Corporate Performance Announcement

L-R Moksevi Rasingh Prelis, Director, Dialog Telekom Limited; Anoja Obeyesekere, Company Secretary, Dialog Telekom Limited; Ir Prabahar N K Singam, Director, Dialog Telekom Limited; Tan Sri Dato Ir Muhammad Radzi bin Haji Mansor, Chairman, Telekom Malaysia and Dialog Telekom Limited; Dr. Hans Wijayasuriya, Director/CEO, Dialog Telekom Limited; Yusof Annuar Yacob, CEO, TM International Sdn Bhd; Wan Zaidan Wan Mahyudin, CFO, Dialog Telekom Limited.

Dialog Telekom recently released an overview of its Financial Performance for the financial year ended 31 December 2005.

DTL’s profit after taxation increased by 71% to Rs 7.01 bn for FY 2005, compared to Rs 4.0 bn in 2004.

For FY 2005, DTL recorded a revenue of Rs 18.03 bn, representing a growth of 58% above the Rs 11.41 bn recorded for FY 2004. Revenue growth has been driven by the consistent growth in both pre-paid and post-paid subscriber base.

Total direct costs for the period amounted to Rs 6.21 bn compared to Rs 3.93 bn in the previous year, which is a 58% increase. Direct costs to revenue ratios for 2004 and 2005 remained constant at 34%.

Significant components of direct cost are Telecom equipment depreciation, Network cost, International Origination cost, Outbound roaming cost, Lease circuit rental costs and International Telecommunication Levy. The Company has shown substantial growth in earnings before Interest, Tax, Depreciation and Amortisation (EBITDA). EBITDA was recorded at Rs 9.42 bn for 2005 compared to Rs 5.92 bn for 2004 representing a growth of 59%. EBITDA margin is recorded at 52%.

Earnings growth is underpinned by revenue growth of 58% combined with

enhancements in operational efficiencies as demonstrated by the fact that net profit after tax has displayed a growth of 71%. The net profit margin has also improved to 39% during 2005, from a figure of 36% in 2004. The Company enjoys a fifteenyear tax holiday expiring at the end of 2012 under the aegis of the Board of Investment of Sri Lanka.