Grameenphone Ltd.

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1st Quarter Un-audited Financial Statements as at and for the quarter ended 31 March, 2010

In compliance with the Securities and Exchange Commission's Notification No. SEC/CMRRCD/2008-183/Admin/03-34 dated 27 September, 2009, we are pleased to present the 1st quarter un-audited Financial Statements of Grameenphone Ltd. as at and for the quarter ended 31 March, 2010. These condensed consolidated Financial Statements are comprised of the financials of Grameenphone Ltd. and its wholly owned subsidiary, Grameenphone IT Ltd. The following Financial Statements without the detailed notes/disclosures have been termed as "condensed" in line with IAS/BAS-34.

Condensed Consolidated Statement of Financial Position (Un-audited) as at 31 March 2010

	As at 31-Mar-10 Taka	As at 31-Dec-09 Taka
Assets		
Non current assets:		
Property, plant and equipment, net	76,614,225,873	79,287,993,919
Intangible assets, net	7,391,755,777	7,681,126,893
Long-term receivables and deposits	11,693,862	11,635,675
	84,017,675,512	86,980,756,487
Current assets:		
Inventories	470,221,492	430,870,209
Deferred cost of connection revenue	508,390,231	483,550,115
Accounts receivable, net	4,529,968,858	4,697,066,162
Advances, deposits and prepayments	2,029,197,797	1,968,937,232
Cash and cash equivalents	20,112,965,397	14,601,313,087
	27,650,743,775	22,181,736,806
Total assets	111,668,419,287	109,162,493,293
Equity and Liabilities		
Shareholders' equity:		
Share capital	13,503,000,220	13,503,000,220
Share premium	7,840,225,942	7,840,225,942
Capital reserve	14,446,452	14,446,452
Deposit from shareholders	1,880,178	1,880,178
General reserve	2,139,729,365	2,139,729,365
Retained earnings	29,812,368,728	26,655,044,251
	53,311,650,885	50,154,326,408
Non-controlling interest	71	-
Total equity	53,311,650,956	50,154,326,408
Non-current liabilities:		
Loans and borrowings, net of current portion	804,037,496	917,924,127
Deposit from agents and subscribers	438,954,978	440,948,191
Finance lease obligations	5,019,805,838	5,019,805,838
Deferred tax liabilities	12,726,241,342	13,505,914,117
Long term payables and provisions	163,473,934	160,033,350
Employee benefits - provision for gratuity	97,815,748	11,454,139
	19,250,329,336	20,056,079,762
Current liabilities:		
Accounts payable	4,234,124,750	4,692,964,457
Payable to government and autonomous bodies and other operators	9,420,178,542	9,304,514,275
Income tax payable	13,100,215,273	12,228,778,445
Unearned revenue	1,488,914,350	1,679,152,352
VAT payable	2,361,048,564	2,234,779,133
Loans and borrowings - current portion	1,033,525,700	1,036,943,071
Deferred connection revenue	547,622,600	541,731,926
Interest payable on loans and borrowings	96,483,082	66,356,035
Provision for expenses	6,813,344,172	7,078,349,758
Liabilities for share money refund	10,981,962	88,517,671
	39,106,438,995	38,952,087,123
Total equity and liabilities	111,668,419,287	109,162,493,293

Condensed Consolidated Statement of Comprehensive Income (Un-audited) for the quarter ended 31 March 2010

	Quarter ended 31-Mar-10 Taka	Quarter ended 31-Mar-09 Taka
Revenue	17,041,538,870	15,772,183,214
Cost of network operations:		
Direct cost of network revenue	(3,358,012,292)	(3,188,793,382)
Network operation and maintenance expenses	(1,125,388,547)	(1,205,619,832)
Depreciation and amortisation	(3,725,415,328)	(3,640,610,047)
	(8,208,816,167)	(8,035,023,261)
Gross profit	8,832,722,703	7,737,159,953
Other income, net	11,617,670	15,305,095
Operating expenses:		
General and administrative expenses	(1,900,897,607)	(1,577,271,046)
Selling and distribution expenses	(1,232,252,070)	(445,540,060)
Depreciation and amortisation	(374,754,208)	(452,160,259)
	(3,507,903,885)	(2,474,971,365)
Operating profit	5,336,436,488	5,277,493,683
Finance income/(expense), net	235,850,296	(589,424,344)
Gain on sale of investment	-	6,922,202
Gain on disposal of property, plant and equipment	9,283,128	3,513,779
Profit before income tax	5,581,569,912	4,698,505,320
Income tax expenses	(2,424,245,464)	(2,415,823,964)
Profit for the quarter	3,157,324,448	2,282,681,356
Other comprehensive income	-	-
Total comprehensive income for the quarter	3,157,324,448	2,282,681,356
Total comprehensive income attributable to:		
Owners of the company	3,157,324,477	2,282,681,356
Non-controlling interest	(29)	N/A
Earnings per share:		
Basic earnings per share (par value Tk 10 each)	2.34	1.88

Condensed Consolidated Statement of Cash Flows (Un-audited) for the quarter ended 31 March 2010

	Quarter ended 31-Mar-10 Taka	Quarter ended 31-Mar-09 Taka
Cash flows from operating activities:		
Cash receipts from sales or for the performance of services	16,896,096,153	15,031,462,885
Payroll and other payments to employees	(1,375,195,676)	(768,131,238)
Payments to suppliers and contractors	(6,032,384,839)	(4,872,214,371)
Finance income received	254,479,902	2,440,743
Finance costs paid	(75,381,661)	(548,790,608)
Income tax paid	(2,332,481,411)	(1,275,267,319)
	(9,560,963,685)	(7,461,962,793)
Net cash flow from operating activities	7,335,132,468	7,569,500,092
Cash flows from investing activities:		
Payment for acquisition of property, plant and equipment	(1,565,524,251)	(4,255,136,638)
Proceeds from sale of investment in shares of X-Net Ltd.	-	11,390,170
Proceeds from sale of property, plant and equipment	31,059,155	4,242,703
Payment for acquisition of intangible assets	(93,773,286)	(1,770,517,402)
Investment in FDR	(58,187)	-
Net cash used in investing activities	(1,628,296,549)	(6,010,021,167)
Cash flows from financing activities:		
Local interest bearing short-term borrowings	-	(3,351,050,067)
Payment of long term borrowings	(117,648,000)	(117,648,000)
Amount refunded to share applicants	(77,535,709)	-
Proceeds from issuance of share of Grameenphone IT Ltd.	100	-
Net cash flow from financing activities	(195,183,609)	(3,468,698,067)
Net changes in cash and cash equivalents	5,511,652,310	(1,909,219,142)
Cash and cash equivalents at beginning	14,601,313,087	7,020,671,289
Cash and cash equivalents at closing	20,112,965,397	5,111,452,147

Condensed Consolidated Statement of Changes in Equity (Un-audited) for the quarter ended 31 March 2010

	Share capital Taka	Share premium Taka	Capital reserve Taka	Deposit from Shareholders Taka	General reserve Taka	Retained earnings Taka	Non-controlling interest Taka	Total Taka
Balance as at 1 January 2009	12,151,747,970	13,743,987	14,446,452	1,882,996	2,139,729,365	13,266,605,231	-	27,588,156,001
Net profit for the quarter ended 31 March 2009	-	-	-	-	-	2,282,681,356	-	2,282,681,356
Final dividend for the year 2008	-	-	-	-	-	(1,579,727,236)	-	(1,579,727,236)
Balance as at 31 March 2009	12,151,747,970	13,743,987	14,446,452	1,882,996	2,139,729,365	13,969,559,351	-	28,291,110,121
Balance as at 1 January 2010	13,503,000,220	7,840,225,942	14,446,452	1,880,178	2,139,729,365	26,655,044,251	-	50,154,326,408
Issuance of share of Grameenphone IT Ltd.	-	-	-	-	-	-	100	100
Net profit/(loss) for the quarter ended 31 March 2010	-	-	-	-	-	3,157,324,477	(29)	3,157,324,448
Balance as at 31 March 2010	13,503,000,220	7,840,225,942	14,446,452	1,880,178	2,139,729,365	29,812,368,728	71	53,311,650,956

Sd/-
Oddvar Hesjedal
Chief Executive Officer

Sd/-
Raihan Shamsi
Deputy Chief Executive Officer &
Chief Financial Officer

Date: 03 May, 2010

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The details of the published 1st quarter un-audited Financial Statements as at and for the quarter ended 31 March, 2010, will be available in the website of the Company at: www.grameenphone.com