

**Sri Lanka Telecom PLC**



**Condensed Consolidated Interim Financial Statements**

**For the Quarter ended**

**30 June 2018**

## Statement of Profit or Loss and other Comprehensive Income

*(All amounts in LKR Millions)*

	Group		Company		Group		Company	
	Apr.- June		Apr.- June		Jan - June		Jan - June	
	2018 (Reviewed)	2017 (Reviewed)	2018 (Reviewed)	2017 (Reviewed)	2018 (Reviewed)	2017 (Reviewed)	2018 (Reviewed)	2017 (Reviewed)
Revenue	19,688	18,717	11,812	10,941	39,450	37,384	23,331	22,149
Operating costs	(13,577)	(13,328)	(8,566)	(8,166)	(27,247)	(26,382)	(16,631)	(16,323)
Operating profit before depreciation and amortization	6,111	5,389	3,246	2,775	12,203	11,002	6,700	5,826
Depreciation	(4,281)	(4,048)	(2,904)	(2,643)	(8,543)	(7,916)	(5,804)	(5,161)
Amortisation of intangible assets	(271)	(174)	(66)	(42)	(517)	(302)	(118)	(91)
<b>Operating profit</b>	<b>1,559</b>	<b>1,167</b>	<b>276</b>	<b>90</b>	<b>3,143</b>	<b>2,784</b>	<b>778</b>	<b>574</b>
Other income	621	168	620	158	746	454	740	443
Interest expenses and finance cost	(51)	(43)	(19)	(3)	(83)	(90)	(26)	(6)
Foreign exchange (loss) /gain	(256)	(181)	(203)	(176)	(550)	(545)	(436)	(433)
Interest income	177	224	147	114	348	499	266	232
<b>Profit before tax</b>	<b>2,050</b>	<b>1,335</b>	<b>821</b>	<b>183</b>	<b>3,604</b>	<b>3,102</b>	<b>1,322</b>	<b>810</b>
Income tax expenses	(386)	(284)	(114)	(87)	(764)	(599)	(283)	(169)
<b>Profit for the Period</b>	<b>1,664</b>	<b>1,051</b>	<b>707</b>	<b>96</b>	<b>2,840</b>	<b>2,503</b>	<b>1,039</b>	<b>641</b>
<b>Other comprehensive income</b>								
Defined benefit plan actuarial (loss/gain)	138	63	138	60	276	126	276	120
Tax on other comprehensive income	(38)	(18)	(38)	(17)	(77)	(36)	(77)	(34)
<b>Other comprehensive income for the period (net of tax)</b>	<b>100</b>	<b>45</b>	<b>100</b>	<b>43</b>	<b>199</b>	<b>90</b>	<b>199</b>	<b>86</b>
<b>Total Comprehensive Income for the Period</b>	<b>1,764</b>	<b>1,096</b>	<b>807</b>	<b>139</b>	<b>3,039</b>	<b>2,593</b>	<b>1,238</b>	<b>727</b>
<b>Profit Attributable to :</b>								
Owners of the company	1,664	1,051	707	96	2,840	2,503	1,039	641
<b>Total Comprehensive Income attributable to:</b>								
Owners of the company	1,764	1,096	807	139	3,039	2,593	1,238	727
Earnings per share								
<b>Basic (Rs.)</b>	<b>0.92</b>	<b>0.58</b>	<b>0.39</b>	<b>0.05</b>	<b>1.57</b>	<b>1.39</b>	<b>0.58</b>	<b>0.36</b>

Statement of Financial Position  
 (All amounts in LKR Millions)

	Group		Company	
	30 June 2018 (Reviewed)	31 Dec 2017 (Audited)	30 June 2018 (Reviewed)	31 Dec 2017 (Audited)
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	120,443	117,035	94,215	91,453
Intangible assets and goodwill	8,272	7,861	1,227	1,067
Investments in subsidiaries	-	-	14,366	14,206
Investments in associates	28	28	28	28
Deferred tax assets	85	84	-	-
Contract assets	335	-	109	-
Other receivables	3,087	3,150	3,073	3,127
<b>Total Non-current Assets</b>	<b>132,250</b>	<b>128,158</b>	<b>113,018</b>	<b>109,881</b>
<b>Current Assets</b>				
Inventories	1,941	3,161	993	2,228
Trade and other receivables	26,520	20,731	19,757	17,854
Current tax receivables	558	1,035	558	1,035
Contract assets	305	-	92	-
Other investments	1,848	1,844	1,779	1,780
Cash and cash equivalents	3,012	4,277	798	796
<b>Total Current Assets</b>	<b>34,184</b>	<b>31,048</b>	<b>23,977</b>	<b>23,693</b>
<b>Total Assets</b>	<b>166,434</b>	<b>159,206</b>	<b>136,995</b>	<b>133,574</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Stated capital	18,049	18,049	18,049	18,049
Insurance reserve	732	691	732	691
Retained earnings	53,494	52,569	39,301	40,480
Equity attributable to equity holders of the company	<b>72,275</b>	<b>71,309</b>	<b>58,082</b>	<b>59,220</b>
Non controlling Interest	94	95	-	-
<b>Total Equity</b>	<b>72,369</b>	<b>71,404</b>	<b>58,082</b>	<b>59,220</b>
<b>Non Current Liabilities</b>				
Grants	-	3	-	3
Borrowings	25,670	14,920	25,115	14,492
Contract liability	2,711	2,239	2,677	2,208
Deferred tax liabilities	5,740	5,956	5,729	5,945
Employee benefits	4,019	4,355	3,423	3,719
Trade and other payables	2,098	2,444	532	532
<b>Total Non Current Liabilities</b>	<b>40,238</b>	<b>29,917</b>	<b>37,476</b>	<b>26,899</b>
<b>Current Liabilities</b>				
Borrowings	19,350	26,891	17,828	24,486
Contract liability	2,936	2,143	912	468
Current tax liabilities	454	401	-	-
Trade and other payables	31,087	28,450	22,697	22,501
<b>Total Current Liabilities</b>	<b>53,827</b>	<b>57,885</b>	<b>41,437</b>	<b>47,455</b>
<b>Total Liabilities</b>	<b>94,065</b>	<b>87,802</b>	<b>78,913</b>	<b>74,354</b>
<b>Total Equity and Liabilities</b>	<b>166,434</b>	<b>159,206</b>	<b>136,995</b>	<b>133,574</b>

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

Signed  
 Udeni Samararatne  
 Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board of Directors on 09 August 2018.

Signed for and behalf of the Board.

Signed  
 P.G. Kumarasinghe Sirisena  
 Director

Signed  
 Nilanthi Pieris  
 Director

Sri Lanka Telecom PLC  
Company Registration No. PQ 7  
Condensed Consolidated Interim Financial Statements

Statement of Changes in Equity

(All amounts in LKR Millions )

Group	Attributable to owners of the Company					Total Equity
	Stated Capital	Insurance Reserve	Retained Earnings	Total	Non-controlling interest	
<b>Balance as at 1 January 2017</b>	<b>18,049</b>	<b>680</b>	<b>49,858</b>	<b>68,587</b>	<b>91</b>	<b>68,678</b>
Non Controlling interest					2	2
<b>Total comprehensive income for the period</b>					-	
Net profit for the period	-	-	2,503	2,503	-	2,503
<b>Other comprehensive income</b>					-	
Defined benefit plan actuarial (loss)/gain, net of tax	-	-	90	90	-	90
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>2,593</b>	<b>2,593</b>	<b>-</b>	<b>2,593</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>					-	-
Dividends to equity share holders	-	-	(1,606)	(1,606)	-	(1,606)
<b>Insurance reserve</b>						
Transfer to insurance reserve	-	(56)	56	-	-	-
<b>Balance as at 30 June 2017</b>	<b>18,049</b>	<b>624</b>	<b>50,901</b>	<b>69,574</b>	<b>93</b>	<b>69,667</b>
<b>Balance as at 1 July 2017</b>	<b>18,049</b>	<b>624</b>	<b>50,901</b>	<b>69,574</b>	<b>93</b>	<b>69,667</b>
<b>Total comprehensive income for the period</b>						-
Non Controlling interest	-	-	-	-	2	2
Net profit for the period	-	-	1,437	1,437	-	1,437
<b>Other comprehensive income</b>						
Defined benefit plan actuarial (losses)/gain, net of tax	-	-	298	298	-	298
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,735</b>	<b>1,735</b>	<b>-</b>	<b>1,735</b>
<b>Transactions with owners, recorded directly in equity Contribution by and distribution to owners</b>						
<b>Insurance reserve</b>						
Transfer to insurance reserve	-	67	(67)	-	-	-
<b>Balance as at 31 December 2017</b>	<b>18,049</b>	<b>691</b>	<b>52,569</b>	<b>71,309</b>	<b>95</b>	<b>71,404</b>
<b>Balance as at 1 January 2018</b>	<b>18,049</b>	<b>691</b>	<b>52,569</b>	<b>71,309</b>	<b>95</b>	<b>71,404</b>
SLFRS 15 Adjustment			(467)	(467)		(467)
Non controlling interest	-	-	-	-	(1)	(1)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net profit for the period	-	-	2,840	2,840	-	2,840
<b>Other comprehensive income</b>						
Defined benefit plan actuarial (losses)/gain, net of tax	-	-	199	199	-	199
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>3,039</b>	<b>3,039</b>	<b>(1)</b>	<b>3,038</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>						
Dividends to equity share holders	-	-	(1,606)	(1,606)	-	(1,606)
<b>Insurance reserve</b>						
Transfer to insurance reserve	-	41	(41)	-	-	-
<b>Balance as at 30 June 2018</b>	<b>18,049</b>	<b>732</b>	<b>53,494</b>	<b>72,275</b>	<b>94</b>	<b>72,369</b>

## Condensed Consolidated Interim Financial Statements

## Statement of Changes in Equity

*(All amounts in LKR Millions )*

Company	Attributable to owners of the Company			
	Stated Capital	Insurance Reserve	Retained Earnings	Total
<b>Balance as at 1 January 2017</b>	<b>18,049</b>	<b>680</b>	<b>40,271</b>	<b>59,000</b>
<b>Total comprehensive income for the period</b>				
Net profit for the period	-	-	641	641
<b>Other comprehensive income</b>				-
Defined benefit plan actuarial (loss)/gain, net of tax	-	-	86	86
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>727</b>	<b>727</b>
<b>Transactions with owners, recorded directly in equity</b>				
<b>contribution by and distribution to owners</b>				
Dividends to equity share holders	-	-	(1,606)	(1,606)
<b>Insurance reserve</b>				
Transfer to insurance reserve	-	(56)	56	-
<b>Balance as at 30 June 2017</b>	<b>18,049</b>	<b>624</b>	<b>39,448</b>	<b>58,121</b>
<b>Balance as at 1 July 2017</b>	<b>18,049</b>	<b>624</b>	<b>39,448</b>	<b>58,121</b>
<b>Total comprehensive income for the period</b>				
Net profit for the period	-	-	787	787
<b>Other comprehensive income</b>				
Defined benefit plan actuarial (loss)/gain, net of tax	-	-	312	312
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,099</b>	<b>1,099</b>
<b>Transactions with owners, recorded directly in equity</b>				
<b>contribution by and distribution to owners</b>				
<b>Insurance reserve</b>				
Transfer to insurance reserve	-	67	(67)	-
<b>Balance as at 31 December 2017</b>	<b>18,049</b>	<b>691</b>	<b>40,480</b>	<b>59,220</b>
<b>Balance as at 1 January 2018</b>	<b>18,049</b>	<b>691</b>	<b>40,480</b>	<b>59,220</b>
SLFRS 15 Adjustment	-	-	(770)	(770)
<b>Total comprehensive income for the period</b>				
Net profit for the period	-	-	1,039	1,039
<b>Other comprehensive income</b>				
Defined benefit plan actuarial (loss)/gain, net of tax	-	-	199	199
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,238</b>	<b>1,238</b>
<b>Transactions with owners, recorded directly in equity</b>				
<b>contribution by and distribution to owners</b>				
Dividends to equity share holders	-	-	(1,606)	(1,606)
<b>Insurance reserve</b>				
Transfer to insurance reserve	-	41	(41)	-
<b>Balance as at 30 June 2018</b>	<b>18,049</b>	<b>732</b>	<b>39,301</b>	<b>58,082</b>

**Statement of Cash Flows for 6 months ended 30 June**  
*(All amounts in LKR Millions )*

	GROUP		COMPANY	
	2018	2017	2018	2017
<b>Operating activities</b>				
Cash generated from operations	10,828	7,924	6,986	3,522
Interest received	328	489	246	222
Interest paid	(1,530)	(891)	(1,513)	(611)
Tax paid	(528)	(455)	(99)	(115)
Gratuity paid	(398)	(141)	(320)	(130)
<b>Net cash generated from operating activities</b>	<b>8,700</b>	<b>6,926</b>	<b>5,300</b>	<b>2,888</b>
<b>Cash flows from Investing activities</b>				
Acquisition of property, plant and equipment	(9,858)	(10,392)	(6,473)	(8,480)
Acquisition of intangible assets	(928)	(3,224)	(278)	(76)
Proceeds from disposal of property, plant and equipment	59	376	58	372
Proceeds /(Purchase) of short term investments	32	(1,619)	37	(1,620)
Investments in subsidiaries	-	-	(160)	-
<b>Net cash used in investing activities</b>	<b>(10,695)</b>	<b>(14,859)</b>	<b>(6,816)</b>	<b>(9,804)</b>
<b>Cash flows from Financing activities</b>				
Proceeds from borrowings	18,925	11,049	17,440	10,923
Finance lease principal re-payments	(45)	(38)	(30)	(28)
Re-payment on borrowings	(10,161)	(5,684)	(8,201)	(4,385)
Dividend paid to equity share holders	(1,606)	(1,606)	(1,606)	(1,606)
<b>Net cash generated from financing activities</b>	<b>7,113</b>	<b>3,721</b>	<b>7,603</b>	<b>4,904</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>5,118</b>	<b>(4,212)</b>	<b>6,087</b>	<b>(2,012)</b>
<b>Movement in Cash and cash equivalents</b>				
Cash and cash equivalents at beginning of the year	(9,046)	(616)	(11,610)	(6,234)
Effect of exchange fluctuation on cash and cash equivalents	-	6	-	6
	(9,046)	(610)	(11,610)	(6,228)
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>5,118</b>	<b>(4,212)</b>	<b>6,087</b>	<b>(2,012)</b>
<b>Cash and cash equivalents at 30 June (Note 1)</b>	<b>(3,928)</b>	<b>(4,822)</b>	<b>(5,523)</b>	<b>(8,240)</b>
<b>Note 1</b>				
Cash and cash equivalents	3,012	4,080	798	431
Bank overdraft	(6,940)	(8,902)	(6,321)	(8,671)
	(3,928)	(4,822)	(5,523)	(8,240)

## **I. Reporting Entity**

Sri Lanka Telecom PLC (the ‘Company’) is a company domiciled in Sri Lanka. The address of the Company’s registered office is Lotus Road, Colombo 1. The condensed separate interim financial statements relates to Sri Lanka Telecom PLC. These condensed consolidated interim financial statements (‘interim financial statements’) as at 30 June 2018 and for the six months ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as the ‘Group’).

The Group is primarily involved in providing broad portfolio of telecommunication services across Sri Lanka. In addition, the range of services provided by the Group include, inter-alia, internet services, data services, domestic and international leased circuits, broadband, satellite uplink, maritime transmission, IPTV service and directory publishing service. The Company is public listed on the Colombo Stock Exchange.

## **II. Basis of accounting**

These condensed consolidated interim financial statements have been prepared in accordance with LKAS 34 Interim Financial Reporting and do not include all the information required for a complete set of SLFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group’s financial position and performance since the last annual financial statements as at 31 December 2017 and for the year ended 31 December 2017.

These financial statements were authorized for issue by the Board of Directors on 09 August 2018.

## **III. Significant accounting policies**

The accounting policies applied in these interim financial statements are the same as those applied in the financial statement as at 31 December 2017 and for the year ended 31 December 2017 except for changes required due to adoption of the following standards with effective from 01 January 2018.

The Group applies, SLFRS 15 Revenue from Contracts with Customers and SLFRS 9 Financial Instruments.

SLFRS 15 sets out the requirements for recognizing revenue and costs from contracts with customers and includes extensive disclosure requirements. The standard requires entities to apportion revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, based on a five-step model.

The Group adopted SLFRS 15 Revenue from contracts with customers using the modified retrospective method of adoption with initial date of application of 1 January 2018.

As required by LKAS 34, the nature and effect of these changes are disclosed in Note VIII.

## **IV. Use of Judgments and estimates**

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation were the same as those applied to the financial statements as at 31 December 2017 and for the year ended 31 December 2017.

## V. Operating segments

(a) Information about reportable segments  
(All amounts are in Rs.Mn)

	Fixed ICT Operations		Mobile Operations		Other Segments Operations		Total	
	30 June		30 June		30 June		30 June	
	2018	2017	2018	2017	2018	2017	2018	2017
External revenues	21,247	20,309	17,755	16,578	448	497	39,450	37,384
Inter-segment revenue	2,084	1,840	1,101	1,353	1,524	1,064	4,709	4,257
Reportable segment revenue	23,331	22,149	18,856	17,931	1,972	1,561	44,159	41,641
Reportable segment Profit before tax	1,322	810	2,117	2,228	211	139	3,650	3,177
Interest revenue	266	232	70	251	12	16	348	499
Interest expenses	(26)	(6)	(46)	(71)	(11)	(13)	(83)	(90)
Depreciation and Amortization	(5,922)	(5,252)	(3,122)	(2,922)	(16)	(44)	(9,060)	(8,218)

Revenues	2018	2017
Total revenue for reportable segments	42,187	40,080
Revenue for other segments	1,972	1,561
Reportable segment revenue	44,159	41,641
Elimination of inter-segment revenue	(4,709)	(4,257)
<b>Consolidated revenue</b>	<b>39,450</b>	<b>37,384</b>
<b>Profit or loss</b>		
Total Profit or loss for reportable segments	3,439	3,038
Profit or loss for other segments	211	139
Reportable segment Profit before tax	3,650	3,177
Elimination of inter-segment profits	(46)	(75)
<b>Consolidated profit before tax</b>	<b>3,604</b>	<b>3,102</b>



	Fixed ICT Operations		Mobile Operations		Other Segments Operations		Elimination of inter segment balances		Consolidated assets and liabilities	
	30 June	31Dec	30 June	31Dec	30 June	31Dec	30 June	31Dec	30 June	31Dec
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Reportable segment assets	136,995	133,574	47,915	43,601	2,832	2,173	(21,308)	(20,142)	166,434	159,206
Reportable segment liabilities	78,913	74,354	20,265	17,948	2,192	1,846	(7,305)	(6,346)	94,065	87,802

## VI. Seasonal or cyclical factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors

## VII. Significant unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the period ended 30 June 2018.

## VIII. Changes in accounting policies

### (a) Contract Assets

As per SLFRS 15, the costs directly attributable to customer contracts are recognized as contract assets and amortized on a uniform basis in line with the achievement of the performance obligations. In the past these costs were charged to the statement of Profit or Loss. However if the amortization period is less than 1 year, the Group and Company identify the additional cost of acquiring a contract as an expenditure when incurred.

The opening balance as at 1st January 2018 indicates the contract asset representing the existing customer contracts which is charged to statement of Profit or Loss before 1 January 2018. The contract asset movements are provided below.

	Group	Company
Opening adjustment - 1 January 2018	515	212
Addition	267	36
Amortization	(142)	(47)
Balance as at 30 June 2018	640	201

**(b). Contract Liabilities**

As per SLFRS 15 revenue is recognized when the individual performance obligations specified in a contract were satisfied.

Separate performance obligations based on the total consideration obtained is based on individual selling price. The group and Company reclassify customer contract previously shown as deferred income to contract liabilities.

The figure shows the contract liabilities due to uncompleted performance obligations as at 1 January 2018.

	<b>Group</b>	<b>Company</b>
Opening adjustment - 1 January 2018	982	982
Addition	274	252
Amortization	(239)	(236)
Balance as at 30 June 2018	1,017	998

**(c). Retained Earnings**

The following is a summary of transition adjustments to the Company and Group's Retained Earnings from the application of SLFRS 15.

	<b>Group</b>	<b>Company</b>
Recognition of Contract Assets	515	212
Recognition of Contract Liabilities	(982)	(982)
Impact to the Retained Earnings as at 1 January 2018	(467)	(770)

**IX. Property Plant and equipment****(a) Acquisitions and disposals**

During the six months ended 30 June 2018, the Group acquired assets at a cost of Rs. 3,730 mn (six months ended 30 June 2017 Rs. 6,253 mn).

Assets with a Nil net book value were disposed during the six months ended 30 June 2018 (six months ended 30 June 2017: Rs Nil), resulting in a gain on disposal of Rs 59 mn (six months ended 30 June 2017: gain of Rs 376 mn), which was included in 'other income' in the condensed consolidated statement of profit or loss and other comprehensive income.

## (b) Capital commitments.

	Group (Rs. Mn)		Company (Rs. Mn)	
	30 June 2018	31 Dec. 2017	30 June 2018	31 Dec. 2017
<b>Property plant and equipment</b>				
Approved but not contracted	8,751	25,984	8,751	25,984
Approved and contracted	4,442	1,774	4,057	1,400

**X. Capital and reserve**

## (a) Stated Capital

Stated capital of the Company consists of 1,804,860,000 ordinary shares.

**XI. Loans and Borrowings**

Material repayment of loans and borrowing at Group level for the period is under review:

Repayments	Currency	Amount (Rs.Mn)
Bank loan – 30 June 2018	LKR	10,161

Material addition to loans and borrowings at Group level for the period is under review:

Additions	Currency	Amount (Rs.Mn)
Bank loan – 30 June 2018	LKR	18,925

**XII. Contingencies**

There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the audited financial statements for the year ended 31 December 2017, except following:

On 18.07.2017 Dialog Broadband Network Ltd (DBN) filed a Case against SLT under Case Number HC/Civil/23/2017 in the Commercial High Court regarding alleged violation of Intellectual Property Rights, on the basis that SLT used an RFP floated by DBN. An ex-parte interim injunction was obtained from court by DBN on 19.07.2017 requiring SLT to disclose the source/party who revealed the RFP and to furnish the original under the provisions of Intellectual Property Act. Further permanent injunction and a claim of damages of Rs.7, 800,000,000/- was made under the petition by DBN. SLT filed documents for revocation of the interim order on 10.08.2017.

At the meantime SLT submitted a preliminary objection on the basis that the Request for Proposal (RFP) was not issued or floated by DBN and made submissions to dismiss this application made by DBN. This position was upheld in court and the order was delivered in court on 08 August 2018 dismissing the legal action filed by DBN.

**XIII. Related Parties**

Material related party transactions during the quarter under review;

Company	Nature of Transaction	Transaction value ( Rs. Mn)		Amount due (to)/ from related parties (Rs.Mn)	
		30 June 2018	30 June 2017	30 June 2018	31 Dec. 2017
<b>Mobitel (Private) Limited</b>	Sale of goods and services	2,047	1,831	3,070	2,684
	Purchase of goods and services	1,020	1,217	(2,228)	(1,681)

**XIV. Events after the Reporting Date**

No material events have arisen since the date of the statement of financial position up to the date of this report which require changes to, or disclosure in the financial statements.

**Sri Lanka Telecom PLC**

**Company Registration No. PQ 7**

**Condensed Consolidated Interim Financial Statements**

**Investor Information**

**Ratios**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2018</b>	<b>31 Dec. 2017</b>	<b>30 June 2018</b>	<b>31 Dec. 2017</b>
Net asset value per share (Rs)	40.10	39.56	32.18	32.81
Gearing ratio -Number of times	0.38	0.37	0.43	0.40
Quick asset ratio - Number of times	0.60	0.48	0.55	0.45

  

	<b>For 6 months ended</b>		<b>For 6 months ended</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2018</b>	<b>30 June 2017</b>
Interest cover - Number of times	1.88	2.70	0.71	0.74

**Market Value of Shares**

**Market Value of the Ordinary Shares of the Company (Rs)**

	<b>3 Months ended 30 June 2018</b>	<b>3 Months ended 30 June 2017</b>
-Highest	30.00	36.00
-Lowest	23.70	30.80
-Last Traded price	24.80	32.00

**Dividend Payment**

First and final dividend for the year 2017- Rs 0.89 per share was paid on 18 May 2018.

**Share traded during 1 April to 30 June 2018**

	<b>3 Months ended 30 June 2018</b>
-3 months No of Transactions	1,000
- No of Shares Traded	320,217
-Value of Shares Traded (Rs)	8,340,307

**Sri Lanka Telecom PLC**  
**Company Registration No. PQ 7**  
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1) List of 20 Major Shareholders

<u>Name &amp; Address</u>	<u>Share Holding</u>	<u>Percentage %</u>
1 Secretary to the Treasury	893,405,709	49.50
2 Global Telecommunications Holdings NV	811,757,869	44.98
3 Employees Provident Fund	25,324,104	1.40
4 Bank of Ceylon A/C Ceybank Unit Trust.	18,517,803	1.03
5 Sri Lanka Insurance Corporation Ltd-Life Fund	17,713,735	0.98
6 National Savings Bank	13,158,700	0.73
7 Employees Trust Fund Board	3,302,188	0.18
8 Sri Lanka Insurance Corporation Ltd-General Fund	2,041,538	0.11
9 Bank of Ceylon A/C Ceybank Century Growth Fund	1,527,646	0.08
10 The Incorporated Trustees of the Church of Ceylon	223,590	0.01
11 Bank of Ceylon No 1 Account	214,000	0.01
12 Pinnacle Trust (Pvt) Limited	183,984	0.01
13 Ceylon Biscuits Limited	161,825	0.01
14 People's Leasing & Finance PLC / C.N Jayasooriya	150,000	0.01
15 Elgin Investment Limited	131,337	0.01
16 Sinharaja Hills Plantation Pvt Limited	107,491	0.01
17 Mrs.Edirisinghe	100,000	0.01
18 Mr Tanaka	100,000	0.01
19 Mr Van Starrex	97,638	0.01
20 Mr Galahenage	70,000	0.00
20 Mr.Weerasinghe	70,000	0.00
	<b>1,788,359,157</b>	<b>99.09</b>

- 2) Percentage of public holding as at 30 June 2018 5.52%
- 3) Number of shareholders representing the public holding - 12,299
- 3) Directors and Chief Executive Officer's holding in shares of the equity - None of the Directors and the CEO held shares of the Company.
- 4) Number of shares representing the Entity's stated capital - 1,804,860,000 ordinary shares issued at Rs.10 per share.