



Enriching Sri Lankan Lives

Dialog Axiata PLC
Sri Lanka's Premier Connectivity
Provider

Investor Forum Q2 2013

an axiata company



Dialog Group Performance

Dialog Axiata Company Performance

Subsidiary Performance

Dialog Group Performance Highlights – Q2 2013

Strong Financial Performance

- Strong revenue growth driven by Data, Voice and Television revenues
Group revenue at Rs15.6bn grew by 3% QoQ & 15% YTD
- Group EBITDA at Rs5.05bn up 1% QoQ and 9% YTD; EBITDA margin at 33%
- Q2 Group PAT at Rs950mn declined by 40% QoQ, impacted by translational forex losses
Normalised PAT at Rs1.8bn, up 13% QoQ
- On the back of strategic investments, Q2 13 FCF is negative at Rs5.9bn
- Net Debt/EBITDA at 0.98x end of Q2 2013
- Subsidiaries continue to consolidate performance
DBN - 13th consecutive quarter of positive EBITDA, YTD Net Loss decreased by 48%
DTV - records positive PAT of Rs24mn in Q2, returning to profitability post 3 Quarters in negative territory following Launch of HD services and Genre Expansion

Subscriber Growth Parameters

- Mobile subscriber base of 8.3Mn as at end Q2 2013; over 270,000 net adds during the quarter
- DTV subscriber base reaches 288,000 with over 14k net adds during the quarter



Group Financial Summary

(All figures in Rs mn)	Q2 13	QoQ	YTD 13	YTD
Revenue	15,630	3%	30,872	15%
EBITDA	5,055	1%	10,039	9%
PAT	950	-40%	2,545	+>100%
<i>Normalized PAT*</i>	1,806	13%	3,396	-6%
<i>EBITDA Margin</i>	32.3%	-0.4pp	32.5%	-1.8pp
<i>PAT Margin</i>	6.1%	-4.4pp	8.2%	6.9pp
<i>Normalized PAT Margin*</i>	11.6%	1.1pp	11.0%	-2.5pp
<i>ROIC</i>	13.2%	0.4pp	12.7%	-5.2pp

All key financial metrics except PAT improved both QoQ and YTD.
Q2 PAT impacted by translational Forex losses. Normalised PAT Improves 13% QoQ

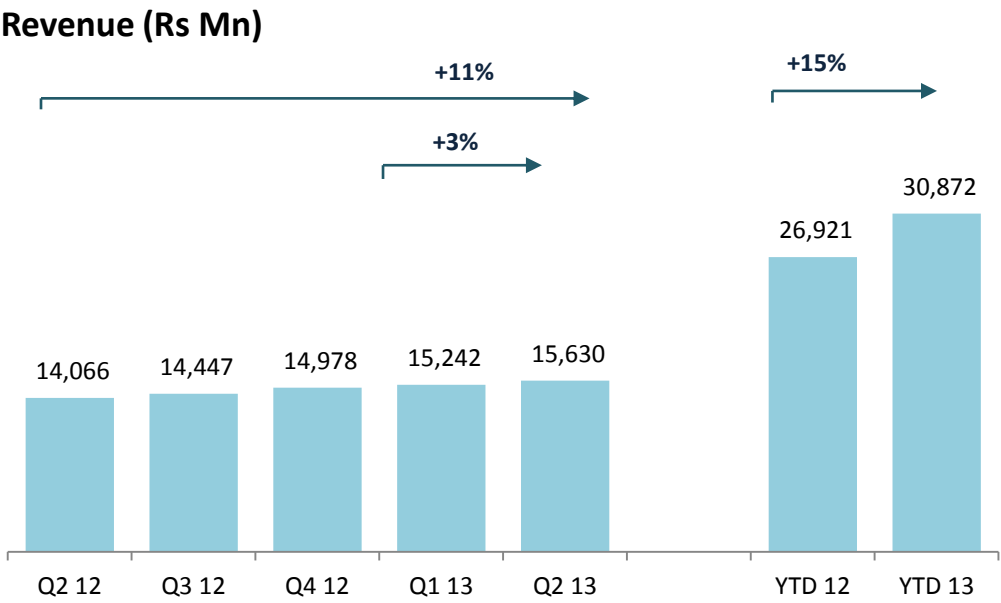
Performance normalised to

Q2 13: exclude translational forex loss of Rs 856mn

1H 13: exclude translational forex loss of Rs 851mn

1H 12: exclude translational forex loss of Rs2,938mn and Suntel acquisition related costs of Rs343mn

Steady Growth in Revenue, up 3% QoQ and 15% YTD

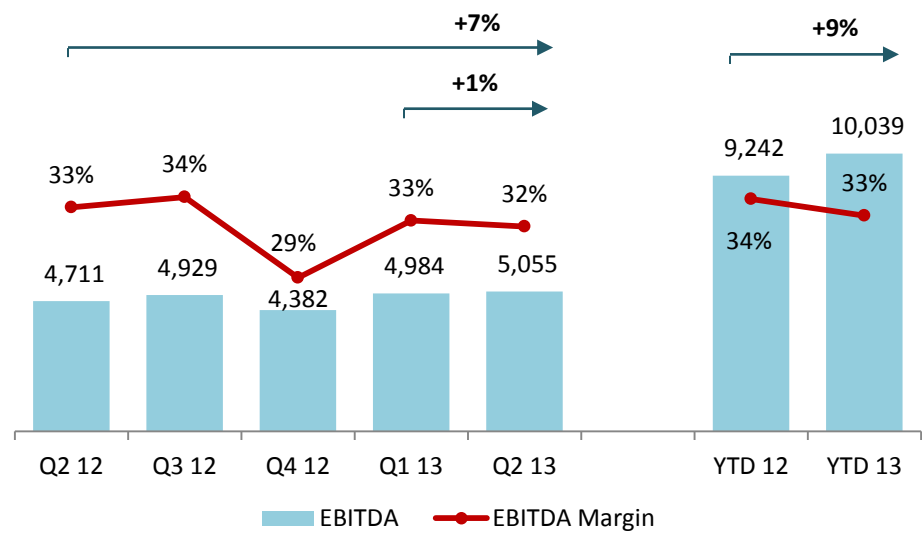


Mobile continued to be the main contributor to Group revenue, with revenue growth of 6% QoQ and 9% YTD, on the back of enlarged customer base of 8.3mn and increased usage

Television Revenue grew 2% QoQ and 20% YTD; Pay TV subscriber base of over 288,000 with net additions growing by 20% YoY

Reported PAT impacted by Forex Losses

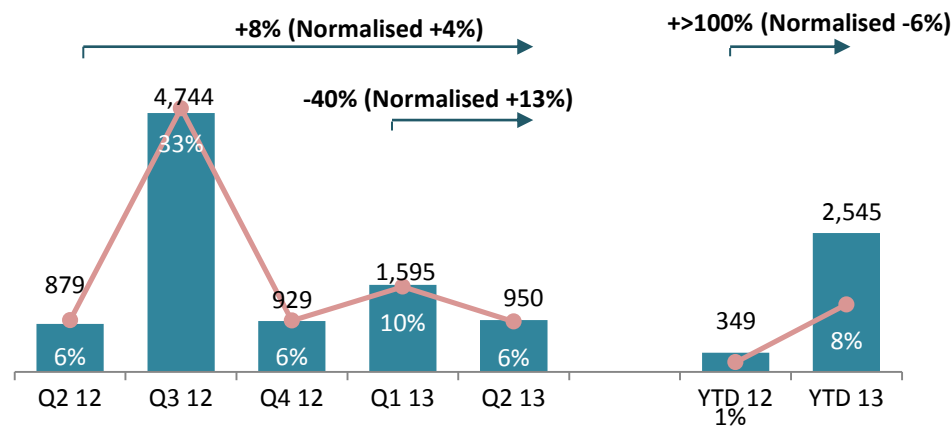
Group EBITDA (Rs Mn) & Margin (%)



Quarter On Quarter

- Steady EBITDA performance backed by strong growth in Revenue
- Q2 recorded non cash translational forex loss of Rs856mn following a 2.8% depreciation of SLR against USD
- Q2 Normalised PAT at Rs1.8bn grew by 13% QoQ with a PAT margin of 12%**

Group PAT (Rs mn) & Margin (%)



Year To Date

- YTD normalised PAT impacted by higher depreciation charges arising from expansion of data infrastructure
- 1H 2013 Performance is inclusive of Rs553mn tax provision computed on the basis of 2% of Revenue

Performance normalised to
Q2 13: exclude translational forex loss of Rs 856mn
1H 13: exclude translational forex loss of Rs 851mn
1H 12: exclude translational forex loss of Rs2,938mn and Sutel acquisition related costs of Rs343mn

Higher Cost in line with expanding infrastructure for data growth

Total Costs

% of Revenue	Q2 12	Q1 13	Q2 13	YTD 12	YTD 13
Direct expenses	29.3%	27.8%	30.3%	28.1%	28.8%
Sales & Marketing	12.0%	13.3%	11.3%	12.3%	12.5%
Network costs	11.7%	12.1%	12.5%	12.3%	12.3%
Staff costs	8.6%	8.9%	8.6%	8.3%	8.8%
Bad debts	0.5%	1.0%	1.0%	0.4%	1.0%
Overheads	4.4%	4.2%	4.0%	4.3%	4.1%
Total Expenses	66.5%	67.3%	67.7%	65.7%	67.5%

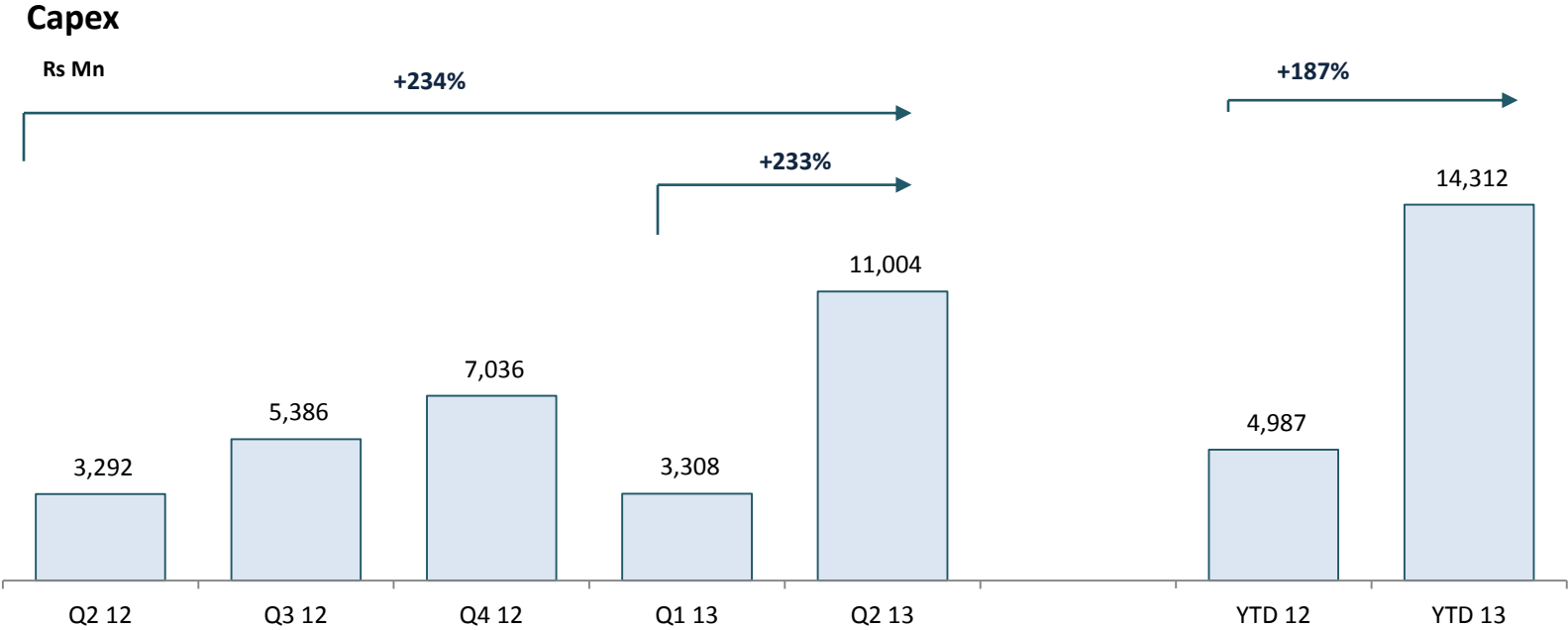
- Higher QoQ network Opex in line with the increased rollout of data infrastructure
- Higher YTD Sales and Marketing spend on promotions of new products, usage stimulation and loyalty campaigns

Financial Position (Rs mn)

	31 Mar 13	30 June 13
Cash & Cash Equivalents	8,602	2,530
Gross Debt	21,982	22,422
Net Assets	38,776	37,086
Gross Debt / equity (x)	0.57	0.60
Gross Debt/ EBITDA (x)	1.10	1.12
Net Debt/ EBITDA (x)	0.67	0.99
Free cash flow	1,667	(4,273)

- Cash balance end Q2 2013 reduced to Rs2.5bn whilst 1H 2013 Group FCF is negative at Rs4.3bn due to strategic investments in the quarter
- Net debt to EBITDA increased to 0.99x end June 2013 from 0.67x end March 2013

Aggressive Capex Investments to support Expanding Data Revenue



Continued investments in high speed broadband infrastructure to further strengthen the Group’s coverage and quality leadership position

Q2 Capex is inclusive of new spectrum and re-farming fees on account of 4G LTE services amounting to Rs 5.2Bn(47% of Q2 Capex)

Dialog Group Performance

Dialog Axiata Company Performance

Subsidiary Performance

Dialog Axiata PLC (Company): Financial Highlights

(All figures in Rs mn)	Q2 13	QoQ	YTD 13	YTD
Revenue	13,722	3%	27,060	13%
EBITDA	4,409	-0.3%	8,832	8%
PAT	985	-42%	2,679	+>100%
<i>Normalized PAT*</i>	1,822	8%	3,502	-5%
<i>EBITDA Margin</i>	32.1%	-1.0pp	32.6%	-1.5pp
<i>PAT Margin</i>	7.2%	-5.5pp	9.9%	8.0pp
<i>Normalized PAT Margin*</i>	13.3%	0.6pp	12.9%	-2.5pp

Revenue growth of 3% QoQ and 13% YTD driven by increase in data and voice revenue

YTD PAT impacted by non translational loss of Rs754mn against Rs3.1bn loss in 1H 2012

1H 2013 performance include 2% revenue based tax expense of Rs552mn following expiry of the Company's 15 year tax holiday end of 2012

Performance normalised to

Q2 13: exclude translational forex loss of Rs 837mn

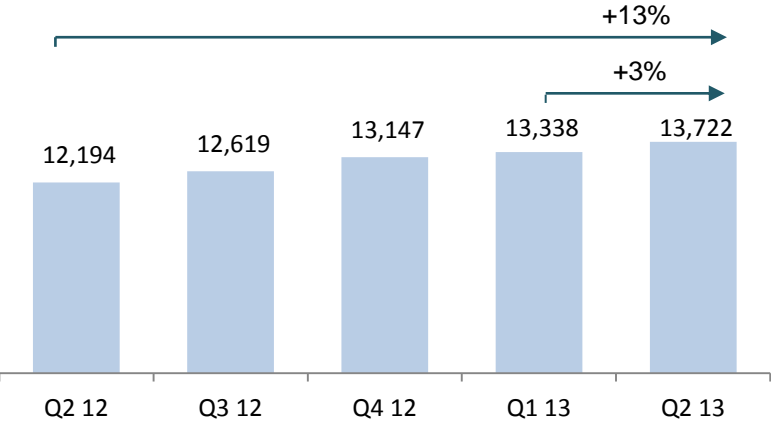
1H 13: exclude translational forex loss of Rs 823mn

1H 12: exclude translational forex loss of Rs2,938mn and Suntel acquisition related costs of Rs314mn

Mobile Subscriber Growth Continues

Stable ARPUs and Upward RPM Trend

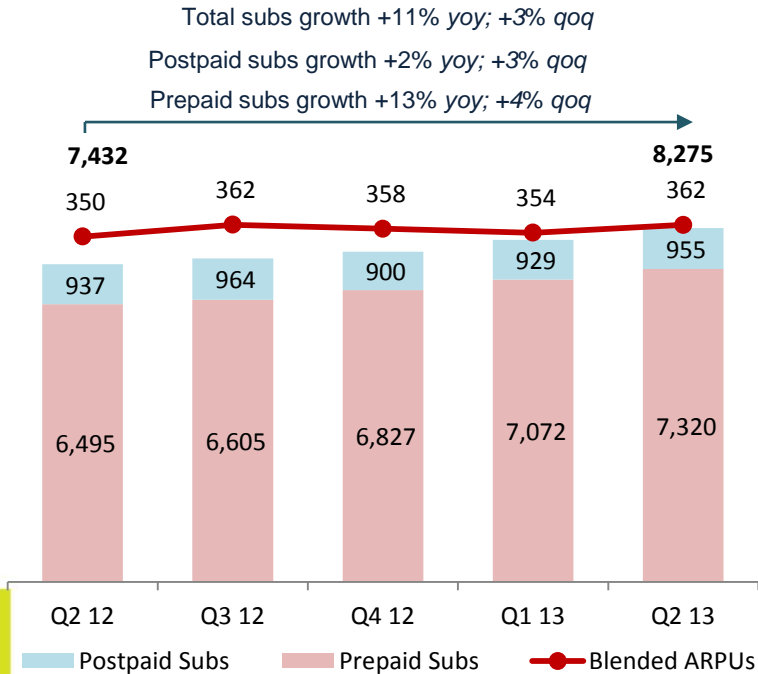
Revenue Rs Mn



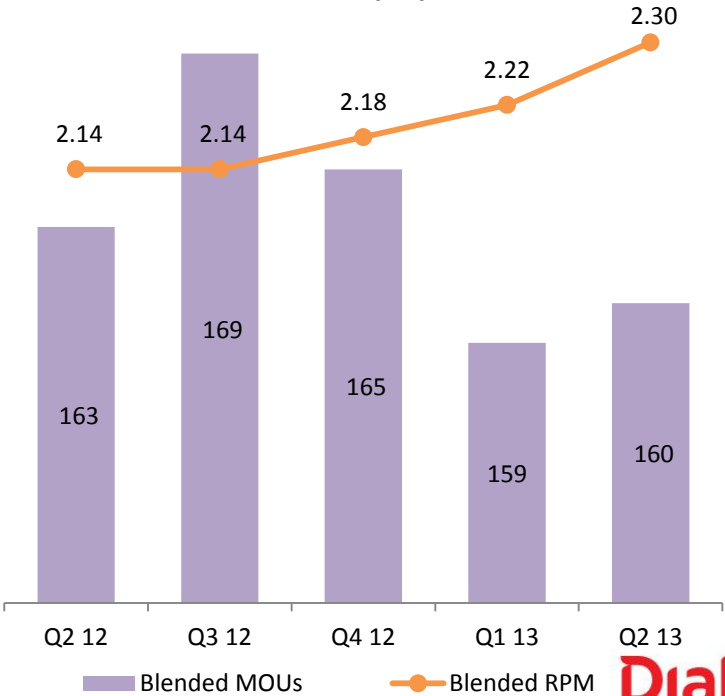
Prepaid segment driving the subscriber growth of 4% QoQ and 13% YoY

ARPUs increased by 2% QoQ

No of Subscribers'000



Blended MoU & RPM (Rs)



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Subsidiaries Performance

Dialog Television : Key Financial Highlights

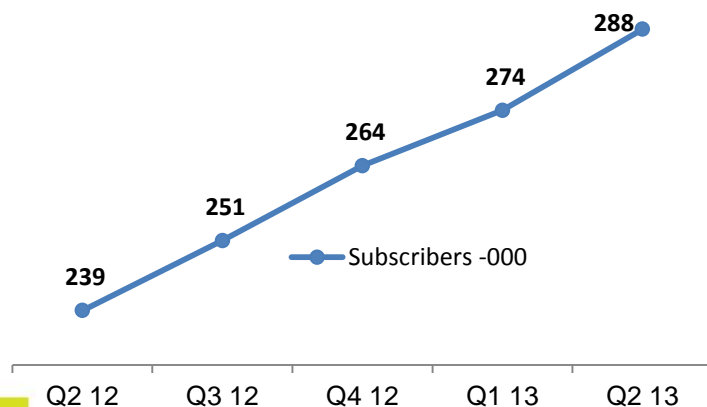
Continues to Consolidate performance in Q2 13

(All figures in Rs Mn)	Q2 13	QoQ	YTD
Revenue	876	3%	21%
EBITDA	179	50%	-23%
EBITDA Margin	20%	6pp	10pp
PAT	24	+>100%	-91%

Revenue growth of 3% QoQ and 21% YTD on the back of enlarged customer base of over 280,000 end Q2 2013

YTD EBITDA and PAT declined by 23% and 91% respectively due to cost expansion associated with provision of HD services and expansion of channel genres

Pay TV Subscriber Growth



Steady increase in subscribers; with over 14k net adds in the quarter to reach 288,000 as at end Q2 2013

Dialog Broadband Networks : Key Financial Highlights

13th Consecutive Quarter of Positive EBITDA

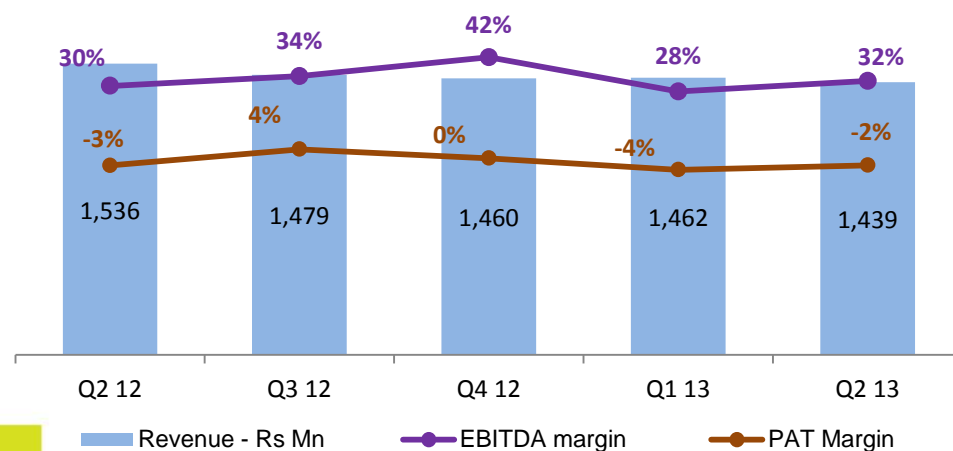
(All figures in Rs Mn)	Q2 13	QoQ	YTD
Revenue	1,439	-2%	38%
EBITDA	461	14%	35%
EBITDA Margin	32%	4pp	-1pp
PAT	-35	44%	48%

38% YTD revenue increase driven by the synergistic consolidation of Suntel Ltd

QoQ EBITDA up by 14% on the back of lower marketing spend and Q1 13 include a one off frequency charge

Accordingly, Net Loss reduced 44% QoQ and 48% YTD

Revenue, EBITDA margin and PAT margin trends



Thank You