MOBILE MARKET LEADER IN A FAST-GROWING ECONOMY
CMD 2017

BANGLADESH AT A GLANCE

Demographics

- Population of 168m, growing by >1% per year
- Young population, 48% below 25 years
- Expanding middle class

Economics

- GNI per capita of USD 1,200
- Largely a cash based economy
- Main sectors: Service, manufacturing and agriculture
- Stable inflation and currency performance

Real GDP growth

<table>
<thead>
<tr>
<th>Country</th>
<th>Real GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>3.3%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>3.8%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4.9%</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>6.2%</td>
</tr>
<tr>
<td>Myanmar</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

Sources: WorldBank, CIA Factbook
AN ATTRACTIVE AND GROWING MOBILE MARKET, DOMINATED BY PREPAID

- 119 million subscribers, of which 99% prepaid
- Multi-SIM market with around 50% real mobile penetration
- 32% internet penetration, rapidly increasing
- ARPU of around USD 2
- Continuously developing regulatory landscape
GRAMEENPHONE IS THE UNDISPUTED MARKET LEADER, WITH SOLID FINANCIAL PERFORMANCE

- 58 million subscribers and #1 brand in Bangladesh
- Largest network: 11,900 2G and 10,600 3G sites
- Widest distribution: More than 350k points of sales

Service revenue market shares*

Revenues (BDT bn) and EBITDA margin (%)

- 10% revenue growth and 14% EBITDA growth in 2016,
- Operating cash flow margin of 37% in 2016, despite significant investments

Source: Grameenphone estimates
1 BDT = 0.105 NOK
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IMPORTANT ACHIEVEMENTS DURING 2016

• 12% subscription and traffic revenue growth, fueled by 56% growth in active data users
• Successful biometric verification of entire customer base
• Revenue market share improvement of 2 percentage points*
• 4,700+ new 3G sites, reaching 90% of total sites
• Number of distribution points increased from 120 to 390
• Controlled opex despite significant network expansion

* End of Q3 2016
SIGNIFICANT GROWTH OPPORTUNITIES
VOICE SEGMENT REMAINS IMPORTANT AND STILL OFFERS ATTRACTIVE GROWTH OPPORTUNITIES

- Real mobile penetration currently at approx. 50%, expected to increase
- Affordability of marginal subscriber improving
- Leverage expanded network and distribution footprint
- Improving price perception and simplicity in offers
- Strengthen position in B2B, postpaid and youth segments
INCREASING DATA USAGE WILL BE THE PRIMARY REVENUE GROWTH DRIVER GOING FORWARD

Average data usage (MB per month)

- Usage driven by video streaming and social media
- Flagship ‘Digital Bangladesh’ vision of Government to act as an enabler

Data users and revenue contribution

- 70% total data revenue growth in 2016, 58% contribution of incremental revenue
- Support from 3G network coverage expansion
PROLIFERATION OF AFFORDABLE SMARTPHONES WILL ACCELERATE DATA ADOPTION

Smartphone price (USD) and penetration (%)

- 2012: $230, 3%
- 2013: $150, 7%
- 2014: $60, 17%
- 2015: $40, 22%
- 2016: $33, 25%

• Co-branded smartphones and partnerships to bring affordability along with quality

Usage and ARPU uplift potential

- 200 MB Feature phone data usage/month
- 1,200 MB Smartphone data usage/month

• Smartphone users have 63% higher ARPU than feature phone users
CRITICAL SUCCESS FACTORS

Network leadership

Simplicity in offerings

Best distribution

Efficient operations
INVESTING IN NETWORKS TO CAPTURE DATA GROWTH

- 3G population coverage increased from 70% to 90% during 2016
- Securing 4G first mover advantage
- Strong end-to-end fiber backhaul across the country
- Expansion of indoor coverage to address rapid urbanization and vertical city expansion
- Allocation of additional spectrum and technology neutrality is in discussion
- Constrained fixed broadband market

*Source: Grameenphone internal estimate
PHYSICAL DISTRIBUTION HAS BEEN A MAJOR STRENGTH
…WHILE PHYSICAL DISTRIBUTION REMAINS THE CORE, DIGITAL DISTRIBUTION IS SHAPING UP

- Convenience is driving recharge through digital channel
- Most digital interaction starts from physical location
- Bridging the digital and physical world with GP Express stores
- Tools and processes redesigned to ensure empowerment and efficiency of channel

Recharge through digital channels (% of sales)

<table>
<thead>
<tr>
<th>Year</th>
<th>Digital Recharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0.1 %</td>
</tr>
<tr>
<td>2014</td>
<td>0.5 %</td>
</tr>
<tr>
<td>2015</td>
<td>8.2 %</td>
</tr>
<tr>
<td>2016</td>
<td>10.4 %</td>
</tr>
</tbody>
</table>
SIMPLIFICATION PROGRAMME YIELDING STRONG RESULTS

- Number of starter packs reduced from 8 to 2
- Universal products, no conditions attached
- Simplified internet portfolio
- *121# self service destination
- Top 20 processes simplification

75% reduction in overall customer complaints
<table>
<thead>
<tr>
<th>Service</th>
<th>Users/Visits/Downloads</th>
</tr>
</thead>
<tbody>
<tr>
<td>WowBox</td>
<td>&gt; 6 million users</td>
</tr>
<tr>
<td>GP Music</td>
<td>&gt; 2 million trial users</td>
</tr>
<tr>
<td>Bioscope</td>
<td>200K monthly active users</td>
</tr>
<tr>
<td>GP Shop</td>
<td>&gt; 3 million monthly visits</td>
</tr>
<tr>
<td>Flexi Plan</td>
<td>&gt; 5 million downloads</td>
</tr>
<tr>
<td>My GP</td>
<td>&gt; 3 million downloads</td>
</tr>
</tbody>
</table>
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A TRACK RECORD OF CONTROLLED OPEX DESPITE GROWTH AND SIGNIFICANT NETWORK EXPANSION

Opex development (BDT bn)

- 2012-2016: 3% opex growth against 6% revenue growth and 10% growth in base stations (CAGR)
- Opex/sales reduced from 40% to 35% during the period

Opex distribution 2016 vs 2012

- Energy cost reduction initiatives offsetting tariff growth
- IT cost reduction through application optimization and virtualization

1 BDT = 0.105 NOK
COMMITMENT TO FURTHER EFFICIENCY IMPROVEMENTS

**Market**
- Increased recharge through digital channel
- Optimized shift in digital media for market spending

**Network**
- Reduction in energy and maintenance cost for network operations
- Effect realization of IT transformation

**Personnel**
- Transformation of call centre to outsource model
- Headcount efficiency

**Support**
- Optimization of support and overhead costs
- Governance around discretionary costs
SET STANDARD IN BANGLADESH FOR OPERATING UNDER RESPONSIBLE BUSINESS CONDUCT

• Efficient governance procedures to ensure adherence to policies

• Extensive company-wide awareness and training on building conducive culture around governance

• Rigorous monitoring and follow-up to identify and ensure appropriate corrective measures

• Strengthen compliance and supply chain framework further

• Actively promote company stance on responsible business conduct amongst the Bangladeshi society
SUMMARY

• Strong market leader in an attractive growth market
• Investing to maintain superior network and service position
• Growth and operating efficiencies to drive future profitability

In consideration of the local regulations, Grameenphone Ltd. does not provide any forward looking statements
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GRAMEENPHONE LTD.

Dilip Pal, CFO