

















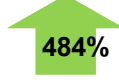
Investor Forum Q4 2009

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QoQ Performance Overview*

Dialog Telekom PLC (Company)	Revenue		Subs		EBITDA		NPAT	
		6%		1%		27%		228%
Dialog Broadband Networks (DBN)	Revenue		Subs		EBITDA		NPAT	
		3%		1%		104%		18%
Dialog Television (DTV)	Revenue		Subs		EBITDA		NPAT	
		12%		6%		111%		30%
Dialog Group	Revenue				EBITDA		NPAT	
		6%				33%		484%

*Normalised Performance

YoY Performance Overview*

Dialog Telekom PLC (Company)	Revenue		Subs		EBITDA		NPAT	
		2%		16%		2%		28%
Dialog Broadband Networks (DBN)	Revenue		Subs		EBITDA		NPAT	
		7%		5%		>1000%		0%
Dialog Television (DTV)	Revenue		Subs		EBITDA		NPAT	
		28%		22%		54%		9%
Dialog Group	Revenue				EBITDA		NPAT	
		1%				4%		45%

*Normalised Performance

Summary: Impact of Non-recurring charges on NPAT

(All figures in Rs. Mn.)	Company		Group	
	Q4 09	YTD 09	Q4 09	YTD 09
Normalised NPAT	1,213	1,129	761	(1,159)
Non-recurring (Non-cash) Items	(1,963)	(9,716)	(2,584)	(10,146)
Non-recurring (Cash) Items	(410)	(623)	(410)	(903)
Reported NPAT	(1,160)	(9,210)	(2,233)	(12,208)

Dialog Telekom PLC – Company

Dialog Telekom PLC: P&L Highlights

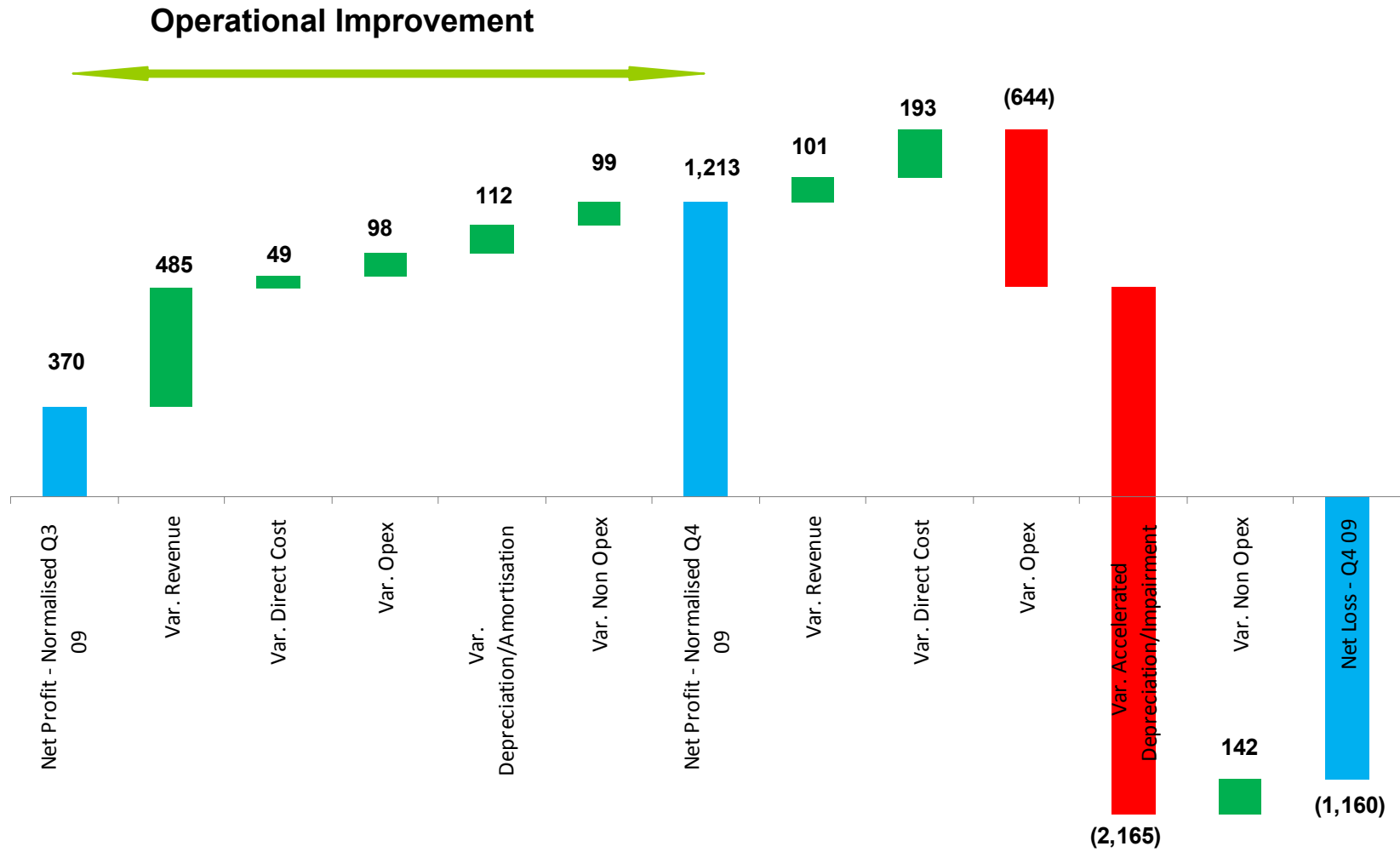
- ✓ Revenue **grew by 6% QoQ & 8% relative to Q4 08**
- ✓ Normalised EBITDA & NPAT improved **by 27% & 228% on a QoQ basis**

(All figures in LKR Mn.)	Q4'09**	QoQ change	Q4'09 Vs. Q4'08	YTD 09	YTD change
Revenue	8,610	6%	8%	32,515	-2%
Normalised Total Cost*	5,623	-3%	-13%	23,208	-3%
EBITDA	2,638	16%	257%	7,889	-6%
Normalised EBITDA	2,987	27%	104%	9,465	2%
NPAT	(1,160)	-471%	60%	(9,210)	>-2000%
Normalised NPAT	1,213	228%	185%	1,129	-28%

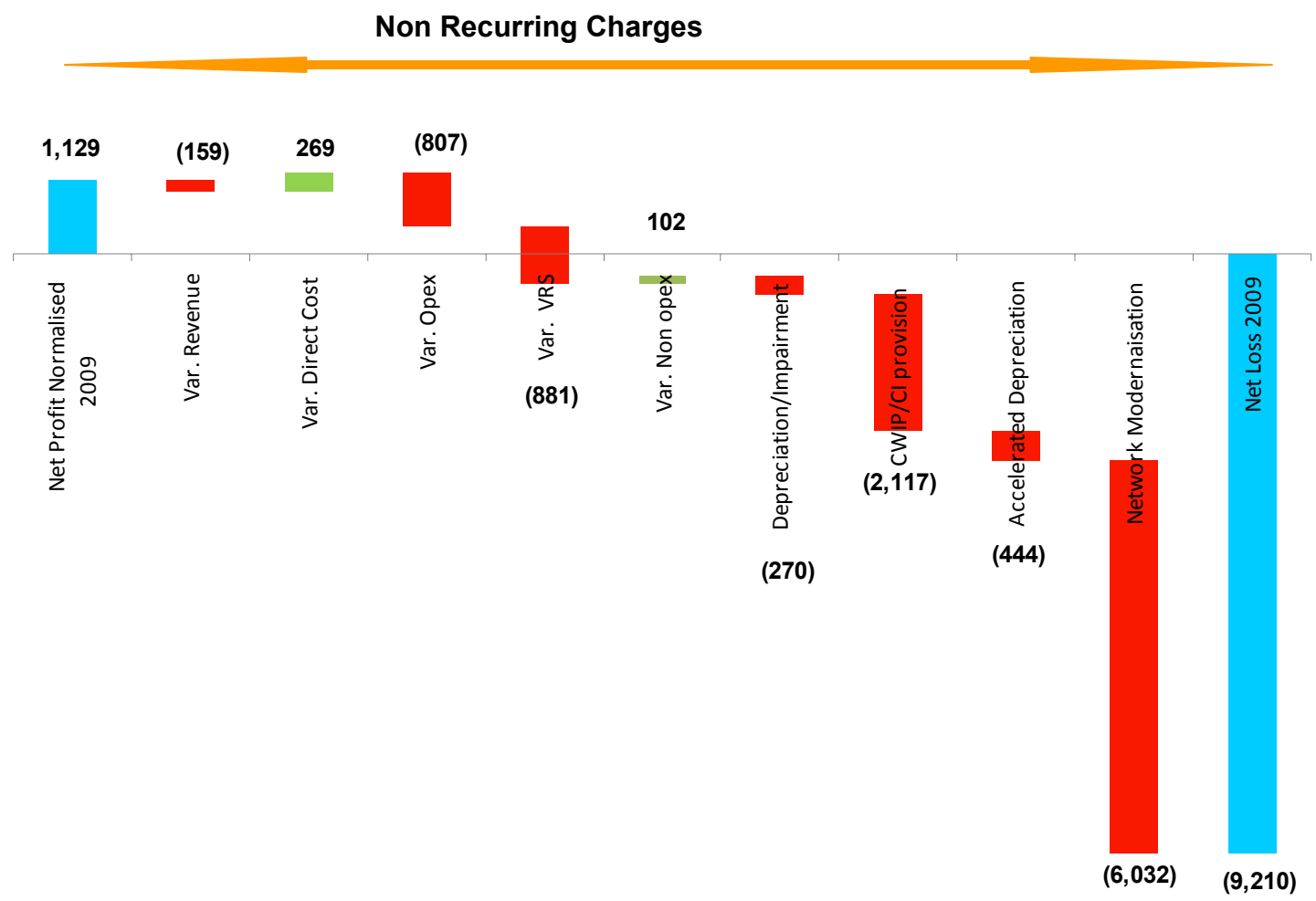
* Excl. depreciation, impairment

** Revenue normalised to exclude Vodafone discount reversal

NPAT Reconciliation Q3 09 to Q4 09

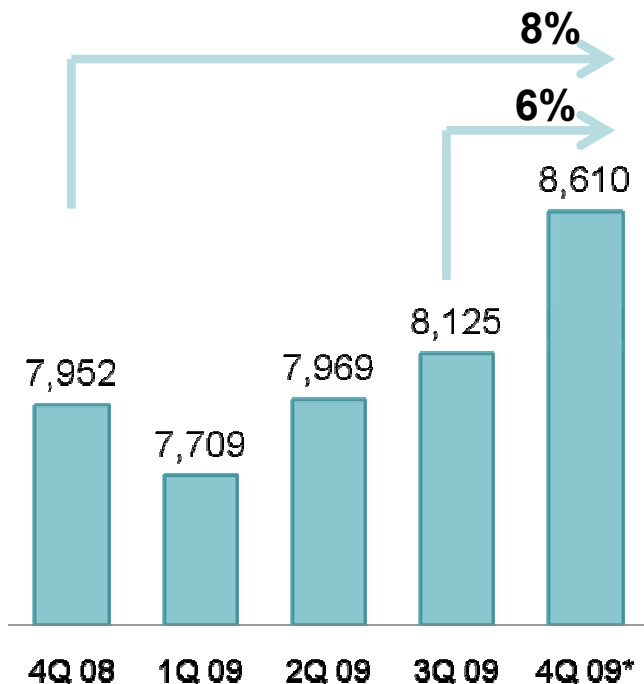


Impact of Non recurring charges on NPAT YTD 09



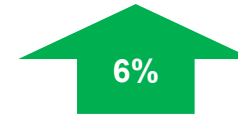
Revenue Trends - Company

Quarterly Revenue – Rs. Mn.



*Normalised to exclude Vodafone discount reversal

Company Revenue



- ✓ Amidst intense price competition
- ✓ Increase in Inbound roaming revenue
- ✓ International voice termination up 10% QoQ

- Pre-paid revenue dominant contributor to revenue
- Post-paid Non voice & IDD revenue continued to increase
- Value Added Services (incl. SMS) account for 9% of total revenue

Revenue Drivers & Dynamics

Pre : Post mix

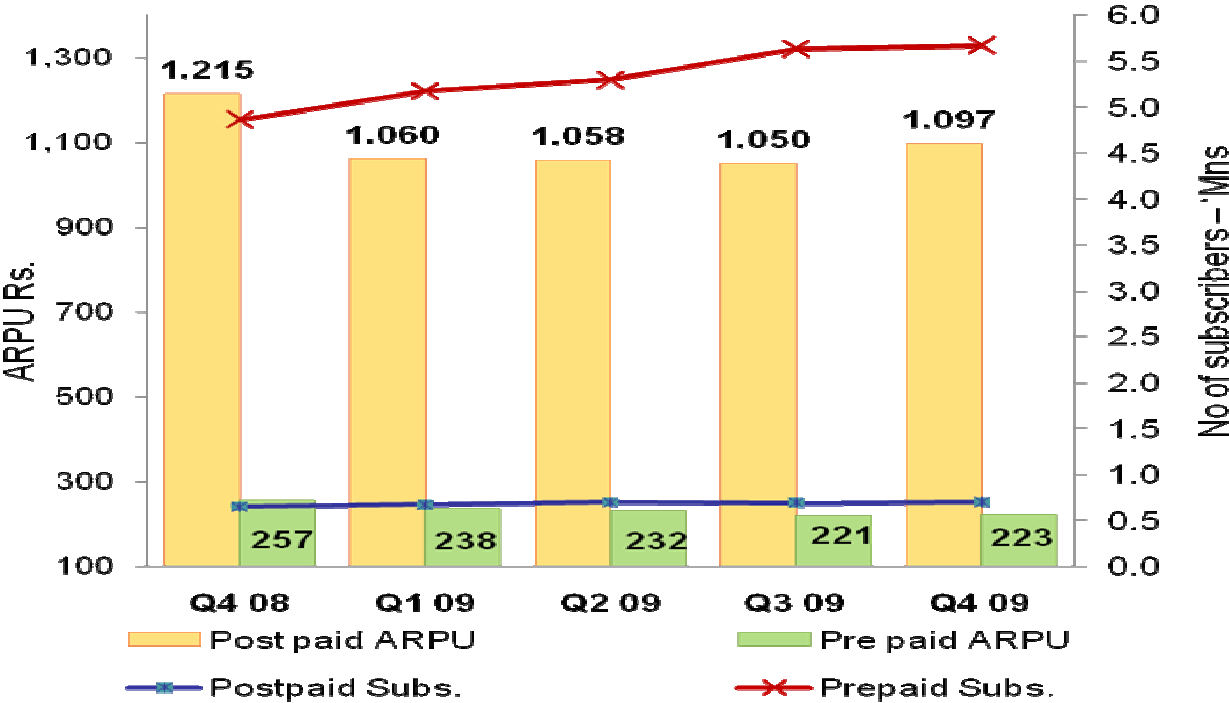
89%

Prepaid

11%

Postpaid

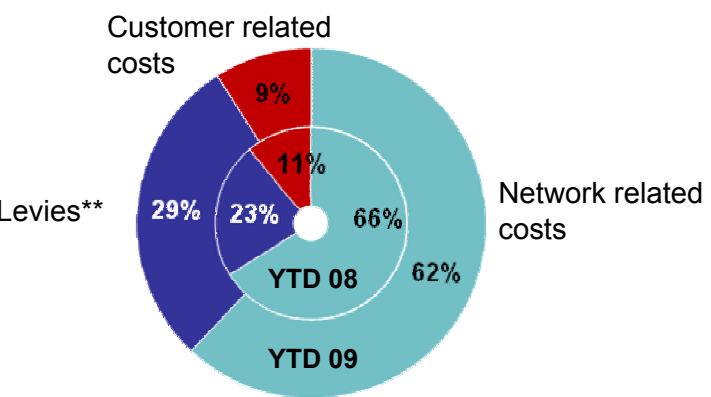
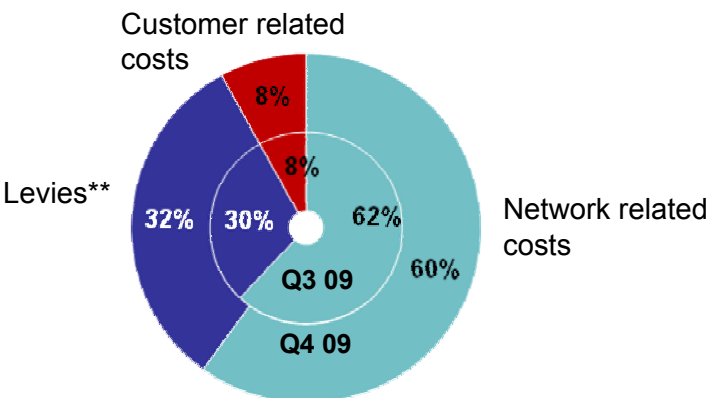
No of Subscribers & ARPUs



Direct Costs: Improved due to Strategic Cost Re-Scaling program

Direct Cost Composition*

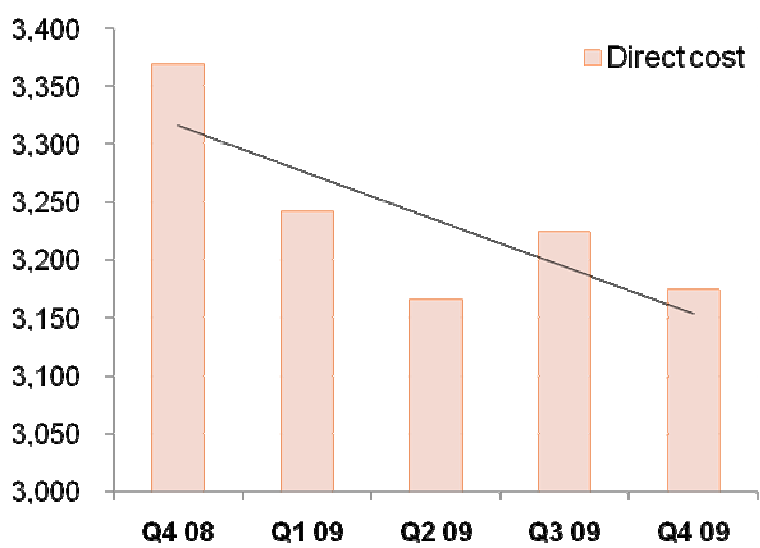
- ✓ Levies – a significant component of Direct Costs
 - Increased by 3% QoQ & by 36% YoY due to increase in International termination



* excl. depreciation & non-recurring charges
** Incl. international telecommunication levy & frequency fees

Direct Costs* declined 2% QoQ and by 6% relative to Q4 08

Direct Costs trends* – Q4 08 to Q4 09



Telco Depreciation in Q4 09

➤ As a % of Revenue **18%**

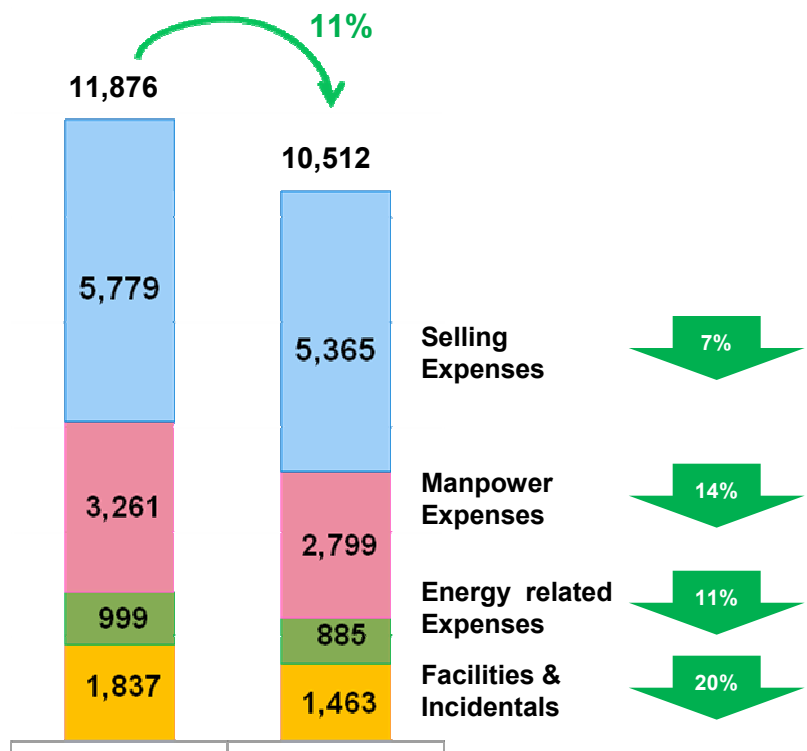
2%

Greater improvement in Operating Costs

Operating Costs declined by 11% YTD, 4% QoQ and 21% YoY

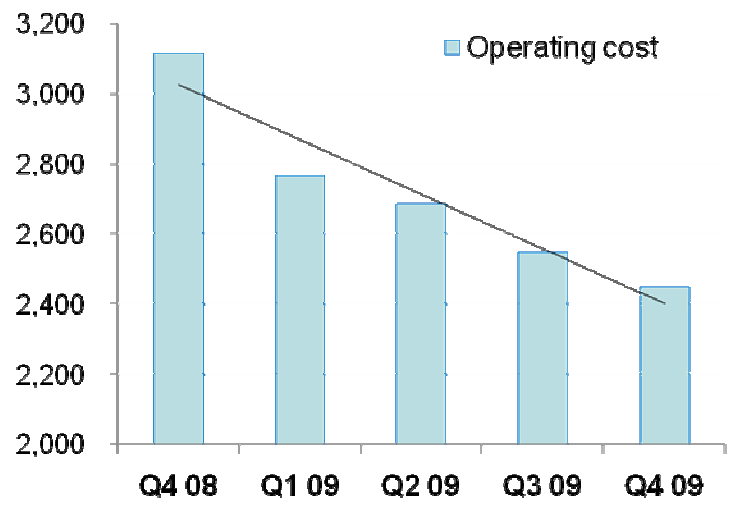
- ✓ Decline in operating costs were driven by reduction in operating overheads, administration & manpower related expenses

Operating Cost Composition* LKR Mn.



YTD 08 YTD 09
* excl. depreciation & non-recurring charges

Operating Costs trends* – Q4 08 to Q4 09



Non - Telco Depreciation in Q4 09 **25%**
➤ As a % of Revenue **3%**

EBITDA, NPAT & Margins

EBITDA normalised for Non recurring items at Rs. 2.99Bn

• **growth of 27% Vs. Q3 09**

EBITDA margin **35%**

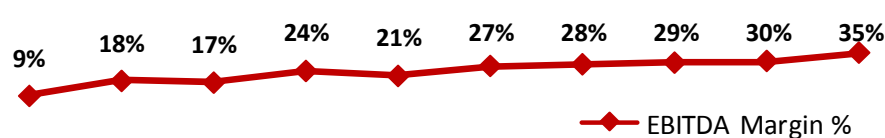
up 5% pts Vs. Q3 09 & up 16% pts Vs. Q4 08 (Norm)

Normalised NPAT improved significantly

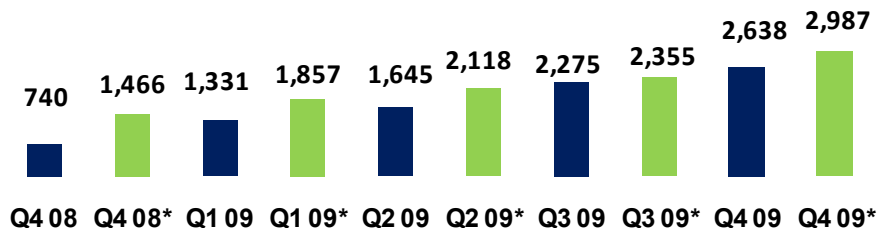
• Improvement **of 228% Vs. Q3 09**

Non-recurring Items in Q4 include

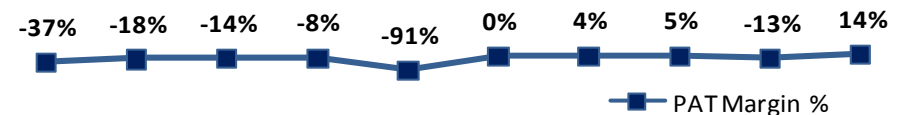
- ✓ One-off correction to depreciation charge - Rs. 444Mn
- ✓ VRS provision - Rs. 550Mn
- ✓ Capital Inventory/Capital Work in Progress provisioning - Rs. 1.31Bn



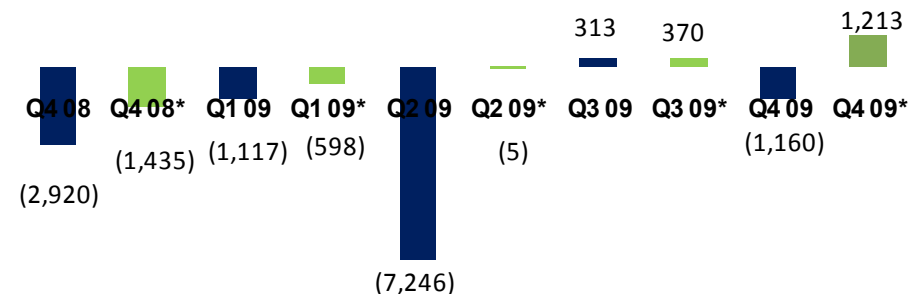
EBITDA (Rs. Mn.)



*Normalised Performance



NPAT (Rs. Mn.)



Balance Sheet – Dialog Telekom

(All figures in Rs. '000)	31 st December 2009	31 st December 2008
ASSETS		
Non - current assets	65,766,982	69,677,390
Current assets	12,424,057	10,455,461
Total assets	78,191,039	80,132,851
EQUITY		
Capital and reserves attributable to equity holders of the company		
Stated capital	31,806,113	32,556,113
ESOS Trust shares	(1,990,921)	(1,990,921)
Dividend reserve - ESOS	260,067	260,067
Revaluation reserve	101,358	19,913
Retained earnings	4,481,458	14,549,916
	34,658,075	45,395,088
LIABILITIES		
Non - current liabilities	26,218,687	13,609,097
Current liabilities	17,314,277	21,128,666
Total liabilities	43,532,964	34,737,763
Total equity and liabilities	78,191,039	80,132,851
Net Asset per share (Rs)	4.26	5.57

▪ Non current liabilities have increased due to term loan of USD 100Mn. obtained from OCBC in March '09 & USD 25Mn in Dec '09 and reclassification of long term advances from Axiata as non current liabilities

- Total long term borrowings includes loans from Axiata (USD 79.5Mn.)
- IFC loan of USD 50Mn was prepaid in April'09

Cash Flow Highlights - Company

(All figures in Rs. Mn.)	31 st December 2009	31 st December 2008
Net cash from operating activities	12,326	6,223
Net cash used in investing Activities	(11,935)	(20,951)
Net cash generated from financing activities	3,528	7,815
Increase/(decrease) in cash and cash equivalents	3,919	(6,913)
Movement in cash and cash equivalents		
At start of year	(852)	6,062
Increase/(decrease)	3,919	(6,913)
Forex adjustment	108	(1)
At end of period	3,175	(852)

* Comparatives restated to conform to changes in current year's presentation

- Operating Cash Flows increased two-fold in 2009 relative to 2008, due to stable revenue flow, re-scaling of cost structures and improvements in working capital management
- Cash used in Investing activities reduced by 43% YoY due to rationalising of Capex

Capital Structure

- Net debt/EBITDA has increased mainly due to increase in borrowings (OCBC - USD 125Mn., advances from Axiata - USD 79.5Mn.) and reduction in earnings
- Reduction in Net Asset base is mainly due to a one-off provision of Rs. 6Bn for impairment arising on account of network modernisation & one-off adjustment of Rs. 2.56Bn to align CI/CWIP and depreciation policies with international best practices

(All figures are in Rs.Mn. except ratios)	31-Dec-2009	30-Dec-2008	YTD Change
Capex*	7,786	18,111	-57%
Cash & Cash Equivalents	5,115	1,545	231%
Net Debt	25,031	23,725	6%
Net Assets	34,658	45,395	-24%
Net debt/equity (x)	0.72	0.52	
Net debt/EBITDA (x)	3.17	2.83	

*Capex includes CWIP additions + direct additions for the year

Summary of outstanding borrowings - As at 31 December 2009

Instructions	Type of facility	Currency	Facilities amount	Principal outstanding	Less than one year	More than one year
			USD Mn eqv.	USD Mn eqv.	USD Mn eqv.	USD Mn eqv.
DFCC	Term Loan	LKR	8.75	5.25	1.75	3.50
SCB	Loan Facility	LKR	21.88	21.63	21.63	0.00
OCBC	Term Loan	USD	200.00	125.00	0.00	125.00
Total			230.63	151.88	23.38	128.50

**SCB facility is a revolving trade facility*

*** Above excludes vendor financing and shareholder advances*

Credit Lines

- The Company drew down USD 25Mn. from OCBC loan in Dec 09
- Undrawn facility and operating cash flows sufficient to cover debt obligations falling due in the short term

Dialog Group

Dialog Group – P&L Highlights

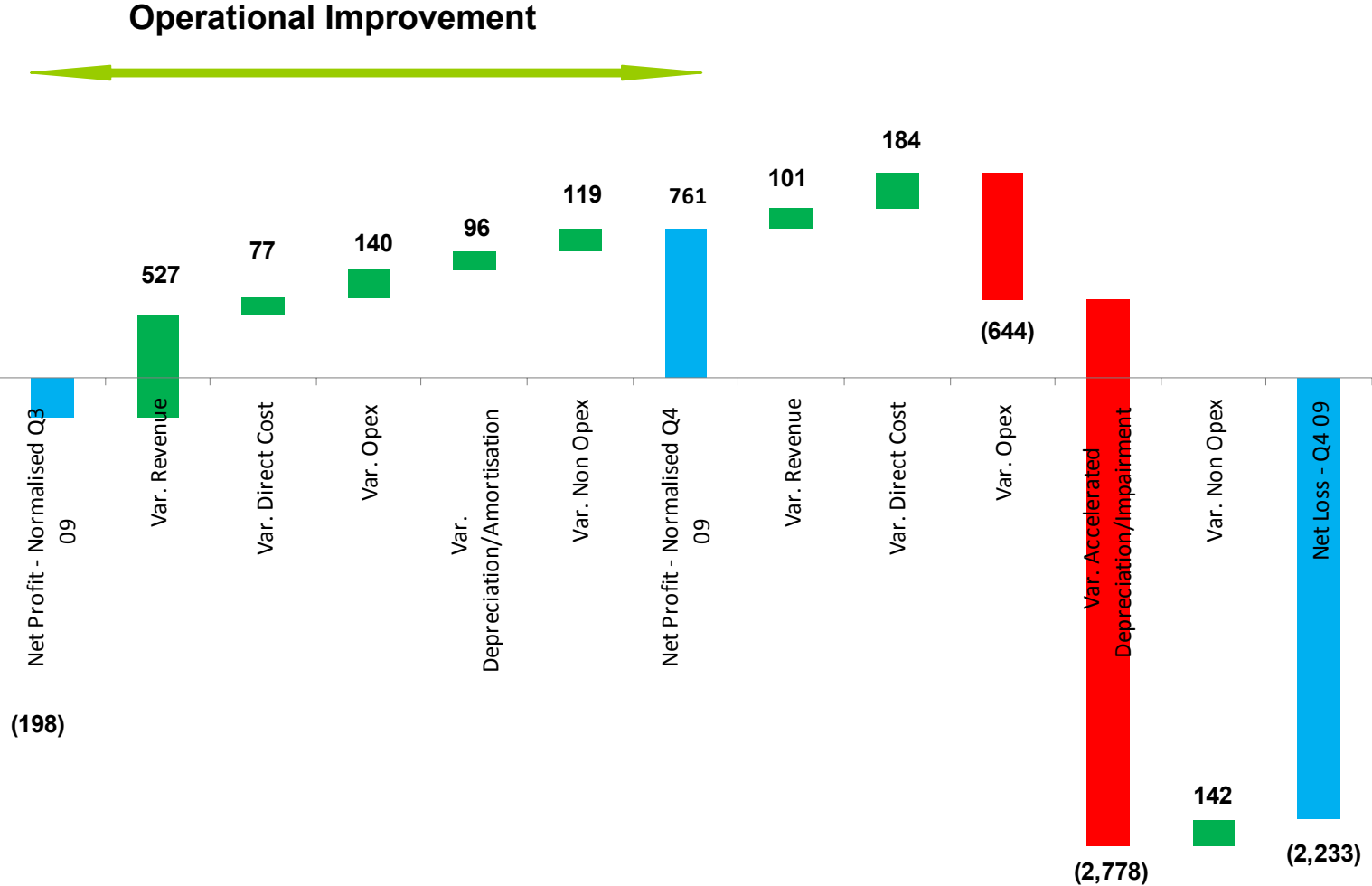
- ✓ Normalised Group costs **declined by 3% QoQ & 15% relative** to Q4 2008
- ✓ Normalised EBITDA & NPAT **improved by 33% & 484% respectively** on a QoQ basis

(All figures in LKR Mn.)	Q4'09**	QoQ change	Q4'09 Vs. Q4'08	YTD 09	YTD change
Revenue	9,473	6%	8%	35,774	-1%
Normalised Total Cost*	6,429	-3%	-15%	26,626	-3%
EBITDA	2,686	19%	585%	7,853	-0.4%
Normalised EBITDA	3,044	33%	145%	9,306	4%
NPAT	(2,233)	-409%	43%	(12,208)	-324%
Normalised NPAT	761	484%	133%	(1,159)	-45%

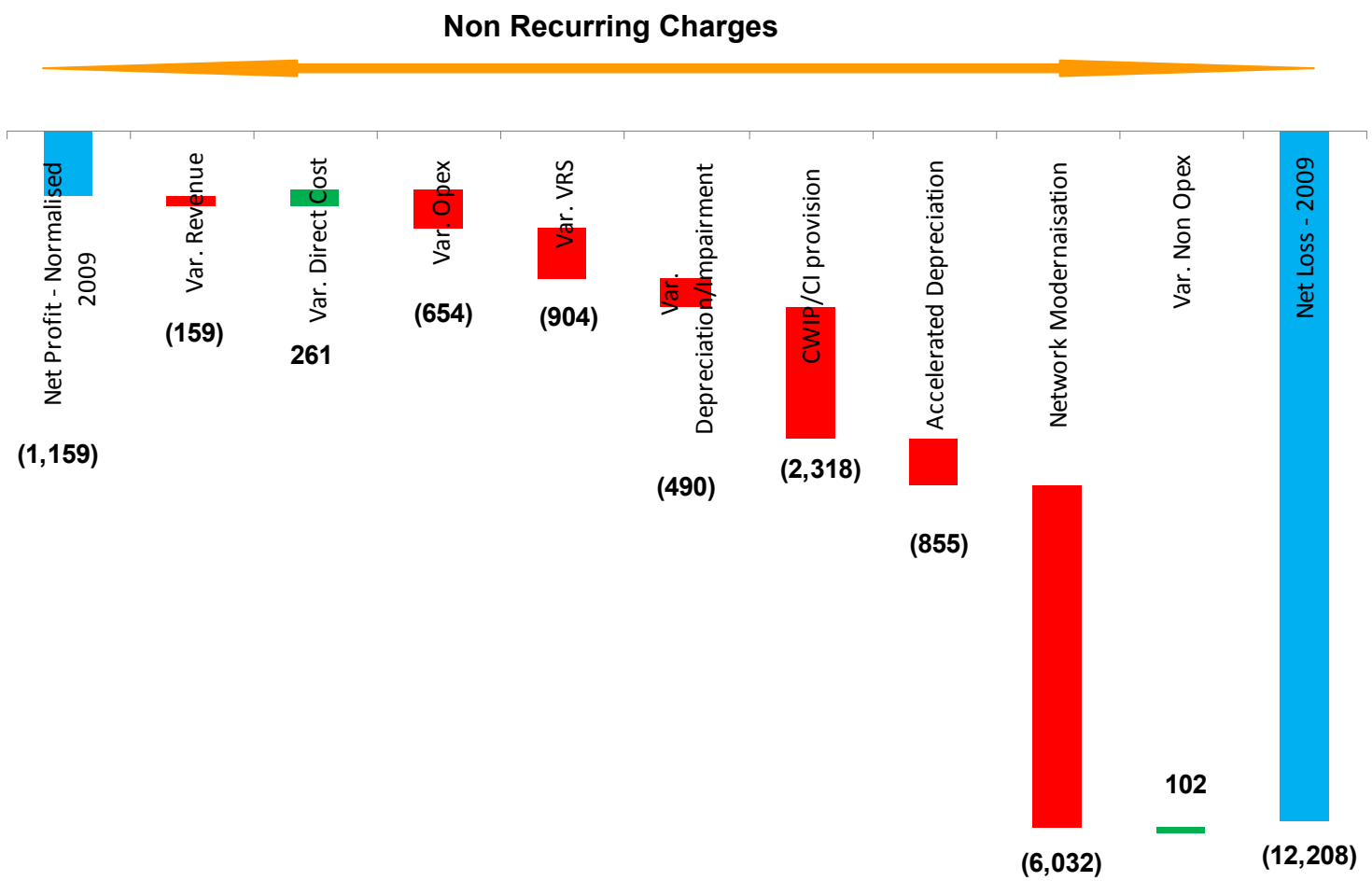
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** Revenue normalised to exclude Vodafone discount reversal

Dialog Group NPAT Reconciliation Q3 09 to Q4 09




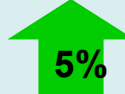
Impact of Non recurring charges on Group NPAT YTD 09



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

DBN – P&L Highlights

- ✓ Revenue excl. connection fee **increased by 23% in 2009 vs YTD 08**
- ✓ DBN's Q4 2009 performance incl. a **non-recurring charge of Rs. 591Mn.** arising from best practice aligned depreciation estimates & Capital Inventory provisioning


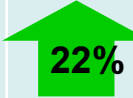
(All figures in LKR Mn.)	Q4'09	QoQ change	Q4'09 Vs. Q4'08	YTD 09	YTD change
Revenue	598	3%	-12%	2,348	-7%
Revenue excluding connection fee	585	4%	8%	2,276	23%
EBITDA	3	104%	102%	(406)	>-1000%
Normalised EBITDA	3	104%	102%	(129)	>-1000%
NPAT	(928)	-47%	-59%	(2,588)	-72%
Normalised NPAT	(338)	18%	42%	(1,501)	0%
CDMA & Broadband Subscribers	184,001	 1%	YOY change	8,070	 5%

Dialog Television (DTV)

DTV – P&L Highlights

- ✓ Normalised EBITDA was recorded **at positive Rs. 4Mn in Q4 '09**
- ✓ Normalised NPAT **improved by 30% on a QoQ basis & 9% relative to 2008**

(All figures in LKR Mn.)	Q4'09	QoQ change	Q4'09 Vs. Q4'08	YTD 09	YTD change
Revenue	458	12%	27%	1,641	28%
EBITDA	(6)	-759%	98%	(245)	61%
Normalised EBITDA	4	111%	103%	(233)	54%
NPAT	(132)	- 23%	66%	(769)	18%
Normalised NPAT	(101)	30%	62%	(735)	9%

Pay TV Subscribers	149,449	 6%	YOY Change	26,595	 22%
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Thank You