

Message from the Chairman



“ The digital era is in full bloom globally and is transforming the way people use ICT. In Sri Lanka the impact that technology has on our working and everyday life is immeasurable. As a company that has evolved with the transformation of ICT, we will lead the nation’s connectivity sector in staying ahead of this wave of development. ”



“In a challenging macroeconomic climate we carried on with improving our business efficiency, preparing for new major project launches and securing sustainable returns for our shareholders.”

My dear shareholders,

In 2015 we successfully concluded another year of consumer centric service to the nation, thereby strengthening our position as the preeminent provider of telecommunications services to the community. Both our service offerings as well as financial and operational performances have exceeded expectations despite intense competition in the telecommunications sector.

In a challenging macroeconomic climate we carried on with improving our business efficiency, preparing for new major project launches and securing sustainable returns for our shareholders.

The Dialog Group achieved year on year top line growth of 10% with revenue growth across Mobile, Digital Pay Television, Tele-Infrastructure and Fixed Line businesses from Rs. 67.3Bn to Rs. 73.9Bn. Group Profit After Tax was recorded at Rs. 5.2Bn down 15% from the previous year, due to non-cash translational foreign exchange losses amounting to Rs. 2.2Bn following the devaluation of the Sri Lanka Rupee (LKR) by 9.2%.

The Board is happy to propose for your consideration, a full year dividend of 0.32 Cents per share which translates to a 50% payout of full year earnings.

INVESTING IN DIGITAL SRI LANKA – THE REGION'S BEST CONNECTIVITY INFRASTRUCTURE

I am happy to announce to you, that the Dialog Group has continued to be at the forefront of investments in Sri Lanka. In 2015 alone, our Company pledged USD

175Mn to further develop Sri Lanka's ICT (Information Communication Technology) infrastructure, taking the total investment of the Dialog Group to USD 2.08Bn (Rs. 223.7Bn), the highest among all Foreign Direct Investments (FDI) operating under the aegis of the BOI (Board of Investment of Sri Lanka). In 2011, Dialog and the Axiata Group secured the distinction of being the first FDI to reach a cumulative investment in excess of USD 1Bn.

Our investment programme is underpinned by a sound balance sheet, which is strong enough to withstand volatile currency fluctuations to maintain your Company's position as Sri Lanka's flagship telecommunications service provider.

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The digital era is in full bloom globally and is transforming the way people use ICT. In Sri Lanka the impact that technology has on our working and everyday life is immeasurable. As a company that has evolved with the transformation of ICT, we will lead the nation's connectivity sector in staying ahead of this wave of development.

As Sri Lanka's premier connectivity provider, we are in a strong position to leverage on our capabilities and meet the ever evolving needs of our customers, who are looking to us to deliver new services and

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provide the network they require to fully participate in the new digital world they live in. With our digital services strategies well in place and our commitment to transforming lives emboldened by the impact we continue to deliver year on year, we are confident that we will continue to unearth new opportunities for growth as we move into the future.

“I am also happy to report that the operations of Dialog Axiata Group contributed significantly to the National Economy.”

CONTRIBUTION TO THE NATION & SUSTAINABLE OPERATIONS

I am also happy to report that the operations of Dialog Axiata Group contributed significantly to the National Economy, with the taxes and levies remitted in the Year 2015 alone, totalling to Rs.12.7Bn, alongside an additional Rs.14.9Bn in consumption taxes collected on behalf of the Government.

I am also delighted to report to you that your Company for the year under review has retained its position as the leader in the country's largest assessment for corporate accountability, by being ranked No.1 for the sixth consecutive time in the Corporate Accountability Rating, a position it has held since the rating's inception, published by the Lanka Monthly Digest (LMD). Dialog is in the business of providing technological platforms to enhance Sri Lankan lives and enterprises. We have over the years, successfully built and consolidated several platforms that go beyond meeting communication needs. These have given life to the emergence of entirely new ecosystems and have opened up avenues for developers to build upon our own platforms, giving rise to innovative solutions.

“We have over the years, successfully built and consolidated several platforms that go beyond meeting communication needs.”

We, as a company are committed to ensuring that our mandate for Digital Inclusion ensures affordable and accessible products to all segments of Sri Lankan society. To this end, we have expanded access to persons with disabilities and paid attention to taking our product responsibility messages to every technology user in the country. This led to the launch of a child security device as the latest addition to our portfolio of business-positive initiatives. Beyond our mandate of Digital Inclusion, Dialog remains conscious of and continues to work on its social and environmental footprint and enhancing value for all stakeholders across our multiple businesses.

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MY DEEP APPRECIATION

As always it gives me immense pleasure to extend my profound thanks to our multiple stakeholders including shareholders, customers, partners, suppliers and team Dialog led admirably as usual by our inspirational Group Chief Executive, Dr. Hans Wijayasuriya. I also



wish to place on record my sincere gratitude to the Government of Sri Lanka, the Telecommunication Regulatory Commission of Sri Lanka, the Ministry of Mass Media and Information, the Board of Investment of Sri Lanka and other agencies who have extended an invaluable contribution to the development of our Company as well as to my fellow Board Directors for the advice, guidance and support that has made 2015 such a triumphant year for us.



Datuk Azzat Kamaludin

Chairman of the Board of Directors

15 April 2016