



FIRST QUARTER REPORT 2015

JANUARY TO MARCH



Touch Maldives

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DEVELOPMENTS DURING THE QUARTER

1.1 SUMMARY

Dhiraagu has made a strong start to the first quarter of 2015 posting a 6% increase in revenue, mainly driven by higher seasonal roaming revenue compared with the fourth quarter of 2014. Despite the challenging operating environment due to higher costs, net profit and earnings per share have been consistently maintained from the previous quarter. On the back of the strong operating performance and lower capital investments, the company generated a 109% increase in cashflow compared to the fourth quarter of 2014.

1.2 PRODUCTS AND SERVICES

Key products, services and & promotions introduced or conducted during the first Quarter includes:

1. DhiraaguTV service launched with popular local channels for both ADSL and Mobile users.
2. Launched 50 & 100 Mbps Fiber Broadband service in Male and Hulhumale.
3. Launched On-line purchase of ADSL add-on packages.
4. Free Connection Promotion for new customers of ADSL.
5. Mobile Broadband Modem Promotion with inclusive data allowance

1.3 CORPORATE SOCIAL RESPONSIBILITY

Dhiraagu launched “Surf Smart”, an online child protection campaign to promote safe internet use amongst children. The programme include an awareness campaign with informative TV clips, radio clips and brochures to schools on topics related to online child safety.

During the quarter, we endorsed eight local NGOs working in the area of child protection for the upcoming Dhiraagu Maldives Road Race (DMRR) 2015. With the endorsement, these NGOs will be able start using the DMRR platform to raise awareness on their cause.

Dhiraagu is the official telecom partner and major sponsor for “Training of 2000 salespersons”, undertaken by the Ministry of Economic Development. The programme targeted to Maldivian youth includes a series of workshops to train local salespersons and cashiers.

As part of taking concrete actions to implement labour policies and procedures, a Grievance Policy and Procedure was issued during the quarter. The policy formalizes a mechanism for employees to raise any concerns regarding any work related matters.



BOARD ADMINISTRATION

2.1 BOARD COMPOSITION

During the quarter the Government of Maldives appointed a new Chairperson and the composition of the Board is as follows.

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

2.2 BOARD ACTIVITY

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

	Number
Board Meeting	3
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 the Audited Financial Statements for the year ended 31st December 2014.
- Appointment of Mr Mohamed Ashmalee as the Chairperson of the Remuneration, Nomination and Governance Committee.
- Approved to submit the following for shareholders' approval at the Company's 26th Annual General Meeting;
 - Approval of Annual Report 2014;
 - Declaration of Final Dividend of MVR 4.72 per ordinary share for 2014;
 - Nomination of Mr Imran Ali as the Independent Director;
 - Re-appointment of KPMG as the Company's External Auditors for 2015.
 - Amendment of the Company's Articles of Association and Memorandum of Association



SHARE INFORMATION

3.1 SHAREHOLDING

Dhiraagu PLC's shareholding as at 31st March 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
	100%	76,000,000

3.2 SHARE TRADING

	Q1 2015	Q4 2014
Highest Traded Price (MVR)	83	77
Lowest Traded Price (MVR)	71	65
Last Traded Price (MVR)	78	76
Number of Shares Traded	1,808	1,105
Number of Trades	14	8
Weighted Average Traded Price (MVR)	75.22	67.80
Market Capitalization as at Quarter End	5.93 bn	5.78 bn

3.3 SHARE PERFORMANCE

	Q1 2015	Q4 2014
EPS (Annualized) MVR	9.76	9.72
P/E Ratio (Annualized)	7.99	7.82
Net Asset Per Share (MVR)	35.08	32.69
Dividend Yield	NA	NA

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FINANCIAL STATEMENTS

4.1 BALANCE SHEET (UNAUDITED)

AS AT	31-Mar-15 (Q1 2015) MVR "000"	31-Dec-14 (Q4 2014) MVR "000"
ASSETS AND LIABILITIES		
Non-Current Assets		
Intangible Assets	65,971	61,411
Property, Plant and Equipment	1,879,833	1,949,400
Deferred Tax Asset	7,912	7,610
Total Non-Current Assets	1,953,716	2,018,421
Current Assets		
Inventories	27,103	28,899
Trade and Other Receivables	369,962	326,199
Cash and Cash Equivalents	1,093,369	823,906
Total Current Assets	1,490,434	1,179,004
Total Assets	3,444,150	3,197,425
Current Liabilities		
Bank Overdraft	(23,130)	-
Trade and Other Payables	(585,860)	(526,140)
Current Tax Liabilities	(41,160)	(63,867)
Total Current Liabilities	(650,150)	(590,007)
Non-Current Liabilities		
Loans and Borrowings	-	-
Provisions	(127,568)	(126,558)
Total Non-current Liabilities	(127,568)	(126,558)
Total Liabilities	(777,718)	(716,565)
Net Assets	2,666,432	2,480,860
Equity		
Share Capital	190,000	190,000
Treasury Shares	-	-
Retained Earnings	2,476,432	2,290,860
Total Equity	2,666,432	2,480,860

4.2 INCOME STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED	31-Mar-15 (Q1 2015) MVR "000"	31-Dec-14 (Q4 2014) MVR "000"
Revenue	585,354	552,529
Operating Costs	(271,613)	(234,413)
Depreciation and Amortization	(86,002)	(92,513)
Results from Operating Activities	227,739	225,603
Net Financing Expense	(9,401)	(10,464)
Profit Before Taxation	218,338	215,139
Income Tax Expense	(32,766)	(30,540)
Net Profit	185,572	184,599

Basic Earnings Per Share (Weighted Average Ordinary Shares Outstanding)

Basic Earnings Per Share (Annualized MVR)	9.76	9.72
Basic Earnings Per Share (Q1 MVR)	2.44	2.43

4.3 CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED	31-Mar-15 (Q1 2015) MVR "000"	31-Dec-14 (Q4 2014) MVR "000"
Net Cash Inflow from Operating Activities	290,201	256,931
Net Outflow from Investing Activities	(29,439)	(114,480)
Net Inflow/(Outflow) from Financing Activities	8,701	(13,767)
Net Increase in Cash and Cash Equivalents	269,463	128,684
Cash and Cash Equivalents at beginning of the Period	823,906	695,222
Cash and Cash Equivalents at end of the Period	1,093,369	823,906

Robin Wall
Chief Financial Officer

Ismail Waheed
CEO & Managing Director

LEGAL & REGULATORY COMPLIANCE

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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 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/>.

5.3 REPORTING COMPLIANCE

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