Michael Patrick Foley (Chief Executive Officer): Distinguished guests and colleagues, Assalamualaikum Wa Rahtullah Wa Barakatuhu and good morning. I am here today along with my colleagues to present to you Quarter-4 results and highlights of 2017. And with that, I think we will get right into the business so that we can also get plenty of time for your questions afterwards. And please keep your phones on. It is the sound of money.

2017 was a remarkable year for the company. If we look at the Quarter and the full year, considering the 4th Quarter, there was a very significant competition and a lot of seasonality effects because of the cold. It was particularly cold. I am Canadian. And I did not expect that it would be this cold during the winter time here. With that in mind, it had an effect but not a very large one. The revenue was 32.2 billion BDT, 8% growth year-over-year. EBITDA margin was at a healthy rate of 58.8%. There was stable voice pricing. But there was competitive pressure on data as we expected. The earnings were impacted by certain one-off items, which the CFO will go through later on. For the year, our revenue was 128.4 billion BDT and that is almost 12% growth over 2016. EBITDA was 76.2 billion and that is almost a 20% growth from 2016. The market subscriber base at the end of last year was 65.3 that is about 7.4 million additional subscribers. The SIM market share stayed at about 45% as of December 2017. Subscriber revenue growth on voice was 9.5% and that is a remarkable number in itself. Data revenue growth was at 46%, which is not unexpected at the beginning of the growth of a data market, although the number is quite high. The data subscriber addition was 6.6 million and at the end we had 31.2 million data subscribers in the market. Now comes the dividend. As you can see, it is 20.5 BDT per share. So, what are the key success factors for us? Well, let's start with a superior network experience. We have added 1776 3G sites. 1010 2G sites were rolled out during the year. We have modernized the Telco core, the VAS and digital services platform. Investments were made to modernize the core and Value Added Services platforms and we actually are working to ensure a future-proof core operation as we move into new technologies, InshAllah, in the coming months this modernization will reduce future OPEX and CAPEX requirements. The new virtualized Telco core is now ready for service. It is both efficient and ready for future and we have spent a lot of time planning for this. We have done significant optimization of both the Facebook and the YouTube experience. Instead of measuring just the technical parameters, we actually measured the performance of our network from the consumer's point of view with probes in the network that say how fast it takes for Facebook to load, how long it takes for a YouTube video to load, how much buffering exists. That is the real experience from the customer's point of view. The rest of the factors that are the parameters of the network, the call drops and so on and all the other things that we need to deal with are kind of inputs into this final experience. We have migrated our IT managed services from the Accenture to Wipro. That was done seamlessly. The new IT vendor was adopted in 2017 and Wipro will have a significant effect on our efficiency. All the engagement terms and terms of our expenses have been improved. I think one of the most important things that happened last year is the simplification of our product line. Forty or more products were
retired or modified to make them simpler for you to use. For example, the ring back tunes or the welcome tunes that you have on your phones from time to time, (please buy, it is good). So, it is easier to subscribe now. There were 36 price points with different kinds of expiry dates. So, we have reduced that from 36 to 3. And in doing that, we were getting roughly 20 thousand phone calls per day to the call centres only on ring back tunes. This service in itself is a very small product. This essentially made it very difficult for it to be actually profitable. We simplified the IVR by removing 25% of the steps. We digitized the top 20 customer facing processes in the company. For example how to purchase a new SIM, how to activate it, SIM replacement, ownership transfers and so on. We made it all much simpler last year. And we took control. We took much more control over the third party Value Added Service providers through a platform called DPDP. Daily complaints to our touch points were reduced by 74%. In fact, the daily calls to the call centres are down by 64% and at present are about 37 thousand for our whole service per day. Remember I said, ring back tunes itself was contributing 20 thousand a day. We were well over a hundred thousand calls per day at the call centres. All this contributes to lower costs as a result of a better customer experience. In fact, it also contributes to greater adoption of our services. We have continued our efficient operations in simplification of our IS and IT platforms through contract negotiations, portfolio simplification, and inventory reconciliation. In the network operation side, we have worked very hard on rent efficiency, energy efficiency, annual maintenance cost and O&M cost efficiencies. In market spending, we have created a lot. Well, our market spending in advertising is much lower than it was 5 years ago. In fact, in some media such as newspaper, we basically do not spend a lot of money at all anymore. Most of our spending is now skewing towards digital platforms, which are much more focused, much more targeted, more efficient and less expensive. And we have done significant organizational restructuring including reductions in headcounts both in employees directly employed by us and also in people that we pay for indirectly through contracts across all different kinds of employment models. We have greatly strengthened our physical and digital distribution. MyGP, for example, is an app that we are working on now contributing more customers too. We have about 2.1 million monthly active users and about 11 million downloads. We have designed and implemented 37 different features in it the last year. This digital forum of acquiring, managing, buying of our services and managing our accounts is going to become more and more important. It is a practice well understood around the world and we are bringing it here. We also rolled out 1325 GP Express Stores in the Quarter and by the year-end that number is just under 7 thousand. These GP Express Stores are very important for us in terms of the distribution of handsets and as a platform for future businesses and facilitating e-commerce platforms in the country. We opened two GP Lounges, which are for customer experience and digital services. May be we can hold one of these meetings on the GP Lounge may be on the first Quarter next year. Maruf, that just came out of my mouth. I am not sure we can do that but let's try it. And we moved very much ahead on digital platforms. For example, we have developed applications for our sales representatives in the field to make their job more efficient, subscriber acquisition for management, inventory updates, etc. And when it comes to the number of screens that our customer service people use, they have 35 different screens that they have to use and learn about in order to serve a customer. Well, by simplifying the back end, now there
are only 12 and the number will become even less as we go along. Within 3 or 5 presses of a key now, a sales executive can complete almost any transaction.

So, there was healthy growth in Quarter-4. There was very heavy rainfall during the quarter, especially in October. And the post effect of the flood and the winter has been quite remarkable on all operators not just us. We have seen a lot of aggression by our competition on data offers. We have been modest in our reaction as to not to knock them down and to keep the market healthy. We have instituted a number of different offers during the quarter that have helped continue to grow. And our sub-base in fact grew by 2.3% during that quarter. And our market share for that quarter stayed at 45% as of November. The revenue growth has been quite important to maintain for us and we were able to maintain pricing and revenue on voice during the quarter even if it was a very tough quarter in order for us to maintain competition and deliver the results that we had projected for ourselves. We had almost a 2% increase in the quarter-over-quarter daily revenue generating base. So we have the number of subscribers and we count the number of subscribers either every week or every day and the subscribers that come every month. But this growth in daily revenue generating base is very important for us. And on the data side, we have added 1.2 million new data subscribers during the quarter. It was 3.4% growth quarter-over-quarter in daily data users. The daily volume grew by 62% and by 11% quarter-over-quarter. So, it was 62% year-over-year and 11% quarter-over-quarter. On our CSR side, one of the things that we are particularly proud of is our working with teachers and BRAC and other organizations to teach children how to use internet safely. And during the year, throughout the quarter in fact, 52 thousand students were met and we arranged for them interesting seminars on how to use internet safely. We answered a lot of questions. I did one of them myself. I was quite fascinated to see how much they know and how much they want to know about using the internet safely. Children are quite sophisticated these days when it comes to using the tools. 400 of our employees participated in this, which is good for us. It is good for team building. And we had 20 BRAC trainers who did a good job. I have asked my CMO to be here today because I wanted to mention this piece. You know we clinched three awards this year. Yet, we are kind of humble. We do not spend a lot of time pounding our own chest. But you know, there are times when it is a good thing to say to people that the investments that we are making are recognized by our peers and our community. So, we won the 'Best Overall Brand', 'Best Telecom Brand' and 'Most Consistent Brand' at the Best Brand Award 2017. And I have to recognize that it is an award for the whole company. Nonetheless, the leader of our commercial effort, Azman, thank you very much. You did a great job and we look for more this year.

The regulatory landscape. There are four items that I want to talk about here. The 4G operating license spectrum auctions and technology neutrality guidelines. A guideline was produced in early July, which MNO provided feedback on. There were 23 items which we had objections to. I think you have seen this in the press, the 23 items that we have concerns about. And at this point today, all but one have been pretty much all resolved. These guidelines, I think, provide a fairly good framework for us to be able to proceed to the next step. But that is up to the different boards of directors of the different operators and those decisions we have made us close to the auction time as much as possible because we continue to work on some of the details of these arrangements that we are

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making. We had a pre-bid meeting, the process is working well and then we will see how this goes on the 13th (February) when the auction date unlocks. But it has taken time. I have two observations here. It is critically important for digital Bangladesh that 4G be deployed. I also believe that there is some room between the policy of digital Bangladesh and the pricing of spectrum in the market. The pricing of spectrum in Bangladesh is actually quite high compared to its comparative group in Asia when you adjust for ARPU and for your population. So, we made those observations. I will make it hear today. But in any case, it is the process I believe has gone well. The second thing is the BTRC audit. In 2015, the BTRC appointed a new auditor through a fresh appointment process to conduct an information system monitor on Grameenphone from its inception to 2014. So, this goes back to 1997. The audit commenced on the 3rd of August ’2016 and part of the audit process, the draft audit was provided to us for comment. That is a general practice. We have given feedback on our positions. This time, it is still between us and the auditor. And as of the 29th (January), there has been no feedback from the auditor yet. So, we have not received a final audit report. Neither has the BTRC. We are looking forward to help set up a process so that we can discuss the findings and find resolutions to the cases that can be resolved. We will continue to report to the market as we continue the discussions with the Regulator. But at this point, this is just a draft audit report.

The Tower Co. Company guidelines. This guideline has been approved by the ministry but has not been published by the regulator yet. And we believe that there will continue to be some discussions in the Regulator. My view now is that we are not able to participate as MNOs and Tower companies. And we, as part of the industry, and the industry as a whole, will hold on to our position that under our current licensing guidelines we have the right to own, operate, and build towers and we would resist and contest any move that would keep us to have this right which has been acquired by foreign investors over a period of time. So, this will be, we believe in tower companies. We believe tower companies should be in the market. We think that they can be helpful. We also should be allowed to create tower companies. We are the most experienced in managing this market and we should not be compelled to either roll back or not build our own towers. So, we are going to continue. This is still a work in progress.

Mobile number portability. This is the fourth item that basically has been awarded in November. And at this point, we do not think this will have a huge effect on the pre-paid markets. Mobile number portability does not have a big impact but we are in the process of implementing MNP in the market. I think that is going to be an exercise only. Then it will happen before the second half of the year. So we are in the first half of the year. With that in mind, our priority is, going forward very simply. In three words, continue to grow. There is still a lot of opportunity in this market to grow both in data and in voice. There is a lot of citizens of Bangladesh who do not even have access to a phone that should have access to a phone. There is opportunity for network growth, opportunity for revenue growth on voice and in data of course. Secondly, continuing to be efficient. This is really important. We have to become the best, least cost producer of minutes and megabytes. So, we are going to consider to continue to see us look at ways to optimize our networks, optimize our operations so that we can offer the basic services that we offer as profitably and as effectively as possible and with good quality. Finally, simplification. Interestingly enough, it is not always the most obvious story. But the simpler you make things, the
easier it is for people to say yes and buy it and to use it. And it would seem that in our business for a long time complexity was important. You know, let's multiply the price plans. Let's make it complicated to people what they are spending on. We have found quite to the contrary. The simpler you make it, the more people like you. Our net promoter scores go up, our costs of serving customers go down and customers come to us quite happily. It does not mean we do not have problems. It does not mean we do not have challenges. It does not mean we do not have to work, for example, in Dhaka to continue to improve our network. But we have already taken steps in that area and with the 4G network, with the spectrum neutrality and with the new spectrum that we may or may not decide to acquire. I cannot tell you that upfront. It will help us continue to offer great service throughout the country. With this, I will pass it over to the Chief Financial Officer who will go through his part of the presentation and then we will go to the Q&A.

Karl Erik Broten (Chief Financial Officer): Thank you very much Michael and Assalamualaikum ladies and gentlemen. I think before starting with the presentation, I will reiterate a little bit that tomorrow Telenor Group will present its fourth quarter performance and you will see the same strategic focus throughout the group - growth efficiency and simplification since this is the core of digital transformation throughout the group. If you follow Telenor, you will also see the analysts are starting to recognize that digital transformation is not only about digitalizing customer journey, it is also to reduce costs. Let's move to the numbers. Michael has already given you the highlights. But in Quarter-4, we have an 8% revenue growth year-over-year with a strong 58.8% EBITDA margin, which is 4pp higher than this quarter last year. We have, for the last four quarters, a Capex to sales of 11.3%. And as Michael showed, there are 1776 new 3G sites and 1010 new 2G sites. And we have done modernization of our core and we have also modernized some of our platforms. Then we have earnings per share of 4.42 taka coming as a result of 11.1% growth in net profit after the tax compared to the fourth Quarter 2016. Moving to the next slide - our revenue development grew 8% in total, mainly driven by voice 1.8 billion. Data growth contributed with 1.3 billion. We have seen a decline in device revenue of half a billion and also in financial services, which is more of a re-classification. Voice revenues is still growing steadily, 9.2% in Quarter-4 on quarter-over-quarter basis. This is coming from growth in the outgoing minutes of usage of 9.4% and 14.8% increase in the average subscriber base over the year. We sold fewer devices in Quarter-4. It went down approximately 60 thousand devices as per volume. Device is not our core business. So, this is more like an enabler. So, we are focusing more on growth and revitalize service revenue and subscriber and traffic revenue. And lower financial service was more on due to a one-off adjustment of 233 million BKash SMS revenue that has been now re-classified from financial services revenues to Value Added Services. So, you see here, it is the first quarter in a while where we do not have sequential growth quarter-over-quarter and as Michael explained this is seasonality, the winter impact. So, Quarter-4 last year was more like an exception. But we were also seeing that we have had more competition especially on data that has also impacted Quarter-4.

As we move to data, we have seen a 27% growth in the number of data users with a healthy revenue growth of 29.1% and a 62.2% growth in data volumes. So, I would still
say, compared to other markets, that the level of monetization of data in Bangladesh and in Grameenphone is very healthy. It is high and healthy. We have added 1.2 million data subscribers to our base and at the end of 2017, we had 31.1 million active data users out of the 65.3 million total base. And through the year we have added 6.6 million active data users. And you can see from the graph here that the data revenues are steadily contributing more and more to the overall service revenues. So now it is close to 18% of service revenue. I think Quarter-4 was tougher when it comes to the competition around data. We have had an offer in the market. ‘Buy two, get one for free’. We have had turn-back campaigns quite active in competing with our two major competitors. The number of smart phones here is also increasing. We have now 28.6% of our customer base that have a smart phone and this is up from 24%, one year ago. And in this quarter we sold 92 thousand smart phones.

Let’s move to ARPU. We saw a drop in the service ARPU of 3.1% compared to Quarter-4 last year. But we see a growth in the data ARPU of 1.6%. And you could say the reason for drop in the service ARPU is coming mainly from voice and interconnect and partly offset and by growth in data. If you look at the AMPU average minutes per usage, you will see a drop in Quarter-4 of 7.7%. But actually it is the average price per minute on voice growing by 5%. So, we do not really see that the competition has changed in a negative direction when it comes to voice. The competition is focusing on data. If we look at 2017 for the full year, we have a growth in our service ARPU of 2.9% against the 3.7% growth in the service average price per minute. We have a growth of 15.2% in the data ARPU for the full year. The average megabyte per user growth is 33.5%. But due to the competition we saw a decline in the average price per megabyte of 13.6%.

We see EBITDA growing. This growth, of course, is coming from the higher topline. A few words around underlying Opex. We have some one-offs in the quarter, 46 million net. And we also had some one-offs in the Quarter-4 2016. So, if we see the underlying Opex in Quarter-4, it is an increase of 169 million. This is mainly driven by the higher revenues. Reload commission’s revenue is here. And of course with more than thousand new sites, we have increased site rentals and power consumption. But this has been partly off-set by a lower sales and acquisition costs. We had 1.5 million lower grosses in Quarter-4 2017 compared to 2016. So, in percentage points, Opex/sales improved by 1.6pp in Quarter-4 vs. Quarter-4 last year. And if we take for the full year, it is 3.4% growth year over year. Opex will be of course just as important as growth. As Michael mentioned, you will see us becoming more and more efficient as part of the digitalization. If we look at Opex to sales, we have a good KPI on efficiency improvement as well, 34.1% in the Quarter vs. 35.7% a year ago. And normally in the EBITDA, the growth is 2.6 billion. It is coming from the higher revenues. It is 2.4 billion in lower COGS of half a billion. Then partly off-set by the higher Opex. And the Quarter-4 EBITDA margin is 4pp higher than it was a year ago. You have the reported EBITDA 19.5% growth year-over-year. If we normalize that, the normalized EBITDA growth year-over-year is 17.5% and a normalized EBITDA margin is at 4.8pp. So, there was not only a very strong revenue performance but also a very strong EBITDA performance. This is an all time high for Grameenphone. We invested on Capex for a year. As you see here, it is 14.5 billion Taka. We already mentioned the network roll out on 2G and 3G. We have a population coverage on 2G as close to 99.5% and on 3G we have 92.55% coverage. There are still black spots here and
there. But overall population coverage now on 2G is basically the Bangladeshi population and on 3G it is 92.55%. We have had some long time effects too. We reported an additional 1.14 billion in Quarter-2. We have also had a reversal of 1.3 billion now in Quarter-4. So, the 14.5 billion represents the organic Capex investment in the year of 2017. There was earnings growth of 11% despite one-off items. If we normalize the net profit after tax, we have a growth of 32.6%. Of course it is coming from the higher EBITDA, but partly offset by higher income tax of 700 million and higher depreciations of 300 million. Then during in the Quarter, we have had negative one-off adjustments of 2 billion Taka. The biggest items of this include a loss on contracts that we have had out of court settlements with vendors. We have done impairment of certain software and you know about the Accenture Bangladesh that Michael mentioned earlier. The 300 million wind-down costs related to the 49% ownership, we have or had in Accenture Bangladesh.

There are also accelerated depreciations of core network elements. Operational cash flow is 14.3 billion. It is down from the previous quarter by 3.2 billion mainly due to the higher Capex recorded to be 4.7 billion in Quarter-4. And also half a billion lower EBITDA in Quarter-4, compared to Quarter-3. You see in net debt to EBITDA that we hardly have any debt at all. We have a higher cash balance of 7.4 billion and we have reduced our debt with 3 billion taka. So, it is definitely a very strong balance sheet. Yesterday, our board of directors recommended a 100% final cash dividend for 2017. Michael also showed that on the first slide that it would be 20.5 taka per share as dividends for 2017. And you see the payout ratio continues to stay high, 101% of profit after tax. Record date or ex-dividend date will be 19th of February and of course this is subject to approval in the AGM that will be on the 19th of April.

Now I will go through a few upcoming things and I will assume that some of you already know this. As analysts you know that there are two new IFRS and BFRS standards to be introduced from 2018. One is IFRS 9, which is the financial instruments. So, it replaces IAS 39 but these financial instruments set out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This will not have a significant impact on the financial statements for us. We have also chosen to take advantage of adopting the simplified approach which is possible under the revised standard. But IFRS 15 will be having more impact on us. It will have more impact on markets with a high level of post-paid contracts than in a market like Bangladesh with the overall majority being the prepaid. IFRS 15 is the revenues from contracts with customers. So, it creates a single model for revenue recognition from contracts with customers and replaces various other standards and interpretations. No significant impact in recognition of revenue for us. But customer acquisition cost will have an impact as an average lifetime of our customers exceeds one year. This year we have a deferment of 4.2 billion until the end of 31st December 2017 and we will have an impact going into 2018 with retained earnings of 2.7 billion. So, we will get back with more information when we are reporting the first quarter. We will give you the comparison so that you can see the real impact on our first quarter with and without IFRS 15. This way you could see the real underlying business performance. And then we have IFRS 16 which will be effective from 2019. This is related to leases, capitalizing, operating leases. We will have a positive effect on EBITDA. Operating leases are recognized as operating expenses. Under current accounting policy, by capitalizing current operating leases, we take the net present value of the future payments and recognize that as interest bearing
liability and then the repayments will be classified in financing activities in the cash flow statement and it is, under current definition, not part of free cash flow. This will also impact the reported Capex because as we are done capitalizing these operating leases you will see a fluctuation in Capex. But this is from 2019 and we will also be issuing comparable numbers before and after the introduction of this. For us as a Telco, the impacted areas are rentals of BTS sites, site sharing contracts, office rentals, and fiber rentals. But, this is coming in 2019. I have my local accountant sitting here, who is an expert on this. So, if you have any questions around the new accounting standards, just contact myself or Maruf and we will try to answer as best as we can. Both IFRS 9, and 15 impacts the entire Telenor Group. So, when there is a change in an accounting standard IFRS, Telenor issues what they call a Telenor Accounting Policy and have an interpretation of the new standard, which is then applicable for all the business units within the Telenor group. So, it is not like we, in Grameenphone, have to do the interpretation ourselves. But there is also of course an element here that is important for the tax authorities and the regulator. So we also need to have an alignment locally here in Bangladesh.

Now, to summarize 2017 as a full year, there was strong business performance in a competitive environment through excellent execution in the market. We have a stable SIM market share with the greater data customer acquisition. Voice revenue growth is still close to 10% in 2017. There was solid earnings growth with high dividend payout. And for the 4th quarter, there was healthy growth in a challenging quarter given the seasonality, winter, and higher competition that we have faced. We have been investing more as you have seen in the 4th quarter than in any of the preceding quarters. So, network roll out is continuing in order to maintain our number one position as having the best network in Bangladesh. It is a position that we will never give up. And then, of course, there were some impacts from the one-offs on the earnings in Quarter-4. These are one-offs that take down net profit off the tax with 2 billion.

And now, I think, we will move to Q & A.