



QUARTER 3 REPORT 2016

July to September



DEVELOPMENTS

01 DURING THE QUARTER

1.1 SUMMARY

Dhiraagu continued its good performance in the third quarter, posting revenues of MVR 617m. This is a 7% increase in revenue compared to the second quarter, mainly from strong growth in mobile and seasonal roaming revenues.

Net profit and Earnings per share increased by 5% over the prior quarter.

During the quarter, the company returned MVR 449.9m to shareholders as interim dividend for 2016.

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 for Dhiraagu include:

Launched new postpaid package

First to launch the highest data inclusive allowance (15GB) to accommodate growing demand for mobile data subscribers.

First to open pre-orders for iPhone 7 & 7 plus in the Maldives

Opened pre-orders for iPhone 7 & 7 plus during the second global wave with attractive instalment plans and benefits.

Established fibre network in K. Maafushi

Launched high-speed internet service to residential customers, businesses and guesthouses, and making Maafushi the first island to have a complete fibre network outside of Male' and Hulhumale'.

Initiated customized regional offers

Introduced special residential broadband packages for Laamu Atoll.

Dedicated plans offered for expat segment

Introduced “Sera” SIM pack for the Bangladesh customers.

A special IDD promotion to Saudi Arabia

Offered lowest rate to call Saudi Arabia during the Hajj season to facilitate friends and family of hajj pilgrims to keep in touch with their loved ones.

Independence Day promotions

On the 51st Independence Day, 51 mobile customers were awarded 10GB data via a lucky draw.

Dhiraagu Eid Show 2016

For the 7th consecutive year this annual event showcased local music talents and focuses on youth engagement.

1.3 CORPORATE SOCIAL RESPONSIBILITY

Key CSR initiatives during Q3:

- Signed an agreement with the Ministry of Housing & Infrastructure to sponsor a fountain at the Sultan Park area where the previous Dhiraagu Head Office was located.
- Became a Corporate Member of the Maldivian Red Crescent to collaborate in supporting Humanitarian efforts within the Maldives.
- Donated to local NGO- “Care Society” to organize an art exhibition for people with disabilities.
- Supported the “Disability Awards 2016” by Ministry of Gender & Family, pledging support for a special education needs project in Fuvahmulah.
- Supported local artist “Unoosha” to launch a CSR challenge & special Eid song dedicated to helping children and people with disabilities.
- Distributed gifts to Children across the country as a goodwill gesture on Eid Day.

BOARD

02 ADMINISTRATION

2.1 BOARD COMPOSITION

Pursuant to the recent revisions to clause 70(A) of the Articles of Association, the majority shareholder of Dhiraagu, BTC Islands Limited (Batelco) appointed Mr. Ihab Hinnawi as a Non-Executive Director, effective from 31st July 2016.

With this revision, the Board of Directors comprised of the following members at the close of the third quarter.

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. Ihab Hinnawi	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 IMPORTANT BOARD DECISIONS

- Declaration of MVR 5.92 per share as interim dividend for 2016.
- Revision of the Authority Matrix of the Company

03 | SHARE INFORMATION

3.1 SHAREHOLDING

The company's shareholding as at 30th September 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

	Q3 2016	Q2 2016
Highest Traded Price (MVR)	85	85
Lowest Traded Price (MVR)	81	80
Last Traded Price (MVR)	81	80
Number of Shares Traded	1,110	1,502
Number of Trades	17	16
Weighted Average Traded Price (MVR)	82.50	81.04
Market Capitalization as at quarter end	6.16 bn	6.08 bn
EPS (Annualized MVR)	10.72	10.20
P/E Ratio (Annualized)	7.56	8.14
Net Asset Per Share (MVR)	30.60	33.84
Dividend Yield	N/A	N/A

FINANCIAL 04 STATEMENTS

4.1 BALANCE SHEET (UNAUDITED)

AS AT	30-Sep-16 MVR "000"	30-Jun-16 MVR "000"
ASSETS AND LIABILITIES		
Non-Current Assets		
Intangible Assets	166,280	166,096
Property, Plant and Equipment	1,689,691	1,746,255
Deferred Tax Asset	16,862	14,262
Total Non-Current Assets	1,872,833	1,926,613
Current Assets		
Inventories	37,975	32,643
Trade and Other Receivables	352,908	396,057
Cash and Bank Balances	774,822	972,329
Total Current Assets	1,165,705	1,401,029
Total Assets	3,038,538	3,327,642
Current Liabilities		
Trade and Other Payables	(518,000)	(536,348)
Amounts Due to Related Party	(22)	(22)
Current Tax Liabilities	(52,331)	(79,023)
Total Current Liabilities	(570,353)	(615,393)
Non-Current Liabilities		
Provisions	(142,630)	(140,188)
Total Non-current Liabilities	(142,630)	(140,188)
Total Liabilities	(712,983)	(755,581)
Net Assets	2,325,555	2,572,061
Equity		
Share Capital	190,000	190,000
Retained Earnings	2,135,555	2,382,061
Total Equity	2,325,555	2,572,061

4.2 INCOME STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED	30-Sep-16 MVR "000"	30-Jun-16 MVR "000"
Revenue	616,694	577,317
Operating Costs	(270,859)	(252,865)
Depreciation and Amortization	(99,825)	(90,090)
Other Income/(Expense)	(946)	1,287
Results from Operating Activities	245,064	235,649
Net Financing Expense	(3,894)	(5,843)
Profit Before Taxation	241,170	229,806
Income Tax Expense	(37,756)	(35,671)
Net Profit	203,414	194,135

Share Performance Ratios

Basic Earnings Per Share (Annualized MVR)	10.72	10.20
Basic Earnings Per Share (Quarter MVR)	2.68	2.55

4.3 CASHFLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED	30-Sep-16 MVR "000"	30-Jun-16 MVR "000"
Net Cash Inflow from Operating Activities	334,775	167,389
Net Outflow from Investing Activities	(162,746)	(62,862)
Net Outflow from Financing Activities	(455,763)	(364,724)
Net Decrease in Cash and Cash Equivalents	(283,734)	(260,197)
Cash and Cash Equivalents at beginning of the Period	538,129	798,326
Cash and Cash Equivalents at end of the Period	254,395	538,129



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.