

# CHAIRMAN & CEO MESSAGE

  
Sigve Brekke  
Chairman



  
Rajeev Sethi  
Chief Executive Officer

“**DURING 2015,** WE HAVE CONTINUED TO INVEST RESOURCES TO TRANSFORM THE COMPANY INTO A NEW GENERATION TELECOMMUNICATIONS COMPANY, **PUSHING BEYOND VOICE AND SMS.**”

## Dear Shareholders,

In 2015, Grameenphone managed to deliver profitable growth despite considerable hurdles. GP observed gaining momentum of performance from third quarter revival from the headwind experienced from intense price competition and political turmoil during first quarter of 2015. In 2015, Grameenphone maintains market leadership with revenue crossing the BDT 100 billion mark, for the second year, and the subscriber count reaching more than 56 million.

Recording double digit growth in the subscription base, Grameenphone closed the year with 56.7 million subscribers. Favourable take up on usage stimulation campaigns with simplified offers throughout the year helped us add 5.2 million new subscribers. Managing this 10% subscription growth took the Company's SIM market share to a stable 42.4%. Across our portfolio, data reinforced our growth platforms in 2015. The Company made considerable progress in reaching its ambition of 'Internet for All' to more customers, fueling growth in data subscribers by 45% to 15.7 million, and an almost three-fold data volume growth during the year despite closure of Facebook and other social media platform for several weeks during fourth quarter of 2015. Throughout the year, we introduced affordable internet plans with flexible data packages, in addition to a wide range of smart phone bundle offers, for different customer groups to drive adoption and trigger data consumption.

The financial performance of the Company during 2015 were stable despite higher depreciation & amortisation as well as charging off one-time appeal payment related to the SIM replacement tax dispute. The Company ended the year on a positive note with revenue up 2% to BDT 104.8 billion. Data revenue growth of 66% and VAS growth of 31% were the main contributors during the year. Net profit after taxes for the period was BDT 19.7 billion with an 18.8% margin compared to BDT 19.8 billion and a 19.3% margin in 2014. Efficiency in operating expenditure managed to secure a healthy EBITDA (before other items) of BDT 56 billion with a 53.4% margin. Earnings per share (EPS) for the year stood at BDT 14.59.

During 2015, we have continued to invest resources to transform the Company into a new generation telecommunications company, pushing beyond voice and SMS. During the period, the Company invested BDT 19.3 billion to rollout more 3G sites, expand 2G coverage, enhance capacity to cater for higher data and voice volumes, as well as enhancement of IT infrastructure for better product and service offerings. As one of the largest contributors to the National Exchequer, Grameenphone paid BDT 5,113 crore, comprising 48.8% of total revenue, to the National Exchequer in 2015 in the form of taxes, VAT, duties and license fees.

We are pleased to report that for the financial year 2015, Grameenphone's Shareholders were rewarded with 80% Interim Cash Dividend while the Board of Directors has recommended 60% Final Cash Dividend, resulting in a total cash dividend of 140%, which represent 96% of the Profit after Tax for the year 2015, for Shareholders' approval.

Alongside our focus on financial results, Grameenphone

remains committed to its role in sustainable development of the country. By bringing 'Internet for All', and by developing relevant & essential digital services, we are helping to improve and empower societies. Besides, we are contributing towards greener and sustainable communities using connected devices and advanced control systems to reduce energy consumption at home, at work and in the public space. By leveraging our internet platforms for online education, we are spreading the light of education among underserved children across the country.

Grameenphone aims to be a digital frontrunner, taking a strong lead in developing and adapting new technology and delivering new services to its customers. We are further revamping our core business by introducing Programmes to provide superior service quality to our growing customer base, digitalising our value chain, improving our data service, and strengthening micro-capabilities for more effective and efficient market performance. To accomplish our ambition to acquire 50 million data customers on the Grameenphone network by 2019, the Company will remain focused on aggressive investments in data. We pledge to connect each person in Bangladesh through the Grameenphone network, providing seamless connectivity with world-class communication and internet services and thus truly epitomise our brand promise to enable customers to 'Go beyond'.

Looking ahead, Grameenphone is mindful of the challenges which lie ahead on many fronts; political and socio-economic situation, intense competitive environment, regulatory issues and industry evolution etc. Given our competent management and operational capabilities together with financial strength and network assets, we are confident that we would rise to the challenges and capitalise on them to face the transformation of traditional telecommunications in the digital world. However, to ensure business sustainability, we expect more favourable regulatory reforms in the coming years through a consultative and collaborative approach.

Having the right team is a key to success in our business. It is the commitment and dedication of our employees that has helped Grameenphone to achieve its goals and maintain industry leading position. We would like to take this opportunity to thank each and every one of our employees whose commitment, enthusiasm, professionalism and hard work made 2015 yet another successful year for the Company.

Our sincere appreciation is extended to our stakeholders for their firm commitment and dedication. As always, we are thankful of the continued support and confidence that you, our Shareholders, have placed on Grameenphone.

We sincerely look forward to welcoming you at our 19<sup>th</sup> Annual General Meeting (AGM).

February 07, 2016