



## Dialog Axiata PLC

Sri Lanka's Premier Connectivity  
Provider

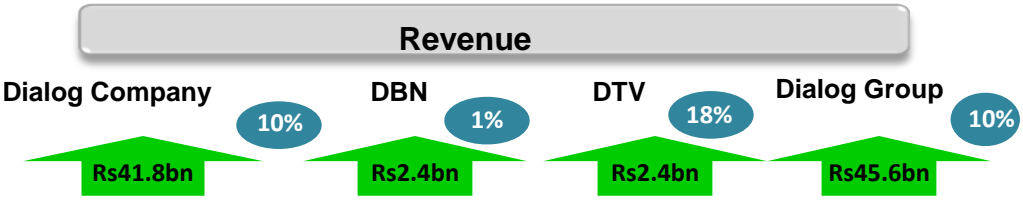
Investor Forum Q4 2011

Dialog Group

# Group Performance Highlights - 2011 vs 2010

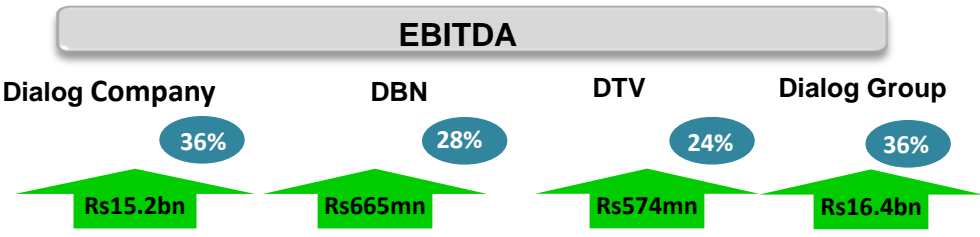
Significant YoY Growth in Revenue at Group, Company and DTV

YoY growth 

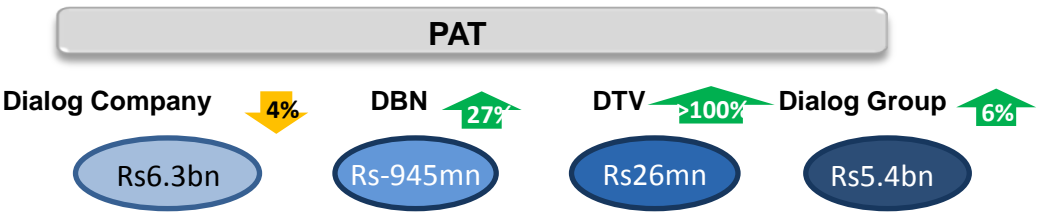


Improvement in EBITDA due to Revenue Growth and Operational efficiency

EBITDA margin 

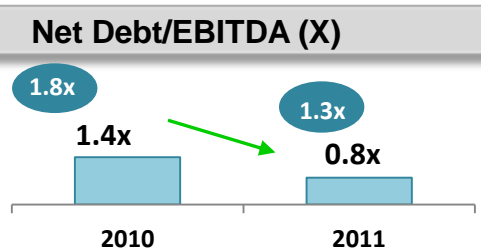


PAT impacted by Higher Deprecation on Network and Forex Losses



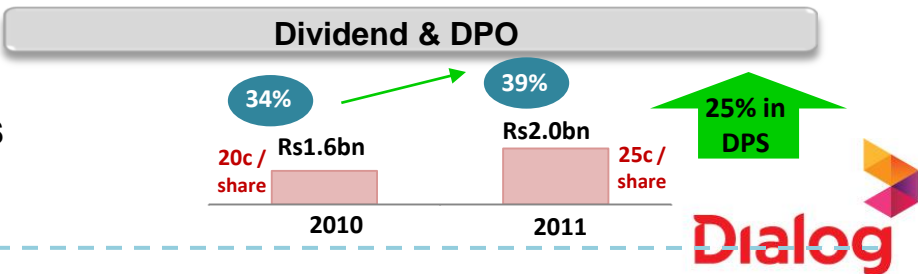
Group continues to Maintain Structurally Strong Balance Sheet with Net Debt / EBITDA at 0.8x

Gross Debt / EBITDA 



Higher Dividend Proposed for FY 2011 on the back of healthy cash position – 25% Increase in DPS

Dividend Pay Out (DPO) 



# Dialog Group: P&L Highlights

## Growth Momentum Continues with Strong Q4 Results

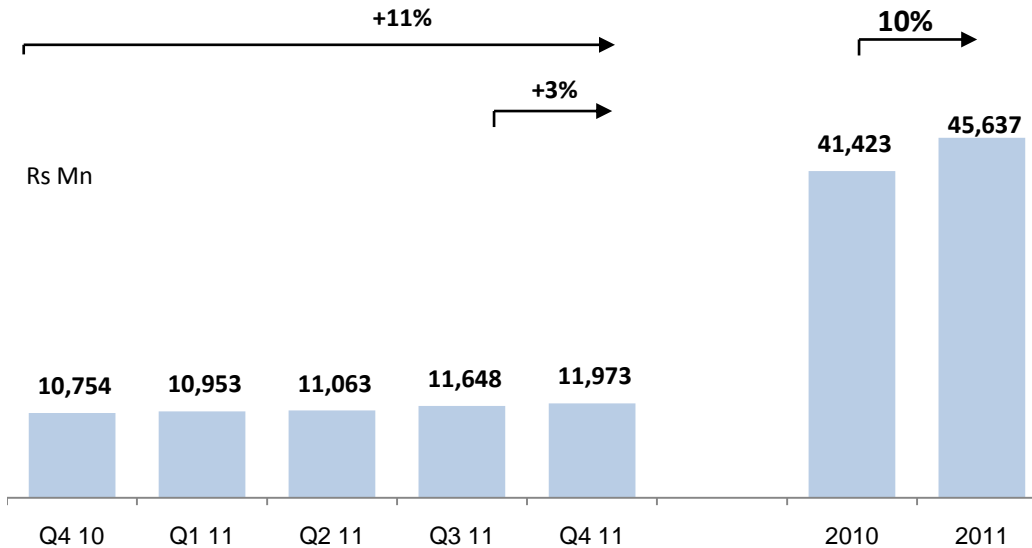
(All figures in Rs Mn)	Q4 11	QoQ Change	YoY Change	2011	YTD Change
<b>Revenue</b>	<b>11,973</b>	+3%	+11%	<b>45,637</b>	<b>+10%</b>
<b>EBITDA</b>	<b>4,733</b>	+9%	+20%	<b>16,448</b>	<b>+9%</b>
<i>Normalised EBITDA</i>	<i>4,422</i>	+11%	+12%	<b>15,795</b>	<b>+5%</b>
EBITDA Margin	40%	+2pp	+3pp	36%	-0.5pp
<i>Normalised EBITDA Margin</i>	<i>37%</i>	+3pp	-	35%	-2pp
<b>PAT</b>	<b>1,418</b>	+2%	+11%	<b>5,354</b>	<b>+6%</b>
<i>Normalised PAT</i>	<i>1,745</i>	+66%	+37%	5,339	<b>+7%</b>
PAT Margin	12%	-	-	12%	-

Normalised for TDC refunds Rs342mn and Rs311mn for Q3 and Q4 2011 respectively and Rs638mn forex loss in Q4 2011

# Group Revenue Trends

## Records 11<sup>th</sup> Consecutive Quarters of Revenue Growth

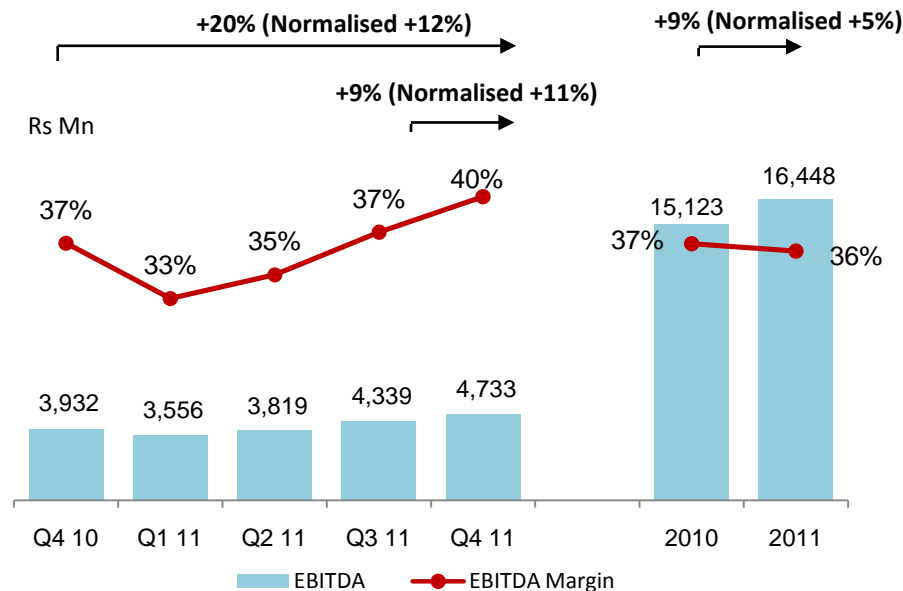
### Revenue



- Revenue up 10% YoY, driven by core cellular business supported by revenue growth in Pay TV and Infrastructure segments
- Increase in mobile revenue due to growth in both voice and non voice revenue including Mobile Broadband
- Infra structure business registered strong growth of 36% YoY
- Significant increase in Pay TV revenue driven by growth in usage revenue and subscriber base

# Improved Profitability driven by Revenue Growth and Cost Efficiency

## Group EBITDA



### EBITDA margin

40%

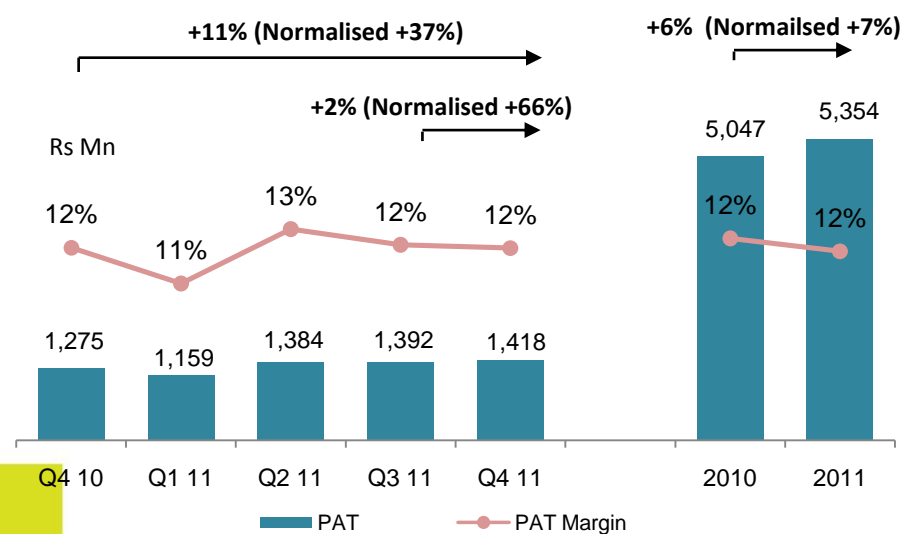
- Up 3% pts Vs Q3 11 (Norm)
- Q4 EBITDA margin at 37% (Norm)
- EBITDA **growth of 5% YTD & 12% YoY** (Norm)

### PAT margin

12%

- Up 6% pts Vs Q3 11 (Norm)
- PAT **growth of 66% QoQ** (Norm)

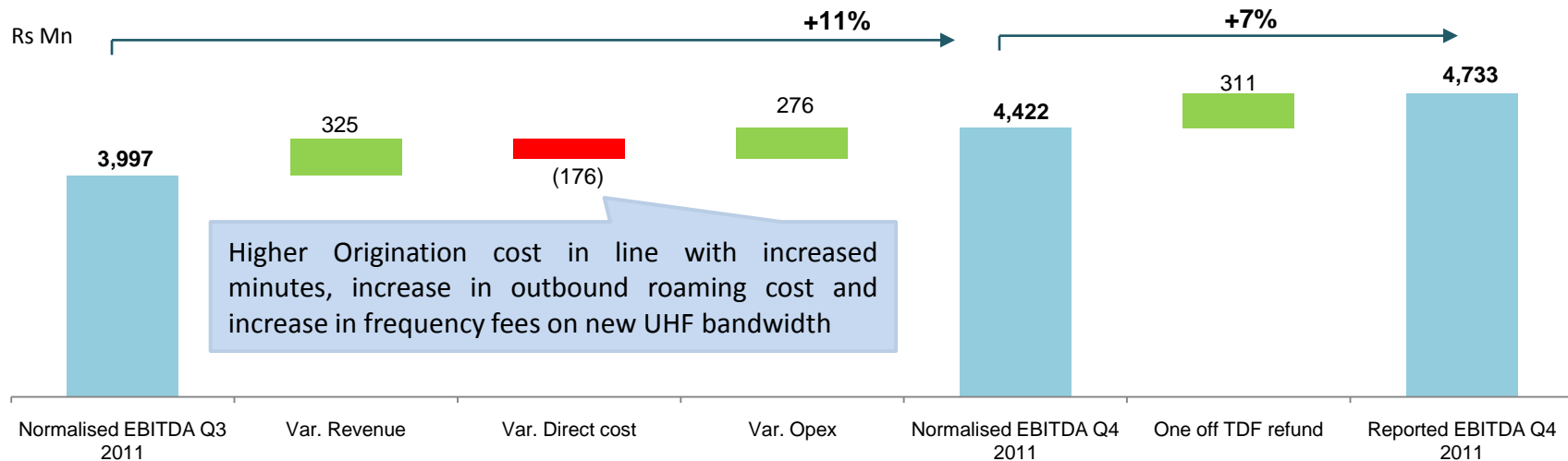
## Group PAT



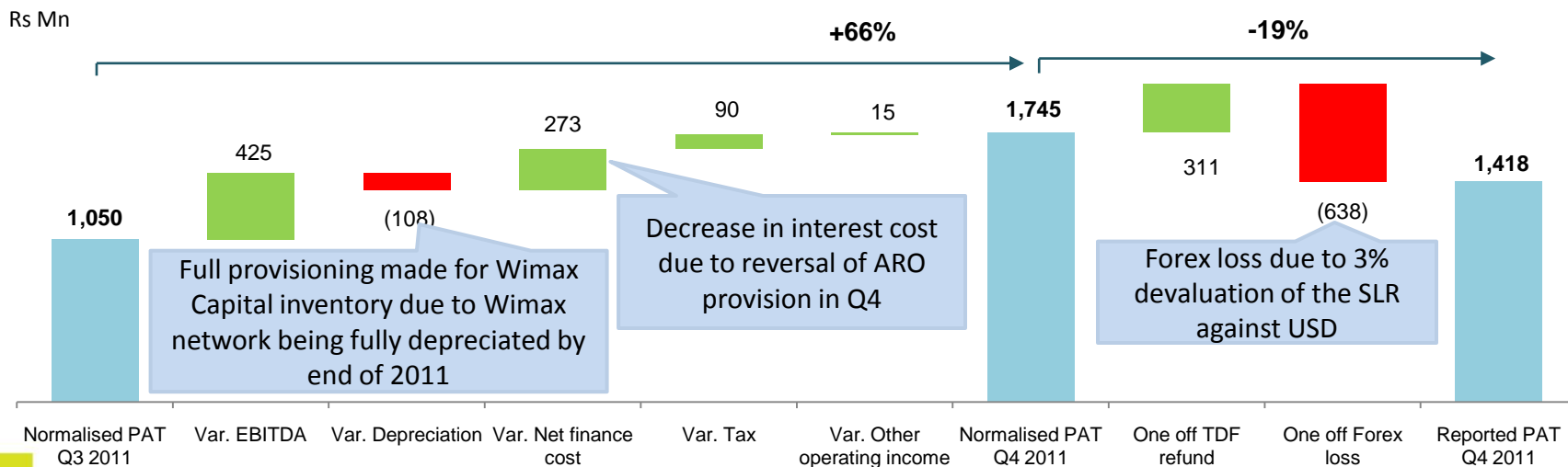
# Group EBITDA and PAT – Q3 2011 vs Q4 2011

## Strong performance driven by Growth in Revenues & Re-scaled Cost Structure

### Group EBITDA



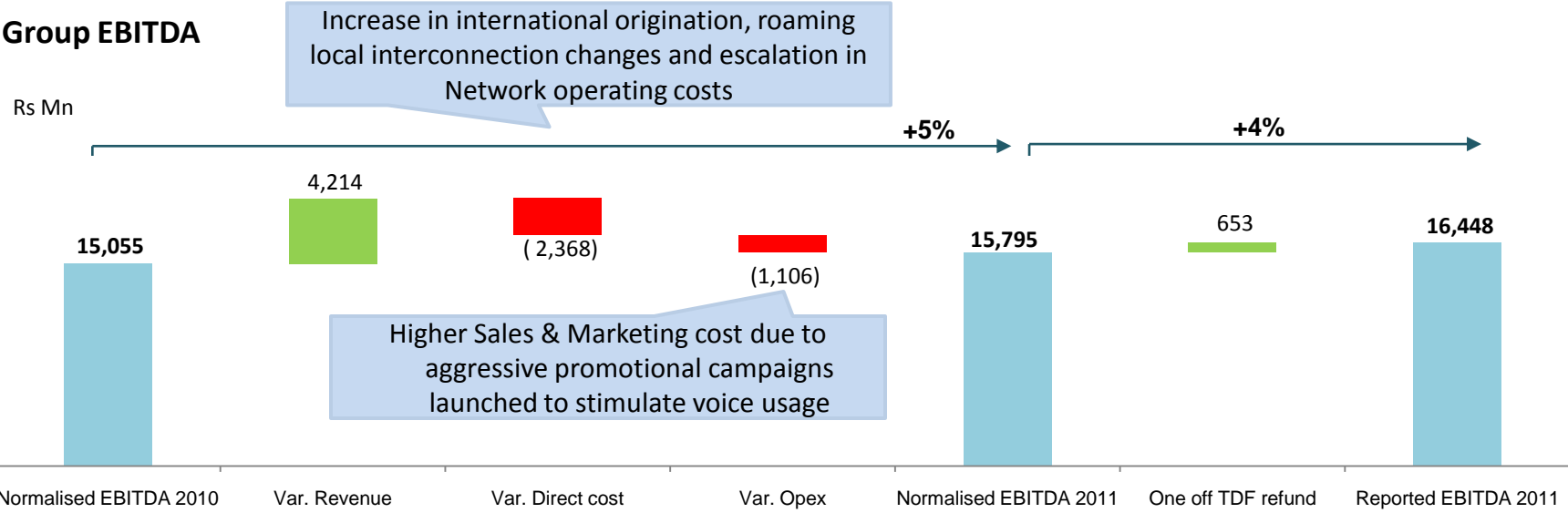
### Group PAT



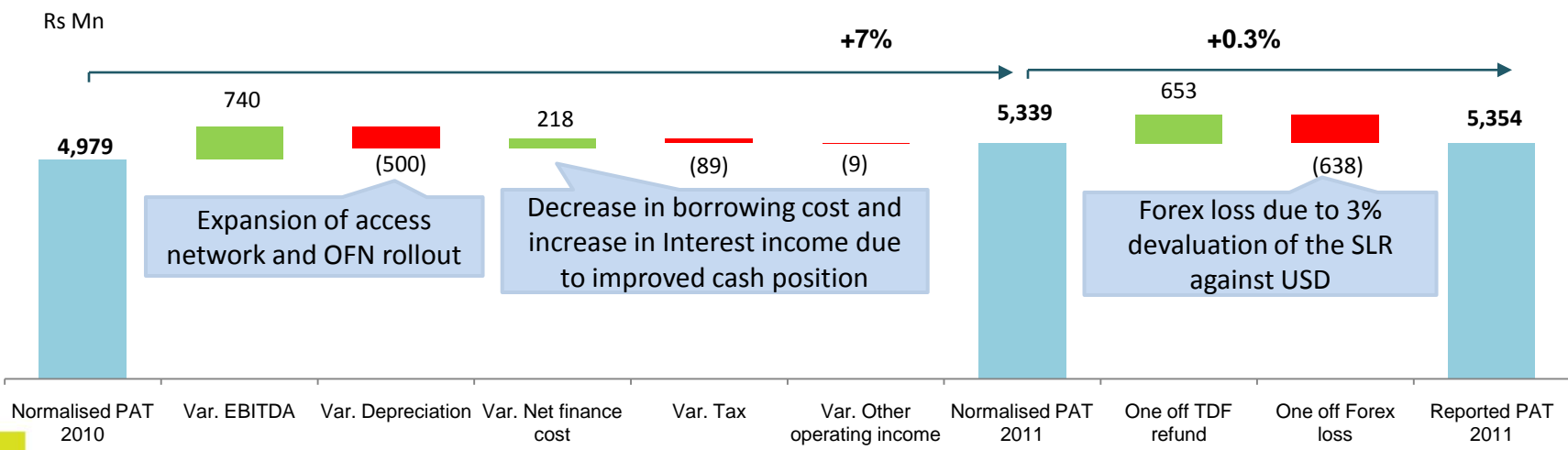
# Group EBITDA and PAT – 2010 vs 2011

EBITDA Growth driven by Enhanced Revenue; PAT impacted by Higher Forex Losses

## Group EBITDA



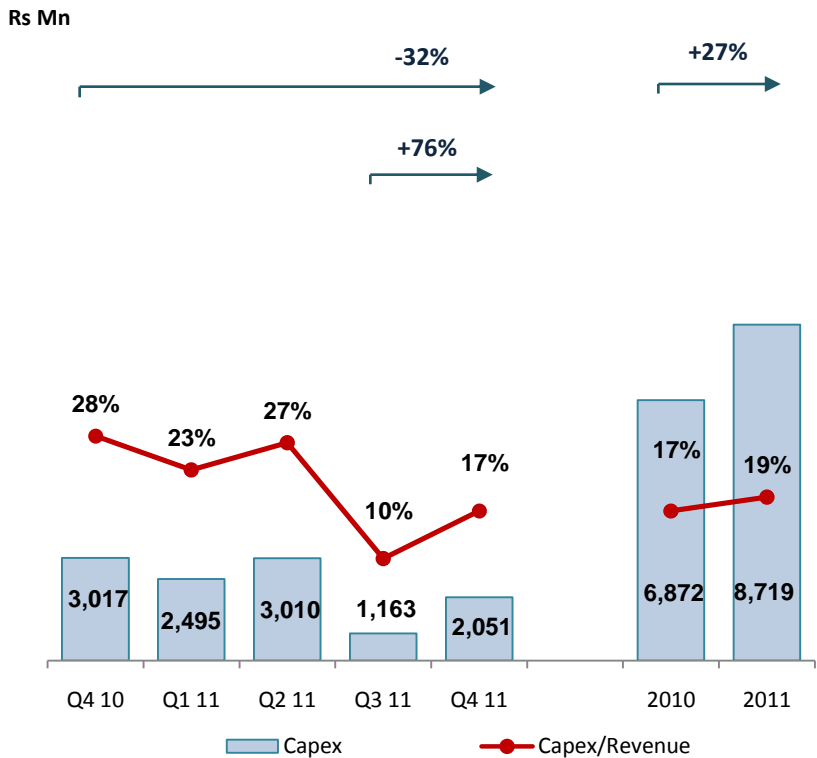
## Group PAT





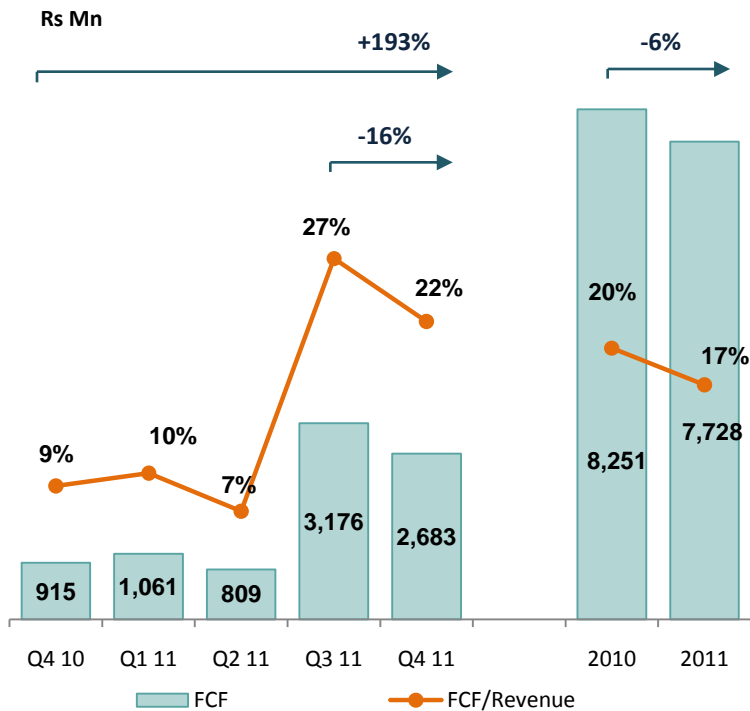
# Maintains Positive FCF for the Eighth Consecutive Quarter

Capex\*



Higher capex for both capacity and coverage rollout

Free cash Flow (FCF)\*\*



Lower free cash flow in Q4 2011 due to relatively higher capex spend

\* Capex - Additions to PPE & CWIP

\*\* FCF = EBITDA - Capex

# Robust Balance Sheet Built on Strong Free Cash Flows

## Dialog Group Balance Sheet

(All figures in Rs. Mn.) except for ratio's	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11	Trend
Gross Debt Position*	27,636	28,307	27,654	27,244	25,151	↓
Gross Debt to EBITDA**	1.76	1.99	1.81	1.57	1.33	↓
Net Debt to EBITDA**	1.41	1.43	1.26	0.99	0.78	↓
Free Cash Flow (FCF)	915	1,061	809	3,176	2,683	↓
FCF to Debt	13%	15%	12%	47%	43%	↓
Current Ratio	0.88	0.90	0.82	0.95	1.03	↑

Gross debt in Q4 2011 includes USD37.5Mn and Rs 3.7Bn interest-free loans from parent Axiata, Rs1.25Bn of redeemable preference shares, USD116.2Mn loan from OCBC

*USD8.2Mn OCBC loan repaid in October 2011*

Net debt to EBITDA improved to 0.78X in Q4 2011 from 0.99X in Q3 2011

\*Annualized EBITDA = 4 times of quarterly EBITDA

Dialog Axiata PLC – Company

# Dialog Company: P&L Highlights

EBITDA Growth driven by Enhanced Revenue & Lower Operating Costs; PAT Impacted by Higher Forex Loss

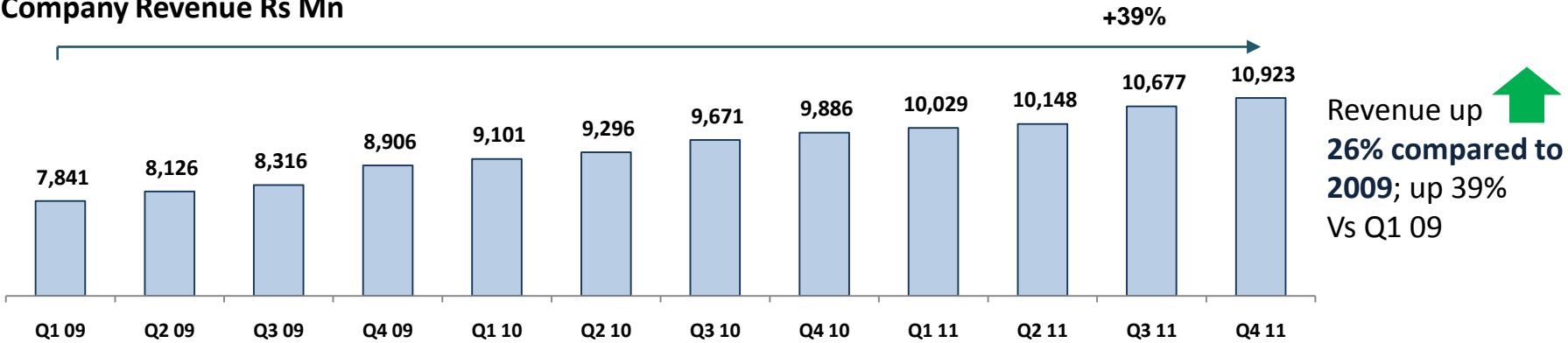
(All figures in Rs Mn)	Q4 11	QoQ Change	YoY Change	2011	YTD Change
Revenue	10,923	+2%	+10%	41,776	+10%
EBITDA	4,326	+6%	+20%	15,208	+5%
EBITDA Margin	40%	+2pp	+3pp	36%	-2pp
PAT	1,665	+0.1%	+7%	6,314	-4%
PAT Margin	15%	-0.4pp	-1pp	15%	-2pp

- **Increase in Q4 EBITDA due to higher revenue and lower operating costs**
  - ✓ Growth in revenue driven by both voice and non voice revenues.
  - ✓ Q4 performance includes an exceptional gain of Rs 311mn in the form of TDF refund
- Increase in **YTD EBITDA** due to higher revenue and TDF refund amounting to Rs653mn
- **QoQ PAT** growth inhibited by **forex loss of Rs628mn arising from the 3% devaluation in SLR against the USD**. Nomalised PAT grew by 50% QoQ
- **YTD PAT down by 4% driven largely by higher depreciation on Network and Forex Losses**
  - ✓ Forex loss of Rs 502mn in 2011 compared to forex gain of Rs 686mn in 2010

# Company – Revenue Trends & Operational Performance

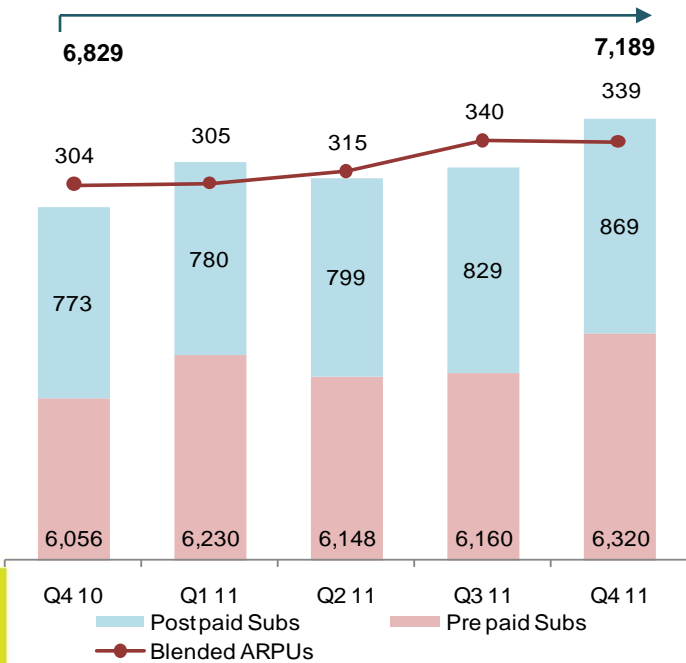
Steady Increase in Revenue driven by Healthy Subscriber Growth with Stable ARPU and MoU

Company Revenue Rs Mn

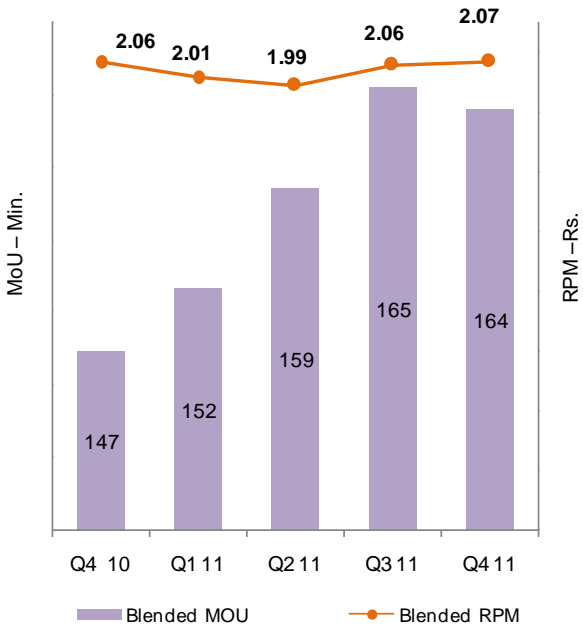


No of Subscribers'000

Total subs growth +5% yoy; +3% qoq  
 Postpaid subs growth +12% yoy; +5% qoq  
 Prepaid subs growth +4% yoy; +3% qoq



Blended MoU & RPM (Rs)

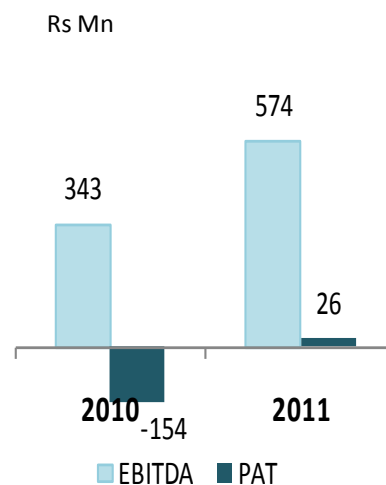
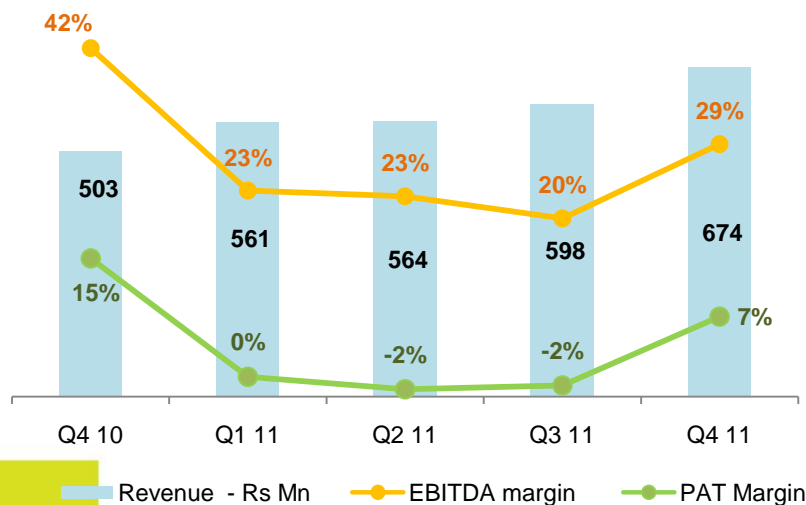


## Subsidiary Performance

# Dialog Television (DTV): P&L Highlights

Turnaround in Profitability with Strong Revenue Growth and Operational Efficiency

(All figures in Rs Mn)	Q411	QoQ Change	YoY Change	2011	YTD Change
<b>Revenue</b>	<b>674</b>	+13%	+34%	<b>2,396</b>	+18%
<b>EBITDA</b>	<b>197</b>	+67%	-5%	<b>574</b>	+68%
EBITDA Margin	29%	+9pp	-12pp	24%	+7pp
<b>PAT</b>	<b>49</b>	+>100%	-34%	<b>26</b>	+>100%
Pay Tv Subscribers ('000)	216	+8%	+28%		

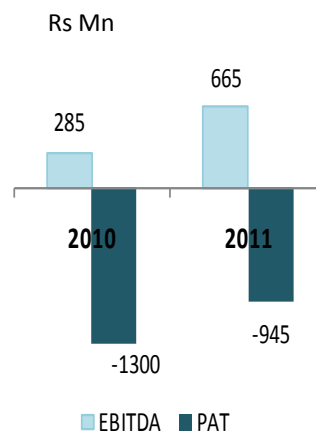
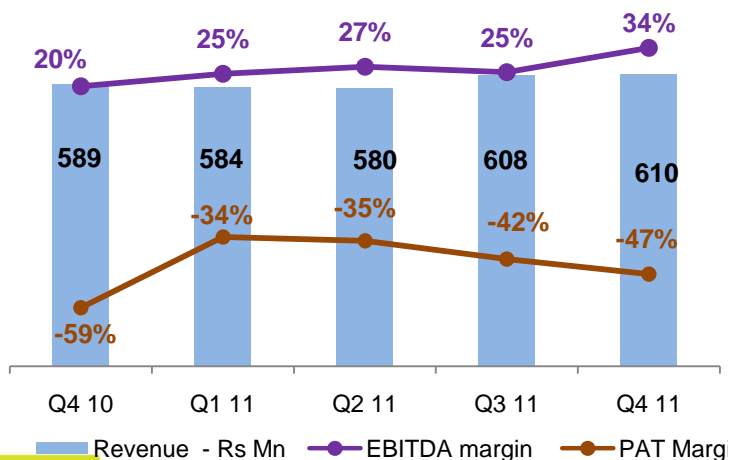


- Revenue growth driven by increase in subscription revenue
- Higher EBITDA due to Growth in Revenue and Cost Management.
- DTV PAT positive for the first time since its acquisition in 2006**

# Dialog Broadband Networks (DBN): P&L Highlights

Seventh Consecutive Quarter of Positive EBITDA; Higher Depreciation Impacting Q4 PAT

(All figures in Rs Mn)	Q4 11	QoQ Change	YoY Change	2011	YTD Change
Revenue	610	+0.3%	+3%	2,382	+1%
EBITDA	209	+36%	+75%	665	+>100%
EBITDA Margin	34%	+9pp	+14pp	28%	+16pp
PAT	(287)	-12%	+18%	(945)	+27%
CDMA & Broadband Subscribers ('000)	199	+1%	+2%		



- 1% YTD revenue growth driven by the increase in revenue from Corporate and SME voice segments. Drop in retail revenues impacted the overall revenue growth
- QoQ EBITDA growth via drop in operating costs and enhanced collections
- Q4 PAT impacted due to higher depreciation on OFN deployment and full provisioning made for Wimax Capital inventory



# 2011 Highlights



## Group delivered strong performance in all key financial Metrics YoY

- ✓ Revenue up by 10% YoY to Rs45.6bn
- ✓ EBITDA grew by 9% YoY to Rs16.4bn
- ✓ PAT grew by 6% YoY to Rs5.4bn

## Company revenues up 10% YoY and 2% QoQ

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

## Subsidiaries consolidate growth momentum

- DBN - 7<sup>th</sup> consecutive quarter of positive EBITDA; >100% growth in YTD EBITDA
- DTV - Achieves turnaround in profitability since acquisition

## Group FCF positive for the eighth consecutive quarter with Q4 2011 FCF at Rs2.7bn

## Strong subscriber growth YoY

- Mobile subscribers up 5% YoY to reach circa 7.2mn subscribers
- Pay TV subscriber base surpasses 215,000 with over 15,000 net adds in Q4 2011

## Proposed Dividend FY2011

- Cash dividend to ordinary shareholders of **25 Cents (Rs0.25) per share totaling to Rs 2.04bn up 25% compared to FY 2010**; The said dividend would be exempt from tax in the hands of the shareholders

## Awards & recognition

- ✓ Topped the **Corporate accountability ratings** for the **3rd consecutive year in 2011**
- ✓ SLIM-Nielsen People's Awards 2012 (based on 2011 results)
  - **Telecom Service Brand of the Year**
  - **Youth Brand of the Year**



**Thank You**