

ANNUAL REPORT 2012





Pictures on cover page:

- The Powder House. This is one of the oldest buildings of former Fort Nieuw Amsterdam.
- Sesbania Grandiflora at Leliëndaal. In Suriname this flower is also known as Kembang Turi.
- The Telesur affiliate at Tamanredjo.

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PREFACE

The year 2012 has passed and Telesur hereby proudly presents its publication annual report on the passed year. As the act establishing Telesur dictates, the Supervisory Board of Telesur has had the 2012 annual accounts audited by the external auditor, Tjong A Hung Accountants' Firm (associate of PricewaterhouseCoopers PwC). In these annual accounts you will find detailed overviews of the financial development of Telesur, the statement of financial position, the statement of comprehensive income and the statement of cash flow, all with explanatory notes from the external auditor.

The theme of this annual report is "District Commewijne" (hereinafter referred to as Commewijne). This district was selected because of its interesting history, and especially because Commewijne is one of the markets of Telesur. The process of preparing this annual report meant going on a journey through Commewijne, and resulted in special stories about places and individuals, beautiful pictures and surprising pieces of information that are cordially shared with you in this annual report.

In the following pages general information and key figures of Telesur are presented, followed by a detailed commentary on the highlights of Telesur in 2012 in the report of the Board of Directors. The Telesur annual report on 2012 concludes with the abbreviated annual accounts of 2012, the principles of valuation and determination of the results and the auditor's report.

Please enjoy reading the Telesur 2012 annual report.

The Board of Directors of Telesur

The old sluice at Rust and Werk still does a good job of draining the plantation.



THE TELESUR BOARD OF SUPERVISORY DIRECTORS

AS OF MAY 2013



Mr. Humphrey Schurman LL.M.
Member



Mrs. Adolfina Cairo
Chairperson of the Board



Mr. Jerry Douglas LL.M.
Member



Mr. Ryan Abrahams, M.Sc.
Member



Mr. Dr. Eddy Jozefzoon
Secretary



Mrs. Juliette Dubois
Member

PRELIMINARY REPORT OF THE BOARD OF SUPERVISORY DIRECTORS

To comply with Article 15 Paragraph 5 of Act C-38 Establishing Telesur, we have audited the statement of financial position and the statement of comprehensive income of Telesur, as well as the explanatory notes, in which we were assisted by Auditing Firm Tjong A Hung (the external auditor). The external auditor gave his approval to the annual accounts on 2012 of Telesur and on account of this statement we have approved the annual report of which the statement of financial position as at December 31, 2012 is a part as well as the statement of comprehensive income on 2012.

We therefore advise the Minister of Transport, Communications and Tourism, to approve the statement of financial position as at December 31, 2012 and the statement of comprehensive income on 2012. This approval will discharge the Chief Executive Officer of Telesur for the management conducted in 2012 and also discharges the Board of Supervisory Directors for its supervision on grounds of Article 15 Paragraph 7 of the aforementioned act.

Finally, we are pleased to express our appreciation and recognition for the manner in which the management and all other employees of Telesur have devoted themselves to the company in 2012.

Paramaribo, May 2013

The Telesur Board of Supervisory Directors

Mrs. Adolfinia Cairo	: Chairperson of the Board
Mr. Jerry Douglas, LL.M.	: Member
Mr. Humphrey Schurman, LL.M.	: Member
Mr. Ryan Abrahams, M.Sc	: Member
Mrs. Juliette Dubois	: Member
Mr. Dr. Eddy Jozefzoon	: Secretary

THE TELESUR BOARD OF DIRECTORS

AS AT MAY 2013



FROM LEFT TO RIGHT:

MR. IR. EDMUND NEUS	:CHIEF TECHNICAL OFFICER; CTO
MR. KENNETH MURINGEN MBA	:CHIEF COMMERCIAL OFFICER; CCO
MR. DRS. DIRK CURRIE	:CHIEF EXECUTIVE OFFICER; CEO
MR. DRS. RUSS HEADLEY MBA	:CHIEF FINANCIAL OFFICER; CFO

THE SEVEN COMMANDMENTS OF TELESUR

- T** FUTURE DRIVEN
- E** HONEST AND ENTHUSIASTIC PERFORMANCE OF DUTIES
- L** LOYAL ATTITUDE TOWARDS THE COMPANY
- E** ONGOING EDUCATION
- S** OPTIMUM COOPERATION
- U** EXCELLENT CUSTOMER SERVICE
- R** RESPECTFUL AND FAIR INTERNALLY AND TOWARDS THE CUSTOMERS

The Telesur affiliate at Tamanredjo in Commewijne.

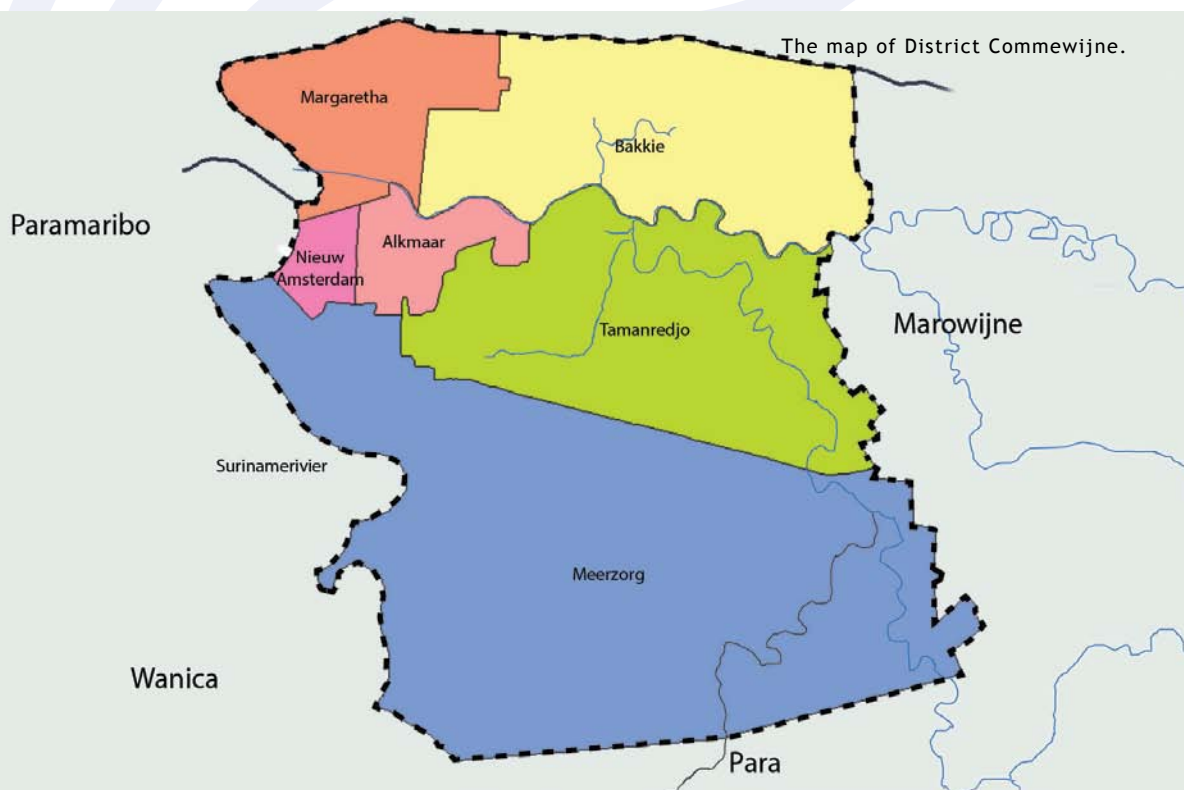


THE DISTRICT OF COMMEWIJNE

The District of Commewijne is located to the east of Paramaribo, the capital of Suriname and is bordered by the Atlantic Ocean in the north, the District of Marowijne in the east, and the District of Para in the south. In the west, Commewijne is separated from the Districts of Para, Wanica and Paramaribo by the Suriname River. A large part of this district consists of fertile clay of the young coastal plain on which sand and shelf ridges occur intermittently. Commewijne has a population of over 25,000 residents of which the larger part are of Javanese origin. In addition, Surinamese of East-Indian, Creole and Indigenous origin live in the district. Commewijne is divided in 6 administrative jurisdictions; Alkmaar, Reijnsdorp (Bakkie), Margaretha, Meerzorg, Tamanredjo and Nieuw Amsterdam. The capital Nieuw Amsterdam is located at the confluence of the Suriname and Commewijne River. Agriculture is the principal mean of subsistence.

HISTORY

Commewijne formed an important part of the plantation economy of Suriname. The plantations were established during the first years of Dutch colonization in the seventeenth century. In its plantation heydays Suriname counted over 600 plantations. These were mainly coffee, cocoa, sugar and later citrus plantations. The abolition of slavery, the arrival of the industrial revolution, and the discovery of beet sugar in Europe resulted in a quick deterioration of the plantations. Around 1880 the former sugar company Mariënborg was established in Commewijne. It became the largest sugar company in Suriname. The heavy fieldwork on the sugarcane plantation was performed by contract laborers from British India and Java. The company was closed several years ago. Coffee cultivation was also engaged in on a large scale in Commewijne. In the 18th century the district counted approximately 300 coffee plantations. Like the sugar industry, the coffee and once thriving citrus cultivation are hardly of any significance to Commewijne nowadays. Only at the plantation of Alliance, located in the administrative jurisdiction Bakkie, citrus is still cultivated on a large scale.



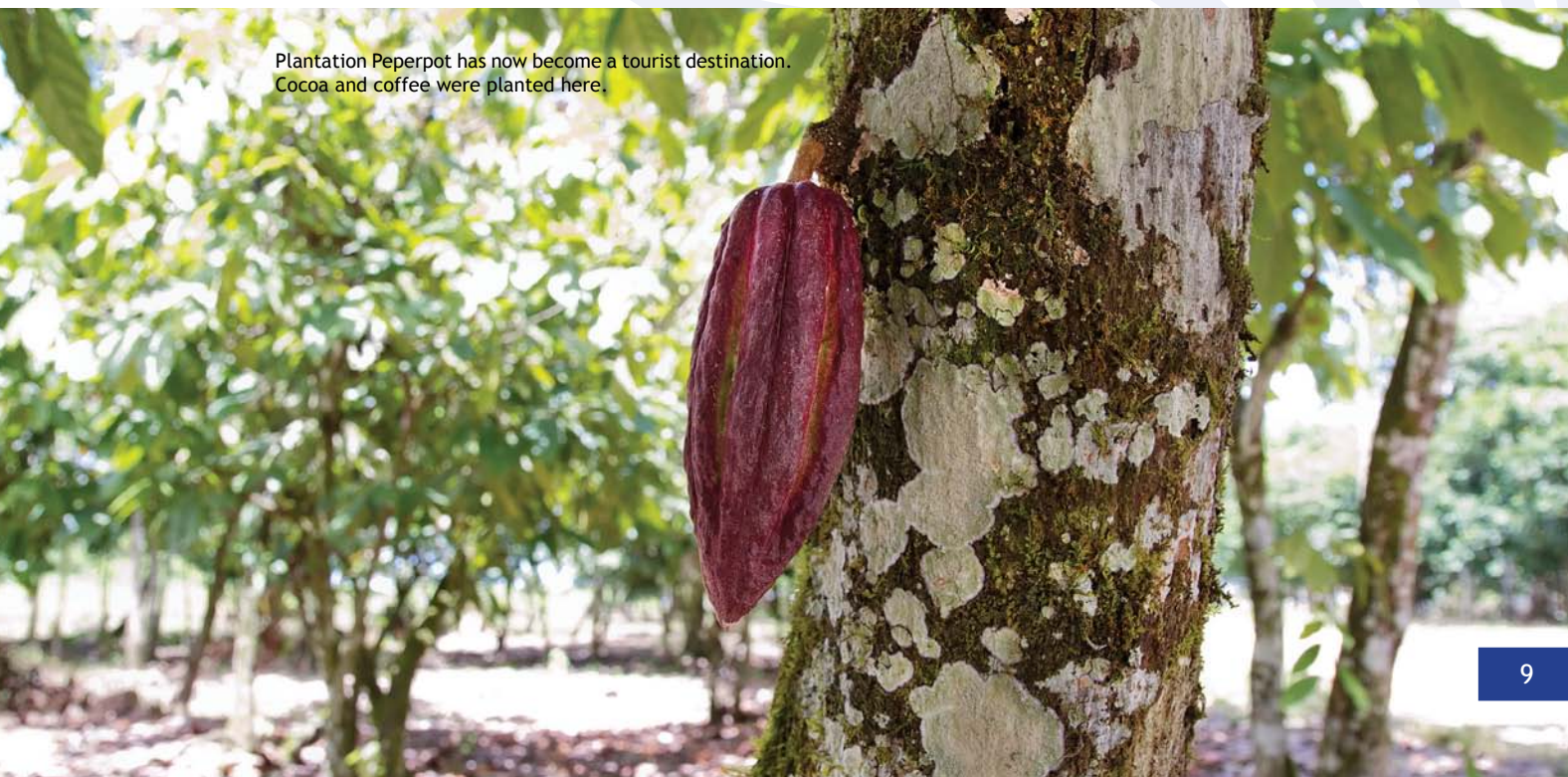
NATURE

When crossing the bridge over the Suriname River, the beautiful landscape of Commewijne can already be admired from this vantage point. At a short distance from the bridge the nature park of Peperpot is located where nature lovers, walking along a forest trail, can enjoy the monkeys, birds or other fauna and beautiful flora of Commewijne. A little further down, one finds an old cocoa plantation, which gives an impression of how cocoa plantations used to look. Moving further on the Commewijne River, one passes idyllic old plantations. A beautiful forested area borders the river. Dolphins which can be admired in the Suriname and Commewijne River, provide exciting variety during the trip. In the Matapica Nature Reserve one can find four sea turtle species which lay their eggs there during the breeding season. Matapica is also a breeding ground for different types of birds; a paradise for birdwatchers.

DEVELOPMENT

Eversince the bridge over the Suriname River was completed in 2000, the interest in Commewijne increased. The opportunities for economic development increased now that access to the district has improved. Companies from Paramaribo took advantage of this and opened subsidiaries. Commewijne has now also become more attractive as a residential area. Many people opt for the quietness of the district. Land development and housing construction companies have taken advantage of this. For that reason several housing construction projects were started. The perspectives to develop tourism products are also interesting; for example the nature park of Peperpot at Meerzorg. (Boat) trips to old plantations, with historic wooden houses and buildings, take the visitor back into time. The outdoor Museum at Nieuw Amsterdam has now become a tourist attraction. The sugar factory at Mariënborg is also visited often. The forecourt of the old factory is beautifully maintained. It also houses a monument for the slain during the revolt of Mariënborg in 1902. Commewijne is also known for its delectable fruit. People from the city go to the district not only to get fresh fruits, but also to purchase smoked or salted fish, or to eat at the many “warung” eating-houses along the road. To put it briefly, “Kawna”, as Commewijne is called popularly, is a district with great potential.

Plantation Peperpot has now become a tourist destination. Cocoa and coffee were planted here.



The strategically located Fort Nieuw Amsterdam, protected the plantations located behind it from invasions. This canon was ready to defend the fort.



HISTORICAL OVERVIEW

1945	Merger National Radio Service and National Telephone Communications to National Telegraph and Telephone Service (LTT-Dutch abbreviation).
1948	Installation first automatic private branch exchanges
1952	Putting into operation the first automatic exchange.
1955	Introduction first public telephones with dime insertion.
1971	Commissioning the telex exchange at the Keizerstraat.
1973	Conversion National Telegraph and Telephone Service into National Telegraph and Telephone Operator (LTT).
1976	Putting into service the public radiotelephonic network.
1978	Putting into operation the international telephone exchange at the Keizerstraat.
1981	Conversion of National Telegraph and Telephone Operator (LTT) into a new legal form: Sui Generis, the Telecommunicatiebedrijf Suriname (Telecommunications Operator Suriname), Telesur.
1986	The Telesur broadcasting project starts with television broadcasts.
1991	Broadcasting project Telesur changed into Algemene Televisie Verzorging, ATV (General Television Services).
	Switch from five to six digits of the fixed network telephone numbers
1993	The TelecommunicatieOpleidings- and Onderzoekscentrum (TOC) (Telecommunications Training and Research Centre) is recognized as a regional training centre and Inauguration of the cellular telephone exchange and teleport Paramaribo, an Intelsat Business Service.
1994	Putting into use the fiberOPTIC trunk cable network in Paramaribo and Suriname via Telesur on the Internet.
1996	Introduction DATANET.
1997	Telesur introduces X.25 packet switching technology.
1998	Introduction Telesur Telephone Card and introduction Fixed Radio Access (FRA).
1999	Introduction Prepaid Mobile Service (TDMA cellular).
2000	Introduction ISDN (Data network).
	Suriname on Americas-II international fibre optic submarine cable system.
2002	Introduction Global System for Mobile Communications (GSM) under the product name TeleG.
2004	Launch corporate website www.telesur.sr
2006	Introduction of the new Telesur slogan: "Telesur keeping us in touch!" and Introduction new corporate identity under the name "The new identity of an old friend".
	Drs. Dirk Currie wordt geïnstalleerd als Directeur van Telesur.
2007	Coming into force of the Telecommunications Act. This ends Telesur's monopoly position.
2008	Telesur hosts the CANTO Annual General Meeting (AGM).
	Launching Telesur Mobiel Nederland (Telesur Mobile the Netherlands) and unlimited calls.
	Signing agreement Suriname - Guyana Submarine Cable System (SG-SCS) by Telesur, Guyana Telecommunications & Telegraph Company (GT&T) and Global Marine Systems Ltd.
2009	Inauguration Wireless Fixed Telephony in Suriname.
2010	Launch Telesur Blackberry Service.
	Commercial implementation of the SG-SCS submarine cable system.
2011	Launch Telesur Multimedia Innovation Laboratory (TMIL).
	Telesur Managing Director Dirk Currie elected CANTO chairman.
	Launch Community Hub as permanent gift to the district of Coronie in connection with the SG-SCS submarine cable project.
2012	Launch 3rd Generation Mobile Network (3G Services).

ORGANIZATIONAL DIAGRAM OF TELESUR AS AT MAY 2013



MISSION STATEMENT AND VISION OF TELESUR

The activities of Telesur are conducted based on a mission statement and a vision.

THE MISSION STATEMENT READS:

FACILITATE COMMUNICATION THROUGH INNOVATIVE MARKET-BASED SOLUTIONS

THE VISION READS:

REMAIN THE LEADER OF COMMUNICATIONS DEVELOPMENT OF SURINAME




MEANING OF THE TELESUR LOGO AND COLORS


Logo

- Derived from a fingerprint
- Represents the own identity.
- Gives content to the mission statement; services and products.
 - Personal/ customized delivery to the customer.
- Represents the uniqueness of the company.
- Makes an association with the end user:
 - He/she recognizes himself/herself in the logo
- Seven lines equal to the number of letters making up Telesur's name and the 7 commandments.

THE TELESUR COLORS YELLOW AND BLUE

 YELLOW is associated with:

- Intellect
- Honor
- Energy
- Loyalty
- Stimulation of mental activities
- Joy
- Happiness
- Attention

 BLUE is associated with:

- Reliability
- Honesty
- Wisdom
- Certainty
- Accuracy in promoting high-tech products
- Intelligence
- Faith

JAVANESE IMMIGRATION

The arrival of the Javanese in Suriname made an important contribution to Surinamese society. The Javanese immigration has enriched Suriname in many areas. Imagining present-day Suriname without the Javanese influence in the cultural, social, economic and political arenas is virtually impossible. The Javanese form a special group among our Surinamese population.

The arrival of the Javanese was a consequence of the abolition of slavery in Suriname in 1863. There already was a shortage of labor on the plantations as a result of the prohibition of slave trade by England as of the year 1808. The first Javanese arrived in Suriname on August 9th 1890. They had been brought from Java to the Netherlands by boat and subsequently sailed to Suriname. Between 1890 and 1939 around 33,000 Javanese contract laborers were brought to Suriname. Javanese immigration ended in 1939 when the Second World War broke out. After completing their first contract around 7,500 contract laborers returned to their country of origin.

The largest part of the population of the District of Commewijne is of Javanese origin. The way of living of this group of Surinamese is clearly visible in this district. Most houses have colorful gardens in the front, with flowering plants, mainly bougainvillea. In different locations, the processing of raw fish into salted and smoked fish can be witnessed. The Javanese influence on the Surinamese cuisine is significant. This becomes clear as one find many warung eating houses in Suriname. Also many spices, vegetables and fruits that form a regular part of the daily meals in many households in Suriname are originally from Indonesia and were brought to Suriname by the Javanese contract laborers. The descendants of the contract laborers climbed the social ladder in all sectors of society. In the business community, education, culture and politics they occupy prominent positions. The integration between Javanese and other population groups is also well underway.



Monument to commemorate the Javanese immigration is located next to the former director's house of the old sugar cane factory at Mariënburg.

**SONG: "DA LOBI FU MI KONDRE".
ORIGINALLY "DA LOBBI YO MI KONDRE"**

SRANAN	ENGLISH TRANSLATION
<p><i>Mi kondre, troe, Mi lobi joe, Joe mooi toe na mi hai! Da boen foe joe, mi zoekoe troe, Da ogri moese wai.</i></p>	<p><i>My true country, I love you, You are so beautiful in my eyes! Your goodness, I always look for, Evil must perish.</i></p>
<p><i>Da pisi doti, pee mi de, Troe, mi moe lobi hem, Di Gado potti mi dapee, Foe tan wan pisi tem.</i></p>	<p><i>The piece of land, where I am, I have to truly love it, Since God has put me there To remain here for a while.</i></p>
<p><i>Pee mi tata en mi mama, En mi famili de, Krin lobi nooiti moe kaba, Foe tai mi na dem sei.</i></p>	<p><i>Where my father and my mother, And my family are, Pure love should never die, Let me remain at their side.</i></p>
<p><i>Mi begi Gado, foe hem han Moe holi kibri wi, En foe wi kondre moe kan njam Da boen, di Hem de gi.</i></p>	<p><i>I pray God, that he will Keep us safe in his hands, And that our country will always prosper From the good, that He gives us.</i></p>
<p><i>Foe rust en vrede moese tan Na kondre alapee, Na mindri foe mi kondreman En soema na mi sei.</i></p>	<p><i>That rest and peace will remain All over the country And among our fellow countrymen And everyone, who stands at my side.</i></p>
<p><i>Da reti bribi moese gro, Foe gi wi tranga dan, Te wi verhuizi, foe wi go Na kondre Kanaan.</i></p>	<p><i>Faith has to grow To give us strength, Where we move, to go To the country of Canaan.</i></p>
<p><i>Joe sabi, pee da kondre de? En san de loekoe joe? A de na hemel jandasei, En moro mooi foe troe.</i></p>	<p><i>Do you know where that country is? And what watches over you? It is above there, in the heavens And very beautiful for real.</i></p>

Text (Sranan): Anonymous Source: Aria-Singi

KEY FIGURES TELESUR

RESULTS	2012	2011	2010	2009	2008
	× SRD.'1000				
NET INCOME	362.973	385.740	291.291	276.612	301.503
COSTS	333.111	330.812	255.849	248.717	233.769
OPERATING RESULT	29.862	54.928	35.442	27.894	67.734
PROFIT BEFORE TAX	45.515	37.536	26.688	41.416	79.047
PROFIT AFTER TAX	29.357	24.023	17.080	26.506	50.590
BALANCE SHEET					
BALANCE SHEET TOTAL	903.262	899.711	799.685	805.420	834.895
FIXED ASSETS	541.062	555.903	468.321	417.904	353.715
CURRENT ASSETS	362.200	343.808	331.364	387.516	481.180
EQUITY CAPITAL	670.390	653.444	551.995	548.418	550.036
PROVISIONS AND LOAN CAPITAL	232.872	246.265	247.689	257.002	284.859
FINANCING RATIOS					
	In Percentages				
EQUITY CAPITAL / DEBT CAPITAL	287,9%	265,3%	222,8%	231,3%	193,1%
EQUITY CAPITAL / TOTAL ASSETS	74,2%	72,6%	69,0%	68,1%	65,9%
CASH AT BANK AND IN HAND + ACCOUNTS RECEIVABLE / CURRENT LIABILITIES	216,4%	172,9%	148,6%	174,3%	198,3%
PROFITABILITY RATIOS					
PROFIT AFTER TAX / EQUITY CAPITAL	4,4%	3,7%	3,1%	4,8%	9,2%
PROFIT AFTER TAX / TOTAL OPERATING CAPITAL	3,9%	3,3%	2,9%	3,3%	8,4%
OPERATING RESULT / NET INCOME	8,2%	14,2%	12,2%	10,1%	22,5%
PROFIT AFTER TAX / NET INCOME	8,1%	6,2%	5,9%	9,6%	16,8%
WORKFORCE					
	Numbers				
NUMBER OF EMPLOYEES (AT YEAR-END)	803	824	850	889	944

REPORT OF THE BOARD OF DIRECTORS



REPORT OF THE BOARD OF DIRECTORS

The Report of the Board of Directors is divided into the following parts:

- **MACRO-ECONOMIC DEVELOPMENTS IN 2012.**
This part of the Report of the Board of Directors contains a short overview of current macro-economic developments both internationally as nationally. Important developments in the (international) telecom sector are also discussed.
- **TELESUR IN 2012.**
The developments within Telesur in the operational, commercial, human resources and financial areas in 2012 are the core of this part of the management report.
- **PROSPECTS 2013.**
The Report of the Board of Directors is concluded with a short summary of the expectations and plans of Telesur for 2013.

MACRO-ECONOMIC DEVELOPMENTS IN 2012

INTERNATIONAL¹

The consequences of the economic crisis of 2008-2009 on the global economy were still felt in 2012. The growth of the global economy as a whole dropped to approximately 3% in 2012, which means that the long term projection had to be adjusted downward by a half percent since the beginning of the crisis. A slight increase of the growth to 3.5% is predicted by the IMF for 2013. What has happened in 2012 is that in contrast to 2010 and 2011 the upcoming markets (China, India, Brazil) were not able to compensate the decrease in economic growth that occurred in 2012 in the so-called developed economies, and expectations are that this will also not happen in 2013. The uncertainties in the different parts of the world such as the debt problems in the United States, the transition in political leadership in China, and the reforms taking place in the Euro zone, can continue to globally have an influence on the global trade and the so-called “Foreign Direct Investments”. The expectation is that when the policy intentions of fiscal discipline and continuation of structural adjustment programs in both the United States as the rest of the so-called mature markets continue, the careful recovery that can be seen currently will persist and become more solid.

NATIONAL

The macro-economic picture of Suriname has developed favorably in 2012. The measures taken in 2011 within the framework of the Structural Improvement Program have resulted in an increased government income because of the devaluation of the SRD, the increased taxes on fuel, alcoholic drinks and tobacco products and in addition, the high global market prices for oil and gold resulted in record profits for Staatsolie and IAMGOLD Rosebel Gold Mines, resulting in higher tax income. The monetary reserve increased above 1 billion USD, the annual inflation average over 2012 equalled 5%² and the exchange rate of the SRD against the USD remained stable within a bandwidth of 3.25 and 3.35. For the coming year, the expectations are also positive and the IMF projects a growth of the GDP of 4.5%³ for 2013.

¹Sources: IMF Global Economic Outlook 2013 & The Conference Board Global Financial Outlook 2013

²Source: General Bureau of Statistics

³Source: IMF Country Report 12/281; Suriname 2012 Article IV Consultation

THE TELECOM SECTOR

International developments in the field of telecommunication and information technology that have been of direct influence on Telesur in 2012 are amongst other things:

- The strong boom in smart phones leading to lower rates for these devices, resulted in a growth of data connections on the mobile network.
- The further rise of cloud computing, amongst others icloud, but also the increasingly used dropbox which required an adjustment of the services offered by Telesur.
- The rise in the many applications for smart phones, such as Skype, Whatsapp and Facebook, resulting in an upward pressure on the need for mobile broadband services on the one hand and of course also a pressure on the turnover of Voice and SMS services.

Globally telecom operators experience the influence of “Over The Top operators”, the so-called “OTTs” and currently ideas are being exchanged internationally at all conferences regarding adjustments to the earning models currently common. The strong growth of the need for mobile data services also had its influence on the manner in which these services are charged. Internationally the transfer was made from the well-known “All you can eat” to the currently applied “Volume based billing” or billing based on the use of the service. In Suriname all telecommunication service providers currently apply this type of billing as well.

The national developments were strongly related to the international developments, which was translated into new technologies and services that are available. The liberalization of the Surinamese telecom sector is now in its fifth year. Although operators compete less publicly than in the first phase, the fight for the favor of the customers continues unabated and by means of new and innovative services, Telesur was able to remain the market leader in the Surinamese telecom sector in 2012 as well.

TELESUR IN 2012

GENERAL

The past five years were characterized by the investment that was made in the process of the transition from Telesur as a monopolist to Telesur as one of several telecoms operators in the sector. For this purpose, the framework within which Telesur operates is of the utmost importance. This framework is contained in the Seven Commandments of Telesur. The promotion campaign which is being conducted with the “This is US” theme is intended as a central part of the company goals which, amongst other things, focus on:

- customer-oriented actions;
- optimal use of professional expertise;
- aim for cost efficiency;
- work as one team;
- realization of targets set in advance in respect of turnovers and profits.

The goal of all the foregoing is to realize the mission and vision of Telesur, more in particular “Facilitate communication using innovative market-oriented solutions” and “Remain the leader of communication development in Suriname”. The core goal remains to have all company activities of Telesur fit in the framework that was set out above. These company activities of Telesur in 2012 will be gone into the following sections.

THE TELESUR OPERATIONS IN 2012

THE MOBILE NETWORK

Related to the expansion and maintenance of the mobile network, various activities were also carried out in the year under review, including the operationalization of new GSM/UMTS base stations, GSM sites and GSM repeaters, the installation of new masts and solar panels, the integration of the Huawei GSM system with the existing Nortel GSM system and the optimization of the frequency of the GSM system.

CABLE NETWORKS

In 2012 several dozens of kilometers of copper cable and glassfibre cable were also installed to expand our cable networks. In addition, new cable projects are being prepared and within the context thereof, field assessments are made and the digital plans and cable diagrams are being updated and upgraded.

SWITCHING NETWORKS

To replace two telephone switches in Paramaribo and Nieuw Nickerie, fully depreciated technically obsolete, a contract was signed in June 2012 with a supplier. In the meantime the installation of the equipment has been completed and the configuration and integration have been planned for the first quarter of 2013. The preparation in order to proceed with supplying NICE services to Telesur customers is now in the final stage.



A Fish Processor at Pomona. The production of smoked fish is an important economic activity in Commewijne.

TRANSMISSION NETWORKS

In 2012 a number of transmission projects were executed and furthermore, preparatory actions were undertaken to execute several projects in 2013. These involve:

- SDH: the further expansion of the interface capacity to accommodate the GSM expansions and especially the implementation of 3G.
- Sea cable: the further expansion of the network, so there is availability of capacity up to Trinidad and the full capacity for Internet is expanded up to America. Currently, services are also provided to international Telecom companies through the SG-SCS network.
- Microwave networks: the expansion of the capacity of the microwave connections for 3G to be able to meet the demand of our customers for these services.
- Towers: installation of three Towers to expand the mobile communication infrastructure of the interior.

DATACORE NETWORK

In the first quarter of 2012 a high level design was made for the data core network of Telesur together with an external network expert. This planning regards a period of 5 years and should form the basis for a significant improvement of the service provision to the customers. After completing this plan, which is divided in two project phases, the distribution of advanced core services to residential areas will be realized.

DATA COMMUNICATION SERVICES

The basic services involve mobile and wireless Internet connections, VPN and VoIP connections and the service management. For management activities, the data network is divided in four and within this context many activities were carried out in 2012. Several are mentioned below:

- **THE ACCESS NETWORK**
In June 2012 the ADSL capacity expansion was implemented and the automation of the ADSL mutation was completed.
- **THE DATA CORE NETWORK**
A start was made in 2012 with the preparations to replace the data core network, for which the new supplier had already been selected.
- **THE BORDER NETWORK**
Further expansion of the Internet capacity because of the fast growth of broadband services was completed in October 2012.
- **THE SERVICES NETWORK**
The implementation of a speed test server in Suriname and a speed test server in Miami, so that the quality on the international route can be monitored.

MARKET DEVELOPMENT AND COMPETITION

Several studies and surveys were performed in 2012, including studies and surveys performed by external companies. These studies are intended to provide an insight into what customers think about the service provision of the Telecom providers in Suriname, where they connect and what the reasons are for that. The results of these studies will lead to the necessary adjustments in our service provision.

NEW SERVICES

New services and products were introduced in 2012, these include:

- **3G**
Different products were introduced with 3G. The “Data Only” product was offered first within this context. The data only product offers the user access to the mobile network on data only devices, such as dongles, laptops and tablets. Several weeks afterwards Mobile Internet prepaid and postpaid bundles were introduced, as well as Blackberry prepaid and postpaid for 3G. These bundles offer access to both the Internet and voice services.
- **Mobile Agent**
Mobile Agent was launched during the Annual Trade Fair in 2012. The Mobile Agent offers the possibility of selling credit from mobile to mobile, while any denomination is possible. This new service was well received by the Telesur customers.
- **Tele.I.C.**
Telesur Internet Calling was introduced during the Trade Fair. This service can be considered as our VOIP service that makes calling through the Internet possible. The market developments were anticipated on with the introduction of Tele.I.C., which entails that customers are increasingly making use of cheap alternative call opportunities, especially calling through the Internet.

ATV

In 2012 ATV celebrated its 25th anniversary. This joyous event did not pass unnoticed. In addition to the successful bingo drive, the Telegames which were renamed the Friyari-oso games in 2012, a reception was organized on the 15th of August 2012, the anniversary date itself, which was of course broadcasted live on ATV.



DATA & VALUE ADDED SERVICES

With regard to the data and value added services, the following activities were, amongst other things, carried out within the infrastructure:

- Implementation of an IPTV platform by NV Wise.
- Implementation of a Mobile Advertising Platform for the introduction of “mobile marketing”.
- Provisioning project phase 2 to improve the automatic integration of the systems in the fixed network, the wireless fixed connections and the cable and wireless broadband services.
- Integration of various platforms for the optimization of the services locally and in the Dutch market with regard to the replenishment possibilities.
- Commissioning of the more modern Comverse One RT Prepaid Platform to replace the old prepaid platform for GSM, CDMA and Pots subscribers.
- Commissioning of the Comverse SMS platform to replace the old SMS platform that broadened the SMS options available to the customers.

EMPLOYEES

Within the context of personnel policies the following was conducted:

- Signing of the Collective Labor Agreement (CAO) with the labor union that represents the staff of Telesur.
- Training of more than ten Telesur staff members to be certified confidantes in preparation of an integral policy with regard to sexual harassment in the workplace.
- Arrangement of introduction sessions for new employees.
- Start of the job rotation system and the appointment of several new managers.
- Education and training of staff members at all levels within the Telesur organization.
- Increase of the quality of medical and industrial medical care in a customer-friendly manner, with broad attention for preventive health care. As milestones are mentioned the 100% turnout for the vaccinations of the 0 to 5 years old infants and the 100% turnout for the breast cancer screening.

PERSONNEL ASSOCIATION

Many activities were organized and supported by the Personnel Association of Telesur in 2012. Some of these were:

- | | |
|---|---|
| • Opo yari walkathon | • Support of the Family Day and the Walkathon in Nickerie |
| • Support of the 10K Swimming Games | • Children’s Camps during the long holidays |
| • Support of the Four-day Walkathon | • Participation in the CTSS Sports Tournament |
| • Bowling and film night | • Angling Festival |
| • Support of the 1 May running/ walking event in Paramaribo | • Support of the Telesur New Year’s Eve Celebrations |
| • Internal Sports Tournament | |
| • Cycling Trip | |



At a nicely sorted fruit stand at Meerzorg a variety of fruit is sold.

SOCIAL RESPONSIBILITY

Telesur gave meaning to acting as a socially responsible company in 2012 as well, by supporting projects with a social character. Some of these projects are:

- **THE TELESUR PC'S FOR SCHOOLS PROJECT**
The aim of this project is to stimulate ICT education in schools. Telesur has so far donated 549 computers to 71 schools with free broadband internet connectivity for 5 years.
- **THE CHILDREN'S BOOK FESTIVAL 2005 TO 2012**
The Children's Book Festival is a project to promote reading, in which experiencing a pleasure in reading is the main focus. Telesur ensures that there are computers with Internet connection at the different locations.
- **SAM SAM WEB EXPEDITION**
This involves an interactive Internet adventure for students of primary schools. These students are in contact with children in other countries through the Internet. Within the framework of this project Telesur makes cyber rooms available, so that students can participate in this program.
- **LEARNING CIRCLES PROJECT**
A Learning Circle is a temporary learning society in which students and teachers work and learn together for a fixed period of time. Communication within the Learning Circle goes through the use of Internet, email and chat rooms. Every year seven Surinamese schools are selected to participate in the learning circle. Every year Telesur sponsors the pc's and the ADSL connection for the schools, so the schools do not have to pay for the ADSL subscription for a period of six months.

THE FINANCIAL DEVELOPMENTS IN 2012

The share of mobile communications remains, with 65% of the total turnover, also evident in 2012. Additionally, the percentage share of the fixed network keeps decreasing to 12% in 2012. Tele-i brings in 12% of the turnover in 2012 and furthermore it can be noted that the share of the TMN service that was introduced in the Dutch market in 2008 forms 5% of the total gross turnover in 2012.

The rates for the National Telephony Landline services for a long time have been under the cost price level. These were approved as of 1 December 2000 for a call rate of USD 0.035 per pulse and a subscription of USD 2.50 per month. As a result of the socioeconomic circumstances the government decided to apply in the months of December 2000 and January 2001 a discount of 50% to the earlier mentioned rates, as a grant to the community. Unfortunately, this discount still applies, so that the valid rate at the end of 2012 is still below the cost price. In 2009 a course of action was taken to arrive at a rebalancing of the rates for the National Telephony Landline service, however, it has not yet resulted in a rate adjustment. The income lost as a result of using a rate that lies below the cost price, amounted in 2011 to approximately USD 18 million.

TMIL

On 16 December 2011 the Telesur Multimedia Innovation Laboratory (TMIL) was officially inaugurated, which is located at the Anton de Kom University of Suriname (Adekus) campus. The establishment of the TMIL is an initiative of Telesur for which a strategic cooperation was entered into with the Adekus. This initiative focuses on stimulating innovators and facilitating the development of creative ideas. The intention is that these ideas will lead

to the development of commercially attractive ICT applications (for example applications for mobile telephony). TMIL, a site for entrepreneurial and creative talent in Suriname.

TELENAMIC N.V.

As of 2008 Telesur has a 50% stake in the shareholders' capital of Call Center Services Suriname N.V. This company operates under the name Telenamic N.V. Based on the financial performance of this company, Telesur has received dividend payments regarding the years 2011 and 2012.

FINANCIAL RESULTS 2012

The 2012 financial statements were adopted by the representative of the State, the Minister of Transport Communication and Tourism, Mr Falisi Pinas B.Tech. By adopting the financial statements the management of Telesur has been discharged with regard to the policies pursued in 2012.

In 2012, proceeds from the regulated and non-regulated services increased in comparison to 2011. However, a decline in proceeds from other services and an increase in sales and marketing expenses were such that the total net revenues in 2012 decreased by 5.9% compared to 2011. In the diagram below, please find a chart of the net proceeds of 2012 and 2011.

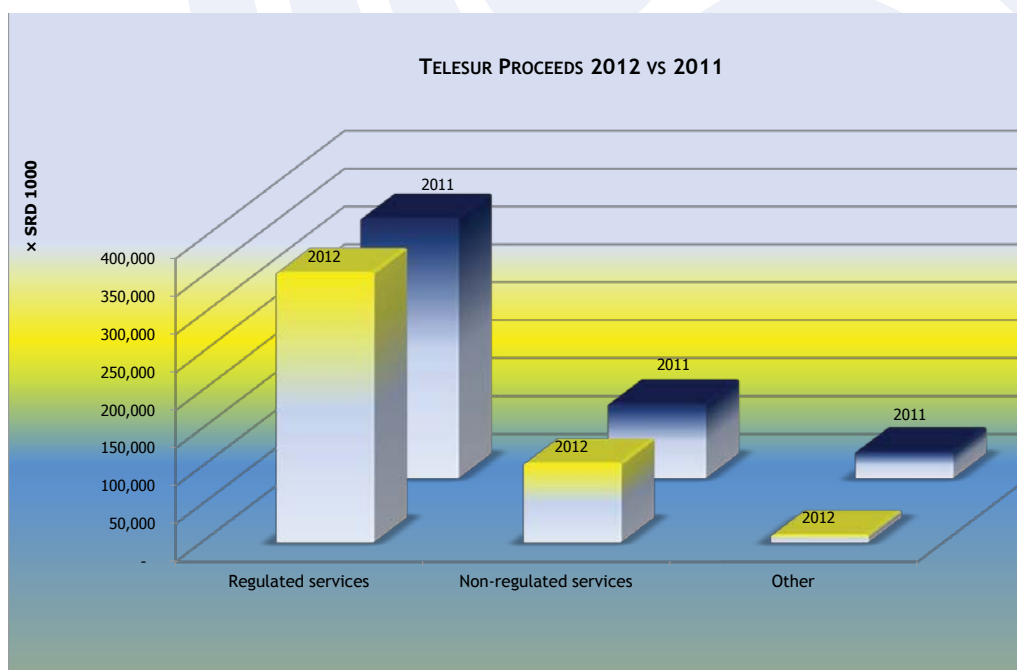


Diagram 1: Revenues Telesur 2012 vs 2011

Total expenses increased slightly in 2012 by 0.7% compared to 2011. The personnel expenses account for the majority in this increase with a rise of 2.8%. The other cost components hardly increase in nominal terms and the expenses of infrastructure and depreciations have declined in 2012. Please find a chart of Telesur's expenses on the next page.

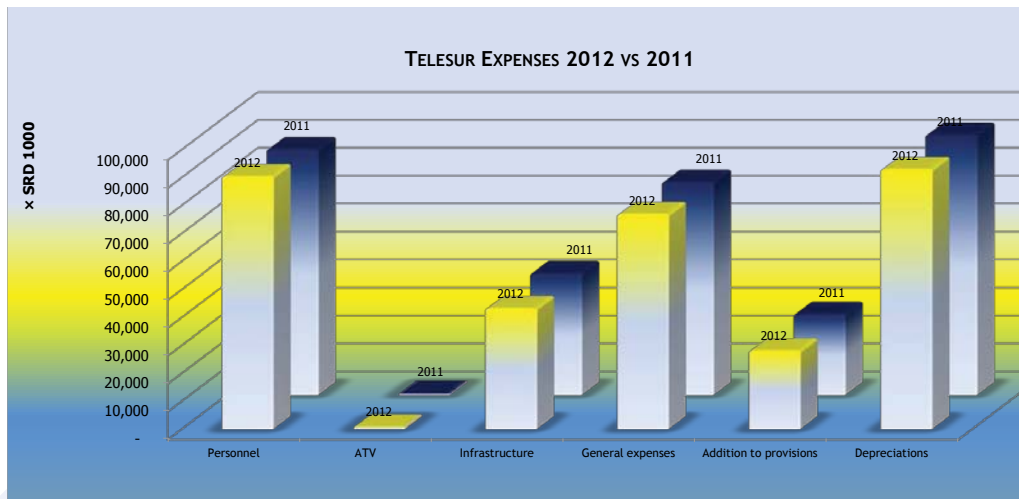


Diagram 2: Operating Expenses Telesur 2012 vs 2011

The net operating profit for 2012 shows a decrease of 45.6% when compared to 2011. However, an increase in other income realized in 2012 compensates so there is a nominal profit after taxation, which increases by 22.2% in comparison to 2011.

With regard to the financial assessment of Telesur, the development of different ratios is monitored. These ratios include:

1. Sales growth,
2. The gross profit margin and the
3. Return on investments (ROI).

Sub.1

The sales growth/decline is the increase or decrease of the proceeds in 2012 compared to proceeds in 2011. In 2012 there has been a revenue decline of 5.9%.

Sub.2

The gross profit margin is the company profit (before tax) divided by the total of operating revenues. In 2012 the gross profit margin increased to 12.5% coming from 9.7% as at 31-12-2011.

Sub.3

The return on investments is the company profit (before tax) divided by the total of investments. At the end of 2012 this rate of return has increased to 62.0%, compared to 38.0% as at 31-12-2011.

In 2012 a total of SRD 73.4 million was invested by Telesur in fixed assets, such as infrastructure (both expansion and replacement) and other devices. It should be noted that that these investments have mainly been financed from internal resources.

The conclusion that can be drawn from the financial results of 2012 is that the revenues are under pressure. Nevertheless, Telesur has been able to realize an increase in profit before taxes of 21.2% compared to 2011. Telesur's net worth also increased in 2012. An increase of the total net worth of 2.6% was realized. Shareholders' equity increased in 2012 from SRD 653.4 million to SRD 670.4 million.

A farmer at Peperpot has just planted cassava.



PROSPECTS 2013

Based on the results in 2012, obtained in all areas, Telesur is looking forward to 2013 with much inspiration. The focus will have to be even more on attaining the targets set. This will, amongst other things, be achieved by:

- Adapting the integral organization of Telesur.
- Execute a personnel satisfaction survey of which the results will be translated into actions that need to be executed.
- Introduction of the Telesur academy with as goal, taking a structural approach in training and coaching staff members, ensuring a good preparation especially in fulfilling new functions.
- Putting together a good program with the goal of improving the customer education.
- Focus on attaining performance standards in respect of complaint handling.
- Increased focus on the youth segment of the Surinamese telecommunication market and especially the use and application of social media while remaining in contact with the market.
- Focus on Enterprise Risk Management.

After the theme of “Winning is beginning internally” was used for two years, a new theme will be chosen for 2013 which is closely related to the theme of 2012. The new theme is: WHAT ARE YOU DOING! The goal of this theme is to motivate Telesur staff to lead the operations of Telesur to new heights in all respects, evaluating what they themselves can contribute to really achieve this. In this manner, the challenges that Telesur is confronted with can be addressed in a decisive, expert and customer-friendly manner.

Paramaribo, May 16, 2013

The Telesur Board of Directors
On its behalf,

Drs. Dirk Currie
Chief Executive Officer

NINI HARPAL

“My biggest desire is that we can once participate in the Olympic Games”. Nini Harpal, multiple national wrestling champion, is for that reason zealously pursuing the training of a group of young men at his gym in Meerzorg. He wants to bring them at world level. Surinamese still have not attained the level to compete in the international wrestling circuit, Harpal says.

Soender Persad Harpal was born on November 18th 1952 in Meerzorg, Commewijne. His father gave him the pet name of “Nini” and that is how he is known to most people. He has three brothers and one sister. Nini has lived in Paramaribo for almost four years after his parents moved to Land van Dijk, where they had a store. Nini married at the age of 17 and returned to his place of birth. He came in contact with the wrestling sport when he was 15 years old. On the terrace of his house at Meerzorg, Nini is telling his story. He says that there were many wrestlers in Suriname in the 1960s. Nini went wrestling with his cousins, however, it was not serious business. Later he learned some new wrestling techniques at the Davisweg in Charlesburg. In 1972 he competed in his first fight.

Since 1975 Nini has not lost one single competition nationally. Dozens of trophies bear witness of this. He was the unbeaten wrestling champion of Suriname from 1975 to 2000 when he officially stopped. Nini is in fact an all-round sportsman. He did weight lifting and body building. He stopped, because he did not want to use any doping. He is also passionate about Swimming, cycling and motor cycling races. And he did not limit himself to sports; Nini was also a singer in a band. But his real love was and still is wrestling. In 2012 the wrestling school of Harpal celebrated its 40th anniversary. His students followed in his footsteps; since 2000 to date the school of Harpal is the undefeated champion. Nini has received an award from the Kwakoe festival in 1999. In addition, he was decorated by the President as Grandmaster in the Order of the Palm in 2002.



Nini Harpal

ABBREVIATED ANNUAL ACCOUNTS 2012
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2012

	2012	2011
	× SRD 1	
ASSETS		
TANGIBLE FIXED ASSETS		
LAND AND BUILDINGS	45.542.331	42.548.932
EXCHANGES AND STATIONS	106.426.112	99.696.831
CABLE NETWORKS AND MICROWAVE LINKS	292.732.840	299.075.780
SUBSCRIBER EQUIPMENT	8.454.118	8.926.408
TRANSPORTATION MEANS	2.896.036	6.171.025
OTHER FIXED ASSETS	27.513.239	28.065.060
INVESTMENTS IN PROGRESS	42.508.079	61.322.797
	526.072.755	545.806.833
FINANCIAL ASSETS	14.989.309	10.096.255
CURRENT ASSETS		
STOCKS	21.757.622	32.506.042
RECEIVABLES	109.034.894	139.142.656
CASH AT BANK AND IN HAND	231.407.774	172.159.010
	362.200.290	343.807.708
	903.262.354	899.710.796
LIABILITIES		
EQUITY		
CAPITAL	93.349.826	93.349.826
GENERAL RESERVE	456.592.806	444.981.305
RESULT CURRENT YEAR	29.357.061	24.023.003
CONVERSION DIFFERENCE	91.090.232	91.090.232
	670.389.925	653.444.366
PROVISIONS	74.725.674	65.364.497
LONG-TERM LIABILITIES	819.458	819.458
CURRENT LIABILITIES	157.327.297	180.082.475
	903.262.354	899.710.796

STATEMENT OF COMPREHENSIVE INCOME 2012

	2012	2011
	× SRD 1	
REVENUES		
REGULATED SERVICES	356.538.104	343.666.733
NON-REGULATED SERVICES	105.075.263	98.976.453
INCOME ATV	3.186.089	3.653.451
OTHER OPERATING REVENUE	7.521.712	32.213.357
	472.321.168	478.509.994
LESS: SALES AND MARKETING COSTS	-109.348.766	-92.769.534
	362.972.402	385.740.460
COSTS		
PERSONNEL COSTS	90.503.429	88.034.227
COSTS ATV*	1.011.348	553.193
COSTS INFRASTRUCTURE TELECOMMUNICATIONS	43.375.553	43.654.804
GENERAL COSTS	76.928.709	76.269.323
ALLOCATION/(RELEASE) PROVISIONS	28.242.724	29.115.961
DEPRECIATIONS TANGIBLE FIXED ASSETS	93.048.888	93.184.936
	333.110.651	330.812.444
OPERATING RESULT	29.861.751	54.928.016
FINANCIAL INCOME AND (EXPENDITURE)		
INTEREST INCOME/(EXPENDITURE)	6.123.364	4.818.479
EXCHANGE RATE PROFIT/(LOSS)	-1.949.188	-19.614.595
	4.174.177	-14.796.116
	34.035.928	40.131.900
OTHER INCOME AND EXPENDITURE	10.846.602	-2.595.958
RECEIVED DIVIDEND	632.242	-
PROFIT BEFORE TAX	45.514.772	37.535.942
LESS: INCOME TAX	-16.157.711	-13.512.939
PROFIT AFTER TAX	29.357.061	24.023.003

*This regards the direct costs of ATV excluding personnel and logistics costs.

MARIËNBURG

Mariënburg was established as a sugar plantation in 1745 and multiple times changed owner's hands. The Nederlandsche Handel Maatschappij (NHM - Dutch Trading Company) wanted to establish a central sugar factory that had to process the sugar cane from the surrounding plantations. A 12 km long railway was constructed for the supply of sugar cane from the plantations of Voorburg, Zoelen, A La Bonheur, Visserszorg and Alkmaar to the sugar factory. This was the first railway in Suriname.

As a result of the unfavorable international sugar market in the 1880s, the plantations were not making a lot of profit. For this reason they reduced their production. In addition, the interest for cocoa increased, so the planters started focusing on cocoa. Mariënburg was forced to plant sugar cane itself and now had become a common sugar plantation because there was no more secession between cultivation and production. At first the liberated slaves and their descendants worked at Mariënburg, as well as immigrants from China, the West Indies and British India. Because the activities expanded the NHM brought Javanese contract laborers from the then Dutch Indies to work at Mariënburg. To this day, descendants of this group live in the barracks that had been set up for the laborers.

The sugar factory produced cane sugar and rum and as of 1957 had a refinery with which granulated sugar could be produced. Mariënburg supplied locally molasses to, amongst others, the Suriname Alcoholic Beverages (SAB) which used the molasses to produce Mariënburg Rum. Since the end of the 1960s Mariënburg strongly deteriorated because of bad management. When the closing of the company was imminent, the government took over Mariënburg in 1974, with a debt burden of 6 million guilders, for the symbolic amount of 1 guilder. After this, Mariënburg never became a profitable company again. Legally, the former laborers were never dismissed. Mariënburg was last in operation in 1986.



Except for sugar, rum was also produced in the stijlerij (destillery). These old parts of the factory are silent witnesses of the good times of Mariënburg.

STATEMENT OF CASH FLOW 2012

	2012	2011
	× SRD 1	
CASH FLOW FROM OPERATIONAL ACTIVITIES		
OPERATING RESULT	29.861.751	54.928.016
ADJUSTMENTS FOR:		
DEPRECIATION	93.048.888	93.184.936
PROVISIONS	9.361.177	22.718.146
	132.271.816	170.831.098
MUTATIONS IN THE WORKING CAPITAL:		
STOCKS	10.748.420	-4.843.065
RECEIVABLES	30.107.762	12.240.359
CURRENT LIABILITIES	-22.755.178	-24.259.474
	18.101.004	-16.862.180
CASH FLOW FROM OPERATIONAL ACTIVITIES:		
INTEREST INCOME AND (EXPENDITURE)	6.123.364	4.818.479
INCOME TAX	-16.157.711	-13.512.939
RECEIVED DIVIDEND	632.242	-
OTHER INCOME AND (EXPENDITURE)	10.846.602	-2.595.958
	1.444.497	-11.290.418
	151.817.317	142.678.500
CASH FLOW FROM INVESTMENT ACTIVITIES:		
INVESTMENTS/DISINVESTMENTS TANGIBLE FIXED ASSETS	-73.435.873	-98.729.992
DISINVESTMENTS	121.064	2.250.947
INCREASE/DECREASE FINANCIAL FIXED ASSETS	-4.893.054	-6.574.829
	-78.207.863	-103.053.874
CASH FLOW FROM FINANCING ACTIVITIES:		
PROFIT DISTRIBUTION	-12.411.502	-13.664.345
LONG-TERM LIABILITIES	-	118.505
	-12.411.502	-13.545.840
NET CASH FLOW	61.197.952	26.078.786
FOREIGN EXCHANGE DIFFERENCES	-1.949.188	-19.614.595
EXCHANGE RATE DIFFERENCE	-	13.377.176
DECREASE/INCREASE CASH AT BANK AND IN HAND	59.248.764	19.841.367
CASH OPENING FISCAL YEAR	172.159.010	152.317.643
CASH CLOSING FISCAL YEAR	231.407.774	172.159.010

GENERAL EXPLANATION TO THE ABBREVIATED TELESUR ANNUAL ACCOUNTS

GENERAL

OPERATIONS

The operations of the 'Telecommunicatiebedrijf Suriname' (Suriname Telecommunications Operator), abbreviated Telesur, mainly consist of:

- Installing, maintaining and using telephones, internet facilities and other means of telecommunications;
- Performing tasks in the field of telecommunications assigned by or pursuant to statutory regulations;
- Taking charge of those operations that on because of their connection with aforesaid tasks, are deemed to belong to its work terrain.

ACCOUNTING PRINCIPLES AND DETERMINATION OF THE FINANCIAL RESULT

COMPARISON WITH THE PREVIOUS YEAR

As of the 2012 fiscal year, renovations are depreciated in 10 years instead of 29 years. The other principles of valuation and determining of the financial results are unchanged compared to the previous year.

CONVERSION

The figures included in these annual accounts have been derived from the accounting records kept in USD and have been established as follows.

STATEMENT OF FINANCIAL POSITION

- The items included in the equity capital, namely, initial capital, capital contribution and general reserves are converted at the historical rate.
- The remaining items on the statement of financial position are converted at the year-end exchange rate as at December 31st 2012.
- The year-end exchange rate as at December 31st 2012 amounts to USD 1 = SRD 3.25 (2011: USD 1 = SRD 3.25).
- The item conversion difference has been used to balance the accounts.

STATEMENT OF COMPREHENSIVE INCOME

All items were converted at the average annual rate. The average rate for 2012 amounted to USD 1 = SRD 3.25 (2011 : USD 1 is SRD 3.22).

ACCOUNTING PRINCIPLES:

GENERAL

If not mentioned otherwise, the assets and liabilities are valued at nominal prices. In doing so, a provision is deducted from the stocks and accounts receivable if necessary.

TANGIBLE FIXED ASSETS

Land acquired prior to January 1st 1990 is accounted for at the appraised value as at January 1st 1990, while land acquired after January 1st 1990 has been accounted for at acquisition costs. Other tangible fixed assets acquired prior to January 1st 1990 are accounted for at the appraised value as at January 1st 1990, less calculated depreciations. Other tangible fixed assets acquired after January 1st 1990 are accounted for at acquisition costs, less calculated depreciations. Depreciations are done linearly, based on the estimated economic lifespan. The fixed assets in process of construction have been valued at the amounts spent thereon.

The annual depreciation rate amounts to:

Buildings	: 3½ % - 10%
Telephone exchanges and stations	: 15 - 33⅓%
Cable systems and microwave radio links	: 4 - 10%
Subscribers' equipment	: 10 - 25%
Vehicles	: 33⅓%
Other fixed assets	: 10 - 33⅓%

FINANCIAL FIXED ASSETS

Shareholders

The shareholdings are valued at the acquisition price, less the losses known at the date of the statement of financial position.

STOCKS

Warehouse stock

The warehouse stocks are accounted for at the average purchase price, less a provision for obsolescence.

Goods ordered

The goods ordered are valued at the invoice value. Invoice values expressed in other than the reporting currency have been converted taking into account the exchange rate as at the end of the year.

ACCOUNTS RECEIVABLE

Accounts receivable telecommunications carriers

These have been accounted for at nominal value, less a provision for debtors' risk. For the carriers, the amount of the provision has been determined on an individual basis.

Private accounts receivable

These accounts receivable have been accounted for at nominal value, less a provision for debtors' risk.

PROVISIONS

Restructuring provision

This item relates to a provision regarding the liberalization of the telecommunications market in Suriname. The amount of this provision has been based on an internal estimate.

Provision for pensioners

This relates to a provision for supplements to the pensions, a monthly allowance and medical benefits for retirees and future retirees. The employees, including the management of Telesur Suriname participates in the Civil Servants' Pension Plan. The "Ambtenaren Pensioenverordening 1972" (the Civil Servants' Pension Act) states that the maximum pensionable salary equals the salary of a Department Director at the Government. The provision for the pension supplements regards a past service liability for employees and retirees.

DETERMINATION OF FINANCIAL RESULTS:

The financial result is determined as the difference between the revenues' value of services and goods provided and the costs and other expenditure over the year. Losses are recognized as soon as they are foreseeable.

NET PROCEEDS

Net proceeds refer to:

- the payments of carriers for incoming telecommunications traffic.
- the amounts charged to customers for services and goods provided, less relevant payments, if any, to carriers for outgoing telecommunications.
- the commissions owed to distributors for the distribution of amongst other things, calling cards and pin codes.
- the bonuses and discounts granted to customers.

The entrance of Commewijne. The bridge across the Suriname River connects Commewijne with Paramaribo, the capital of Suriname.



COSTS

The costs are allocated to the reporting year they regard.

DEPRECIATIONS

The tangible fixed assets purchased prior to January 1st 1990 are depreciated based on the appraised value as at January 1st 1990, while the tangible fixed assets purchased after January 1st 1990 are depreciated based on the costs of acquisition. The depreciations are done linearly, based on the estimated economic lifespan.

TAXES

Taxes to be paid over the financial result are calculated by applying the applicable rate on the financial result of the fiscal year, taking into account tax incentives.



Birdwatchers have nothing to be wished for in Commewijne.
At different locations beautiful birds can be appreciated.



OVERVIEW OF TANGIBLE FIXED ASSETS AS AT DECEMBER 31, 2012

	LAND AND BUILDINGS	EXCHANGES AND STATIONS	CABLE NETWORKS AND MICROWAVE LINKS	SUBSCRIBER EQUIPMENT	VEHICLES	OTHER FIXED ASSETS	INVESTMENTS IN PROGRESS	TOTAL
× SRD 1								
1-1-2012								
ACQUISITION VALUE	60.778.328	717.404.035	718.999.746	52.243.165	32.322.072	135.133.941	61.322.797	1.778.204.084
ACCUMULATED DEPRECIATION	-18.229.396	-617.707.204	-419.923.966	-43.316.757	-26.151.047	-107.068.881		-1.232.397.251
BOOK VALUE	42.548.932	99.696.831	299.075.780	8.926.408	6.171.025	28.065.060	61.322.797	545.806.833
MUTATIONS 2012								
INVESTMENTS/TRANSFERS	4.696.818	47.743.963	24.196.303	4.201.330	809.088	10.603.089	-18.814.718	73.435.873
DEPRECIATION	-1.703.419	-41.014.682	-30.539.243	-4.673.620	-3.963.014	-11.154.910		-93.048.888
DISINVESTMENT ACQUISITION VALUE					-783.738	-168.132		-951.870
DEPRECIATION DISINVESTMENTS					662.675	168.132		830.807
TOTAL	2.993.399	6.729.281	-6.342.940	-472.290	-3.274.989	-551.821	-18.814.718	-19.734.078
31-12-2012								
ACQUISITION VALUE	65.475.146	765.147.998	743.196.049	56.444.495	32.347.422	145.568.898	42.508.079	1.850.688.087
ACCUMULATED DEPRECIATION	-19.932.815	-658.721.886	-450.463.209	-47.990.377	-29.451.386	-118.055.659		-1.324.615.332
BOOK VALUE	45.542.331	106.426.112	292.732.840	8.454.118	2.896.036	27.513.239	42.508.079	526.072.755
DEPRECIATION PERCENTAGE	0-10%	15-33¹/₃%	4-10%	10-25%	33¹/₃%	10-33¹/₃%		

EXPLANATORY NOTES TO THE EQUITY CAPITAL

EQUITY CAPITAL	2012	2011
	× SRD 1	
CAPITAL	93,349,826	93,349,826
GENERAL RESERVE	456,592,806	444,981,305
NET INCOME CURRENT YEAR	29,357,061	24,023,003
CONVERSION BALANCE	91,090,232	91,090,232
EQUITY CAPITAL AS AT DECEMBER, 31 2012	670,389,925	653,444,366

OVERVIEW LIABILITIES NOT DISCLOSED IN THE STATEMENT OF FINANCIAL INCOME

INCOME TAX

The Tax Authorities have filed a formal and final tax claim of USD 41.1 million over the year 2001. Telesur has objected to USD 40.4 million of this claim. This amount has not been included in the Balance Sheet as at December 31, 2012.

COLUMBUS NETWORKS LTD (SURINAME-GUYANA SUBMARINE CABLE SYSTEM)

On August 12, 2009 Telesur and GT&T signed an agreement with Columbus Networks Ltd. for connection of the second sea cable to the existing networks in Trinidad. Telesur has to pay a monthly fee of SRD 18.676 (USD 6,718) to Columbus Networks Ltd. The payments commenced on February 1st, 2010 and the term of the agreement is 20 years.

OTHER

As part of expanding its network Telesur has in 2012 and previous years, signed contracts with various suppliers amounting to USD 38.5 million excluding duties and sales tax, for the supply of equipment, goods and services. As at December 31st 2012, equipment, goods and services in the amount of USD 10 million still need to be received. Telesur has not yet received invoices regarding these orders. Therefore this amount, is not included in the statement of financial position at year end 2012.

ONGOING LAW SUITS

The company attorney has announced the following:

“Dot (SR) Inc., plaintiff versus Telesur defendant. This regards a claim from the plaintiff against Telesur at a court in Florida, USA. The appointed judge will have to decide whether he will deem the claim “not admissible” directly or that he will refer the case to a judge who in his opinion might be in power to rule this case. This claim originates from a 2001 agreement Telesur had with the before mentioned organization and which was terminated by Telesur in July of 2004. Telesur was recently vindicated.

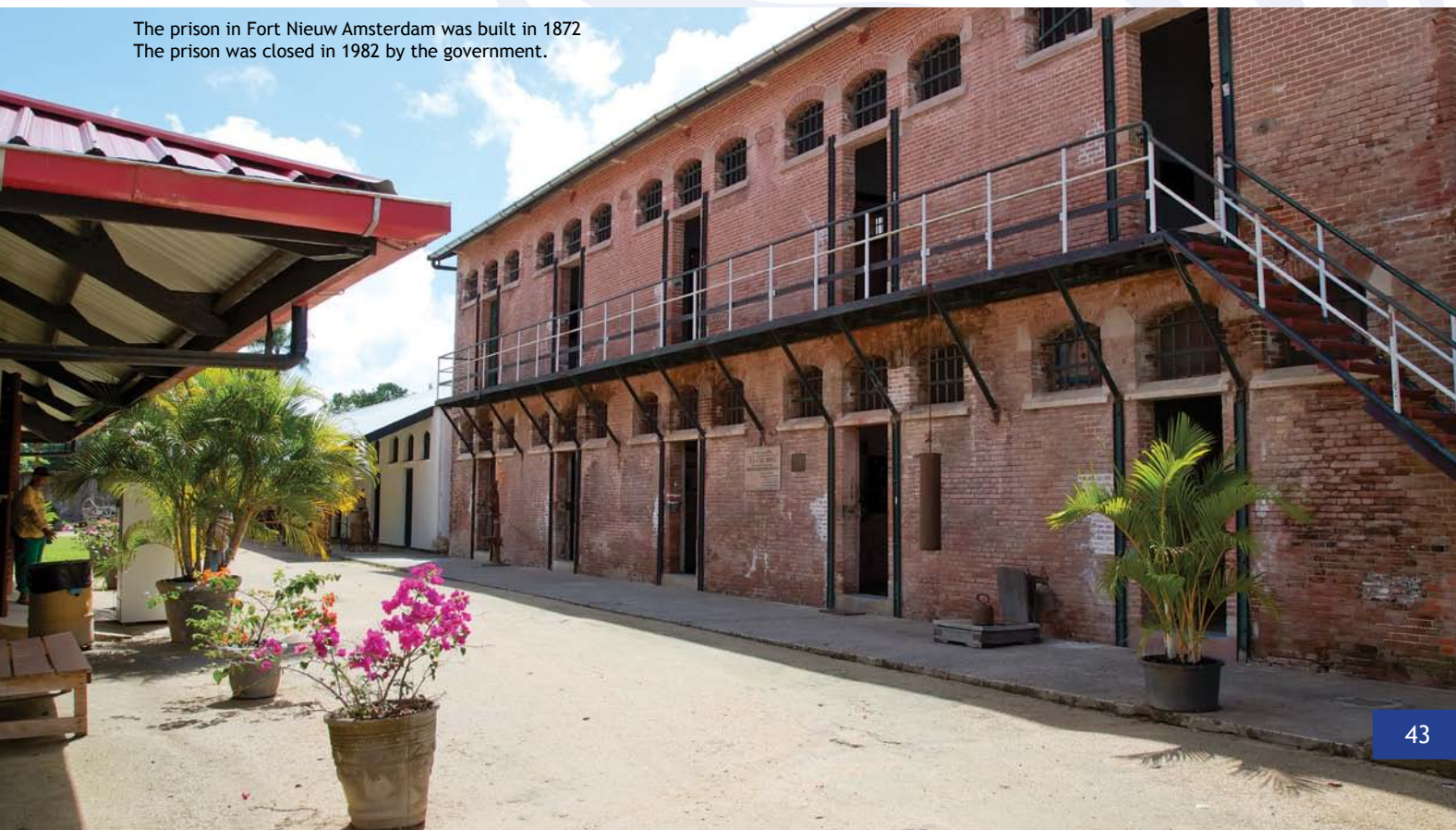
OUTDOOR MUSEUM FORT NIEUW AMSTERDAM

Fort Nieuw Amsterdam was built to defend the plantations in the hinterland on the upper reaches of the Commewijne and Suriname River and is located at the confluence of these rivers. The first stone of the fort was laid in 1734. The construction was carried out by slaves. The construction lasted over thirteen years and in 1747 the fort was completed for the main part and was put into operation. The English occupied the fort twice. In 1872 parts of the barracks were fixed up as prisons. The cells are now used for exhibitions. In 1967 this was the only prison in Suriname.

The fort regained its original role for a short time during the Second World War; the Americans used the fort as a defense stronghold for the bauxite mining in the upper reaches of the Suriname River because of its strategic location. The large cannons on site bring that period back to mind. On February, 1 1907 Fort Nieuw Amsterdam was officially decommissioned as a site of defense operations and became the Administrative Center of the District of Commewijne.

The Fort was renovated in recent years. Besides the Powder House, the carpenter's workshop and the plantation house were also restored. As of 2004, the Outdoor Museum Fort Nieuw Amsterdam was placed on UNESCO's world heritage list of monuments . The management of Fort Nieuw Amsterdam is under responsibility of Stichting Openluchtmuseum Fort Nieuw Amsterdam (Sofna - Foundation Outdoor Museum Nieuw Amsterdam). The foundation wants to make the museum the cultural attraction and center of education in Commewijne. Since the renovation, the Outdoor Museum Fort Nieuw Amsterdam has annually welcomed thousands of visitors. To experience an interesting trip through the history of Suriname, a visit to the Outdoor Museum Fort Nieuw Amsterdam can be highly recommended.

The prison in Fort Nieuw Amsterdam was built in 1872
The prison was closed in 1982 by the government.



OTHER INFORMATION

TO: TELECOMMUNICATIEBEDRIJF SURINAME (TELESUR)

INDEPENDENT AUDITOR'S REPORT

The pages 32 to 42 of this report with abbreviated financial statements, existing of summarized balance as of December 31, 2012, the summarized profit and loss statement, cash flow statement and the corresponding notes to the financial statements, are adopted from the audited financial statements of Telecommunicatiebedrijf Suriname (Telesur) as of December 31, 2012. We have issued an unqualified opinion on those financial statements in our audit report on May 7, 2013. Corresponding financial statements and the abbreviated financial statements, do not contain representation of any events that have occurred since the date of our audit report on May 7, 2013.

The abbreviated financial statements do not include all disclosures that are required based on generally accepted accounting principles applicable to financial reporting. The abbreviated financial statements cannot take the place of the audited financial statements of 2012 of Telecommunicatiebedrijf Suriname (Telesur).

RESPONSIBILITY OF THE BOARD

The Board is responsible for preparing the abbreviated financial statements in conformity with generally accepted accounting principles.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the abbreviated financial statements based on our work, conducted in accordance with the generally accepted auditing standards.

OPINION

In our opinion, the abbreviated financial statement 2012 complies with the requirements for this purpose.

Paramaribo, May 16, 2013

Tjong A Hung Accountants N.V.

Drs. R.K. Burgos RA
Partner

TELESUR LOCATIONS IN SURINAME

Telesur Heiligenweg (Centrum)

Address: Heiligenweg 14
Telephone: 47 42 42/ 47 39 44
E-mail: Klantenservice@telesur.sr
Website: www.telesur.sr

Telesur Havenlaan

Address: Havenlaan Zuid 1
Telephone: 47 42 42/ 473944

Telesur Noord

Address: Hk. Jozef Israel/Kristalstraat
Telephone: 55 01 68

Telesur Zonnebloemstraat

Address: Zonnebloemstraat 50
Telephone: 49 45 55

Telesur Latour

Adres: Latourweg 57
Telephone: 48 45 00

Telesur Lelydorp

Address: Indira Gandhiweg 474
Telephone: 0367676

Telesur Tamanredjo

Address: Pandit Tilakdhariweg
Telephone: 035 63 29/ 035 63 30

Telesur Moengo

Address: Sumatrastraat 4
Telephone: 034 13 00

Telesur Coronie

Address: Hoofdweg
Telephone: 023 51 18

Telesur Nickerie

Address: Oostkanaalstraat 3
Telephone: 023 17 51



Joyfully playing dolphins can be seen in the Suriname and Commewijne Rivers.

