

Grameenphone Ltd.

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3rd Quarter Un-audited Financial Statements as at and for the quarter ended 30 September 2014

In compliance with the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2008-183/admin/03-34 dated 27 September 2009 and BSEC letter No. SEC/CFD/Misc/233/2004/615 dated 2 February 2010, we are pleased to present 3rd quarter un-audited Financial Statements of Grameenphone Ltd. as at and for the quarter ended 30 September 2014. These condensed Financial Statements are comprised of the Financial Statements of Grameenphone Ltd. and its associate, Accenture Communications Infrastructure Solutions Ltd. (previously known as Grameenphone IT Ltd.) being accounted for under the equity method in accordance with IAS/BAS 28: *Investments in Associates and Joint Ventures*. The following Financial Statements without the detailed notes/disclosures have been termed as "condensed" in line with IAS/BAS 34.

Condensed Statement of Financial Position (Un-audited) as at 30 September 2014		
	As at 30 September 2014 Taka'000	As at 31 December 2013 Taka'000
Assets		
Non-current assets		
Property, plant and equipment, net	68,875,752	69,922,682
Intangible assets, net	45,414,636	47,734,203
Investment in associate	696,933	570,516
Other non-current assets	31,536	-
Total non-current assets	115,018,857	118,227,401
Current assets		
Inventories	628,988	560,034
Trade and other receivables	11,377,307	11,809,676
Short-term investment	38,812	78,276
Cash and cash equivalents	3,685,945	4,545,257
Total current assets	15,731,052	16,993,243
Total assets	130,749,909	135,220,644
Equity and Liabilities		
Shareholders' equity		
Share capital	13,503,000	13,503,000
Share premium	7,840,226	7,840,226
Capital reserve	14,446	14,446
Deposit from shareholders	1,880	1,880
Retained earnings	6,124,041	9,781,017
Total equity	27,483,593	31,140,570
Non-current liabilities		
Finance lease obligation	5,290,186	5,310,947
Loans and borrowings	18,877,591	11,665,214
Deferred tax liabilities	8,435,041	7,820,601
Other non-current liabilities	810,419	703,316
Total non-current liabilities	33,413,237	25,500,078
Current liabilities		
Trade and other payables	32,329,952	40,368,468
Loans and borrowings	13,932,743	7,700,000
Current tax payable	20,167,562	23,463,733
Other current liabilities	3,422,822	7,047,796
Total current liabilities	69,853,079	78,579,997
Total equity and liabilities	130,749,909	135,220,644

Condensed Statement of Comprehensive Income (Un-audited) for the quarter ended 30 September 2014				
	1 January to 30 September 2014 Taka'000	1 January to 30 September 2013 Taka'000	1 July to 30 September 2014 Taka'000	1 July to 30 September 2013 Taka'000
Revenue	76,740,475	72,330,451	25,617,216	25,012,605
Operating expenses				
Cost of material and traffic charges	(6,125,398)	(5,669,576)	(1,970,460)	(2,053,324)
Salaries and personnel cost	(4,938,494)	(5,056,696)	(1,662,755)	(1,624,895)
Operation and maintenance	(4,001,849)	(3,785,509)	(1,341,154)	(1,079,035)
Sales, marketing and commissions	(9,607,499)	(11,203,416)	(3,117,053)	(3,384,388)
Revenue sharing, spectrum charges and licence fees	(6,755,618)	(6,120,041)	(2,306,924)	(2,143,333)
Other operating (expenses)/income, net	(3,682,481)	(3,914,461)	(1,244,234)	(1,413,929)
Depreciation and amortisation	(12,643,219)	(11,155,202)	(4,346,753)	(3,767,830)
	(47,754,558)	(46,904,901)	(15,989,333)	(15,466,734)
Operating profit	28,985,917	25,425,550	9,627,883	9,545,871
Share of profit of associate	126,416	10,705	(34,907)	10,705
Gain on disposal of shares in GPIT	-	1,024,930	-	1,024,930
Finance (expense)/income, net	(1,806,476)	(1,850,367)	(647,287)	(703,967)
Foreign exchange gain/(loss)	559,348	1,215,074	484,567	(44,420)
	(1,120,712)	400,342	(197,627)	287,248
Profit before tax	27,865,205	25,825,892	9,430,256	9,833,119
Income tax expense	(11,942,831)	(15,111,576)	(4,084,954)	(4,093,707)
Profit for the period	15,922,374	10,714,316	5,345,302	5,739,412
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	15,922,374	10,714,316	5,345,302	5,739,412
Earnings per share				
Basic and diluted earnings per share (par value Tk. 10 each in Taka)	11.79	7.93	3.96	4.25

Condensed Statement of Cash Flows (Un-audited) for the nine-month period ended 30 September 2014		
	1 January to 30 September 2014 Taka'000	1 January to 30 September 2013 Taka'000
Cash flows from operating activities		
Cash receipts from customers	76,148,475	72,364,686
Payroll and other payments to employees	(9,341,345)	(4,035,191)
Payment to suppliers, contractors and others	(25,945,353)	(31,217,183)
Interest received	137,838	178,155
Interest paid	(1,475,935)	(2,316,331)
Income tax paid	(14,624,562)	(10,933,302)
	(51,249,357)	(48,323,851)
Net cash generated by operating activities	24,899,118	24,040,835
Cash flows from investing activities		
Payment for acquisition of property, plant and equipment and intangible assets	(19,913,751)	(22,009,053)
Proceeds from sale of property, plant and equipment	100,898	18,542
Proceeds from disposal of shares in GPIT	-	730,971
Proceeds from/(investment in) short-term investments	39,464	43,011
Net cash used in investing activities	(19,773,389)	(21,216,529)
Cash flows from financing activities		
Proceed from short term bank loan	5,900,000	7,815,000
Proceeds from long-term loan	7,742,500	-
Payment of dividend	(19,579,350)	(18,900,562)
Payment of finance lease obligation	(48,191)	-
Amount refunded to IPO share applicants	-	(290)
Net cash used in financing activities	(5,985,041)	(11,085,852)
Net change in cash and cash equivalents	(859,312)	(8,261,545)
Cash and cash equivalents at beginning	4,545,257	3,301,852
Cash and cash equivalents at closing	3,685,945	(4,959,693)

Sd/-
Vivek Sood
Chief Executive Officer

Sd/-
Dilip Pal
Chief Financial Officer

Date: 28 October 2014

The details of the published 3rd quarter un-audited Financial Statements as at and for the quarter ended 30 September 2014, will be available in the website of the Company at: www.grameenphone.com

Condensed Statement of Changes in Equity (Un-audited) for the nine-month period ended 30 September 2014							
	Share capital Taka'000	Share premium Taka'000	Capital reserve Taka'000	Deposit from shareholders Taka'000	General reserve Taka'000	Retained earnings Taka'000	Total Taka'000
Balance as at 1 January 2013	13,503,000	7,840,226	14,446	1,880	2,139,729	11,843,913	35,343,195
Transactions with the equity holders:							
Final dividend for 2012	-	-	-	-	-	(6,751,500)	(6,751,500)
Interim dividend for 2013	-	-	-	-	-	(12,152,700)	(12,152,700)
Total comprehensive income for the nine-month period ended 30 September 2013:							
Profit for the period	-	-	-	-	-	10,714,316	10,714,316
Other comprehensive income	-	-	-	-	-	-	-
Balance as at 30 September 2013	13,503,000	7,840,226	14,446	1,880	2,139,729	3,654,029	27,153,311
Balance as at 1 January 2014	13,503,000	7,840,226	14,446	1,880	-	9,781,017	31,140,570
Transactions with the equity holders:							
Final dividend for 2013	-	-	-	-	-	(6,751,500)	(6,751,500)
Interim dividend for 2014	-	-	-	-	-	(12,827,850)	(12,827,850)
Total comprehensive income for the nine-month period ended 30 September 2014:							
Profit for the period	-	-	-	-	-	15,922,374	15,922,374
Other comprehensive income	-	-	-	-	-	-	-
Balance as at 30 September 2014	13,503,000	7,840,226	14,446	1,880	-	6,124,041	27,483,594

