



Telecom Fiji Limited continued its strong growth in the Internet and data arena. This was underlined by an overall 20% annual increase in its International Bandwidth Consumption. Consequently, corresponding data and Internet Revenues grew by an additional \$1.04 million over the past year. Conversely Telecom Fiji's traditional Calling Revenue streams continued to decline due to the onward migration from traditional services towards Internet enabled services such as messaging and social media.

Financially, the company recorded yet another year of remarkable improvement with Net Profit After Tax of \$20.71 million for the year. This result represents year-on-year improvement in profitability of 12%. The operating results are further accentuated after taking into account the previous financial year's results also included \$11.6 million gain on sale of assets.

Despite the fierce competition in Fiji and the mature status of the country's telecommunication sector resulting in falling gross margins, we are extremely proud and pleased to announce that the company experienced an increase in its gross profits relative to the prior financial year. In line with its three-year business plan, Telecom Fiji continued its pursuit of business growth, cost scaling and efficiency improvements to enhance shareholder value. Consequently, the company increased its dividend distribution to \$10 million to shareholders.

In order to accommodate the surging demand for data and broadband Internet Services, the company drove on with its public Connect Wi-Fi Hotspots. With almost 200 hotspots around cities, towns and other major centres deployed to date, this is the largest wi-fi network in the country. We have coverage in key facilities such as public hospitals, banks, hotels and resorts, service stations and public leisure parks.

This is now further reinforced through Telecom Fiji's roaming arrangements with international partners, enabling seamless Internet access for Connect Internet users travelling abroad. Furthermore, Connect Internet users can now use their home account data caps while abroad thus taking advantage of the most affordable Internet service in the region.

From an infrastructure perspective, the company leveraged its superior fixed network infrastructure and technical capabilities to secure a number of major telecommunications projects such as upgrading the Fiji Government's national voice platform and complementing it with advanced communications features. The company also secured numerous solutions, especially infrastructure solutions for major resort developments.

Underpinning all of these successes is Telecom Fiji's fibre network infrastructure which, through unsurpassed speed, capacity and quality, has been the catalyst for driving increased data consumption in the business segments. For key clients, corporates, hotels and government agencies, Telecom Fiji is the logical choice for services such as Dedicated Internet, IPVPN and MPLS, for mission critical applications.

In the residential segment Telecom Fiji embarked on a programme to take fibre closer to the home, and to increase capacity in the suburbs and residential settlements by deploying additional roadside broadband nodes. In parallel, Telecom Fiji conducted major road shows to sign-up customers.

The year has been somewhat dampened by the devastation caused by Tropical Cyclone Winston.

The wrath of the cyclone bore down on much of Telecom Fiji's network infrastructure and services, causing widespread damage and outages. Our network was damaged in areas from Korovou to Tavua, the outer islands such as Koro Island, Vanuabalavu, Taveuni, Ovalau and the Lau Group.

Damages in the Central Eastern division mainly affected overhead cables connecting to customer premises. The damaged infrastructures were adequately covered by insurance.

During and after the event, the company worked very closely with the National Disaster Management Office (NDMO), providing free telecommunications services to the NDMO to facilitate the assessment and recovery operations. Telecom Fiji was also first to restore services in most affected



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 Chief Executive Officer

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areas and provided free communications services to the public in areas such as Koro Island whereby residents were given free calling facilities for a month.

Additionally, the company contributed to the relief efforts by providing free school packs to 670 students in affected areas.

Telecom Fiji continues to collaborate with the wider ATH group as it focuses on enhancing shareholder value. As an example of the collaboration and co-operation, the company entered into reseller arrangements enabling subsidiaries to resell Telecom Fiji's Internet services. In addition, Telecom Fiji's fibre network is also powering backhaul linking capacity broadband wireless, 3G, 4G networks.

In this spirit, discussions continue to leverage off each other's capabilities in other key areas as the companies work to uncover new opportunities.

Going forward, Telecom Fiji is progressing well with the deployment of roadside Broadband Nodes or MSANs (Multi-Service Access Nodes) which would increase Telecom Fiji's Connect Broadband Internet

capacity and improve services to end-users. The infrastructure being deployed will future-proof the network with FTTH (Fibre to the Home) capability to provide a revolutionary boost to speeds and service quality that is perfectly suited for bandwidth hungry services such as online multimedia access. Telecom Fiji is also deploying fixed 4G LTE broadband services to complement its existing fixed cable infrastructure. These capacity expansion projects will be completed within the first quarter of the 2016/2017 financial year thus providing Telecom Fiji and its customers a great platform to move into the next stage of Broadband development.

