



# FOURTH QUARTER REPORT 2015

OCTOBER TO DECEMBER



Touch Maldives



## DEVELOPMENTS DURING THE QUARTER

### 1.1 SUMMARY

Dhiraagu ended the year strongly delivering a 9% increase in revenue, mostly due to higher seasonal roaming revenues, growth in mobile from higher customer numbers and the launch of iPhone 6s and strong enterprise and data revenues. Net profit is lower than Q3 because of higher operating costs mostly due to the relocation of the international submarine cable landing point in Male and the timing of operational expenditure. Cash flow before financing is lower in Q4 following significant investment in the network and infrastructure. Net cash flow increased in Q4 as there were no dividends declared during the quarter, whereas an interim dividend for 2015 was declared in Q3.

### 1.2 KEY PRODUCTS & SERVICES

Key products, services & promotions introduced during the fourth quarter includes:

- Anniversary Special – FREE Data promotion for all customers.
- Introduced a new range of fixed broadband plans targeted for SMEs, including the first ever TeraByte business package in Maldives.
- Introduced 'Free Numbers' on Postpaid SMART plans.
- Introduced iPhone6S and iPhone6S plus plans with a grand launch event coinciding with iPhone Global launch wave2.
- Demonstrated SmartLife – Smart Home Products ranges for customers at Connect Fair 2015, and demonstrated mobile money services and announced launch of mobile money project at the Financial Expo.
- Conducted an SMS Paly & Win Promotion with grand prizes.
- Supported first official mobile taxi application service 'taxi yageen' developed by Junipa and Transport Authority of Maldives.

- Relocation of Dhiraagu Customer Service Centre to Dhiraagu Head Office and enhancement of services offered to customers.
- Launched sale of Apple iPad Pro.
- Conducted fixed broadband FREE connection promotion to help new customers sign-up for internet services.
- Launched Instagram and Social Media 'Holiday Fun' promotions.
- Sponsored Visit Maldives Festival 2016 show.

### **1.3 CORPORATE SOCIAL RESPONSIBILITY**

- Contributed "Dhiraagu Smart Teaching Solution" to Maldives National University, a system which connects all MNU campuses across the country, providing access to live and archived lectures for students regardless of their location.
- Partnered with Ghiyasuddin International School, to pilot a BYOD programme for the first time in Maldives targeted to integrate and widen technology based learning in Maldives.
- Contributed USD 10,000 to support the Ministry of Fisheries in their marine conservation efforts in Maldives.
- Partnered with Cancer Society to create an SMS quiz to promote breast cancer awareness.
- Contributed developmental resources of over MVR 100,000 to Al-Noor, Special Education Needs class in Sharafuddheen School, S. Hithadhoo.
- Held the annual Dhiraagu Special Sports Festival 2015 in association with various NGOs and institutions.
- Contributed MVR 50,000 to Society for Health Education (SHE), to enable the NGO to conduct a Child Protection Programme.
- Organized a submarine trip for the children of Kuda Kudhinge Hiyaa orphanage, giving them a fun holiday experience exploring the underwater beauty of Maldives.

## BOARD ADMINISTRATION



### 2.1 BOARD COMPOSITION

On the 31st of December 2015, Batelco Group appointed Dr. Ahmed Al Balooshi as a Non-executive and independent Director. Dr. Al Balooshi replaced Mr. Ihab Hinnawi who was on the Board since April 2013.

The Board composition as at 31st December 2015 was as follows:

Name	Position
Mr. Mohamed Ashmalee	Chairperson
Mr. AbdulRazzaq AlQassim	Deputy Chairperson
Mr. AbdulRahman Fakhro	Non-Executive & Independent Director
Dr. Ahmed Al Balooshi	Non-Executive & Independent Director
Mr. Abdulla Ahmed	Non-Executive & Independent Director
Mr. Imran Ali	Non-Executive & Independent Director
Mr. Ismail Rasheed	Executive Director

### 2.2 BOARD ACTIVITY

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

	Number
Board Meeting	1
Audit Committee Meeting	1
RNG Committee Meeting	1

### 2.3 BOARD DECISIONS

During the Quarter the following Board decisions were made:

- Approval of the 5 year business plan and strategy for 2016-2020.
- Approval of the Authority Matrix of the company.



## SHARE INFORMATION

### 3.1 SHAREHOLDING

The company's shareholding as at 31st December 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

	Q4 2015	Q3 2015
Highest Traded Price (MVR)	82	80
Lowest Traded Price (MVR)	82	78
Last Traded Price (MVR)	82	80
Number of Shares Traded	50	550
Number of Trades	1	3
Weighted Average Traded Price (MVR)	82	78
Market Capitalization as at quarter end	6.23 bn	6.08 bn

### 3.3 SHARE PERFORMANCE

	Q4 2015	Q3 2015
EPS (Annualized MVR)	8.56	10.20
P/E Ratio (Annualized)	9.58	7.84
Net Asset Per Share (MVR)	32.62	30.47
Dividend Yield	NA	NA



# FINANCIAL STATEMENTS

## 4.1 BALANCE SHEET (UNAUDITED)

AS AT	31-Dec-15 (Q4 2015) MVR "000"	30-Sep-15 (Q3 2015) MVR "000"
<b>ASSETS AND LIABILITIES</b>		
<b>Non-Current Assets</b>		
Intangible Assets	137,765	143,699
Property, Plant and Equipment	1,879,108	1,820,048
Deferred Tax Asset	11,396	7,624
<b>Total Non-Current Assets</b>	<b>2,028,269</b>	<b>1,971,371</b>
<b>Current Assets</b>		
Inventories	29,518	27,464
Trade and Other Receivables	343,723	365,996
Amounts Due From Related Party	133	9,488
Investments	351,430	46,260
Cash and Cash Equivalents	619,359	730,653
<b>Total Current Assets</b>	<b>1,344,163</b>	<b>1,179,861</b>
<b>Total Assets</b>	<b>3,372,432</b>	<b>3,151,232</b>
<b>Current Liabilities</b>		
Trade and Other Payables	(686,163)	(664,571)
Current Tax Liabilities	(72,141)	(42,220)
<b>Total Current Liabilities</b>	<b>(758,304)</b>	<b>(706,791)</b>
<b>Non-Current Liabilities</b>		
Provisions	(135,305)	(128,480)
<b>Total Non-current Liabilities</b>	<b>(135,305)</b>	<b>(128,480)</b>
<b>Total Liabilities</b>	<b>(893,609)</b>	<b>(835,271)</b>
<b>Net Assets</b>	<b>2,478,823</b>	<b>2,315,961</b>
<b>Equity</b>		
Share Capital	190,000	190,000
Retained Earnings	2,288,823	2,125,961
<b>Total Equity</b>	<b>2,478,823</b>	<b>2,315,961</b>

## 4.2 INCOME STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED	31-Dec-15	30-Sep-15
	(Q4 2015)	(Q3 2015)
	MVR "000"	MVR "000"
<b>Revenue</b>	<b>601,147</b>	<b>549,370</b>
Operating Costs	(310,891)	(230,164)
Depreciation and Amortization	(90,160)	(89,750)
Other Income	2,009	971
<b>Results from Operating Activities</b>	<b>202,105</b>	<b>230,427</b>
Net Financing Expense	(13,094)	(2,183)
<b>Profit Before Taxation</b>	<b>189,011</b>	<b>228,244</b>
Income Tax Expense	(26,149)	(34,117)
<b>Net Profit</b>	<b>162,862</b>	<b>194,127</b>
<b>Basic Earnings Per Share (Weighted Average Ordinary Shares Outstanding)</b>		
Basic Earnings Per Share (Annualized MVR)	8.56	10.20
Basic Earnings Per Share (Q4 MVR)	2.14	2.55

#### 4.3 CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED	31-Dec-15 (Q4 2015) MVR "000"	30-Sep-15 (Q3 2015) MVR "000"
Net Cash Inflow from Operating Activities	284,908	272,579
Net Outflow from Investing Activities	(387,095)	(121,064)
Net Outflow from Financing Activities	(9,107)	(374,250)
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(111,294)</b>	<b>(222,735)</b>
<b>Cash and Cash Equivalents at beginning of the Period</b>	<b>730,653</b>	<b>953,388</b>
<b>Cash and Cash Equivalents at end of the Period</b>	<b>619,359</b>	<b>730,653</b>



Robin Wall  
Chief Financial Officer



Ismail Rasheed  
CEO & Managing Director

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## **LEGAL & REGULATORY COMPLIANCE**

### **5.1 MOBILE NUMBER PORTABILITY**

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

The Ministry of Home Affairs has extended the MNP launch date to 1 March 2016.

### **5.2 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: [https://www.dhiraagu.com.mv/Corporate\\_Governance.aspx](https://www.dhiraagu.com.mv/Corporate_Governance.aspx).

### **5.3 REPORTING COMPLIANCE**

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