

# THIRD QUARTER REPORT

October – December



**Dhivehi Raajjeyge Gulhun PLC**

[www.dhiraagu.com.mv](http://www.dhiraagu.com.mv)

## 1. Developments in the Company

### 1.1 Highlights for the third quarter 2012/13

The key highlights for the third quarter 2012/13 include:

- announcement by Cable & Wireless Communications (our majority shareholder) for the sale of the majority of the assets of its Monaco & Island Region (which includes Dhiraagu and its businesses in Channel Islands and Isle of Man, the Seychelles, South Atlantic and Diego Garcia and Monaco) to Bahrain Telecommunications Company (Batelco) expected to be completed by 31 March 2013;
- improved service delivery due to continued investments and introduction of attractive new services and packages;
- brand survey was conducted to assess the changes in the competitive market landscape and measures are being taken to address the findings, so as to strengthen the Company's long term shareholder value;
- 11% growth in EPS in comparison to the preceding quarter; and
- declaration of interim dividend of approximately MVR 330 million for the financial year 2012/13.

### 1.2 Products & Services

New products and services introduced during the third quarter include:

- **Prepaid Plus** - the 'Prepaid Plus Plan' is the 4<sup>th</sup> addition to the prepaid portfolio giving Dhiraagu customers greater choice in selecting plans to best suit their needs.
- **Postpaid Free Minutes** - major enhancements were made to the top 3 postpaid plans including the increase of free minutes.
- **Nano SIM Card** - immediately following the global launch of iPhone5, Dhiraagu introduced the Nano SIM Card for the first time to the Maldives.
- **ADSL Promotion** - an ADSL promotion for fixed broadband customers was launched in December 2012.
- **TouchNet** - Dhiraagu launched 2 new mobile data plans for 'TouchNET' mobile broadband customers, introducing an unlimited mobile broadband plan for the first time.
- **IDD Promotion** - Similar to previous years, Dhiraagu ran a special IDD (International Direct Dialing) promotion to Saudi Arabia for Hajj season 2012.

### 1.3 Corporate Social Responsibility

Dhiraagu is amongst the first companies in the Maldives to adopt the *United Nations Global Compact* which is a widely recognized framework and the (largest voluntary initiative for Corporate Social Responsibility in the world)<sup>1</sup>. The *United Nations Global Compact* is a framework which focuses on the areas of human rights, labour, environment and anti-corruption designed to help advance sustainable business models and markets.

<sup>1</sup> <http://www.unglobalcompact.org/AboutTheGC/>

## 2. Administration

### 2.1 Board Activities

The number of meetings held by the Board of Directors and its Sub-Committees during the third quarter is as follows:

ITEM	Number of Meetings
Board Meeting	1
Audit Committee	1
Governance Committee	0
Remuneration & Nomination Committee	0

### 2.2 Composition of the Board

As at 31 December 2012, the Company's Board comprised of the following directors:

- Mr. Ibrahim Athif Shakoor                      Chairperson/GoM Non-executive Director
- Ms. Idham Hussain                              GoM Non-executive Director
- Mr. Ibrahim Shareef Mohamed              Independent Non-executive Director
- Mr. Denis Martin                                CWC Non-executive Director
- Mr. Adam Dunlop                                CWC Non-executive Director
- Mr. Sheldon Bruha                              CWC Non-executive Director
- Mr. Ismail Waheed                              CWC Executive Director, CEO & MD

### 2.3 Decisions/Resolutions Approved by the Board

#### 2.3.1 Declaration of Interim Dividend for financial year 2012/13

Pursuant to the *Standing Resolution to Declare Interim Dividend for the financial year 2012/13*<sup>2</sup> passed by the Shareholders at the Company's Annual General Meeting held on 30 August 2012 granting the authority to the Board of Directors to approve and declare any interim dividend in accordance with the Company's Dividend Policy during the financial year 2012/13, the Board of Directors on 14 October 2012 resolved to approve and declare an interim dividend of MVR 4.35 per ordinary share (equivalent to approximately USD 21.4 million/MVR 330 million) for the financial year 2012/13 payable to Shareholders registered with the Company at the close of business on 21 October 2012 in respect of shares registered then in their names.

<sup>2</sup> Detailed Draft Minutes of the Annual General Meeting 2011/12 available at [http://www.dhiraagu.com.mv/Annual\\_General\\_Meetings.aspx](http://www.dhiraagu.com.mv/Annual_General_Meetings.aspx)

### 3. Financial Statements

The unaudited Balance Sheet, Income Statement and Cash Flow Statement for the third quarter 2012/13 are set out below:

#### 3.1 Balance Sheet

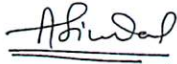
As at	31-Dec-12 (Q3 2012/13) MVR "000"	30-Sept-12 (Q2 2012/13) MVR "000"
<b>ASSETS AND LIABILITIES</b>		
<b>Non-Current Assets</b>		
Intangible Assets	32,196	33,058
Property, Plant and Equipment	2,245,480	2,263,472
Deferred Tax Asset	16,256	18,724
<b>Total Non-Current Assets</b>	<u>2,293,932</u>	<u>2,315,254</u>
<b>Current Assets</b>		
Inventories	34,192	34,100
Trade and Other Receivables	213,114	233,019
Cash and Cash Equivalents	494,186	662,881
<b>Total Current Assets</b>	<u>741,492</u>	<u>930,000</u>
<b>Total Assets</b>	<u><b>3,035,424</b></u>	<u><b>3,245,254</b></u>
<b>Current Liabilities</b>		
Loans and Borrowings	(50,972)	(92,092)
Trade and Other Payables	(501,114)	(523,135)
Current Tax Liabilities	(128,339)	(104,901)
<b>Total Current Liabilities</b>	<u>(680,425)</u>	<u>(720,128)</u>
<b>Non-Current Liabilities</b>		
Loans and Borrowings	-	-
Provisions	(114,860)	(113,050)
<b>Total Non-Current Liabilities</b>	<u>(114,860)</u>	<u>(113,050)</u>
<b>Total Liabilities</b>	<u><b>(795,285)</b></u>	<u><b>(833,178)</b></u>
<b>Net Assets</b>	<u><b>2,240,139</b></u>	<u><b>2,412,076</b></u>
<b>Equity</b>		
Share Capital	190,000	190,000
Treasury Shares	(6,981)	(9,697)
Retained Earnings	2,057,120	2,231,773
<b>Total Equity</b>	<u><b>2,240,139</b></u>	<u><b>2,412,076</b></u>

**3.2 Income Statement**

For the quarter ended	<b>31-Dec-12</b>	<b>30-Sept-12</b>
	<b>(Q3 2012/13)</b>	<b>(Q2 2012/13)</b>
	<b>MVR "000"</b>	<b>MVR "000"</b>
<b>Revenue</b>	510,939	501,331
Operating Costs	(236,660)	(225,506)
Depreciation	(79,632)	(83,540)
<b>Results from Operating Activities</b>	<b>194,647</b>	<b>192,285</b>
Net Financing Expense	(13,777)	(21,223)
<b>Profit Before Taxation</b>	<b>180,870</b>	<b>171,062</b>
Income Tax Expense	(25,905)	(31,597)
<b>Net Profit</b>	<b>154,965</b>	<b>139,465</b>
Basic Earnings Per Share (in MVR)	2.05	1.84
Basic Earnings Per Share (Annualized in MVR)	8.20	7.36

**3.3 Cash Flow Statement**

For the quarter ended	31-Dec-12 (Q3 2012/13) MVR "000"	30-Sept-12 (Q2 2012/13) MVR "000"
Net Cash Inflow from Operating Activities	313,403	189,413
Net Cash Outflow from Investing Activities	(98,480)	(127,847)
Net Cash Outflow from Financing Activities	(383,618)	(340,400)
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(168,695)</b>	<b>(278,834)</b>
Cash and Cash Equivalents at beginning of the Period	662,881	941,715
<b>Cash and Cash Equivalents at end of the Period</b>	<b>494,186</b>	<b>662,881</b>




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**Avnish Jindal**  
Chief Financial Officer




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**Ismail Waheed**  
Managing Director & CEO

#### 4. Market highlights for Company's share (Oct – Dec 2012)

Highest Traded Price	MVR 82.00
Lowest Traded Price	MVR 79.00
Weighted Average Traded Price	MVR 80.14
Market Capitalization as at Quarter End	MVR 5.98 billion
Dividend Yield	N/A
Annualised Price Earnings Ratio as at Quarter End	9.63

#### 5. Corporate Governance (CG) Compliance

- The Company has been in compliance with the *Dhiraagu Corporate Governance Code* during the quarter. Highlights include:
  - o completion of CWC's annual Group Internal Audit in December 2012 of the Company achieving the highest grade;; and
  - o ensuring regular, timely and effective disclosures as required by the *Code* and applicable laws and regulations.
- The Company's *Corporate Governance Code* can be viewed in the investor relations section of the Dhiraagu website: <http://www.dhiraagu.com.mv/investor/>.

#### 6. Reporting Compliance

This report has been prepared taking into account the CMDA circular on Quarterly Reporting Requirements for Listed Companies.