

**Second Quarter
Report**

**July - September
2012**



Dhivehi Raajjeyge Gulhun Plc

www.dhiraagu.com.mv

1 Developments in the Company

1.1 Customer Service:

Some of the new services introduced by the Company during the second quarter are:

- Launch of new Company website
- Introduction of “Online Bill Pay” service
- Launch of “Reload Bill Pay Service”
- Introduction of new ADSL Packages with built-in free parental control

1.2 Corporate Social Responsibility:

Dhiraagu helped to launch Blood Donor Online Database “blood.mv”, a non-profit initiative, and is the first on-line platform that connects blood seekers and donors via text messaging in the country. The Company provided free technical support for set-up and operation of the service and pledged to donate proceeds on text usage to the Thalassemia Fund.

2 Administration

2.1 Board Activities

The number of meetings held by the Board of Directors and its Sub-Committees during the second quarter is as follows:

ITEM	Number of Meetings
Board Meeting	1
Audit Committee	1
Governance Committee	0
Remuneration & Nomination Committee	2

2.2 Changes in composition of the Board

Mr. Ilyas Farhad, appointed to the Company Board as a Government of Maldives (GoM) Non-executive Director, resigned on 28 August 2012. In compliance with the requirements of the Company Articles of Association and Corporate Governance Code, Mr. Ibrahim Shareef Mohamed was elected as the Independent Director to the Company’s Board of Directors at the Annual General Meeting 2011/12 held on 30 August 2012.

As at 30 September 2012, the Company’s Board comprised the following directors:

- | | |
|-------------------------------|--|
| - Mr. Ibrahim Athif Shakoor | Chairperson/GoM Non-executive Director |
| - Ms. Idham Hussain | GoM Non-executive Director |
| - Mr. Ibrahim Shareef Mohamed | Independent Non-executive Director |
| - Mr. Denis Martin | CWC Non-executive Director |
| - Mr. Adam Dunlop | CWC Non-executive Director |
| - Mr. Sheldon Bruha | CWC Non-executive Director |
| - Mr. Ismail Waheed | CWC Executive Director, CEO & MD |

2.3 Annual General Meeting 2011/12

The Company's Annual General Meeting 2011/12 was held on 30 August 2012 at the Maldives National University (main auditorium).

A total of 143 Shareholders (24 present, 119 represented by proxies) representing a total of 73,019,302 shares were present; achieving the required minimum quorum of five Shareholders representing a minimum of 20% of the Company's share capital as per the Company's Articles of Association to hold the meeting.

The Shareholders resolved to:

1. Appoint Mr. Ibrahim Shareef Mohamed as the Independent Director to the Company's Board of Directors until the conclusion of the next Annual General Meeting of the Company;
2. Adopt the Directors' Report and the Annual Audited Accounts for the financial year 2011/12;
3. Declare a final dividend of MVR 3.66 per ordinary share (equivalent to MVR 277,560,000.00 and USD 18 million) for the financial year 2011/12 which is to be payable to Shareholders registered with the Company at the close of business on 22 August 2012 in respect of shares registered then in their names;
4. Approve a standing resolution granting authority to the Board of Directors to declare any interim dividend in accordance with the Company's Dividend Policy during the financial year 2012/13; and
5. Appoint and re-elect KPMG Ford, Rhodes, Thornton & Co. (Chartered Accountants) as the Company's Auditors to hold office until the conclusion of the next Annual General Meeting and to set the Auditors' remuneration at a maximum cap of USD 39,000.00 during the appointed term to carry out the year-end statutory audit of the Company for the financial year 2012/13.

Detailed Draft Minutes of the Annual General Meeting 2011/12 are available at http://www.dhiraagu.com.mv/Annual_General_Meetings.aspx for your reference.

3 Financial Statements

Unaudited Balance Sheet, Income Statement and Cash Flow Statement are set out below:

3.1 Balance Sheet

As at	30-Sep-12 (Q2 2012/13) MVR "000"	30-Jun-12 (Q1 2012/13) MVR "000"
ASSETS AND LIABILITIES		
Non-Current Assets		
Intangible Assets	33,058	8,948
Property, Plant and Equipment	2,263,472	2,322,647
Deferred Tax Asset	18,724	15,272
Total Non-Current Assets	<u>2,315,254</u>	<u>2,346,867</u>
Current Assets		
Inventories	34,100	27,315
Trade and Other Receivables	233,019	258,240
Cash and Cash Equivalents	662,881	941,715
Total Current Assets	<u>930,000</u>	<u>1,227,270</u>
Total Assets	<u>3,245,254</u>	<u>3,574,137</u>
Current Liabilities		
Loans and Borrowings	(92,092)	(125,358)
Trade and Other Payables	(523,135)	(668,671)
Current Tax Liabilities	(104,901)	(114,314)
Total Current Liabilities	<u>(720,128)</u>	<u>(908,343)</u>
Non-Current Liabilities		
Loans and Borrowings	-	(7,249)
Provisions	(113,050)	(111,315)
Total Non-Current Liabilities	<u>(113,050)</u>	<u>(118,564)</u>
Total Liabilities	<u>(833,178)</u>	<u>(1,026,907)</u>
Net Assets	<u>2,412,076</u>	<u>2,547,230</u>
Equity		
Share Capital	190,000	190,000

Treasury Shares	(9,697)	(12,412)
Retained Earnings	<u>2,231,773</u>	<u>2,369,642</u>
Total Equity	<u>2,412,076</u>	<u>2,547,230</u>

3.2 Income Statement

For the quarter ended	30-Sep-12	30-Jun-12
	(Q2 2012/13)	(Q1 2012/13)
	MVR "000"	MVR "000"
Revenue	501,331	484,947
Operating Costs	(225,506)	(259,133)
Depreciation	(83,540)	(78,665)
Results from Operating Activities	192,285	147,149
Net Financing Expense	(21,223)	(25,841)
Profit Before Taxation	171,062	121,308
Income Tax Expense	(31,597)	(18,196)
Net Profit	139,465	103,112
Basic Earnings Per Share (in MVR)	1.84	1.36
Basic Earnings Per Share (Annualized in MVR)	7.36	5.44

3.3 Cash Flow Statement

For the quarter ended

	30-Sep-12 (Q2 2012/13) MVR "000"	30-Jun-12 (Q1 2012/13) MVR "000"
Net Cash Inflow from Operating Activities	189,413	324,386
Net Cash Outflow from Investing Activities	(127,847)	(126,488)
Net Cash Outflow from Financing Activities	(340,400)	(66,605)
Net (Decrease)/Increase in Cash and Cash Equivalents	(278,834)	131,293
Cash and Cash Equivalents at beginning of the Period	941,715	810,422
Cash and Cash Equivalents at end of the Period	662,881	941,715



Avnish Jindal
Chief Financial Officer



Ismail Waheed
Managing Director & CEO

4. Market highlights for Company's share (July – Sep 2012)

There were no trades in Dhiraagu shares in MSE during the quarter.

Highest Traded Price	N/A
Lowest Traded Price	N/A
Weighted Average Traded Price	N/A
Market Capitalization as at Quarter End	MVR 6.46 Billion
Dividend Yield	N/A
Price Earnings Ratio as at Quarter End	N/A

5. Corporate Governance (CG) Compliance

- The Company has been in compliance with the Dhiraagu Corporate Governance Code during the quarter.
- The Company ensured full compliance with the requirements of the Dhiraagu Corporate Governance Code in holding its Annual General Meeting 2011/12.
- The Company's Corporate Governance code can be viewed in the investor relations section of the Dhiraagu website: <http://www.dhiraagu.com.mv/investor/>.
- The Annual Report 2011/12 that contains details on corporate governance practices during the financial year 2011/12 can be viewed at <http://www.dhiraagu.com.mv/investor/annual.php>.

6. Reporting Compliance

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