2nd Quarter 2017

Grameenphone Ltd. – Business highlights

Michael Patrick Foley, CEO
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Highlights

Sequential 9 quarters of revenue growth

Double digit revenue growth

Improved earnings

27 Mn data subscribers
Strong performance in a competitive quarter

- Subscriber acquisition offers with high data volume and channel incentive
- Generous data offers

Intense market competition

- Growing daily revenue generating base
- Stable voice price
- Positive impact of Eid festival

Voice revenue growth

- 1.8 Mn data subscriber addition
- Competitive 3 new offers and revision of 4 existing ones
- Promotional offers during Eid festival

Healthy data subscriber growth
GP Accelerator:
Support towards building Digital Bangladesh

• Vision to position Bangladesh on the global startup map
• Working together with Government and local startup ecosystem
• Graduation of 8 active startups
• Joint organization of National Demo Day, 2017
• Support towards startups in expansion to new markets beyond the border
Regulatory landscape

4G operating license and spectrum auction & technology neutrality guideline

- Telecom ministry published 2 guidelines on 4G operating license and spectrum auction & technology neutrality on 4 July 2017 and 10 July 2017 respectively
- MNOs are providing necessary feedback


- Further hearing before VAT Appellate Tribunal on SIM tax for 2007-2011 took place on 11 Apr’17. Tribunal is expected to pass its judgment
- LTU -VAT issued show cause notice of BDT 3.8 Bn relating to SIM tax on replacement SIMs for 2012-2015
- Preparation ongoing for next course of action on the notice

Cost modeling of Data

- BTRC initiated cost modeling exercise to review data tariff
- Appointed a consultant from International Telecommunication Union (ITU)
- Industry consultation ongoing

Budgetary changes for 2017-2018

- Postponed new Value Added Tax (VAT) and Supplementary Duty Act – 2012 for two years
- SIM tax unchanged from 1 July 2017
- 5% additional supplementary duty on mobile handset
- VAT exemption for modem
2nd Quarter 2017

Grameenphone Ltd. – Financial highlights

Dilip Pal, CFO
Another strong quarter of growth with efficiency

15.5% Revenue growth

61.2% EBITDA margin

12.4% Capex/Sales

BDT 5.87 Earnings per share
Sequential 4 quarters of double digit revenue growth

<table>
<thead>
<tr>
<th>Revenue (BDT Bn) and Growth (YoY)</th>
<th>DSTR* (BDT Mn) and Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2'16 28.1 6.6%</td>
<td>Q2'16 269 10.1%</td>
</tr>
<tr>
<td>Q3'16 29.4 11.2%</td>
<td>Q3'16 281 13.8%</td>
</tr>
<tr>
<td>Q4'16 29.8 11.2%</td>
<td>Q4'16 282 12.2%</td>
</tr>
<tr>
<td>Q1'17 30.6 11.1%</td>
<td>Q1'17 301 14.8%</td>
</tr>
<tr>
<td>Q2'17 32.4 15.5%</td>
<td>Q2'17 318 18.0%</td>
</tr>
</tbody>
</table>

*Daily revenues generated by own subscription (excludes interconnection)
24% data user growth with healthy revenue momentum

Data Revenue (BDT Bn) and % of Service Revenue*

- Q2'16: 3.2, 12.0%
- Q3'16: 4.0, 14.2%
- Q4'16: 4.3, 15.5%
- Q1'17: 4.7, 15.9%
- Q2'17: 5.1, 16.5%

Active Data Users** (Mn) and % of Sub-base

- Q2'16: 21.8, 38.3%
- Q3'16: 22.9, 41.6%
- Q4'16: 24.5, 42.3%
- Q1'17: 25.2, 42.2%
- Q2'17: 27.0, 43.9%

- 58.6% data revenue growth
- Smartphone penetration will be key going forward

*Revenues generated by own subscription (includes interconnection)
** Minimum 150 KB usage within last 90 days
8.6% service ARPU and 27.9% data ARPU growth

**Service ARPU, AMPU and APPM**

- Improved service APPM from EID festival monetization

**Data ARPU, AMBPU and APPMB**

- 27.6% AMBPU growth despite 24% user growth
- Marginal decline in APPMB from competitive offers and festival bonus
EBITDA growth from higher revenue and operating efficiency

- Normalized opex growth of 8% and margin improvement of 2.3 pp
- One-off items mainly from service maintenance fees (496 Mn) and BTS electricity (222 Mn)

- Healthy normalized EBITDA growth of 21.6%
- Normalized EBTDA margin of 57.7%

* EBITDA before other items
Investment in coverage and customer experience

- 141 2G and 225 3G sites addition during the quarter
- 93% of total sites are 3G enabled
- Total number of 2G and 3G sites stands at 12,363 and 11,557
- Investment to continue for strengthening network leadership further

*Capex (BDT Bn) and Capex/Sales%*

<table>
<thead>
<tr>
<th></th>
<th>Q2'16</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex</td>
<td>4.5</td>
<td>2.2</td>
<td>5.3</td>
<td>4.5</td>
<td>3.3</td>
</tr>
<tr>
<td>Capex/Sales</td>
<td>20.8%</td>
<td>18.2%</td>
<td>18.3%</td>
<td>13.9%</td>
<td>12.4%</td>
</tr>
</tbody>
</table>

*Capex excluding license fees
Capex/sales = moving average last 4 quarters
Normalized earnings growth of 36.7%

<table>
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<tr>
<th>NPAT (BDT Bn) and Margin</th>
<th>Earnings Per Share (BDT)</th>
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<tbody>
<tr>
<td>Q2'16 5.1 18.1%</td>
<td>Q2'16 3.77</td>
</tr>
<tr>
<td>Q3'16 6.4 21.9%</td>
<td>Q3'16 4.78</td>
</tr>
<tr>
<td>Q4'16 5.4 18.0%</td>
<td>Q4'16 3.98</td>
</tr>
<tr>
<td>Q1'17 6.6 21.4%</td>
<td>Q1'17 4.86</td>
</tr>
<tr>
<td>Q2'17 7.9 24.4%</td>
<td>Q2'17 5.87</td>
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- 2Q 2017

- BDT 192 Mn foreign exchange loss
BDT 16.6 Bn OCF and Net debt/EBITDA of 0.10

*OCF (BDT Bn) and OCF/Sales%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>OCF (BDT Bn)</th>
<th>OCF/Sales%</th>
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</thead>
<tbody>
<tr>
<td>Q2'16</td>
<td>10.8</td>
<td>38.3%</td>
</tr>
<tr>
<td>Q3'16</td>
<td>14.6</td>
<td>49.5%</td>
</tr>
<tr>
<td>Q4'16</td>
<td>11.1</td>
<td>37.1%</td>
</tr>
<tr>
<td>Q1'17</td>
<td>13.3</td>
<td>43.4%</td>
</tr>
<tr>
<td>Q2'17</td>
<td>16.6</td>
<td>51.2%</td>
</tr>
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Net debt (BDT Bn) and Net debt/EBITDA**

<table>
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<th>Quarter</th>
<th>Net Debt (BDT Bn)</th>
<th>Net debt/EBITDA</th>
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</thead>
<tbody>
<tr>
<td>Q2'16</td>
<td>27.6</td>
<td>0.47</td>
</tr>
<tr>
<td>Q3'16</td>
<td>27.9</td>
<td>0.45</td>
</tr>
<tr>
<td>Q4'16</td>
<td>18.7</td>
<td>0.29</td>
</tr>
<tr>
<td>Q1'17</td>
<td>7.6</td>
<td>0.11</td>
</tr>
<tr>
<td>Q2'17</td>
<td>7.3</td>
<td>0.10</td>
</tr>
</tbody>
</table>

*OCF equals EBITDA minus Capex
**Net Debt = Short term debt + Long term debt - Cash and Cash equivalents
12 months rolling EBITDA
105% cash interim dividend for 2017

- Consistent high dividend payout
- Shareholders as of the record date 2 August 2017 will be entitled
Summary

- A strong performance in a competitive quarter
- Voice growth with price stability and growing revenue generating base
- Healthy data subscriber growth along with revenue
- Higher revenue and efficiency in opex contributing to improved EBITDA
- Healthy dividend declaration
- Strategic ambition in right direction with focus on driving growth with efficiency

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