growing through wisdom of culture

banglalink annual report 2012
about us

culture defines the path, as the soil of our nation lies in our hearts, urging the desire to move forward
company profile

Banglalink Digital Communications Ltd. (banglalink) which was previously Orascom Telecom Bangladesh Ltd., is a limited liability public company incorporated in Bangladesh.

banglalink is a cellular mobile phone operator offering a wide range of mobile communications services tailored to meet the needs of individuals, businesses and other customer segments. banglalink is progressively and persistently expanding subscriber base and network coverage; and keeps on gaining momentum with each milestone crossed. The company offers its services under the brand names of “banglalink” and “icon”.
Bangladesh Mobile Telecom Market
as on December 31, 2012

Since inception, banglalink continuously 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. At the end of 2012, banglalink covered around 99% population of Bangladesh and 85% geographical area with more than 8,000 base stations around the country. The transmission network had more than 3,200 kilometers of optical fiber and above 8,000 microwave links throughout the nation. banglalink established a nationwide EDGE/GPRS network which is also available to our roaming customers through 353 operators across 123 countries.

Although banglalink markets its services using traditional print and broadcast media advertising, it also provides exposure to our brand name through various sponsorship activities of cultural and national significance. Apart from enhancing the brand image, these initiatives further consolidate the company's 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 the path, banglalink remains steadfastly committed to making a difference through everything that it does, and looks forward to the future with resolute confidence.

banglalink's Cumulative Investments (BDT millions)

- 2008: 58.767
- 2009: 73.792
- 2010: 85.513
- 2011: 95.747
- 2012: 90.957
Banglalink’s success was based on a simple mission: "Bringing mobile telephony to the masses". which was the cornerstone of its strategy. Banglalink 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 the symbol for a 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.

As an innovative service provider, banglalink pioneered in introducing various new products and services. The company launched the country's first premium mobile brand called "icon," to cater to the high value segment. banglalink also pioneered in introducing overseas remittance service over mobile phone in Bangladesh.

banglalink attained the 1 million subscriber mark in December 2005 and quickly gained another 2 million subscribers the following year. In December 2007, banglalink surpassed Robi (previously AKTEL) and became the second largest operator in Bangladesh with more than 7.1 million customers. banglalink attained the 10 million mark in 2008. In May 2012, banglalink reached the milestone of 25 million subscribers. As of December 2012, banglalink retained its position as the second largest mobile operator in the country with 25.9 million subscribers.

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 (Earning Before Interest, Tax & Depreciation).

However, in the face of intense competition among the 6 mobile operators of Bangladesh and the market reaching saturation, banglalink witnessed successive decline in its ARPU.

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 saving for the company, as well as facilitated fast roll-out.

banglalink has unveiled several new products from time to time. In 2011, among other new services, banglalink launched ‘Krishi Bazaar 2474’ – a buy-sell service for the farmers and people associated with agriculture. During the year, banglalink also introduced “banglalink inspire”, a
new product targeting the different professional groups of society with a variety of special features and benefits. During the year banglalink started to strengthen 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 different fields. '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.

The company witnessed a phenomenal growth in its non-voice revenues in the recent years, especially in the short message (A2P) and Data (GPRS/EDGE) business. During the latter part of 2012, banglalink subscribers could enjoy the alert/notification services based on MT charging modality, which has been a significant contributor for other industry players for a long time. banglalink also reached another milestone by reaching the highest subscriber base and revenues in Caller Ring Back Tone (CRBT) in the industry by a significant margin with the industry leader. banglalink continued offering new and innovative services and also continued enhancement of the existing portfolio, thus contributing to a positive consumer experience. banglalink has seen its GPRS/EDGE revenues more than double in 2012 over 2011, backed by the marketing strategies and without having any major network enhancement. banglalink created a unique positioning called 'internet for everyone' to build on its core positioning of 'making a difference'. banglalink took another strategic move in partnering with leading local IT companies to support its business customers in delivering non Telco IT solutions to create additional value of its offerings. banglalink successfully also acquired key business accounts and maintained a high retention level through its B2B VAS products, considering attractive tariffs were no longer a differentiator.
vision, mission & core values

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 sale)
- Creating optimum shareholder value
Core Values
All employees of banglalink are expected to demonstrate the following core values in day-to-day activities to ensure "making a difference" in every area of our operations in the banglalink way:

**Innovative**
- Being open minded and flexible
- Discouraging false pride and challenging the normal way to do things
- Learning and adopting the best practices from others
- Thinking of a situation from various points of view
- Willingness to try out different options while also considering how they affect the business
- Creating an environment where others can put forth their ideas without hesitation or fear

**Straightforward**
- Being honest and truthful
- Thinking logically regarding the situation at hand
- Communicating clearly and effectively and expecting the same from others
- Listening actively and asking questions to seek out and understand different views
- Sharing required information with stakeholders truthfully without hiding or making up any information
- Building and maintaining effective working relationships with customers and colleagues

**Reliable**
- Generating trust and reliability
- Being understanding and focusing on a solution that everyone can benefit from
- Delivering results within deadlines
- Practicing what we preach
- Accepting responsibility for successes and failures
- Leading by example
- Thinking before making a commitment and sticking to it
- Making honest decisions based on facts & figures, not feelings or opinions

**Passionate**
- Strives to achieve goals
- Believes in self and team's ability to achieve targets
- Drives for result
- Uses information/resources available in the best possible way to achieve targets
- Is determined to reach the desired goal through trying out different options
Banglalink Digital Communications Limited (previously Orascom Telecom Bangladesh Limited) is 99.99998% owned by Telecom Ventures Ltd. (previously Orascom Telecom Ventures Limited) of Malta, which is a fully owned subsidiary of Orascom Telecom Holding S.A.E. Following a business combination that took place in April 2011 between VimpelCom Ltd. and Wind Telecom S.p.A, VimpelCom Ltd. owns 51.92% shares of Orascom Telecom Holding.
VimpelCom is one of the world’s largest integrated telecommunications services operators providing voice and data services through a range of traditional and broadband mobile and fixed technologies in Russia, Italy, Ukraine, Kazakhstan, Uzbekistan, Tajikistan, Armenia, Georgia, Kyrgyzstan, Laos, Algeria, Pakistan, Burundi, Zimbabwe, Central African Republic, Canada and Bangladesh. VimpelCom’s operations around the globe cover territory with a total population of approximately 767 million people.

**banglalink and the Parent Company**

VimpelCom provides services under the "Beeline", "Kyivstar", "djuice", "Wind", "Infrostrada", "Mobilink", "Leo", "banglalink", "Telecel", and "Djezzy" brands. As of December 31, 2012 VimpelCom had 214 million mobile subscribers on a combined basis. VimpelCom is listed as an ADS on the New York Stock Exchange under the symbol (VIP).

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

**VimpelCom Reporting Structure:**

Some of the VimpelCom Brands:
Banglalink is 99.99% owned by Telecom Ventures Ltd. (previously Orascom Telecom Ventures) of Malta, which is a fully owned subsidiary of Orascom Telecom Holding S.A.E. Following a business combination between VimpelCom Ltd. and Wind Telecom S.p.A, VimpelCom Ltd. owns 51.92% shares of Orascom Telecom Holding.
Orascom Telecom is 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 51% as of June, 2012. Orascom Telecom operates GSM networks in Algeria ("Djezzy"), Pakistan ("Mobilink"), Bangladesh ("banglalink"), and has an Indirect equity shareholding in Globalive Wireless Canada ("Wind Mobile"). In addition, it has an indirect equity ownership in Telecel Zimbabwe (Zimbabwe) and through its subsidiary Telecel Globe, OTH also operates in Burundi and the Central African Republic.

VimpelCom is one of the world’s largest integrated telecommunications services operators, providing voice and data services through a range of traditional and broadband mobile and fixed technologies in Russia, Italy, Ukraine, Kazakhstan, Uzbekistan, Tajikistan, Armenia, Georgia, Kyrgyzstan, Laos, Algeria, Bangladesh, Pakistan, Burundi, Zimbabwe, Central African Republic and Canada. VimpelCom’s operations cover the globe with a total population of approximately 767 million people. VimpelCom provides services under the "Beeline", "Kyivstar", "djuipe", "Wind", "Inforstrada", "Mobilink", "Leo", "banglalink", "Telecel", and "Djezzy" brands. As of December 31, 2012, VimpelCom had 214 million mobile subscribers on a combined basis. VimpelCom is listed as an ADS on the New York Stock Exchange under the symbol (VIP).

### Shareholding Structure as on 31 December 2012:

<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>Telecom Ventures Ltd (previously Orascom Telecom Ventures Ltd.)</td>
<td>4,760,377,396</td>
<td>0.99999987</td>
</tr>
<tr>
<td>2</td>
<td>Afzal Hussain Choudhury</td>
<td>100</td>
<td>0.0000002</td>
</tr>
<tr>
<td>3</td>
<td>Rashid Naseer Khan</td>
<td>100</td>
<td>0.0000002</td>
</tr>
<tr>
<td>4</td>
<td>Khalid Elaky</td>
<td>100</td>
<td>0.0000002</td>
</tr>
<tr>
<td>5</td>
<td>Ahmed Abou Dama</td>
<td>100</td>
<td>0.0000002</td>
</tr>
<tr>
<td>6</td>
<td>Mohamed Gammara</td>
<td>100</td>
<td>0.0000002</td>
</tr>
<tr>
<td>7</td>
<td>Philip Toome</td>
<td>100</td>
<td>0.0000002</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>4,760,377,396</strong></td>
<td><strong>100.0000</strong></td>
</tr>
</tbody>
</table>

**Subsequent Events: after 31 December 2012**

Orascom Telecom Ventures Ltd, the owners of 99.99998% shares of banglalink, has changed the company name on 3rd January 2013 and renamed itself as Telecom Ventures Ltd. The change has been duly approved by Orascom Telecom Venture’s shareholders and the registration authority of Malta.
quality of services

Customer Care

Banglalink customer care once again proved as a key strength to the company in year 2012 with its passion to provide quality service under the theme of “Kotha Dilm”. State of the art banglalink contact center catering over 26 million customers, managed to answer over 75 thousand calls with various queries every
day. With strict service quality monitoring, banglalink contact center managed to maintain around 93% service quality and an optimal service level. In addition, banglalink contact center heavily focused on enhancing the contact channels for the customers so that banglalink customers can get this high quality service from every angle and in every possible way. With e-chat service, email, sms and social network, this year banglalink contact center has expanded through various alternative channels for customers.

banglalink continues to optimize its “Customer Care Network” by ensuring necessary number of Touch Points at strategic and commercially important locations to ensure easiest access for its existing and potential customers. Having 1,300 Customer Care Touch Points, banglalink certainly can claim the widest “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 assists them with welcome call, retention call, bill dispatch and bill clarifications, payment reminders and updates, monitoring collections and reconciliations, customer activation and document archiving etc.

banglalink customer care also played a major role in business development & customer retention. A dedicated team of Enterprise Relationship Managers were there to serve a large number of corporate and high value customers. An experienced customer service research team assists the company to be aware of 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. ADM (Automated Device Management) is in use to retain churned customers, which triggers SMS as soon as their mobile device is turned on. A churn prediction and segmentation analytic tool has been introduced at the end of 2012 which enables us to increase customer retention proactively.

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

With continuous back-end automation developments and key differentiation factors like customer turnaround time (TAT) less than 10 minutes at all front-end touch points, one call service at Call Center, widest customer care network across the country and many more, banglalink Customer Care promises to continue to deliver a high quality service to its customers.
Network and Coverage

Network Robustness

Through relentless endeavor banglalink has continued to develop its GSM network which is presently one of the most extensive in Bangladesh, reaching approximately 99% of the total population and approximately 84.84% of the geographical area as of December 2012. With more than 8,000 BTS, banglalink has been providing coverage and services in all 64 districts in Bangladesh.

In 2012 banglalink continued its network rollout, out of which around 35% were for new coverage and remaining were for densification purpose. Network Traffic Capacity has been increased by 20%.

The Transmission Network has more than 3,200 km Optical Fibre and more than 8,000 MW links nationwide. It has well-protected multiple Optical Fibre rings in Dhaka, Chittagong, Khulna, Sylhet & Bogra City. 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.
Operational Excellence – A Continuous Process

During 2012, to increase operational excellence, banglalink took a number of initiatives such as installation of energy efficient BTS, outdoor BTS, optimization of resource utilization and operational processes, introduction of new types of antenna etc.

Also, infrastructure sharing with other operators resulted in faster rollout. 40% of the total on-air sites in 2012 were deployed through sharing with other operators.

One of the major achievements of 2012 was the consistent network availability despite countrywide power shortages. All quality related KPIs have shown improving trend, ensuring better accessibility and retention of end users. In an effort to improve continuously, regular benchmarking has been done all over the country and improvement actions have been executed accordingly.

Green Initiatives – Making A Difference

At banglalink, we are continuously focused on introducing green initiatives. Solar-DG-battery hybrid is used to power our BTS resulting in significantly low carbon footprint and energy saving. It is possible to save 90% DG run hour from the 24hrs DG sites through use of solar power. At the same time approximately 2 Tons of Carbon per site per month can be saved by solar power.
notice of Annual General Meeting

Notice is hereby given that the Eighteenth Annual General Meeting of Banglalink Digital Communications Ltd (previously Orascom Telecom Bangladesh Ltd) will be held at Tigers Den, House No.4, SW, Bir Uttam Mir Shawkat Sharak, Gulshan-1, Dhaka-1212 on 14 May 2013 at 5 p.m. to transact the following businesses:


2. To resolve no distribution of dividend for the year ended December 31, 2012;

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

4. To appoint/re-appoint Auditors of the Company for the year 2013 and fix their remuneration.

Special Business Ordinary Resolution:
5. To approve appointment of Mr. Ziad Shatarar as Managing Director and Chief Executive Officer of the Company.

By Order of the Board of Directors

M Nurul Alam
Company Secretary

Dhaka, 7th April, 2013

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 7 April 2013 will be eligible to attend and vote in the 18th Annual General Meeting of the Company.
performance

setting the bar a little high every year, banglalink stands at the peak yet again, with head held high as each crossroad is passed
chairman’s message
Dear all

I take this privilege to present you banglalink’s success story once again. The company surpassed the landmark of 25 million subscribers in May 2012 and ended the year with 25.9 million subscriber base. This has consolidated banglalink’s position as the second largest mobile phone operator in Bangladesh with 26.6% market share. The company has also attained an impressive 20% revenue growth and 35% EBITDA margin. Despite the cut throat competition, the company was able to maintain a steady ARPU of US$ 1.8 in 2012 against US$ 1.9 in the earlier year.
During 2012, Bangladesh Government has renewed 2G licenses of four mobile operators in Bangladesh including banglalink for another 15 years term. Meanwhile, Bangladesh Telecommunication Regulatory Commission (BTRC) has recently invited to participate in the auction for 3G Cellular Mobile Phone Services Operator License in the country. Auction for 3G license is expected to take place in June 2013.

Alongside the opportunities, banglalink may come across challenges in increasing ARPU while expanding the subscriber base, as Bangladesh mobile phone market approaches saturation in next few years. Ensuring a promising subscriber growth along with healthy revenue growth through customers’ satisfaction, quality network and attractive packages remain key goal for 2013. I strongly believe that with the support of committed shareholders and dedicated employees, banglalink is well positioned to overcome these challenges.

Till 2012, banglalink deposited BDT 99.1 billion (equivalent to US$1.2 billion approximately) to the national exchequer and reinforced itself as one of the largest contributors to exchequer. In 2012 alone, banglalink deposited BDT 22.5 billion to national exchequer in the form of VAT, taxes, duties, 2G license renewal fees and spectrum charges etc.

The company is in the process of renaming itself as Banglalink Digital Communications Limited. banglalink shareholders have approved the change of company name through Extra Ordinary General Meeting (EGM). Subsequently, approval has been obtained from respective government authorities of Bangladesh including Registrar of Joint Stock Companies and Firms, Bangladesh Telecommunication Regulatory Commission (BTRC), Board of Investment (BOI) and Large Tax Payer Unit of National Board of Revenue. The company’s other licenses, registrations and permits are also in the process of amendment.

In January 2013, Mr. Ziad Shatara has been appointed Chief Executive Officer of banglalink. Subsequently, he joined the company’s Board of Directors and was appointed as Managing Director and CEO. I am confident that Mr. Shatara’s leadership will take banglalink forward along the path of success and prosperity.

Finally, I would like to thank our shareholders, customers, regulators, financiers and other stakeholders who extended their cooperation for banglalink’s success. I appreciate the management and the employees for their endeavors which ensured a successful 2012 for banglalink.

Sincerely

[Signature]

Ahmed Abou Doma
Chairman
report of the directors
The Board of Directors of Orascom Telecom Bangladesh Limited (banglalink) has the pleasure in presenting the Annual Report 2012 together with the Report of the Directors for the year ended 31st December 2012, with highlights of audited financial statements in accordance with the section 184 of the Companies Act 1994.

**An Overview of the Year 2012**

**Socio-Economic Update**

Bangladesh economy has done reasonably well in maintaining its growth momentum averaging over 6.0% GDP growth since fiscal 2009, in spite of the persisting global economic slowdown. Provisional data from government agencies of Bangladesh show a GDP growth rate of 6.3% in fiscal year 2012, while the average for developing countries was projected at 5.6%. GDP growth, however, moderated from last fiscal’s 6.7% mainly due to a slowdown in agricultural sector, which fell in the previous fiscal year.

Average inflation declined from a peak of 10.9% in February 2012 to around 8.7% toward end of the 2012. This decline has largely been due to lower food price inflation resulting from reasonable food production and a slowdown in international food prices. Following successive hikes in fuel and power prices, annual average non-food inflation remains high.

Export earnings marked a rise of 5.9% in FY 2011-12. Export earnings in the first five months (July-November) of fiscal 2012-13 stood at about USD 10.1 billion, which is 4.3% higher than that of the same period in the previous fiscal year. On the other hand, import growth reduced significantly to 5.3% in FY 2011-12 as opposed to 41.8% reported in FY 2010-11, leading to lessening of pressure on the Balance of Payment (BOP) position. Gross foreign reserves were US$ 12.8 billion in December 2012, and equivalent to about 4.0 months of import cover. External financing for oil imports, lower import demand especially for food-grains, continuing export growth combined with strong remittance growth contributed to this strengthened external position.

**Regulatory Environment**

Bangladesh Telecommunication Regulatory Commission (BTRC) is the main regulator of the mobile operators’ activities in Bangladesh. The current mobile phone penetration stands over 60% as of 31 December 2012, which was around 57% 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 still a big obstacle associated with the cost of subscriber acquisitions, which is hindering expansion of connectivity and overall growth of the industry.

Bangladesh Government finally awarded renewed 2G licenses to four mobile phone operators including banglalink for the next 15 years. The licenses were supposed to be renewed in November 2011, but the process was delayed due to a number of court battles among the telecom regulator, operators and the tax authorities.

BTRC has recently invited proposals for obtaining 3G license in the country and plans to hold 3G auctions in June 2013. A total of 40 MHz Spectrum in GSM 2100 MHz band is available in 8 blocks of 5 MHz with bidders limited to two blocks of 5 MHz, or 10 MHz, and one licensee will be eligible for three blocks if any block is left over after the auction. The base price for the auction has been set at USD 20 million per MHz Spectrum. 3G licensees may provide 4G/LTE on the assigned spectrum subject to government approval.

**Business Landmarks**

banglalink achieved a number of milestones during this year. The company added 2.15 million new subscribers during the year as the subscriber base reached 25.9 million at the end of the year 2012. banglalink’s market share at the end of 2012 was 26.6% against 27.8% in the preceding year.

**Business Activities**

**Financial Performance**

Revenue of the Company for the year 2012 was BDT 45,366 million against BDT 37,879 million in the last year. Revenue growth was 19.8% over the last year. In the year 2012, Average Revenue Per User (ARPU) decreased to US$ 1.8 from US$ 1.9 in 2011.

In the year 2012, banglalink’s EBITDA increased to
BDT 15,722 million (equivalent to US$ 191.88 million) which was BDT 12,490.43 million (US$ 166.18 million) at the end of 2011.

Continuous Investment for Expansion
Being the 4th entrant commencing business operations in February 2005, banglalink continued to grow aggressively and became country’s 2nd largest mobile operator in 2007. This has been possible because of the continuous expansion of the network in terms of coverage and quality, product innovation and segmentation, enhancement of customer care and aggressive brand building strategies. During the year 2012 banglalink’s sponsor shareholder Orascom Telecom Holding (the ultimate parent company) invested over BDT 10,080 million (equivalent to US$ 126.00 million) in CAPEX and continued to be country’s one of the biggest Foreign Direct Investment (FDI) as of 31 December 2012.

Future Prospects:
During this year banglalink incurred net loss of BDT 3,546,159,757 and as on 31 December 2012, accumulated loss was BDT 39,301,205,200 while current liabilities exceeded current assets by BDT 44,606,137,126. 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 second ultimate parent company Orascom Telecom Holdings (OTH)/VimpelCom Ltd. Based on these, the financial statements are prepared on a going concern assumption.

Dividend
Board of Directors decided to declare no dividend for the year 2012, taking into consideration the financials for the year ended 31 December 2012 and the non-availability of distributable profit.

Services and Marketing
banglalink’s marketing strategy continued to focus 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 a popular prepaid package of the country with innovative tariff and value for money features and a very strong brand image. banglalink’s extensive postpaid portfolio caters to the needs of the business segment including the thriving SME sector where banglalink has been the pioneer in the country. In addition, ‘banglalink inspire’ targets the different professional groups of society with a variety of special features and benefits. In 2010, after launch of ‘Icon’-the premium telecom brand of the country, the brand faced challenges in the year 2012 due to external factors. Even then, the acceptability of the brand continued to increase among the high-end segment securing growth both in subscriber base and revenue. banglalink’s International Roaming network comprises of 352 operators across 123 countries.

banglalink has witnessed a phenomenal growth in its non-voice revenues in 2012, especially in the messaging (A2P) and Data (GPRS/EDGE) business. During the latter part of 2012, banglalink subscribers could enjoy the alert/notification services based on MT charging modality which has been a significant contributor for other industry players since long. The success of this service made banglalink consume the entire capacity in just over 2 months. banglalink has seen its GPRS/EDGE revenues more than double in 2012 over 2011 backed by the marketing strategies and without having any major network enhancement. banglalink, being the market leader in mobile financial service offerings, has always focused on new & innovative services and revenue streams. The introduction of ‘international remittance’ service with Western Union and success of mobile banking with DBBL in banglalink network showed positive growth in terms of transaction and revenue. banglalink introduced mobile top-up through banks which has been performing very well, showing huge potential in the market in terms of alternate distribution channel.

Corporate Social Responsibilities (CSR)
Banglalink remained firmly committed to contribute in the socio-economic development of Bangladesh. The company under took several projects for the welfare of community and conservation of environment. banglalink’s social activities include the following initiatives:
• Cox’s Bazar sea beach cleaning project and International Coastal Cleanup Day
• Biswa Ijtema
• Blood donation by bangalink employees
• Donating blankets at orphanages
• Special arrangements for Hajj Pilgrims at the Hajj Camp
• Water & date distribution and Iftar at orphanage during Ramadan
• Winter clothes collection and distribution

Since its inception, bangalink has been cleaning the longest sea beach of the world - Cox’s Bazar. bangalink undertook the unique initiative of cleaning the beach and conserving one of the most prime tourist spots. To generate further awareness and create hype, especially among youth, bangalink also observed International Coastal Cleanup Day, on 15th September, 2012 at the Cox’s Bazar sea beach. Through this initiative bangalink seeks to make positive changes and promote water pollution prevention efforts.

As a socially active corporate entity, bangalink sponsored and supported a number of activities during this year’s Biswa Ijtema, where thousands of Muslim devotees from across the globe converge to pray for the welfare of mankind.

In continuation of the noble initiatives taken in previous years, bangalink provided a number of facilities and amenities for the convenience of the Hajj Pilgrims. bangalink also provided free phone service, free drinking water, free bus service from Hajj Camp to the airport for the Hajjis, kit bags, wrist belts, and 60,000 Hajj guides to facilitate quick and easy understanding of Hajj rituals.

Keeping the social responsibility in mind, during last Ramadan, bangalink distributed water & dates for fasting people from bangalink branded booths at heavy traffic locations and popular shopping hubs. The program covered over 84,000 people of 32 districts of 7 divisions who were stuck on the road during iftar time. Apart from that, iftar and dinner was arranged for more than 12,000 orphans of 122 orphanages across the country.

Keeping the harsh winter in mind, this year bangalink also distributed 5,000 blankets among the orphan children of 60 orphanages from all regions across the country.

bangalink employees took several other unique initiatives, i.e. blood donation on the occasion of World Blood Donor Day and winter clothes collection and distribution among the underprivileged people of the society.

Environment, Health and Safety (EHS)
bangalink is committed to reducing the environmental hazards and ensuring a safe and healthy workplace for the employees and contractors.

Besides frequent health and disaster awareness programs, there are medical support services for employees. Safety appliances are installed across bangalink offices and other premises to safe guard life and property. Emergency evacuation drills are conducted to ensure timely escape during earthquake, fire or other emergencies.

Statutory Payment
The Directors are satisfied that all statutory payments have been made up to date.

The Board of Directors & Meetings
During the year 2012, a total of 7 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.

<table>
<thead>
<tr>
<th>Name of Directors</th>
<th>Number of Meetings Held Whilst a Board Member</th>
<th>Meeting Attended</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Ahmed Abou Dorna</td>
<td>7</td>
<td>7</td>
<td>Leave granted</td>
</tr>
<tr>
<td>Mr. Khaled Selim Bishara</td>
<td>1</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Mr. Rasy Salam</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Mr. Mikhail Gershik</td>
<td>6</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Mr. Philip Tohme</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

29
The members who could not attend the meeting were granted leave by the Board of Directors.

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

Directors' Election and Re-Election
The Directors retiring in the next AGM by rotation under Article 58A are Mr. Ahmed Abou Doma, Mr. Mikhail Gerchuk and Mr. Phillip Tohme, who being eligible, offered themselves for re-election under Article 58D.

Auditors
The Directors recommended M/S. S.F. Ahmed & Co., Chartered Accountants, as the statutory auditor of the company for the year 2013 for approval in the 18th Annual General Meeting.

Shareholding
Orascom Telecom Ventures Limited, a 100% owned subsidiary of Orascom Telecom Holding (OTH), holds more than 99.995% shares of Orascom Telecom Bangladesh Ltd.

Shareholders Meeting Held During the Year 2012:

<table>
<thead>
<tr>
<th>Date of Meeting</th>
<th>Nature of Meeting</th>
<th>Purpose of Meeting</th>
</tr>
</thead>
</table>

Corporate Financial Reporting
- 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.

Business Continuity Management (BCM)
bangalink has initiated the Business Continuity Management program in 2012. A 19 member cross functional BCM Committee, under the leadership of the Company Secretary, is currently working to identify the critical risks of bangalink for preparing a comprehensive risk register. A risk management framework will be developed by the end of 2013. The main objective is to manage the identified critical risks efficiently so that continuation of business can be ensured.

Key Events Subsequent to Balance Sheet Date
Orascom Telecom Bangladesh Limited has been renamed as Bangalink Digital Communications Limited. bangalink shareholders have approved the change of company name through Extraordinary General Meeting (EGM) held on 07 January 2013. Subsequently, approval has been obtained from the respective government authorities including Registrar of Joint Stock Companies and Firms, Board of Investment (BOI) and LTU-Tax (National Board of Revenue). The company's licenses, permits and certificates have also been in the process of amendment.
Acknowledgement

The Board of Directors appreciates the excellent effort of the employees during 2012 when the company achieved 19.8% growth in terms of revenue, and 9% growth in subscriber base.

The Directors express their gratitude to the Shareholders, Customers, Trade Partners, Vendors, Financiers, Insurers, Utility Providers and Media for their trust and confidence upon banglalink.

The Board of Directors would also like to thank all other stakeholders including Bangladesh Telecommunication Regulatory Commission, Securities and Exchange Commission, Bangladesh Bank, Board of Investment, and other government agencies that have extended cooperation and helped banglalink for today’s achievement.

For and on behalf of the Board of Directors

Ziad Shatara
Managing Director & CEO
banglalink sponsored "Modhumela 2012" to celebrate 188th birth anniversary of legendary poet Michael Modhushodon Dutt.

banglalink sponsored "Boshonto Utshob 1418" at Institute of Fine Arts and Rabindra Shorobor to connect with mass through this celebration.

banglalink sponsored series of boat races in Dhaka, Sylhet, Khulna, Shirajgonj, Bhoirob, Chandpur and Barisal to promote and uphold this indigenous sport.
Banglalink sponsored “Oktiashik Jobbarer Boli Khela O Bobshakhi Meila” at Laldighi Mokdan, Chittagong.

Banglalink sponsored “Shah Abdul Karim Loko Utshob 2012” to celebrate the birth anniversary of the legendary folk king – Shah Abdul Karim.

Banglalink sponsored a plethora of events in Chittagong, Khulna, Rajshahi, Jessore, Mymensingh, Bogra, Sylhet and Dhaka to celebrate Pohela Boishakh 1419, the biggest mass celebration of Bengali culture.
bangalalink sponsored "Troyobingsho Jatio Rabindra Shangeet Utshob" at Dhaka to celebrate 151st birth anniversary of the noble laureate legend Rabindranath Tagore.

bangalalink sponsored "Borsha Utshob-1419" to celebrate monsoon for the 4th consecutive time at Hakim Chottor, Near Central Library, Dhaka University, Dhaka.

bangalalink organized "Grandmaster 2" an idea generation contest for making a difference in the lives of talented students.
Banglalink sponsored “113 Tomo Nazrul Jonmobarshiki” for the 5th consecutive time, at Public Library, Dhaka to celebrate 113th birth anniversary of the national poet Kazi Nazrul Islam.

Banglalink sponsored “Mango, Silk and Lokoj Utshob” in Rajshahi to promote local culture and heritage.

Banglalink once again takes lead in playing the innovator role by exclusively launching 5 music albums — Rang by Habib feat. Nancy, Juddho by L.R.B., Shatto by Warfaze, Shadhin by Habib and Jibon Jura by Romel Ali in music station 4848.
bangla link sponsored “bangla link Rangpur Bibhagio Bhawala Utshob 2012” to promote local ‘Bhawala’ music and cultural activities.

bangla link sponsored “SM Sultan Utshob 2012” to pay tribute to the 88th birth anniversary of legendary artist SM Sultan.

bangla link sponsored Jagoron Gaan-4, the 4th edition of the compilation of inspirational patriotic Bengali songs.
bangaline sponsored "122nd Lalon Death Anniversary 2012" for the 6th consecutive time in Chittagong, Kumarkhali, Kushtia.

bangaline sponsored "bangaline Hason Raja Loko Utshob" to celebrate the 157th birth anniversary of the legendary poet Hason Raja.

bangaline sponsored "International Coastal Cleanup Day 2012" in an effort to keep the Cox's Bazar beach clean.
bangalalink sponsored "The Amazing Spiderman 3D" the first ever 3D movie show in Bangladesh.

bangalalink organized a dazzling **corporate night** for its corporate customers in Chittagong region.

bangalalink arranged special show of "Kungfu Panda 2" for its corporate clients.
**Corporate Initiatives**

**Banglalink** organized a series of concerts in Fantasy Kingdom, Dhaka in order to engage with youth through the music platform.

Banglalink sponsored “Banglalink Monsoon Cup Golf Tournament 2012” at Bogra Cantonment organized by Bogra Golf Club.

Banglalink organized the biggest showcasing of Bengali culture & heritage through Banglalink Bangladesh Utshob. In this mega festival, there were different stage performances as a tribute to the legendary personalities of this country - Lalon Shah, Kazi Nazrul Islam, Rabindranath Tagore, Shah Abdul Karim, Hason Raja, SM Sultan; there were fair elements all around the venue, Boat Race, Jobbarer Boll Khela and a mega concert with all top celebrity artists.
Banglalink launches Rang

The album was launched in Banglalink Music Series on Wednesday through a programme at a city-based hotel. According to the album, the Banglalink team joined the song and dance of the month-long Banglalink. The band presented the song of the original Banglalink and the success of Banglalink, the album launched, and the success of the album

Welcoming Bashanta in Dhaka

'Bajraner Gaan-4' to be released Dec 17

The album was released on the 17th of December. It is the latest album to be released in the Banglalink series. The album was supported by the APJ Abdul Kalam Centre and the Bangladesh National Film Institute. The album was launched on the 17th of December. It is the latest album to be released in the Banglalink series. The album was supported by the APJ Abdul Kalam Centre and the Bangladesh National Film Institute.
corporate governance

guided by a team of charismatic leaders, banglalink stands strong in reaching the epitome of success
Corporate Governance

a. Corporate Directory  
e. Internal Control Framework  
b. Board of Directors  
f. Risk Management  
c. Management Team  
g. Directors’ Statement of Responsibilities  
d. Audit Committee Report

Corporate Directory

Board of Directors
Ahmed Abou Doma - Chairman
Mikhail Gerchuk
Philip Tohme
Ziad Shatat

Audit Committee
Ahmed Abou Doma - Chairman
Mikhail Gerchuk - Member
Philip Tohme - Member
M Nurul Alam - Secretary

Managing Director & CEO
Ziad Shatat

Chief Financial Officer
Mohamed Osman

Company Secretary
M Nurul Alam

Auditors
5 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
Guishan-1, Dhaka-1212
Bangladesh

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

Banks
Bank Asia Ltd.
BRAC Bank Ltd.
Citibank NA
Commercial Bank of Ceylon
Dhaka Bank Ltd.
Dutch-Bangla Bank Ltd.
Eastern Bank Ltd.
HSBC Bangladesh
IFIC Bank Ltd.
Jamuna Bank Ltd.
Mutual Trust Bank Ltd.
National Bank Ltd.
One Bank Ltd.
Premier Bank Ltd.
Prime Bank Ltd.
Pubali Bank Ltd.
Shahjalal Islami Bank Ltd.
Southeast Bank Ltd.
Standard Chartered Bank
The City Bank Ltd.
Trust Bank Ltd.
United Commercial Bank Ltd.
Islamic Bank Bangladesh Ltd.
Mr. Abou Doma is the Group Executive Vice President, Head of the Asia and Africa Business Unit of VimpelCom and Chief Executive Officer of Orascom Telecom Holding (OTH). Previously Mr. Abou Doma served as the Chief Executive Officer in banglalink from January 2009 till December 2012. Earlier, Mr. Abou Doma held the position of Marketing Director in Mobinil, Egypt. He joined Mobinil in 1998 as a Market Development Manager and from 2000 till 2003, Mr. Abou Doma held positions of Senior Market Manager for Planning and Development and Senior Manager for Market Strategy and Analysis. Before joining Mobinil, Mr. Abou Doma worked for IBM and Datacom.

He acquired a Bachelor of Science in Electronics and Communication Engineering from Cairo University in 1992. Mr. Abou Doma has received the "Telecom Business Planning Award" from 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. Gerchuk is Commercial and Strategy Officer of VimpelCom in July 2012. Before that Mr. Gerchuk served as Group Chief Commercial Officer since October 11, 2011.

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, 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 the 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 has been serving as Group Chief Technology Officer of VimpelCom since May 2011. Mr. Tohme served as Chief Technology Officer of Orascom Telecom Holding since January 2010. Mr. Tohme joined Wind Italy and served as Network Director and subsequently as 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 Mobinil (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 1997 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.

Mr. Ziad Shatara took over as Chief Executive Officer of bangalilink in January 2013. Subsequently he joined the Board of Directors of bangalilink and was appointed Managing Director as well as Chief Executive Officer. Prior to joining bangalilink, Mr. Shatara was the Chief Technology Officer of Wind Telecommunications, Italy. Before joining Wind, Mr. Shatara accumulated regional and international experience exceeding 17 years of proficiency in building, running and expanding operations in telecommunications, cellular business, fixed and broadband networks integration technology. His additional professional expertise correlates to the fields of IT, Customer Service and Retail Operations. These years of experience, aptitude and adroit decision-making have culminated into several leading executive positions and board memberships.

Mr. Shatara started his career in the IT industry in 1991. He then moved to Telecommunications, in particular GSM in 1994 when the first cellular network (Fastlink) started up in Jordan. From 1994 to 2007, he worked in many regional networks in the middle and the Far East. Mr. Shatara holds a B.Sc. and a M.Sc. in Electrical and Computer Engineering, which he received at the Technical University of Budapest in Hungary.
your companion in making a difference
management team

from left to right

- Mr. Asher Yaqub Khan
  Chief Commercial Officer

- Mr. Mohamed Osman
  Chief Financial Officer

- Mr. M Nurul Alam
  Company Secretary

- Ms. Riviera Ho Rathore
  Human Resources & Administration Director

- Mr. Ziad Shatara
  Managing Director and Chief Executive Officer
Mr. Ziad Shatara
Managing Director and Chief Executive Officer

Mr. Ziad Shatara took over as Chief Executive Officer of banglalink in January 2013. Subsequently he joined the Board of Directors of banglalink and was appointed Managing Director as well as Chief Executive Officer. Prior to joining banglalink, Mr. Shatara was the Chief Technology Officer of Wind Telecommunications, Italy. Before joining Wind, Mr. Shatara accumulated regional and international experience exceeding 17 years of proficiency in building, running and expanding operations in telecommunications, cellular business, fixed and broadband networks integration technology. His additional professional expertise correlates to the fields of IT, Customer Service and Retail Operations. These years of experience, aptitude and adroit decision-making have culminated into several leading executive positions and board memberships.

Mr. Shatara started his career in the IT industry in 1991. He then moved to Telecommunications, in particular GSM in 1994 when the first cellular network (Fastlink) started up in Jordan. From 1994 to 2007, he worked in many regional networks in the middle and the Far East. Mr. Shatara holds a B.Sc. and a M.Sc. in Electrical and Computer Engineering, which he received at the Technical University of Budapest in Hungary.

Mr. 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 Orascom Telecom Holding (OTH) as Revenue Assurance Director. He joined MobiNil (a subsidiary of Orascom Telecom Holding) in June 2001, and prior to that, he served in the Egyptian Telecom Company for one year.

Mr. Osman has over 16 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.
Mr. Asher Yaqub Khan  
Chief Commercial Officer

Mr. Asher joined banglalink as the Chief Commercial Officer on September 1, 2009.

Mr. Asher brings with him a proven history of 17 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 Orascom Telecom Holding), 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.

Ms. Perihan Elhamily  
Chief Technical Officer

Ms. Perihan was most recently the Chief Technical Officer of Orascom Telecom Holding subsidiary in Burundi, and has over 20 years of technical experience in the telecom industry. Her wealth of experience from stints at Siemens, Wataniya, Noka Siemens and OTH in over 10 countries in Asia, Africa and the Middle East ensures that under Ms. Perihan’s leadership banglalink will continue to provide network excellence to its 25-million strong subscriber base.

Perihan studied her MBA from the American University in Cairo, and obtained her Electronics and Communications Degree from Cairo University.
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 Philips, The Netherlands as a Business Unit Manager. Mr. Islam brings over 13 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.

Ms. Riviera Ho Rathore, nicknamed River, most recently served as the HR&D Director of Sotelco Ltd., VimpelCom’s Cambodian subsidiary which operates under the Beeline™ brand. A professional with 13 years of HR-focused experience, River’s marked achievements include the successful start-up of Beeline in Cambodia as the best-in-class in terms of employee engagement and enablement, as per the 2010 Hay Group survey conducted for VimpelCom. She has also been awarded one of VimpelCom’s Best HR performers in 2009.

Prior to Sotelco Ltd., she worked in Millicom International Cellular’s diversified businesses in Cambodia. Alongside the telecom Industry, she has vast experience in the banking and hospitality industry.

Since 2010, Ms. River sits in the board of CAMFEBA, Cambodia’s Employers’ Federation. She has also been appointed by Cambodia’s Minister of Labor to be in a national tripartite group specializing in social protection and employment policies in the country. She studied her Diploma and Master’s in Industrial Relations, majoring in Labor-Management Relations, at the School of Labor and Industrial Relations, University of the Philippines.
Mr. 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 12 years.

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

Mr. Mahmoud Mohamed Hosny  
Strategy & Business Planning Director

Mr. Mahmoud Mohamed Hosny is the newly-appointed Strategy and Business Planning Director, who joined banglalink with over 18 years of strategic planning and consulting experience gained at KPMG, Mobilinl and Orascom Telecom Holding. Prior to this appointment, Mr. Hosny was Orascom Telecom Holding’s Strategic Planning Director. Mahmoud obtained his MBA from the Maastricht School of Management, and his Accounting Degree from Cairo University.

Mr. 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 32 years of experience in Corporate Affairs, Company Secretariat and Internal Audit 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.
Audit Committee Report

The Audit Committee of the Company is comprised of the following Directors:

- Mr. Ahmed Abou Doma: Non-executive Director, Chairman
- Mr. Mikhail Gerchuk: Non-executive Director, Member
- Mr. Philip Tohme: Non-executive Director, Member

The Company Secretary attends the Committee’s meetings as the Secretary of the Committee and 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 a Charter which has been reviewed by the major shareholder of the Company (Orascom Telecom Holding S.A.E.) and 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 to appoint, re-appoint or remove 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 adequately managed.

On behalf of the Audit Committee

Ahmed Abou Doma
Chairman
Audit Committee

Internal Control Framework

Our internal control system consists of procedures and methods adopted by our management to achieve reasonable assurance in safeguarding assets, prevention and detection of errors, 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 group Internal Audit, which is conducted twice or more in a year. The report of the OTH Internal Audit is subsequently reviewed by the group Audit Committee.

Enterprise Risk Management (ERM)

bangalink has undertaken a comprehensive Enterprise Risk Management (ERM) program with the support of Internal Control, Risk Management and Compliance unit of VimpelCom. Board of Directors of bangalink has adopted the “VimpelCom Enterprise Risk Management Policy” and the “VimpelCom ERM Framework Manual” which are guiding bangalink to implement a structured Risk Management approach and establish an organized system to prioritize and manage the risks that may affect VimpelCom group’s Value Agenda. VimpelCom’s ERM Policy and the ERM Framework Manual have been circulated among bangalink’s employee as per guidelines of VimpelCom. Currently, bangalink ERM team, with the cooperation of VimpelCom ERM team, is in the process of preparing a Risk
Register for banglalink. The Company Secretary has been assigned as the focal point for ERM exercise.

Governance and Control Charter

The Board of Directors has approved banglalink’s Corporate Governance Charter in the meeting of the Board of Directors of the Company held on 22 February 2012 which outlines the authority matrix of 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 through carrying out independent audit activities as per approved audit plan. 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 performs as the bridge between the Board of Directors, Management, Shareholders and Regulatory Authorities on statutory issues.

Business Continuity Management – BCM

banglalink has initiated Business Continuity Management (BCM) program in 2012. A 19 member cross functional BCM Committee, under the leadership of Company Secretary, is currently working to develop a business continuity plan with the support of Internal Control, Risk Management and Compliance unit of VimpelCom.

Directors’ Statement of Responsibilities

The Directors are responsible to ensure maintenance of 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, along 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 the Institute of Chartered Accountants of Bangladesh.
financials

fostering progress with abundant endowment, we continue to accentuate the economic growth
financials
### Value Added Statement

<table>
<thead>
<tr>
<th>Value Added Statement</th>
<th>In million BDT</th>
<th>%</th>
<th>In million BDT</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012</strong></td>
<td></td>
<td></td>
<td><strong>2011</strong></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>45,366</td>
<td></td>
<td>37,679</td>
<td></td>
</tr>
<tr>
<td>Other Income/(Loss)</td>
<td>(332)</td>
<td></td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>VAT</td>
<td>6,805</td>
<td></td>
<td>5,682</td>
<td></td>
</tr>
<tr>
<td>Providers of Debt</td>
<td>51,839</td>
<td></td>
<td>43,649</td>
<td></td>
</tr>
<tr>
<td>Less: Cost of Network and Services</td>
<td>19,231</td>
<td>100%</td>
<td>20,022</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,608</strong></td>
<td><strong>100%</strong></td>
<td><strong>23,627</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

| **Value Distributed**                 |                |       |                |       |
| Employees                             | 2,052          | 6%    | 1,041          | 7%    |
| Contribution to Government            | 14,384         | 44%   | 13,721         | 53%   |
| Providers of Debt                     | 4,386          | 14%   | 3,784          | 15%   |
| Dividend to Shareholders              | -              | 0%    | -              | 0%    |
| **Total**                             | **20,822**     | **64%** | **19,145**     | **81%** |

| **Value Retained**                    |                |       |                |       |
| Depreciation                          | 15,332         | -47%  | 11,984         | -49%  |
| Retained Loss                         | (3,346)        | -11%  | (7,003)        | -30%  |
| Deferred Tax                          | -              | 0%    | -              | 0%    |
| **Total**                             | **11,786**     | **36%** | **4,481**      | **15%** |

| **Chart Category**                    |                |       |                |       |
| Employees                             | 6%             |       | 7%             |       |
| Contribution to Government            | 44%            |       | 53%            |       |
| Providers of Debt                     | 14%            |       | 15%            |       |
| Depreciation                          | -47%           |       | -49%           |       |
| Retained Loss                         | -11%           |       | -30%           |       |

### Distribution of Value

**2012**
- Employees: 44%
- Contribution to Government: 14%
- Providers of Debt: 16%
- Depreciation: 47%
- Retained Loss: -11%

**2011**
- Employees: 45%
- Contribution to Government: 33%
- Providers of Debt: 16%
- Depreciation: 30%
- Retained Loss: -30%
## Key Financial Indicators

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA (BDT billion)</strong></td>
<td>15.7</td>
<td>12.5</td>
<td>26%</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>35%</td>
<td>33%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Capex (USD million)</strong></td>
<td>128</td>
<td>150.6</td>
<td>(16%)</td>
</tr>
</tbody>
</table>

## Financials

### Amounts are in BDT '000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plants and Equipment (at cost less)</td>
<td>56,927,728</td>
<td>60,127,348</td>
<td>55,574,171</td>
<td>52,174,418</td>
<td>45,179,904</td>
</tr>
<tr>
<td>Project under construction</td>
<td>4,744,386</td>
<td>6,695,490</td>
<td>10,789,050</td>
<td>6,504,859</td>
<td>13,115,664</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>20,836,564</td>
<td>22,315,056</td>
<td>2,392,515</td>
<td>2,442,193</td>
<td>2,361,011</td>
</tr>
<tr>
<td>Inter-company receivables</td>
<td>17,760</td>
<td>18,087</td>
<td>13,978</td>
<td>12,036</td>
<td>9,193</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>107,081</td>
<td>97,669</td>
<td>73,294</td>
<td>69,504</td>
<td>66,295</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>10,458,198</td>
<td>6,274,410</td>
<td>6,418,435</td>
<td>5,186,948</td>
<td>4,978,622</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>93,091,717</td>
<td>95,528,060</td>
<td>75,261,443</td>
<td>66,390,058</td>
<td>65,711,089</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>1</td>
<td>4,652,549</td>
<td>4,652,549</td>
<td>18,186,352</td>
<td>17,633,539</td>
</tr>
<tr>
<td>Retained earnings/(loss)</td>
<td>(39,301,205)</td>
<td>(35,755,045)</td>
<td>(28,752,061)</td>
<td>(25,903,255)</td>
<td>(22,704,200)</td>
</tr>
<tr>
<td>Long term liability</td>
<td>29,713,048</td>
<td>29,590,581</td>
<td>16,908,879</td>
<td>18,914,385</td>
<td>17,495,676</td>
</tr>
<tr>
<td>Inter-company payable</td>
<td>6,789,830</td>
<td>6,649,075</td>
<td>3,587,777</td>
<td>2,809,672</td>
<td>2,342,032</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>48,286,254</td>
<td>47,439,668</td>
<td>35,913,067</td>
<td>27,618,023</td>
<td>26,179,761</td>
</tr>
<tr>
<td><strong>Total Equity &amp; Liabilities</strong></td>
<td>93,091,717</td>
<td>95,528,060</td>
<td>75,261,443</td>
<td>66,390,058</td>
<td>65,711,089</td>
</tr>
</tbody>
</table>
BengalLink is one of the largest contributors to the Exchequer of Bangladesh. This contribution is made in the form of License Renewal and Spectrum Charges, SIM Tax, Custom Duties, VAT, Taxes and various other fees. In 2012 alone, BengalLink contributed BDT 22.5 billion. Since 2005, BengalLink has contributed BDT 99.1 billion (equivalent to US$ 1.2 billion approximately) to the National Exchequer.
responsibility

with the strength of patriotism inspiring us in leaps and bounds, we stand as one for our nation
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 community and conservation of the environment. These initiatives consolidated Banglalink's reputation as forerunner in corporate social activities. Banglalink's social activities
include the following initiatives:
- Cox's Bazar sea beach cleaning project and International Coastal Cleanup Day
- Bishwa Ijtema
- Blood donation drive by banglalink employees
- Donating blankets at orphanages
- Special arrangements for Hajj Pilgrims at the Hajj Camp
- Water & date distribution and Iftar at orphanage during Ramadan
- Winter clothes collection and distribution

Since its inception, banglalink has been cleaning the longest sea beach of the world - Cox's Bazar. Right when Cox's Bazar's very existence was under threat due to littering and pollution by the visiting tourists, banglalink undertook the unique initiative of cleaning the beach and conserving one of the prime tourist spots. To generate further awareness and create hype, especially among youth, banglalink also observed International Coastal Cleanup Day, on 15th September, 2012 at the Cox's Bazar sea beach. The event was celebrated through various initiatives such as rally, beach cleaning and awareness generation among tourists. Through this initiative, banglalink seeks to make positive change and promote water pollution prevention efforts.

As a socially active corporate entity, banglalink sponsored and supported a number of activities during this year's Bishwa Ijtema, uniting thousands of Muslim devotees across the world to pray for the welfare of mankind.

In continuation to the noble initiatives of previous years, banglalink also provided a number of amenities to facilitate the process of Hajj and make it easier for the departing Hajj Pilgrims. banglalink provided free phone service, free drinking water, free bus service from Hajj camp to the airport, kit bags, wrist belts and 50,000 Hajj guides to facilitate quick and easy understanding of Hajj rituals.

Keeping the social responsibility in mind, this year, banglalink distributed water & dates from banglalink branded booths at heavy traffic locations and popular shopping hubs of all divisional headquarters and other prominent cities in the country. The program covered over 84,000 people of 32 districts of 7 divisions who got stuck on the road during Iftar time. Besides this, Iftar and dinner was arranged for more than 12,000 orphans of 122 orphanages across the country.

Keeping the harsh winter in mind, this year also banglalink distributed 5,000 blankets among the orphan children of 60 orphanages of all regions across the country - who are in great need for it during winter season. This year besides the regular initiatives of being a socially active corporate citizen, banglalink employees took a couple of unique initiatives - like blood donation on the occasion of World Blood Donor Day and winter clothes collection and distribution among the underprivileged people of the society.
EHS & Security Division strives to provide a safe and healthy workplace for banglalink’s employees, contractors and communities. The benefits of effective health and safety management are very significant to banglalink’s business. There is clear evidence that effective programs contribute directly to the overall business success.

EHS & Security Division aims to ensure that an environmentally responsible, safe and healthy work environment exists at banglalink.
The team commits to:

- Train and develop employees to allow them to contribute effectively to the EHS Program and to conduct their work in a manner that will adhere to the organization's policy and objectives.
- Manage operations to prevent pollution, injuries and ill health, and other adverse EHS impacts of our activities, products and services.
- Set and achieve objectives to continually improve EHS management systems and performance to meet changing business and regulatory needs.

Environmental Safety

banglalink respectfully complies with the law of the land and obtains required permissions and licenses required for any new installations or for any existing installations. Permissions are processed and availed from concerned authorities, as required by the existing law.

banglalink conducts necessary training of the technical team through vendors/contractors as and when required, especially in case of new item installation or up-gradation.

Hazards Awareness

EHS & Security Division ensures quality equipment that does not contain any hazardous substance. In case of purchase and installation of new equipment, international phase out requirements for hazardous material contents are ensured. Procedures for waste management from existing equipment according to hazardous waste guidelines are also implemented where necessary. Required essential training is conducted among employees who deal with third party/manufacturerupplier/installer/integrator.

As per purchase/Installations/service contracts, banglalink arranges the services to be carried out by the system integrator after they are installed.

Safety Awareness

EHS & Security Division conducts safety awareness program at all regional offices on a continual basis. Employees get an understanding of the hazardous materials in the work place and its control measures to avoid any incident.

Emergency Evacuation Drill

To improve the state of readiness and awareness in case of an emergency, EHS team organizes evacuation drills in coordination with the Fire Service & Civil Defense Authority for all employees. These evacuation drills increase the level of confidence among all employees to combat against any emergency.

Earthquake Awareness

An audio visual presentation on earthquake awareness was shared with all employees of Tigers' Den and regional offices of banglalink.

Training Activity

Practical training on "Fire Fighting" was organized for the security personnel of three warehouses (Telgaon, Ashulia & Tongi), Day Care Center and Bogra Regional office. All security personnel and members of firefighting team at Tigers' Den and other regional staff (regional offices, co-offices) will be covered in the coming months.

New Installation of Fire Detection & Protection System

As part of the up-gradation of safety appliances in different offices, fire detection and protection system has been installed by EHS & Security Division at the following locations:

1. Gulshan Call Center
2. Chittagong Technical Office
3. Day Care Center-Gulshan
4. Modena Tower 8th & 9th floors

Safety Measures

Ensuring safety in work place is one of the commitments of EHS & Security Division. In spite of the safe work environment, many hazards exist which may cause injuries and health problems to employees. Considering these, safety measures should be taken by installing adequate number of safety appliances. To make all employees well acquainted with the use of the following appliances, necessary training sessions are also being organized periodically. Routine checkup of all safety appliances are conducted by the respective vendors and EHS & Security Division.

Existing Safety Appliances

1. Addressable Fire Detection System
2. Portable Fire Extinguisher
3. Break Glass & Loop Sounder Points
4. Fire Hydrant System  
5. Auto Sprinkler System  
6. FM-200 Auto Gas Suppression System (at IT Server Room & Switch rooms)  
7. Fire Brigade Point  
8. PA System  
9. First Aid Box  
10. Fire Blanket  
11. Fire Mask  
12. Retractable belt (for warehouses)  
13. Search light  
14. Stretcher  
15. Wheel chair  

New Safety Installations  
1. Caution sign for lift/elevator.  
2. Installation of Personal Protective Equipment Box at Tigers’ Den, and major offices in Dhaka and regional offices.  
3. Supply of Personal Protective Equipment at Tigers’ Den, major offices in Dhaka and regional office.  
4. Hand wash instruction sticker at all washrooms of bangalalink offices.  
5. Vehicle safety instruction sticker for both drivers and passengers have been affixed on all bangalalink vehicles.  
6. Installation of signal light alert system at Tigers’ Den.  
7. Installation of evacuation map at all offices in Dhaka including Tigers’ Den.  
8. Installation of battery backed emergency light at all offices in Dhaka including Tigers’ Den.

5. Introduction to Basic First Aid  

Update Employees Regarding Present-day Medical Issues  
From time to time there had been outbreak of known and unknown diseases causing human catastrophe. Nipah virus infection, Swine flu, Bird flu are some of these. As prevention is always better then cure and in some cases since there are no definitive cures, EHS team always tries to inform its employees regarding any such present-day medical issues. So far internal communication has been done on following issues:  
1. Bird Flu  
2. Swine Flu  
3. Nipah Virus Infection  
4. World Kidney Day  
5. World Hypertension Day  
6. World No Tobacco Day  
7. World Heart Day  
8. World Diabetes day  
9. Food habits during Ramadan  
10. Summer Health Tips

Celebrating World Health Day  
Every year, World Health Day is celebrated on 7th April to mark the founding anniversary of World Health Organization known as “WHO”.  

As 7th April was a weekly holiday, EHS & Security Division in collaboration with United Hospital Limited celebrated World Health Day at Tiger’s Den Cafeteria on 8th April, 2012.  

A total number of fifty two (52) employees availed consultation from the Chief Dietitian and Family Physician of United Hospital.

Health Awareness Program  
EHS & Security Division arranges periodical Health Awareness Program in collaboration with country’s renowned hospitals, to make the employees aware of the latest medical innovations and available services in the country. bangalalink’s company doctor also facilitates Health Awareness Program in different regional offices to make the employees aware of existing and potential diseases. The programs were conducted on:  
1. Diabetes & its Management  
2. Breast Cancer  
3. Hepatitis A & B  
4. Back Pain

Medical Support Services for Employees Health  
EHS & Security Division always supports the employees’ health related issues and takes day to day measures. All permanent employees are under full medical coverage with renowned national insurance company, PROGATTI. Pre-employment medical check-up, executive health checkup, emergency medical support for all employees of bangalalink have been ensured as an additional medical emergency support.
Company Doctor and a paramedic have been appointed to provide emergency medical support to the employees of banglalink either physically or over telephone (after office hours).

**CSR Activity**
One voluntary “Blood Donation Program” at Tigers’ Den was conducted by the EHS & Security Division and Marketing Department jointly. A record number of 170 bags of blood were collected on that day.

**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 Awareness Session for Drivers**
An awareness session was conducted by the EHS & Security Division jointly with Fleet Management Unit for all drivers of banglalink. In the session, do’s and don’ts were discussed along with the existing traffic rules and regulation of Bangladesh Government.

**Eye Camp for Drivers**
EHS & Security Division jointly with Fleet Management Unit arranged a free Eye Camp in collaboration with Ispahani Islamia Eye Hospital for all drivers to check their eye condition at Tigers’ Den.

**Report on Fire Incident(s)**
During fire incident at Akunji Tower MSC, Khulna, EHS personnel visited the location for an investigation and prepared report on it.

banglalink being a responsible organization, conducts all business activities in a reasonable manner, free from recognized hazards to respect the environment, health and safety of its employees & properties, customers, suppliers and community neighbors as well.
people

devoted to the equality and integrity of human rights, our respect stands strong for our people
2012 was a good and productive year for banglalink HR. Lots of employee engagement activities, people development programs, promotion of 310 employees, joining of 697 new tigers, renovation of banglalink offices throughout the country and opening of children’s day care center were some of the highlights of the year. All in all it was a successful year, with ever-present unremitting support in facilitating change, and ensuring proper management and well-being of the organization’s most important asset - its people.
Talent Acquisition and Manpower Strength

Finding and attracting qualified talent is one of the key actions banglalink HR continues 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 has made this activity more challenging than ever. The snapshot of banglalink manpower in 2012 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>15</td>
<td>1</td>
</tr>
<tr>
<td>Local-Permanent</td>
<td>1439</td>
<td>163</td>
</tr>
<tr>
<td>Local-Temporary</td>
<td>1002</td>
<td>430</td>
</tr>
<tr>
<td>Local-Part Time</td>
<td>140</td>
<td>103</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2596</strong></td>
<td><strong>697</strong></td>
</tr>
</tbody>
</table>

People Development

People development plays an integral role in ensuring that banglalink employees stay updated with the industry and upcoming technologies by providing them with the necessary learning tools. It is a key driver that propels employees to reach their potential while helping the organization achieve its objectives.

Throughout the year, a large number of development initiatives were carried out aiming to create valuable learning experiences for our employees, so as to effectively enhance their skill sets and knowledge base. The importance of such learning & development initiatives cannot be stressed enough in today's dynamic workplace where knowledge is ever changing and one must stay on top of the latest developments in order to survive and be successful.

People development initiatives at banglalink have a two-fold focus on developing employees, so that they can effectively perform their current job requirements, while also preparing them for future roles and responsibilities.

The following table shows the number of training programs executed in the year 2012:

<table>
<thead>
<tr>
<th>Number of Training Sessions Delivered:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional/Technical Training Sessions</td>
</tr>
<tr>
<td>Core &amp; Managerial Training Sessions</td>
</tr>
<tr>
<td>Training Sessions Delivered Locally</td>
</tr>
<tr>
<td>Training Sessions Delivered Internationally</td>
</tr>
<tr>
<td>Total Training Man-hours</td>
</tr>
<tr>
<td>Total Number of Participants in Different Programs</td>
</tr>
</tbody>
</table>

Knowledge Sharing

banglalink's knowledge sharing program, which was initiated in order to facilitate a collaborative learning environment throughout the organization, was successfully carried out throughout 2012. This initiative played an integral role in better dissemination of information and best practices among employees.

In 2012, a total of 25 sessions were carried out for 269 participants, by 44 presenters. The sessions were widely commended by all involved not only because they helped a wider audience gain knowledge from a collaborative learning environment, but also because they helped the speaker to get a deeper understanding of the topic while developing the materials.

Performance Management

At banglalink, performance appraisal takes place twice a year - the first cycle is the Annual Performance Appraisal (APA) which takes place in January and the second cycle is the Semi Annual Performance Appraisal (SAPA) which takes place in July. These provide a formal platform for the supervisor and staff to address how the employee has performed against the set objectives for the year and also how he/she has demonstrated against the set managerial and core competencies.

During the session the employees are encouraged to have candid discussions on successes, areas of development and expectations required from each other. This is also an ideal opportunity to discuss options for professional development and allow for real-time and more efficient discussion of corrective measures (if any) to be undertaken.
Promotion

Bangladesh believes in a performance-centric culture and in providing effective career development opportunities to all its employees so as to help them reach their true potential. Promotions in Bangladesh are given in recognition of employees' exceptional performance and contribution towards achieving the company's growth targets according to our business needs.

In January 2012, a grand total of 310 employees were promoted throughout the organization in 2 categories: NLP and SLP. In July 2012, 204 employees were promoted throughout the organization in the 2 categories.

Overseas Assignment

Overseas assignments help employees gain valuable experience from working in cross-functional teams in diverse environments. They provide opportunities for employees to experience situations that encourage out of the box thinking and exploration that are crucial for enhancing one's knowledge base and skill set. At the same time, the host country gains a valuable source of fresh perspective and diversity which always brings with it innovation and value addition which helps the company achieve the business objectives.

Bangladesh has an overseas assignment program which was put in place to support the group's overall growth strategies in various markets through knowledge, expertise and information sharing. In 2012, a total of 5 employees participated in overseas assignments in 2 different locations (Cambodia and Zimbabwe).

Values at Work

Values shape the way people act within an organization. They create a common ground which motivates everyone and carries them forward through both good times and bad. Bangladesh as an organization strongly believes that by consistently living its values, its people can create a level of organizational excellence, unsurpassed by anyone else.

In 2012, Tigers' Den and Medona Tower, two key offices of Bangladesh, were given a new look based on a plan taken from Bangladesh's four values. This was part of the second phase of Bangladesh Values Drive, following the "Values Booklet" which came out in the first phase in 2011.

This initiative aimed to create an atmosphere of positive encouragement for employees and ensure that the workplace reflects Bangladesh's core values and indomitable spirit. All employees were invited to step up and live by the inspirational messages surrounding their workplace as doing so would give them a positive outlook towards life and motivate them to achieve their goals.

Employee Engagement

Employee engagement is of utmost importance for us at Bangladesh and as such HR undertook numerous initiatives last year, to generate engagement and enthusiasm among employees.

- At the beginning of the year, Bangladesh arranged events for the employees' children. "Battle of Super Cub" the first ever Sports Competition for Bangladesh employees' children took place on 25th February 2012, where 111 kids contested for the prizes in 23 categories.
- HR celebrated the occasion of International Women's Day on 8th March 2012. The day started with giving beautiful cards, token gifts & flowers to all the female employees of the organization.
- On the occasion of "Pohela Falgun" Bangladesh celebrated the day with festive attire, colored decoration and gifts.
- As a socially responsible corporate entity, Bangladesh took the global initiative to drive a blood donation campaign on the occasion of "World Blood Donor Day" on 13th May 2012. 170 bags of blood were collected on that day which was the first time in the history of Bangladesh that such a significant quantity was obtained at any sort of blood donation campaign.
- For the Income Tax Return submission in September 2012, we arranged 2 tax
consultants to facilitate employees’ Income Tax Assessment and to work as a One-Stop-Service-Point in collecting and submitting employees’ necessary documents to NBR.

- bangalink’s very own Art Competition for employees’ children was arranged by bangalink HR team on 20th October, 2012. 117 young participants divided into 2 groups, Flowers and Angels participated in the competition.
- During the visit of Ahmed Abou Doma and Jo Lunde, VimpelCom’s CEO on 27th November, 2012 an All Hands Meeting was arranged for the employees.

Apart from the above mentioned activities, HR has also conducted Employee Engagement Survey 2012 to identify how we fare on factors that drive employee engagement. After the survey is done, the data will be utilized to implement measures that ensure that our employees are enabled, empowered and engaged.

These were some of the engagement activities carried out by HR that brightened up the year for our employees and made them proud and happy to be a part of the bangalink family.

**Award for Excellence**

bangalink received the prestigious “Benny Awards 2012” and “Global HR Excellence Awards 2011-2012” in the following categories respectively:

- Compensation Benefits Leadership – Jury's Choice Benny Awards
- Organization with Innovative HR Practices – Global HR Excellence Awards

The Benny Awards was presented by the compensation and benefits cell of the World HRD Congress which recognizes excellence and innovation in the employee compensation and benefits field. bangalink was awarded in the category of “Compensation Benefits Leadership – Jury’s Choice” in appreciation of the innovative initiatives that were taken in the arena of C&B over the last few years.

bangalink was also awarded in the category of “Organization with Innovative HR Practices” at the Global HR Excellence Awards ceremony, held at Taj Lands End, Mumbai on 17th February, 2012. This award recognizes the numerous innovative practices that Employee Relations, Organization Development, and Administration of HR & Admin Department have adopted and put in practice.

More than 20 countries participated in this event including USA, Australia, South Africa, Switzerland, Singapore, United Kingdom, Malaysia, Egypt, Thailand, Indonesia, Hong Kong, Sri Lanka, India, Sweden and so on. This achievement ensures bangalink’s position at the top along with many reputed organizations worldwide. bangalink can proudly say that we are leading the way for others in this industry.

**HR Automation**

A long awaited automation of different department’s operational functions has been successfully launched in 2012. It has reduced many operational processes. HR & Admin, IT, Accounting & Finance and many other departments have automated many of their daily work flow processes. It has helped business to move smoother and faster than ever before. Slowly the tigers are moving towards the paperless theme for the upcoming days.

**Tiger’s lounge**

In the later part of 2012, a very own web portal for bangalink employees, Tiger’s lounge, has been launched. Employees can now get updates, participate with employees in forum, get benefit of automated processes; in a nutshell, bangalink employees now have a platform for enhanced collaboration opportunities.

**Employer Branding**

To attract and retain top talents in the country, to build the image of the organization as a ‘great place to work’ in the minds of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders), bangalink has taken different steps in the year 2012 under Employer
Branding. All these have improved the perception of bangalink as an employer brand in terms of being one of the employers of choice in the country, employee work life balance, international career placement, employee development and career growth.

**Remuneration**

The difference that bangalink tries to make in terms of total rewards is to offer employees highly competitive remuneration package. While fixed cash is paid out to employees in return for the effort they put into their work, bangalink offers variety of benefits as an add-on to the salary which enhances the balance between work and personal life of employees. “bangalink cares” is the image that the company always wants to portray and this is supported by the wide range of benefits including life insurance, medical coverage, canteen, gym facilities etc. along with more cash based rewards such as sales incentive, annual performance bonus and alike.

In 2012 bangalink added yet more to the benefit basket. The year started with the introduction of the Pick & Drop Service, which turned into an instant success story with 40 vehicles in twenty routes and catering to approximately 400 employees. This benefit has been proven as one of the most sought after benefits by bangalink employees where the perceived value of the benefit is huge.

Another milestone was the establishment of bangalink’s own day care, ‘cuddly cubs’- children’s home away from home. It was a great relief for the working parents since they were able to concentrate on their busy career knowing that their children are being cared for by experts at the day care.

bangalink doesn’t only believe in just introducing benefits, but also makes sure that these benefits are easily accessible and comfortably availed by employees and so comes ‘iClaim’ - the online medical system which facilitates employees to manage their claims. This system also provides the real time update about claim status which eventually leads to efficient process with more employee satisfaction.

A banking kiosk was set up with Standard Chartered Bank at Tigers’ Den to enhance the banking services for the employees at doorstep, considering their busy work schedule.
And at the end of the year banglalink introduced Terminal Benefit which is banglalink’s way of saying “thank you” to employees who are to part their ways.

In 2012 with all the new benefits in place, banglalink Reward & Recognition has taken a long stride forward. While continuing with the existing arrays of compensation and benefits, banglalink aims to focus more on designing its Total Rewards in a way that will promote a stronger performance based work culture, as well as satisfy the employees.

**Employee Services and Facilities**

During 2012, Administration has evolved from just being a cost center to a strategic unit by proactively recommending and implementing operational strategies that best support banglalink’s core business requirements at most effective cost for all property & facility services.

This year, extensive works have been carried out in resolving the power crisis of different banglalink establishments. Albeit there were some challenges to get new connection, banglalink was able to manage necessary additional electrical load during this period. Among others, multi-level (3 layer) power backup installation in Tigers’ Den (head office), Medona Tower (extended head office), and Gulshan Call Center are significant. In addition to power up-gradation projects, renovation works in Medona Tower (8th & 9th floor), Motijheel Customer Care and Gulshan Call Center are noteworthy. Other operational initiatives, such as, water flow management, remodeling of lighting management, inventory management system, corporate agreement with Emirates/Qatar & domestic airlines, etc. contributed to operational efficiency & savings.

As an internal service provider, user satisfaction is vital to the team’s success. Administration Support, an e-mail group that was formed to register & follow up different queries & service requirements of the users, turned out to be an instant hit, registering almost 2,500 tickets during this year with a success rate of 95% (resolving issues as per SLA time).

The effort to establish Administration as a strategic partner of the core business continues. In coming days, initiatives, such as, capacity management, supply chain optimization, regulatory compliance, and service level agreement (SLA) for all services, etc. will surely put Administration at the forefront of all corporate real estate facilities & services decisions of the company.

In 2012 some very critical security and safety incidents occurred and in all occasions, the Security and EHS (Environment, Health & Safety) division played a worthy role. Additionally, in the arena of employee health & safety, several awareness programs such as, fire safety, earthquake preparedness, health awareness, etc. were rolled out throughout the year.
Disclaimer

This annual report contains statements that are, or may be, forward looking statements regarding our business outlook. Because 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.