

Media release



SLT group 1st half Before Tax Profits Rs.3.25 bn.

Tuesday, 6th August, 2013.

The leading National Integrated Telecommunications Service Provider Sri Lanka Telecom (SLT) released today its Company and group financial results for the first six months of year 2013. SLT group comprises of holding company Sri Lanka Telecom (PLC) and seven other subsidiaries including the group mobile arm Mobitel (Pvt) Ltd.

During the 1st half 2013, the group recorded a Net Profit Before Tax (NPBT) of Rs. 3.25 bn. with 37% growth from same period of previous year and Rs.2.33 bn Net Profit After Tax (NPAT) with 79%. In respect of last year Rs. 1.91 bn. exchange loss was observed and reduction of this has led for the significant growth of the period under consideration. Remarkable performance of Mobile, Data, Enterprise and Wholesales sectors have contributed for the increase of group revenue of Rs. 29.17 bn by 5%. Group operating cost of Rs. 20.42 bn. has escalated by 11% during the 1st half 2013 compared to Rs. 18.44 bn. of the same period of last year due to operational expansions and inflation.

Net margin has been improved to 8% from 5% of the first six months of the previous year. However, the group EBITDA (Earnings Before Interest, Tax Depreciation and Amortization) margin for the 1st half 2013 has dipped to 30% from 34% of the corresponding period of the last year deteriorating SLT company EBITDA margin.

During the 1st half 2013 the group has make a significant investment of Rs.9.49 bn for the expansion of its mobile, data and other infrastructure facilities, compared to Rs.7.92 bn during the corresponding period of last year.

Mr.Nimal Welgama, Group Chairman SLT declared that the growth momentum of the SLT group displays its resilience to the pressures of the market place. Investing in new technologies, transforming staff to perform innovatively and creatively and introducing new processes the group will continue to excel in the market.

SLT Company has secured a Rs.17.56 bn. revenue during the 1st six months of the year compared to Rs. 17.15 bn of same period of the last year, which is 2% increase, resulting noteworthy performance of Data,

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Enterprise and Whole sales sectors. However, substitute products available in the market have curbed the revenues of voice and international services. The company expects to arrest this situation by introducing Value Added Services and better customer experience. Operating cost of Rs.12.89 bn has been reported during the period under consideration. This is a 10% increase year on year.

Commenting on SLT performance, the Group CEO Mr. Lalith De Silva stated that SLT is an assets rich company and effective utilization of assets is a key to way forward. Strategic investments in new technologies such as Wi-Fi, LTE also will play a pivotal role for the sustainable growth in a competitive market. A corporate culture change is being embarked across the group to perceive staff to think innovatively and creatively towards increase customer satisfaction. He further stated that as a responsible corporate citizen in Sri Lanka, SLT invests heavily in National Backbone Network (NBN) giving opportunities to peer operators in meeting their network requirements and aligning with the government ICT policy. SLT is now reaching migration of its entire customer base to the Next Generation Network (NGN) giving experience of IP (Internet Protocol) base technologies to all stake holders. Every action has been taken to maximize the group synergies. All these efforts will ultimately enhance the value of the company.

Mobitel (Pvt) Ltd., the mobile arm of the group continued to grow its revenue despite the intensifying competitive position in the industry. Company Revenue for the first half of 2013 was recorded at Rs13.4 bn, up by 10% compared to the corresponding period in 2012. The company expects to secure revenue increase through continues growth in subscriber base as well as in the data business.

Reflecting the growth in revenue, operating profitability of the company improved compared to 1st half 2012 while quarterly growth is also encouraging. Company EBITDA and EBIT (Earnings Before Interest and Tax) for the 1st half 2013 grew by 9% and 16% respectively over the corresponding period of 2012.

The growth in NPAT during 1st half 2013 is appreciable compared to last year. This is attributable to the growth in EBIT as well as the relative stability of the currency compared to the first half of last year.