SLTâ€™S Resiliency To Turbulence



Sri Lanka Telecom PLC (SLT) has announced the financial results of the company and their associated groups for the nine months that ended 30th September 2008. The subsidiaries of SLT Group are Mobitel (Pvt) Ltd., Sri Lanka Telecom (Services), SLT Publications (Pvt) Ltd, Sky Network, SLT Hong Kong Limited, SLT Manpower Solutions (Pvt) Ltd. and SLT Vision Com (Pvt) Ltd.

Despite the adverse market conditions, the group has been able to maintain the same profits level as of the first nine months of the previous year. The group achieved a net profit after tax amounting to Rs 4,399 mn and records a marginal growth compared to Rs 4,335 mn for the same period of the previous year.

The high performance of SLT’s fully owned mobile arm, Mobitel, has improved the

group revenue growth by 10% to Rs 35,049 mn year on year. Further, 45% growth of data oriented services offered by SLT has also strengthened the increase of revenue.

Reduction in CDMA new connections revenue by 70% amounting to Rs 616 mn has significantly impacted revenue growth. Operational expenditure of the group for the nine months has increased by 18% due to inflationary driven factors. Staff related costs have increased by 30% to Rs 5,633 mn while utility and transport related costs have increased by 42% to Rs 6,971 mn. The cost of CDMA sales has reduced by 55% to Rs 711 mn, while provision for bad debts has increased by 41% to Rs 1,234 mn. This is mainly due to outstanding debts owed to CDMA.

Sri Lanka Telecom PLC, has reported an after tax net profit of Rs 3,609 mn, a decrease of 16% compared with the same period of the previous year. The company revenue has slightly dropped from Rs 27,636 mn to Rs 27,484 mn when compared with the revenue earned during the nine months of the previous year. The drop in revenue is mainly due to the reduction in number of CDMA new connections given. SLT has provided 92,759 new CDMA connections and 17,026 wired line connections to reach a customer base of 574,002 and 922,529 respectively. During the same period the ADSL customer base has reached 88,837. SLT recently introduced the ‘Megaline Package’ to wired line connections, bundling broadband and selected other services. The company has experienced a good response from customers.