



Grameenphone Ltd.

Condensed statement of financial position (Un-audited)  
as at 30 June 2017

<u>Assets</u>	<u>Notes</u>	<u>30 June 2017</u> <u>BDT'000</u>	<u>31 December 2016</u> <u>BDT'000</u>
<b>Non-current assets</b>			
Property, plant and equipment, net	4	74,320,054	76,787,577
Intangible assets, net	5	36,574,882	38,183,422
Other non-current assets		4,591,575	4,587,271
<b>Total non-current assets</b>		<b>115,486,511</b>	<b>119,558,270</b>
<b>Current assets</b>			
Inventories	6	651,582	565,404
Trade and other receivables	7	7,930,530	7,463,977
Cash and cash equivalents	8	9,287,895	2,911,860
<b>Total current assets</b>		<b>17,870,007</b>	<b>10,941,241</b>
<b>Total assets</b>		<b>133,356,518</b>	<b>130,499,511</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital		13,503,000	13,503,000
Share premium		7,840,226	7,840,226
Capital reserve		14,446	14,446
Deposit from shareholders		1,880	1,880
Retained earnings		14,541,646	12,212,732
<b>Total equity</b>		<b>35,901,198</b>	<b>33,572,284</b>
<b>Non-current liabilities</b>			
Finance lease obligation		5,022,303	5,093,612
Loans and borrowings	9	11,070,785	13,556,284
Deferred tax liabilities	10	6,393,014	8,235,939
Employee benefits		1,637,797	1,335,086
Other non-current liabilities		675,847	626,972
<b>Total non-current liabilities</b>		<b>24,799,746</b>	<b>28,847,893</b>
<b>Current liabilities</b>			
Trade and other payables	11	24,902,754	25,363,165
Provisions		14,017,317	14,274,056
Loans and borrowings	9	5,543,016	8,100,084
Current tax payable	12	25,726,508	18,942,559
Other current liabilities	13	2,465,979	1,399,470
<b>Total current liabilities</b>		<b>72,655,574</b>	<b>68,079,334</b>
<b>Total equity and liabilities</b>		<b>133,356,518</b>	<b>130,499,511</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Chief Executive Officer

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Dhaka, 12 July 2017

Grameenphone Ltd.

Condensed statement of profit or loss and other comprehensive income (Un-audited)  
for the quarter ended 30 June 2017

	Notes	1 January to 30 June 2017 BDT'000	1 January to 30 June 2016 BDT'000	1 April to 30 June 2017 BDT'000	1 April to 30 June 2016 BDT'000
<b>Revenue</b>	14	63,035,068	55,612,171	32,412,840	28,051,819
<b>Operating expenses</b>					
Cost of material and traffic charges	15	(5,340,352)	(5,112,380)	(2,547,224)	(2,577,975)
Salaries and personnel cost		(4,043,675)	(4,574,747)	(2,092,523)	(2,667,788)
Operation and maintenance	16	(1,737,376)	(2,241,933)	(681,390)	(775,443)
Sales, marketing and commissions	17	(5,579,785)	(5,871,841)	(2,883,637)	(3,267,214)
Revenue sharing, spectrum charges and licence fees		(4,828,818)	(4,451,333)	(2,442,087)	(2,269,858)
Other operating (expenses)/income, net	18	(3,970,592)	(3,759,970)	(1,895,233)	(2,163,974)
Depreciation and amortisation		(11,557,527)	(10,373,174)	(5,917,374)	(5,301,567)
		<u>(37,058,125)</u>	<u>(36,385,378)</u>	<u>(18,459,468)</u>	<u>(19,023,819)</u>
<b>Operating profit</b>		<b>25,976,943</b>	<b>19,226,793</b>	<b>13,953,372</b>	<b>9,028,000</b>
Share of loss of associate		-	(315,041)	-	(237,681)
Finance (expense)/income, net	19	(788,321)	(1,450,860)	(399,744)	(963,807)
Foreign exchange (loss)/gain		(606,003)	17,844	(191,693)	18,617
		<u>(1,394,324)</u>	<u>(1,748,057)</u>	<u>(591,437)</u>	<u>(1,182,871)</u>
<b>Profit before tax</b>		<b>24,582,619</b>	<b>17,478,736</b>	<b>13,361,935</b>	<b>7,845,129</b>
Income tax expense	20	(10,101,005)	(6,778,791)	(5,437,273)	(2,754,920)
<b>Profit after tax</b>		<b>14,481,614</b>	<b>10,699,945</b>	<b>7,924,662</b>	<b>5,090,209</b>
<b>Other comprehensive income (loss)</b>					
Remeasurement of defined benefit plan, net of related taxes		-	181,567	-	181,567
<b>Total comprehensive income for the period</b>		<b>14,481,614</b>	<b>10,881,512</b>	<b>7,924,662</b>	<b>5,271,776</b>
<b>Earnings per share</b>					
Basic and diluted earnings per share (par value BDT 10 each in BDT)	21	<u>10.72</u>	<u>7.92</u>	<u>5.87</u>	<u>3.77</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

Sd/-

Chairman

Sd/-

Director

Sd/-

Chief Executive Officer

Sd/-

Chief Financial Officer

Sd/-

Company Secretary

Dhaka, 12 July 2017

Grameenphone Ltd.

Condensed statement of changes in equity (Un-audited)  
for the six-month period ended 30 June 2017

	Share capital BDT'000	Share premium BDT'000	Capital reserve BDT'000	Deposit from shareholders BDT'000	Retained earnings BDT'000	Total BDT'000
<b>Balance as at 1 January 2016</b>	13,503,000	7,840,226	14,446	1,880	9,265,706	30,625,258
Transactions with the equity holders:						
Final dividend for 2015	-	-	-	-	(8,101,800)	(8,101,800)
Total comprehensive income for the quarter ended 30 June 2016:						
Profit for the period	-	-	-	-	10,699,945	10,699,945
Other comprehensive income	-	-	-	-	181,567	181,567
<b>Balance as at 30 June 2016</b>	<b>13,503,000</b>	<b>7,840,226</b>	<b>14,446</b>	<b>1,880</b>	<b>12,045,418</b>	<b>33,404,970</b>
<b>Balance as at 1 January 2017</b>	13,503,000	7,840,226	14,446	1,880	12,212,732	33,572,284
Transactions with the equity holders:						
Final dividend for 2016	-	-	-	-	(12,152,700)	(12,152,700)
Total comprehensive income for the quarter ended 30 June 2017:						
Profit for the period	-	-	-	-	14,481,614	14,481,614
Other comprehensive income	-	-	-	-	-	-
<b>Balance as at 30 June 2017</b>	<b>13,503,000</b>	<b>7,840,226</b>	<b>14,446</b>	<b>1,880</b>	<b>14,541,646</b>	<b>35,901,198</b>

Grameenphone Ltd.

Condensed statement of cash flows (Un-audited)  
for the six-month period ended 30 June 2017

	1 January to 30 June 2017 BDT'000	1 January to 30 June 2016 BDT'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	63,218,226	55,739,181
Payroll and other payments to employees	(2,717,776)	(4,035,519)
Payments to suppliers, contractors and others	(23,171,639)	(19,696,614)
Interest received	127,417	68,093
Interest paid	(930,569)	(1,459,833)
Income tax paid	(5,159,982)	(12,300,724)
	<u>(31,852,549)</u>	<u>(37,424,597)</u>
<b>Net cash generated by operating activities</b>	<b><u>31,365,677</u></b>	<b><u>18,314,584</u></b>
<b>Cash flows from investing activities</b>		
Payment for acquisition of property, plant and equipment and intangible assets	(7,142,347)	(12,839,425)
Proceeds from sale of property, plant and equipment	96,924	37,682
<b>Net cash used in investing activities</b>	<b><u>(7,045,423)</u></b>	<b><u>(12,801,743)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from/(payment of) short-term bank loan	(2,688,200)	8,300,000
Payment of long-term loan	(2,796,725)	(2,702,730)
Payment of dividend	(12,152,700)	(8,101,800)
Payment of finance lease obligation	(306,594)	(182,386)
<b>Net cash used in financing activities</b>	<b><u>(17,944,219)</u></b>	<b><u>(2,686,916)</u></b>
<b>Net change in cash and cash equivalents</b>	<b>6,376,035</b>	<b>2,825,925</b>
<b>Cash and cash equivalents as at 1 January</b>	<b>2,911,860</b>	<b>4,153,100</b>
<b>Cash and cash equivalents as at 30 June</b>	<b><u>9,287,895</u></b>	<b><u>6,979,025</u></b>

## Grameenphone Ltd.

### Notes to the condensed interim financial information as at and for the quarter ended 30 June 2017

#### 1 Corporate information

Grameenphone Ltd. (hereinafter referred to as "GP"/"Grameenphone"/"the company") is a public limited company incorporated in Bangladesh in 1996 under the Companies Act 1994 and has its registered address at GPHOUSE, Bashundhara, Baridhara, Dhaka 1229. GP was initially registered as a private limited company and subsequently converted into a public limited company on 25 June 2007. During November 2009, GP listed its shares with both Dhaka and Chittagong Stock Exchanges. The immediate parent of GP is Telenor Mobile Communications AS and the ultimate parent is Telenor ASA; both the companies are incorporated in Norway.

The company is primarily involved in providing mobile telecommunication services (voice, data and other related services) in Bangladesh. The company also provides international roaming services through international roaming agreements with various operators of different countries across the world.

#### 2 Basis of preparation

These condensed interim financial information are individual financial statements of GP, and have been prepared in accordance with International Accounting Standard/Bangladesh Accounting Standard (IAS/BAS) 34: Interim Financial Reporting and relevant guidelines issued by the Bangladesh Securities and Exchange Commission and should be read in conjunction with the financial statements of Grameenphone Ltd. as at and for the year ended 31 December 2016, the year for which the last full financial statements were prepared. These unconsolidated financial statements present the financial position and performance of Grameenphone and Grameenphone's investment in Accenture Communications Infrastructure Solutions Ltd. being accounted for under the equity method in accordance with (IAS/BAS) 28: Investment in Associates and Joint Ventures.

For understanding of Grameenphone's stand-alone financial performance, a separate statement of profit or loss and other comprehensive income has been appended to these financial statements as supplementary information.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws in Bangladesh. The requirements of IFRS and BFRS, to the extent relevant to these financial statements, do not vary from each other.

These financial statements have been prepared on the historical cost and going concern basis. Measurement at revalued amounts or fair value does not have significant impact on these financial statements. The amounts in these financial statements have been rounded off to the nearest BDT in thousand (BDT'000) except otherwise indicated. Because of these rounding off, in some instances the totals may not match the sum of individual balances.

#### 3 Significant accounting policies

The same accounting policies and methods of computation have been followed in these condensed interim financial information as were applied in the preparation of the financial statements of Grameenphone Ltd. as at and for the year ended 31 December 2016.

#### 4 Property, plant and equipment, net

30 June 2017

Name of assets	Cost				Depreciation				Carrying amount	
	As at 1 January 2017	Addition during the period	Disposal/ Adjustment during the period	As at 30 June 2017	As at 1 January 2017	Charged during the period	Disposal/ Adjustment during the period	As at 30 June 2017	As at 30 June 2017	As at 31 December 2016
	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000
Land	807,050	-	-	807,050	-	-	-	-	807,050	807,050
Building	4,050,657	-	-	4,050,657	1,204,901	99,108	-	1,304,009	2,746,648	2,845,756
Base station	110,501,615	5,131,894	(858,690)	114,774,819	66,422,116	5,900,654	(722,007)	71,600,763	43,174,056	44,079,500
Transmission equipment	33,573,136	1,151,591	-	34,724,727	21,822,928	2,457,068	-	24,279,997	10,444,730	11,750,208
Computers and other IT equipment	6,440,528	403,580	(54,372)	6,789,736	4,536,567	417,759	(51,425)	4,902,902	1,886,835	1,903,961
Furniture and fixtures (including office)	2,787,604	50,076	(18,021)	2,819,659	2,345,144	73,735	(18,021)	2,400,858	418,801	442,460
Vehicles	1,998,059	97,626	(72,085)	2,023,600	1,124,788	113,994	(54,751)	1,184,031	839,569	873,270
	160,158,649	6,834,767	(1,003,168)	165,990,248	97,456,444	9,062,319	(846,204)	105,672,559	60,317,689	62,702,205
Capital work in progress	9,306,246	6,580,556	(7,069,010)	8,817,791	-	-	-	-	8,817,791	9,306,246
	169,464,895	13,415,323	(8,072,178)	174,808,040	97,456,444	9,062,319	(846,204)	105,672,559	69,135,481	72,008,451
Fibre Optic Network under finance lease	9,267,245	655,266	-	9,922,511	4,488,119	249,819	-	4,737,938	5,184,573	4,779,126
	178,732,140	14,070,589	(8,072,178)	184,730,551	101,944,563	9,312,138	(846,204)	110,410,497	74,320,054	76,787,577

#### 5 Intangible assets, net

30 June 2017

Name of assets	Cost				Amortisation				Carrying amount	
	As at 1 January 2017	Addition during the period	Disposal/ Adjustment during the period	As at 30 June 2017	As at 1 January 2017	Charged during the the period	Disposal/ Adjustment during the period	As at 30 June 2017	As at 30 June 2017	As at 31 December 2016
	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000
Software and others	8,352,333	649,783	-	9,002,116	6,969,481	485,341	-	7,454,822	1,547,294	1,382,852
Telecom licence and spectrum	53,049,258	-	-	53,049,258	16,322,005	1,760,048	-	18,082,054	34,967,205	36,727,253
	61,401,592	649,783	-	62,051,375	23,291,486	2,245,389	-	25,536,876	36,514,499	38,110,105
Capital work in progress	73,317	636,849	(649,783)	60,382	-	-	-	-	60,382	73,317
	61,474,908	1,286,632	(649,783)	62,111,757	23,291,486	2,245,389	-	25,536,876	36,574,882	38,183,422

<b>6 Inventories</b>	As at 30 June 2017 BDT'000	As at 31 December 2016 BDT'000
Handset, data card and other devices	541,483	431,912
SIM card	75,159	88,208
Scratch card	34,940	45,284
	<u>651,582</u>	<u>565,404</u>
<b>7 Trade and other receivables</b>		
Trade receivables, net	4,686,406	4,038,928
Other current receivables	1,184,939	1,142,276
Prepayments	2,059,185	2,282,773
	<u>7,930,530</u>	<u>7,463,977</u>
<b>8 Cash and cash equivalents</b>		
Cash in hand	8,931	7,958
Cash at bank	9,278,964	2,903,902
	<u>9,287,895</u>	<u>2,911,860</u>
<b>8.1 Restricted cash balance</b>		
<p>Cash at bank as at 30 June 2017 include BDT 15,985,737 (2016: BDT 12,216,838) equivalent to unused Mobicash points in customer wallet and is therefore treated as restricted cash balance.</p> <p>Additionally, Cash at bank as at 30 June 2017 included BDT 96,756,918 (2016: BDT 93,058,154) equivalent to dividend unclaimed amount and BDT 12,779,738 (2016: BDT 12,867,366) equivalent to unclaimed IPO subscription amount. According to Articles of Association (AoA) of Grameenphone, if dividend has not been claimed for three years after passing of either the resolution at a General Meeting declaring the dividend or the resolution of the Board of Directors providing for payment for that dividend, the Board of Directors may invest the unclaimed dividend or use it in some other way for the benefit of the company until the dividend is claimed.</p>		
<b>9 Loans and borrowings</b>		
<p>Loans and borrowings include a long-term syndicated loan led by the International Finance Corporation (IFC) of USD 345 Million at 6-month-LIBOR + 3.5% interest rate. The full loan amount of USD 345 Million has been drawn down in multiple tranches, the repayment of which is in 10 installments. The first 4 installments have been repaid between October 2015 and April 2017, and current outstanding loan balance is USD 207 Million. The final installment is scheduled to be paid in April 2020. The syndicate members include IFC, DEG, FMO, Proparco, CDC and OFID. This financial liability has been recognized at amortized cost as per IAS/BAS 39 Financial Instruments: Recognition and Measurement</p> <p>Current portion of loans and borrowings comprise of the part of the above long-term syndicated loan falling due for repayment in next 12 months.</p>		
<b>10 Deferred tax liabilities</b>		
Taxable temporary differences	26,465,180	29,969,826
Deductible temporary differences	(10,482,644)	(9,379,980)
	<u>15,982,536</u>	<u>20,589,846</u>
Deferred tax liability @ 40% tax rate	6,393,014	8,235,939
Deferred tax liabilities	<u>6,393,014</u>	<u>8,235,939</u>



**11 Trade and other payables**

	As at 30 June 2017 BDT'000	As at 31 December 2016 BDT'000
Trade payables including liability for capital expenditure	10,908,970	12,135,515
Accrued expenses	5,382,150	5,871,661
Finance lease obligation	534,107	242,951
	16,825,227	18,250,127
Indirect taxes	1,732,348	1,512,521
Deferred connection revenue	1,105,206	1,291,941
Unearned revenue	5,239,973	4,308,576
	<u>24,902,754</u>	<u>25,363,165</u>

**12 Current tax payable**

Movement of income tax provision is shown as under:

Opening balance	18,942,559	19,785,655
Provision made during the period	12,062,104	16,005,063
	31,004,663	35,790,718
Paid during the period (incl. tax deducted at source)	(5,159,982)	(16,169,852)
Adjustment for previous periods	(118,173)	(678,307)
Closing balance	<u>25,726,508</u>	<u>18,942,559</u>

**13 Other current liabilities**

Other current liabilities mainly include accruals for profit sharing plan BDT 1,233,282,997 (2016: BDT 207,853,964), payable for bills pay receipts BDT 846,127,595 (2016: BDT 756,539,891) and dividend unclaimed BDT 96,756,918 (2016: BDT 93,058,154).

14 Revenue	1 January to 30 June 2017 BDT'000	1 January to 30 June 2016 BDT'000	1 April to 30 June 2017 BDT'000	1 April to 30 June 2016 BDT'000
The following is an analysis of revenue for the period:				
Revenue from mobile communication	60,391,003	53,305,162	31,098,862	26,863,728
Revenue from customer equipment	1,384,198	1,074,823	683,714	567,060
Other revenues	1,259,867	1,232,186	630,264	621,031
	<u>63,035,068</u>	<u>55,612,171</u>	<u>32,412,840</u>	<u>28,051,819</u>
<b>15 Cost of material and traffic charges</b>				
Traffic charges	(2,657,964)	(2,847,105)	(1,262,542)	(1,432,418)
Cost of materials and services	(2,682,388)	(2,265,275)	(1,284,682)	(1,145,557)
	<u>(5,340,352)</u>	<u>(5,112,380)</u>	<u>(2,547,224)</u>	<u>(2,577,975)</u>
<b>16 Operation and maintenance</b>				
Service maintenance fee	(1,260,987)	(1,319,085)	(502,310)	(361,465)
Vehicle maintenance expense	(195,215)	(169,787)	(98,529)	(82,756)
Other operation and maintenance	(281,174)	(753,061)	(80,551)	(331,222)
	<u>(1,737,376)</u>	<u>(2,241,933)</u>	<u>(681,390)</u>	<u>(775,443)</u>
<b>17 Sales, marketing and commissions</b>				
Sales, marketing and representation costs	(215,286)	(968,954)	(96,110)	(632,454)
Advertisement and promotional expenses	(488,907)	(938,485)	(325,287)	(483,170)
Commissions	(4,875,592)	(3,964,402)	(2,462,240)	(2,151,590)
	<u>(5,579,785)</u>	<u>(5,871,841)</u>	<u>(2,883,637)</u>	<u>(3,267,214)</u>
<b>18 Other operating (expenses)/income, net</b>				
Consultancy and professional services	(465,281)	(529,235)	(269,846)	(267,271)
Rental expense for property, plant and equipment	(1,619,733)	(1,311,808)	(807,178)	(832,606)
Fuel and energy costs	(1,320,604)	(1,470,738)	(598,810)	(819,743)
Bad debt expense	(62,640)	(19,378)	(60,877)	(17,176)
Rental and other income	141,323	159,903	68,981	87,247
Gain/(loss) on disposal of assets	(165,458)	(4,427)	(3,762)	4,245
Others	(478,199)	(584,287)	(223,741)	(318,670)
	<u>(3,970,592)</u>	<u>(3,759,970)</u>	<u>(1,895,233)</u>	<u>(2,163,974)</u>
<b>19 Finance (expense)/income, net</b>				
Interest income	127,417	131,600	65,091	72,424
Interest expense	(842,468)	(1,462,046)	(408,560)	(973,560)
Other finance expenses	(73,270)	(120,414)	(56,274)	(62,671)
	<u>(788,321)</u>	<u>(1,450,860)</u>	<u>(399,744)</u>	<u>(963,807)</u>
<b>20 Income tax expense</b>				
<i>Current tax expense</i>				
Income tax expenses for the period	(12,062,104)	(8,477,328)	(6,411,963)	(3,670,547)
Adjustment for previous periods	118,173	678,307	118,173	678,307
	<u>(11,943,931)</u>	<u>(7,799,021)</u>	<u>(6,293,790)</u>	<u>(2,992,240)</u>
<i>Deferred tax (expense)/income</i>				
Deferred tax (expense)/income relating to origination and reversal of temporary differences, net	1,842,926	1,020,230	856,517	237,320
	<u>(10,101,005)</u>	<u>(6,778,791)</u>	<u>(5,437,273)</u>	<u>(2,754,920)</u>
<b>21 Earnings per share</b>				
	1 January to 30 June 2017	1 January to 30 June 2016	1 April to 30 June 2017	1 April to 30 June 2016
Profit attributable to ordinary shareholders (BDT)	14,481,613,896	10,699,944,950	7,924,662,102	5,090,209,957
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022	1,350,300,022	1,350,300,022
Basic earnings per share (par value BDT 10 each) (BDT)	<u>10.72</u>	<u>7.92</u>	<u>5.87</u>	<u>3.77</u>

No diluted earnings per share is required to be calculated for the periods presented as GP has no dilutive potential ordinary shares.

## 22 Related party disclosures

During the period ended 30 June 2017, the company entered into a number of transactions with related parties in the normal course of business. The names of the significant related parties, nature of these transactions [expenditures/(revenue), receivables/(payables)] and amounts thereof have been set out below in accordance with the provisions of IAS/BAS 24 Related Party Disclosures. Nature of relationship and significance of the amounts have been considered in giving this disclosure.

### 22.1 Related party transactions during the period

<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	<u>1 January to 30 June 2017 BDT'000</u>	<u>1 January to 30 June 2016 BDT'000</u>
Telenor Mobile Communications AS	Shareholder	Dividend payment	6,780,670	4,520,446
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payment	2	1
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payment	2	1
Telenor Asia Pte. Ltd.	Shareholder	Dividend payment	2	1
Grameen Telecom	Shareholder	Dividend payment Commission expense	4,155,898 94,474	2,770,598 88,170
Grameen Kalyan	Shareholder	Dividend payment	0.2	0.1
Grameen Shakti	Shareholder	Dividend payment	0.2	0.1
Accenture Communications Infrastructure Solutions Ltd.	Associate	Purchase of IT service, equipments and softwares Rental income and other income	607,929 (15,728)	833,260 (42,382)
Telenor ASA	Telenor group entity	Consultancy and professional service fee IT support cost	379,419 163,180	263,139 11,883
Telenor Consult AS	Telenor group entity	Consultancy and professional service fee including compensation of key management personnel where relevant	-	6,503
Telenor Global Services AS	Telenor group entity	Consultancy and professional service fee	19,067	10,300
Telenor Global Shared Services AS	Telenor group entity	Consultancy and professional service fee	251,950	216,869
Telenor GO	Telenor group entity	Consultancy and professional service fee including compensation of key management personnel where relevant	131,006	128,281
Telenor Digital AS	Telenor group entity	Consultancy and professional service fee	(99,136)	-
Telenor Health AS	Telenor group entity	Cost of service	18,972	-
Telenor Procurement Company	Telenor group entity	Cost of service	31,276	-

<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	<u>1 January to 30 June 2017 BDT'000</u>	<u>1 January to 30 June 2016 BDT'000</u>
Telenor Norway	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(152) 194	(84) 156
Telenor Sweden	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(54) 65	(25) 32
Telenor Denmark	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(51) 79	(18) 19
Telenor Hungary	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	- (2)	- -
Telenor Serbia	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	- 2	(1) 1
Telenor Montenegro	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	- -	- -
Telenor Bulgaria	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	- 1	(3) 3
Telenor Pakistan	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(1) (2)	(3) (1)
Telenor India	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	21 (61)	1,613 (1,517)
Telenor Myanmar	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(43) (6)	(57) 11
Dtac Thailand	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(153) 221	(311) 510
Digi Malaysia	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(2,090) 1,888	(5,089) 1,165
SNT holdings	Joint venture of Telenor group	Revenue from mobile communication	(1,482)	-
Vimpelcom Ltd.	Associated companies of Telenor group	Roaming revenue net of discount Roaming cost net of discount	(639) 72	(613) 102
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Purchase of handsets	733,864	285,243

## 22.2 Receivables/(payables) with related parties

Name of related parties	Nature	Nature of transactions	As at	As at
			30 June 2017 BDT'000	31 December 2016 BDT'000
Grameen Telecom	Shareholder	Accounts receivable	3,170,330	3,170
		Accounts payable	(15,945)	(14,859)
Accenture Communications Infrastructure Solutions Ltd.	Associate	Accounts receivable	171,487	34,020
		Accounts payable	(586,312)	(798,646)
Telenor ASA	Telenor group entity	Accounts receivable	8,621	25,918
		Accounts payable	(1,639,572)	(1,342,333)
Telenor Consult AS	Telenor group entity	Accounts receivable	-	-
		Accounts payable	(1,944)	(1,859)
Telenor Global Services AS	Telenor group entity	Accounts receivable	8,026	-
		Accounts payable	(72,387)	(73,000)
Telenor Global Shared Services AS	Telenor group entity	Accounts receivable	-	-
		Accounts payable	(729,978)	(851,008)
Telenor GO	Telenor group entity	Accounts receivable	40,772	10,372
		Accounts payable	(73,006)	(100,706)
Telenor Digital AS	Telenor group entity	Accounts receivable	-	-
		Accounts payable	-	(99,136)
Telenor Health AS	Telenor group entity	Accounts receivable	67,446	49,026
		Accounts payable	(18,972)	(5,549)
Telenor International Centre AS	Telenor group entity	Accounts receivable	9,913	11,145
		Accounts payable	-	-
Telenor Procurement Company	Telenor group entity	Accounts receivable	-	-
		Accounts payable	(31,276)	-
Telenor Norway	Telenor group entity	Accounts receivable	314	101
		Accounts payable	(17)	(9)
Telenor Sweden	Telenor group entity	Accounts receivable	101	26
		Accounts payable	(3)	(1)
Telenor Denmark	Telenor group entity	Accounts receivable	111	17
		Accounts payable	(5)	(6)
Telenor Hungary	Telenor group entity	Accounts receivable	2	1
		Accounts payable	(15,300)	(14,950)

<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	As at	As at
			<u>30 June 2017</u>	<u>31 December 2016</u>
			<u>BDT'000</u>	<u>BDT'000</u>
Telenor Serbia	Telenor group entity	Accounts receivable	3	1
		Accounts payable	-	-
Telenor Montenegro	Telenor group entity	Accounts receivable	1	1
		Accounts payable	-	(0.17)
Telenor Bulgaria	Telenor group entity	Accounts receivable	2	5
		Accounts payable	(1)	-
Telenor Pakistan	Telenor group entity	Accounts receivable	0.27	1
		Accounts payable	(2)	(4)
Telenor India	Telenor group entity	Accounts receivable	3,616	9,305
		Accounts payable	-	(21)
Telenor Myanmar	Telenor group entity	Accounts receivable	18	21
		Accounts payable	(3)	-
Dtac Thailand	Telenor group entity	Accounts receivable	128	10
		Accounts payable	(104)	(61)
Digi Malaysia	Telenor group entity	Accounts receivable	2,170	1,357
		Accounts payable	-	(21)
SNT holdings	Joint venture of Telenor group	Accounts receivable	(0.001)	255
		Accounts payable	-	-
Vimpelcom Ltd.	Associated companies of Telenor group	Accounts receivable	633	164
		Accounts payable	-	(1)
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Accounts receivable	1,820	-
		Accounts payable	(208,689)	(261,266)

## 23 Commitments

	As at <u>30 June 2017</u> <u>BDT'000</u>	As at <u>31 December 2016</u> <u>BDT'000</u>
Capital commitment (open purchase order) for Property, plant and equipment	4,091,107	4,955,689
Capital commitment (open purchase order) for intangible assets	131,737	104,769

Apart from the capital commitment, Grameenphone has commitment for operating and finance leases.

## 24 Contingencies

Except as disclosed below there has been no development of the events disclosed in the financial statements for the year ended 31 December 2016.

### (a) SIM tax on replacement SIMs

Further hearing before the Customs, Excise and VAT Appellate Tribunal took place on 11 April 2017. Now, the Tribunal is expected to pass its judgment.

Additionally, in July 2017 LTU-VAT issued a show cause notice of BDT 3,789,537,820 to Grameenphone relating to SIM tax on replacement SIMs, for the period July 2012 to June 2015. To the extent this show cause notice should lead to a final demand, the total demand for the period from July 2007 to December 2011 and July 2012 to June 2015 may be up to BDT 14,021,868,903. Grameenphone is preparing next course of action on the notice.

### (b) Claim for VAT based on C&AG audit

After hearing of the case at the Appellate Division, judgement was passed on 5 March 2017 in Grameenphone's favor. Detail judgement is yet to be published.

### (c) Interest on SIM Tax during 24 August 2006 to 27 March 2007

The hearing before the Customs, Excise and VAT Appellate Tribunal took place on 28 March 2017. Now, the Tribunal is expected to pass its judgment.

## Supplementary information

Separate Statement of Comprehensive Income of Grameenphone Ltd. for the quarter ended 30 June 2017.

	1 January to 30 June 2017 BDT'000	1 January to 30 June 2016 BDT'000	1 April to 30 June 2017 BDT'000	1 April to 30 June 2016 BDT'000
<b>Revenue</b>	63,035,068	55,612,171	32,412,840	28,051,819
<b>Operating expenses</b>				
Cost of material and traffic charges	(5,340,352)	(5,112,380)	(2,547,224)	(2,577,975)
Salaries and personnel cost	(4,043,675)	(4,574,747)	(2,092,523)	(2,667,788)
Operation and maintenance	(1,737,376)	(2,241,933)	(681,390)	(775,443)
Sales, marketing and commissions	(5,579,785)	(5,871,841)	(2,883,637)	(3,267,214)
Revenue sharing, spectrum charges and licence fees	(4,828,818)	(4,451,333)	(2,442,087)	(2,269,858)
Other operating (expenses)/income, net	(3,970,592)	(3,759,970)	(1,895,233)	(2,163,974)
Depreciation and amortisation	(11,557,527)	(10,373,174)	(5,917,374)	(5,301,567)
	<u>(37,058,125)</u>	<u>(36,385,378)</u>	<u>(18,459,468)</u>	<u>(19,023,819)</u>
<b>Operating profit</b>	25,976,943	19,226,794	13,953,372	9,028,000
Share of profit/(loss) of associate	-	-	-	-
Finance (expense)/income, net	(788,321)	(1,450,860)	(399,744)	(963,807)
Foreign exchange (loss)/gain	(606,003)	17,844	(191,693)	18,617
	<u>(1,394,324)</u>	<u>(1,433,016)</u>	<u>(591,437)</u>	<u>(945,190)</u>
<b>Profit before tax</b>	24,582,619	17,793,777	13,361,935	8,082,810
Income tax expense	(10,101,005)	(6,778,791)	(5,437,273)	(2,754,920)
<b>Profit after tax</b>	<u>14,481,614</u>	<u>11,014,986</u>	<u>7,924,662</u>	<u>5,327,890</u>
<b>Other comprehensive income (loss)</b>				
Remeasurement of defined benefit plan, net of related taxes	-	181,567	-	181,567
<b>Total comprehensive income for the period</b>	<u><u>14,481,614</u></u>	<u><u>11,196,553</u></u>	<u><u>7,924,662</u></u>	<u><u>5,509,457</u></u>
<b>Earnings per share</b>				
Basic and diluted earnings per share (par value BDT 10 each in BDT)	<u>10.72</u>	<u>8.16</u>	<u>5.87</u>	<u>3.95</u>