

**First Quarter
Report**

April- June 2012



Dhivehi Raajjeyge Gulhun PLC

www.dhiraagu.com.mv

1 Developments in the Company

- On April 18 2012, Dhiraagu's international capacity going out of Maldives was affected by damage caused to the Maldives-Sri Lanka international submarine cable by a third party ship. The damage occurred to part of the cable 26km off Sri Lanka by a ship's anchor being dropped onto the cable. As a result, customers using our Internet and IDD service experienced service degradation.
- In accordance to Dhiraagu's contingency plan, the submarine cable repair ship "Asean Explorer" was deployed to repair the cable, and the system was fully restored by the end of the month. Customers affected due to the cable damage during this period were compensated in the form of 'service credits'. Dhiraagu with Sri Lanka Telecom PLC is currently pursuing litigation against the suspected ship.
- Dhiraagu launched three major promotions during the quarter - TouchNet Modem, Reload and 1 laari SMS promotion. A special promotion for new Direct Debit subscribers was introduced with a 2% discount on monthly bills. Also a special campaign took place during the Euro 2012 football tournament, where customers had to guess the match scores to win attractive prizes.
- The Dhiraagu Broadband Road Race took place in June 2012, one of the most popular events held in Maldives each year.
- Key new services launched during the quarter were: Prepaid Hi5 package, Email Bills, new ADSL packages - Home50GB and Home75GB.

2 Administration

2.1 Board Activities

The number of meetings held by the Board of Directors and its Sub Committees during the first quarter were as follows:

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

2.2 Changes in composition of the Board

During the quarter, the following members were appointed by the Government of Maldives (GoM) to the Board as Non-executive Directors:

- Mr. Ibrahim Athif Shakoor Chairperson/GoM Non-executive Director
- Mr. Ilyas Farhad GoM Non-executive Director

As at June 30 2012, the Company's Board comprised of the following directors:

- Mr. Ibrahim Athif Shakoor Chairperson/GoM Non-executive Director
- Mr. Ilyas Farhad GoM Non-executive Director
- Ms. Idham Hussain GoM 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 Changes in the composition of the Sub-Committees of the Board

Due to the appointment of new Board Members, the composition of the Sub-Committees of the Board was reconstituted as follows:

- Audit Committee:
 - Mr. Denis Martin Chairperson
 - Mr. Ibrahim Athif Shakoor Member
 - Ms. Idham Hussain Member
- Governance Committee:
 - Mr. Ismail Waheed Chairperson
 - Mr. Ilyas Farhad Member
 - Mr. Adam Dunlop Member
- Remuneration and Nominations Committee:
 - Mr. Adam Dunlop Chairperson
 - Mr. Idham Hussain Member
 - Mr. Sheldon Bruha Member
 - Mr. Ismail Waheed Member

2.3 Decisions/Resolutions approved by the Board

The Board of Directors resolved to:

1. Seek a standing resolution from Shareholders at the upcoming AGM to grant the Board of Directors the authority to approve and declare any interim dividend in accordance with the Company's Dividend Policy during 2012/2013 financial year; and
2. Recommend the Shareholders approve the appointment and re-election of KPMG Ford, Rhodes, Thornton & Co. as the Company's Auditor in the upcoming AGM. Also to grant the Board of Directors the authority to set the Auditor's remuneration during the appointed term and grant the Chief Financial Officer the authority to sign engagement letters.

3 Financial Statements

Unaudited Balance Sheet, Income Statement and Cash Flow Statement are set out below:

3.1 Balance Sheet

As at	30-Jun-12 (Q1 2012/13) MVR "000"	31-Mar-12 (Q4 2011/12) MVR "000"
ASSETS AND LIABILITIES		
Non-Current Assets		
Intangible Assets	8,948	10,074
Property, Plant and Equipment	2,322,647	2,220,341
Deferred Tax Asset	15,272	15,272
Total Non-Current Assets	2,346,867	2,245,687
Current Assets		
Inventories	27,315	39,785
Trade and Other Receivables	258,240	282,028 ¹
Cash and Cash Equivalents	941,715	810,422
Total Current Assets	1,227,270	1,132,235
Total Assets	3,574,137	3,377,922
Current Liabilities		
Loans and Borrowings	(125,358)	(144,640)
Trade and Other Payables	(668,671)	(557,380)
Current Tax Liabilities	(114,314)	(96,119)
Total Current Liabilities	(908,343)	(798,139)
Non-Current Liabilities		
Loans and Borrowings	(7,249)	(29,013)
Provisions	(111,315)	(109,366)
Total Non-Current Liabilities	(118,564)	(138,379)
Total Liabilities	(1,026,907)	(936,518)
Net Assets	2,547,230	2,441,404
Equity		
Share Capital	190,000	190,000
Treasury Shares	(12,412)	(15,126) ¹
Retained Earnings	2,369,642	2,266,530
Total Equity	2,547,230	2,441,404

Notes to the Balance Sheet:

1. In the Q4 2012 release, Treasury Shares (Dhiraagu Employee Share Scheme) were accounted for as a prepayment in Trade and Other Receivables.

3.2 Income Statement

For the quarter ended	30-Jun-12	31-Mar-12
	(Q1 2012/13)	(Q4 2011/12)
	MVR "000"	MVR "000"
Revenue	484,947	508,721
Operating Costs excluding depreciation	(259,133)	(205,537)
Depreciation	(78,665)	(87,157)
Results from Operating Activities	147,149	216,027
Net Financing Expense	(25,841)	(21,159)
Profit Before Taxation	121,308	194,868
Income Tax Expense	(18,196)	(23,910)
Net Profit	103,112	170,958
Basic Earnings Per Share (in MVR)	1.36	2.26 ¹
Basic Earnings Per Share (Annualized in MVR)	5.44	9.04

Notes to the Income Statement:

1. EPS has been restated from the Q4 2012 release. EPS has been calculated based on the weighted average number of ordinary shares including the reclassification of treasury shares consistent with note 1 to the balance sheet.

3.3 Cash Flow Statement

For the quarter ended	30-Jun-12 (Q1 2012/13) MVR "000"	31-Mar-12 (Q4 2011/12) MVR "000"
Net Cash Inflow from Operating Activities	324,386	398,543
Net Cash Outflow from Investing Activities	(126,488)	(91,410)
Net Cash Outflow from Financing Activities	(66,605)	(55,102)
Net Increase/(Decrease) in Cash and Cash Equivalents	131,293	252,031
Cash and Cash Equivalents at beginning of the Period	810,422	558,391
Cash and Cash Equivalents at end of the Period	941,715	810,422



Avnish Jindal
Chief Financial Officer



Ismail Waheed
Managing Director & CEO

4. Market highlights for Company's share (April – June 2012)

Highest Traded Price	MVR 92
Lowest Traded Price	MVR 84
Weighted Average Traded Price	MVR 83.96
Market Capitalization as at Quarter End	MVR 6.46 Billion
Dividend Yield	N/A
Price Earnings Ratio as at Quarter End	15.63

5. Corporate Governance (CG) Compliance

- The Company has been in compliance with the Dhiraagu Corporate Governance Code during the quarter
- An amendment was made in February 2012 to CMDA Corporate Governance Code requiring public companies to have systems to raise concerns. Such a system had already been in place since September 2011 under the Dhiraagu Ethics Policy together with the CWC Anti Bribery Policy. This has been discussed with and confirmed by CMDA

- During the quarter, CMDA reviewed Dhiraagu Corporate Governance Code and expressed that it is in line with CMDA CGC and any modifications required can be taken in due course in future
- The Company's Corporate Governance code can be viewed in the investor relations section of the Dhiraagu website: <http://www.dhiraagu.com.mv/investor/>
- The Annual Report 2011/12 that contains details on corporate governance practices during the year 2011/12, can be viewed at <http://www.dhiraagu.com.mv/investor/annual.php>

6. Reporting Compliance

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