



Enriching Sri Lankan Lives

Dialog Axiata PLC

Sri Lanka's Premier Connectivity Provider

Q2 2014 RESULTS

8th August 2014

an axiata company



Dialog Group Performance

Dialog Axiata Company Performance

Subsidiary Performance

Dialog Group Performance Highlights – Q2 2014

- Q2 14 Group Revenue growth led by Mobile and Pay TV revenues
Group revenue at Rs16.7bn up by 2% QoQ and 7% YTD
- Group EBITDA at Rs5.3bn increased by 12% QoQ driven by higher revenue and cost improvement however EBITDA dropped by 1% on a YTD basis
- Group PAT at Rs1.7bn increased by 31% QoQ and 15% YTD on the back of higher EBITDA and favourable movement in forex
- Positive FCF of Rs2.5bn in Q2 for the second consecutive quarter, on the back of improved EBITDA and lower Capex spend
- Group continues to maintain structurally strong balance sheet with Net Debt/EBITDA at 1.20x as at end of June 2014
- Subsidiaries continue to consolidate performance
DBN - 17th consecutive quarter of positive EBITDA
DTV - Strong revenue growth, YTD revenue up 30%

Subscriber Growth Parameters

- Mobile subscriber base of 9.5Mn with 285k net adds during the quarter
- Continuous growth in Pay TV subscribers to reach 390k as at end June 2014

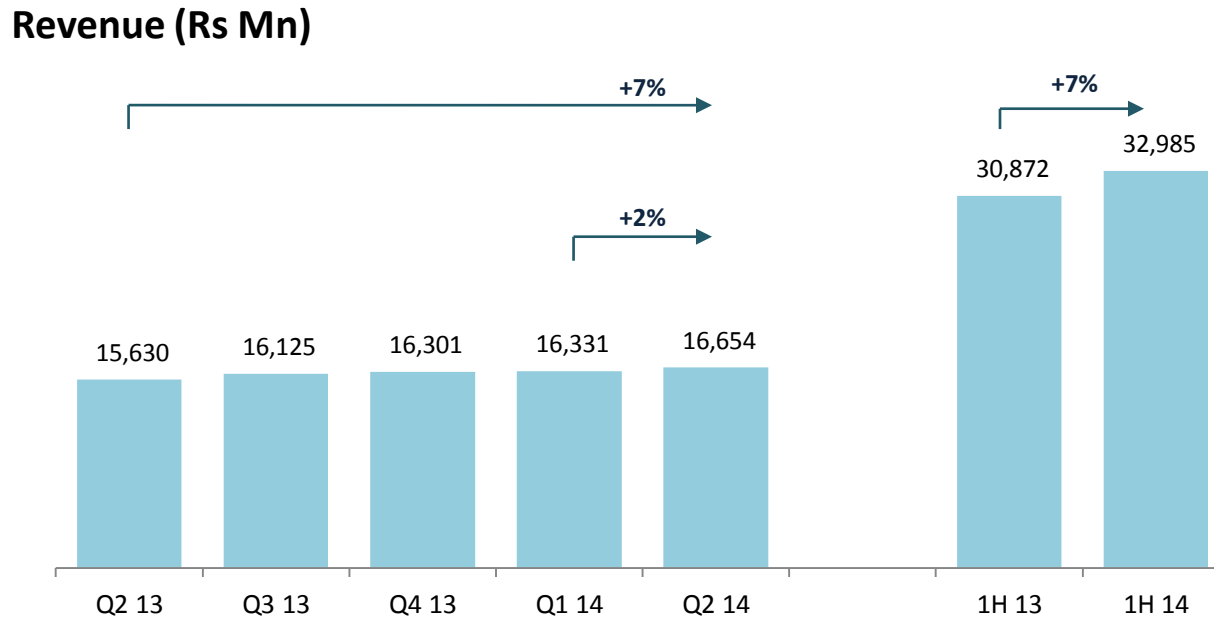


Group Financial Summary

(All figures in Rs Mn)	Q2 14	QoQ	1H 14	YTD
Revenue	16,654	2%	32,985	7%
EBITDA	5,250	12%	9,949	-1%
PAT	1,657	31%	2,926	15%
<i>EBITDA Margin</i>	31.5%	+2.7pp	30.2%	-2.3pp
<i>PAT Margin</i>	9.9%	+2.1pp	8.9%	+0.7pp
<i>ROIC</i>	11.1%	+4.1pp	9.2%	-3.5pp

All key financial matrices improved on a QoQ basis, YTD Profitability Growth on the back of 1H 13 being Impacted by Forex Losses

Group Revenue Continues its Growth Momentum, Increasing 2% QoQ and 7% YTD



Group revenue grew by 2% QoQ and 7% YTD

Mobile continued to be the main contributor to Group revenue (grew QoQ 2% and 11% YTD); Voice revenue grew by 1% QoQ and 5% YTD; Data revenue increased by 15% QoQ and 54% YTD

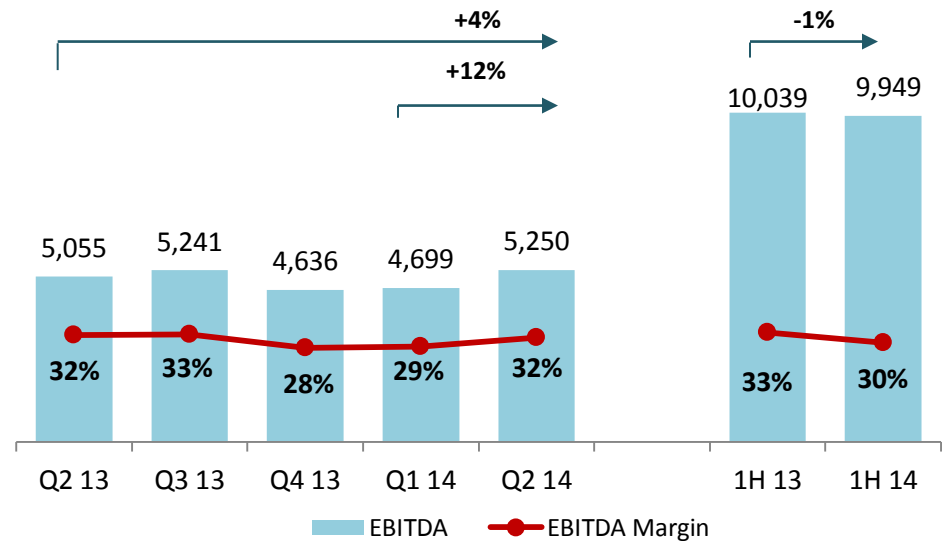
Declining termination revenue impacting International revenue; decline of 1% QoQ and 11% YTD

Television revenue grew 9% QoQ and 30% YTD on the back of strong subscriber growth

Moderate Fixed revenue growth; 3% QoQ and 5% YoY

Improvement in Profitability driven by Revenue Growth and Lower Operating Costs

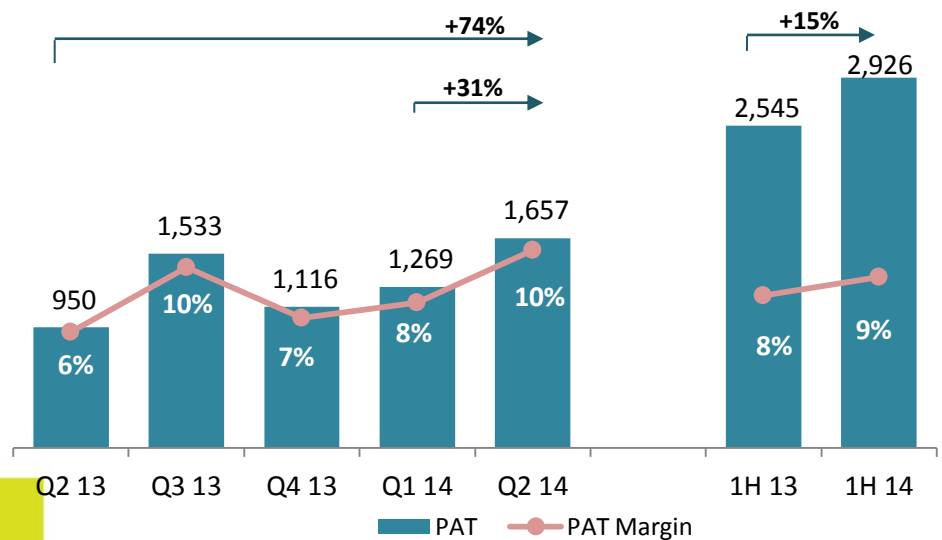
Group EBITDA (Rs Mn) & Margin (%)



EBITDA improvement driven by higher revenue and lower operating costs

YTD 13 EBITDA performance benefited from VAT credit of Rs340mn

Group PAT (Rs Mn) & Margin (%)



Group PAT registered strong growth on the back of higher EBITDA

Lower Total Cost driven by drop in Direct expenses, Network Opex and Overheads

Total Costs

% of Revenue	Q2 13	Q1 14	Q2 14	1H 13	1H 14
Direct expenses	29.9%	30.6%	27.0%	28.8%	28.8%
Sales & Marketing	11.7%	12.3%	13.0%	12.5%	12.7%
Network costs	12.5%	12.9%	12.3%	12.3%	12.6%
Staff costs	8.6%	8.7%	8.6%	8.8%	8.7%
Bad debts	1.0%	1.5%	2.6%	1.0%	2.0%
Overheads	4.0%	5.2%	5.1%	4.0%	5.0%
Total Cost	67.7%	71.3%	68.5%	67.5%	69.8%

Total cost to revenue improved by 2.8ppts QoQ; lower direct and network cost negated by higher bad debt provision and sales & marketing costs

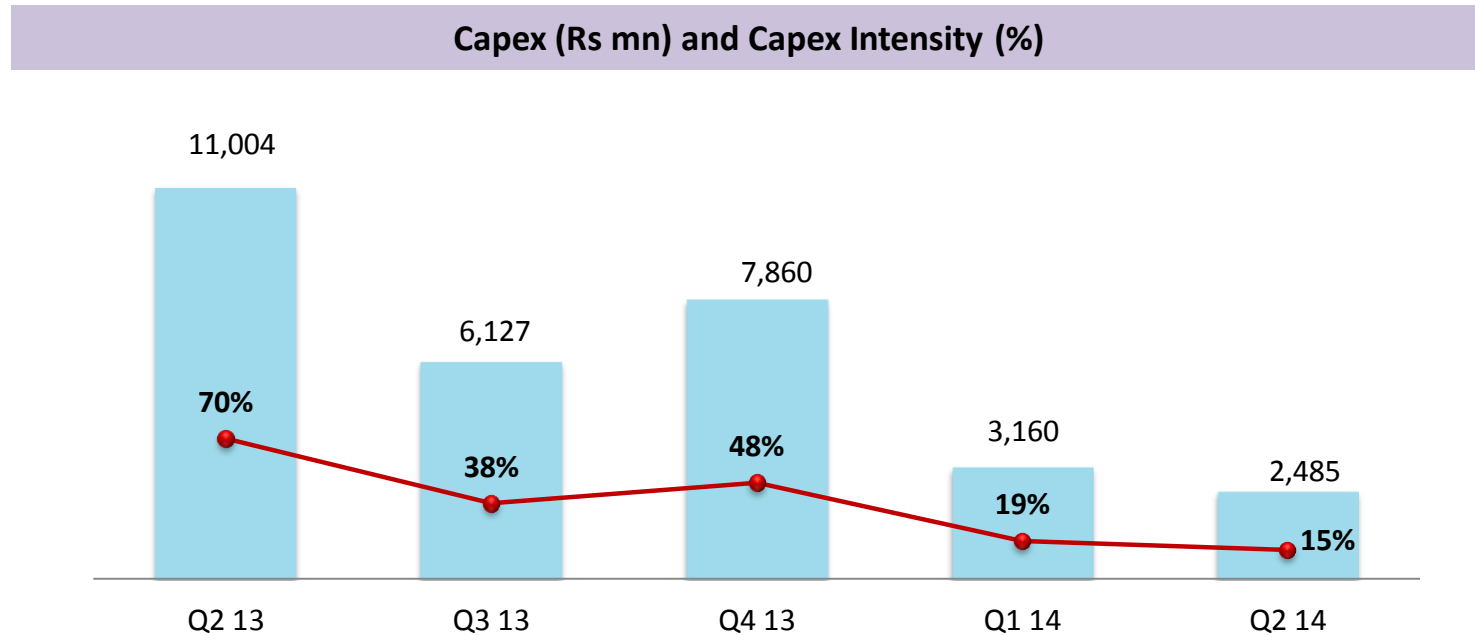
Higher total cost on a YTD basis largely due to increase in marketing spend, network cost, bad debt provision and 1H 13 benefited from VAT credit

Financial Position (Rs Mn)

	31 March 14	30 June 14
Cash & Cash Equivalents	3,517	4,936
Gross Debt *	27,635	27,576
Net Assets	40,987	40,273
Gross Debt / equity (x)	0.67	0.68
Gross Debt/ EBITDA (x)	1.48	1.39
Net Debt/ EBITDA (x)	1.39	1.20

Group maintains a structurally strong Balance sheet with Net debt to EBITDA ratio at 1.20x

Q2 2014 Capex of Rs2.5bn, capex intensity of 15%



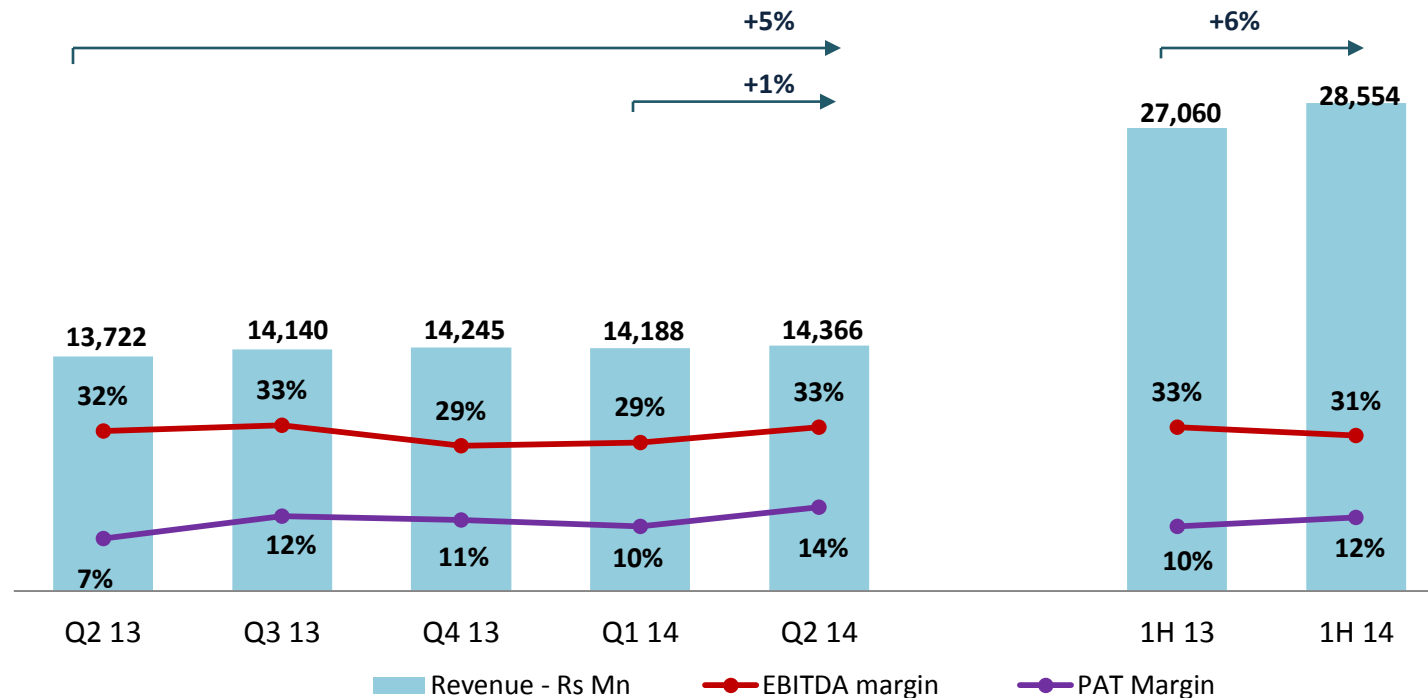
Capex focus on network coverage and capacity expansion alongside extension of the Group's Optical Fibre Network

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Dialog Axiata PLC (Company): Key Financial Highlights



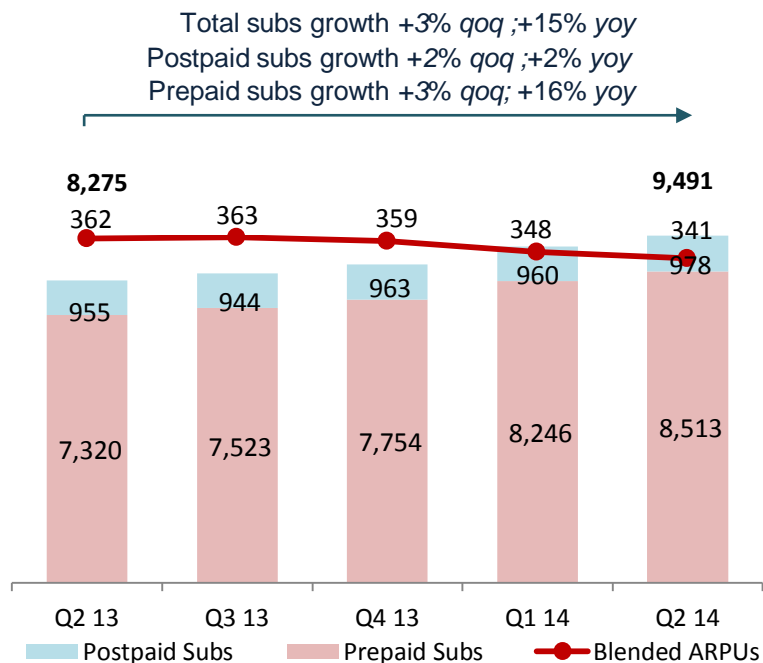
Revenue grew 1% QoQ and 6% YTD, driven by growth in voice and data revenue

Moderate revenue growth coupled with lower operating costs resulted in EBITDA margin improvement by 4ppts QoQ

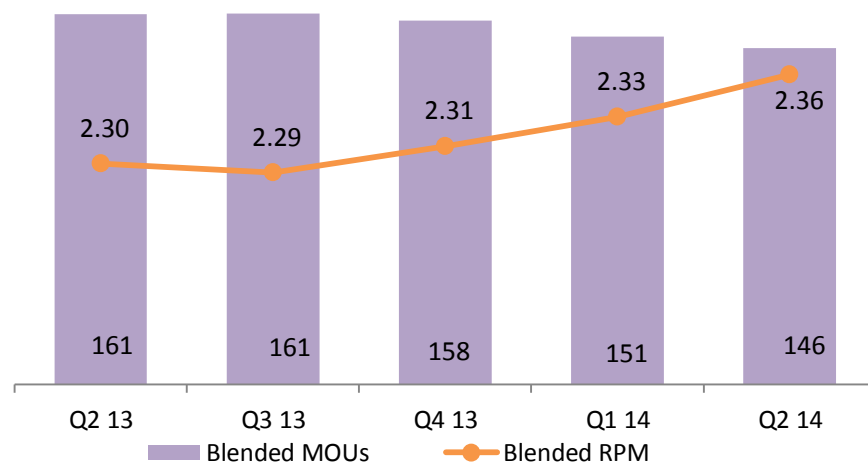
PAT increased on the back of higher EBITDA and lower depreciation; YTD NPAT growth aided by forex gain compared to a forex loss of Rs823mn in 1H of 2013

Mobile Subscriber Growth of 3% QoQ and 15% YoY

No of Subscribers'000



Blended MoU & RPM (Rs)



Prepaid segment driving the subscriber growth of 3% QoQ and 16% YoY

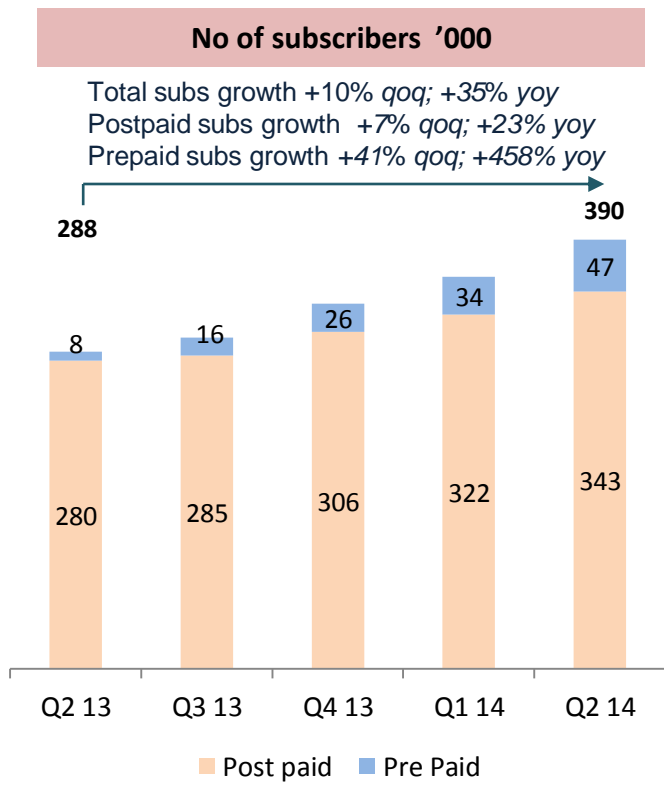
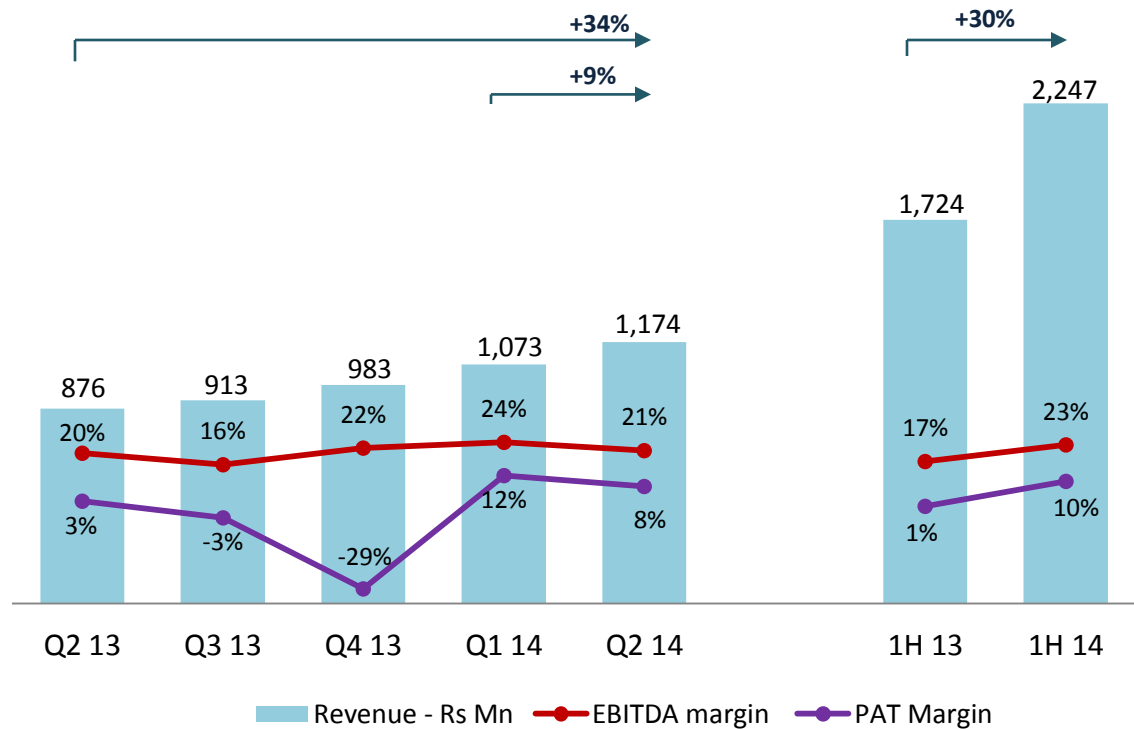
Marginal decline in MOUs and ARPUs QoQ

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Dialog Television : Key Financial Highlights



Strong revenue growth of 9% QoQ and 30% YTD on the back of strong subscriber growth

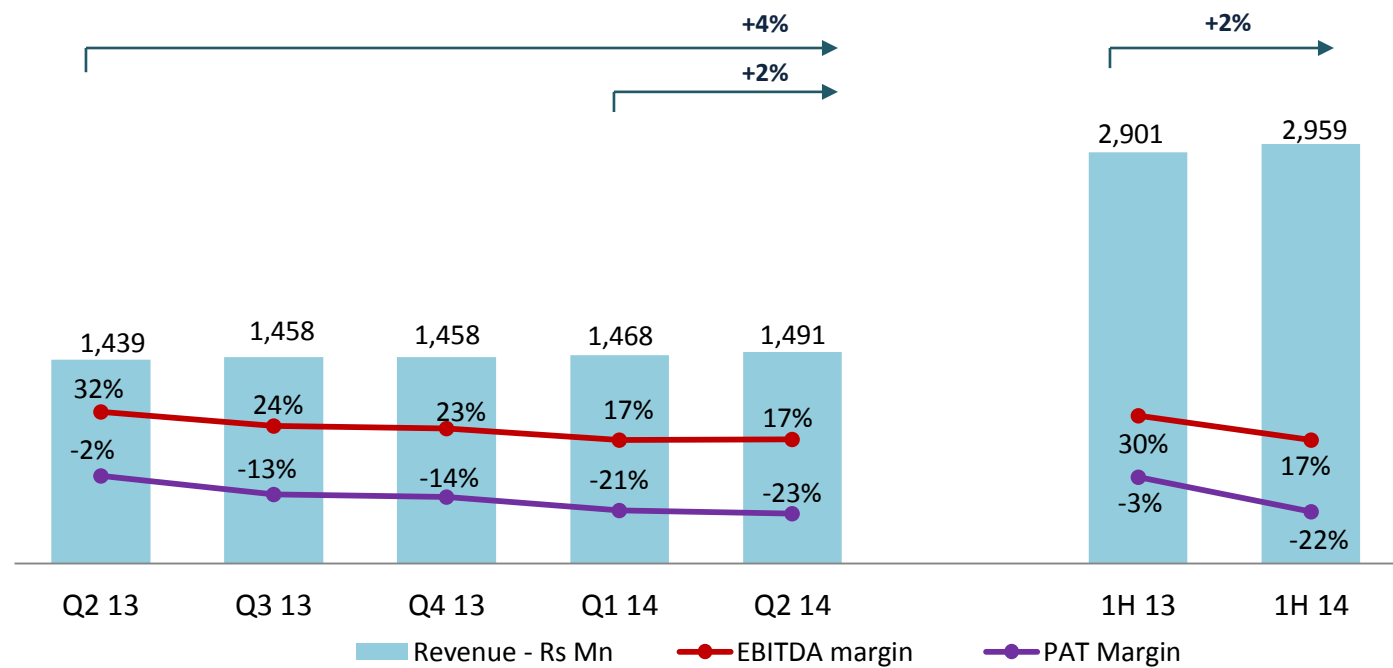
EBITDA impacted by increase in CPE and channel costs on the back of expansion of channel portfolio

PAT margin QoQ impacted by lower EBITDA and higher depreciation; YTD PAT improvement led by growth in revenue



Dialog Broadband Networks : Key Financial Highlights

17th Consecutive Quarter of Positive EBITDA



Moderate revenue growth; 2% both QoQ and YTDQ2

EBITDA impacted by the absence of VAT credit which was fully claimed in 1H 2013

Bigger loss recorded underpinned by decline in EBITDA and increase in depreciation stemming from Fixed 4G LTE related investments

Thank You