

business review – 2013

A year of turnaround and growth potentials

The year 2013 saw a positive momentum for the Company's growth and start towards rapid development in the information & communication technology sectors. At the same time, we faced intense challenges and uncertainties. A healthy competitive environment prevailed in the market during the year benefiting the customers and helping the market to grow at a faster pace.

This year Grameenphone (GP) touched another milestone by getting a 3G license for the next 15 years through a competitive auction process.

At the end of 2013, GP's total subscriber base reached 47.1 million, representing a growth of 17.7% from 2012. Total revenue reached BDT 9,662 crore in 2013, up by 5.1% from 2012. The growth is accredited by new customer acquisition, increased usage and competitive value for money market offerings. Higher device sales growth in both local & international interconnection minutes, and growth in wholesale & financial services also contributed.

GP has invested BDT 30 billion (BDT 2,993 crore) in 2013. These investments bring GP's accumulated investment in Bangladesh to about BDT 243 billion (or BDT 24,336 crore) since inception to date.

Internet for all through 3G

In 2013, the strategic ambition of "Internet for All" was adopted along with Telenor Group. Our aim is to make internet accessible to all so our customers can get the full benefit of connectivity through internet.

"Internet for All" is all about education, healthcare, business, family, friends, community, society, people and their empowerment.

After getting the GP license, within a month GP launched 3G services commercially, and by the end of December all seven Divisional cities were brought under coverage. To meet the aspiration of our customers, we introduced 3G packages in different speed tiers and price brackets. GP will continue its roll out covering all 64 districts headquarters over first quarter of 2014. To make our Internet network even stronger, coordinated WiMax service has been softly launched on the eve of Victory Day, 16 December 2013.

emergency balance, new start up offer, segmented device offerings, revision of internet packages and many others.

GP has launched life insurance coverage for its subscribers. "Nirvoy Life Insurance", a Micro-Insurance product which will reward GP subscribers with free insurance coverage based on the amount of airtime used each month.

In partnering with local mobile handset brand Symphony, GP has launched a mobile content store where different types of free games, apps, videos, live wallpapers, and other personalization contents are made available to the customers.

2013 AT A GLANCE

• Acquired 3G license and related 10 Mhz of spectrum for 15 years.	• Net profit after taxes BDT 14.7 billion with 15.2% margin and BDT 10.89 EPS.
• BDT 96.6 billion revenues, 5.1% annual growth.	• BDT 30 billion investments for 3G rollout, 2G capacity increase and efficiency.
• 47.1 million subscription base with 41.4% subscription market share.	• Sale of 51% stake in GPIT.

Through this launch, Grameenphone, ADN Telecom Ltd, and Agni Systems Ltd. are selling broadband solutions also known as 'Go Broadband' to their respective customers.

Innovative products and services

GP strives to provide the full benefit of communication services through easy-to-use products, addressing the diverse needs of the people of Bangladesh.

With a focus on maintaining our leading position in terms of customer satisfaction with network quality, we have further enhanced our product quality and support service. During the year, GP offered value for money products & services, including

Delivering a step ahead in customer service

A significant measure of success for any company is how satisfied the customers are with the service. GP is committed to go the extra mile to meet the needs of its valued customers and to focus more on customer centricity.

We believe that we lead because our customers trust us for the services we provide. And this strength has pushed us towards taking the ambition to be the "most customer centric mobile telecommunications operator in Bangladesh by 2016". This will be measured by creating more

promoters of our services and reducing those who detract.

In order to give a positive and sustaining experience to the ever increasing subscriber base, GP Customer Service is continuously improving on its processes and procedures. In 2013, GP launched self service recharge kiosk, online recharge through e-care, first ever virtual agent, named "Neel" etc.

Mobile financial services- a new era of banking

Nearly two years after the Bangladesh Bank formulated and issued formal guidelines clarifying mobile financial services (MFS) opportunities under a bank-led model, 2013 saw MFS gained significant market momentum and became a truly common and widely accepted phenomenon in Bangladesh.

As the number of mobile phone users is increasing rapidly, the Government is strengthening financial inclusion by bringing more people in the mainstream banking through mobile phones.

GP Financial Services contributed to this ground breaking year for financial inclusion in Bangladesh by developing its own vision and business model for "enabling" banks and service providers who wanted to deliver their mobile financial services over the nation's leading mobile network. GP's "MobiCash" enabling services and designated outlets play a complementing role in facilitating customers to have seamless and hassle free Mobile Financial/Banking Services.

Strategic partnership for global opportunities

GP established Grameenphone IT Ltd. (GPIT) in 2010 with an aim to explore

new opportunities in ICT industry. Since then GPIT has been providing state-of-the-art and end to end IT solutions to domestic and some international markets.

As part of GPIT growth strategy and to enhance its capabilities, GP sold its 51% stake in GPIT to Accenture- a global ICT consultancy company in 2013. This strategic partnership will boost GPIT to grow its global and local business as well as to increase its capabilities to provide Business Process Outsourcing (BPO) services on a global scale. This would benefit GP not only as investor but will be able to tap the competence of accenture globally.

Soon after the above partnership, GPIT has formally launched its Finance & Accounting BPO service, which has been a great accomplishment for the company during the year.

A helping hand to the community

GP has always been aware of its social responsibilities and has been an eager participant in various social, environmental and other activities which ensure sustainable progress of the community.

GP has signed an agreement with the Business Studies faculty of Dhaka University in order to establish a state of the art computer lab for them. The innovative "Online School" that uses video conferencing technology to impart quality education in remote areas has also been expanded.

GP has also come forward and extended its heartfelt support to the victims of Rana Plaza tragedy by providing various relief and assistance.

Sports have been an integral part of GP endeavors. From golf, cricket, football to games like bridge, GP has been there in promotion of all these sports.

Awards that inspire us

In 2013, we have received notable awards in recognition and appreciation of our various initiatives & activities.

For the 4th year in a row, GP has won the Institute of Chartered Accountants of Bangladesh (ICAB) award for the "Best Published Annual Report 2012". This award is a recognition of GP's transparency and accountability and compliance with local and international standards. As a responsible corporate house, GP always believes that Shareholders have the right to know and as a Company we have the responsibility to disclose.

GP's SMS based solution for maintenance of tube- wells to ensure safe drinking water in partnership with HYSAWA received mBillionth award. GP has been also awarded by WaterAid and Rain Forum for rainwater harvesting in GP House.

At the 3rd edition of the Commward, Excellence in Creative communication organized by Brand Forum, GP received a total of 5 awards which includes: three grand prix (highest recognition), one gold and one silver.

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