

**By Fax /by Hand**

Ref: CSE/14/2017

5 July 2017

Mr. Renuke Wijayawardhane  
Chief Operating Officer  
Colombo Stock Exchange  
Level 4-1 West Tower  
World Trade Centre  
Colombo 1

Dear Sir,

**DIALOG AXIATA PLC - RELATED PARTY TRANSACTION**

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In terms of Rule 9.3.1 of the Listing Rules, we write to inform you that shareholder advances amounting to LKR 22,825,393,437/90, extended by the Company to its wholly owned subsidiary Dialog Broadband Networks (Private) Limited, have been capitalized in the form of 2,282,539,344 ordinary shares at the price of LKR 10/- each, in favour of the Company.

The details of the afore referenced related party transaction is set out below:-

- 1) **Date of Transaction:**  
30 June 2017.
- 2) **Name of the relevant Related Party:**  
Dialog Broadband Networks (Private) Limited ("DBN").
- 3) **Relationship between the Entity and the Related Party:**  
DBN is a fully owned subsidiary of Dialog Axiata PLC ("Dialog").
- 4) **Details of the Transaction:**  
DBN has issued 2,282,539,344 ordinary shares at LKR 10/- per share, to its parent company Dialog, in lieu of shareholder advances extended by Dialog up to 31 March 2017, as working capital and capital expenditure.
- 5) **Rationale for entering into the transaction:**  
Capitalization and conversion of shareholder advances.
- 6) **Statement of the Related Party Transactions Review Committee of Dialog:**  
The Related Party Transactions Review Committee of Dialog is of the view that the aforementioned transaction is at arm's-length terms, and is not prejudicial to the interest of Dialog and its minority shareholders. Hence the Related Party Transactions Review Committee is not obtaining an opinion from an independent expert prior to forming its view on the transaction.

7) **The aggregate value of the Related Party Transactions for the current financial year :**

The aggregate value of the Related Party Transactions with DBN for the current financial year is LKR 25.3Bn (Including share conversion) and the aggregate value of all Related Party Transactions of Dialog for the current financial year (including the transactions with DBN) is LKR 32.3Bn.

Yours faithfully,

**DIALOG AXIATA PLC**

A handwritten signature in blue ink, appearing to read 'Viranthi Attygalle', written in a cursive style.

**Viranthi Attygalle**  
**Group Company Secretary**