

**Independent auditors' review report**

**To the Directors of Dialog Telekom Plc**

We have reviewed the accompanying balance sheet of Dialog Telekom Plc and its subsidiaries as at 30 September 2009, and the related statements of income and cash flows for the period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Sri Lanka Auditing Practice Statement on Audit applicable to review engagements. This guidance requires that we plan and perform the review to obtain moderate assurances as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects in accordance with Sri Lanka Accounting Standards.

10 November 2009  
COLOMBO

  
CHARTERED ACCOUNTANTS

# DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

## Balance sheet

(all amounts in Sri Lanka Rupees thousands)

	30 September 2009		31 December 2008	
	Group	Company	Group	Company
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	58,684,621	50,308,909	64,698,584	56,718,021
Intangible assets	3,951,527	1,473,034	3,901,887	1,337,747
Investments in subsidiaries	Nil	8,826,010	Nil	8,826,010
Other investments	29,000	29,000	16,000	16,000
Amount due from subsidiaries	Nil	6,044,597	Nil	2,779,612
	62,665,148	66,681,550	68,616,471	69,677,390
<b>Current assets</b>				
Inventories	378,178	374,874	655,957	646,601
Trade and other receivables	10,252,980	7,592,421	10,742,903	8,308,351
Cash and cash equivalents	2,075,664	1,932,642	1,645,866	1,544,735
	12,706,822	9,899,937	13,044,726	10,499,687
<b>Total assets</b>	<b>75,371,970</b>	<b>76,581,487</b>	<b>81,661,197</b>	<b>80,177,077</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the company</b>				
Stated capital	31,806,113	31,806,113	32,556,113	32,556,113
ESOS Trust shares	(1,990,921)	(1,990,921)	(1,990,921)	(1,990,921)
Dividend reserve - ESOS	260,067	260,067	260,067	260,067
Revaluation reserve	19,566	19,566	19,913	19,913
Retained earnings	224,928	5,735,628	10,964,118	14,549,916
	<b>30,319,753</b>	<b>35,830,453</b>	<b>41,809,290</b>	<b>45,395,088</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	22,198,308	21,404,338	8,828,439	7,818,455
Deferred tax liability	999,303	996,915	607,437	605,992
Retirement benefit obligations	184,220	166,023	205,069	187,378
Provision for other liabilities	495,471	495,472	194,924	194,924
	23,877,302	23,062,748	9,835,869	8,806,749
<b>Current liabilities</b>				
Trade and other payables	14,099,996	11,767,933	11,060,739	8,464,849
Current income tax liabilities	62,355	59,590	60,506	59,590
Borrowings	7,012,564	5,860,763	18,894,793	17,450,801
	21,174,915	17,688,286	30,016,038	25,975,240
<b>Total liabilities</b>	<b>45,052,217</b>	<b>40,751,034</b>	<b>39,851,907</b>	<b>34,781,989</b>
<b>Total equity and liabilities</b>	<b>75,371,970</b>	<b>76,581,487</b>	<b>81,661,197</b>	<b>80,177,077</b>
<b>Net assets per share</b>				
	<b>3.72</b>	<b>4.40</b>	<b>5.13</b>	<b>5.57</b>

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board of Directors on 10 November 2009.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Signed

.....  
**Dr. S.S.H.Wijayasuriya**  
**Director/Group Chief Executive**

Signed

.....  
**M.R.Prelis**  
**Director**

Signed

.....  
**Vipula Gunatilleka**  
**Group Chief Financial Officer**

# DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

## Income statement

(all amounts in Sri Lanka Rupees thousands)

	Nine months ended 30 September 2009		Nine months ended 30 September 2008	
	Group	Company	Group	Company
Revenue	26,199,818	23,802,852	27,480,008	25,155,619
Direct costs	(16,333,488)	(14,359,295)	(13,821,353)	(12,220,077)
Gross margin	9,866,330	9,443,557	13,658,655	12,935,542
Other operating income	432,024	570,753	124,064	222,282
Administrative expenses	(13,580,149)	(12,291,764)	(6,798,010)	(5,413,519)
Distribution costs	(4,805,213)	(4,297,597)	(4,841,777)	(4,322,480)
Operating (loss) / profit	(8,087,008)	(6,575,051)	2,142,932	3,421,825
Finance costs	(1,495,034)	(1,084,886)	(744,953)	(542,536)
(Loss) / profit before tax	(9,582,042)	(7,659,937)	1,397,979	2,879,289
Tax	(393,187)	(390,391)	(366,978)	(346,926)
<b>(Loss) / profit for the period</b>	<b>(9,975,229)</b>	<b>(8,050,328)</b>	<b>1,031,001</b>	<b>2,532,363</b>
(Loss) / earnings per share for (loss) / profit attributable to the equity holders of the Company for the period (expressed in Rs per share)				
- Basic	(1.34)	(1.10)	0.13	0.32
- Diluted	(1.35)	(1.11)	0.13	0.32

# DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

## Income statement

(all amounts in Sri Lanka Rupees thousands)

	Three months ended 30 September 2009		Three months ended 30 September 2008	
	Group	Company	Group	Company
Revenue	8,945,163	8,125,382	9,372,270	8,589,519
Direct costs	(5,399,581)	(4,780,418)	(5,194,660)	(4,599,700)
Gross margin	3,545,582	3,344,964	4,177,610	3,989,819
Other operating income	169,978	218,710	50,814	84,301
Administrative expenses	(2,140,435)	(1,551,518)	(2,223,466)	(1,752,783)
Distribution costs	(1,594,383)	(1,391,706)	(1,689,360)	(1,523,774)
Operating (loss) / profit	(19,258)	620,450	315,598	797,563
Finance costs	(287,951)	(176,848)	(340,265)	(260,195)
(Loss) / profit before tax	(307,209)	443,602	(24,667)	537,368
Tax	(131,692)	(130,435)	(167,792)	(160,592)
<b>(Loss) / profit for the period</b>	<b>(438,901)</b>	<b>313,167</b>	<b>(192,459)</b>	<b>376,776</b>
(Loss) / earnings per share for (loss) / profit attributable to the equity holders of the Company for the period (expressed in Rs per share)				
- Basic	(0.07)	0.02	(0.02)	0.05
- Diluted	(0.07)	0.02	(0.02)	0.05

## DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

### Statement of changes in equity

(all amounts in Sri Lanka Rupees thousands)

#### Group

	Note	Stated capital	Shares in ESOS trust	Dividend reserve	Revaluation reserve	Retained earnings	Total
<b>Balance at 1 January 2008</b>							
As previously reported		33,056,413	(2,000,439)	172,722	20,377	19,096,588	50,345,661
Prior year adjustment	6	Nil	Nil	Nil	Nil	(60,306)	(60,306)
<b>As restated</b>		<b>33,056,413</b>	<b>(2,000,439)</b>	<b>172,722</b>	<b>20,377</b>	<b>19,036,282</b>	<b>50,285,355</b>
Net profit		Nil	Nil	Nil	Nil	1,642,975	1,642,975
Change in revenue recognition policy of subsidiary	6	Nil	Nil	Nil	Nil	(611,974)	(611,974)
Redemption of preference shares		(500,000)	Nil	Nil	Nil	Nil	(500,000)
Legal fee on issue of shares		(300)	Nil	Nil	Nil	Nil	(300)
Depreciation transfer		Nil	Nil	Nil	(348)	348	Nil
Dividend paid to ordinary shareholders		Nil	Nil	Nil	Nil	(4,479,078)	(4,479,078)
Dividend received ESOS		Nil	Nil	87,345	Nil	Nil	87,345
Dividend to rated cumulative redeemable preference shareholders		Nil	Nil	Nil	Nil	(303,717)	(303,717)
Shares exercised - ESOS		Nil	9,518	Nil	Nil	Nil	9,518
<b>Balance at 30 September 2008</b>		<b>32,556,113</b>	<b>(1,990,921)</b>	<b>260,067</b>	<b>20,029</b>	<b>15,284,836</b>	<b>46,130,124</b>
Balance at 1 October 2008		32,556,113	(1,990,921)	260,067	20,029	15,284,836	46,130,124
Net loss		Nil	Nil	Nil	Nil	(3,910,342)	(3,910,342)
Dividend to rated cumulative redeemable preference shareholders		Nil	Nil	Nil	Nil	(410,492)	(410,492)
Depreciation transfer		Nil	Nil	Nil	(116)	116	Nil
Shares exercised - ESOS		Nil	Nil	Nil	Nil	Nil	-
<b>Balance at 31 December 2008</b>		<b>32,556,113</b>	<b>(1,990,921)</b>	<b>260,067</b>	<b>19,913</b>	<b>10,964,118</b>	<b>41,809,290</b>
Balance at 1 January 2009		32,556,113	(1,990,921)	260,067	19,913	10,964,118	41,809,290
Net loss		Nil	Nil	Nil	Nil	(9,975,229)	(9,975,229)
Redemption of preference shares		(750,000)	Nil	Nil	Nil	Nil	(750,000)
Depreciation transfer		Nil	Nil	Nil	(347)	347	Nil
Dividend to rated cumulative redeemable preference shareholders		Nil	Nil	Nil	Nil	(764,308)	(764,308)
<b>Balance at 30 September 2009</b>		<b>31,806,113</b>	<b>(1,990,921)</b>	<b>260,067</b>	<b>19,566</b>	<b>224,928</b>	<b>30,319,753</b>

The notes on pages 7 to 11 form an integral part of these financial statements.

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## DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

### Statement of changes in equity

(all amounts in Sri Lanka Rupees thousands)

#### Company

	Stated capital	Shares in ESOS trust	Dividend reserve	Revaluation reserve	Retained earnings	Total
<b>Balance at 1 January 2008</b>	33,056,413	(2,000,439)	172,722	20,377	20,130,681	51,379,754
Net profit	Nil	Nil	Nil	Nil	2,532,363	2,532,363
Redemption of preference shares	(500,000)	Nil	Nil	Nil	Nil	(500,000)
Legal fee on Issue of shares	(300)	Nil	Nil	Nil	Nil	(300)
Depreciation transfer	Nil	Nil	Nil	(348)	348	Nil
Dividend paid to ordinary shareholders	Nil	Nil	Nil	Nil	(4,479,078)	(4,479,078)
Dividend to rated cumulative redeemable preference shareholders	Nil	Nil	Nil	Nil	(303,717)	(303,717)
Dividend received - ESOS	Nil	Nil	87,345	Nil	Nil	87,345
Shares exercised - ESOS	Nil	9,518	Nil	Nil	Nil	9,518
<b>Balance at 30 September 2008</b>	<b>32,556,113</b>	<b>(1,990,921)</b>	<b>260,067</b>	<b>20,029</b>	<b>17,880,597</b>	<b>48,725,885</b>
Balance at 1 October 2008	32,556,113	(1,990,921)	260,067	20,029	17,880,597	48,725,885
Net loss	Nil	Nil	Nil	Nil	(2,920,305)	(2,920,305)
Dividend to rated cumulative redeemable preference shareholders	Nil	Nil	Nil	Nil	(410,492)	(410,492)
Depreciation transfer	Nil	Nil	Nil	(116)	116	Nil
Shares exercised - ESOS	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance at 31 December 2008</b>	<b>32,556,113</b>	<b>(1,990,921)</b>	<b>260,067</b>	<b>19,913</b>	<b>14,549,916</b>	<b>45,395,088</b>
Balance at 1 January 2009	32,556,113	(1,990,921)	260,067	19,913	14,549,916	45,395,088
Net loss	Nil	Nil	Nil	Nil	(8,050,328)	(8,050,328)
Redemption of preference shares	(750,000)	Nil	Nil	Nil	Nil	(750,000)
Depreciation transfer	Nil	Nil	Nil	(347)	347	Nil
Dividend to rated cumulative redeemable preference shareholders	Nil	Nil	Nil	Nil	(764,307)	(764,307)
<b>Balance at 30 September 2009</b>	<b>31,806,113</b>	<b>(1,990,921)</b>	<b>260,067</b>	<b>19,566</b>	<b>5,735,628</b>	<b>35,830,453</b>

The notes on pages 7 to 11 form an integral part of these financial statements.

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# DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

## Cash flow statement

(all amounts in Sri Lanka Rupees thousands)

	Nine months ended 30 September 2009		Nine months ended 30 September 2008	
	Group	Company	Group	Company
<b>Cash flows from operating activities</b>				
Cash generated from operations	9,578,680	10,060,580	3,912,955	4,134,896
Interest received	87,966	85,994	67,171	67,076
Interest paid	(1,379,178)	(1,009,441)	(601,979)	(418,621)
Tax refund / ESC paid	(54,145)	(54,140)	(45,139)	(45,138)
Retirement benefit obligations paid	(43,514)	(40,480)	(3,600)	(3,473)
<b>Net cash generated from operating activities</b>	<b>8,189,809</b>	<b>9,042,513</b>	<b>3,329,408</b>	<b>3,734,740</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(66,303)	(64,632)	(400,656)	(156,976)
Purchases of intangible assets	(14,583)	(14,583)	(67,709)	(52,159)
Amount given to subsidiaries	Nil	(3,153,012)	Nil	(2,446,427)
Investment installment to SLINTEC	(13,000)	(13,000)	(16,000)	(16,000)
Expenditure incurred on capital work-in-progress	(7,690,665)	(5,936,934)	(17,780,963)	(14,930,247)
Proceeds from sale of property, plant and equipment	19,946	9,671	18,150	11,167
<b>Net cash used in investing activities</b>	<b>(7,764,605)</b>	<b>(9,172,490)</b>	<b>(18,247,178)</b>	<b>(17,590,642)</b>
<b>Cash flows from financing activities</b>				
Proceeds from treasury shares - ESOS	Nil	Nil	9,212	9,212
Legal fee on issuing of preference shares	Nil	Nil	(300)	(300)
Redemption of rated cumulative redeemable preference shares	(750,000)	(750,000)	(500,000)	(500,000)
Repayment of finance leases	(38,364)	(15,903)	(40,739)	(13,039)
Repayment of borrowings	(18,180,638)	(17,337,068)	(6,689,534)	(5,165,384)
Proceeds from borrowings	20,407,320	19,989,839	20,337,063	18,420,537
Dividend received - ESOS	Nil	Nil	87,345	87,345
Dividend paid - ordinary shares	Nil	Nil	(4,479,078)	(4,479,078)
Dividend - rated cumulative redeemable preference shares	(459,369)	(459,369)	(303,717)	(303,717)
<b>Net cash generated from financing activities</b>	<b>978,949</b>	<b>1,427,499</b>	<b>8,420,252</b>	<b>8,055,576</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,404,153</b>	<b>1,297,522</b>	<b>(6,497,518)</b>	<b>(5,800,326)</b>
<b>Movement in cash and cash equivalents</b>				
At start of year	(1,048,285)	(852,073)	6,092,069	6,062,156
Increase / (decrease)	1,404,153	1,297,522	(6,497,518)	(5,800,326)
Exchange gains / (losses) on cash and bank overdrafts	132,039	132,039	(45,520)	(45,520)
<b>At end of period</b>	<b>487,907</b>	<b>577,488</b>	<b>(450,969)</b>	<b>216,310</b>

# DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

## Notes to the financial statements

(all amounts in Sri Lanka Rupees thousands unless otherwise stated)

### 1 General information

Dialog Telekom PLC (the "Company") and its subsidiaries (together "the Group") provide Communication (Mobile, Internet, International, Data and Backbone, Fixed wireless and Transmission infrastructure) and Media related services.

Dialog Telekom PLC is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company is located at No. 475, Union Place, Colombo 2.

Issued ordinary shares of the Company have been listed on the Colombo Stock Exchange since 28 July 2005.

### 2 Basis of preparation

The condensed interim consolidated financial information of Dialog Telekom PLC for the period ended 30 September 2009 has been prepared in accordance with Sri Lanka Accounting Standard 35 "Interim Financial Reporting". The interim consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008.

### 3 Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2008.



## DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

### Notes to the financial statements

(all amounts in Sri Lanka Rupees thousands unless otherwise stated)

#### 4 Segment information

##### (a) Primary reporting format - business segments

o The segment results for the period ended 30 September 2009 are as follows:

	Cellular Operations	Global Operations	Fixed Telephony & Data	ISP	Transmission & Infrastructure	Entertainment & Media	Group
Total segmental revenue	23,577,260	8,000,005	999,012	266,053	485,876	1,182,995	34,511,201
Inter-segment revenue	(5,194,232)	(2,866,425)	(77,493)	(16,553)	(146,630)	(10,050)	(8,311,383)
Revenue from external customers	<b>18,383,028</b>	<b>5,133,580</b>	<b>921,519</b>	<b>249,500</b>	<b>339,246</b>	<b>1,172,945</b>	<b>26,199,818</b>
Operating (loss) / profit segment results	(7,983,084)	1,818,354	(694,305)	(220,532)	(435,920)	(571,521)	(8,087,008)
Finance income							90,755
Finance costs							(1,585,789)
Finance costs - net							(1,495,034)
Loss before income tax							(9,582,042)
Income tax expense							(393,187)
Loss for the period							<b>(9,975,229)</b>

o Other segment items included in the income statement are as follows:

	Cellular Operations	Global Operations	Fixed Telephony & Data	ISP	Transmission & Infrastructure	Entertainment & Media	Group
Depreciation / impairment	11,912,051	88,711	595,768	50,487	214,974	327,484	<b>13,189,475</b>
Amortization	342,756	53,985	85,416	4,125	4,368	6,173	<b>496,823</b>
Voluntary retirement scheme	323,562	7,175	13,148	4,655	3,330	2,885	<b>354,755</b>

o The segment assets and liabilities at 30 September 2009 and capital expenditure for the period then ended are as follows:

	Cellular Operations	Global Operations	Fixed Telephony & Data	ISP	Transmission & Infrastructure	Entertainment & Media	Unallocated	Group
Assets	52,282,810	9,432,730	3,425,266	84,767	4,370,738	3,035,273	2,740,386	<b>75,371,970</b>
Liabilities	7,619,608	4,749,998	244,257	122,468	793,581	926,752	30,595,553	<b>45,052,217</b>
Capital expenditure	5,658,399	510,142	483,004	Nil	846,054	360,558	8,972	<b>7,867,129</b>

## DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

### Notes to the financial statements

(all amounts in Sri Lanka Rupees thousands unless otherwise stated)

#### 4 Segment information (Contd)

##### (a) Primary reporting format - business segments (Contd)

##### o The segment results for the period ended 30 September 2008 are as follows:

	Cellular Operations	Global Operations	Fixed Telephony & Data	ISP	Transmission & Infrastructure	Entertainment & Media	Group
Total segmental revenue	24,033,437	5,971,529	1,178,179	163,416	493,541	925,677	32,765,779
Inter-segment revenue	(2,371,796)	(2,691,935)	(67,621)	Nil	(142,620)	(11,799)	(5,285,771)
Revenue from external customers	<b>21,661,641</b>	<b>3,279,594</b>	<b>1,110,558</b>	<b>163,416</b>	<b>350,921</b>	<b>913,878</b>	<b>27,480,008</b>
Operating profit /(loss) segment results	1,973,959	1,447,865	(656,703)	(172,918)	64,290	(513,561)	2,142,932
Finance income							52,434
Finance costs							(797,387)
Finance costs - net							(744,953)
Profit before income tax							1,397,979
Income tax expense							(366,978)
Profit for the period							<b>1,031,001</b>

##### o Other segment items included in the income statement are as follows:

	Cellular Operations	Global Operations	Fixed Telephony & Data	ISP	Transmission & Infrastructure	Entertainment & Media	Group
Depreciation / impairment	4,002,203	40,505	743,496	9,573	60,310	127,389	<b>4,983,476</b>
Amortization	340,112	47,352	89,980	2,178	Nil	13,338	<b>492,960</b>

##### o The segment assets and liabilities at 31 December 2008 and capital expenditure for the year then ended are as follows:

	Cellular Operations	Global Operations	Fixed Telephony & Data	ISP	Transmission & Infrastructure	Entertainment & Media	Unallocated	Group
Assets	61,687,312	6,796,004	3,746,426	79,726	3,704,725	3,291,090	2,355,914	<b>81,661,197</b>
Liabilities	7,047,525	1,762,015	389,273	23,403	848,137	927,859	28,853,695	<b>39,851,907</b>
Capital expenditure	17,573,447	543,237	1,754,287	42,865	1,918,045	899,263	50,440	<b>22,781,584</b>

# DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

## Notes to the financial statements

(all amounts in Sri Lanka Rupees thousands unless otherwise stated)

### 5 Stated capital

Stated Capital of the Company consist of 8,143,778,405 ordinary shares and 3,750,000,000 rated cumulative redeemable preference shares.

### 6 Prior year adjustment

The policy followed by subsidiary in respect of revenue recognition was changed during the year ended 31 December 2008. The revenue which was previously recognized in full at the time of granting the connection is now recognized over the subscriber churn. This change in accounting policy has been accounted for as a prior year adjustment, in accordance with Sri Lanka Accounting Standard SLAS 10 – Accounting Policies, Changes in Accounting Estimates and Errors, by restating comparative figures and adjusting the opening balance of retained earnings. The change, in the opinion of the directors, is considered to give a fairer representation of the results for the period and the status of the assets and liabilities at the end of the period.

### 7 Impairment of Network equipments

Provision of Rs 6,031,620,039 has been made during the period ended 30 September 2009 on account of impairment of network assets due to network modernization program adopted by the Company.

### 8 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

### 9 Market price per share

For the three months ended 30 September

	2009	2008
- Highest	6.50	14.50
- Lowest	5.00	7.75
- Last traded	6.50	8.00

### 10 20 largest shareholders of the Company

Name of Shareholder	No. of Shares	% Holding
1 TM International (L) Limited	6,785,252,765	83.32%
2 HSBC Intl Nominees Ltd - BBH - Genesis Smaller Companies	191,221,640	2.35%
3 Dialog Telekom Employees ESOS Trust	158,572,462	1.95%
4 HSBC Intl Nominees Ltd - JPMCB - Emerging Markets Growth Fund	149,615,180	1.84%
5 HSBC Intl Nominees Ltd - JPMLU - Capital International Emerging Markets Fund	71,265,260	0.88%
6 Sri Lanka Insurance Corporation Limited - Life Fund	68,242,720	0.84%
7 HSBC Intl Nominees Ltd - SSBT - International Finance Corporation	64,086,800	0.79%
8 Citibank London s/a RBS ad DEP for FS Asia Pacific	56,724,300	0.70%
9 HSBC Intl Nominees Ltd - BBH - Genesis Emerging Markets Opportunity Fund	55,345,900	0.68%
10 Citibank London s/a RBS AS DEP for FS Global Emerging	44,909,600	0.55%
11 HSBC Intl Nominees Ltd - JPMCB - Scottish ORL SML TR GTI	42,207,500	0.52%
12 Employees Provident Fund	36,303,089	0.45%
13 HSBC Intl Nominees Ltd - SSBT - South Asia Portfolio	30,080,680	0.37%
14 Bank of Ceylon A/C Ceybank Unit Trust	26,103,400	0.32%
15 HSBC Intl Nominees Ltd - JPMCB - Coal Staff Superannuation TR	22,559,900	0.28%
16 Sri Lanka Insurance Corporation Limited - General Fund	21,120,360	0.26%
17 HSBC Intl Nominees Ltd - SSBT - Lloyds TSB Group Pension TR (No 1)	17,877,800	0.22%
18 Bank of New York - Stewart Ivory - Fifth Third Bank -OH	16,925,000	0.21%
19 BNY - CF Ruffer Investment Funds	16,214,300	0.20%
20 HSBC Intl Nominees Ltd - JPMCB - The Wellcome Trust Ltd	11,811,700	0.15%

### 11 Public shareholding

The percentage of public shareholding as at 30th September 2009 was 14.73% (14.73% as at 31 December 2008), calculated as per the listing rules of the Colombo Stock Exchange.

## DIALOG TELEKOM PLC AND ITS SUBSIDIARIES

### Notes to the financial statements

(all amounts in Sri Lanka Rupees thousands unless otherwise stated)

#### 12 Directors' Shareholdings

The details of shares held by the Directors and their spouses as at 30 September 2009 are as follows:

Dr Shridhir Sariputta Hansa Wijayasuriya	42,570
Mr. Moksevi Rasingh Prelis	18,480
Mr. Mohamed Vazir Muhsin	18,040

None of the Directors other than those disclosed above hold any shares in the Company.

#### 13 Contingencies

There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 December 2008.

#### 14 Events after the Balance sheet date

No circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the financial statements.