

MESSAGE FROM THE CHAIRMAN & CEO



Vivek Sood

Chief Executive Officer

Sigve Brekke

Chairman

Dear Shareholders,

2013 marked a new beginning for Grameenphone (GP) as we entered into 3G era. We are now geared up for the journey towards data centric communication. This will take us towards fulfilling the strategy of “Internet for All”.

We started the year with renewed emphasis on customer engagement while motivating the employees to excel in the market. That has helped us to pass this challenging year on an optimistic note.

The most momentous event of the year was getting the license and spectrums to offer 3G services. On this occasion, we would like to thank the Ministry of Posts, Telecommunications and Information Technology, Bangladesh Telecommunication Regulatory Commission (BTRC) and the Government of Bangladesh for providing us the 3G license through a competitive bidding process, which we believe was another step towards digitalization of the country.

We were the only mobile operator to acquire 10MHz of 3G spectrum in the auction with the envision to empower societies by opening up new opportunities with “Internet for All” for the people of Bangladesh. GP strongly believes that mobile data services and internet will unlock the whole new world of information, education and entertainment of which many are still unaware. GP firmly believes to be able to provide full benefits of connectivity to its customers.

By the end of the year, our 3G coverage reached all seven divisional cities and five other major cities of the country. Different 3G packages & services were also introduced to meet the expectations of our customers. We are collaborating with handset vendors to provide affordable 3G/internet enabled handsets, which will accelerate data usage.

We continued to promote 2G by making data packages attractive and developing relevant and right content.

The year had been a very challenging year for business as political instability hampered our daily operations throughout the year. However, having sound strategy with the wining spirit of our talented employees, and focus towards value for money product propositions and continued building of distribution we have been able to achieve most of our goals. GP has earned revenue of BDT 96.6 billion in 2013 with a 5.1% rise compared to the previous year.

Net profit margin for 2013 was 15.2% compared to 19% of 2012. Despite growth in operating profit margin, net profit after tax decreased by 16% mainly due to one-off tax adjustment for increased corporate tax rate from 35% to 40% with retrospective effect of 2012, 2G/3G spectrum amortization and higher interest expenses partly offset by gain on sale of shares in GPIT and foreign exchange.

By the end of the year, our customer base reached to 47.1 million with a growth of 17.7% over the previous year.

In addition, the Company has witnessed operational efficiency, product innovation and market diversification. Competitive price offerings, reinforced distribution, retail engagement and stronger focus on regions have enabled GP to strengthen its leadership despite the adverse socio economic situation.

As the largest tax payer of the country, we are proud to say that GP has also contributed BDT 69 billion to the National Exchequer during the year, which took our cumulative contribution to BDT 355 billion since inception. Meanwhile, we have invested BDT 30 billion during the year for faster 3G rollout, 2G capacity & efficiency enhancement, taking our total investment in Bangladesh over the years to BDT 243 billion.

Although the capital market has been volatile and unpredictable for the greater part of the year, the price of GP shares had remained almost stable. We are pleased to report that for the financial year 2013, we were able to give our shareholders a 90% Interim Cash Dividend. The Board of Directors also recommended 50% Final Cash Dividend for Shareholders’ approval. Our committed and talented

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workforce, global capabilities, diverse product portfolio and large client base have strongly positioned the Company to further improve and deliver shareholders value in the years ahead.

As a conscious corporate citizen, we have continued to maintain our social investment in health and education sectors focusing on Telemedicine and Online education.

At this auspicious occasion, we would thank our employees for their relentless works amid prolonged political uncertainties in keeping the Company afloat. Without their hard works, drives and initiatives we wouldn’t have been where we are today.

As we look ahead to the year 2014, conditions remain challenging. However, we are confident that the Company will continue to lead the telecommunications sector in the future with a vision to “Empower Bangladesh to Move Ahead”.

In closing, we would like to take this opportunity to admire all our valued shareholders and stakeholders for being with us and helping us reaching a better and brighter future.

February 10, 2014