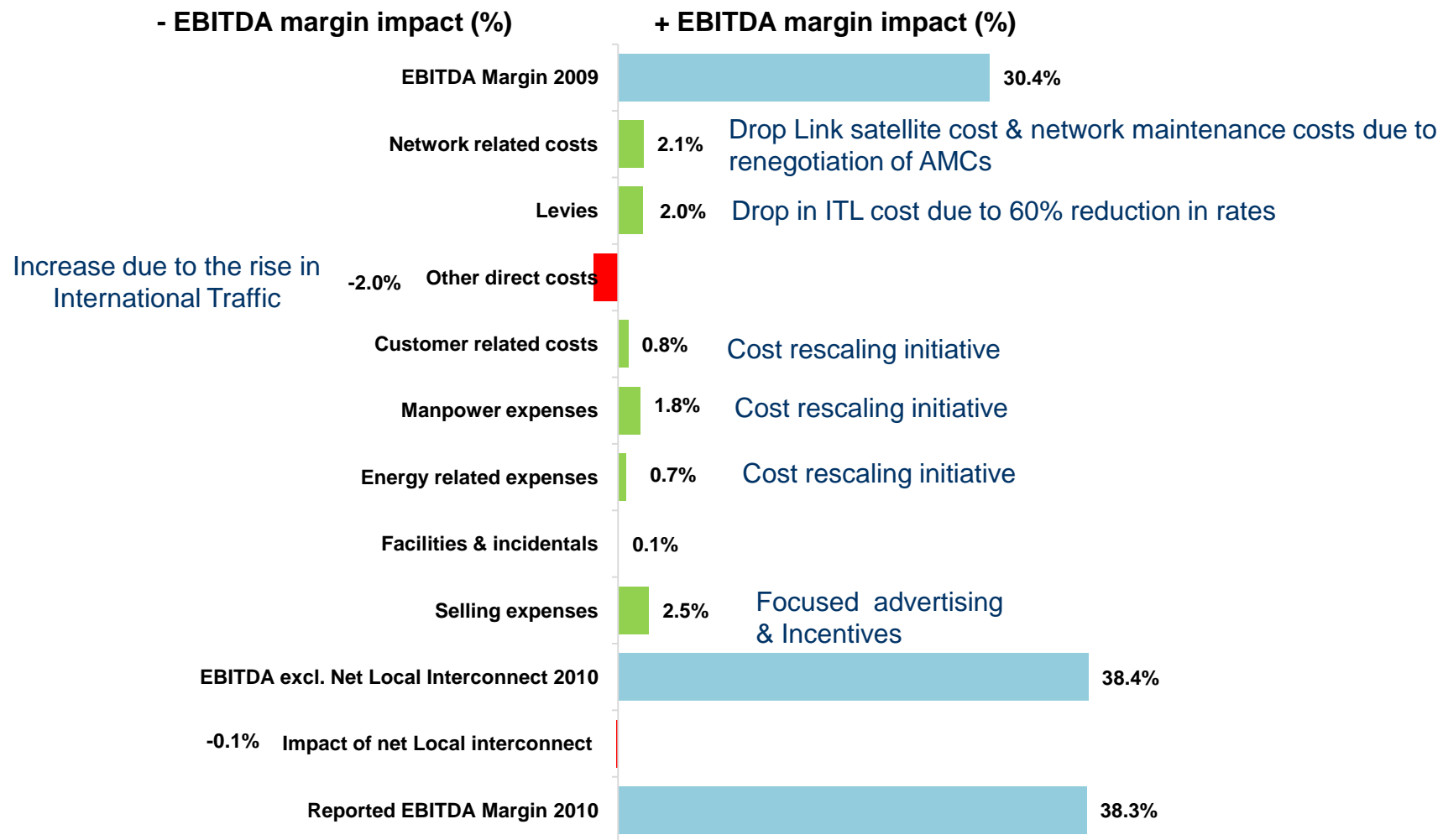
Operating Costs trends Rs. Mn* – Q4 09 to Q4 10



*excl. depreciation and impairment
** Excl. non-recurring charges

Significant improvement in margins in 2010

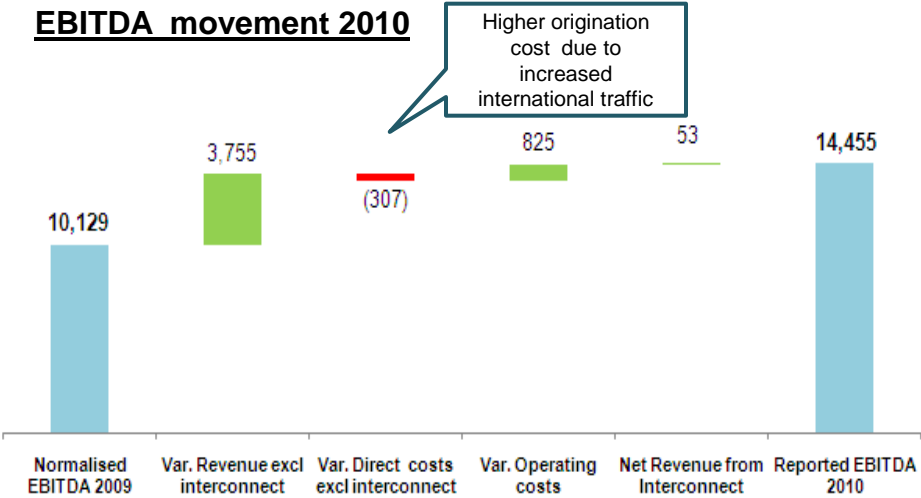
EBITDA Margin Movement 2009 to 2010



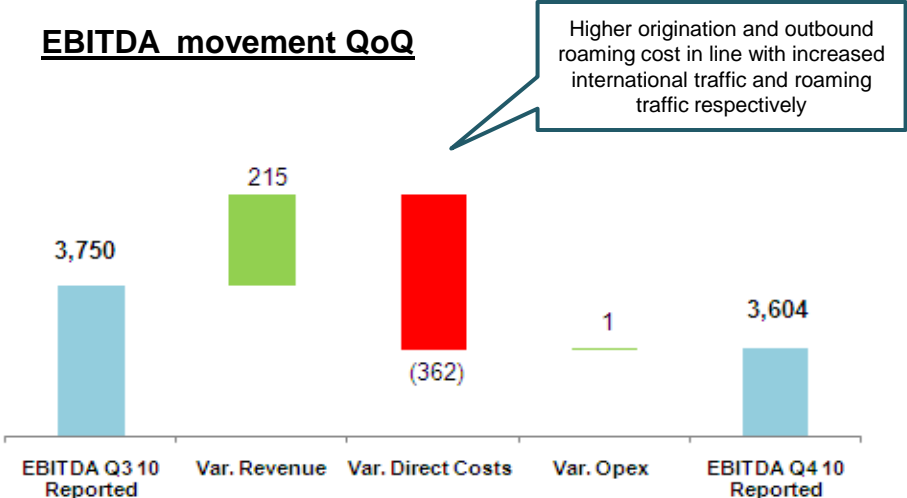
* 2010 reported performance has been compared against normalised performance in 2009

Improvement in EBITDA & NPAT

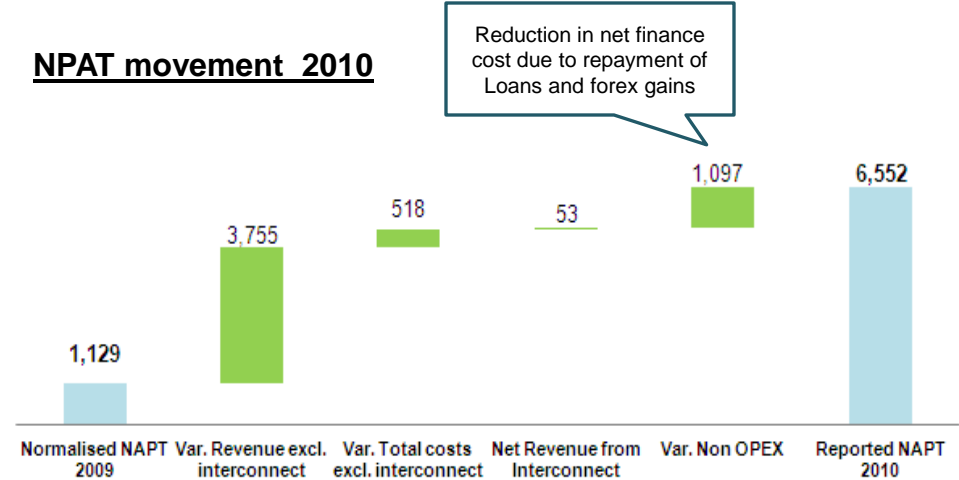
EBITDA movement 2010



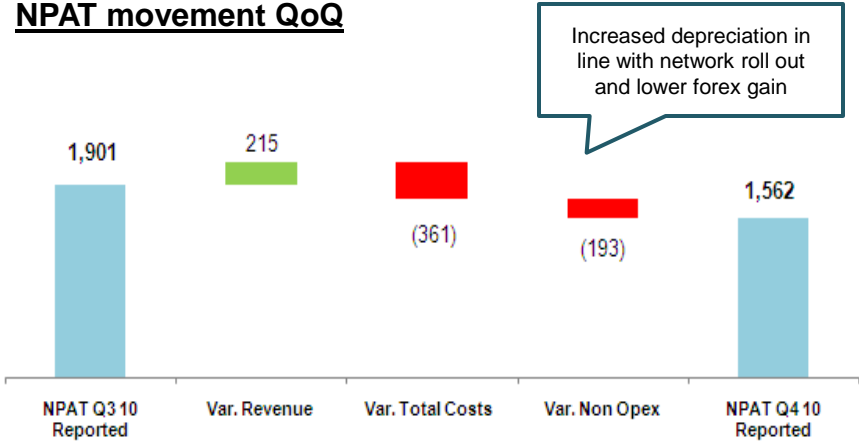
EBITDA movement QoQ



NPAT movement 2010

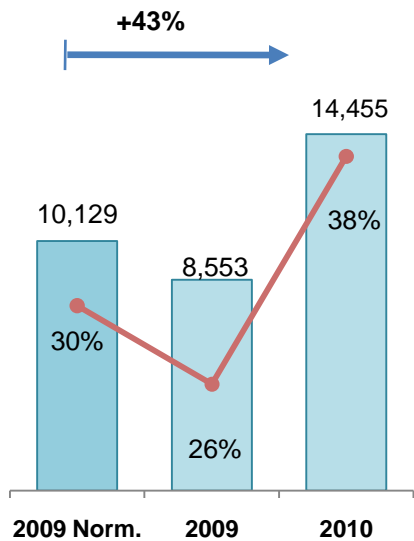
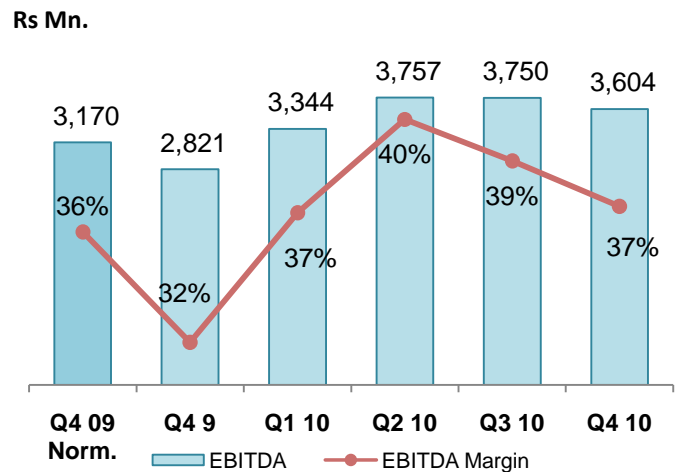


NPAT movement QoQ



Dialog Company – Performance Trends

EBITDA



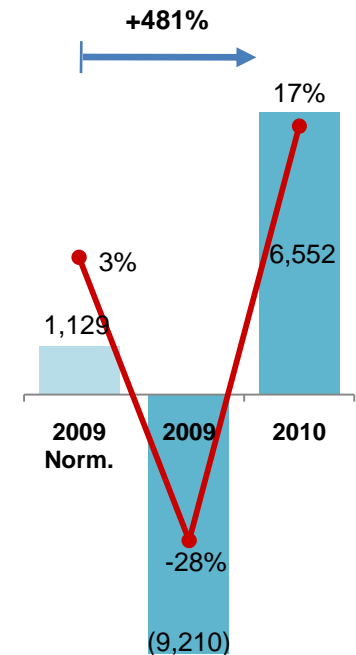
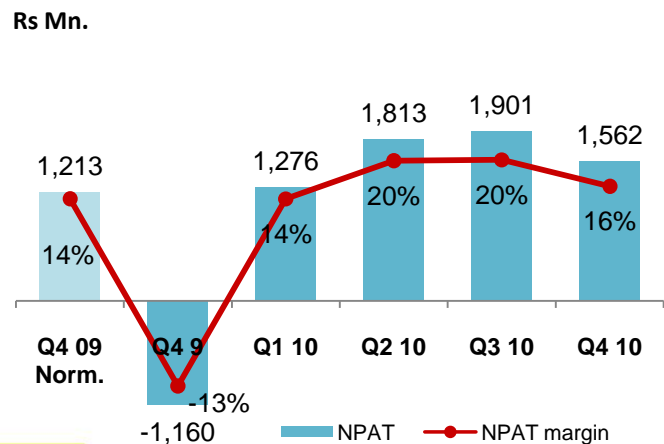
EBITDA margin **37%**

- **Up 1% pts** Vs Q4 09 (Norm)
down 2% pts Vs. Q3 10
- EBITDA **growth of 43% YoY**

NPAT margin **16%**

- **Up 2% pts** Vs Q4 09 (Norm)

NPAT



Dialog Broadband Networks (DBN) (Fixed Telephony and Broadband Services)

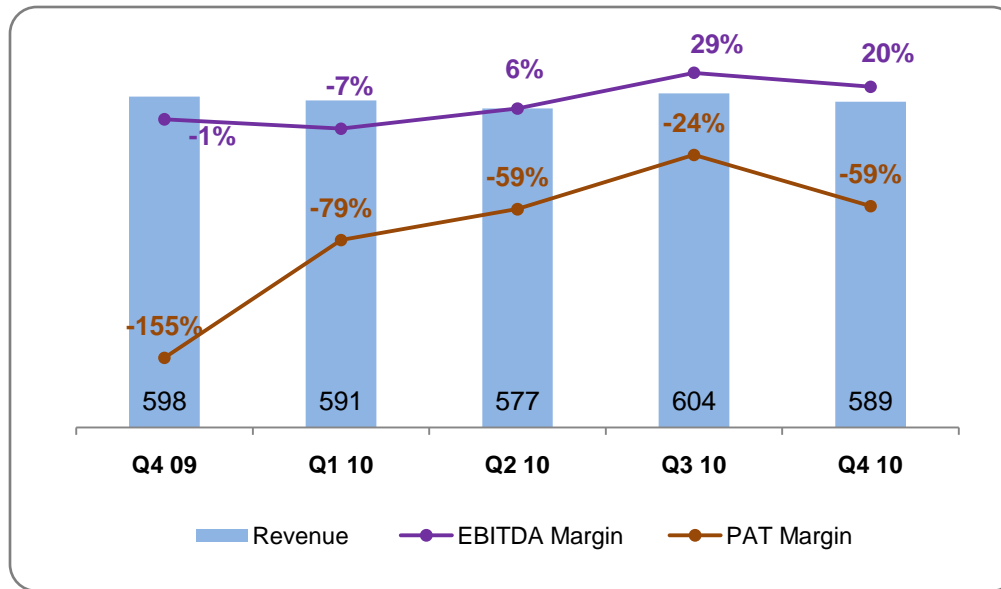
- **Strong YoY EBITDA growth** due to **cost rationalisation measures** undertaken
- Q4 EBITDA and NPAT margins impacted by;
 - ✓ Exceptional provision of Rs. 100Mn w.r.t. accumulated VAT balances
 - ✓ Accelerated depreciation on CDMA and WiMAX Networks

(All figures in Rs. Mn.)	Q4 10	QoQ change	Q4 10 Vs. Q4 09	2010	YoY change
Revenue	589	2 %	1%	2,360	1%
EBITDA	119	32%	>1000%	285	169%
<i>EBITDA Margin</i>	<i>20%</i>	9pp	21pp	<i>12%</i>	30pp
NPAT	(348)	139%	62%	(1,300)	50%
CDMA & Broadband Subscribers	195,648	6%	YOY change		11,647

Fixed Business - Focus on Cost Management Driven EBITDA Recovery

Strategic Focus

- ✓ ARPU/Customer profitability focused sales strategy
- ✓ Segment focus on SMEs and Enterprises
- ✓ Aggressive cost rescaling initiatives targeted at reducing non value adding costs



Dialog Television (DTV)

DTV: P&L Highlights

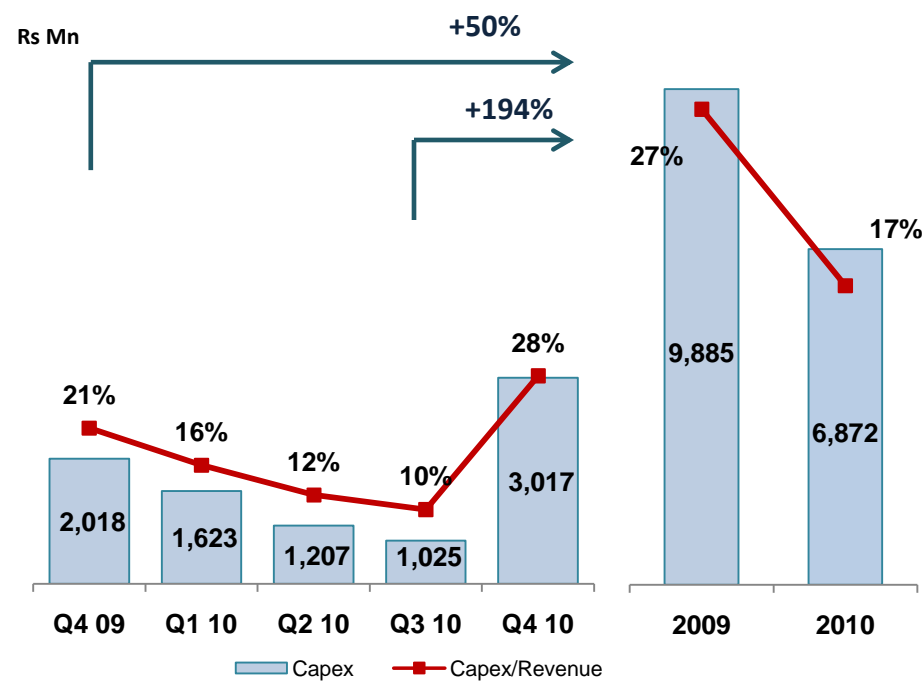
- ✓ Revenue improved by 23% YoY due to
 - Increase in subscription revenue driven by 13% growth in subscribers
 - Increase in connection fees
- ✓ 4th consecutive quarter of EBITDA growth
- ✓ NPAT positive in Q4 2010 due to a one-off reversals effected in the last quarter of the FY

(All figures in Rs. Mn.)	Q4 10	QoQ change	Q4 10 Vs. Q4 09	2010	YoY change
Revenue	503	1%	11%	2,023	23%
EBITDA	209	159%	>1000%	343	243%
<i>EBITDA Margin</i>	<i>42%</i>	26pp	43pp	<i>17%</i>	32pp
NPAT	74	262%	156%	(154)	80%

Dialog Group - Balance Sheet KPIs

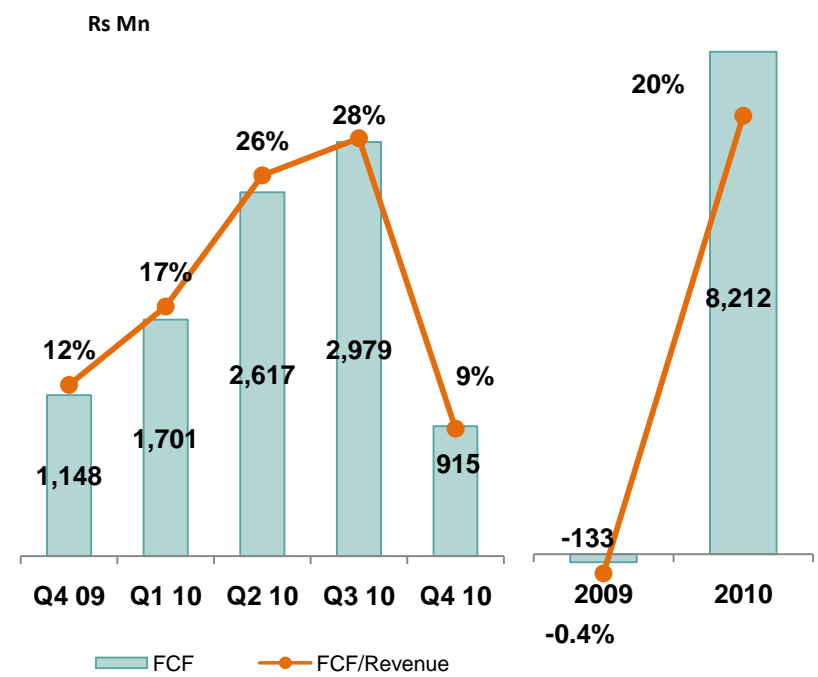
Focused Capex Spending and Robust Free Cash Flow

Capex*



- Group capex increased in Q4 2010 due to acceleration of network build out
- Drop in YoY capex due to focused capex spending

Free cash Flow (FCF)**



Lower free cash flow in Q4 10 due to increased capex spending

* Capex - Additions to PPE & CWIP excl. Rs1.1 Bn. VAT adjustment on capex for DBN
** FCF = EBITDA – Capex



Dialog Group - Movement of outstanding borrowings QoQ

Lending Institution	Type of Loan	Currency	Facility Amount Mn.	Q4'09	Outstanding Mn.				Maturity as at 31 Dec 2010	
					Q1'10	Q2'10	Q3 '10	Q4 '10	Less than One year	More than one year
RCRPS Investors **	Preference Shares	LKR	5,000	3,750	3,750	2,500	2,500	2,500	1,250	1,250
Axiata	Advance	LKR	3,724	3,724	3,724	3,724	3,724	3,724	0	3,724
Axiata	Advance	USD	47.5	47.5	47.5	47.5	47.5	37.5	0	37.5
HSBC	Short Term	LKR	700	400	0	0	0	0	0	0
SCB	Short Term	LKR	2,500	2,472	1,574	600	0	0	0	0
DFCC	Term	LKR	1,000	600	600	0	0	0	0	0
OCBC	Term	USD	100	125	125	135	135	135	25.3	109.7
Total Company Debt Rs Mn.			12,924	10,946	9,648	7,715	6,224	6,224	1,250	4,974
USD Mn.			247.5	172.5	172.5	182.5	182.5	172.5	25.3	147.2
Total DBN Debt Rs Mn.			2,450	1,459	951	170	0	0	0	0
Total Group Debt Rs Mn.			15,374	12,405	10,599	7,885	6,224	6,224	1,250	4,974
USD Mn			247.5	172.5	172.5	182.5	182.5	172.5	25.3	147.2

During Q4 2010 settled USD 10Mn of Axiata advances

Dialog Group Balance Sheet - KPI Movements QoQ

Dialog Group Balance Sheet Recovery

(All figures in Rs. Mn.) except for ratio's	Q4 09	Q4 09	Q1 10	Q2 10	Q4 10	Trend
Gross Debt Position*	33,334	31,421	28,520	27,557	27,636	↑
Gross Debt to EBITDA**	2.63	2.36	1.86	1.72	1.76	↔
Net Debt to EBITDA**	2.21	2.12	1.63	1.47	1.41	↓
FCF to Debt	3%	5%	9%	11%	3%	↓
Current Ratio	0.76	0.80	0.83	0.93	0.88	↓

- \$10Mn of the Axiata interest free loan repaid in Q4 2010 whilst \$41Mn. of high interest local debts were redeemed in Q2 and Q3 2010
- Achieved an investment grade balance sheet

* Borrowings excluding negative cash balances

** Annualized EBITDA = 4 times of quarterly EBITDA

SRI LANKA'S DIALOG TRADENET AMONG 8 WORLD SUMMIT AWARD WINNERS



الفائز بجائزة القمة العالمية م. التمكن لعام 2010
Winner of the WSA m-Inclusion & Empowerment 2010

▪ Group delivered strong performance in terms of EBITDA and NPAT YoY

- ✓ NPAT grew by 535% YoY to Rs. 5.0Bn
- ✓ EBITDA grew by 55% YoY to Rs. 15.1Bn

▪ Company revenues up 14% YoY and 2% QoQ

- ✓ Growth in Mobile Voice/VAS
- ✓ Mobile Broadband
- ✓ Global and Tele-Infrastructure businesses

▪ Strong subscriber growth YoY

- ✓ Mobile subscribers increase by 7%
- ✓ CDMA & Broadband subscribers increase by 6%
- ✓ DTV subscribers increase by 13%

▪ Proposed Dividend FY2010

- ✓ **Cash dividend to ordinary shareholders of 20 Cents (Rs. 0.20) per share totaling to Rs. 1.6Bn.** The said dividend would be **exempt from tax** in the hands of the shareholders.

▪ Awards & recognition

- ✓ **At the World Summit Awards (WSA) held in Abu Dhabi UAE Tradenet powered by Dialog Axiata wins Gold** in the Mobile-Inclusion and Empowerment Category.

Thank You