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About Banglalink

Banglalink Digital Communications Ltd. (Banglalink) is one of the largest mobile operators in Bangladesh. We offer a wide range of 2G and 3G services across the country.

Our network covers more than 99% of the population of Bangladesh, the world’s 9th most populous nation and one of the fastest growing economies in Asia. We had 30.9 million subscribers at the end of 2014. We offer our services under the brand names of “banglalink” and “icon”.

Banglalink stands for positive change and aims to empower people with affordable communication solutions so that they can start something new in life. We are consistently investing in building an efficient and dependable network. We have more than 3,200 kilometers of optical fiber and over 8,200 microwave links throughout the nation. Banglalink’s International Roaming network reaches 388 operators across 147 countries including some airline In-Flight Roaming & Maritime Roaming.

Banglalink issued 5-year USD 300 million international bond in May 2014. Banglalink’s bond is the first ever international bond offering from Bangladesh. The Banglalink international bond is listed at the Singapore Exchange.

Banglalink is a public limited company registered in Bangladesh under the Companies Act 1994. Telecom Ventures Limited, a fully owned subsidiary of Global Telecom Holding s.a.e. owns more than 99% shares of Banglalink. GTH is traded on the Egyptian Stock Exchange under the symbol (GTH.EY), and on the London Stock Exchange its GDR is traded under the symbol (GLTD.LJ). VimpelCom Ltd. owns majority shares of Global Telecom Holding. VimpelCom is headquartered in the Netherlands and traded on the NASDAQ Global Select Market.
CEO’s Message - The Tale of Turnaround

Dear Stakeholders,

2014 has been a year of revival of our business.

Our strategic initiatives and persistent efforts resulted in consistent improvement in our key indicators over the last few quarters. Our 2G coverage and modernization project led to a strengthened network which translated into improved customer experience and reduced churn. This helped us to consolidate our lead in Net Promoters Score (NPS) and to gain more than 2 million new customers during 2014. Our attractive value propositions led to increasing minutes of usage.
Increased voice traffic along with noticeable data growth contributed to 11% increase in our revenue compared to the preceding year. Our revenue market share also rose in a competitive market. At the same time, our cost optimization program attributed to impressive growth in EBITDA. We optimized costs in the areas of infrastructure sharing, utilities and maintenance costs, outsourcing non-core activities and developing alternative distribution channels.

We successfully rolled-out our 3G network in 2014. Within a few months after obtaining our 3G license, we extended our 3G coverage to all 64 district headquarters of Bangladesh by July 2014. Consequently, our data traffic increased substantially and data revenue nearly doubled during the year.

In May 2014, we issued 5-year USD 300 million international bonds. Our bond issuance is the first ever international bond offering from Bangladesh. Our international bond issuance represents a key milestone for us in diversifying our sources of funding in international capital markets. We won the prestigious IFR Asia Award in the category of Frontier Markets Issue for successfully launching the international bonds.

In coordination with VimpelCom and Global Telecom Holding, we hosted an Analysts and Investors Site visit to Banglalink in December 2014. The visit was attended by investors from the United States, Europe, Russia and Egypt. The investors expressed their satisfaction over Banglalink’s progress and reiterated their confidence in management.

I am confident that with the support and commitment of our major shareholders, Global Telecom Holding and VimpelCom, we will be able to tap into additional opportunities in the fast growing mobile telecommunication industry in Bangladesh.

Finally, I wish to thank our dedicated employees and our business partners for their outstanding contribution towards turning Banglalink around.

Best Regards,

Ziad Shatara
Managing Director and CEO
Banglalink Digital Communications Ltd. (formerly Orascom Telecom Bangladesh Ltd.) was acquired by Global Telecom Holding (formerly Orascom Telecom Holding) in 2004. Following a complete overhaul and deployment of a new GSM network, the company’s telecommunication services were re-launched under the brand name “banglalink”. Soon after Banglalink began operations in February 2005, its impact was felt immediately; overnight mobile telephony became an affordable option for customers across a wide range of market segments.

**The Tigers Trail**

- **2005**
  - Banglalink launched.
  - Achieved 1 million customers

- **2007**
  - Banglalink became the 2nd largest operator

- **2008**
  - Achieved 10 million customer base

- **2012**
  - Exceeded 25 million customers

- **2013**
  - Launched 3G service

- **2014**
  - Exceeded 30 million customers

Banglalink Bonds issued.
In 2007, within less than two years after the re-launch, Banglalink attained more than 7 million customers and became the 2nd largest operator in terms of subscribers. Ever since, Banglalink retained its strong 2nd position in the 6-player mobile phone market in Bangladesh.

Banglalink's cost effective value proposition and innovative products stimulated Banglalink's exponential growth over the years in terms of customers and revenue. Since launching 3G services in October 2013, Banglalink has witnessed impressive growth in data revenue.

* As per the website of Bangladesh Telecommunication Regulatory Commission (BTRC)

** As per VimpelCom's definition of customers, Banglalink's customer base in 2013 and 2014 were 28.8 million and 30.8 million respectively.

* As per the audited financials prepared in accordance first Bangladesh Financial Reporting Standards (BFRS).

** 2013 revenue has been rearranged with BDT 604 million in connection with VAS Revenue. However, this rearrangement had no impact on the net results of 2013 since Cost of sales relating VAS Revenue has also been rearranged accordingly. This has been done in accordance with IAS/BAS 18.8
Banglalink’s relentless drive to acquire new subscribers while maintaining the service levels for its existing customer base necessitated the need for consistent investment in the networks both to increase capability and enhance the experience. Banglalink’s major shareholders persistently invested in Bangladesh to support the company to achieve its goal. The investments in Banglalink were made in the form of Foreign Direct Investment (FDI).

Banglalink maintained a responsible upward trend in EBITDA (Earnings before Interest Tax and Depreciation) driven by Banglalink’s double digit growth in revenue and cost efficiency initiatives.
Shareholders and Parent Company

Banglalink is more than 99.99% owned by Telecom Ventures Ltd. of Malta, which is a fully owned subsidiary of Global Telecom Holding s.a.e. of Egypt.

Following the business combination in April 2011 between VimpelCom Ltd. and Wind Telecom S.p.A, VimpelCom Ltd. holds 51.9% shares of Global Telecom Holding.

VimpelCom Ltd, headquartered in Amsterdam, is a global telecom company operating in 14 countries. 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, and Zimbabwe. VimpelCom’s operations around the globe cover territory with a total population of approximately 740 million people. VimpelCom provides services under the “Beeline”, “Kyivstar”, “WIND”, “Mobilink”, “banglalink”, “Telecel”, and “Djezzy” brands. In 2014, VimpelCom had annual revenue of USD 19.6 billion, EBITDA of USD 8.0 billion, and a mobile customer base of 222 million. VimpelCom’s ADSs are traded on the NASDAQ Global Select Market under the symbol VIP.
Shareholders of Banglalink as of 31 December 2014:

<table>
<thead>
<tr>
<th>Name of Shareholder</th>
<th>Number of Ordinary Shares of BDT 10 each</th>
<th>Face Value of Shares (BDT)</th>
<th>% of Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom Ventures Ltd.</td>
<td>4,760,377,396</td>
<td>47,603,773,960</td>
<td>99.999988%</td>
</tr>
<tr>
<td>Mr. Yogesh Malik</td>
<td>100</td>
<td>1,000</td>
<td>0.000002%</td>
</tr>
<tr>
<td>Mr. Ziad Shatara</td>
<td>100</td>
<td>1,000</td>
<td>0.000002%</td>
</tr>
<tr>
<td>Mr. Nizar El Assaad</td>
<td>100</td>
<td>1,000</td>
<td>0.000002%</td>
</tr>
<tr>
<td>Mr. Hassan Helmy</td>
<td>100</td>
<td>1,000</td>
<td>0.000002%</td>
</tr>
<tr>
<td>Mr. David Dobbie</td>
<td>100</td>
<td>1,000</td>
<td>0.000002%</td>
</tr>
<tr>
<td>Mr. Afzal Hussain Chowdhury</td>
<td>100</td>
<td>1,000</td>
<td>0.000002%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,760,377,996</strong></td>
<td><strong>47,603,779,960</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

VimpelCom brands:
Board of Directors

Mr. Vincenzo Nesci
Chairman

Mr. Vincenzo Nesci joined as a member of Banglalink’s board of directors on 30 September 2014 and subsequently was elected as chairman of the board. Mr. Nesci has been CEO of Global Telecom Holding since 2014.

Formerly, with GE Group, Libya and Nigeria, Mr. Nesci joined Alcatel in 1980, with positions in Egypt, Italy, Belgium, Ethiopia and East Africa.

In 1993, he was nominated Country Senior Officer of Alcatel in Egypt; appointed in 1999 as Vice-President Middle East; then in 2006 he became President of Middle East and Africa Business Unit as well as the Chairman of Alcatel Egypt, Alcatel Pakistan and Alcatel Morocco. In 2010, Mr. Nesci joined Global Telecom Holding as CEO of Sub-Saharan Africa Cluster. Member of the Board of WIND Mobile Italy, Djezzy/OTA and several other companies of the Group. Mr. Nesci holds a Master degree in Economics. He is also a Lecturer and Assistant Professor in Banking and Finance, Conseiller du Commerce Extérieur de la France, Board Member Chambre de Commerce Franco-Arabe and a member of the World Economic Forum. He received few awards including: Chevalier de la Légion d’Honneur of France and Officer of the Order of Leopold II of Belgium.

Mr. Mikhail Gerchuk
Director

Mr. Mikhail Gerchuk has served as Group Chief Commercial and Strategy Officer since October 2011. In March 2013, Mr. Gerchuk was also appointed Chairman of the Board of Directors of our Kazakhstan VimpelCom’s operations.

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 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.

Mr. Gerchuk was included in the “Top 40 under 40 in Telecoms” by the Global Telecoms Business magazine in 2010 and 2012.
Board of Directors

Mr. Yogesh Malik
Director

Mr. Yogesh Malik joined VimpelCom as Group Chief Technology Officer in March, 2014. Mr. Malik was appointed a member of the Group Executive Board and the Group Management Board.

Prior to joining VimpelCom, Mr. Malik was the Chief Executive Officer of Uninor, an Indian mobile network operator majority owned by the Telenor Group. At Uninor he held a variety of senior positions from 2010 to 2013. Prior to his appointment as CEO, Mr. Malik led the Uninor operations as COO covering the areas of Technology, Regulatory and Customer care.

Mr. Malik’s career includes appointments as CTO of Grameenphone in Bangladesh, CTO of Kyivstar in Ukraine and Head of Technology & Sourcing at Telenor Group headquarters in Norway. He also worked for TIW, Tata/AT&T and Ericsson in Czech Republic, Brazil, China and Canada in various senior positions. Mr. Malik holds an Engineering Degree in Electronics from MSU University, Baroda in India and is an Executive MBA graduate from IMD, Lausanne, Switzerland.

Mr. Ziad Shatara
Managing Director and CEO

Mr. Ziad Shatara took over as Chief Executive Officer of Banglalink in January 2013. Subsequently, he joined the Board of Directors of the company and appointed Managing Director alongside Chief Executive Officer. Before joining Banglalink, he was with Wind Telecommunications as its Chief Technology Officer from 2010 until 2012, and its IT director from 2008 until 2010.

Prior to joining WIND, Mr. Shatara had more than 18 years of proficiency in building, running and expanding operations in telecommunications, including cellular business, fixed lines and broadband networks integration. He also has additional professional expertise in the fields of IT, Customer Service and Retail Operations.

Mr. Shatara started his career in the IT industry in 1991. He then moved into telecommunications, starting with a role with the first GSM operator in Jordan, Fastlink, in 1994. From 1994 to 2007 he worked in many regional networks in the Middle and 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.
Management Team

Mr. M Nurul Alam
Country Compliance Officer

Ms. Monzula Morshed
HR & Administration Senior Director

Ms. Perihane Elhamy
Chief Technical Officer

Mr. Shihab Ahmad
Chief Commercial Officer

Ms. Jahrat Adib Chowdhury
Legal Affairs Senior Director and Company Secretary

Mr. Ziad Shatara
Managing Director and CEO

Mr. M. Nurul Alam
Country Compliance Officer
Mr. Ziad Shatara
Managing Director
and CEO

Ms. Jahrat Adib Chowdhury
Legal Affairs Senior Director
and Company Secretary

Mr. Taimur Rahman
Regulatory Affairs Senior Director

Mr. Ahmad Y. Haleem
Chief Financial Officer
Management Team

Mr. Ahmad Y. Haleem  
**Chief Financial Officer**

Mr. Ahmad Y. Haleem joined Banglalink on March 2014 as the Chief Financial Officer.

Mr. Haleem is a seasoned Finance and Operations professional with over three decades of experience gained in telecommunications and investment companies. His most notable telecommunications postings have been as Chief Strategy Officer of the Zain Group, CEO and Managing Director of Wataniya International, CFO of Mobinil, and Director of Finance and Operations at Fastlink. Mr. Haleem has worked in the Middle East, the United States and North Africa.

He obtained his BSc in Accounting from the University of Illinois and is a Certified Public Accountant.

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Mr. Shihab Ahmad  
**Chief Commercial Officer**

Mr. Shihab Ahmad has been appointed as Banglalink’s Chief Commercial Officer from 26th June 2013. Prior to this appointment, he served as the company’s marketing Senior Director.

Mr. Ahmad has been instrumental to Banglalink’s strong second position by fronting the price and brand initiatives of the company. Because of his marketing leadership, Banglalink grew to its current customers base of over 32 million. A respected Bangladeshi telecom professional, Mr. Ahmad has risen from the ranks and held several managerial roles in Banglalink for more than eight years. Before commencing work in telecommunications industry, Mr. Ahmad was with Rahimafrooz Ltd. as IT and Operations Manager.

Mr. Ahmad holds an MBA degree from the Lahore University Management Sciences and a BSc. in engineering from Bangladesh University of Engineering and Technology (BUET).
Management Team

Ms. Perihane Elhamy
Chief Technical Officer

Ms. Perihane was the Chief Technical Officer of Orascom Telecom Holding subsidiary in Burundi, and has over 22 years of technical experience in the telecommunications industry. Her wealth of experience comes from stints at Siemens, Wataniya, Nokia Siemens and Global Telecom Holding in over ten countries in Asia, Africa and the Middle East. Ms. Perihane obtained her Electronics and Communications Degree from Cairo University.

Mr. Taimur Rahman
Regulatory Affairs Senior Director

Mr. Taimur Rahman joined Banglalink in February 2014 as the Regulatory Affairs Senior Director. Mr. Rahman has 20 years of experience in multinational environments in the telecommunications industry. Prior to joining Banglalink, Mr. Rahman held the role of Regulatory Affairs Director at Grameenphone. Mr. Rahman has also held senior Regulatory Affairs, Strategy, Account Management and Engineering roles in telecommunications giants Ericsson, Motorola and Alcatel. He gained his MBA from Dhaka University in 2001, and his BSc in Electronics Engineering from Assumption University (Thailand) in 1995.
Management Team

Ms. Monzula Morshed
HR & Administration Senior Director

Ms. Monzula Morshed joined Banglalink at the end of April 2015 as HR & Administration Senior Director.

Ms. Monzula held the position of Human Resources Director at Lafarge Surma Cement Ltd. before joining Banglalink. Before Lafarge, she was the Head of Human Resources-Consumer Banking in Standard Chartered Bank Thailand and Senior HR Relationship Manager-Consumer Banking and Senior Manager-Reward, Talent and Performance at Standard Chartered Bank Bangladesh. She started her career at British American Tobacco Bangladesh as a Management Trainee in HR and performed in different roles in Employee Relations, HR Operations, Learning and Rewards.

She completed her Master of Business Administration (MBA) and Bachelors of Business Administration (BBA) from Institute of Business Administration (IBA), University of Dhaka.

Ms. Jahrat Adib Chowdhury
Legal Affairs Senior Director and Company Secretary

Ms. Jahrat Adib Chowdhury joined Banglalink in September 2014 as Legal Affairs Director, and later promoted to Legal Affairs Senior Director. On 01 July 2015 Ms. Chowdhury has been assigned the responsibility of Company Secretary in addition to her existing role as Legal Affairs Senior Director.

She is a barrister-at-law and an advocate of the Supreme Court of Bangladesh, with over 13 years of exemplary experience in the legal profession. Prior to working at Banglalink, Ms. Jahrat held the role of head of legal & compliance at Novartis (Bangladesh) Limited. During her tenure at Novartis, Ms. Jahrat also served as a member of the country executive committee. From 2010 to 2013, she served at Grameenphone IT Ltd. as the Head of Legal & Compliance, where she was distinguished as a top talent under the Telenor Development Program.

Ms. Chowdhury was called to the bar at the honorable society of Lincoln’s Inn, United Kingdom in July 2006. Earlier, she completed her post-graduate diploma in law from the City university, United Kingdom and her LLB (Honor’s) from the University Of London, United Kingdom. Additionally, she has an advanced certificate on business administration awarded jointly by IBA, Dhaka University and AMDISA, India.
Management Team

Mr. M Nurul Alam
Country Compliance Officer

Mr. Alam has been appointed Country Compliance Officer of Banglalink with effect form 01 July 2015.

Mr. M Nurul Alam joined Banglalink as Company Secretary in November 2007. Prior to joining Banglalink, he worked with GlaxoSmithKline Bangladesh Limited - a renowned multinational pharmaceutical manufacturing and marketing company. He has 34 years of experiences in corporate affairs, company secretariat, and internal auditing in different multinational companies.

Mr. Alam is a Fellow member of Institute of Chartered Secretaries of Bangladesh with Master of Accounting. He is also a member of the Institute of Internal Auditors of Bangladesh. Mr. Alam is also a member of Society of Corporate Compliance and Ethics headquartered in Minneapolis, the United States.
Our Vision and 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 customer experience (before, during and after sales)
- Creating optimum shareholder value
Core Values

All employees of Banglalink are expected to demonstrate the following core values in day-to-day activities to “start something new” in every area of our operations in the “Banglalink” way:

Innovative

What makes us Innovative

• Being open minded and flexible
• Discouraging false pride and challenging the normal way to do things
• Learning and adopting best practices from others
• Thinking of a situation from various points of view
• Creating an environment where others can put forth their ideas without hesitation or fear

Straightforward

What makes us Straightforward

• Communicating clearly and effectively
• Listening empathically and asking questions to seek out and understand different views
• Practicing what we preach
• Leading by example
• Accepting responsibility for successes and failures

Reliable

What makes us Reliable

• Generating trust and reliability
• Being understanding and focusing on a solution that everyone can benefit from
• Delivering results by deadlines
• Thinking before making a commitment and sticking to it
• Making honest decisions based on facts & figures, not feelings or opinions

Passionate

What makes us Passionate

• Striving to achieve goals
• Believing in self and team’s ability to achieve targets
• Driving for excellence in execution
• Using information/resources available in the best possible way to achieve targets
• Reaching the desired goal through trying out different options with determination
Our Brand and Products

2014 has been an impressive growth and turnaround year for Banglalink with contribution from our traditional voice business, as well as data and content.

Our subscribers’ base grew faster than the mobile industry average in Bangladesh. Our need-specific product portfolio, aimed at different customer segments, helped us acquire new customers. Our continuous promotional offers and efficient customer targeting contributed to 7% growth in prepaid customers segment. Attractive value proposition and expanded sales channels delivered an impressive 19% increase in our postpaid segment. Our repeated re-activation offers and strengthened loyalty programs helped us retain existing customers’ base and reduce churn rate.

With the spirit “start something new”, we continued to be innovative throughout 2014. After receiving ‘Mobile Excellence Award’ by WITSA (World Information Technology and Services Alliance) for our innovative the M-Agri Services.

Banglalink’s International Roaming network has been expanded to 423 operators across 155 countries, including some In-Flight and Maritime Roaming facilities. We have introduced prepaid roaming for our customers in 2014.

We had phenomenal data usage growth with expanding 3G coverage and outstanding experience. Our data customers’ base reached 10 million milestones in the first quarter and surpassed 12 million at the last quarter of the year. Our data volume increased a staggering 226% during the year. Competitive data tariffs along with innovative data packs and usage linked freebies, helped to grow our data volume. In addition, new OTT partnerships with Viber, Opera and offers such as Viber pack, social media pack (first time in Bangladesh)
contributed to overall growth of data usage. Data customer base grew 24% and data revenue rose 76% in 2014. Banglalink also launched a branded content portal 'Banglalink store', which enables customers to browse and download content from a single point. This has been a significant stimulator to convert non data subscribers to data users.

Our Mobile Financial Services (MFS) customers base grew 44% in 2014, while MFS revenue went up 17%. Mobile wallets are becoming more popular for various financial transactions such as P2P money transfer, online shopping and mobile top-up. At the end of 2014, our mobile top-up contributed 8% of total top-up and emerged as a strong alternate and cost effective channel for mobile services.

For convenience of our customers, we introduced several new sales and service channels throughout the year. Introduction of self-service USSD portal and dedicated IVR allowed customers to avail various services without human intervention. In addition, enhancement of the Banglalink app with additional features enabled customers with more access to information and to avail themselves with a wider range of services.

Our brand remained vibrant and youthful. In 2014, we launched the call drop rebate campaign (first ever in Bangladesh) offering a talk-time refund in case of call drops. This has helped to build customers’ confidence on Banglalink’s robust network. We rolled out large-scale 3G campaigns to position Banglalink as one of the fastest 3G service provider in the country.
Our Robust Network

Banglalink: The Fastest 3G Everywhere

We are focused on faster adaptation of new technology and the aim of efficient internet services. With a view to achieve this, we launched 3G voice and HSPA+ services in 2013 which is capable of delivering up to 21mbps speed. In 2014, we implemented a significant roll out, while adhering to strict quality control to ensuring satisfactory 3G voice and HSPA+ services. Thus we positioned ourselves as the country’s “fastest provider” as per a report of Bangladesh’s telecom regulatory authority.

We started to develop our 3G network in the last quarter of 2013 and subsequently reached more than 12% of the total population by December 2014. With more than 2,400 3G BTS on-air, we ensured 3G coverage in all 64 districts including 6 Divisional Headquarters (Dhaka, Chittagong, Khulna, Sylhet, Barisal and Rajshahi) in Bangladesh by the end of 2014. Thus we fulfilled our license obligation ahead of regulatory guideline.
Quality is Our Priority

We believe that quality is not an act, it is a habit and thus keeping it in mind, we make constant efforts to satisfy our valued subscribers. We have taken extensive steps to modernize our network over the last couple of years. Along with 3G network work expansion, we have continued to develop our GSM network, reaching approximately 99.25% of the total population through an extensive rollout of coverage & densification of sites by December 2014. These decisive and qualitative steps have enabled our subscribers to enjoy superior levels of service experience in terms of network coverage and quality.

Call drop is identified as one of the major annoyances that prevent customers from enjoying the full experience of the mobile telecommunication sphere. Our ultra-modernized network aims to keep call drops to a minimum, and to guarantee this uninterrupted experience to the customers, we have introduced the first ever network service quality feature in Bangladesh, “Minute Back on Call Drop” in 2014 that has the unique service feature of reimbursing customers if there is a call drop. Along with other major KPIs, we also have significantly improved in Network Call Unsuccessful Rate and Call Setup TCH Blocking Rate, as well as consistently maintained these throughout the year 2014.
Seamless Data Service

We continued giving seamless data service to our customers. During 2014, overall capacity has been increased which resulted in around 200% growth in data volume compared to 2013. The transmission network has been designed with different protection schemes both in equipment and path levels to enhance network robustness which helped to increase data volume and further boost the internet experience for the end-user.

Optimization Efficiency & Renewable Green Energy

One of our prior accomplishments in 2014 was to achieve excellence in optimizing cost. We deployed highly efficient power equipment that performs comprehensive protection functions, supports soft start, and produces low noise that also made possible to on air long pending down sites due to (Diesel Generator) DG noise issue. Achieving lower fuel consumption by reducing the (Diesel Generator) DG dependency also resulted in cost reductions.

The “Green Revolution” continued in 2014. We achieved cost reduction and CO2 emission by minimizing (Base Transceiver Station) BTS, energy consumption and using renewable energy sources like solar power. Our modernized equipment with future proof concept of power shortage curtailed down power consumption as well as reduction in CO2 emission by lesser consumption of fuel and implementation of environment friendly cooling system. In addition to improving energy efficiency, we also improved network up-time and reliability.
Customers’ Experience with Banglalink

Banglalink adopted a customer-centric strategy and continuously works to understand our customer and put them first. Success of this strategy is proven when satisfied customers promote Banglalink and the brand to others. Consequently, customer feedback is at the center of the company’s decision-making.

Leadership, philosophy and company culture are key elements for transforming a business into a true service provider and customer-centric company. Simplicity, hassle-free and easy to-use offers, as well as innovation are the key factors to meet customers’ needs in an ever-changing digital world. Banglalink intensified its focus on all those criteria throughout 2014.

Net Promoter Scores (NPS) is an important tool in working to become a customer-centric leader. Solid insights are needed to create more targeted product, price packages and process that aim to improve the customer experience and retention, and to drive cost efficiency. In the last quarter of 2014, Banglalink achieved the following corporate *rNPS (relative NPS) target.
We all know that the hardest thing for competitors to copy is the customer experience we create, while highly engaged employees are the most dynamic and influential force in creating customer excellence.

With an aim to provide superior customer experience, Banglalink secured fastest 3G network experience across the country & data-centric pricing models to offer customized bundles to consumers. In addition, Banglalink is the first ever in Bangladesh to introduce “minutes back on call drop” conveying the message “In our network, users rarely face a call drop and in the rare occasion if it happens, we apologize and give you a minute back because we value your relationship”. At the same time, our stepping towards digital experience will enable our valued customers to keep pace with the new digital era.

Ensuring excellence in every step of customer journey is one of the motto of our company. At Banglalink, we realize its true importance and strongly believe that customers are at the heart of everything we do and our success is powered by the satisfaction of our valued customers.

*NPS gap to the next best competitors, as per survey conducted by third party market research agency.*
No Lines Online
Our Customer Service

Following the trail of success and innovation that it left over the preceding 10 years; Banglalink once again advanced this year with its Customer Care through the digitization of its services to customers. As the industry is being gradually enriched with data users, multiple self-care channels such as ‘My banglalink’ app, the ‘banglalink Mela’, the Facebook page, banglalink online service etc. have been launched/reinforced to ensure convenience of the customer including through saving their time and achieving accuracy by overcoming the probability of human errors while receiving services. Aiming to reach out to data users more actively, social media chat through ‘banglalink Mela’ and chat through Banglalink official website have been introduced and have become popular.

The growing volume of customers we have served in December 2014 compared to January 2014 can be seen in the figures below:

<table>
<thead>
<tr>
<th>Self-Care Channel</th>
<th>Volume of Customer in Jan’14</th>
<th>Volume of Customer in Dec’14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook Total Likes</td>
<td>890,252</td>
<td>2,401,411</td>
</tr>
<tr>
<td>BOS Total Registered Customers</td>
<td>298,321</td>
<td>383,641</td>
</tr>
<tr>
<td>My BL App Total Downloaded Base</td>
<td></td>
<td>47,043</td>
</tr>
</tbody>
</table>
A unique dialing code *121# to provide 360° customer service has been introduced which customers can avail through their handsets without internet connection, absolutely free of cost. The average number of customers hitting this channel daily can be seen in the figure below:

![Customer’s Daily Average Hits at Self Care](image)

The significant growth in the traffic of customers hitting the self-care channels throughout 2014 has reduced the dependency of service on human agents considerably, yielding optimization of the use of human and infrastructural resources, and hence, cost. Another initiative with a similar objective has been the relocation of the contact center to the company’s own premise.

To improve the overall customer experience in terms of quality and speed of service, special focus has been given to First Contact Resolution which is resolving customer complaints at the first contact to any customer service channel. Customer Analyst has been introduced to segment customers more effectively in order to deliver personalized services and provide extended credit facility and hence ensure exceptional customer experience for the postpaid subscribers. To enhance experience of the overall customer base, mini care centers with 3G experience have been established, and, in addition, customer service can now also be availed from retailers. To serve and satisfy groups of customers by homogeneity of preference, myriad variations have been brought about in data packages and offers as an NBA strategy.

As a part of social responsibility, e-bill and SMS-based bill has been introduced as an initiative of the ‘Go Green’ concept. With all these innovations and achievements, Banglalink once again secured the top position in the telecommunications industry in ensuring customer satisfaction through its services in 2014.
Building the Nation

Since inception Banglalink has been consistently investing to establish a robust and dependable mobile phone infrastructure. Most of Banglalink’s investment came to Bangladesh in the form of much needed foreign direct investment (FDI). This huge influx of foreign exchange has contributed in stimulating economic activates in the society, hence creating employment opportunities and enhancing productivity in Bangladesh.

Banglalink has been one of the largest contributors to the national exchequer. Every year Banglalink deposits a substantial amount of VAT, SIM Tax and other forms of taxes and duties to Bangladesh government’s treasury.

In addition, as a mobile phone operator, Banglalink paid a large sum of license fees to the Bangladeshi Government for 2G and 3G licenses. Banglalink also paid a substantial amount of spectrum charges to the Bangladeshi Government. Through to the end of 2014, Banglalink has deposited BDT 146 billion to the Government’s treasury in the form of taxes, duties, spectrum charges and license fees etc. In 2014 Banglalink paid BDT 18 billion in respect of taxes, fees etc.
Our Social Commitment

Our CR Strategy: In Banglalink we adhere to the CR strategy of our parent company about Global Telecom Holding (GTH)/VimpelCom. Our strategy framework is represented in the diagram below:

- **Flagship Program**: A common theme or program which all OpCos and Groups participate in
- **Services for Society**: ‘mServices’ (education, health, agri etc.)- local circumstances/ local decisions
- **Community Engagement, Philanthropy & Volunteering**: Continuation of successful local programs
- **Environmental Efficiency**: Focus on network energy efficiency
- **Engaging in the Global CR Agenda**: UNGC/ GeSI/ WEF
- **Transparency & Reporting**: Supporting Group and local reporting
- **Ethical Conduct & Responsible Behavior**: Mandatory group wide standards

Flagship program
New products & services
Building reputation with key stakeholder
Saving costs through efficiency
Protecting reputation
Setting appropriate operational standards

Sharing Value

Risk Management
Our social activities mainly focus on health, education, good governance, environmental efficiency, renewable energy and services for society. We also inspire our employees through different voluntary participations.

**Make Your Mark**

In 2014, VimpelCom launched a Group-wide program called Make Your Mark, which focuses on ‘Helping Young People Shape Their future.’ The program’s brand reflects to help young people leave their fingerprints on the world – to make their mark. We launched “Banglalink Grandmaster Idea Contest” in 2011 for the youth to start something new. In 2014, we joined hands with Huawei Technologies to create an opportunity for the winners to attend an International Youth Camp in China.

**Services for Society**

We provide services that create value for our stakeholders as well as the society as a whole. We partner with banks and other mobile financial service providers to extend basic financial services to a large part of the unbanked population of Bangladesh who would not otherwise have banking services.

Our agricultural information service mAgricultures provides suggestions and answers to the queries of poor farmers located in remote rural areas. “Krishibazaar” serves as a mobile voice-based agricultural marketplace which helps farmers to exchange information on supplies and prices of their products.

Our Healthlink service allows our customers easy access to basic health advices.

**Employee and Community Engagement**

Every year we organize blood donation drive among employees on the occasion of “World Blood Donor Day”. Our employees also participate in cleaning Cox’s Bazaar sea beach, the world’s longest sandy beach located in Bangladesh, during the International Coastal Cleanup Day.

**Environmental Efficiency**

As part of our commitment to reduce carbon footprint, we deployed more than 30 solar powered base stations. Moreover, to save the environment from non-biodegradable plastic flex sheets, we re-cycled plastic sheets into school bags. These bags have been distributed among poor school children of remote villages across the country.

Banglalink has been sponsoring Cox’s Bazaar Sea Beach Cleaning Program since 2005 in partnership with Green World. This project provides job opportunity to 30 poor women who clean the beach all year round.

**Ethical Conduct and Responsible Behavior**

Banglalink requires its employees, consultants, vendors and other business partners to maintain the highest standard of business ethics. Our code of conduct restricts bribery and corruption, discrimination, harassment, conflicts of interest and other forms of misconduct. VimpelCom’s compliance helpline facilitates anonymous whistle blowing round the clock every day. Our non-retaliation policy protects whistle blowers from reprisals.

**Health, Safety and Security**

Health awareness programs for employees are regularly arranged to raise awareness on various health issues and promote a healthy lifestyle among our employees. An in-house physician is available to employees during office hours.
Corporate Governance

Organogram

Shareholders

Audit Committee

Board of Directors

Ziad Shatara
Managing Director & CEO

Ahmad Y. Haleem
Chief Financial Officer

Shihab Ahmad
Chief Commercial Officer

Jahrat Adib Chowdhury
Legal Affairs Senior Director and Company Secretary

Perihane Elhamy
Chief Technical Officer

Monzula Morshed
Human Resources & Administration Senior Director

Taimur Rahman
GR & Regulatory Affairs Senior Director

M Nurul Alam
Country Compliance Officer
Report of the Directors

The Board of Directors of Banglalink Digital Communications Ltd. (Banglalink) is privileged to present the annual report 2014 accompanied by the audit report and audited financial statements for the year ended 31st December 2014 in accordance with Section 184 of the Companies Act 1994.

An Overview of the Year 2014

Macro-Economic Update

Bangladesh maintained its previous two decades consistent economic progress in fiscal year (FY) 2014 (July 2013 to June 2014) despite political turmoil at the end of 2013. Gross Domestic Product (GDP) grew 6.1% during FY 2014 as per the Government’s statistics bureau. The Government has set an ambitious 7.3% growth target for FY 2015. Achieving this will require investment to GDP ratio to rise up to 33.8% in FY 2014 which is currently 28.8%. In addition, political and macroeconomic stability, better governance in the banking system, development of markets for long-term finance and efficient implementation of infrastructure improvement projects remain some of the key factors in this process.

The overall inflation increased to 7.4% in FY 2014 relative to 6.8% in FY 2013, driven largely by price increases in food. Food inflation rose in FY 2014, while non-food inflation declined. The Central Bank has set a 6.5% inflation target for FY 2015.

Bangladesh central bank's foreign exchange reserves rose to USD 21.5 billion at the end of FY 2014 marking a staggering 40% growth compared to USD 15.3 billion a year ago. Trade deficit reduced to USD 6.81 billion in FY 2014 from USD 7.01 billion of the previous fiscal year, due to higher export receipts. Bangladesh’s export earnings surpassed the USD 30 billion mark for the first time in history during FY 2014. Ready Made Garment (RMG) exports displayed impressive growth in FY 2014 in the backdrop of increased global attention to safety compliance and prolonged political turbulence.

Foreign remittance from Bangladeshis living abroad has dropped 1.6% in FY 2014 compared to the previous fiscal year, according to central bank’s report. In FY 2014 Bangladeshi people sent USD 14.22 billion into the country, compared to USD 14.46 billion in FY 2013.

Regulatory Environment and Telecom Industry

The Ministry of Post and Telecommunications and Bangladesh Telecommunication Regulatory Commission (BTRC) are the main telecommunications regulators in Bangladesh.

Bangladesh has one of the world's fastest growing mobile phone industries. The country's mobile penetration reached around 72% at the end of 2014 which was 65% the previous year. However, intense competition prevails among the largest three operators who own nearly 90% market share altogether.
**Banglalink Landmarks in 2014**

Banglalink had some remarkable achievements in 2014. With the acquisition of nearly 2 million new customers, the customer base reached 30.9 million at the end of 2014. Banglalink’s customers’ base grew 7% in 2014, while its subscribers market share stood at 26%.

Since obtaining a 3G license in September 2013, Banglalink rolled out the widest 3G network in the country covering all 64 district towns. Banglalink also leads in NPS in mobile phone industry in Bangladesh. Banglalink issued 5-year USD 300 million international bonds, the first ever international bond offering from Bangladesh. The senior notes were issued on 6th May 2014 and will mature in May 2019. Banglalink used the bond proceeds to repay existing debts and to finance capital expenditures.

**Business Activities**

**Financial Performance**

Banglalink’s Revenue* for 2014 was BDT 43.65 billion against BDT 39.95 billion in 2013. Revenue increased 9% during 2014 compared to 2013. In 2014 Average Revenue Per User (ARPU) was BDT 120 which rose from BDT 118 in 2013.

In 2014, Banglalink’s EBITDA increased to BDT 17.2 billion which was BDT 14.6 billion in 2013.

**Continuous Investment for Expansion**

Being the fourth entrant in the industry and commencing commercial operations in February 2005, Banglalink continued to grow aggressively and became the country’s 2nd largest mobile operator in terms of subscribers in 2007. This has been possible with the continuous investment in the up grading of the network, enhancement of customer care and significant brand building strategies. During 2014, Banglalink invested BDT 13.8 billion (USD 178 million) in capital expenditures.

**Future Prospects**

During 2014, Banglalink incurred a net loss of BDT 3.1 billion compared to net loss of BDT 4.4 billion in the preceding year. Banglalink’s accumulated loss was BDT 46.9 billion on 31 December 2014, while the current liabilities exceeded current assets by BDT 26.7 billion. Management is confident that the company will continue to operate in the foreseeable future based on improved profitability and continued support from financiers, vendors and parent company Global Telecom Holdings (GTH)/VimpelCom Ltd. Based on these, the financial statements are prepared on a going concern assumption.

**Dividend**

The Company’s Board of Directors recommended declaring no dividends for the year 2014 taking into account non-availability of distributable profit in the financial statements for the year ending 31 December 2014.

*as per audited financials prepared in accordance with Bangladesh Financial Reporting Standards (BFRS)
Products and Services

Banglalink offered numerous innovative products and services throughout 2014. Despite fierce competition, Banglalink witnessed notable growth in its revenue and minutes of usage (MOU).

Banglalink had an impressive growth in its data revenue in 2014 driven by the introduction of 3G technology. Banglalink’s 3G coverage, the widest in Bangladesh, coupled with attractive data bundles, contributed to monetization of data traffic.

Corporate Social Responsibilities

Banglalink remained firmly committed to contribute in the socio-economic advancement of Bangladesh. The company undertook several projects for the welfare of community and conservation of environment. Banglalink social activities include the following major initiatives:

- Cox’s Bazar Sea Beach Cleaning Project
- Support for Hajj Pilgrims at the Hajj Camp
- Water & Date Distribution and Iftar arrangements at Orphanage during Ramadan
- Winter Clothes Collection and Distribution

Since inception, Banglalink has been cleaning the world’s longest sea beach at Cox’s Bazar and also observing International Coastal Cleanup Day on 15th September each year.

Environment, Health and Safety (EHS)

Banglalink is committed to a green environment. Solar powered base stations are increasingly used to reduce electricity consumption. Banglalink also uses high capacity batteries to minimize use of diesel run generators in the places where power supply from national grid is not available for its network.

Banglalink works hard to provide a safe and healthy workplace for its employees. Safety appliances are installed across Banglalink offices and other premises to safeguard life and property. Emergency evacuation drills are conducted regularly to train up employees on safe escape during earthquake, fire or other emergencies. Basic medical support for employees are available at Banglalink office.

Statutory Payment

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

The Board of Directors and Meetings

During 2014, a total of six 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.
Management Team

The Management Team headed by the Managing Director and CEO sits every week to review the business and decide on key issues. The Management Team is responsible to the Board of Directors through the Managing Director and CEO.

Directors’ Election and Re-election

The Directors retiring in the next AGM accordance with Articles of Association are Mr. Ziad Shatara and Mr. Vincenzo Nesci, who being eligible, offered themselves for re-election under Article 58D of Banglalink’s articles of association.

Auditors

The Directors recommended ACANABIN, Chartered Accountants as the statutory auditors for the year 2015 for shareholders’ approval in the 20th Annual General Meeting.

Shareholding

Telecom Ventures Limited, a 100% owned subsidiary of Global Telecom Holding (GTH), holds more than 99.99% shares of Banglalink Digital Communications Bangladesh Ltd.

Shareholders Meeting Held During the Year 2014:

<table>
<thead>
<tr>
<th>Date of Meeting</th>
<th>Nature of Meeting</th>
<th>Purpose of Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(ii) Declaration of no dividend to the shareholders.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iii) Election/re-election of Directors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iv) Appointment/re-appointment of Statutory Auditors &amp; fix their remuneration for the year 2014.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Directors</th>
<th>Number of Meetings Held whilst a Board Member</th>
<th>Meetings Attended</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Ahmed Abu Doma</td>
<td>3</td>
<td>3</td>
<td>Discontinued</td>
</tr>
<tr>
<td>Mr. Mikhail Gerchuk</td>
<td>6</td>
<td>4</td>
<td>Leave Granted</td>
</tr>
<tr>
<td>Mr. Philip Tohme</td>
<td>2</td>
<td>2</td>
<td>Discontinued</td>
</tr>
<tr>
<td>Mr. Ziad Shatara</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Mr. Yogesh Malik</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Mr. Vincenzo Nesci</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>
Corporate Financial Reporting Framework

- The Financial Statements are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) to fairly present the company’s state of affairs, result of operations, cash flows and changes in equity.

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

Business Continuity Management (BCM) and Risk Management

Banglalink has a Business Continuity Management program coordinated by a 19 member cross functional BCM Committee, under the leadership of the Company Secretary. A risk management framework has been developed in 2013. The risk management function maintains risk register, evaluates magnitude and probability of risks and develops risk management strategies.

Acknowledgement

The Directors express their gratitude to the shareholders, customers, business partners, financiers, and media for their trust and confidence on Banglalink.

Board of Directors would also like to thank all other stakeholders including Ministry of Posts and Telecommunications, Bangladesh Telecommunication Regulatory Commission, National Board of Revenue, Bangladesh Securities and Exchange Commission, Bangladesh Bank, Board of Investment, Registrar of Joint Stock Companies and Firms, and other government agencies who extended their cooperation which helped us to reach our goals in 2014.

On behalf of Board of Directors,

Vincenzo Nesci
Chairman
**Directors' Statement of Responsibility**

The Board of Directors is responsible to ensure maintenance of proper accounting records which disclose financial position of Banglalink with reasonable accuracy and based on which financial statements can be prepared in compliance with the provisions of The Companies Act 1994.

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.

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

ACNABIN Chartered Accountant is Banglalink's statutory auditors, who have examined the financial statements made available to them by the Board of Directors together with all relevant records, minutes of the meeting of the board of directors and shareholders. Directors are of the view that the financial statements have been prepared under the Generally Accepted Accounting Principles (GAAP), and in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) as laid down by Institute of Chartered Accountants of Bangladesh.
Assurance and Compliance

Audit Committee

Our Audit Committee consist of three members of the Board of Directors. Mr. Vincenzo Nesci is the chairman of audit committee while Mr. Mikhail Gerchuk and Mr. Yogesh Malik are the other two members.

The Audit Committee’s role flows directly from board’s oversight function. The Audit Committee operates in accordance with the audit committee charter.

The Audit Committee’s key responsibilities include:

- Reviewing and monitoring effectiveness of the external and internal audit function;
- Recommending the appointment, re-appointment or removal of external auditors;
- Reviewing the adequacy and effectiveness of the internal control and risk management system;
- Reviewing and monitoring the company’s ethical standard to ensure compliance with regulatory and financial reporting requirements.

The Company Secretary attends the Audit Committee meetings as the Secretary to the Audit Committee.
Internal Audit

Bangladesh’s internal audit team operates under the leadership of Vimpelcom internal audit team. Internal audits are conducted independently as per approved annual audit plan.

Audit committee periodically reviews the internal audit activities.

Compliance

Bangladesh is committed to compliance with law and ethical conduct. As a VimpelCom company, Bangladesh adopted VimpelCom’s code of conduct. The code of conduct prohibits corruption, child labor, discrimination, conflict of interest, harassment and other misconduct. Bangladesh has also adapted VimpelCom’s Anti-Bribery and Corruption Policy (ABC Policy). The ABC Policy restricts bribes, un-authorized gifts or hospitality or any transaction with illicit intent. Bangladesh’s conflict of interest policy forbids employees from engaging in business activities that conflict with Bangladesh’s business.

VimpelCom’s compliance helpline allows for anonymous whistle blowing. We have a non-retaliation policy to protect whistle blowers.

The Country Compliance Officer (CCO), under the guidance of VimpelCom’s Compliance team, coordinates enquiries into alleged misconduct and ensures appropriate actions accordingly. The CCO is also responsible for building awareness across the company on the code of conduct and ensures appropriate action accordingly.

Enterprise Risk Management (ERM)

Bangladesh’s ERM is guided by the “VimpelCom Enterprise Risk Management Policy” and the “VimpelCom ERM Framework Manual”. Our ERM aims 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.

Our ERM team maintains a comprehensive risk register with an automated ERM solution called BWise. The top risks therefrom are reported to VimpelCom on a quarterly basis upon obtaining all the top risks from all VimpelCom companies.

Business Continuity Management

Bangladesh has initiated a 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.
Notice of Annual General Meeting

Notice is hereby given that the Twentieth Annual General Meeting of Banglalink Digital Communications Ltd. will be held on 21 May 2015 at 5 p.m. at Tigers’ Den, House No.4, SW, Bir Uttam Mir Shawkat Sharak, Gulshan-1, Dhaka-1212 to transact the following businesses:


2. To resolve no distribution of dividend for the year ended December 31, 2014;

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

4. To appoint/re-appoint Auditors of the Company for the year 2015 and fix their remuneration.

By Order of the Board of Directors

M Nurul Alam
Company Secretary

Dhaka, 10 March, 2015

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 16 March 2015 will be eligible to attend and vote in the 20th Annual General Meeting of the Company.
Financial Highlights

<table>
<thead>
<tr>
<th>Items</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plants and Equipment (at cost less depreciation)</td>
<td>52,218,386</td>
<td>51,557,569</td>
<td>56,927,728</td>
<td>60,127,348</td>
<td>55,574,171</td>
</tr>
<tr>
<td>Project Under Construction</td>
<td>4,442,408</td>
<td>7,136,928</td>
<td>4,744,386</td>
<td>6,695,490</td>
<td>10,789,050</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>28,096,255</td>
<td>30,350,588</td>
<td>20,836,564</td>
<td>22,315,056</td>
<td>2,392,515</td>
</tr>
<tr>
<td>Inter-company Receivables</td>
<td>18,763</td>
<td>12,154</td>
<td>17,760</td>
<td>18,087</td>
<td>13,978</td>
</tr>
<tr>
<td>Other Non-current Assets</td>
<td>1,622,075</td>
<td>107,161</td>
<td>107,081</td>
<td>97,669</td>
<td>73,294</td>
</tr>
<tr>
<td>Current Assets</td>
<td>6,030,891</td>
<td>8,521,429</td>
<td>10,458,198</td>
<td>6,274,410</td>
<td>6,418,435</td>
</tr>
<tr>
<td>Total Assets</td>
<td>92,428,778</td>
<td>97,685,829</td>
<td>93,091,717</td>
<td>95,528,060</td>
<td>75,261,443</td>
</tr>
<tr>
<td>Equity &amp; Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Capital</td>
<td>47,603,779</td>
<td>47,603,780</td>
<td>47,603,779</td>
<td>42,951,232</td>
<td>42,951,232</td>
</tr>
<tr>
<td>Share Money Deposit</td>
<td>4,441,966</td>
<td>1</td>
<td>1</td>
<td>4,652,549</td>
<td>4,652,549</td>
</tr>
<tr>
<td>Retained Earnings/Loss</td>
<td>(46,926,924)</td>
<td>(43,756,723)</td>
<td>(39,301,205)</td>
<td>(35,755,045)</td>
<td>(28,752,061)</td>
</tr>
<tr>
<td>Long Term Liability</td>
<td>54,589,665</td>
<td>30,909,923</td>
<td>29,713,048</td>
<td>29,590,581</td>
<td>16,908,879</td>
</tr>
<tr>
<td>Inter-company Payable</td>
<td>38,112</td>
<td>6,974,630</td>
<td>6,789,830</td>
<td>6,649,075</td>
<td>3,587,777</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>32,682,180</td>
<td>55,954,219</td>
<td>48,286,264</td>
<td>47,439,668</td>
<td>35,913,067</td>
</tr>
<tr>
<td>Total Equity &amp; Liabilities</td>
<td>92,428,778</td>
<td>97,685,829</td>
<td>93,091,717</td>
<td>95,528,060</td>
<td>75,261,443</td>
</tr>
</tbody>
</table>
## Value Added Statement

<table>
<thead>
<tr>
<th>Value Added Statement</th>
<th>In million BDT 2014</th>
<th>%</th>
<th>In million BDT 2013</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value Created</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue*</td>
<td>43,651</td>
<td></td>
<td>39,958**</td>
<td></td>
</tr>
<tr>
<td>Other Income/Loss</td>
<td>2,704</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>VAT</td>
<td>6,548</td>
<td></td>
<td>5,994</td>
<td></td>
</tr>
<tr>
<td></td>
<td>52,903</td>
<td>100%</td>
<td>45,952</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Less: Cost of Network and Services</strong></td>
<td>19,757</td>
<td></td>
<td>16,678</td>
<td></td>
</tr>
<tr>
<td><strong>Assignable Value</strong></td>
<td>33,146</td>
<td>100%</td>
<td>29,274</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Value Distributed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>2,382</td>
<td>7%</td>
<td>2,331</td>
<td>8%</td>
</tr>
<tr>
<td>Contribution to Government</td>
<td>11,398</td>
<td>34%</td>
<td>11,604</td>
<td>40%</td>
</tr>
<tr>
<td>Providers of Debt</td>
<td>4,464</td>
<td>13%</td>
<td>4,511</td>
<td>15%</td>
</tr>
<tr>
<td>Dividend to Shareholders</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>18,244</td>
<td>55%</td>
<td>18,445</td>
<td>63%</td>
</tr>
<tr>
<td><strong>Value Retained</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>18,073</td>
<td>55%</td>
<td>15,284</td>
<td>52%</td>
</tr>
<tr>
<td>Retained Loss</td>
<td>(3,170)</td>
<td>-10%</td>
<td>(4,456)</td>
<td>-15%</td>
</tr>
<tr>
<td>Deferred Tax</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>14,902</td>
<td>45%</td>
<td>10,829</td>
<td>37%</td>
</tr>
<tr>
<td><strong>Chart Category</strong></td>
<td>33,146</td>
<td>100%</td>
<td>29,274</td>
<td>100%</td>
</tr>
</tbody>
</table>

* as per the audited financials prepared in accordance with Bangladesh Financial Reporting Standards (BFRS).

** 2013 revenue has been rearranged with BDT 604 million in connection with VAS Revenue. However, this rearrangement had no impact on the net result of 2013 since cost of sales relating VAS revenue has also been rearranged accordingly. This has been done in accordance with IAS/BAS 18.8
Distribution of Value (2014)

Distribution of Value (2013)
Tigers and Tigresses at Banglalink

Since its inception, Banglalink has not only grown exponentially but also shaped the industry with its innovation, speed and agility. One of the key elements to this success is the rich pool of talents and the emphasis on performance culture. The aim is to ensure that, desirable behavioral actions are adopted and followed across Banglalink, to steer and keep everyone in the right direction. The purpose of the nine behavioral competencies i.e. bold, proactive, professional leadership, continuous learning, passionate, focused, transparent, respectful and customer centric, is to:

- improve the likelihood of making the right recruitment, career development and progression;
- have a common matrix for evaluating employee performance; and
- provide a framework for behavioral and leadership competency development.

As part of our initiative to increase empowerment and ownership among employees, and for a smooth communication flow with management, various open forum discussions such as monthly breakfast with the Head of HR and round table discussions with the CEO have been carried out throughout the year. The quarterly Extended Management meeting with more than 170 managers has also provided an opportunity for the management members to openly discuss and reach consensus in making important business decisions.
Banglalink participated in the “Organizational Health Index (OHI)” and “Risk Clarity” surveys in 2014, targeted towards all permanent employees of VimpelCom’s OpCos. The aim of these online surveys was to collect employees’ opinion about commitment/values, business direction, capabilities, leadership, motivation, engagement levels and management effectiveness and to gauge the compliance and ethical culture within Banglalink. The OHI score ranked Banglalink in the 2nd quartile of the global database, indicating Internal Culture as a key strength. Additionally, Employee Net Promoter Score (eNPS) is carried out in every quarter to gauge engagement level of employees towards Banglalink.

Banglalink follows the 70:20:10 model of Learning & Development framework, which stresses on the need to extend learning beyond classroom. A learning and development (L&D) blog in the local intranet Tigers’ Lounge, has given employees the opportunity to strengthen the 20% learning which comes as informal learning or learning from others through blog, social media, feedback, coaching etc.

One of the key objectives of this learning blog is to grow a community of knowledge within Banglalink – a place where employees can learn from each other. This blog is used for various learning and development activities / interventions and also works as a common platform for acquiring information regarding people development initiatives / activities in Banglalink.

In 2014, Banglalink arranged development programs for its employees in various areas such as leadership development (Leading the VimpelCom Way), behavioral competencies development (Banglalink Behavioral Core Curriculum), functional skills and knowledge development and also extensive executive coaching for senior leaders. Apart from these, a large number of sessions were carried out to develop the knowledge of our employees in Customer Experience (CE) and Code of Conduct (CoC).

As Banglalink is subject to the obligations of legislations on “Occupational Health & Safety”, in Bangladesh Labor Law 2013, it regularly assesses and reviews the health and safety impacts of its daily operations, in compliance with the applicable local and international laws. Some of the safety and security measures include: ensuring Office/Fire/Electrical/Power and Transport Safety, implementing Accident/Incident Control system, providing applicable Health Care Services and also, building awareness on proper safety and security protocols.

### Human Resource Statistics

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Landing Head Count 2014</th>
<th>Total Hired in 2014</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Permanent Employees (Local)</td>
<td>2294</td>
<td></td>
<td>Out of this 779 permanent employees, 603 were L18 employees who have converted to permanent from temporary employment</td>
</tr>
<tr>
<td>No. of Temporary Employees</td>
<td>72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Part Time Employees</td>
<td>53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Expat Employees</td>
<td>9</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**Male: Female Ratio- 9:2**
# Corporate Information

**Board of Directors**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vincenzo Nesci</td>
<td>Chairman</td>
</tr>
<tr>
<td>Mikhail Gerchuk</td>
<td></td>
</tr>
<tr>
<td>Yogesh Sanjeev Malik</td>
<td></td>
</tr>
<tr>
<td>Ziad Shatara, Managing</td>
<td>Director &amp; CEO</td>
</tr>
</tbody>
</table>

**Legal Advisor**

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syed Ishtiaq Ahmed &amp; Associates</td>
<td>Concord Ovilash (1st Floor)</td>
</tr>
<tr>
<td></td>
<td>House - 62, Road - 11/A</td>
</tr>
<tr>
<td></td>
<td>Dhanmondi, Dhaka-1209, Bangladesh</td>
</tr>
</tbody>
</table>

**Audit Committee**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vincenzo Nesci</td>
<td></td>
</tr>
<tr>
<td>Mikhail Gerchuk</td>
<td></td>
</tr>
<tr>
<td>Yogesh Sanjeev Malik</td>
<td></td>
</tr>
<tr>
<td>M Nurul Alam - Secretary</td>
<td></td>
</tr>
</tbody>
</table>

**Managing Director & CEO**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ziad Shatara</td>
<td></td>
</tr>
</tbody>
</table>

**Chief Financial Officer**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmad Y. Haleem</td>
<td></td>
</tr>
</tbody>
</table>

**Company Secretary**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>M Nurul Alam ( till 30th June 2015)</td>
<td></td>
</tr>
<tr>
<td>Jahrat Adib Chowdhury ( from July 2015 onwards)</td>
<td></td>
</tr>
</tbody>
</table>

**Banks**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Asia Ltd.</td>
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<tr>
<td>BRAC Bank Ltd.</td>
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<tr>
<td>Citibank NA</td>
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<tr>
<td>Commercial Bank of Ceylon</td>
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</tr>
<tr>
<td>Dhaka Bank Ltd.</td>
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</tr>
<tr>
<td>Dutch-Bangla Bank Ltd.</td>
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<tr>
<td>Eastern Bank Ltd.</td>
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<tr>
<td>HSBC Bangladesh</td>
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<tr>
<td>IFIC Bank Ltd.</td>
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<tr>
<td>Jamuna Bank Ltd.</td>
<td></td>
</tr>
<tr>
<td>Mutual Trust Bank Ltd.</td>
<td></td>
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<tr>
<td>National Bank Ltd.</td>
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<tr>
<td>One Bank Ltd.</td>
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<tr>
<td>Premier Bank Ltd.</td>
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<tr>
<td>Prime Bank Ltd.</td>
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<tr>
<td>Pubali Bank Ltd.</td>
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<tr>
<td>Southeast Bank Ltd.</td>
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<tr>
<td>Standard Chartered Bank</td>
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<tr>
<td>The City Bank Ltd.</td>
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<tr>
<td>Trust Bank Ltd.</td>
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</tr>
<tr>
<td>United Commercial Bank Ltd.</td>
<td></td>
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<tr>
<td>Islamic Bank Bangladesh Ltd.</td>
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</tbody>
</table>

**Auditors**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACNABIN</td>
<td></td>
</tr>
<tr>
<td>Chartered Accountants</td>
<td></td>
</tr>
<tr>
<td>BDBL Bhaban (13th Floor)</td>
<td></td>
</tr>
<tr>
<td>12 Kawran Bazar Commercial Area</td>
<td></td>
</tr>
<tr>
<td>Dhaka-1215, Bangladesh</td>
<td></td>
</tr>
</tbody>
</table>

**Registered & Corporate Office**

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tigers’ Den</td>
<td></td>
</tr>
<tr>
<td>House 4, SW,</td>
<td></td>
</tr>
<tr>
<td>Bir Uttam Mir Shawkat Sharak, Gulshan-1</td>
<td></td>
</tr>
<tr>
<td>Dhaka-1212, Bangladesh</td>
<td></td>
</tr>
</tbody>
</table>
Disclaimer

This annual report contains “forward-looking statements”, as the phrase is defined in Section 27A of the U.S. Securities Act of 1933 as amended and Section 21E of the U.S. Securities Exchange Act of 1934 as amended. These statements relate to, among other things, Bangalink Digital Communications Ltd.’s (“bangalink”) as amended performance, strategic initiatives, future market developments and trends and operational, and network developments. The forward-looking statements included in this annual report are based on management’s best assessment of VimpelCom’s and bangalink’s strategic and financial position and of future market conditions and trends. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of continued volatility in the economies in our markets, unforeseen developments from competition, governmental regulation of the telecommunications industries, general political uncertainties in our markets and/or litigation with third parties. Certain factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risk factors described in the VimpelCom’s Annual Report on Form 20-F for the year ended December 31, 2014 filed with the U.S. Securities and Exchange Commission (the “SEC”) and other public filings made by VimpelCom with the SEC, which risk factors are incorporated herein by reference. VimpelCom and bangalink disclaim any obligation to update developments of these risk factors or to announce publicly any revision to any of the forward-looking statements contained in this release, or to make corrections to reflect future events or developments.