every stripe tells a story
Orascom Telecom Bangladesh Limited (former Sheba Telecom Pvt. Limited) is a limited liability public company incorporated in Bangladesh. The company is offering its services under the brand names “banglalink” and “icon”. Unless the context specifically mentions otherwise, references to “banglalink”, “icon”, “we”, “us” and “our” in this report imply Orascom Telecom Bangladesh Limited.

Banglalink is a telecommunication company offering an extensive range of wireless mobile communications.
services tailored to meet the needs of individual consumers, businesses and government entities. We have carefully crafted our operations to meet the specific needs of each of our targeted customer groups through focused communications solutions. Ever since our inception, we have been progressively and persistently expanding our subscriber base and business coverage, and we keep gaining further momentum with each milestone crossed.

OTBL continually enhanced its network through expanding coverage, increasing core capacity and improving network quality. The company consistently increased its capital expenditures in order to build an efficient and dependable network.

OTBL’s mobile data communications services include mobile productivity applications (such as internet access, messaging and email services), location-based capabilities (such as field force locator and vehicle tracking), mobile entertainment applications (such as music station, song dedication and friend finder), and call-center based applications (such as advisory services regarding agriculture and business queries). OTBL launched its much acclaimed mobile utility bill pay, mobile remittance, mobile ticketing and mobile insurance premium pay services. Our wireless mobile voice communications services include basic local and international wireless voice services, as well as voice portal, voice chat, call waiting, caller identification, call block and caller ring-back tone.

We have established a nationwide EDGE/GPRS network and such connectivity is also available
to our roaming customers through 330 operators across 111 countries.

We are on a relentless pursuit to retain and attract subscribers by taking innovative actions to improve our customer care, sales and distribution functions, brand awareness and launching innovative value added services. Our continuous endeavor to improve our subscribers’ experience includes improving our network performance by adding cell sites to expand the coverage and capacity of our networks, introducing an ever increasing array of functions feasible over the phone, and offering subscribers excellent value propositions with our wide range of customized pricing plans. We have reached out aggressively to rural areas, fortified by a major network expansion, which has further contributed to our strong customer acquisition.

On the other end of the spectrum, we recently launched the country’s first premium mobile brand called “icon”, targeting high value subscribers.

Although we market our services using traditional print and broadcast media advertising, we also provide exposure to our brand name through various sponsorship activities of cultural and national significance. Aside from enhancing our brand image, these initiatives further consolidate our role as a compassionate corporate citizen, committed to utilizing our resources to usher in positive changes all around us. Through the challenges and successes that cross our path, we remain steadfastly committed to making a difference through everything we do, and we look forward to the future with resolute confidence.
OTBL’s success was based on a simple mission: “Bringing mobile telephony to the masses”, which was the cornerstone of its strategy. OTBL changed the mobile phone’s status from luxury to one of necessity and made communication available to the general people of Bangladesh, thus earning a place in the hearts of millions. The mobile phone has since become a symbol for positive change in Bangladesh.

This positive change, quite rightly attributed to banglalink, has since become the corporate positioning of banglalink and is reflected in the slogan “making a difference” or “din bodol”. Making a difference is a positioning that is reflected across everything banglalink does, be it through its products, services, CSR or any other activities.
OTBL Growing Aggressively

Growth over the previous years have been propelled by innovative products and services targeting different market segments, aggressive improvement of network quality and dedicated customer care, creating an extensive distribution network across the country, and establishing a strong brand that emotionally connected customers with Banglalink.

Alongside strengthened brand and subscriber growth, the company achieved impressive revenue growth. The company also witnessed steady increase in its EBITDA (Earnings before Interest, Tax, Depreciation & Amortization).

However, at the face of intense competition among the 6 mobile operators of Bangladesh and the market reaching saturation, the ARPU is falling over the years. OTBL also witnessed a protracted decline in ARPU.
OTBL launched the country’s first premium mobile brand called “icon,” to cater to high value subscribers.

Banglalink is the first company in Orascom group to launch mobile financial services covering mobile bill-pay, mobile remittance and mobile ticketing.

In keeping with growing demand, banglalink introduced data service to both prepaid and postpaid subscribers via its GPRS and Edge Network.

Banglalink continued to expand coverage across the country. At the end of 2011 OTBL had 7,000 Base Stations around the country. In order to strengthen transmission infrastructure, the fiber optic network has been extended to 3,000 kilometers. Furthermore, the transmission network has been re-designed with different protection schemes to enhance network robustness.

As a testament to our commitment to innovative solutions, installation of energy efficient BTS contributed to cost minimization as well as reduced carbon emission. Solar powered panels are also being deployed at BTS sites in an effort to use green energy.

Additionally, infrastructure sharing with other operators led to cost savings for the company as well as facilitated fast roll-out.

banglalink unveiled several new products and services throughout the year. In 2011, among other new services, banglalink launched ‘Krishi Bazaar 2474’ – a buy-sell service for farmers and people associated with agriculture.

In Declining ARPU:

OTBL’s ARPU (in USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>ARPU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2.5</td>
</tr>
<tr>
<td>2010</td>
<td>2.3</td>
</tr>
<tr>
<td>2011</td>
<td>1.9</td>
</tr>
</tbody>
</table>

During the year, banglalink also introduced “banglalink inspire”, a new product targeting different professional groups of society with a variety of special features and benefits. During
the year, banglalink started to consolidate its footsteps by consolidating a nationwide EDGE/GPRS network with competitive mobile internet products with an aim to monetize small screen mobile internet usage. banglalink value-added services continue to be a value driver for maintaining and enhancing overall value proposition of our product offering.

banglalink received several awards in 2011. ‘Krishi Bazaar 2474’ has won World Communication Award 2011 in the category of Best New Consumer Service. banglalink Mobile Cash service won the mBillionth South Asia Award 2011 in the category m-Business and Commerce/Banking. In addition, Banglalink won the ICMAB (a professional accountants’ association of Bangladesh) best corporate award 2011 in the “best annual report” category amongst the Information Communication and Telecom sector.

‘Krishi Bazaar 2474’ has won World Communication Award 2011.
**vision**

To understand people's needs best and develop appropriate communication services to improve people's lives and make it simple.

**mission**

- Segmented approach in terms of products and services
- Delivering superior benefits in every phase of the customers’ experience (before, during and after sales)
- Creating optimum shareholder value

**core values**

all employees of banglalink demonstrate the following values in day-to-day activities to ensure “making a difference” in every area of our operations:

- **straightforward**: We say what we do and we do what we say
- **reliable**: A promise made is a promise kept
- **innovative**: Whatever we do will be useful and useable
- **passionate**: We always deliver with honesty and passion
Orascom Telecom Bangladesh Limited is 99.99% owned by Orascom Telecom Ventures Ltd. of Malta, which is a fully owned subsidiary of Orascom Telecom Holding S.A.E. After a business combination that took place in April 2011, between VimpelCom and Wind Telecom S.p.A, VimpelCom Ltd. owns 51.7% shares of Orascom Telecom Holding.
VimpelCom is one of the world’s largest integrated telecommunications services operators offering a wide range of wireless, fixed, and broadband services in:

Russia, Kyrgyzstan, Vietnam, Cambodia, Laos, Armenia, Georgia, Algeria, Pakistan, Burundi, Tajikistan, Zimbabwe, Central African Republic, Italy, Kazakhstan, Ukraine, Uzbekistan, Canada, and Bangladesh.

OTBL and the parent company

OTBL and the parent company

OTBL and the parent company

VimpelCom Ltd.’s operations around the globe cover a territory with a total population of approximately 864 million people. As of December 31, 2011 VimpelCom had 205 million mobile subscribers on a combined basis.

VimpelCom Ltd.’s reporting structure is divided into five business units—Europe and North America, Russia, Ukraine, the Commonwealth of Independent States (CIS), Africa and Asia—all of which report to the Company’s headquarters in Amsterdam.

VimpelCom Reporting Structure:

VimpelCom Ltd. is listed as an ADS on the New York Stock Exchange under the symbol "VIP".


Some of the VimpelCom brands:
Orascom Telecom Bangladesh Limited is 99.99% owned by Orascom Telecom Ventures Ltd. of Malta, which is a fully owned subsidiary of Orascom Telecom Holding S.A.E. Following business combination between VimpelCom and Wind Telecom S.p.A, VimpelCom Ltd. owns 51.7% shares of Orascom Telecom Holding.
Orascom Telecom is a leading international telecommunications company operating GSM networks in high growth markets in the Middle East, Africa and Asia, having a total population under license of approximately 415 million with an average mobile telephony penetration of approximately 48% as of December 31, 2011. Orascom Telecom reached over 78 million subscribers by December 2011.

VimpelCom Ltd., the ultimate parent company, is one of the world’s largest integrated telecommunications services operators offering a wide range of wireless, fixed, and broadband services across the world. VimpelCom’s operations around the globe cover territory with a total population of approximately 864 million people. VimpelCom provides services under the "Beeline", "Kyivstar", "Wind", "Infostrada" "Mobilink", "Leo", "banglalink", "Telecel", and “Djezzy” brands. As of December 31, 2011 VimpelCom had 205 million mobile subscribers on a combined basis.

Shareholders of Orascom Telecom Bangladesh Limited as on December 31, 2011:

<table>
<thead>
<tr>
<th>Serial no.</th>
<th>Name of the shareholder</th>
<th>Number of shares held</th>
<th>Percentage of shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Orascom Telecom Ventures Limited</td>
<td>4,295,122,600</td>
<td>99.99998603</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Naguib Sawiris</td>
<td>100</td>
<td>0.000002</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Khaled Galal Bishara</td>
<td>100</td>
<td>0.000002</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Ragy Soliman</td>
<td>100</td>
<td>0.000002</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Rahsid Khan</td>
<td>100</td>
<td>0.000002</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Ezzeldin M Heikal</td>
<td>100</td>
<td>0.000002</td>
</tr>
<tr>
<td>7</td>
<td>Mr. Afzal Hussain Choudhury</td>
<td>100</td>
<td>0.000002</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,295,123,200</strong></td>
<td></td>
<td><strong>100.0000</strong></td>
</tr>
</tbody>
</table>

Subsequent Events: after 31 December 2011

Mr. Mikhail Gerchuk, the Group Chief Commercial Officer of VimpelCom Ltd, joined OTBL Board of Directors on January 31, 2012 as a Director. Mr. Gerchuk replaced Mr. Khaled Bishara who resigned from OTBL board earlier.

Mr. Philip Thome, the Group Chief Technology Officer of VimpelCom Ltd, became a member of OTBL Board of Directors on April 18, 2012. Mr. Thome joined the OTBL board as the replacement of Mr. Ragy Soliman, who resigned from the OTBL board earlier.

Securities and Exchange Commission (SEC) of Bangladesh has given their consent to raise OTBL’s paid-up capital by issuing 465,254,796 ordinary shares of BDT 10 each to Orascom Telecom Ventures Ltd (OTV), the existing shareholder of OTBL. The shares will be issued to OTV against the share money deposited by the respective shareholder. After issuing these shares, OTBL’s paid up capital will reach BDT 47,603,779,960 from BDT 42,951,232,000.
Customer Care
Banglalink Customer Care once again proved to be a key strength to the company in the year 2011 with a passion to provide quality service under the theme of “Kotha Dilam”.

State of the art Banglalink Call Center catering to over 23.75 million customers, managed to answer over 68 thousand calls with various queries every day. With strict service quality monitoring, Banglalink Call Center managed to maintain around 91% service quality and an optimal service level. Also, an automated “E-voucher IVR” system for the retailers helps serve basic queries faster and therefore reduced such calls landing at agent level.
Besides, a new toll-free “Complaint IVR” system has been introduced. This enabled banglalink to serve its customers better, as well as track each and every complaint, leading to a quicker resolution.

Banglalink continues to expand its “Customer Care Network” by adding more Touch Points at strategic and commercially important locations to ensure easiest access for its existing and potential customers. Having over 1300 Customer Care Touch Points, Banglalink certainly can claim the largest “Customer Care Network” in the country.

Banglalink customer service remains among the frontiers in catering personalized service to its high value postpaid segment. A group of well-trained and dedicated credit monitoring team is engaged in serving the high value customers and assist in their payment clarifications, reminders, billing queries, etc.

Banglalink customer care also played a major role in business development and customer retention. A dedicated team of Enterprise Relationship Managers are there to serve a large number of corporate and high value customers. An experienced customer service research team assists the company to be aware about the market pulse and voice of the banglalink customers and its competitors, enabling precise product design, effective communication strategies, thereby giving the company an edge over its competitors. Also, a new technology-ADM (Automated Device Management) has been introduced to retain churned customers, which triggers SMS as soon as their mobile device is turned on.

Despite an aggressive growth in customer base, Banglalink Customer Care has been maintaining a Customer Satisfaction Index (CSI) at more than 94%, measured both in-house and out-sourced. This simply translates to the fact that Banglalink customers are highly satisfied with its Customer Care service quality.

With continuous back-end automation developments and key differentiation factors like less than 10 minutes customer turnaround time (TAT) at all front-end touch points, one call service at Call Center, largest customer care network across the country and many more, Banglalink Customer Care promises to continue to deliver high quality service to its customers.
Network Robustness
Through relentless endeavor, banglalink has continued to develop its GSM network, which is presently one of the most extensive networks in Bangladesh, reaching approximately 97% of the total population and approximately 79.60% of the geographical area as of December 2011. With more than 7,000 BTS, Banglalink has been providing coverage and services in all 64 districts of Bangladesh.

In 2011, around 1,000 BTS sites were on air, out of which around 50% are for new coverage and rest are densification sites. Network Traffic Capacity has been increased by 20% and Traffic increased by 12%.
Banglalink also gives data service to both prepaid and post-paid subscribers via its GPRS and Edge Network. All Districts and major highways are covered with seamless GPRS/EDGE network. During 2011, Edge coverage area has been doubled. Also, the network observed more than 60% growth in data volume compared to 2010.

The Transmission network has more than 3,000 Km Optical Fibre and more than 7,700 MW links nationwide. It has well-protected multiple Optical Fibre ring in Dhaka, Chittagong, Khulna, Sylhet & Bogra City. It has 870 km long Optical Fibre ring covering Dhaka-Bogra-Rajshahi-Khulna-Dhaka, which includes 8.3 km submarine cable under Padma River. In addition to Optical Fibre, it has SDH MW Backbones towards Chittagong, Khulna, Sylhet & Bogra and several SDH Access Rings. The Transmission Network has been designed with different protection schemes to enhance network robustness.
In 2011, approximately 150 KM optical fibre has been deployed all over the country. Two new Optical Fibre rings (Comilla & Feni Ring) have been established, which ultimately provide automatic protection of 130 Km of DHK-SYL OF BB and 112 Km of DHK-CTG OF BB. In addition, we have started deploying IP-ready Microwave equipment to make the network future proof.

Core Network capacity has been increased continuously throughout 2011 to accommodate persistent subscriber growth and to cater for the increased traffic.
• Three of our old MSC servers were replaced by two new ATCA based servers. This resulted in footprint saving of 80% and power consumption saving of 50%. Furthermore, the maximum capacity supported by the new MSC server is eight times higher than the old MSC server.

• Three of our old MGWs were replaced by three new MGWs. This resulted in footprint saving of 60% and power consumption saving of 60%. Furthermore, the maximum capacity supported by the new MGW is double.

• New HLR platform (NT-HLR) was launched in 2011. This is a three site solution providing geographical redundancy and hence more robust against any disaster.

Operational Excellence – A Continuous Process

During 2011, banglalink has taken a number of initiatives to reduce operational cost. Installation of energy efficient BTS, outdoor BTS sites, optimization of resource utilization and operational processes, introduction of new types of antenna etc. contributed to cost minimization.

Also, infrastructure sharing with other operators resulted in cost savings for the company and facilitated faster rollout as well. Agreements have been executed for both active and passive RAN sharing with all major mobile operators. 27% of the total on air site in 2011 is deployed through sharing with other operators.

One of the major achievements of 2011 has been the consistent network availability despite countrywide power shortages. All quality related KPIs have been improved, ensuring better accessibility and retainability for end users. In an effort towards continuous improvement, regular benchmarking has been done all over the country and improvement actions have been executed accordingly.

New Product and Services:

A bundle of new features has been developed throughout the year 2011, including the following major services:

• A web based top-up API for the Electronic Voucher system has aided in the development of an alternate virtual distribution channel for prepaid recharge and postpaid bill payment.

• Web portal was introduced for banglalink subscribers to manage their prepaid accounts and VAS.

• An in-house developed web chat solution was successfully launched in 2011.

• 26 new features were implemented on the current Intelligent Network System which include usage based rewards, commitment fee, coupon gifting, roaming account and instant tariff discount. This provides the means to offer subscribers with a much wider range of products.

• Banglalink VMS and MCA platforms were modernized in 2011 by introducing enhanced features.
• In our Mobile Financial Services domain, international remittance with Western Union (WU) and insurance premium collection for Jibon Bima Corporation (JBC) were introduced in 2011.

Green Initiatives – Making A Difference

In banglalink, we are working with Solar-DG-battery hybrid to power our BTS. The main advantages of the solar power are very low OpEx and very low carbon footprint—hence green energy.

We can save 90% DG run hour from the 24hrs DG sites if we go with solar. At the same time, we can save 2 tons of Carbon approximately per site per month by solar power. Also in 2011, new power connected sites were installed with solar panels, which bears 7% of the utility load.
In addition to that, several additional features are being introduced to optimize energy consumption, which consequently contributes to saving the environment.

- **VDT (Voltage Delay Timer):** VDT is being introduced to optimize DG run hour. It is a timer circuit to optimize DG run hour and hence reduce carbon emission. In 2011, VDT has been installed in 100% of our 24 hour DG sites saving 25% DG run time.

- **FCU (Free Cooling Unit):** To optimize air-conditioned usages in the site FCU has been introduced in our Indoor Marco sites. FCU is a system/device consisting of an outlet unit with DC fan, an inlet unit with air filter and a controller which is to use in BTS site to control temperature inside BTS room. We have approximately 2000 FCU installed in our network in 2011.

- **Power Saving Feature:** To reduce electricity consumption at BTS sites, power saving features have been implemented. This feature will ensure optimized electricity consumption of BTS equipment during off peak hour.
banglalink network...
a strong network that makes a difference
Notice is hereby given that the Seventeenth Annual General Meeting of Orascom Telecom Bangladesh Limited will be held at Tigers’ Den, House No.4, SW, Bir Uttam Mir Shawkat Sharak, Gulshan-1, Dhaka-1212 on April 19, 2012 at 5 p.m. (Cairo 1.00 PM) to transact the following businesses:


2. To resolve no distribution of dividend for the year ended December 31, 2011;

3. To elect/re-elect Directors of the Company under Article 58D in the vacancies caused under Article 58B and 59;

4. To appoint/re-appoint Auditors of the Company for the year 2012 and fix their remuneration.

By Order of the Board of Directors

M Nurul Alam
Company Secretary
Dhaka, 27 March, 2012

Notes:

1. Members entitled to attend and vote at the Annual General Meeting may appoint a Proxy/Attorney or Representative (of a member company) to attend in his/her stead. The Proxy Form must be affixed with the requisite revenue stamp and deposited at the Company’s Registered Office not less than 48 hours before the time appointed for holding the meeting.

2. Members whose names appeared in the Members Register on March 27, 2012 will be eligible to attend and vote in the 17th Annual General Meeting of the company.
moving forward
in leaps &
bounds
chairman’s message
Dear all,

Orascom Telecom Bangladesh Limited (OTBL) completed another successful year in 2011 as it accomplished solid growth in its subscriber base by adding 4.43 million new subscribers. Despite fierce competition, OTBL subscribers’ base reached 23.75 million subscribers by the end of the year. The company consolidated its position in market as the second largest mobile phone operator in Bangladesh and maintained its market share of 27.8% which is nearly at the same level of the preceding year.

The company also made an impressive 19% growth in its revenue during the year 2011 while EBITDA margin increased to 33% compared to 28% in the earlier year.

However, the financial result is adversely impacted due to devaluation of the local and reporting currency (Bangladesh Taka) against US Dollar in the year 2011.
OTBL deployed 1,000 BTS sites during the year as part of the company’s continuing effort to expand network coverage and improve network quality. Accordingly, the total number of BTS across the country reached 7,000. Coverage of EDGE has been doubled in 2011, which resulted in 60% increase in data traffic compared to last year. Core network capacity has also been upgraded to accommodate the growing number of subscribers. Three of the old MSC servers were replaced by two new ATCA based servers, which resulted in 80% reduction in carbon emissions through savings in power consumption. During 2011, OTBL has taken a number of initiatives to reduce operational costs. This includes installation of energy efficient BTS and outdoor BTS sites, optimization of resource utilization, improvement of operational processes and introduction of new types of antennas. In order to reduce carbon footprint, OTBL is using a hybrid of Solar-Diesel Generator-battery to power its BTS. This has minimized carbon emission and also reduced OPEX due to lesser use of diesel.

In the relentless pursuit of innovative new services, OTBL unveiled several new products and services throughout the year. In 2011, among other new services, OTBL launched ‘Krishi Bazaar 2474’ – a buy-sell service for farmers and people associated with agriculture. During the year, OTBL also introduced “banglalink inspire”, a new product targeting different professional groups of society with a variety of special features and benefits.

OTBL received several awards in 2011. ‘Krishi Bazaar 2474’ has won World Communication Award 2011 while OTBL Mobile Cash service won the mBillionth South Asia Award 2011. In addition, OTBL won the ICMAB (an association of leading professional accountants’ of Bangladesh) best corporate award 2011 for the publication of its annual report 2010.

As OTBL’s 2G license expired in November 2011, the company deposited BDT 8.2 billion (equivalent to USD 109.49 million approximately) to the government as the 1st installment of 2G license renewal and spectrum fees. This 1st installment covers 49% of the entire 2G license renewal and spectrum fees. The rest of the amount will be paid in 3 equal installments during 2012 and 2013. The license will be valid for 15 years.

The company continued to increase its contribution to the National exchequer. Deposit to the national exchequer during 2011 amounted to BDT 23.8 billion while total contribution since 2005 stood at BDT 76.5 billion.
Following the business combination between VimpelCom Ltd. and Wind Telecom S.p.A, OTBL has become a part of VimpelCom, which is world’s sixth largest mobile operator. OTBL is now focused on new value agenda centered on profitable growth, operational excellence and capital efficiency to drive increasing cash flows.

Finally, I would like to take this privilege to thank our customers, shareholders, directors, regulators, bankers, vendors and other business partners for extending their persistent cooperation in OTBL’s success.

I also appreciate our employees’ tremendous effort which has been the driving force behind OTBL’s progress.

Sincerely

Ahmed Abou Doma
Chairman
The Board of Directors of Orascom Telecom Bangladesh Limited has the pleasure in presenting the annual report 2011 together with the report of the directors of the Company for the year ended 31st December 2011 with highlights of audited financial statements in accordance with the section 184 of the Companies Act 1994.
1. An Overview of The Year 2011

Socio-Economic Update
In the year 2011 Bangladesh earned 6.7% growth in GDP despite impact of economic crisis in the European zone. Continued strong performance of Agricultural sector because of the continued support of the government was the key contributor to maintain the respectable GDP. Bangladesh faces the challenges for managing the effects of climate change, creating job opportunities for growing labor force, macroeconomic stability and social security. Bangladesh needs to undertake major initiatives to improve investment climate and develop institutional capacity. Timely implementation of Annual Development Program (ADP) and practice of good governance in the public sector will encourage Foreign Direct Investment (FDI). Bangladesh has been maintaining "BB" credit rating as awarded last year by the US based credit rating agency Standard & Poor’s (S&P).

Regulatory Environment
Bangladesh Telecommunication Regulatory Commission (BTRC) is the main regulator of the mobile operators’ activities. The year 2011 was very challenging for 4 mobile operators whose licenses expired in November 2011. As per BTRC’s guideline, the operators applied for license renewal within stipulated time and with required fees and down payment of spectrum charges. The renewal of 4 operators’ licenses are in progress at BTRC level. The mobile market is overcrowded by 6 mobile operators and 13 fixed line operators. The current rate of mobile phone penetration is around 57% as on 31 December 2011, which was around 46% last year. The rate of mobile penetration has a direct correlation to the overall development of a country, contributing significantly to the country’s GDP. SIM Tax is yet a big obstacle associated with the cost of subscribers acquisition which is hindering expansion of connectivity.

2. Business Activities

Business Landmarks
banglalink achieved a number of milestones during this year-its net addition of 4.426 million new customers resulted in a subscribers base of total 23.753 million at the end of the year 2011.

banglalink achieved a number of milestones during this year-its net addition of 4.426 million new customers to the subscribers base, resulted in a total of 23.753 million subscribers base at the end of the year 2011. banglalink’s market share was 27.80% at the end of the year which has slightly declined from last year. OTBL annual report 2010 won ICMAB best corporate award 2011 in ICT and Telecommunication category.

Financial Performance
Net revenue of the Company for the year 2011 was BDT 37,879 million against BDT31,818 million of last year. Net growth was 19.05% over last year. In the year 2011 Average Revenue Per User (ARPU) slightly decreased to USD1.9 from USD2.3 in 2010.
In the year 2011 banglalink’s EBITDA increased to BDT 12,490.43 million (equivalent USD166.18 million), which was BDT 8,890.00 million (USD127.0 mln) at the end of 2010.

Continuous Investment for Expansion
Being the 4th entrant commencing business operations in February 2005, banglalink continues to grow aggressively. It achieved the 2nd biggest mobile operator's position in the year 2007 and continues to maintain the position with clear distance from competitors. This has been possible with the continuous enhancement and expansion of the network in terms of coverage and quality, product innovation and segmentation, enhancement of customer care services, and aggressive brand building strategies. During the year 2011 banglalink’s sponsor shareholder OTH invested over BDT 11,405.60 million (equivalent US$150.6 million) in CAPEX and continued to be the country’s biggest FDI as of 31 Dec 2011.

Future Prospects
During this year the company made a net loss of Tk.7,002,984,051 and as on 31 December 2011, accumulated loss was Tk.35,755,045,443 while current liabilities exceeded current assets by Tk.47,796,246,413. The management is confident that the company will continue in operational existence for the foreseeable future on the basis of improved profitability and continued support of its bankers, equipment vendors and parent company Orascom Telecom Holding (OTH). Based on these, the financial statements are prepared on an ongoing concern assumption.

During the year 2011 banglalink’s sponsor shareholder OTH invested over BDT11,405.60 million (equivalent US$150.6 million) in CAPEX and continued to be the country’s biggest FDI as of 31 Dec 2011.

3. Services and Marketing

banglalink’s marketing strategy focused on targeting different consumer segments with specially designed products and services that are tailored to the needs of these segments. banglalink's prepaid brand, "banglalink desh", is perceived as the best prepaid package in the country with innovative tariff and value for money features and a very strong brand image. Under the flagship brand "banglalink desh" other prepaid products like 'desh ek rate', 'desh ek rate darun', 'desh 7 FnF', 'desh rangdhonu' and ‘desh 1 sec' have also been introduced with features like flat tariff, more FnF, 1 sec pulse and long call benefit to address different usage needs of the 2.2 million prepaid consumer base. "banglalink business", "banglalink SME" and "banglalink PCO" cater to the needs of the business segment, including the thriving SME sector where banglalink has been the pioneer in the country. In 2011, banglalink introduced "banglalink inspire", a new product targeting the different professional groups of society with a variety of special features and benefits. banglalink launched the premium telecom brand of the country "Icon" in 2010 - disassociating from overwhelming successful mass brand.
"banglalink", specifically targeting the high-end segment. Launched as a lifestyle brand, 'ICON' has already created awareness and acceptability within the target market. banglalink's International Roaming network comprises of 330 operators across 111 countries including In-Flight and Maritime destinations. Roaming customers are also able to use Data (EDGE/GPRS) while roaming abroad.

banglalink currently has a clear lead in the industry in terms of providing value added services as per recent consumer studies. banglalink subscribers enjoy a wide range of innovative and superior services ahead of others including caller ring-back tone, music station, voice portal, voice chat, news alerts etc. to name a few. In recent years, banglalink has not only launched several consumer segment targeted services, but also has been leading the industry in offering new and enhanced services for business customers, namely premium field force locator, corporate sms broadcast, mobile advertising etc. These services play a major role in both acquisition and retention of business segment. In 2011, banglalink started to consolidate its footsteps by consolidating a nationwide EDGE/GPRS network with competitive mobile internet products with an aim to monetize small screen mobile internet usage. banglalink value-added services continue to be a value driver for maintaining and enhancing overall value proposition of our product offering.

Launched as a lifestyle brand, 'Icon' has already created awareness and acceptability within the target market.

banglalink provides call-center based information services 'banglalink Krishi Jigyasha 7676' and 'banglalink Babsha Jigyasha 7677', which provide advisory services regarding agriculture and SME business queries respectively. 'banglalink jigyasha' services won the Asia Mobile Awards 2009 under the category- Best Mobile Enterprise Application Product or Service. In 2011, banglalink launched 'Krishi Bazaar 2474' – a buy-sell service for farmers and people associated with agriculture. This 'Krishi Bazaar 2474' (agro market service) has won the World Communication Award 2011 in the category of Best New Consumer Service. banglalink's 'Mobile based Agriculture Information Service' has won 'National Digital Innovation Award 2011'.

Besides focusing on traditional GSM based services, banglalink is also concentrating on new and innovative business segments to diversify the revenue. Thus, banglalink gave emphasis on mobile financial services and took the market leadership by offering a range of services e.g. mobile bill pay, mobile remittance, mobile ticketing, mobile insurance premium pay, mobile top up, prepaid internet recharge etc. banglalink has been integrated with Western Union so that the cross border fund transfer can be ensured to be delivered in the registered banglalink mobile. banglalink Mobile Cash (entered as banglalink mWallet) service won the mBiliionth South Asia Award 2011 in the category m-Business and Commerce/Banking.
banglalink's customer care services are regarded as the best in the mobile industry of Bangladesh. A state-of-the art call center with highly trained agents provides round the clock service to customers. banglalink is also the pioneer in taking customer service closer to its subscribers by introducing "banglalink service points" in over 1,300 locations across the country.

4. Corporate Social Responsibilities (CSR)

banglalink remained committed to play its role as a responsible corporate citizen to contribute in the socio-economic development of Bangladesh. The company undertook several projects for the welfare of the community and preservation of the environment. These initiatives consolidated banglalink's reputation as a forerunner in corporate social activities. banglalink social activities include the following initiatives:

Cox's Bazaar Sea Beach Cleaning Project and International Coastal Cleanup Day

Since 2005, banglalink has been cleaning the world's longest sea beach, at Cox's Bazaar. Under this project, 26 female workers clean along the 3 km beach 363 days a year in 2 shifts. In addition, there is another team of 7 male workers who support to move all heavy objects and rubbish from the beach. banglalink has been truly making a difference in preventing environmental pollution at Cox's Bazaar beach and preserving the environment. Moreover, banglalink is educating and generating awareness among the visiting tourists and encouraging them to join hands in making a difference. This project has been considered as one of the iconic CSR activities in Bangladesh, which has a far reaching impact in the community in a sustainable way.

Donating Blankets at Orphanages

Since 2009, to help underprivileged children, banglalink has taken this special initiative to distribute blankets among orphan children of many orphanages around the country who are in great need of those during the winter season. This year we distributed 5,000 blankets among the destitute children of 101 orphanages across the country. The districts covered this year were-Dhaka, Chittagong, Khulna, Rajshahi, Rangpur, Barisal, Narayanganj, Mymensingh, and Tangail.

Special Arrangements for Hajj Pilgrims at the Hajj Camp

Since 2009, banglalink took several initiatives to provide free services to Hajj pilgrims at Hajj camp where they gather to depart for Hajj. This includes arranging air-conditioned buses for pilgrims, water distribution zone, phone counter for making free phone calls, free charging units, etc. Other than these, to further aid the pilgrims, banglalink provided them with trolleys, signage, information through VAS & a Hajj guide booklet to facilitate quick and easy understanding of Hajj rituals.
Water and Date Distribution and Iftar at Orphanages During Ramadan
Since 2009 banglalink distributed free water and dates for the fasting people who got stranded at major traffic points of selected metro cities around iftar time during Ramadan. banglalink also took another special initiative by arranging regular iftar and dinner in different orphanages around the country. In 2011, we provided iftar and dinner for more than 12,000 orphans of 123 orphanages across the country.

ICT Support for Students: Computer Lab Set Up
banglalink has set up computer labs in 270 schools at different parts of the country in 2011. The computer labs are equipped with PC, laptop, internet modem, multimedia projector, speakers and microphone. Now, the newly established computer lab is offering them a ray of hope. This is how banglalink is making difference, and in the process, aiding the government in achieving its vision of 'Digital Bangladesh'.

Our Aim
banglalink is committed to the protection of the internal and external environment and to provide a safe and healthy workplace with a positive and proactive approach for banglalink employees.

Environmental Safety
banglalink respectfully complies with the law of the land and obtains required permissions and licenses whenever required for any new installations or for any existing installations.

Since 2009, banglalink took several initiatives to provide free services to Hajj pilgrims at Hajj camp where they gather to depart for Hajj

Medical Support Services for Employees Health
We have taken essential measures to support employees' health related issues through corporate agreements with renowned hospitals at home and abroad.

Health Awareness Program
EHS & Security Division arranges health awareness programs involving reputed and experienced doctors from the country's renowned hospitals and by our company doctor for the awareness of the diseases related to corporate life and recent medical innovations.

Safety Measures
We have placed an adequate number of safety appliances to ensure safety in case of any emergency at all BL installations.
Emergency Evacuation Drill
To improve the state of readiness and awareness in case of any emergency, we organize evacuation drills in coordination with the Bangladesh Fire Service and Civil Defense Authority for all our employees at Tigers’ Den, Medona Tower and all regional offices.

CSR Activity
We conduct voluntary "Blood Donation Program" at Tigers' Den to assist the Thalassaemia patients.

Safety Awareness
We conduct safety awareness programs at all regional offices on a continual basis. Employees get an understanding about hazardous materials in the working place and how to set control to avoid any incident. This program also includes our deployed security guards and staffs.

First Aid Coverage (Medicine)
We have already covered more than 95% of our total employees by providing first aid medicine on a monthly basis (offices having less than five employees are not covered).

Safety Visit
We have conducted safety visits at all BL offices (Dhaka offices, Regional offices, Technical offices and Co-offices) on safety survey related issues. It has given a bird's eye view to the existing safety condition of our offices and given a chance to take immediate measures to ensure a safe working place.

Evacuation Plan
We have developed evacuation plan for banglalink’s Dhaka offices and Regional Offices. This plan gives a clear idea of evacuation during any emergency.

Vehicle Diagnosis
We have arranged vehicle diagnosis for BL vehicles (both company owned and 3rd party) at a computerized automobile workshop (Vehicle solution) to ensure the safety condition of vehicles. EHS & Security Division is playing a vital role for giving comfort to the employees through the continual effort to ensure a safe and smooth environment at all offices and technical sites around the country. We are working to establish better and safe working environment for our employees with new ideas and better equipment. We envision a future in which all of our office premises are accident free. We believe everyone has the right to work in a safe and healthy environment.

6. Statutory Payment
The Directors are satisfied that all statutory payments have been made upto date.
During the year 2011, a total of 5 meetings of the Board of Directors were held. The following table shows the composition of the Board of Directors and attendance at the Board meetings. The member who could not attend the meeting was granted leave by the Board of Directors.

<table>
<thead>
<tr>
<th>Names of directors</th>
<th>Number of meetings held whilst a Board member</th>
<th>Meetings attended</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Ragy Soliman</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Mr. Ahmed Abou Doma</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Mr. Khalad Galal Bishara</td>
<td>5</td>
<td>0</td>
<td>Leave granted</td>
</tr>
</tbody>
</table>

The Management Team, headed by the Chief Executive Officer, sits once a week to review, and where necessary, authorizes corporate actions with respect to the matters concerning the Company’s interest, strategy and management of its business. The Management Team is responsible to the Board of Directors through the CEO.

The Operations Management Team comprising senior members from every department sits once in every week to address the issues arising from day to day operations and provide feedback to the Management Team.

The Directors recommended M/S. S.F.Ahmed & Co, Chartered Accountants, as the statutory auditor of the Company for the year 2012 for approval in the 17th Annual General Meeting.

Orascom Telecom Ventures Limited, a 100% owned subsidiary of Orascom Telecom Holding (OTH), is holding 99.999% shares of Orascom Telecom Bangladesh Limited.

The Director retiring by rotation under Article 58B is Mr. Ragy Soliman and appointed under Article 59 in the casual vacancy during the year is Mr. Mikhail Gerchuk, is also retiring in the next AGM, who, being eligible, offered himself for re-election under Article 58D.

The Financial Statements prepared by the management of the Company present fair
state of affairs, the result of operations, cash flows and changes in equity.

- Proper books of accounts of the Company have been maintained.

- Proper accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

- Bangladesh Financial Reporting Standards (BFRS) have been followed in preparation of the financial statements.

- Having sound internal control system which gives reasonable assurance against any material misrepresentation and or loss.

- The internal control system is subject to review by the Company's Audit Committee from time to time.

The Directors appreciated the excellent efforts of the employees both in team and individually during the year 2011 when the company achieved 19.05% growth in terms of revenue and 22.90% growth in terms of subscribers' base.

The Directors expressed their gratitude to the Customers, Dealers, Trade Partners, Vendors, Contractors, Media, Regulators and Shareholders for bestowing their trust and confidence upon Orascom Telecom Bangladesh Limited 'banglalink'. We accept their confidence on us in all respect and will continue to be striving to live up to the expectations.

The Board of Directors would like to thank all stakeholders including Bangladesh Telecommunication Regulatory Commission, Securities and Exchange Commission, Bangladesh Bank, Board of Investment, Bankers, Insurance Companies, Utility Providers, Government Agencies and individuals whose extended cooperation helped us in our achievements.

For and on behalf of the Board of Directors

Mohamed Osman
CFO & Acting CEO

15. Acknowledgement

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For and on behalf of the Board of Directors

Mohamed Osman
CFO & Acting CEO
banglalink sponsored “Modhumela 2011” in Jessore to pay homage and celebrate birth anniversary of legendary poet Michael Madhusudan Dutt.

Banglalink organized a series of concerts to engage with youth through the music platform. This includes 6 sponsored concerts at Fantasy Kingdom and 3 banglalink music fests in Dhaka, Chittagong and Rangpur.

Banglalink sponsored “Boshonto Utshob 1417” at Institute of Fine Arts and Rabindra Shorobor to engage with mass and promote our culture.
banglalink sponsored “Shah Abdul Karim Utshob 2011” in Sylhet to pay homage to the legendary folk singer Shah Abdul Karim.

banglalink sponsored “Jobbarer Boli Khela 2011” to promote and uphold this indigenous sport of Chittagong.

banglalink sponsored series of boat races in Dhaka, Sylhet, Khulna, Shirajgonj and Bhoirob to promote and uphold this indigenous sport.
banglalink sponsored a plethora of events in Dhaka, Chittagong, Bogra, Barisal, Sylhet and Khulna to celebrate Pohela Boishakh 1418, the biggest mass celebration of Bengali culture.

banglalink sponsored 2 separate events organized by Rabindra Shangeet Shilpi Shongstha to celebrate the birth and death anniversary of Rabindranath Tagore.

banglalink once again takes lead in being an innovator by exclusively launching 3 music albums - ahoban, shomorpon and aushomapto - 2 in music station 4848.
Banglalink organized 'Grandmaster-Idea contest' for making difference in the lives of talented students.

Banglalink sponsored “Nazrul Jayanti” in Dhaka to celebrate the birth anniversary of our national poet.

Banglalink sponsored “Mango, Silk and Lokoj Utshob” in Rajshahi to promote local culture and heritage.
banglalink sponsored “Borsha Utshob” in Dhaka University to celebrate the beginning of monsoon season.

banglalink sponsored “Bhawaia and Lokoj Shongeet Competition 2011” in Rangpur to promote local culture and heritage.
banglalink observed Global Tiger Day 2011 in partnership with Forest Department, Ministry of Environment and Forests.

banglalink sponsored “SM Sultan Utshob 2011” in Norail to pay tribute to the legendary artist S M Sultan.
Marking another addition to the mobile financial services, banglalink launched Banglalink Mobile Cash Insurance Pay service with Jiban Bima Corporation (JBC).

Banglalink in its efforts to pay respect to thousand year old heritage of Bangladesh, partnered with “Jagoron Shongskritichorcha O Gobeshona Kendro” and took the initiative to catalogue and preserve revolutionary songs that have accompanied the history of Bangla speaking people.
banglalink sponsored International Coastal Cleanup Day 2011 for which the theme was ‘make it a habit’

banglalink sponsored “Lalon Utshob 2011” in Kushtia on the occasion of the death anniversary of legendary Baul music maestro “Fakir Lalon Shah”
Asia Communications Award 2011 for mwallet

Global Telecom Business (GTB) Innovations Award 2011 for mwallet

mBillionth Award South Asia 2011 for mwallet

National Digital Innovation Award 2011 for Mobile Based Agricultural Information Dissemination Service

World Communication Award 2011 for Krishi Bazaar

Asia’s best employer brand awards 2011 for excellence in training

Asia’s best employer brand awards 2011 for managing health at work

ICMAB best corporate award 2011 in the “best annual report” category amongst the ICT and telecom sector
Habib’s Latest Album “Ahoban” on Banglalink Music Station

Banglalink wins Asia Communication Awards 2011

Jiban Bima, Banglalink ink deal

Banglalink sponsored ‘Borsha Utshob’

Wrestlers grapple with heritage

Banglalink rolls out digital service
Best business bond between Apple and Icon

IT REPORTER

ICON, the premium mobile handphone brand from China, has inked a deal with Apple, the US-based technology giant, to sell its mobile phones in Bangladesh.

Bangladesh telecom operator Banglalink has signed an agreement with the Shanghai-based mobile phone maker to sell its handphones in the country.

A report from the company shows that the handphones will be available in Bangladesh from November.

Meanwhile, the company has launched a new campaign to promote its handphones in the country.

Bangladesh National Film Award-winning actor and director Nazirul Islam has been roped in as the brand ambassador for the campaign.

The actor, who is also the founder of the Bangladesh Academy of Film and Television, will be seen in a series of ads and videos highlighting the features of the handphones.

The campaign will start on February 15 and continue till the end of April.

Sultan Festival 2011 to begin in Narail

The Sultan Festival, a traditional festival in Bangladesh, is expected to start on February 20 in Narail.

The festival, which is celebrated in honor of the Sultan, is one of the most popular festivals in the country.

The festival will feature traditional dances, music, and other cultural performances.

The Sultan Festival is a major event in the cultural calendar of Narail, attracting thousands of people from all over the country.

Nazrul Sangeet artistes celebrate the poet’s 112th birth anniversary today

A musical concert is being held today to celebrate the 112th birth anniversary of Nazrul Sangeet artiste Nusrat Fateh Ali Khan.

The concert, which is being held at the Nazrul Academy in Dhaka, will feature performances by some of the leading artistes of the country.

The concert is being organized by the Bangladesh Nusrat Fateh Ali Khan Academy.

Rockers set fire onstage

A group of rockers set fire on stage during a performance in Sylhet.

The incident occurred during a concert held in Sylhet, where a group of rockers had been performing.

According to reports, the group had been performing for several hours when a fire broke out on stage.

It is not clear what caused the fire, but the incident caused a lot of damage to the stage and equipment.

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Boat race at Dharmodi Lake

Boat races are being held at Dharmodi Lake in Dhaka.

The races are a traditional event in the city, and are held every year during the winter festival.

The races attract thousands of people from all over the country, who come to watch the boats being rowed by the participants.

The races are a major event in the cultural calendar of Dhaka, and are a symbol of the city’s rich tradition.
under a watchful eye
Corporate Directory

Board of Directors
Ahmed Abou Doma - Chairman
Khaled Galal Bishara
Ragy Soliman
Mikhail Gerchuk (incoming)
Philip Tohme (incoming)

Audit Committee
Ragy Soliman
Ahmed Abou Doma
Khaled Galal Bishara

Managing Director & CEO
Ahmed Abou Doma

Chief Financial Officer
Mohamed Hassan Osman

Company Secretary
M Nurul Alam

Auditors
S F Ahmed & Co.
Chartered Accountants
House – 25, Road – 13A, Block - D
Banani, Dhaka-1212

Registered & Corporate Office
Tigers’ Den
House 4, SW,
Bir Uttam Mir Shawkat Sharak, Gulshan-1
Dhaka-1212, Bangladesh

Legal Advisor
Syed Ishtiaq Ahmed & Associates
Concord Ovilash
House - 62 (1st Floor), Road - 11/A
Dhanmondi, Dhaka-1209

Banks
Bank Asia
BRAC Bank Ltd.
citi NA
Commercial Bank of Ceylon
Dhaka Bank
Dutch-Bangla Bank
Eastern Bank
HSBC
IFIC Bank
Jamuna Bank
Mutual Trust Bank
National Bank
One Bank
Premier Bank
Prime Bank
Pubali Bank
Shahjalal Islami Bank
Southeast Bank
Standard Chartered Bank
The City Bank
The Trust Bank
Islamic Bank Bangladesh
United Commercial Bank
Ahmed Abou Doma was appointed as the Managing Director and CEO for banglalink on January 7, 2009. Before joining banglalink, Mr. Ahmed served as the Marketing Director of the Egyptian Company for Mobile Services “Mobinil” between the years 2003 and 2008. During the period, the company witnessed an unprecedented growth in subscribers from 2.7 million in 2003 to 20.1 million in December 2008, becoming the largest mobile service provider in the Egyptian market.

Mr. Abou Doma started his career in the field of Information Technology when he joined IBM in 1993, where he held the responsibility of owning and developing some of IBM’s business verticals such as cross industry applications, Health and Academia.

Soon after, Mr. Abou Doma joined Datum IDS in 1996, at a time when Internet was a new concept in Egypt.

Mr. Abou Doma continued to evolve in the Marketing domain and started a long path of success with Mobinil when he joined in 1998. As part of the startup team of Mobinil, he contributed to the laying down of basic GSM value propositions that were introduced for the first time in the Egyptian market for both postpaid and prepaid services.

In 2000, Mr. Abou Doma took on the role of Senior Market Manager for Planning and Development. Within that role, he was responsible for running the planning and budgeting functions as well as market research.

In 2001, Mr. Abou Doma’s scope within Mobinil expanded when he held the position of Senior Manager for Market Strategy and Analysis as he led various functions encompassing strategic marketing, pricing, planning, market intelligence analysis and customer relations management (CRM).

Born in Cairo, Egypt, Mr. Abou Doma acquired a Bachelor of Science in Electronics and Communication Engineering from Cairo University in 1992. He has received the prestigious “Telecom Business Planning Award” by the International Telecommunication Union (ITU) based in Switzerland. He also completed the International Executive Program (IEP) from INSEAD Business School in Singapore and France. Mr. Abou Doma is also a member of various local and international Marketing Committees.
Mr. Khaled Bishara is currently the Group Chief Executive Officer of Orascom Telecom Holding S.A.E. He has been on the board of Orascom Telecom Holding (OTH) since 2003, the largest GSM operator in the Middle East, Africa and Pakistan.

Mr. Bishara was appointed Chief Operating Officer of OTH in April 2009. He was previously COO of Wind Telecommunications. He brings a wealth of experience in both telecommunication and information technology with strong management and entrepreneurial experience.

In December 2003, Business Today Egypt chose Mr. Bishara as the “Young Executive of the Year” among executives under the age of 40.

Mr. Bishara earned his Bachelor of Science degree from the American University in Cairo, where he is a member of the Advisory Board for the Computer Science and Engineering Department. He is an active member of the Software Community in the Middle East, a founding member of the Egyptian Software Association and the Internet Society of Egypt. He is also a board member of WIND Italy and various telecom and IT companies.

Mr. Ragy Soliman joined Orascom Telecom in 2003 in the position of Director – Legal Affairs. Effective October 2007, Mr. Soliman assumed the position of OTH’s General Counsel at Orascom Telecom. In his role as General Counsel to Orascom Telecom, Mr. Soliman has oversight and management responsibilities for all legal and corporate governance matters. He also serves on a number of executive management committees. Prior to his appointment in 2003, Mr. Soliman represented a broad range of international corporate and governmental clients as a Senior Associate with Ibrachy & Dermarkar in Egypt and in other International law firms. He holds a Master's Degree in International Business Law from London University.
Mr. Mikhail Gerchuk joined OTBL Board of Directors on January 1, 2011. Mr. Gerchuk is the Group Chief Commercial Officer of VimpelCom Ltd. Previously Mr. Gerchuk served as Vice President and Chief Commercial Officer (CCO) of MTS since December 2008. Mr. Gerchuk joined MTS in August 2007 as the Group Marketing Director. In MTS, he also served on the Boards of Comstar, MGTS, MTS Ukraine and several other large companies and MTS subsidiaries. Prior to joining MTS, Mr. Gerchuk was Chief Commercial Officer at Vodafone Malta from 2006 to 2007, where he accomplished revenue growth and increased market share for the business. He held senior marketing positions at Vodafone Group, UK between 2002 and 2006, including Head of Voice Propositions between 2004 and 2006 and Senior Global Marketing Manager between 2002 and 2004. Mr. Gerchuk also worked as an Associate at Booz Allen Hamilton in London from 1999 to 2002 and, before that, as Category Marketing Manager at PepsiCo and Brand Manager at Mars, Inc. Mr. Gerchuk holds an MBA from INSEAD and an M.A. in Economic Geography and English from Moscow State University. Mikhail was included in the "Top 40 under 40 in Telecoms" by the Global Telecoms Business magazine in 2010 and 2011.

Mr. Philip Tohme became the member of OTBL Board of Directors on January 1, 2011. Mr. Thome is the Group Chief Technology Officer of VimpelCom Ltd. Since January 2010, he served as Chief Technology Officer of Orascom Telecom Holding. Mr. Tohme joined Wind Italy and served as Network Director, then Chief Technology Officer from 2006 until 2009. Mr. Tohme served as Chief Operating Officer of Orascom Telecom Algeria from 2003 to 2004 and Technical Director of Mobi Nil, OTH’s subsidiary in Egypt, from 2000 to 2002. Prior to joining the OTH Group, Mr. Tohme worked in several technical positions as part of the launch of mobile operators, MobilRom (Romania) from 1977 to 1999 and France Telecom Mobile Lebanon during 1995 and 1996. Mr. Tohme earned a Bachelor’s degree in Electrical Engineering from the American University of Beirut in 1989 and a Master’s degree in Electrical Engineering from Virginia Polytechnic Institute and State University in 1991.
from left to right
1 Ahmed Abou Doma
   Managing Director & Chief Executive Officer
2 Mohamed Osman
   Chief Financial Officer
3 Ahmed Fady
   Chief Technical Officer
from left to right

4 Asher Yaqub Khan
   Chief Commercial Officer

5 Tarek Beram
   Human Resources & Administration Director

6 Zakiul Islam
   Regulatory and Legal Affairs Senior Director

7 Nizar El-Assaad
   IT Director
Management Team

1. Ahmed Abou Doma  
Managing Director & Chief Executive Officer

Mr. Ahmed Abou Doma joined banglalink as the CEO on January 7, 2009. Before joining banglalink, he served as the Marketing Director of Egyptian Company for Mobile Services, “Mobinil” (a subsidiary of OTH), from 2003 to 2008. He had joined Mobinil in 1998.

Prior to joining Mobinil, Mr. Ahmed started his career in the Information Technology field, where he held several positions with multinational firms such as IBM and Datum IDS. He brings over 18 years of solid managerial and commercial experience.

Mr. Ahmed has completed IEP Certification from INSEAD Business School, and holds a Bachelor’s degree from Cairo University, Egypt, majoring in Communication & Electrical Engineering.

2. Mohamed Osman  
Chief Financial Officer

Mr. Mohamed Osman joined banglalink in July 2005 as Finance Director and remained in this role until July 2006. Prior to joining as CFO on November 23, 2008, he worked for OTH as Revenue Assurance Director. He joined the Egyptian Company for Mobile Services, "Mobinil" (a subsidiary of OTH) in June 2001, and prior to that, he served in the Egyptian Telecom Company for one year.

Mr. Osman has over 15 years of experience in the telecom industry, where he held several management positions. He holds a Bachelor’s degree in Accounting from the Helwan University in Cairo.

3. Ahmed Fady  
Chief Technical Officer

Mr. Fady is the Chief Technical Officer of banglalink. Prior to joining banglalink, Mr. Fady was NOC Manager in Orascom Telecom Algeria, “Djezzy” (a subsidiary of OTH).

Mr. Fady has over 15 years of experience in the telecom industry, where he held several management positions. He holds a Bachelor of Engineering degree in Electronics and Communications from Cairo University, Egypt.

4. Asher Yaqub Khan  
Chief Commercial Officer

Mr. Asher Yaqub Khan joined the Company as the Chief Commercial Officer on September 1, 2009.

Mr. Asher brings with him a proven history of 16 years of success in the fields of strategic and commercial expertise, 13 of them being exclusively in the telecom industry. He holds an MBA from the Lahore University of Management Sciences in Pakistan.

Mr. Asher’s last position was as the Vice President and Chief Marketing Officer of Ufone, Pakistan, which he had assumed in February 2008.

Previously, he worked at “Mobilink” (a subsidiary of OTH), as the Director, Value Added Services, Long Distance International and International Roaming from January 2006 to February 2008. He conceptualized revolutionary new ideas in Mobile Banking, M-commerce, Mobile Advertising, M2M and other leading technologies in this short span of time.
5. **Tarek Beram**  
**Human Resources & Administration Director**

Mr. Tarek Beram joined banglalink with an FMCG background in several multinational firms. In his previous position, he managed the organizational development functions in Cadbury Schweppes for 3 years. Earlier, he had served in various HR capacities in the British supermarkets chain ‘Sainsbury’s’.

He started his career in Americana Group, which manages major fast food chains in the Middle East, including KFC, Pizza Hut and TGI Friday’s. Mr. Beram also played basketball as a professional for 14 years, and was a member of the Egyptian national team.

Mr. Beram holds a Master’s degree in International Business Administration from ESLSCA - a French business school.

6. **Zakiul Islam**  
**Regulatory and Legal Affairs Senior Director**

Mr. Zakiul Islam was appointed Regulatory and Legal Affairs Director in banglalink on July 1, 2009. He joined banglalink as the Senior Manager of Regulatory Affairs in 2007. Prior to joining banglalink, he served at Warid Telecom as the Head of the Project Management Department, with the responsibility of timely roll-out of network throughout the country. He has also worked for Apex Group as an Executive Director and for NV Phillips, Netherlands as a Business Unit Manager. Mr. Islam brings over 12 years of extensive experience in the telecom industry.

Mr. Islam holds a degree in Electrical & Electronic Engineering from the Bangladesh University of Engineering & Technology (BUET) and did his Master of Business Administration in Executive Management from Royal Roads University of Canada in 2010. He also held the responsibilities as President of Association of Mobile Telecom Operators of Bangladesh (AMTOB). He is a Fellow member of IEB and an old Faujian.

7. **Nizar El-Assaad**  
**IT Director**

Mr. Assaad joined banglalink on November 2004 as Senior Manager of IT Infrastructure & Operations and he was appointed as IT Director on July 1, 2009.

Prior to joining banglalink, Mr. Assaad co-founded Anzima Cooperative Solutions in Beirut, Lebanon. Anzima is an IT solution firm, which provides state-of-the-art IT solutions. He worked in this company for almost 11 years.

Mr. Assaad holds a Bachelor of Engineering degree in Computer and Communications from the American University of Beirut in Beirut, Lebanon.

8. **M Nurul Alam**  
**Company Secretary**

Mr. M Nurul Alam joined banglalink as Company Secretary in November 2007. Prior to joining banglalink, he was working with GlaxoSmithKline Bangladesh Limited - a renowned multinational pharmaceutical manufacturing and marketing company. He has 31 years of experience in corporate affairs, company secretariat, and internal auditing in different multinational companies.

Mr. Alam is a Fellow member of Institute of Chartered Secretaries of Bangladesh with Masters of Accounting. He is also a member of the Institute of Internal Auditors of Bangladesh and the Institute of Accounting Technicians of Bangladesh.
The Audit Committee of the Company is comprised of the following Directors:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Ragy Soliman</td>
<td>Non-executive Director</td>
<td>Chairman</td>
</tr>
<tr>
<td>Mr. Ahmed Abou Doma</td>
<td>Managing Director</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Khaled Bishara</td>
<td>Non-executive Director</td>
<td>Member</td>
</tr>
</tbody>
</table>

The Company Secretary, who attends the Committee’s meetings as the Secretary of the Committee, extends support to the Audit Committee. The Company Secretary also acts as the Corporate Compliance Officer of the Company as per The Companies Act, 1994.

Role of The Committee
The Audit Committee has been guided by the Audit Committee Charter approved by the Board of Directors. The Audit Committee’s role flows directly from the Board's oversight function and it is authorized by the Board to investigate any activity within its Charter. The Committee’s main responsibilities include:

- Reviewing the company’s financial statements;
- Reviewing and monitoring the effectiveness of the external and internal audit activities;
- Recommending to the Board of Directors, the appointment, re-appointment or removal of external auditors;
- Reviewing the adequacy and effectiveness of the existing internal control and risk management system;
- Reviewing and monitoring the company’s ethical standard for ensuring compliance with regulatory and financial reporting requirements and its relationship with the relevant regulatory authorities.

The Committee opines that proper internal control and process are in place to provide reasonable assurance that the Company’s assets are safeguarded and that the financial position of the Company is properly disclosed in the financial statements.

On behalf of the Audit Committee

Ragy Soliman
Chairman
Audit Committee

Our internal control system consists of procedures and methods adopted by our management to achieve reasonable assurance in safeguarding assets, preventing and detecting of errors, confirming accuracy and thoroughness of accounting records and dependability of financial statements. These operations are vital not only to business success, but also to uphold the Company's image as a transparent and ethical corporate entity. As such, our management oversees these with meticulous attention.

The management recognizes its responsibility to present a balanced and understandable assessment of the Company’s position and prospect. The management is accountable for reviewing and approving the effectiveness of internal controls operated by the Company, including financial, operational and compliance controls, and risk management. The management has further responsibilities of implementing all appropriate corporate policies it perceives as necessary, and of ensuring due compliance with said policies.

The overall control system is subject to review by
the Internal Audit, which is conducted as per approved audit plan. The report of the Internal Audit is subsequently reviewed by the Audit Committee.

Managerial and Administrative Model – Overseas Subsidiaries Guidelines
OTBL Board of Directors has adopted the Managerial and Administrative Model (MAM) - Overseas Subsidiary Guidelines (OSG) of Wind Telecom S.p.A (formerly Weather Investments S.P.A). The Code of Ethics and Matrix of Forbidden Conducts in accordance with OSG have been circulated among all employees of OTBL for compliance. Managers and above employees have signed the acknowledgement of Code of Ethics and the Matrix of Forbidden Conducts. In order to implement an effective internal control system, 15 policies, in addition to the existing processes, procedures and policies, have been identified and internal control procedures are being implemented to ensure compliance of the Code of Ethics and Matrix of Forbidden Conducts.

OTBL Corporate Governance Charter
The Board of Directors has approved the OTBL Corporate Governance Charter in the meeting of Board of Directors of the Company held on 22 February 2012 which outlines the authority matrix of the Board of Directors and financial authority level for the Management Team. The Corporate Governance Charter sets out the fundamental guidelines for financial control structure.

Internal Audit
The role of internal audit is to provide support to the Board of Directors and Management of the Company by carrying out independent audit activities as per approved audit plans. The head of the internal audit team reports to Chairman of Board of Directors, administratively, and to the Audit Committee, functionally.

Compliance with Regulatory Requirements
Pursuant to the requirements of law and corporate governance guideline issued by the Securities and Exchange Commission, the company has a full-fledged Company Secretary performing the activities as compliance officer as required by the law. The Company Secretary specifically performs as the bridge between the Board of Directors, Management, Shareholders and regulatory authorities on statutory decisions.

Risk Management
Effective risk management is a pivotal prerequisite to business success and sustainability. In the course of our business, we are exposed to a multitude of risk factors, including the impact of interest rate changes, increased regulatory requirements, environmental issues and changes in corporate tax rates. Being a subsidiary of a leading international company, we are also affected by foreign currency rate fluctuations and impacted by global trends such as recessions or expansions in the global market. Furthermore, the quality of our service, which eventually translates into our ability to retain and attract customers, also has a direct impact on the health of our business.

Given this nature of our business, our management contemplates risks from both local and global perspectives. Accordingly, we have established a risk management framework, which incorporates the processes of risk identification, intensity assessment, mitigation planning and monitoring. Consequently, risks are duly identified and managed at various layers of operational,
tactical and strategic levels.

To further facilitate risk management activities, the management has approved a comprehensive EHS policy, and instituted the following watchdogs:

- Audit Committee
- Internal Audit
- Operations Management Team
- EHS Committee
- Statutory Auditors

The Audit Committee performs in accordance with the Audit Committee Charter.

The Operations Management Team meets each week to evaluate and explore operational issues. Subsequently, it either takes appropriate actions, or if the gravity of the issue so requires, forwards it to the Management Team for final decision making.

The EHS Committee oversees issues relating to environment, health and safety, and is empowered to take all necessary steps to ensure compliance.

The External Auditors are engaged for reviewing financial transactions and carrying out audit over the financial records and documents as per related standards and laws, and submitting reports every quarter.

**Directors’ Statement of Responsibilities**

The Directors are responsible to ensure maintaining proper accounting records, which disclose the reasonable accuracy of the financial position of the Company at any time from which financial statements can be prepared in compliance with the provisions of The Companies Act 1994.

The Directors are required by law to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the period.

The Directors are also responsible for ensuring effective internal control systems and for taking reasonable steps to safeguard the assets of the company and for preventing and detecting fraud and other irregularities.

S F Ahmed & Co. Chartered Accountant is the Company’s statutory auditors, who have examined the financial statements made available to them by the Board of Directors together with all relevant records, minutes of the meeting of the board of directors and shareholders. The Directors are of the view that the financial statements have been prepared under the Generally Accepted Accounting Principles (GAAP) and in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), as laid down by Institute of Chartered Accountants of Bangladesh.
inching towards the top
## Value Added of Statement

<table>
<thead>
<tr>
<th></th>
<th>In million BDT</th>
<th>%</th>
<th>In million BDT</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 Dec 2011</td>
<td></td>
<td>31 Dec 2010</td>
<td></td>
</tr>
<tr>
<td><strong>Value created</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>37,879</td>
<td></td>
<td>31,818</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>88</td>
<td></td>
<td>(50)</td>
<td></td>
</tr>
<tr>
<td>VAT</td>
<td>5,682</td>
<td></td>
<td>4,772</td>
<td></td>
</tr>
<tr>
<td></td>
<td>43,649</td>
<td></td>
<td>36,540</td>
<td></td>
</tr>
<tr>
<td>Less: Cost of network and services</td>
<td>20,022</td>
<td>100%</td>
<td>14,516</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td><strong>23,627</strong></td>
<td><strong>100%</strong></td>
<td><strong>22,024</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>Value distributed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>1,641</td>
<td>7%</td>
<td>1,391</td>
<td>6%</td>
</tr>
<tr>
<td>Contribution to Government</td>
<td>13,721</td>
<td>58%</td>
<td>12,211</td>
<td>55%</td>
</tr>
<tr>
<td>Providers of debt</td>
<td>3,784</td>
<td>16%</td>
<td>2,780</td>
<td>13%</td>
</tr>
<tr>
<td>Dividend to Shareholders</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>19,145</td>
<td>81%</td>
<td>16,382</td>
<td>74%</td>
</tr>
<tr>
<td><strong>Value retained</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>11,484</td>
<td>49%</td>
<td>8,491</td>
<td>39%</td>
</tr>
<tr>
<td>Retained loss</td>
<td>(7,003)</td>
<td>-30%</td>
<td>(2,849)</td>
<td>-13%</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td><strong>4,481</strong></td>
<td><strong>19%</strong></td>
<td><strong>5,642</strong></td>
<td><strong>26%</strong></td>
</tr>
<tr>
<td></td>
<td><strong>23,627</strong></td>
<td><strong>100%</strong></td>
<td><strong>22,024</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>Chart category</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>7%</td>
<td></td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Contribution to Government</td>
<td>58%</td>
<td></td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>Providers of debt</td>
<td>16%</td>
<td></td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>49%</td>
<td></td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>Retained loss</td>
<td>-30%</td>
<td></td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>100%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Distribution of Value (2011)

- Employees: 7%
- Contribution to Government: 58%
- Providers of debt: 16%
- Depreciation: 19%
- Retained loss: -30%

### Distribution of Value (2010)

- Employees: 6%
- Contribution to Government: 55%
- Providers of debt: 13%
- Depreciation: 39%
- Retained loss: -13%
# Key Financial Indicators

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (BDT bn)</td>
<td>12.5</td>
<td>8.9</td>
<td>40%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>33%</td>
<td>27.9%</td>
<td></td>
</tr>
<tr>
<td>Capex (USD mn)</td>
<td>150.6</td>
<td>67.4</td>
<td>123%</td>
</tr>
</tbody>
</table>

Amounts are in BDT '000

## Financials

### Items

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plants and Equipment (at cost less depreciation)</td>
<td>60,127,348</td>
<td>55,574,171</td>
<td>52,174,418</td>
<td>45,179,904</td>
<td>29,104,311</td>
</tr>
<tr>
<td>Project under construction</td>
<td>6,695,490</td>
<td>10,789,050</td>
<td>6,504,859</td>
<td>13,115,864</td>
<td>6,786,529</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>22,315,057</td>
<td>2,392,515</td>
<td>2,442,193</td>
<td>2,361,011</td>
<td>194,805</td>
</tr>
<tr>
<td>Inter-company receivables</td>
<td>18,087</td>
<td>13,978</td>
<td>12,036</td>
<td>9,193</td>
<td>0</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>97,669</td>
<td>73,294</td>
<td>69,604</td>
<td>66,294</td>
<td>0</td>
</tr>
<tr>
<td>Current assets</td>
<td>6,274,410</td>
<td>6,418,435</td>
<td>5,186,948</td>
<td>4,978,822</td>
<td>4,976,242</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>95,528,060</strong></td>
<td><strong>75,261,443</strong></td>
<td><strong>66,390,057</strong></td>
<td><strong>65,711,089</strong></td>
<td><strong>41,061,887</strong></td>
</tr>
</tbody>
</table>

### Equity & Liabilities:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Share money deposit</td>
<td>4,652,549</td>
<td>4,652,549</td>
<td>18,186,352</td>
<td>17,633,539</td>
<td>16,146,303</td>
</tr>
<tr>
<td>Long term liability</td>
<td>29,590,581</td>
<td>16,908,879</td>
<td>18,914,385</td>
<td>17,495,076</td>
<td>19,928,262</td>
</tr>
<tr>
<td>Inter-company payable</td>
<td>6,649,075</td>
<td>3,587,777</td>
<td>2,809,672</td>
<td>2,342,032</td>
<td>0</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>47,439,668</td>
<td>35,913,067</td>
<td>27,618,023</td>
<td>26,179,761</td>
<td>19,923,506</td>
</tr>
<tr>
<td><strong>Total equity &amp; liabilities</strong></td>
<td><strong>95,528,060</strong></td>
<td><strong>75,261,443</strong></td>
<td><strong>66,390,057</strong></td>
<td><strong>65,711,089</strong></td>
<td><strong>41,061,887</strong></td>
</tr>
</tbody>
</table>
OTBL is one of the largest contributors to the Exchequer of Bangladesh. This contribution is made in the form of License renewal and Spectrum Fees, SIM Tax, Custom Duties, VAT and various fees. In 2011 alone, OTBL contributed BDT 23,824 million. Since 2005, Banglalink has contributed BDT 76,550 million to the National Exchequer.
extending a helpful paw
Banglalink has always strived to make a difference by increasing the welfare of the country through socially responsible activities. In line with this, Banglalink has taken a number of following initiatives round the year:

- Cox’s Bazaar Sea Beach Cleaning Project and International Coastal Cleanup Day
- Donating Blankets at Orphanages
- Special arrangements for Hajj Pilgrims at the Hajj Camp
- Water & Date Distribution and Iftar at Orphanages during Ramadan
- ICT Support for Students: Computer Lab Set Up
Since 2005, banglalink has been cleaning the longest sea beach of the world at Cox’s Bazaar. Right when Cox’s Bazaar’s very existence was under threat due to littering and pollution by visiting tourists, banglalink undertook the unique initiative of cleaning the beach and conserving one of the most prime tourist spots.

Under this project, 26 female workers clean along the 3km beach 363 days a year in 2 shifts. banglalink has placed unconventional bins in appropriate intervals all throughout the beach. Moreover, to generate awareness, signboards have been placed, requesting people not to litter and drop the wastes in designated bins. Representatives communicate similar message through hand mikes as well.

To generate further awareness and create hype, especially among the youth, banglalink observed International Coastal Cleanup Day in 2011 for the 5th consecutive year. Almost 500 volunteers from prominent universities, colleges and different organizations from Dhaka, Chittagong and Cox’s Bazaar joined hands to clean the beach, which makes this the largest voluntary initiative. Around 10,000 people turned up during the event. Through this initiative, banglalink seeks to make positive changes and promote water pollution prevention efforts.

Moreover, banglalink is educating and generating awareness among the visiting tourists and encouraging them to join hands in making a difference.

Committed to making a difference and keeping the approaching winter in mind, banglalink took the initiative of spreading some warmth among the orphan children of our society. With this objective, Banglalink distributed 5,000 blankets among the students of 101 orphanages nationwide. The districts covered in this turn were - Dhaka, Chittagong, Khulna, Rajshahi, Rangpur, Barisal, Narayanganj, Mymensingh, and Tangail.

Our initiative gained enormous appreciation from the local communities as well. The initiative was much needed to say the least, especially given the fact that, this winter, Bangladesh experienced some severe temperature drops in many districts.
Every year, thousands of people from the Muslim community of Bangladesh gather in Hajj Camp where they depart for Hajj. In 2011, banglalink took several initiatives to provide facilities and services for the Hajj pilgrims.

Following are the services and facilities that were provided:

- 3 branded AC buses (40 seats) to provide transportation for the Hajj Pilgrims for 45 days
- 3 branded water distribution zone, from where 2,000 liters of drinking water was supplied daily for 45 days
- One phone counter with free phone services for Hajj pilgrims
- 2 charging units
- 5,000 pcs branded passport and document holder
- 3 LCD monitors with DVD players
- 8,000 pcs Haji Kit bags & 15,000 pcs Wrist Belt
- 30,000 Hajj guide books to facilitate quick and easy understanding of Hajj rituals
- Information booth

Other than these, to further aid the pilgrims, banglalink provided them with trolleys, signs, information through VAS (Value Added Service), etc.

Water & Date Distribution and Iftar at Orphanages During Ramadan

Ramadan teaches us the lessons of sacrifice, sharing and helping people who are in need. As a socially responsible company, banglalink took the initiative to live the true spirit of Ramadan by creating examples and trying to make a difference through various activities during the month of Ramadan.

For the third time, from the beginning of Ramadan, banglalink distributed free water and dates for the fasting people who got stranded at major traffic points of selected metro cities around iftar time. This year, approximately 85,000 people have been treated across the country.
banglalink also took another special initiative by arranging regular iftar & dinner in different orphanages around the country. In 2011, we provided iftar and dinner for more than 12,000 orphans of 123 orphanages across the country. Specially ordered fresh and nutritious food was arranged for the orphans at iftar and the dinner was cooked in the orphanage premises by experienced cooks.

However, banglalink, as a single organization can contribute only so much to make a difference in the lives of the distressed segment of the population. Nevertheless, banglalink reminded everyone that some very simple efforts can help bring smiles to the faces of so many underprivileged people of our country.

**ICT Support for Students: Computer Lab Set Up**

To remove the curse of illiteracy from society and to enlighten the students who will become the hope of tomorrow’s future, banglalink has successfully setup computer labs in 270 schools at different parts of the country in 2011. The computer labs are equipped with PC, laptop, internet modem, multimedia projector, speakers and microphone. Now, the newly established computer lab is offering them a ray of hope. If anyone just walks into some of these computer labs, a buzz of activities can be seen in an otherwise unexciting establishment of learning, and stories of lives being transformed can be witnessed.

This is how banglalink is making difference and, in the process, aiding the government in achieving its vision of ‘Digital Bangladesh’. The use of information and communication technology has been playing a vital role in the 21st century due to globalization. The government has declared the “Vision 2021” in the election manifesto, which targets the establishment of a resourceful and modern country by 2021 through effective use of information and communication technology-"Digital Bangladesh".
banglalink is focused on reducing our environmental footprints that are hazardous, and at the same time, striving hard to improve performance. We take care to provide a safe and healthy workplace for our employees, contractors, and communities. The significance of effective Health and Safety management is a priority to banglalink’s business.
Environmental Safety
banglalink respectfully complies with the law of the land and obtains required permissions and licenses whenever required for any new installation or for any existing installations.

Medical Support Services for Employees Health
We have taken essential measures to support employees’ health related issues through corporate agreements with renowned hospitals at home and abroad.

Health Awareness Program
The EHS & Security Division arranges health awareness programs involving reputed and experienced doctors from the country’s renowned hospitals and by our company doctor for the awareness of diseases related to corporate life and recent medical innovations.

Safety Measures
We have placed an adequate number of safety appliances to ensure safety in case of any emergency at all BL installations.

Emergency Evacuation Drill
To improve the state of readiness and awareness in case of any emergency, we organize evacuation drills in coordination with the Bangladesh Fire Service & Civil Defense Authority for all our employees at Tigers’ Den, Medona Tower and all regional offices.

CSR Activity
We conduct voluntary “Blood Donation Programs” at Tigers’ Den to assist the Thalassaemia patients.

Safety Awareness
We conduct safety awareness programs at all regional offices on a continual basis. Employees get an understanding about the hazardous materials in the working place and how to set control to avoid any incidents.

First Aid Coverage (Medicine)
We have already covered more than 95% of our total employees by providing them with first aid medicine on a monthly basis (offices having less than five employees are not covered).

Safety Visit
We have conducted safety visits at all the office premises of OTBL (Dhaka offices, Regional offices, Technical offices and Co-offices) on safety survey related issues. It has given us a bird’s eye view of the existing safety conditions of our offices and has given us a chance to take immediate measures to ensure a safe working place.

Evacuation Plan
We have developed an evacuation plan for banglalink’s Dhaka offices and Regional Offices. This plan gives a clear idea of evacuation during any emergency.

Vehicle Diagnosis
We have arranged vehicle diagnosis for OTBL vehicles (both company owned and 3rd party) at a computerized automobile workshop (Vehicle Solution) to ensure the safety condition of vehicles.

EHS & Security Division is playing a vital role for giving comfort to the employees through the continual effort to ensure a safe and smooth environment at all offices and technical sites around the country. We are working to establish better and safe working environment for our employees with new ideas and better equipment.

We envision a future in which all of our office premises are incident free. We believe everyone has the right to work in a safe and healthy environment.
the streak of success
HR Excellence
In today’s fast paced business environment, banglalink HR plays an increasingly significant role in leveraging modern trends and creating sustainable competitive advantage for long term success of the organization.

2011 was an eventful year for banglalink, as it reached its 20 million subscriber base, made huge strides in network quality improvement and offered scores of innovative products. HR was ever-present throughout the journey, providing its unremitting support in facilitating change and ensuring proper management and well-being of the organization’s most important asset – its people.
Finding and attracting qualified talent is one of the key actions banglalink HR is continuing to focus on as per the business requirements. Matching the right person to the appropriate job and culture is always a big challenge. The changing economy and stronger competition for talent have made this activity more challenging than ever. The snapshot of banglalink manpower in 2011 is given below -

<table>
<thead>
<tr>
<th>Employee Category</th>
<th>On-board Manpower Status</th>
<th>Newly Joined Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expatriate</td>
<td>16</td>
<td>0</td>
</tr>
<tr>
<td>Local-Permanent</td>
<td>1,411</td>
<td>277</td>
</tr>
<tr>
<td>Local-Temporary</td>
<td>944</td>
<td>568</td>
</tr>
<tr>
<td>Local-Part Time</td>
<td>137</td>
<td>213</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,508</strong></td>
<td><strong>1,058</strong></td>
</tr>
</tbody>
</table>

It is a strong belief in banglalink, that to achieve our strategic goals, we need to build on employees’ competence and ambition to succeed, and to create a culture in which all employees do their best.

A key process for creating a high performance culture is Performance Management. banglalink has an established practice related to Annual Performance Appraisal (APA) and Semi Annual Performance Appraisal (SAPA). These are done for all confirmed permanent employees of banglalink.

Based on the competency gaps from performance management system, banglalink prepares an Annual Training/Development Plan for the whole organization and Trainings are delivered in the area of functional skills/knowledge and soft skills/knowledge.

One of the key initiatives taken in the area of leadership development in 2011 was the “Transition to General Management” program by INSEAD which is one of the largest Executive Education providers in the world. The “TGM” training helps to fill knowledge gaps in essential management disciplines, and prepare senior managers for moving from mastery in one area to a broader business leadership role.

The following table shows the number of training programs that was executed in the year 2011:

<table>
<thead>
<tr>
<th>Number of Training Programs Delivered:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional/Technical Trainings</td>
</tr>
<tr>
<td>Core &amp; Managerial Trainings</td>
</tr>
<tr>
<td>Training Delivered Locally</td>
</tr>
<tr>
<td>Training Delivered Internationally</td>
</tr>
<tr>
<td><strong>Total Training Man-hour</strong></td>
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<tr>
<td><strong>Total Number of Participants</strong></td>
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banglalink ensures that its employees gain essential knowledge and skills to stay up to date with the best relevant practices and latest technological advancements worldwide by providing them with the required development programs. Every year HR arranges development activities for employees based on individual and business needs. banglalink HR organizes an extensive number of trainings which includes functional, soft skills, as well as leadership trainings.
banglalink also practices job rotation to enhance individual competencies and create a more multi skilled workforce. At banglalink, the retention rate of our permanent employees in 2011 stands at a strong 90%.

Apart from formal training programs, the HR department introduced some self-learning programs in 2011. One of them is the “Knowledge worth Sharing” initiative, where a collection of videos on many diverse topics that offer an immense learning opportunity, are kept in a common intranet site. Another initiative is the Harvard Business Review: "Management Tip of the day", where tips are shared with all the employees. These tips contain information regarding many important issues that can be quite useful in our day to day operations as well as increase our knowledge base in many different areas.

In order to facilitate a more collaborative environment throughout the organization, HR introduced the initiative where every employee, after attending international development program, shares his/her knowledge/experience with the relevant group of employees. An online knowledge library was also created to archive learning materials received by the participants from the events for future reference.

**Employee Engagement**

Employee engagement is of utmost importance for us at banglalink and as such HR undertook numerous initiatives last year, to generate engagement and enthusiasm among employees. At the beginning of the year, HR organized a grand Family Day for all employees of banglalink. On 8th March, 2011 International Women’s Day was celebrated with a card signed by CEO and a few gift items, which were given to all female employees as a token of their contribution and graceful presence in the professional arena. On 23rd April, the first ever Art Competition for banglalink employees’ children was arranged by the HR team.

Finally, during the end of the year, our first photography exhibition, Banglalink Photofest, was held that showcased images of some truly breathtaking moments captured by our talented employees.

**Reward & Recognition**

At banglalink HR, reward has been devised with the help of three vital components- salary, which is the monthly monetary payment for the effort required for the job; benefits, the non-monetary support such as insurance, medical coverage, canteen and gym facility, and incentive, this is the cash reward and recognition of individual contribution in terms of company and performance bonus.

banglalink wants to enforce on the statement, “banglalink cares”, which is why, the HR team of banglalink is constantly finding innovative ways to stand hand in hand with the employees and give them that extra motivation for bringing out excellence in every job that matters.

In 2011, one of the biggest changes that have been around is the restructuring of positions and salary. In the constant battle of being competitive, banglalink has taken one step forward with revised salary and hierarchy structure enhancing the value of employees from and to their jobs. In addition, benefits such as pick and drop service and day care for children of banglalink employees are just around the corner.
Like monetary recognition, non-monetary recognition also plays a vital role in enhancing employee motivation, and thus, on the very last day of the year, we made sure that everyone in the banglalink family went home with a box full of surprises.

HR Automation

In the later part of 2011, HR has brought the idea of Office Communicator, which is an online solution for the instant messaging among employees, file sharing, video conferencing, etc. It will go for a full launch in a short-time.

Living Our Values

Values form the foundation on which people within an organization act and operate. They create a sense of purpose that guides and inspires everyone through both good times and bad. Banglalink, as an organization, strongly believes that by consistently living its values, its people can create a level of organizational excellence, unsurpassed by anyone else.

Banglalink’s core values are not anything new; they have been there since the beginnings of the organization, but possibly, its people have not always been fully aware of their purposes in their everyday operations. With that in mind, ‘Living our Values’ booklet was published to give employees a deeper understanding of the values.

Award for Excellence

Banglalink HR received the prestigious “Asia’s Best Employer Brand Awards” in two organizational categories, which are:

- Excellence in Training
- Managing Health at Work

Asia’s Best Employer Brand Award was organized jointly by Employer Branding Institute, World HRD Congress and Stars of the Industry Group, with CMO Asia as strategic partner. This auspicious award giving ceremony was held at Suntec, Singapore on 22nd July 2011. The awards are given to organizations and individuals who surpassed several levels of excellence and set an example of being role models for other companies.

A total of 19 countries participated in this event, including India, Pakistan, Philippines, Singapore, Saudi Arabia, Sri Lanka, Thailand, Australia, China, Indonesia, Japan, Malaysia and so on. Several local and multinational organizations from various industries from those countries participated.

In the coming years, HR aims to increase value addition and continue as a vital strong suit of the company through the adoption of best practices and aligned strategies that complement our goals and objectives and help us reach unparalleled success.
This annual report contains statements that are, or may be, forward looking statements regarding our business outlook. Since our business outlook depends on a multitude of factors that span national, political, economic, regulatory, environmental, and global arenas, they are inherently predictive and speculative in nature. Our strategies, policies and investments are predicated on these factors, and any unforeseeable change may cause our actual performances to differ from those envisioned in this report. Furthermore, despite our utmost care to ensure accuracy, we cannot guarantee the reliability or completeness of information collected from different available sources.

Accordingly, we appreciate prospective investors being mindful of these cautionary statements, and applying own judgment while contemplating or conducting any transactions with the company.
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