

# Sri Lanka Telecom PLC and its Subsidiaries

Registration No. - PQ 7

## Interim Financial Report 2 nd Quarter 2014

### OUR VISION

All Sri Lankans seamlessly connected with world class information, communication and entertainment services.

### OUR MISSION

Your trusted and proven partner for innovative and exciting communication experiences delivered with passion, quality and commitment.



Sri Lanka Telecom

One Country. One Voice.

**Sri Lanka Telecom PLC and its Subsidiaries**  
**Company Registration No. PQ 7**  
**Quarterly Interim Financial Report as of 30 June 2014**

**Statement of Comprehensive Income as specified**

*(All amounts in LKR Millions )*

	Group Apr.- June			Company Apr.- June			Group Jan.- June			Company Jan.- June		
	2014	2013	change %	2014	2013	change %	2014	2013	change %	2014	2013	change %
Revenue	16,116	14,723	9	9,648	8,861	9	31,393	29,175	8	19,050	17,562	8
Operating costs	(10,744)	(10,586)	1	(6,922)	(6,810)	2	(21,863)	(20,423)	7	(14,312)	(12,892)	11
Operating profit before depreciation												
- and Amortization and impairment	5,372	4,137	30	2,726	2,051	33	9,530	8,752	9	4,738	4,670	1
Depreciation	(3,172)	(2,866)	11	(1,768)	(1,570)	13	(6,333)	(5,694)	11	(3,548)	(3,172)	12
Amortisation and impairment												
- of intangible assets	(190)	(161)	18	(80)	(79)	1	(377)	(324)	16	(159)	(160)	(1)
<b>Operating profit</b>	<b>2,010</b>	<b>1,110</b>	<b>81</b>	<b>878</b>	<b>402</b>	<b>118</b>	<b>2,820</b>	<b>2,734</b>	<b>3</b>	<b>1,031</b>	<b>1,338</b>	<b>(23)</b>
Refund of Telecommunication												
-Development Charge (TDC)	699	367	90	699	367	90	699	607	15	699	367	90
Other income	222	64	247	57	61	(7)	294	95	209	122	89	37
Interest expenses and finance cost	(177)	(187)	(5)	(132)	(95)	39	(334)	(396)	(16)	(223)	(194)	15
Foreign exchange (loss) / Gain	76	(421)	(118)	31	(20)	(255)	99	(382)	(126)	44	(23)	(291)
Interest income	230	284	(19)	183	230	(20)	466	589	(21)	361	425	(15)
<b>Profit before tax</b>	<b>3,060</b>	<b>1,217</b>	<b>151</b>	<b>1,716</b>	<b>945</b>	<b>82</b>	<b>4,044</b>	<b>3,247</b>	<b>25</b>	<b>2,034</b>	<b>2,002</b>	<b>2</b>
Income tax expenses	(639)	(493)	30	(428)	(349)	23	(1,076)	(921)	17	(710)	(628)	13
<b>Profit for the Period</b>	<b>2,421</b>	<b>724</b>	<b>234</b>	<b>1,288</b>	<b>596</b>	<b>116</b>	<b>2,968</b>	<b>2,326</b>	<b>28</b>	<b>1,324</b>	<b>1,374</b>	<b>(4)</b>
<b>Other comprehensive income</b>												
Foreign currency translation differences												
-foreign operations	-	2	(100)	-	-			2	(100)			
Net change in fair value of Available												
-for sale financial assets	-	3	(100)	-	3	(100)		3	(100)		3	(100)
Defined benefit plan actuarial (losses)/gain	(19)	(22)	(14)	(19)	(22)	(14)	(38)	(44)	(14)	(38)	(44)	(14)
Tax on other comprehensive income	6	6	0	6	6	0	11	12	(8)	11	12	(8)
<b>Other comprehensive income for</b>												
<b>- the period net of tax</b>	<b>(13)</b>	<b>(11)</b>	<b>18</b>	<b>(13)</b>	<b>(13)</b>	<b>0</b>	<b>(27)</b>	<b>(27)</b>	<b>0</b>	<b>(27)</b>	<b>(29)</b>	<b>(7)</b>
<b>Total Comprehensive Income for the Period</b>	<b>2,408</b>	<b>713</b>	<b>238</b>	<b>1,275</b>	<b>583</b>	<b>119</b>	<b>2,941</b>	<b>2,299</b>	<b>28</b>	<b>1,297</b>	<b>1,345</b>	<b>(4)</b>
<b>Profit Attributable to :</b>												
Owners of the company	2,421	724	234	1,288	596	116	2,968	2,326	28	1,324	1,374	(4)
<b>Total Comprehensive Income attributable to:</b>												
Owners of the company	2,408	713	238	1,275	583	119	2,941	2,299	28	1,297	1,345	(4)
Earnings per share												
-Basic (Rs.)	1.34	0.40	234	0.71	0.33	116	1.64	1.29	28	0.73	0.76	(4)
-Annualized (Rs.)	5.37	1.60	234	2.85	1.32	116	3.29	2.58	28	1.47	1.52	(4)

The above figures are provisional and unaudited

**Sri Lanka Telecom PLC and its Subsidiaries**  
**Company Registration No. PQ 7**  
**Quarterly Interim Financial Report as of 30 June 2014**

**Statement of Financial Position**

*(All amounts in LKR Millions )*

	Group		Company	
	Un-Audited as at 30 June 2014	Audited as at 31 Dec 2013	Un-Audited as at 30 June 2014	Audited as at 31 Dec 2013
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	81,121	80,506	48,330	47,549
Intangible assets	3,662	3,976	1,460	1,613
Financial prepayment	127	176	-	-
Investments in subsidiaries	-	-	14,156	14,156
Other investments	-	-	-	-
Deferred tax Assets	58	58	-	-
Other receivables	2,771	2,733	2,770	2,733
<b>Total Non-current Assets</b>	<b>87,739</b>	<b>87,449</b>	<b>66,716</b>	<b>66,051</b>
<b>Current Assets</b>				
Inventories	2,556	2,174	2,304	1,918
Trade and other receivables	13,117	11,329	11,546	10,870
Current tax receivables	17	243	-	225
Other investments	5,507	3,393	5,302	3,203
Cash and cash equivalents	4,282	3,459	1,271	823
<b>Total Current Assets</b>	<b>25,479</b>	<b>20,598</b>	<b>20,423</b>	<b>17,039</b>
<b>Total Assets</b>	<b>113,218</b>	<b>108,047</b>	<b>87,139</b>	<b>83,090</b>
<b>Equity and Liabilities</b>				
<b>Capital and Reserves</b>				
Stated Capital (Represented by 1,804,860,000 shares)	18,049	18,049	18,049	18,049
Insurance reserve	529	500	529	500
Translation reserve	-	-	-	-
Fair value reserve	-	-	-	-
Retained earnings	42,618	41,240	38,288	38,554
<b>Equity attributable to equity holders of the company</b>	<b>61,196</b>	<b>59,789</b>	<b>56,866</b>	<b>57,103</b>
Non controlling interest	0	0	-	-
<b>Total Equity</b>	<b>61,196</b>	<b>59,789</b>	<b>56,866</b>	<b>57,103</b>
<b>Non Current Liabilities</b>				
Grants	25	28	25	28
Borrowings	15,914	12,378	6,631	2,662
Deferred income	2,676	2,825	2,597	2,747
Deferred tax liabilities	1,829	1,750	1,825	1,746
Employee benefits	3,236	3,003	2,952	2,725
Trade and other payables	1,927	1,748	270	270
<b>Total Non Current Liabilities</b>	<b>25,607</b>	<b>21,732</b>	<b>14,300</b>	<b>10,178</b>
<b>Current Liabilities</b>				
Borrowings	7,038	8,312	2,565	3,268
Deferred income	2,437	2,683	758	745
Current tax liabilities	711	359	303	-
Trade and other payables	16,229	15,172	12,347	11,796
<b>Total Current Liabilities</b>	<b>26,415</b>	<b>26,526</b>	<b>15,973</b>	<b>15,809</b>
<b>Total Equity and Liabilities</b>	<b>113,218</b>	<b>108,047</b>	<b>87,139</b>	<b>83,090</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 consolidated financial statements. These financial statements were approved by the Board of Directors on 15 August 2014.

Signed on behalf of the Board.

Signed  
**Nimal Welgama**  
**Chairman**

Signed  
**Pushpa Wellappilli**  
**Director**

**Sri Lanka Telecom PLC and its Subsidiaries**  
**Company Registration No. PQ 7**  
**Quarterly Interim Financial Report as of 30 June 2014**

**Statement of Changes in Equity - 1 January 2013 to 30 June 2014**

*(All amounts in LKR Millions)*

Attributable to owners of the Company

**Group**

	Stated Capital	Insurance Reserve	Fair Value reserve	Translation Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
<b>Balance as at 1 January 2013</b>	18,049	435	(3)	4	37,502	55,987	-	55,987
<b>Total comprehensive income for the period</b>								
Net profit for the period				-	2,326	2,326		2,326
<b>Other comprehensive income</b>								
-Foreign currency translation differences foreign operations				2		2		2
-Net change in fair value of Available for sale financial assets			3			3		3
-Defined benefit plan actuarial (losses)/gain, net of tax					(32)	(32)		(32)
<b>Total Other comprehensive income</b>	-	-	3	2	(32)	(27)	-	(27)
<b>Total comprehensive income for the period</b>	-	-	3	2	2,294	2,299		2,299
<b>Transactions with owners, recorded directly in equity</b>								
- contribution by and distribution to owners								
Dividend to equity share holders					(1,534)	(1,534)	-	(1,534)
Insurance reserve						-		-
-Transferred to insurance reserve		22			(22)			-
<b>Balance as at 30 June 2013</b>	<b>18,049</b>	<b>457</b>	<b>-</b>	<b>6</b>	<b>38,240</b>	<b>56,752</b>	<b>-</b>	<b>56,752</b>
<b>Balance as at 1 July 2013</b>	<b>18,049</b>	<b>457</b>	<b>-</b>	<b>6</b>	<b>38,240</b>	<b>56,752</b>	<b>-</b>	<b>56,752</b>
<b>Total comprehensive income for the period</b>								
Net profit for the period					3,093	3,093		3,093
<b>Other comprehensive income</b>								
-Impact on liquidation of SLT HK				(6)		(6)	-	(6)
-Defined benefit plan actuarial (losses)/gain, net of tax					(50)	(50)		(50)
<b>Total Other comprehensive income</b>	-	-	-	(6)	(50)	(56)	-	(56)
<b>Total comprehensive income for the period</b>	-	-	-	(6)	3,043	3,037	-	3,037
<b>Transactions with owners, recorded directly in equity</b>								
- contribution by and distribution to owners								
Insurance reserve								-
-Transferred to insurance reserve		43			(43)			-
<b>Balance as at 31 December 2013</b>	<b>18,049</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>41,240</b>	<b>59,789</b>	<b>-</b>	<b>59,789</b>
<b>Balance as at 1 January 2014</b>	<b>18,049</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>41,240</b>	<b>59,789</b>	<b>-</b>	<b>59,789</b>
<b>Total comprehensive income for the period</b>								
Net profit for the period					2,968	2,968		2,968
<b>Other comprehensive income</b>								
-Defined benefit plan actuarial (losses)/gain, net of tax					(27)	(27)		(27)
<b>Total Other comprehensive income</b>	-	-	-	-	(27)	(27)	-	(27)
<b>Total comprehensive income for the period</b>	-	-	-	-	2,941	2,941	-	2,941
<b>Transactions with owners, recorded directly in equity</b>								
- contribution by and distribution to owners								
Dividends to equity share holders					(1,534)	(1,534)		(1,534)
Insurance reserve								-
-Transferred to insurance reserve		29			(29)			-
<b>Balance as at 30 June 2014</b>	<b>18,049</b>	<b>529</b>	<b>-</b>	<b>-</b>	<b>42,618</b>	<b>61,196</b>	<b>-</b>	<b>61,196</b>

**Sri Lanka Telecom PLC and its Subsidiaries**  
**Company Registration No. PQ 7**  
**Quarterly Interim Financial Report as of 30 June 2014**

**Statement of Changes in Equity - 1 January 2013 to 30 June 2014**

*(All amounts in LKR Millions)*

<b>Company</b>	<b>Attributable to owners of the Company</b>				
	<b>Stated Capital</b>	<b>Insurance Reserve</b>	<b>Fair Value reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at 1 January 2013</b>	18,049	435	(3)	36,573	55,054
<b>Total comprehensive income for the period</b>					
Net profit for the period				1,374	1,374
<b>Other comprehensive income</b>					
-Net change in fair value of Available for sale financial assets			3	-	-
-Defined benefit plan actuarial (losses)/gain,net of tax				(32)	(32)
<b>Total Other comprehensive income</b>	-	-	3	(32)	(29)
<b>Total comprehensive income for the period</b>	-	-	3	1,342	1,345
<b>Transactions with owners,recorded directly in equity</b>					
- <b>contribution by and distribution to owners</b>					
Dividend to equity share holders				(1,534)	(1,534)
Insurance reserve					
-Transferred to insurance reserve		22		(22)	(22)
<b>Balance as at 30 June 2013</b>	<b>18,049</b>	<b>457</b>	<b>-</b>	<b>36,359</b>	<b>54,865</b>
<b>Balance as at 1 July 2013</b>	18,049	457	-	36,359	54,865
<b>Total comprehensive income for the period</b>					
Net profit for the period				2,261	2,261
<b>Other comprehensive income</b>					
-Defined benefit plan actuarial (losses)/gain,net of tax				(23)	(23)
<b>Total Other comprehensive income</b>	-	-	-	(23)	(23)
<b>Total comprehensive income for the period</b>	-	-	-	2,238	2,238
<b>Transactions with owners,recorded directly in equity</b>					
- <b>contribution by and distribution to owners</b>					
Insurance reserve					
-Transferred to insurance reserve		43		(43)	(43)
<b>Balance as at 31 December 2013</b>	<b>18,049</b>	<b>500</b>	<b>-</b>	<b>38,554</b>	<b>57,103</b>
<b>Balance as at 1 January 2014</b>	18,049	500	-	38,554	57,103
<b>Total comprehensive income for the period</b>					
Net profit for the period				1,324	1,324
<b>Other comprehensive income</b>					
-Defined benefit plan actuarial (losses)/gain,net of tax				(27)	(27)
<b>Total Other comprehensive income</b>	-	-	-	(27)	(27)
<b>Total comprehensive income for the period</b>	-	-	-	1,297	1,297
<b>Transactions with owners,recorded directly in equity</b>					
- <b>contribution by and distribution to owners</b>					
Dividend to equity share holders				(1,534)	(1,534)
Insurance reserve					
-Transferred to insurance reserve		29		(29)	(29)
<b>Balance as at 30 June 2014</b>	<b>18,049</b>	<b>529</b>	<b>-</b>	<b>38,288</b>	<b>56,866</b>

**Sri Lanka Telecom PLC and its Subsidiaries**  
 Company Registration No. PQ 7  
**Quarterly Interim Financial Report as of 30 June 2014**

**Cash Flow Statement for the Period ended 30 June**

*(All amounts in LKR Millions )*

	GROUP		COMPANY	
	2014	2013	2014	2013
<b>Operating activities</b>				
Cash generated from operations	9,496	7,701	5,324	4,255
Interest received	439	608	334	444
Interest paid	(135)	(348)	(156)	(197)
Tax paid	(408)	(260)	(92)	(20)
Gratuity paid	(66)	(37)	(50)	(33)
<b>Net cash generated from operating activities</b>	<b>9,326</b>	<b>7,664</b>	<b>5,360</b>	<b>4,449</b>
<b>Investing activities</b>				
Acquisition of property, plant and equipment	(7,141)	(9,490)	(4,588)	(2,432)
Acquisition of intangible assets	(14)	(834)	(6)	
Proceeds from disposal of property, plant and equipment	50	8	46	8
Proceeds /(Purchase) of short term investments	(2,110)	713	(2,063)	712
<b>Net cash used in investing activities</b>	<b>(9,215)</b>	<b>(9,603)</b>	<b>(6,611)</b>	<b>(1,712)</b>
<b>Financing activities</b>				
Proceeds from borrowings	5,528	5,132	5,232	
Finance lease principal re-payments	(43)	(19)	(32)	(17)
Re-Payment on borrowings	(3,373)	(2,823)	(1,221)	(1,222)
Dividend paid to equity share holders	(1,534)	(1,534)	(1,534)	(1,534)
<b>Net cash generated/(used) in financing activities</b>	<b>578</b>	<b>756</b>	<b>2,445</b>	<b>(2,773)</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>689</b>	<b>(1,183)</b>	<b>1,194</b>	<b>(36)</b>
<b>Movement in Cash and cash equivalents</b>				
Cash and cash equivalents at beginning of the year	2,194	3,269	83	737
Effect on exchange fluctuation on cash and cash equivalents	(6)	(3)	(6)	(3)
	2,188	3,266	77	734
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>689</b>	<b>(1,183)</b>	<b>1,194</b>	<b>(36)</b>
<b>Cash and cash equivalents at 30 June</b>	<b>2,877</b>	<b>2,083</b>	<b>1,271</b>	<b>698</b>

# Sri Lanka Telecom PLC and its Subsidiaries

Company Registration No. PQ 7

## Quarterly Interim Financial Report as of 30 June 2014

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### Notes to the Financial Statements

#### **1. General Information**

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 consolidated financial statements of the Company as at and for the period ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group primarily is 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 a quoted public Company which has its listing on the Colombo Stock Exchange.

#### **2. Basis of preparation**

The condensed consolidated interim financial statements have been prepared in accordance with Sri Lanka Accounting Standards -LKAS 34 interim financial reporting.

#### **3. Accounting Policies**

The Company and Group have adopted consistent accounting policies as disclosed in the Annual Report for the year ended 31 December 2013.

#### **4. Dividends on Cumulative redeemable preference shares**

Sky Network (Private) Limited has issued 6,000,000 12% Cumulative redeemable preference shares of Rs.10/-each and preference dividends of Rs 41 million has not been recognized in the Financial Statements as at 30 June 2014.

#### **5. Telecommunication Development Charge (TDC)**

The Telecommunication Regulatory Commission (TRC) refunded Rs. 699 million as claims for the from 1 April 2009 to 31 March 2010 during the year 2014. The TDC refund is accounted for on cash basis when the payment is received from the TRC. For the period 1 April 2010 to 15 July 2010, for which the disbursement regulation is effective, claims amounting to Rs. 245 million was submitted to the TRC for which no refunded were received.

#### **6. Contingent Liabilities.**

There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 December 2013, except followings;

a) (a) Global Electroteks Limited has initiated legal action under High Court Case No. 20/2006 claiming damages of USD 12 million from SLT PLC for unlawful disconnection of interconnection services. The Trial is proceeding. Next date of Trial is on 25 July 2014.

b) SC (CHC) 31/2010 - Directories Lanka (Private) Limited (DLPL)

Appeal Case filed by DLPL against SLT PLC, against the dismissal of CHC 2/2006(3) by which DLPL claimed damages of Rs.250 million, for alleged unfair competition with regard to artwork on the cover page of the Directory by SLT.

The appeal proceedings have still not commenced in the Supreme Court.

c) Just In Time Holdings (Pvt.) Ltd (JIT) (HC / ARB / 141 /2012) is claiming USD 4,738,846.57, as payments due to them from SLT under the contract with damages. Proceedings are concluded and award was delivered in favour of JIT on 30 March 2012 with damages, costs and legal interest. SLT appealed against the order and when the appeal was proceeding based on the settlement reached between the parties SLT withdrew the case on 9 May 2014.

(d) HC/ARB/02/2013 - Just In Time Holdings Private Limited has filed application to enforce the award of arbitration given in favor of JIT at the conclusion of the arbitration between JIT and SLT in terms of section 31 of Arbitration Act. JIT withdrew case on 9 May 2014, as per the settlement entered between the parties.

e) Rates & Taxes -DSP/00111/08, Application against the unreasonable increase of Assessment Tax of SLT Headquarters, to Rs. 8,452,500.00 per Quarter from the year 2006.

Legal action filed by SLT against Colombo Municipal Council, against the arbitrary increase of assessment value of headquarters premises from 84 million to 96 million. The quarterly assessment tax increase from 2006 was Rs 7,350,000.00 to Rs 8,452,500.00.

CMC and SLT negotiated a settlement and the Case will be called on 10 November 2014 to enter the settlement terms.

## Notes to the Financial Statements contd...

### 6.Contingent Liabilities Contd.

f) WP/HCCA/COL/106/LA -Appeal made by Colombo Municipal Council against the stay order granted in favor of SLT PLC precluding CMC levying the aforementioned Assessment taxes from SLT PLC is pending in Court. CMC and SLT has come to a mutual settlement and the case will be called on 19 September 2014.

g) 12/2008 CBCU, An Inquiry started by Sri Lanka Customs - A consignment of CDMA equipment were detained in October 2008 by the Customs Authority. Subsequently the equipment were cleared pending inquiry, based on a Cash deposit and Bank guarantee Submitted by SLT for the total value of Rs. 122,189,514/- .  
Written Submission of SLT is to be filed on or before 4 September 2014 and the order will be delivered on 18 September 2014.

(h) Customs Case No. ADP/031/2009 – Goods valued at USD 996,785.65 which was imported under the last consignment of equipment for NGN Phase II expansion project were detained by the Custom on or about 14th May 2009. Subsequently the equipment was cleared on 18 July 2009. Pending inquiry, based on a Bank Guarantee placed by SLT to the value of Rs. 35,000,000/-.

This Case was called on 28 Jan.2014. NC Committee inquiry concluded. Waiting for the order.

(i) Arbitration initiated by JITHPL claiming arrears under agreement between JITHPL and SLT to provide WAN connection to NSB. SLT has a back to back agreement with NSB and NSB has failed to make payments under the agreement. SLT terminated the agreements with JIT in November 2011, upon termination of the SLT agreement with NSB. JIT is claiming Rs. 34 million as moneys for the period up to termination, Rs. 10 million as interest and Rs.13 million as rentals up to unexpired period of the case.

Based on a settlement reached between parties JITHPL withdrew Arbitration on 06 May 2014.

### 7). Events after the Reporting date

No material events have arisen since Balance Sheet date which would require adjustments to, or disclosure in the Financial Statements.



**Sri Lanka Telecom PLC and its Subsidiaries**  
**Company Registration No. PQ 7**  
**Quarterly Interim Financial Report as of 30 June 2014**

**Segmental Reporting -for the 6 months ended 30 June**  
**(All amounts in LKR Millions )**

**Information about reportable segments.**

	Fixed Telephony Operations		Mobile Operations		Other Segments Operations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
External revenues	17,506	16,205	13,537	12,913	350	57	31,393	29,175
Inter-segment revenue	1,544	1,357	1,155	463	954	690	3,653	2,510
Reportable segment revenue	19,050	17,562	14,692	13,376	1,304	747	35,046	31,685
Reportable segment Profit before tax	2,034	2,002	1,726	1,176	320	(133)	4,080	3,045
Interest revenue	361	425	94	146	11	18	466	589
Interest expense	223	194	108	199	3	3	334	396
Depreciation and Amortization	3,707	3,332	2,964	2,648	39	38	6,710	6,018

	2014	2013
<b>Revenues</b>		
Total revenue for reportable segments	33,742	30,938
Revenue for other segments	1,304	747
-----	35,046	31,685
Elimination of inter-segment revenue	(3,653)	(2,510)
<b>Consolidated revenue</b>	<b>31,393</b>	<b>29,175</b>
<b>Profit or loss</b>		
Total Profit or loss for reportable segments	3,760	3,178
Profit or loss for other segments	320	(133)
-----	4,080	3,045
Elimination of inter-segment profits	(36)	202
<b>Consolidated profit from continuing operations before tax</b>	<b>4,044</b>	<b>3,247</b>

**Information about reportable segments.**

Other material items (2014)	Reportable segment	Adjustments	Consolidated
	totals		totals
Interest revenue	466	-	466
Interest expense	334	-	334
Capital expenditure	-	-	-
Depreciation and amortization	6,710	-	6,710

Other material items (2013)	Reportable segment	Adjustments	Consolidated
	totals		totals
Interest revenue	589	-	589
Interest expense	396	-	396
Capital expenditure	-	-	-
Depreciation and amortization	6,018	-	6,018

**Sri Lanka Telecom PLC and its Subsidiaries**  
 Company Registration No. PQ 7  
**Quarterly Interim Financial Report as of 30 June 2014**

**Investor Information**

**Ratios**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2014</b>	<b>31 Dec. 2013</b>	<b>30 June 2014</b>	<b>31 Dec. 2013</b>
Net assets value per share (Rs)	33.91	33.13	31.51	31.64
Gearing ratio -Number of times	0.27	0.26	0.14	0.09
Quick asset ratio - Number of times	0.87	0.69	1.13	0.96

	<b>For the 6 months ended</b>		<b>For the 6 months ended</b>	
	<b>30 June 2014</b>	<b>30 June 2013</b>	<b>30 June 2014</b>	<b>30 June 2013</b>
Interest cover - Number of times	13.11	9.20	10.12	11.32

**Market Value of Shares**

<b>Market Value of the Ordinary Shares of the Company (Rs)</b>	<b>3 Months to 30 June 2014</b>	<b>3 Months to 30 June 2013</b>
-Highest	49.90	45.50
-Lowest	41.50	39.00
-Last Traded price	48.00	40.40

**Dividend Payment**

First and Final dividend for the year 2013-Rs 0.85 per share paid on 23 April 2014.

**Share trading from 1 April 2014 to 30 June 2014**

	<b>3 Months to 30 June 2014</b>
-No of Transactions	964
- No of Shares Traded	979,760
-Value of Shares Traded (Rs)	46,699,904

**Sri Lanka Telecom PLC and its Subsidiaries**  
**Company Registration No. PQ 7**  
**Quarterly Interim Financial Report as of 30 June 2014**

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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	24,519,855	1.36
4 Sri Lanka Insurance Corporation Ltd-Life Fund	17,713,735	0.98
5 Bank of Ceylon A/C Ceybank Unit Trust.	15,894,169	0.88
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	3,032,200	0.17
9 Associated Electrical Corp. Ltd	1,089,761	0.06
10 Bank of Ceylon A/C Ceybank Century Growth Fund	1,052,881	0.06
11 The Incorporated Trustees of the Church of Ceylon	414,100	0.02
12 Union Assurance PLC/No -01 A/C	288,200	0.02
13 Mr.Vandrevala Cyrus Kersie	231,500	0.01
14 Bank of Ceylon No 1 Account	214,000	0.01
15 Mr.Tanaka	170,000	0.01
16 Mrs.Edirisinghe	170,000	0.01
17 Ceylon Biscuits Limited	162,800	0.01
18 Pinnacle Trust (Pvt) Ltd	160,000	0.01
19 Mr.Wickramasooriya	100,500	0.01
20 Mr.Dharmadasa	100,059	0.01
	<b>1,786,938,226</b>	<b>99.01</b>

- 2) Percentage of public holding as at 30 June 2014 5.52%
- 3) Directors' holding & Chief Executive Officers'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.