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DGEN	▲ 0.89%	7,327.31
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**IDLC Index**

IDLC 50	▲ 1.12%	7,324.59
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**Asian Markets**

MUMBAI	▼ 0.33%	20,407.71
TOKYO	▲ 1.47%	9,518.76
SINGAPORE	▲ 0.16%	3,162.36

**Currencies**

	Buy Tk	Sell Tk
USD	69.85	70.85
EUR	93.62	98.16
GBP	108.66	113.65
JPY	0.81	0.88

SOURCE: STANDARD CHARTERED BANK

**Commodities**

Gold	▲	\$1,325.55 (per ounce)
Oil	▲	\$81.64 (per barrel)

SOURCE: AFP (Midday Trade)

**News in Brief**

Wall Street keen on making investment in Bangladesh

UNB, New York

A high-level delegation of the financial executives of Wall Street called on Finance Minister AMA Muhith at Bangladesh's Permanent Mission in New York on Monday.

During the meeting, the delegation showed willingness to exchange their experience and skills to overcome fallout of global economic downturn as well as to invest their capital in Bangladesh, said a PID release yesterday.

Earlier, UNDP's Administrator Helen Clark made a courtesy call on the minister. They discussed ongoing UNDP programmes, particularly good governance and sustainable development programmes, in Bangladesh.

Muhith requested the UNDP to give more emphasis on e-economy in coming years.

**BMW arm launches India operations**

AFP, New Delhi

BMW's financing arm launched operations in India on Tuesday, offering loans for purchases of cars produced by the luxury German vehicle maker.

The move comes after BMW said this month it was ramping up production capacity at its factory in the southern city of Chennai as it moves to tap the rising spending power of India's newly affluent consumers.

Sanjiv Shah, chief executive of BMW Financial Services in India, said the unit will be the only financier for BMW cars in the country.

Luxury cars represent just 0.5 percent of total car sales in India, but vehicle makers say the market's potential is increasing as the country's economy grows by nearly nine percent each year.

## Banglalink owner gets new partner

### Norwegian-Russian firm Vimpelcom to acquire 51.7pc of Orascom

MEHDI MUSHARRAF BHUIYAN

Norwegian-Russian telecoms firm Vimpelcom will acquire a majority stake in Banglalink's owning company Orascom Telecom, in a deal that will create the world's fifth largest mobile operator.

Vimpelcom on Monday signed a multi-billion dollar deal with Egyptian billionaire Naguib Sawiris' holding firm Weather Investments.

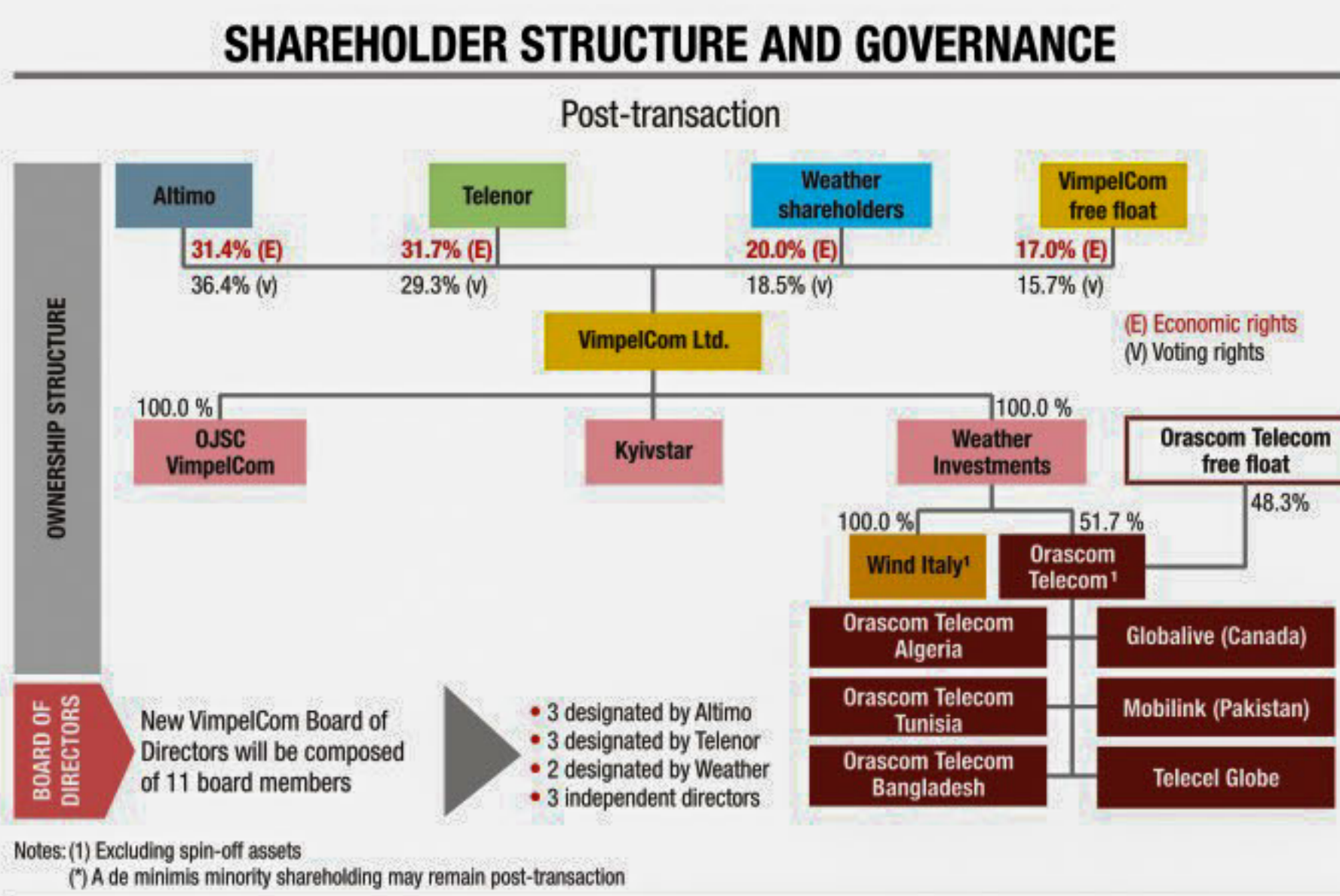
At the closing of the transaction, Vimpelcom will own, through Weather, 51.7 percent of Orascom Telecom Holding and 100 percent of Wind Italy, Vimpelcom said in a statement.

The cash and shares transaction also includes a \$1.8 billion payment in cash.

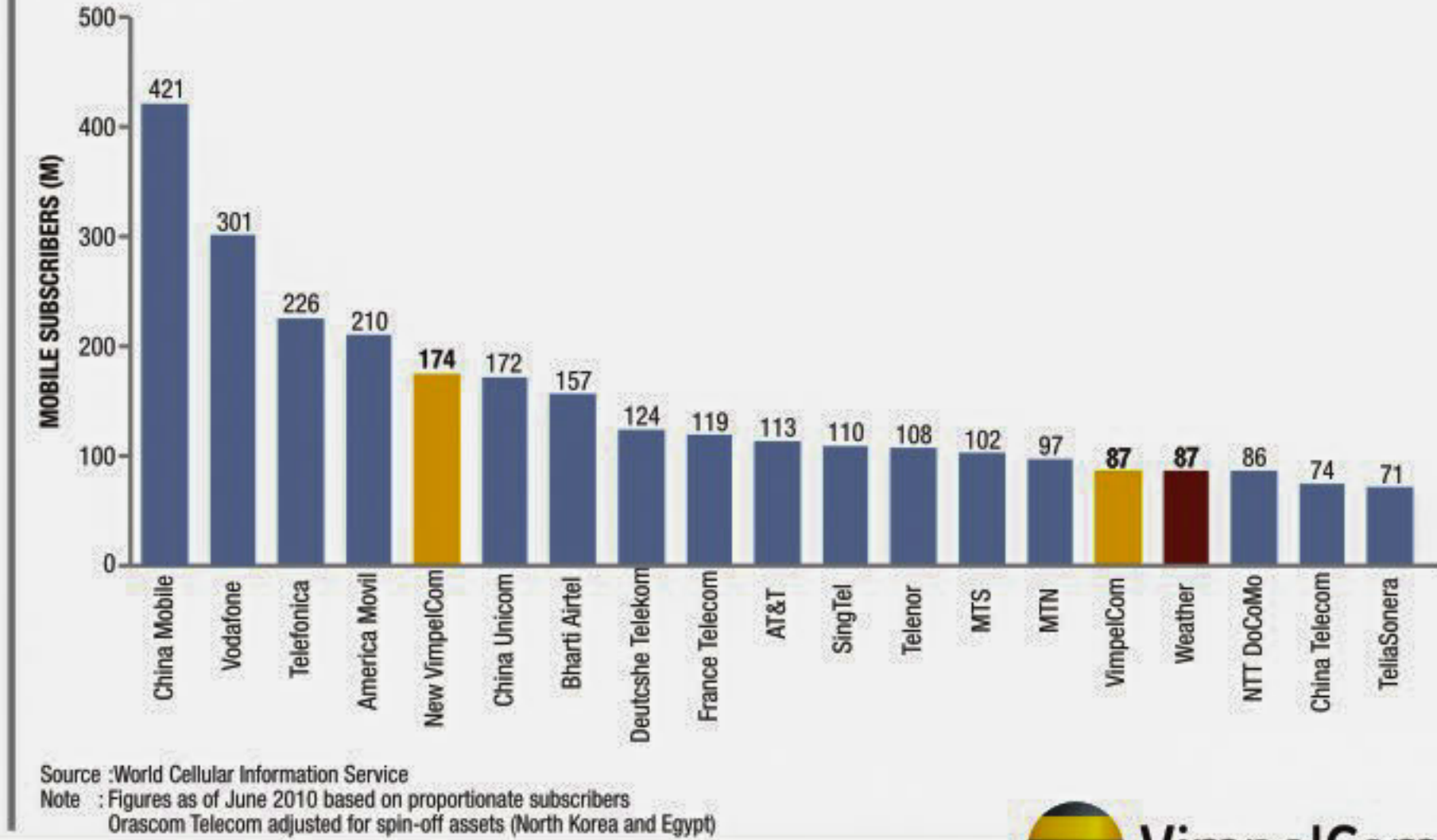
The agreement will also make the world's fifth largest mobile telecoms carrier by subscribers, with pro forma operating revenues of \$21.5 billion and pro forma EBITDA (earnings before interest, taxes, depreciation, and amortisation) of \$9.5 billion.

The new deal is expected to spur Banglalink, the second largest mobile operator after Grameenphone in Bangladesh, into further investments, industry analysts said.

The analysts observed that this would also inject additional growth, mobilisation and dynamism into the country's telecom market.



### MOVING INTO THE TOP 5 MOBILE OPERATORS



But Banglalink officials refused to comment.

Vimpelcom is a joint venture of Norwegian telecoms firm Telenor and Russian banking group Alfa Group, whose creation was sealed at the end of 2009 after a prolonged squabble between the two groups.

Currently, another Telenor subsidiary, Grameenphone, is operational in Bangladesh and leads the telecom market with more than 2.7 crore subscribers.

The overall value of the transaction was not disclosed, but Russian business daily Vedomosti said it would be worth \$6.4 billion.

#### FOOTPRINTS IN BANGLADESH

Orascom entered Bangladesh in September 2004 when it purchased 100 percent of Sheba Telecom for \$60 million.

Later, it rebranded itself and launched its services under the

"Banglalink" brand on February 10, 2005. Banglalink's nationwide 15-year GSM licence will expire in November 2011.

In March 2008, Sheba changed its name to Orascom Telecom Bangladesh Ltd, matching Banglalink's parent company name.

Aggressive marketing made Banglalink the market's second largest operator at the end of 2007, overtaking Aktel (now Robi).

As of August 2010, it has got active subscribers of around 1.75 crore, grabbing a 27.63 percent share in the six-operator mobile market.

Banglalink logged \$214 million in revenue, about 10 percent of Orascom's total revenue, in the first six months of 2010. Its revenue earnings increased by nearly 15 percent in the second quarter of 2010 compared to the previous quarter.

The cellphone operator

invested a total of Tk 7,974 crore until the end of 2009 in Bangladesh.

Bangladesh's growing mobile industry has witnessed several instances of changes in ownership in recent years.

Nine months back, India's Bharti Airtel acquired a 70 percent stake in Abu Dhabi Group's Warid Telecom, sixth largest mobile operator in Bangladesh.

Earlier in 2008, NTT DoCoMo, Japan's largest telecom operator, acquired AK Khan and Company's 30 percent stake in Aktel, third largest in Bangladesh, for \$350 million.

#### TRANSACTION

Vimpelcom said that as part of the transaction, Weather Investments will receive a 20 percent economic stake and a 18.5 percent voting stake in Vimpelcom group.

The transaction will create a new global telecom player with

over 174 million mobile subscribers globally.

After the transaction, Telenor will hold 29.3 percent of the voting rights in Vimpelcom and Alfa Group 36.4 percent.

Jo Lunder, the chairman of Vimpelcom, said: "This combination creates a top tier global telecom company with strong platforms across Europe, Asia and Africa."

Naguib Sawiris said: "This landmark transaction is a true reflection of the high quality of our Orascom Telecom and Wind Italy assets and of the significant value that we have created over the years for our shareholders."

Sawiris is one of the richest men in the Middle East and is estimated by US Forbes magazine to have a total fortune of \$2.5 billion.

Reports of the deal saw Orascom shares jump more than

3 percent on the Cairo stock exchange when they were suspended as the regulator asked the company to clarify the reports.

There has been controversy over the role of Orascom's Algerian operation Djazzy in the deal but Russian press reports said that these would be ironed out during a visit by President Dmitry Medvedev to the North African country this week.

Vimpelcom has licences for operations across Russia, where it owns Beeline, and Ukraine, where it has the Kyivstar brand.

Its operations also cover Kazakhstan, Uzbekistan, Tajikistan, Georgia, Armenia, Kyrgyzstan, Vietnam and Cambodia.

The statement said Vimpelcom expected the transaction to be complete by the first quarter of 2011.

AFP has contributed to this report

## Hasina speeds up ADP spend

REJAUL KARIM BYRON

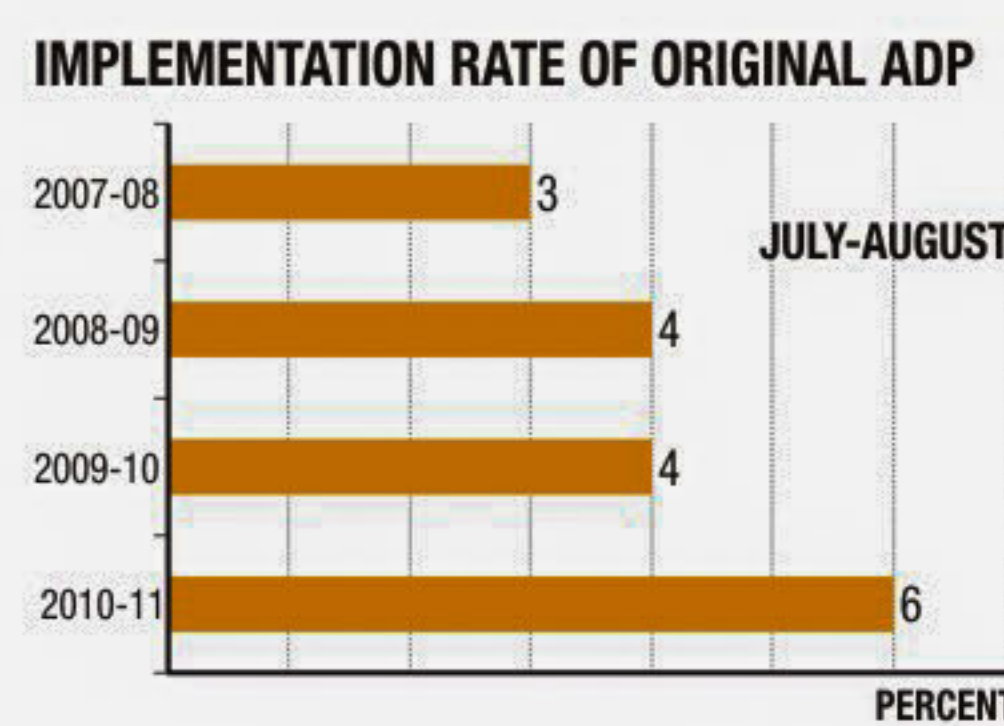
Annual Development Programme (ADP) spending rose 76 percent in the first two months of the fiscal year over last year, reportedly due to continual pushing by the PM.

In these first two months, overall implementation spending was 6 percent of the ADP budget -- vs 3-4 percent in the last three years. ADP spending was Tk 2,376 crore, up from Tk 1,347 crore last fiscal year.

The current fiscal year's ADP budget of Tk 38,500 crore is 35 percent more than last year's revised budget. Economists had described it as an over-ambitious and predicted its implementation to be the year's biggest challenge.

Planning ministry officials said that at every meeting of the Executive Committee of National Economic Council (Ecneec), Prime Minister Sheikh Hasina reviews ADP implementation by one or two ministries. An Ecneec meeting is held almost every week at which she questions the under-performing ministries or divisions.

In July, Planning Minister AK Khandaker held a series of meetings with all ministries and divisions on ADP implementation. The minister directed the ministries to finish approving



revised projects by September.

There are 800 new projects in the current ADP that have to be approved by March 2011, according to the planning minister's directive.

The rate of implementation by many large ministries is much higher so far this year. Spending by the primary and mass education ministry was 16 percent, by the health ministry, 12 percent, by the local government division 7 percent and the power division 4 percent.

However, ministries like shipping, civil aviation and tourism, youth and sports, expatriate welfare and overseas employment, housing and public works could not spend a single taka in the first two months.

In the last fiscal year, 91 percent of the revised ADP allocation was spent using 96 percent of allocated government funds and 83 percent of project aid. Its Tk 30,500 crore sum was later revised to Tk 28,500 crore.

## Regulator budgets on Z-category firms

SARWAR A CHOWDHURY

The Securities and Exchange Commission has backtracked on a decision on Z-category companies.

It asked the bourses Monday to de-list these companies from the main trading board and transfer them to the OTC (over-the-counter) market, but now the stockmarket watchdog wants the country's two stock exchanges to de-list only four.

Market experts criticised the SEC move as a U-turn.

As per SEC's Monday directive, 12 companies, including some prospective companies such as Rupali Bank, ICB Islamic Bank, Lafarge Surma Cement and Delta Life Insurance, in the Z-category were likely to be de-listed.

Being aware through media reports that the SEC decision might affect some firms with good fundamentals,

the commission convened an emergency meeting yesterday to revise its earlier decision and made a short list of Z-category companies to be de-listed from the main trading board.

In line with the regulator's latest directive to Dhaka Stock Exchange, four companies are to be placed in OTC market from the 20th of this month. The companies are Apex Weaving and Finishing Mills, Dhaka Fisheries, Monno Fabrics and Padma Cement.

Salahuddin Ahmed Khan, a market expert who served DSE as its chief executive officer for five years, said Z-category does not mean that the companies in the area are bad performers.

"Companies with strong fundamentals as well as profitable ones can also be traded under the Z-category by just not giving dividends," explained Khan, also citing Rupali Bank and Lafarge Surma Cement as such companies.

"De-listing of companies will also create supply crisis in the market, now facing huge demand-supply mismatch," said Khan, now a professor of finance at Dhaka University.

Pointing to the reasons showed by the regulator for de-listing the Z-category firms that have been in the category for more than two years, another expert said failure in paying dividends to shareholders by these companies is not the only reason for being with the category.

He said legal issues or complexities and company matters are also some major reasons.

Despite several attempts, SEC Chairman Ziaul Haque Khondor could not be reached over his cell phone for his comments on the market reactions to the regulator's topsy-turvy attitude.

sarwar@thedailystar.net

## Singapore Air to offer inflight wireless internet

AFP, Singapore

Singapore Airlines said Tuesday it would be able to offer passengers inflight wireless internet access at 35,000 feet (10,600 metres) by next year.

SIA said it plans to roll out a scheme that will allow access to WiFi internet and mobile telephony services from as early as the first half of 2011.

## AIMS offers get HC nod

STAR BUSINESS REPORT

The High Court (HC) yesterday declared illegal the Securities and Exchange Commission's rejection of AIMS 1st Mutual Fund's rights offer and bonus dividend announcement.

The court also directed the regulator to approve the fund's proposal for offering rights issues and declaring bonus dividend within 10 days after receiving a copy of the verdict.

An HC bench of justices Mamnoon Rahman and Sayeda Afsar Jahan handed down the verdict after hearing a writ petition filed by Md

Abdul Hossain, a stock investor.

The investor filed the petition on March 25 challenging the SEC that rejected the mutual fund's proposal for offering the rights issues and announcing bonus dividend.

As investors came to know about the verdict, the price of each unit of AIMS 1st Mutual Fund jumped by almost 20 percent yesterday, before touching the circuit breaker that does not allow a scrip's price to go up or down suddenly by certain percentages.

During the late trading session, there was no seller of the fund. Before that, each unit traded between Tk

15.59 and Tk 18.62.

The SEC on March 7 rejected the rights and dividend proposals submitted by the fund's manager Asset and Investment Management Services (AIMS) of Bangladesh.

On February 24, the trustee committee of the AIMS 1st Mutual Fund announced 70 percent stock dividend for 2007-08 and 2008-09 and a 130 percent rights entitlement.

The committee proposed the rights offer, 13 units of Tk 1 each against a holding of 10 units of Tk 1 each, at a price equal to the net asset value of a unit of the fund.

**LR GLOBAL** Dividend Warrant Distribution

**DBH FIRST MUTUAL FUND**

Investors' Relation Office: Navana Tower (9<sup>th</sup> Floor), Plot -45, Gulshan Avenue, Gulshan-1, Dhaka-1212  
Phone: +88 02 8826676, 8818409; Mob.: +88 01730450478-9; Fax: +88 02 9895689  
Email: info@lrglobalbd.com, Web: www.lrglobalbd.com

This is for the kind information of the valued unit holders of 'DBH First Mutual Fund' that the Dividend Warrants returned from the courier services are now ready for distribution from the Investors' Relation Office of LR Global Bangladesh Asset Management Company Limited. The concerned unit holders are requested to collect the Dividend Warrants from October 7, 2010 onward during 10:00 AM to 04:00 PM (Sunday to Thursday) and also requested to bring the BO Setup and the Photo ID as a proof of identification.

Sd/-  
Reaz Islam  
Chief Executive Officer