

# Sri Lanka Telecom PLC and its Subsidiaries

Registration No. - PQ 7

## Interim Financial Report 3 rd Quarter 2013

### 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 September 2013**

**Statement of Comprehensive Income as specified**

*(All amounts in LKR Millions)*

	Group July-Sep			Company July-Sep			Group Jan- Sep			Company Jan- Sep		
	2013	2012	change %	2013	2012	change %	2013	2012	change %	2013	2012	change %
Revenue	15,407	14,403	7	9,341	8,672	8	44,582	42,287	5	26,903	25,822	4
Operating costs	(10,262)	(9,713)	6	(6,825)	(6,107)	12	(30,685)	(28,150)	9	(19,717)	(17,812)	11
Operating profit before depreciation												
- and Amortization	5,145	4,690	10	2,516	2,565	(2)	13,897	14,137	(2)	7,186	8,010	(10)
Depreciation	(2,932)	(2,780)	5	(1,593)	(1,573)	1	(8,626)	(8,314)	4	(4,765)	(4,718)	1
Amortisation and impairment	-	-	-	-	-	-	-	-	-	-	-	-
- of intangible assets	(184)	(212)	(13)	(76)	(124)	(39)	(508)	(506)	0	(236)	(245)	(4)
<b>Operating profit</b>	<b>2,029</b>	<b>1,698</b>	<b>19</b>	<b>847</b>	<b>868</b>	<b>(2)</b>	<b>4,763</b>	<b>5,317</b>	<b>(10)</b>	<b>2,185</b>	<b>3,047</b>	<b>(28)</b>
Refund of Telecommunication												
-Development Charge(TDC)	-	-	-	-	-	-	607	309	96	367	309	19
Other income	107	107	0	102	100	2	202	199	2	191	181	6
Interest expenses and finance cost	(174)	(251)	(31)	(84)	(125)	(33)	(570)	(768)	(26)	(278)	(408)	(32)
Foreign exchange (loss) / Gain	(247)	441	(156)	23	(8)	(388)	(629)	(1,466)	(57)	-	76	(100)
Interest income	319	329	(3)	272	266	2	908	1,101	(18)	697	948	(26)
<b>Profit before tax</b>	<b>2,034</b>	<b>2,324</b>	<b>(12)</b>	<b>1,160</b>	<b>1,101</b>	<b>5</b>	<b>5,281</b>	<b>4,692</b>	<b>13</b>	<b>3,162</b>	<b>4,153</b>	<b>(24)</b>
Income tax expenses	(463)	(468)	(1)	(316)	(295)	7	(1,384)	(1,538)	(10)	(944)	(1,066)	(11)
<b>Profit for the period</b>	<b>1,571</b>	<b>1,856</b>	<b>(15)</b>	<b>844</b>	<b>806</b>	<b>5</b>	<b>3,897</b>	<b>3,154</b>	<b>24</b>	<b>2,218</b>	<b>3,087</b>	<b>(28)</b>
<b>Other comprehensive income</b>												
Foreign currency translation differences												
- foreign operations	1	-	-	-	-	-	3	-	-	-	-	-
Net change in fair value of Available												
- for sale financial assets	-	-	-	-	-	-	3	-	-	3	-	-
Defined benefit plan actuarial (losses)/gain	(22)	(22)	-	(22)	(22)	-	(66)	(66)	-	(66)	(66)	-
Tax on other comprehensive income	6	6	-	6	6	-	18	18	-	18	18	-
<b>Other comprehensive income for</b>												
<b>- the period net of tax</b>	<b>(15)</b>	<b>(16)</b>	<b>(6)</b>	<b>(16)</b>	<b>(16)</b>	<b>0</b>	<b>(42)</b>	<b>(48)</b>	<b>(13)</b>	<b>(45)</b>	<b>(48)</b>	<b>(6)</b>
<b>Total Comprehensive Income for the Period</b>	<b>1,556</b>	<b>1,840</b>	<b>(15)</b>	<b>828</b>	<b>790</b>	<b>5</b>	<b>3,855</b>	<b>3,106</b>	<b>24</b>	<b>2,173</b>	<b>3,039</b>	<b>(28)</b>
<b>Profit Attributable to :</b>												
Owners of the company	1,571	1,856	(15)	844	806	5	3,897	3,154	24	2,218	3,087	(28)
<b>Total Comprehensive Income attributable to:</b>												
Owners of the company	1,556	1,840	(15)	828	790	5	3,855	3,106	24	2,173	3,039	(28)
Earnings per share												
-Basic (Rs.)	0.87	1.03	(15)	0.47	0.45	5	2.16	1.75	24	1.23	1.71	(28)
-Annualized (Rs.)	3.48	4.11	(15)	1.87	1.79	5	2.88	2.33	24	1.64	2.28	(28)

The above figures are provisional and unaudited  
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**Sri Lanka Telecom PLC and its Subsidiaries**  
**Company Registration No. PQ 7**  
**Quarterly Interim Financial Report as of 30 September 2013**

**Statement of Financial Position**

*(All amounts in LKR Millions)*

	Group		Company	
	Un-Audited as at 30 Sep 2013	Audited as at 31 Dec 2012	Un-Audited as at 30 Sep 2013	Audited as at 31 Dec 2012
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	77,691	72,165	42,840	42,478
Intangible assets	3,403	2,419	1,087	1,326
Financial prepayment	201	274	-	-
Investments in subsidiaries	-		14,192	14,192
Deferred tax Assets	23	23	-	-
Other receivables	2,835	2,480	2,835	2,480
<b>Total Non-current Assets</b>	<b>84,153</b>	<b>77,361</b>	<b>60,954</b>	<b>60,476</b>
<b>Current Assets</b>				
Inventories	4,034	2,601	3,813	2,396
Trade and other receivables	11,546	11,417	9,872	12,189
Current tax receivables	91	415	64	385
Other investments	6,190	7,381	5,876	7,064
Assets classified as Held for sale	-	11	-	-
Cash and cash equivalents	964	3,887	97	873
<b>Total Current Assets</b>	<b>22,825</b>	<b>25,712</b>	<b>19,722</b>	<b>22,907</b>
<b>Total Assets</b>	<b>106,978</b>	<b>103,073</b>	<b>80,676</b>	<b>83,383</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	479	435	479	435
Translation reserve	7	4	-	-
Fair value reserve	-	(3)	-	(3)
Retained earnings	38,336	36,065	35,728	35,136
<b>Equity attributable to equity holders of the company</b>	<b>56,871</b>	<b>54,550</b>	<b>54,256</b>	<b>53,617</b>
Non controlling interest	0	0	-	-
<b>Total Equity</b>	<b>56,871</b>	<b>54,550</b>	<b>54,256</b>	<b>53,617</b>
<b>Non Current Liabilities</b>				
Grants	30	35	30	35
Borrowings	13,638	11,577	3,755	4,814
Deferred income	2,948	3,263	2,867	3,173
Deferred tax liabilities	1,294	782	1,292	780
Employee benefits	2,832	2,494	2,614	2,300
Trade and other payables	4,112	2,281	245	246
<b>Total Non Current Liabilities</b>	<b>24,854</b>	<b>20,432</b>	<b>10,803</b>	<b>11,348</b>
<b>Current Liabilities</b>				
Borrowings	5,789	6,275	2,501	2,577
Deferred income	2,634	2,401	709	753
Current tax liabilities	353	392	-	-
Trade and other payables	16,477	19,023	12,407	15,088
<b>Total Current Liabilities</b>	<b>25,253</b>	<b>28,091</b>	<b>15,617</b>	<b>18,418</b>
<b>Total Equity and Liabilities</b>	<b>106,978</b>	<b>103,073</b>	<b>80,676</b>	<b>83,383</b>

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

signed  
**Terrence Perera**  
**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 8 November 2013.

**Signed on behalf of the Board.**

signed  
**Nimal Welgama**  
**Chairman**

signed  
**Ms.Pushpa Wellappili**  
**Director**

**Sri Lanka Telecom PLC and its Subsidiaries**  
**Company Registration No. PQ 7**  
**Quarterly Interim Financial Report as of 30 September 2013**

**Statement of Changes in Equity - 1 January 2012 to 30 September 2013**

*(All amounts in LKR Millions)*

**Attributable to owners of the Company**

**Group**

	Stated Capital	Insurance Reserve	Translation Reserve	Fair Value reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
<b>Balance as at 1 January 2012</b>	18,049	387	1	(6)	33,694	52,125	0	52,125
Consolidation adjustments					(17)	(17)		(17)
Restated balance as at 1 January 2012	18,049	387	1	(6)	33,677	52,108	0	52,108
<b>Total comprehensive income for the period</b>								
Net profit for the Period			-		3,154	3,154		3,154
<b>Other comprehensive income</b>								
-Foreign currency translation differences foreign operations			5			5		5
-Net change in fair value of Available for sale financial assets						-		-
-Defined benefit plan actuarial (losses)/gain,net of tax					(48)	(48)		(48)
<b>Total Other comprehensive income</b>	-	-	6	-	(48)	(43)	-	(43)
<b>Total comprehensive income for the period</b>	-	-	6	-	3,106	3,111	-	3,111
<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)		(1,534)
Insurance reserve						-		-
-Transferred to insurance reserve		31			(31)			-
<b>Balance as at 30 September 2012</b>	<b>18,049</b>	<b>418</b>	<b>6</b>	<b>(6)</b>	<b>35,218</b>	<b>53,685</b>	<b>-</b>	<b>53,685</b>
Balance as at 1 October 2012	18,049	418	6	(6)	35,218	53,685	-	53,685
<b>Total comprehensive income for the period</b>								
Net profit for the period					882	882		882
<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					(18)	(18)		(18)
<b>Total Other comprehensive income</b>	-	-	(2)	3	(18)	(17)	-	(17)
<b>Total comprehensive income for the period</b>	-	-	(2)	3	864	865	-	865
Insurance reserve						-		-
-Transferred to insurance reserve		17			(17)			-
<b>Balance as at 31 December 2012</b>	<b>18,049</b>	<b>435</b>	<b>4</b>	<b>(3)</b>	<b>36,065</b>	<b>54,550</b>	<b>-</b>	<b>54,550</b>
<b>Balance as at 1 January 2013</b>	<b>18,049</b>	<b>435</b>	<b>4</b>	<b>(3)</b>	<b>36,065</b>	<b>54,550</b>	<b>-</b>	<b>54,550</b>
<b>Total comprehensive income for the period</b>								
Net profit for the period					3,897	3,897		3,897
<b>Other comprehensive income</b>								
-Foreign currency translation differences foreign operations			3			3	-	3
-Net change in fair value of Available for sale financial assets				3		3	-	3
-Defined benefit plan actuarial (losses)/gain,net of tax					(48)	(48)		(48)
<b>Total Other comprehensive income</b>	-	-	3	3	(48)	(42)	-	(42)
<b>Total comprehensive income for the period</b>	-	-	3	3	3,849	3,855	-	3,855
<b>Transactions with owners, recorded directly in equity</b>								
<b>Contribution by and distribution to owners</b>								
Dividends to equity share holders					(1,534)	(1,534)		(1,534)
Insurance reserve						-		-
-Charged to income statement						-		-
-Transferred to insurance reserve		44			(44)			-
<b>Balance as at 30 September 2013</b>	<b>18,049</b>	<b>479</b>	<b>7</b>	<b>-</b>	<b>38,336</b>	<b>56,871</b>	<b>-</b>	<b>56,871</b>

**Sri Lanka Telecom PLC and its Subsidiaries**  
**Company Registration No. PQ 7**  
**Quarterly Interim Financial Report as of 30 September 2013**

**Statement of Changes in Equity - 1 January 2012 to 30 September 2013**

*(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 2012</b>	18,049	387	(6)	33,420	51,850
<b>Total comprehensive income for the period</b>					
Net profit for the Period				3,087	3,087
<b>Other comprehensive income</b>					
-Net change in fair value of Available for sale financial assets				-	-
-Defined benefit plan actuarial (losses)/gain,net of tax				(48)	(48)
<b>Total Other comprehensive income</b>	-	-	-	<b>(48)</b>	<b>(48)</b>
<b>Total comprehensive income for the period</b>	-	-	-	<b>3,039</b>	<b>3,039</b>
<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		31		(31)	(31)
<b>Balance as at 30 September 2012</b>	18,049	418	(6)	34,894	53,355
<b>Balance as at 1 October 2012</b>	18,049	418	(6)	34,894	53,355
<b>Total comprehensive income for the period</b>					
Net profit for the period				274	274
<b>Other comprehensive income</b>					
-Net change in fair value of Available for sale financial assets			3		3
-Defined benefit plan actuarial (losses)/gain,net of tax				(15)	(15)
<b>Total Other comprehensive income</b>	-	-	<b>3</b>	<b>(15)</b>	<b>(12)</b>
<b>Total comprehensive income for the period</b>	-	-	3	259	262
Insurance reserve					
-Transferred to insurance reserve		17		(17)	
<b>Balance as at 31 December 2012</b>	<b>18,049</b>	<b>435</b>	<b>(3)</b>	<b>35,136</b>	<b>53,617</b>
<b>Balance as at 1 January 2013</b>	18,049	435	(3)	35,136	53,617
<b>Total comprehensive income for the period</b>					
Net profit for the period				2,218	2,218
<b>Other comprehensive income</b>					
-Net change in fair value of Available for sale financial assets			3	-	3
-Defined benefit plan actuarial (losses)/gain,net of tax				(48)	(48)
<b>Total Other comprehensive income</b>	-	-	<b>3</b>	<b>(48)</b>	<b>(45)</b>
<b>Total comprehensive income for the period</b>	-	-	3	2,170	2,173
<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		44		(44)	
<b>Balance as at 30 September 2013</b>	<b>18,049</b>	<b>479</b>	<b>-</b>	<b>35,728</b>	<b>54,256</b>

# Sri Lanka Telecom PLC and its Subsidiaries

Company Registration No. PQ 7

## Quarterly Interim Financial Report as of 30 September 2013

### Cash Flow Statement for the Period ended 30 September

(All amounts in LKR Millions )

	GROUP		COMPANY	
	2013	2012	2013	2012
<b>Operating activities</b>				
Cash generated from operations	12,139	12,114	5,615	6,742
Interest received	993	1,075	782	922
Interest paid	(479)	(947)	(281)	(385)
Tax paid	(569)	(619)	(93)	(358)
Gratuity paid	(54)	(50)	(46)	(40)
<b>Net cash generated from operating activities</b>	<b>12,030</b>	<b>11,573</b>	<b>5,977</b>	<b>6,881</b>
<b>Investing activities</b>				
Acquisition of property, plant and equipment	(14,282)	(10,323)	(5,256)	(7,832)
Acquisition of intangible assets	(1,422)	(1,293)		(1,131)
Proceeds from disposal of property, plant and equipment	67	72	67	72
Proceeds /(Purchase) of short term investments	1,373	(408)	1,414	827
Proceeds /(Purchase) of long term investments	-	2	-	2
Investments in subsidiaries	-	-	-	(1,138)
<b>Net cash used in investing activities</b>	<b>(14,264)</b>	<b>(11,950)</b>	<b>(3,775)</b>	<b>(9,200)</b>
<b>Financing activities</b>				
Proceeds from borrowings	5,919	8,649	-	6,992
Finance lease principal re-payments	(29)	(36)	(27)	(29)
Re-Payment on borrowings	(4,413)	(6,093)	(1,223)	(2,242)
Dividend paid to equity share holders	(1,534)	(1,534)	(1,534)	(1,534)
<b>Net cash generated/(used) in financing activities</b>	<b>(57)</b>	<b>986</b>	<b>(2,784)</b>	<b>3,187</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>(2,291)</b>	<b>609</b>	<b>(582)</b>	<b>868</b>
<b>Movement in Cash and cash equivalents</b>				
Cash and cash equivalents at beginning of the year	3,269	2,172	737	1,255
Effect on exchange fluctuation on cash and cash equivalents	(58)	224	(58)	224
	3,211	2,396	679	1,479
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>(2,291)</b>	<b>609</b>	<b>(582)</b>	<b>868</b>
<b>Cash and cash equivalents at 30 September</b>	<b>920</b>	<b>3,005</b>	<b>97</b>	<b>2,347</b>

# Sri Lanka Telecom PLC and its Subsidiaries

Company Registration No. PQ 7

## Quarterly Interim Financial Report as of 30 September 2013

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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 31 March 2013 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 2012.

#### **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 36 million has not been recognized in the Financial Statements as at 30 September 2013.

#### **5. 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 2012, except followings;

(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 alleged unlawful disconnection of interconnection services.Trial is proceeding and next date of trial 26 November 2013.

(b) SC(CHC) 31/2010 - Directories Lanka (Private) Limited, Appeal Case filed by Directories Lanka (Pvt) Ltd against SLT, against the dismissal of CHC 2/2006 (3) by which Directories Lanka (Pvt) Ltd 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) 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 infavour of JIT on 30 March 2012 with damages, costs and legal interest. SLT PLC has received legal advice that it has sufficient legal grounds to challenge the arbitral award including damages ,costs and legal interest under the award. SLT PLC is proceeding with an appeal(Case no. HC/ARB/141/2012) against the award delivered based on these substantial legal arguments.Next date of Oral Submission 19 November 2013.

(d) HC/ARB/02/2013-Just In Time Holdings Private Limited (JIT) has filed application to enforce the award of arbitration given in favour of JIT at the conclusion of the arbitration between JIT and SLT PLC in terms of section 31 of Arbitration Act. Next date of Oral Submissions 19 November 2013.

(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 for Head Quarters premises from 84 million to Rs. 96 million. The quarterly assessment tax increase from 2006 was Rs. 7,350,000/- to Rs. 8,452,500/- .This case is proceeding and will be called on 26 November 2013.

## Notes to the Financial Statements contd...

### 5.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. The case is proceeding. Next date of Arguments on 20 February 2014.

(g) Arbitration initiated by Just In Time Holdings (Pvt.) Ltd (JIT) claiming arrears under agreement between JIT and SLT PLC to provide WAN connection to National Savings Bank (NSB). SLT PLC has a back to back agreement with NSB and NSB has failed to make payments under the agreement. SLT PLC terminated the agreements with JIT in November 2011, upon termination of the SLT PLC agreement with NSB. JIT is claiming Rs. 34 mn as moneys for the period upto termination, Rs. 10 mn as interest and Rs. 13 mn as rentals upto unexpired period of the case. SLT PLC to file statement of Response/Defence on 26 November 2013 in terms of UNICITRAL rules and the arbitration is proceeding.

(h) **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/- . Currently under this inquiry no further date has been given to SLT to proceed with the matter.

(i) **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 14<sup>th</sup> May 2009. Subsequently the equipment were cleared on 18 July 2009. Pending inquiry, based on a Bank Guarantee placed by SLT to the value of Rs. 35,000,000/-. The inquiry is proceeding and submitted the Written Submission to NC committee.NC Committee is fixed for 12 November 2013.

(j) As a result of negotiations with TRCSL, a spectrum which was allocated for WiMax rollout through Sky Networks (Private) Limited has been transferred to Sri Lanka Telecom for the purpose of LTE deployment and relevant TRCSL fee of Rs 612 mn for 10 years validity period has already been paid in August 2013 in lieu of frequency charges for Wimax amounting to Rs 300 mn pending payment.

### 6) Telecommunication Development Charges (TDC) refund

Operators were allowed to claim the 2/3rd of the Telecommunication Development Charge (TDC) against the costs of network development charges. Company has retained 2/3rd of TDC charge, awaiting the claims in respect of network development charges, determined by the TRC. However, TRC has intimated a surcharge on 2/3rd of TDC retained by the company, where SLT negotiated with TRC for the amount of surcharge. As a result, in April, 2013 TRC disbursed the TDC claim due to SLT for the period from 01st April, 2008 to 31st March, 2009, by deducting the surcharge.

### 7). Events after the Balance sheet 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 September 2013**

**Segmental Reporting -for the 9 months ended 30 September**

*(All amounts in LKR Millions )*

Information about reportable segments.

	Fixed Telephony Operations		Mobile Operations		Other Segments Operations		Total	
	Jan -Sep		Jan -Sep		Jan -Sep		Jan -Sep	
	2013	2012	2013	2012	2013	2012	2013	2012
External revenues	24,733	23,957	19,665	17,649	184	681	44,582	42,287
Inter-segment revenue	2,170	1,865	781	802	1,050	764	4,001	3,431
Reportable segment revenue	26,903	25,822	20,446	18,451	1,234	1,445	48,583	45,718
Reportable segment Profit before tax	3,162	4,153	2,091	448	(153)	131	5,100	4,732
Interest revenue	697	948	185	130	26	23	908	1,101
Interest expense	278	408	286	356	6	4	570	768
Depreciation and Amortization	5,001	4,963	4,074	3,781	59	63	9,134	8,807

**Reconciliations of reportable segment revenues, profit or loss assets and liabilities, and other material items**

	2013	2012
<b>Revenues</b>		
Total revenue for reportable segments	47,349	44,273
Revenue for other segments	1,234	1,445
	<b>48,583</b>	<b>45,718</b>
Elimination of inter-segment revenue	4,001	3,431
<b>Consolidated revenue</b>	<b>44,582</b>	<b>42,287</b>
<b>Profit or loss</b>		
Total Profit or loss for reportable segments	5,253	4,601
Profit or loss for other segments	(153)	131
	<b>5,100</b>	<b>4,732</b>
Elimination of inter-segment profits	181	(40)
<b>Consolidated profit from continuing operations before tax</b>	<b>5,281</b>	<b>4,692</b>

**Other material items(2013)**

	Reportable segment totals	Adjustment	Consolidated totals
Interest revenue	908	-	908
Interest expense	570	-	570
Depreciation and amortization	9,134	-	9,134

**Other material items (2012)**

	Reportable segment totals	Adjustment	Consolidated totals
Interest revenue	1,101	-	1,101
Interest expense	768	-	768
Depreciation and amortization	8,807	13	8,820

# Sri Lanka Telecom PLC and its Subsidiaries

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## Quarterly Interim Financial Report as of 30 September 2013

### Investor Information

#### Ratios

	Group		Company	
	30 Sep 2013	31 Dec. 2012	30 Sep 2013	31 Dec. 2012
Net assets value per share (Rs)	31.51	30.22	30.06	29.71
Gearing ratio -Number of times	0.25	0.25	0.10	0.12
Quick asset ratio - Number of times	0.74	0.82	1.02	1.11

	For the 9 months ended		For the 9 months ended	
	30 Sep 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012
Interest cover - Number of times	10.26	7.11	12.37	11.18

#### Market Value of Shares

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

	3 Months to 30 Sep 2013	3 Months to 30 Sep 2012
-Highest	42.00	49.40
-Lowest	38.00	35.20
-Last Traded price	39.20	44.40

#### Dividend Payment

First and Final dividend for the year 2012-Rs 0.85 per share paid on 7 May 2013.

#### **Share trading from 1 July 2013 to 30 September 2013**

	3 Months to 30 Sep 2013
-No of Transactions	776
- No of Shares Traded	441,088
-Value of Shares Traded ( Rs )	17,580,660

**Sri Lanka Telecom PLC and its Subsidiaries**  
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**Quarterly Interim Financial Report as of 30 September 2013**

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**1)List of 20 Major ShareHolders**

<u>Name &amp; Address</u>	<u>Share Holding</u>	<u>Percentage %</u>
Secretary to the Treasury	893,405,709	49.50
Global Telecommunications Holdings NV	811,757,869	44.98
Employees Provident Fund	20,942,989	1.16
Sri Lanka Insurance Corporation Ltd-Life Fund	17,713,735	0.98
Bank of Ceylon A/C Ceybank Unit Trust.	14,770,065	0.82
National Savings Bank	13,158,700	0.73
Employees Trust Fund Board	3,302,188	0.18
Sri Lanka Insurance Corporation Ltd-General Fund	3,032,200	0.17
Union Assurance PLC/a/c no 5-(Unit-Linked Life Insurance fund-Equity Tracker Fund)	1,219,580	0.07
Associated Electrical Corp. Ltd	1,076,500	0.06
Deutsche Bank AG-London	1,053,101	0.06
Bank of Ceylon A/C Ceybank Century Growth Fund	1,052,072	0.06
Amana Bank Limited	769,482	0.04
The Incorporated Trustees of the Church of Ceylon	414,100	0.02
Union Assurance PLC/No -01 A/C	288,200	0.02
Mr.Vandrevala	231,500	0.01
Bank of Ceylon No 1 Account	214,000	0.01
Mr H. Tanaka	175,000	0.01
Mrs.Edirisinghe	170,000	0.01
Ceylon Biscuits Limited	162,800	0.01
	<b>1,784,909,790</b>	<b>98.89</b>

(2) Percentage of Public Holding as at 30 September 2013 5.52%

(3) Directors' Holding & 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