



QUARTER 3

REPORT 2017

July to September





01

Commercial & Operational Highlights



1.1 Summary

Dhiraagu had a successful Third Quarter continuing FTTH expansion to the outer atolls, enhancing Dhiraagu TV and increasing focus on the youth segment. Specialized postpaid packages for university students, release of the Yonder music streaming service, launch of RB Quest, the first local AR game in the Maldives, and a first reveal of 'Mamen', our youth-oriented brand, all focused on helping young people get ahead in the digital future.

Dhiraagu is a believer in Youth empowerment and during Q3, proudly supported the Youth Leadership Programme and Film for Change – in partnership with UNDP Maldives.

Dhiraagu continued to perform well financially posting revenues of MVR 652m, up 4% over the previous quarter and up 6% vs Q3 2016. Revenue growth was mainly driven by mobile data, broadband and enterprise. Net profit increased by 1% over the previous quarter and 3% vs Q3 2016, mainly resulting from higher revenues. Cash flow before financing was higher during the period primarily because of maturing fixed deposits. During the quarter, the company also returned an interim dividend of MVR 453m to shareholders.



1.2 Key commercial & operational highlights

Extension of Fibre Broadband

During Q3, Dhiraagu extended high-speed fibre-to-the-home (FTTH) broadband to K.Guraishoo, K.Dhiffushi, V.Fulidhoo, V.Keyodhoo, V.Thinadhoo, Adh.Dhangethi, Adh.Maamigili, AA.Ukulhas, AA.Mathiveri and AA.Bodufolhudhoo.

MNU UniFlex Package

UniFlex, a customized package, was introduced for Maldives National University students in August. This new exciting package provides students with excellent value including 3GB data, free talk time and SMS.

Yonder Launch

Dhiraagu partnered with Yonder Inc. to launch Yonder Music Maldives, the country's first international music streaming service with a library of 22 million songs including the latest international and local hits, and a special karaoke feature.

Dhiraagu TV

Dhiraagu TV continued to expand both its customer base as well as channels. By the end of the quarter, popular History, Lifetime, FYI, Crime and Investigations and H2 channels from A+E were launched in partnership with A+E, enhancing Dhiraagu TV to over 80 different channels.



RB Quest

Dhiraagu launched RB Quest, the Maldives' first Augmented Reality game centered around the Maldivian pastime of collecting Raalhu Bis. RB Quest was introduced with a five-day nationwide competition and attractive prizes including grand prize of a 10 days trip to Europe for 2.

Dhiraagu Guest Houses Conference

Dhiraagu was pleased to be the title sponsor of Guesthouse Conference 2017 organized by Maldives Getaways, where Dhiraagu announced Guesthouse TV, a specialized IPTV Service for the guesthouse industry across the Maldives.

Promotional activities & special launches

Promotional activities and special launches during the quarter include:

- A dedicated mobile and data promotion on the occasion of Independence Day
- A targeted IDD promotion to Saudi Arabia for the Hajj season
- Free WIFI trial at Rasfannu public park

Sporting Sponsorships

Dhiraagu sponsored several activities celebrating Eid-Al-Adha throughout the country.



02

Corporate Social Responsibility



2.1 Staff Training & Engagement

Staff Training, Health and Safety

- During Q3 136 staff were trained in technical areas, with 8 staff trained overseas.
- As part of the strategic initiatives, in-house training sessions were carried out for 55 staff on core values, 39 staff on driving strategic alignment and 30 staff on empathy with customers.
- 2 Finance staff members received training on IFRS foundation and enterprise risk management from abroad.
- 264 staff were given induction training on new Dhiraagu Brand.
- 18 Apprentices were trained during the quarter.
- With technical support from international consultants, Health and Safety Environment Manual was reviewed and specific training provided to all related staff in Dhiraagu.
- MOU signed with Fire and Rescue Services (FRS) for regular fire inspections and fire safety at Dhiraagu.
- Annual fire awareness sessions held in Regional centers with support from the Maldives National Defense Force.

Staff Engagement

- The 2016 Annual Award function was held in September 2017, where long service, outstanding work performance, leadership and team work during 2016 was recognized. A total of 49 staff and 3 work teams received awards in these categories.
- 200 staff actively participated in the Inter- Department Fishing Competition held in August 2017.
- Participated in Villi Mu'assasaa Cup, a futsal tournament organized by Villi-Male' Council.



2.2 Support to Community and Environment

Youth Empowerment

Youth Leadership Programme

We were a key partner in organizing and implementing the Youth Leadership Programme held in Kulhudhuffushi in July. With learning sessions and skills building exercises for youth, the objective of the YLP was to increase civic participation in community development issues.

Film 4 Change

Film for Change is a joint project by UNDP Maldives and Dhiraagu aimed at empowering young people to explore social issues through the medium of film. The programme focused on teaching the fundamentals of filmmaking to young participants who subsequently were engaged in the production of 3 short films themed around important social issues.

Startup Weekend Maldives

Dhiraagu in partnership with UNDP Maldives & Enterprise Development Maldives, announced Techstars Startup Weekend Maldives to help and mentor young entrepreneurs develop new ideas.

Promoting environment protection

At Dhiraagu Guest House Conference 2017, we launched a reusable bag campaign to support Maldives Getaways' Ban the Bag campaign. The objective was to distribute reusable bags to every guest house in Maldives, encouraging guesthouses across the country to be less reliant on single use plastic bags.

We marked the International Coastal Cleanup Day with a beach cleanup event at Kulhudhuffushi. We also supported Parley Maldives to conduct school awareness sessions in Kulhudhuffushi, and contributed reusable bags and raised awareness to reduce ocean plastic.



03

Board Administration



3.1 Board Composition

In August 2017, Mr. Ahmed Mohamed Didi, representing the Government of Maldives, was removed from the Board of Directors. With this change, the Board comprised of the following 8 members at the end of Q3, 2017.

Name	Position
Mr. Mohamed Ashmalee	Chairperson
Mr. AbdulRahman Fakhro	Deputy Chairperson
Mr. Ihab Hinnawi	Non-Executive & Independent Director
Mr. Abdulla Ahmed	Non-Executive & Independent Director
Mr. Imran Ali	Non-Executive & Independent Director
Mr. Oliver MacFall	Non-Executive & Independent Director
Mrs. Kholood Rashid AlQattan	Non-Executive & Independent Director
Mr. Ismail Rasheed	Chief Executive Officer & MD

3.2 Board Activity

Frequency of Board and committee meetings held during the quarter:

Board	Audit Committee	RNG Committee
1	1	1

3.3 Board Decisions

Important Board decisions made during Quarter included:

- Approval of Interim Condensed Financial Statements as at 30th June 2017.
- Approval of MVR 5.96 per ordinary share (total MVR 452,960,000) as Interim Dividend for the year 2017.
- Approval of banks and limits of the Company
- Approval of the Mobile Money Policy.



04

Share Performance





4.1 Shareholding

The company's shareholding as at 30th September 2017 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

4.2 Share trading and performance

	Q3 2017	Q2 2017
Highest Traded Price (MVR)	82	85
Lowest Traded Price (MVR)	82	85
Last Traded Price (MVR)	82	85
Number of Shares Traded	185	2,800
Number of Trades	3	3
Weighted Average Traded Price (MVR)	82	85
Market Capitalization as at quarter end	6.23bn	6.46bn
EPS (Annualized MVR)	11.08	11.00
P/E Ratio (Annualized)	7.40	7.73
Net Asset Per Share (MVR)	27.38	30.57



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Financial Statements



5.1 Balance Sheet (unaudited)

AS AT	30 Sep 2017 MVR "000"	30 Jun 2017 MVR "000"
ASSETS AND LIABILITIES		
Non-Current Assets		
Intangible Assets	159,167	158,731
Property, Plant and Equipment	1,741,561	1,732,341
Deferred Tax Asset	14,228	11,619
Total Non-Current Assets	1,914,956	1,902,691
Current Assets		
Inventories	77,307	57,387
Trade and Other Receivables	462,352	450,395
Cash and Bank Balances	456,913	770,140
Total Current Assets	996,572	1,277,922
Total Assets	2,911,528	3,180,613
Current Liabilities		
Trade and Other Payables	(617,739)	(605,416)
Amounts Due to Related Party	(1,209)	(763)
Current Tax Liabilities	(49,792)	(92,134)
Total Current Liabilities	(668,740)	(698,313)
Non-Current Liabilities		
Provisions	(161,913)	(158,979)
Total Non-current Liabilities	(161,913)	(158,979)
Total Liabilities	(830,653)	(857,292)
Net Assets	2,080,875	2,323,321
Equity		
Share Capital	190,000	190,000
Retained Earnings	1,890,875	2,133,321
Total Equity	2,080,875	2,323,321



5.2 Income Statement (unaudited)

FOR THE QUARTER ENDED	30 Sep 2017 MVR "000"	30 Jun 2017 MVR "000"
Revenue	651,841	626,480
Operating Costs	(326,988)	(301,032)
Depreciation and Amortization	(76,384)	(76,041)
Other Income/(Expense)	4,629	(10)
Results from Operating Activities	253,098	249,397
Net Financing Expense	(5,424)	(2,885)
Profit Before Tax	247,674	246,512
Tax Expense	(37,160)	(37,279)
Profit for the period	210,514	209,233
Share Performance Ratios		
Basic Earnings Per Share (Annualized MVR)	11.08	11.00
Basic Earnings Per Share (Quarter MVR)	2.77	2.75



5.3 Cash Flow Statement (unaudited)

FOR THE QUARTER ENDED	30 Sep 2017 MVR "000"	30 Jun 2017 MVR "000"
Net Cash Inflow from Operating Activities	229,374	212,679
Net Inflow / (Outflow) from Investing Activities	84,486	(75,891)
Net Outflow from Financing Activities	(457,467)	(645,077)
Net Decrease in Cash and Cash Equivalents	(143,607)	(508,289)
Cash and Cash Equivalents at beginning of the Period	372,137	880,426
Cash and Cash Equivalents at end of the Period	228,530	372,137

Robin Wall
Chief Financial Officer

Ismail Rasheed
CEO & Managing Director



06

Legal and Regulatory Update



6.1 Compliance to CMDA Corporate Governance Code

The company complied 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.

6.2 Reporting Compliance

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