

Media release



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Financial performance - 2016

SLT Group Records Healthy Growth in Profits during 2016

Sri Lanka Telecom PLC released its Group and Holding Company Financial Results for the year ending 2016, which revealed a healthy revenue growth by 8.5% and profits up by 28.6% compared to 2015. The Group comprises of the holding Company and eight subsidiaries including Mobitel (Pvt) Ltd, the mobile arm.

The Group recorded a net profit of Rs.4.8 billion with a marked increase of 28.6% year on year. This growth was driven by an increase in revenue of both Fixed ICT and Mobile segments reaching a total of Rs 73.8 Billion.

The decision to make continuous investments in data and broadband related products providing superior experience in quality and speed at competitive rates is reflected in the revenue increase.

Meanwhile Group operating costs rose by 11.7% as a result of the increased government tax levies, ITL (International Telecommunications Levy) rate by US\$ 0.03 and due to the damages caused to equipment and infrastructure by floods affecting several provinces. Despite the cost escalations the group reported an EBITDA of Rs.20.2 billion during the year with a year on year growth of 1%. The group EBITDA margin was reported at 27.4%. Along with the improvements in revenue growth the lower impact of foreign exchange rate variations has positively impacted the Net Profit growth of the group.

Mr. Kumarasinghe Sirisena, the Group Chairman was of the view that the strategic and business decisions that are being made focusing on the Group perception as a whole and aligning the Group's goals with that of the Government's vision to become an ICT enabled country, will further strengthen and drive the growth of the Group in the coming year.

In the meantime, the holding company, Sri Lanka Telecom PLC, reported a Net Profit of Rs.1.7 billion during the year 2016, maintaining the same level as last year. Company revenue was reported at Rs.43.1 billion with a 6.3% increase in comparison to the previous year.

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In releasing the financial performance for 2016, Group Chief Executive Officer Mr. Dileepa Wijesundera noted that despite various challenges in the Industry and the market, each individual within the Group was able to make a tremendous contribution and thus achieve sustainable growth overall. Further the group is now geared to offer an even a better experience to its' customers in 2017 with an extensive product portfolio including OTT and IoT based on the super-fast fiber optic network.