

FOURTH QUARTER REPORT

October – December 2013



Dhivehi Raajjeyge Gulhun PLC

www.dhiraagu.com.mv

1 Developments during the Quarter:

1.1 Trading

During the quarter, the company has maintained operating performance with a revenue increase of 1%. Net profits were 9% lower on account of higher operating costs and lower tax provision in the previous quarter due to higher capital allowance.

The company also generated strong operating cash flow during the quarter on account of better trading, lower tax payments and capital investment.

1.2 Products and Services

Following are some of the key products and services & promotions introduced or conducted during the quarter:

- Hourly and Daily Mobile Internet packages introduced on Prepaid.
- Introduced ADSL 10Mbps service to the regions; Kulhudhufushi, Eydhafushi, Gaafu Dhaalu Thinadhoo, Seenu Atoll and Fua Mulak.
- Promotions: Prepaid Rewards, IDD promotion for Saudi Arabia during Hajj season, ADSL connection promotion and continuation of RED to RED Free promotion.

1.3 Corporate Social Responsibility

Coinciding with the annual school holidays, a special children's evening was held for the children of Kuda Kudhinge Hiya (orphanage) at K. Villingili. Dhiraagu hosted a magic show and live music for all children at the orphanage to enable them to enjoy and participate. At the event, the company also made a contribution of over 700 children's books to the library at the orphanage established by Dhiraagu.

The company also conducted a campaign called "Do a Lil' Something Sweet" on Twitter, an awareness raising campaign about the Child Helpline 1412 service supported by the company which enables all children in the country in need of protection to remain accessible via a toll free number. Suspected child abuse can also be reported anonymously through the Helpline. The campaign enabled Dhiraagu Twitter followers to Retweet the message with the Helpline number and enter into a drawing where they had a chance to win a prize. The campaign helped to spread awareness, reaching to over 106,000 people.

Dhiraagu is a signatory to the United Nations Global Compact (UNGC) and as part of its corporate social responsibility strategy and its commitment to the UNGC, the company published its first Communication on Progress Report. The report was shared with stakeholders through the Global Compact website www.unglobalcompact.org and on Dhiraagu website www.dhiraagu.com.mv

2 Administration

2.1 **Board Activities:**

The number of meetings held by the Board of Directors and its Sub-Committees in the third quarter of 2013 are as follows:

ITEM	Number of Meetings
Board Meeting	2
Audit Committee	1
Remunerations, Nominations & Governance Committee	1

2.2 **Composition of the Board:**

The Company's Board comprised of the following directors as at the end of the quarter (31st December 2013):

- Mr. Ibrahim Athif Shakoor Chairperson/GoM Non-executive Director
- Mr. Murad Ali Murad Deputy Chairperson/Batelco Non-executive Director
- Mr. AbdulRazzaq Al Qassim Batelco Non-executive Director
- Mr. Ihab Al Hinnawi Batelco Non-executive Director
- Ms. Idham Hussain GoM Non-executive Director
- Mr. Ibrahim Shareef Mohamed Independent Non-executive Director
- Mr. Ismail Waheed CEO & Managing Director

2.3 **Decisions/Resolutions Approved by the Board:**

No Board resolutions were approved during the quarter.

3 Financial Statements

The unaudited Balance Sheet, Income Statement and Cash Flow Statement for the fourth quarter of 2013 are set out below:

3.1 Balance Sheet

AS AT	31-Dec-13 MVR "000"	30-Sep-13 MVR "000"
ASSETS AND LIABILITIES		
Non-Current Assets		
Intangible Assets	60,343	47,616
Property, Plant and Equipment	2,064,833	2,088,480
Deferred Tax Asset	18,280	17,032
Total Non-Current Assets	2,143,456	2,153,128
Current Assets		
Inventories	25,035	22,705
Trade and Other Receivables	214,902	235,197
Cash and Cash Equivalents	785,045	538,759
Total Current Assets	1,024,982	796,661
Total Assets	3,168,438	2,949,789
Current Liabilities		
Loans and Borrowings	-	-
Trade and Other Payables	(403,359)	(382,641)
Current Tax Liabilities	(89,570)	(55,986)
Total Current Liabilities	(492,929)	(438,627)
Non-Current Liabilities		
Loans and Borrowings	-	-
Provisions	(121,398)	(122,813)
Total Non-current Liabilities	(121,398)	(122,813)
Total Liabilities	(614,327)	(561,440)
Net Assets	2,554,111	2,388,349
Equity		
Share Capital	190,000	190,000
Treasury Shares	(2,628)	(3,527)
Retained Earnings	2,366,739	2,201,876
Total Equity	2,554,111	2,388,349

3.2 Income Statement

FOR THE QUARTER ENDED	31-Dec-13 MVR "000"	30-Sep-13 MVR "000"
Revenue	532,676	528,986
Operating Costs	(245,316)	(235,021)
Depreciation and Amortization	(86,016)	(89,131)
Results from Operating Activities	201,344	204,834
Net Financing Income / (Expense)	(4,145)	392
Profit Before Taxation	197,199	205,226
Income Tax Expense	(32,336)	(24,056)
Net Profit / (Loss)	164,863	181,170
Basic Earnings Per Share (in MVR)	2.17	2.39
Basic Earnings Per Share (Annualized in MVR)	8.68	9.56

3.3 Cash Flow Statement

FOR THE QUARTER ENDED	31-Dec-13 MVR 000"	30-Sep-13 MVR "000"
Net Cash Inflow from Operating Activities	304,135	119,305
Net Cash Outflow from Investing Activities	(49,524)	(68,417)
Net Cash Outflow from Financing Activities	(8,325)	(381,657)
Net Increase/(Decrease) in Cash and Cash Equivalents	246,286	(330,768)
Cash and Cash Equivalents at beginning of the Period	538,759	869,527
Cash and Cash Equivalents at end of the Period	785,045	538,759



Avnish Jindal
Chief Financial Officer



Ismail Waheed
CEO & Managing Director

4 Market highlights for Company's share (October – December 2013)

Highest Traded Price	MVR 80.00
Lowest Traded Price	MVR 60.00
Weighted Average Traded Price	MVR 75.53
Market Capitalization as at Quarter End	MVR 4.56 billion
Dividend Yield	NA
Annualised Price Earnings Ratio as at Quarter End	MVR 6.91

5 Legal and Regulatory Compliance

The Company has been in compliance with 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/>.

6 Reporting Compliance

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