



Message from the CEO

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Dear Shareholders,

On behalf of the Management Team, I am pleased to inform you that Grameenphone has passed another remarkable year. 2011 has been marked by triumph and successes for the Company in different fronts.

Your Company has seen growth in terms of both revenue and subscribers while our market share remained steady throughout the year.

We have strived to improve on our operational efficiency and have been able to deliver an excellent financial result. Our revenue went up by 19.2% to BDT 8,906 crore in 2011, compared to BDT 7,473 crore in 2010. This year, we focused more on customer satisfaction and have taken a good number of measures to give them better customer experience.

One of our most important steps was upgrading the entire network by 9 (nine) months of this year. This was the largest ever network upgradation in Bangladesh where a total of 7,272 base stations were modernized and upgraded to enhance GP's network. Our network is now future proof and ready to serve our customers with greater satisfaction. This upgradation will result in reduction of operating expenses and contribution towards greener environment.

We have established a Customer Experience Lab, which is helping us to gain valuable customer insight about our products and services. This in turn is enabling us to deliver more customer friendly products and services.

With a view to taking Internet to general people, we have introduced several affordable internet packages. These packages were designed to cater to the need of the customers who generally

use internet through mobile phone. To make the internet experience even better, we also introduced 'Crystal' - a low cost Android handset. To create awareness about internet among the young people, we have organized an Internet festival across the country in association with Prothom Alo - the leading newspaper of Bangladesh. The festival was held in 101 places and was visited by over 300,000 people.

Our Business Solution package has also been revamped to meet the growing demand of the business community. For the first time in Bangladesh, we introduced "MY Zone" feature offering special discount on call rate to prepaid customers. The discount depends on the location of the customer and is shown on the handset screen.

Our subscriber base increased to 36.5 million by the end of 2011 giving us a market share of around 43%. We have added 6.5 million subscribers in 2011, amid fierce competition.

We also introduced Digital Right Management (DRM) platform to safeguard the interest of the musicians, which encouraged some of the most prominent Bangladeshi musicians to launch their new albums through mobile phone exclusively for GP subscribers.

This year we have integrated our technological expertise with social projects to bring positive change in the life of general people. One of these initiatives was Online School, where a classroom of a suburban school is connected online with a classroom of a school in Dhaka to receive lessons simultaneously.

Our Green initiatives have also been recognized best among the telecom

operators and we have been awarded with 'HSBC-The Daily Star Climate Awards 2011'. Currently, we are using our solar powered base station in Sunamgonj district to provide electricity to the villagers. This could be a model to address the demand for electricity in rural Bangladesh. At the end of 2011, 50 base station sites were being run by solar power.

We have won the top award in ICT category from the South Asian Federation of Accountants (SAFA) for "Best Presented Accounts & Corporate Governance Disclosure Awards 2010" for our Annual Report 2010.

However, situation was not so rosy in the regulatory regime. We faced challenges over the license renewal issues. Besides, we had to undergo a questionable audit commissioned by the Bangladesh Telecommunication Regulatory Commission (BTRC). Nonetheless, GP Management stood firm on both issues and took applicable actions to resolve the issues. One bright spot in the regulatory arena was the government's decision to reduce the SIM tax to BDT 605 from BDT 800.

I would like to thank all of our shareholders and the stakeholders for their support to our journey towards a brighter future.



Tore Johnsen
CEO

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