

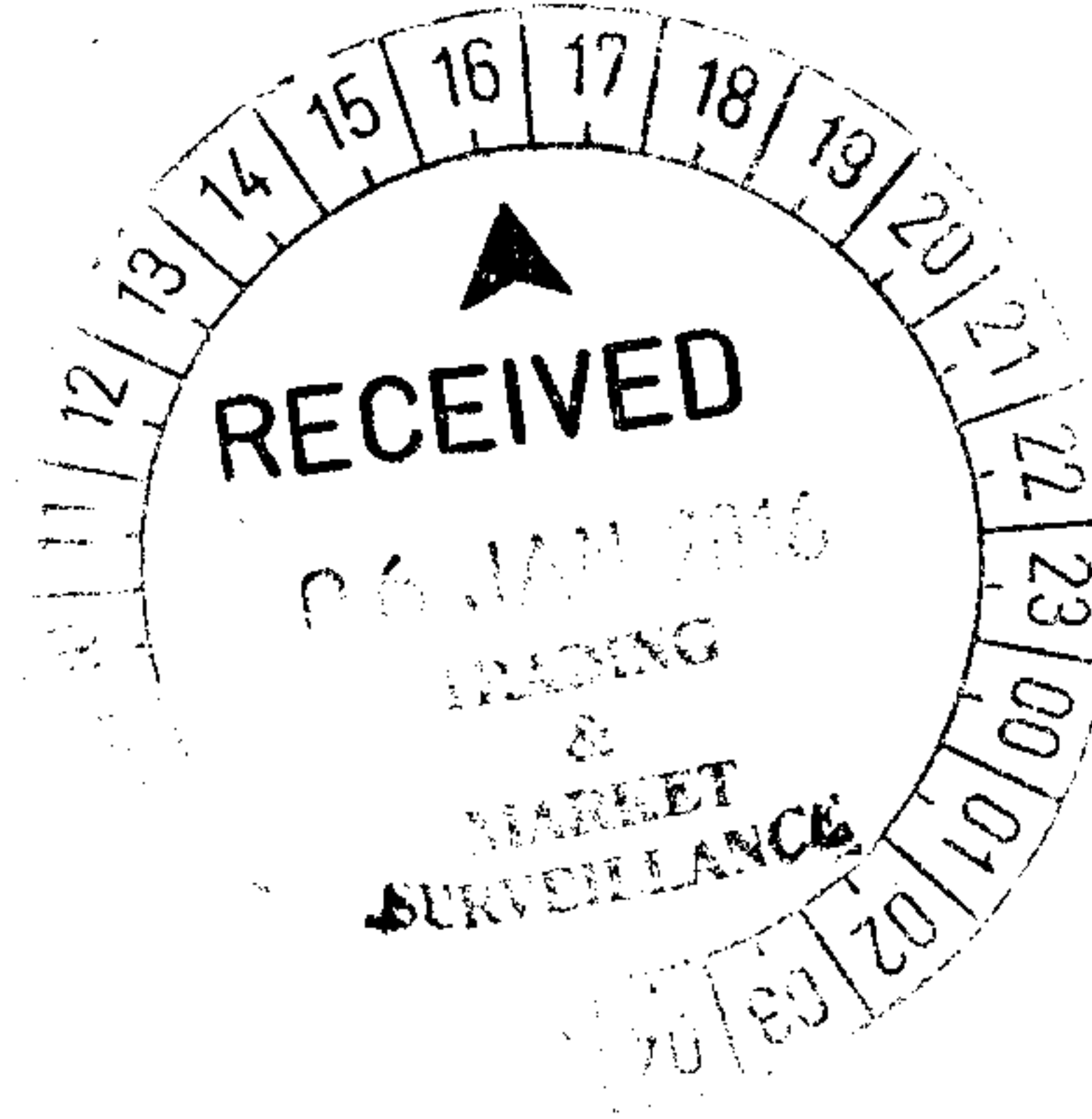


By Fax /by Hand

Ref: CSE/01/2016

6 January 2016

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



Dear Sir,

CORPORATE DISCLOSURE - INVESTING ACTIVITY OF SUBSIDIARY COMPANY OF DIALOG AXIATA PLC

We wish to inform the CSE that, Digital Holdings Lanka (Pvt) Ltd. ("DHL"), a wholly owned subsidiary of Dialog Axiata PLC ("Dialog"), has on 31 December 2015 acquired a 26% equity stake in HeadStart (Pvt) Ltd ("HeadStart"), pursuant to the conversion of bond instruments issued by HeadStart, amounting to LKR 20mn. The conversion of bonds into an equity stake is carried out in furtherance of the aspiration of DHL to enhance its presence in the Digital Education Services market in Sri Lanka.

HeadStart is a company engaged in the business of creating and providing e-learning content in Sri Lanka and has been a strategic partner of Dialog in the arena of digital education having managed Sri Lanka's leading digital education portal "Guru.lk" through an exclusively managed services agreement with the company.

As part of the afore-described strategic partnership between HeadStart and the Dialog Group, Dialog had taken up a total of LKR 60Mn of convertible bonds issued by HeadStart. The said bonds have been subsequently assigned to DHL. DHL retains the option to convert the residual Bonds in full or part, to additional equity in HeadStart at a future date.

Yours sincerely,
DIALOG AXIATA PLC

Dr. Hans Wijayasuriya
Director/ Group Chief Executive

YR/TK
Pls circulate
06/11