



QUARTER 2 REPORT 2016

April to June



DEVELOPMENTS

01 DURING THE QUARTER

1.1 SUMMARY

Dhiraagu maintained its good start to 2016 reporting a gross revenue of MVR 577m in Q2.

Compared to Q1 there is a 13% reduction in revenue mainly due to lower seasonal roaming consistent with previous years. However, compared to Q2 of 2015 there is a 7% increase in revenue.

Operating and non-operating costs were lower than prior quarter leading to a net profit before tax of MVR 194m, which was 24%

lower than the previous quarter but 6% higher than the same quarter in 2015.

There was a reduction in cash flow before financing due to lower revenues and an increase in capital investment during the quarter. The company returned a dividend of MVR 356m to shareholders following the announcement of the Company's full year results for the 2015 financial year.

1.2 OPERATIONAL HIGHLIGHTS

During the quarter, Dhiraagu successfully expanded its services and launched several promotional campaigns across the Company's product portfolio, giving the best value and customer experience in the market. Key highlights includes:

- Launched 4G LTE service in 6 additional islands (N. Velidhoo, R. Dhuvaafaru, Lh. Hinnavaru, L. Mathimaradoo, L. Thundi and Dh. Kudauvadhoo).
- Launched a revamped post-paid plans with better value.
- Launched special Guesthouse Internet packages with cloud-based centralised WiFi management system.

- Launched 'Smart Home' with attractive packages.
- Launched iPhone SE with an attractive plan.
- Big Byte Promotion offering 25% extra allowance for all fixed broadband customers.
- Appointed Abdul Gafoor Ali (Gabbe) and Maldivian Idol 2016 finalists Laisha Junaid, Mohamed Shalabee and Mohamed Ishan as Dhiraagu Brand Ambassadors.
- Became the exclusive sponsor of National High Achievers Award
- Launched Dhiraagu Roadha Hadhiya campaign with special offers and prizes for customers including 50% extra data awarded to all fixed broadband and mobile customers.
- Launched EURO 2016 SMS quiz.

1.3 CORPORATE SOCIAL RESPONSIBILITY

Key CSR initiatives during Q2:

- Supported Care Society to establish an Early Intervention Class at Care Development Centre, which will focus on skills development for children with disabilities under the ages of 7.
- Contributed developmental resources to special education needs classes in Hamad School and Ihahdhoo School in Laamu Atoll.
- Renewed the commitment to sponsor and support the arrangement of 3 teachers at Kuda Kudhinge Hiyaa orphanage for another year.
- Renewed the membership of 'GSMA Mobile Alliance Against Child Sexual Abuse Content' with the Internet Watch Foundation, to block child sexual abuse content from Dhiraagu's network.
- Collaborated with the Civil Service Commission to sponsor the 'Aaro' 1,000 Tree Planting programme, in the newly reclaimed land of Hulhumale' on World Environment Day.

BOARD

02 ADMINISTRATION

2.1 BOARD COMPOSITION

On 30th April 2016, Batelco Group appointed Mr. Raed Fakhri as a non-executive Director, replacing Mr AbdulRazzaq AlQassim who has served on the Board since June 2013.

The Board of Directors, as at 30th June 2016 comprised of the following members.

Name	Position
Mr. Mohamed Ashmalee	Chairperson
Mr. AbdulRahman Fakhro	Non-Executive & Independent Director
Dr. Ahmed Abdulqader	Non-Executive & Independent Director
Mr. Raed Fakhri	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 and committee meetings held during the quarter are as follows:

Board	Audit Committee	RNG Committee
1	1	1

2.3 27th ANNUAL GENERAL MEETING

The 27th Annual General Meeting of Dhiraagu PLC was held on 26th of April 2016, at Hotel Jen, Male', Maldives. The following important decisions were made at the 27th Annual General Meeting.

- Approval of the Annual Report 2015 including the Director's Report and Audited Financial Statements for the year ended 31st December 2015.

- Declare a final dividend of MVR 4.69 per ordinary share amounting to a total dividend of MVR 356,440,000 (Three Hundred and Fifty Six million, Four Hundred and Forty Thousand Rufiyaa) (approximately US\$ 23.1 million) for the financial year 2015.
- Re-election of Mr. Imran Ali as the Public Director for the Company's Board of Directors until the conclusion of the 29th Annual General Meeting of the Company;
- Re-appointment of KPMG (Chartered Accountants) as the Company's External Auditors for the year 2016, to hold office until the conclusion of the next Annual General Meeting to carry out the statutory audit for the year ended 31st December 2016, and the approval of External Auditors fees.
- Granting the Board of Directors authority to approve and declare any interim dividend in accordance with the Company's Dividend Policy during the financial year 2016.
- Revisions to the Company's Articles of Associations to amend the clauses as proposed in the Notice of the 27th Annual General Meeting.

03 SHARE INFORMATION

3.1 SHAREHOLDING

The company's shareholding as at 30th June 2016 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
	100%	76,000,000

3.2 SHARE TRADING & PERFORMANCE

	Q2 2016	Q1 2016
Highest Traded Price (MVR)	85	85
Lowest Traded Price (MVR)	80	80
Last Traded Price (MVR)	80	83
Number of Shares Traded	1,502	1,826
Number of Trades	16	15
Weighted Average Traded Price (MVR)	81.04	83.97
Market Capitalization as at quarter end	6.08 bn	6.31 bn
EPS (Annualized MVR)	10.20	13.44
P/E Ratio (Annualized)	8.14	6.18
Net Asset Per Share (MVR)	33.84	35.98
Dividend Yield	N/A	NA

FINANCIAL

04 STATEMENTS

4.1 BALANCE SHEET (UNAUDITED)

AS AT	30-Jun-16 (Q2 2016) MVR "000"	31-Mar-16 (Q1 2016) MVR "000"
ASSETS AND LIABILITIES		
Non-Current Assets		
Intangible Assets	166,096	132,382
Property, Plant and Equipment	1,746,255	1,828,335
Deferred Tax Asset	14,262	14,121
Total Non-Current Assets	1,926,613	1,974,838
Current Assets		
Inventories	32,643	44,470
Trade and Other Receivables	396,057	402,537
Amounts Due from Related Party	-	133
Investments	434,200	432,068
Cash and Cash Equivalents	538,129	798,326
Total Current Assets	1,401,029	1,677,534
Total Assets	3,327,642	3,652,372
Current Liabilities		
Trade and Other Payables	(536,348)	(720,668)
Amounts Due to Related Party	(22)	
Current Tax Liabilities	(79,023)	(59,591)
Total Current Liabilities	(615,393)	(780,259)
Non-Current Liabilities		
Provisions	(140,188)	(137,747)
Total Non-Current Liabilities	(140,188)	(137,747)
Total Liabilities	(755,581)	(918,006)
Net Assets	2,572,061	2,734,366
Equity		
Share Capital	190,000	190,000
Retained Earnings	2,382,061	2,544,366
Total Equity	2,572,061	2,734,366

4.2 INCOME STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED	30-Jun-16 (Q2 2016) MVR "000"	31-Mar-16 (Q1 2016) MVR "000"
Revenue	577,317	664,819
Operating Costs	(252,865)	(255,963)
Depreciation and Amortization	(90,090)	(94,801)
Other Income	1,287	866
Results from Operating Activities	235,649	314,921
Net Financing Expense	(5,843)	(15,796)
Profit Before Taxation	229,806	299,125
Income Tax Expense	(35,671)	(43,582)
Net Profit	194,135	255,543
Basic Earnings Per Share (Weighted Average Ordinary Shares Outstanding)		
Basic Earnings Per Share (Annualized MVR)	10.20	13.44
Basic Earnings Per Share (Quarter MVR)	2.55	3.36

4.3 CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED	30-Jun-16 (Q2 2016) MVR "000"	31-Mar-16 (Q1 2016) MVR "000"
Net Cash Inflow from Operating Activities	167,389	333,662
Net Outflow from Investing Activities	(62,862)	(133,604)
Net Outflow from Financing Activities	(364,724)	(21,091)
Net Increase / (Decrease) in Cash and Cash Equivalents	<u>(260,197)</u>	<u>178,967</u>
Cash and Cash Equivalents at beginning of the Period	798,326	619,359
Cash and Cash Equivalents at end of the Period	<u><u>538,129</u></u>	<u><u>798,326</u></u>



Robin Wall
 Chief Financial Officer



Ismail Rasheed
 CEO & Managing Director

LEGAL & REGULATORY

05 COMPLIANCE

5.1 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.

5.2 REPORTING COMPLIANCE

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