



# SECOND QUARTER REPORT 2015

APRIL TO JUNE



Touch Maldives



## DEVELOPMENTS DURING THE QUARTER

### 1.1 SUMMARY

Dhiraagu maintained its good start to 2015, despite posting an 8% revenue reduction compared to the previous quarter, which was mainly due to lower roaming revenues as a result of seasonal drop in tourism similar to the prior years. Due to lower operating costs during the quarter, there was a net reduction of 3% on operating income. As a result of this the net profit and earnings per share were lower by 2%. There was a reduction in the cash flows before financing due to the increase in capital investments during the quarter. The company returned a dividend of MVR 358.7m to the shareholders during the quarter following the announcement of the company's full year results for the 2014 financial year.

### 1.2 KEY PRODUCTS & SERVICES

Key products, services and promotions introduced or conducted during the second quarter includes:

- a) Launch of Samsung Galaxy S6/S6 Edge in the market on the same day as the global launch.
- b) Launched special broadband plans and fixed line packages for schools.
- c) IDD lowest call rate promotion for most popular destinations (Bangladesh, India, Sri Lanka and Nepal).
- d) SMS play & Win promotion.
- e) Launch of Ramadan Promotion with attractive gifts (50% free data for mobile and fixed broadband customers, free Friday calling for both prepaid and postpaid and weekly lucky draws with grand prizes).
- f) Introduced new content on DhiraaguTV (Copa America Football Live and catch-up, New International Channels added include B4U Movies, B4U Music, FTV and Aljazeera News).

### 1.3 CORPORATE SOCIAL RESPONSIBILITY

Key Corporate Social Responsibility initiatives during the second quarter:

- a) Contributed playground equipment and established an Indoor Play Area at the Maldives Autism Association on World Autism Awareness Day.
- b) On Children's Day renewed commitment to sponsor teachers for another year at the Kuda Kudhinge Hiyaa Orphanage.
- c) Contributed MVR 100,000 towards the Nepal Relief Fund to support the Maldives Red Crescent, and enabled free calls and further discounted calls to Nepal during the earthquake crisis.

# 2

## BOARD ADMINISTRATION

### 2.1 BOARD COMPOSITION

The Board composition as at 30th June 2015 was as follows:

| Name                     | Position               |
|--------------------------|------------------------|
| Mr. Mohamed Ashmalee     | Chairperson            |
| Mr. AbdulRazzaq AlQassim | Deputy Chairperson     |
| Mr. AbdulRahman Fakhro   | Non-Executive Director |
| Mr. Ihab Hinnawi         | Non-Executive Director |
| Mr. Abdulla Ahmed        | Non-Executive Director |
| Mr. Imran Ali            | Non-Executive Director |
| Mr. Ismail Waheed        | Executive Director     |

### 2.2 BOARD ACTIVITY

Frequency of Board meetings held during the quarter are as follows:

|   | Number |
|---|--------|
| Board Meeting                                   | 1      |
| Audit Committee                                 | 1      |
| Remuneration, Nomination & Governance Committee | 1      |

### 2.3 BOARD DECISIONS

During the quarter the following key decisions were made by the Board:

- Approved staff performance bonus scheme for 2015.

### 2.4 26<sup>th</sup> ANNUAL GENERAL MEETING

The 26th Annual General Meeting of Dhiraagu PLC was held on the 16th of April 2015 in Hotel Jen, Male', Maldives.

- Approved the company's annual report for 2014;
- Declared MVR 4.72 per ordinary share as final dividend for 2014;
- Re-elected Mr. Imran Ali to the board of directors to represent public shareholders;
- Re-appointed KPMG as the company's external auditors for 2015;
- Amended the company's Articles of Association; and
- Amended the company's Memorandum of Association.



## SHARE INFORMATION

### 3.1 SHAREHOLDING

Dhiraagu PLC's shareholding as at 30<sup>th</sup> June 2015 was as follows:

| Shareholding                  | %           | Number of Shares  |
|-------------------------------|-------------|-------------------|
| BTC Islands Limited (Batelco) | 52.0%       | 39,520,000        |
| Government of Maldives        | 41.8%       | 31,770,150        |
| Public                        | 6.2%        | 4,709,850         |
|                               | <b>100%</b> | <b>76,000,000</b> |

### 3.2 SHARE TRADING

|   | Q2 2015 | Q1 2015 |
|---|---------|---------|
| Highest Traded Price (MVR)              | 79      | 83      |
| Lowest Traded Price (MVR)               | 75      | 71      |
| Last Traded Price (MVR)                 | 78      | 78      |
| Number of Shares Traded                 | 2,375   | 1,808   |
| Number of Trades                        | 11      | 14      |
| Weighted Average Traded Price (MVR)     | 78.07   | 75.22   |
| Market Capitalization as at quarter end | 5.93 bn | 5.93 bn |

### 3.3 SHARE PERFORMANCE

|                           | Q2 2015 | Q1 2015 |
|---------------------------|---------|---------|
| EPS (Annualized) MVR      | 9.56    | 9.76    |
| P/E Ratio (Annualized)    | 8.16    | 7.99    |
| Net Asset Per Share (MVR) | 32.76   | 35.08   |
| Dividend Yield            | NA      | NA      |

# 4

## FINANCIAL STATEMENTS

### 4.1 BALANCE SHEET (UNAUDITED)

| AS AT                                | 30-Jun-15<br>(Q2 2015)<br>MVR "000" | 31-Mar-15<br>(Q1 2015)<br>MVR "000" |
|--------------------------------------|-------------------------------------|-------------------------------------|
| <b>ASSETS AND LIABILITIES</b>        |                                     |                                     |
| <b>Non-Current Assets</b>            |                                     |                                     |
| Intangible Assets                    | 67,691                              | 65,971                              |
| Property, Plant and Equipment        | 1,845,835                           | 1,879,833                           |
| Deferred Tax Asset                   | 7,782                               | 7,912                               |
| <b>Total Non-Current Assets</b>      | <b>1,921,308</b>                    | <b>1,953,716</b>                    |
| <b>Current Assets</b>                |                                     |                                     |
| Inventories                          | 30,511                              | 27,103                              |
| Trade and Other Receivables          | 401,928                             | 369,962                             |
| Cash and Cash Equivalents            | 953,388                             | 1,093,369                           |
| <b>Total Current Assets</b>          | <b>1,385,827</b>                    | <b>1,490,434</b>                    |
| <b>Total Assets</b>                  | <b>3,307,135</b>                    | <b>3,444,150</b>                    |
| <b>Current Liabilities</b>           |                                     |                                     |
| Loans and Borrowings                 | -                                   | (23,130)                            |
| Trade and Other Payables             | (622,319)                           | (585,860)                           |
| Current Tax Liabilities              | (67,118)                            | (41,160)                            |
| <b>Total Current Liabilities</b>     | <b>(689,437)</b>                    | <b>(650,150)</b>                    |
| <b>Non-Current Liabilities</b>       |                                     |                                     |
| Provisions                           | (128,024)                           | (127,568)                           |
| <b>Total Non-current Liabilities</b> | <b>(128,024)</b>                    | <b>(127,568)</b>                    |
| <b>Total Liabilities</b>             | <b>(817,461)</b>                    | <b>(777,718)</b>                    |
| <b>Net Assets</b>                    | <b>2,489,674</b>                    | <b>2,666,432</b>                    |
| <b>EQUITY</b>                        |                                     |                                     |
| Share Capital                        | 190,000                             | 190,000                             |
| Retained Earnings                    | 2,299,674                           | 2,476,432                           |
| <b>Total Equity</b>                  | <b>2,489,674</b>                    | <b>2,666,432</b>                    |

## 4.2 INCOME STATEMENT (UNAUDITED)

| FOR THE QUARTER ENDED                    | 30-Jun-15<br>(Q2 2015)<br>MVR "000" | 31-Mar-15<br>(Q1 2015)<br>MVR "000" |
|--|-------------------------------------|-------------------------------------|
| <b>Revenue</b>                           | <b>539,903</b>                      | <b>585,354</b>                      |
| Operating Costs                          | (232,241)                           | (271,613)                           |
| Depreciation and Amortization            | (86,335)                            | (86,002)                            |
| <b>Results from Operating Activities</b> | <b>221,327</b>                      | <b>227,739</b>                      |
| Net Financing Expense                    | (7,113)                             | (9,401)                             |
| <b>Profit Before Taxation</b>            | <b>214,214</b>                      | <b>218,338</b>                      |
| Income Tax Expense                       | (32,252)                            | (32,766)                            |
| <b>Net Profit</b>                        | <b>181,962</b>                      | <b>185,572</b>                      |

### Basic Earnings Per Share (Weighted Average Ordinary Shares Outstanding)

|   |      |      |
|---|------|------|
| Basic Earnings Per Share (Annualized MVR) | 9.56 | 9.76 |
| Basic Earnings Per Share (Q2 MVR)         | 2.39 | 2.44 |

### 4.3 CASH FLOW STATEMENT (UNAUDITED)

| FOR THE QUARTER ENDED   | 30-Jun-15<br>(Q2 2015)<br>MVR "000" | 31-Mar-15<br>(Q1 2015)<br>MVR "000" |
|---|-------------------------------------|-------------------------------------|
| Net Cash Inflow from Operating Activities                         | 349,335                             | 290,201                             |
| Net Outflow from Investing Activities                             | (96,025)                            | (29,439)                            |
| Net Inflow (Outflow) from Financing Activities                    | (393,291)                           | 8,701                               |
| <b>Net Increase / (Decrease) in Cash and Cash<br/>Equivalents</b> | <b><u>(139,981)</u></b>             | <b><u>269,463</u></b>               |
| <b>Cash and Cash Equivalents at beginning of the<br/>Period</b>   | 1,093,369                           | 823,906                             |
| <b>Cash and Cash Equivalents at end of the Period</b>             | <b><u><u>953,388</u></u></b>        | <b><u><u>1,093,369</u></u></b>      |

Robin Wall  
Chief Financial Officer

Ismail Waheed  
CEO & Managing Director

# 5

## LEGAL & REGULATORY COMPLIANCE

### 5.1 NATIONAL BROADBAND POLICY

Work continued during the Quarter to complete the 3G rollout to the 40 islands assigned to be covered by Dhiraagu, under the National Broadband Policy.

### 5.2 MOBILE NUMBER PORTABILITY

The Company continued working under Communication's Authority of Maldives (CAM)'s instructions to launch Mobile Number Portability.

### 5.3 COMPLIANCE TO CMDA CORPORATE GOVERNANCE CODE

The Company has been in compliance with the CMDA's Corporate Governance Code and the Dhiraagu Corporate Governance Code during the quarter. Highlights include ensuring regular, timely and effective disclosures as required by the Code.

The Company's Corporate Governance Code can be viewed in the investor relations section of the Dhiraagu website: <http://www.dhiraagu.com.mv/investor/>.

### 5.4 REPORTING COMPLIANCE

This Report has been prepared in compliance with CMDA's Minimum Quarterly Reporting Requirements for Listed Companies.