



TELESUR

Keeping us in touch

ANNUAL REPORT

2 0 1 5

Pictures on cover page:

- *View on the lake Brokopondo seen from Tonka-island.*
- *Skink Scincella lateralis*

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PREFACE

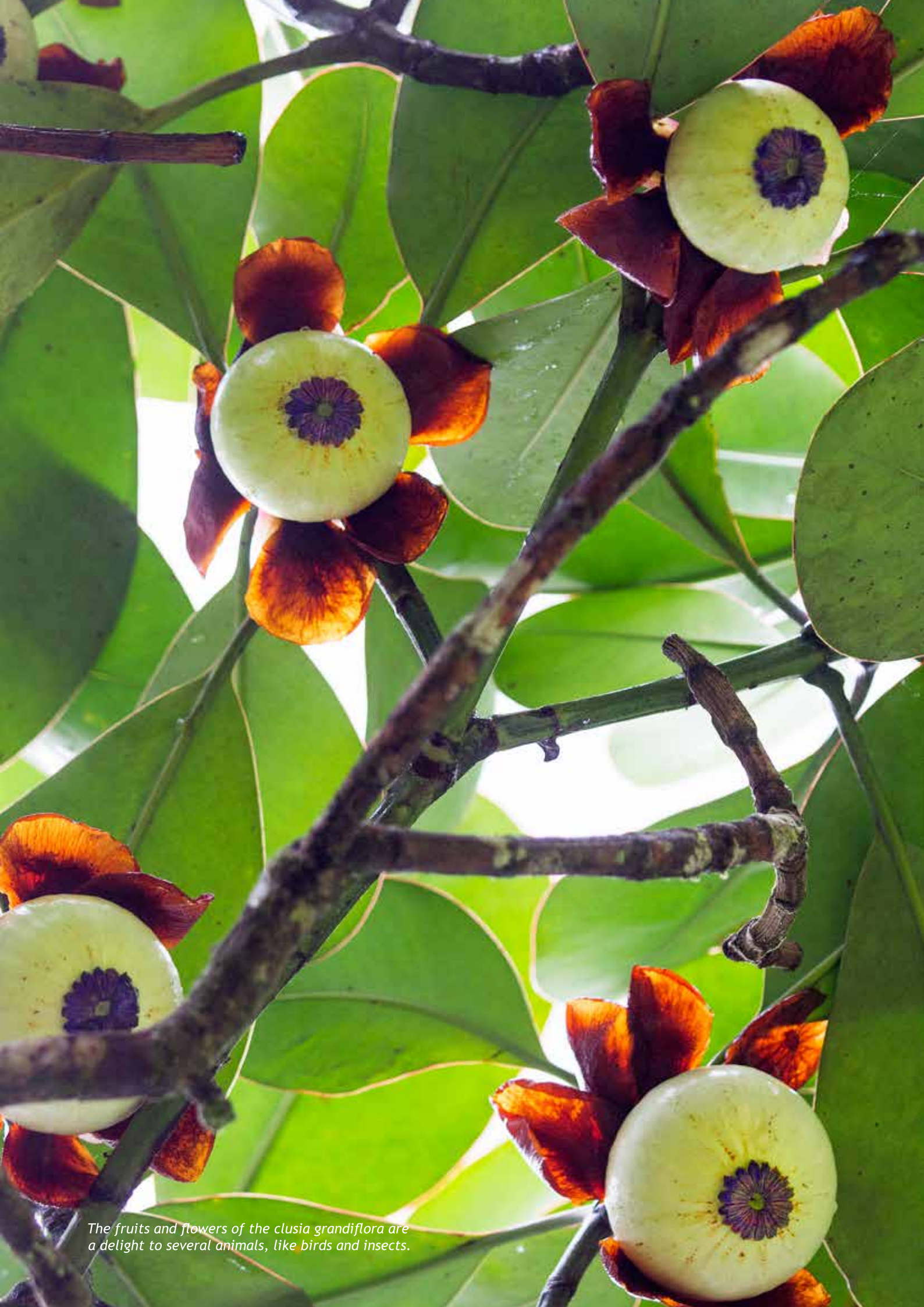
Brokopondo plays an essential role in the Surinamese economy. The Afobaka dam is located here and this district is home to the plant where electrical energy is generated with hydropower, to fulfill a significant part of Suriname's national energy needs. IAMGOLD Rosebel Gold Mines N.V., the first large-scale gold mining operation in Suriname is also situated here and has a substantial impact on the national economy. Brokopondo is also one of the districts popularly referred to as "the interior". The tropical rainforest with its breathtaking biodiversity works like a magnet for various tourist attractions, drawing thousands of national and international tourists every year.

Telesur recognizes the developments in this district and invested largely in the infrastructure of the entire interior in 2015, of which Brokopondo is also part. In this way Telesur is contributing to further develop the district. In this annual report the history, different remarkable residents, areas, attractions, buildings and events characteristic for Brokopondo, are highlighted.

In line with directions from the Act on establishing Telesur, the Supervisory Board of Telesur had the 2015 annual accounts audited by an external auditor, Tjong A Hung Accountants N.V. This annual report consists of detailed overviews on 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 and reports on the operational developments within Telesur.



Brownsveg is the biggest village in the district Brokopondo.



The fruits and flowers of the *clusia grandiflora* are a delight to several animals, like birds and insects.

THE TELESUR BOARD OF SUPERVISORY DIRECTORS



PRELIMINARY REPORT OF THE BOARD OF SUPERVISORY DIRECTORS

To comply with article 15 of the Telecommunication Company Suriname Act, we have audited the statement of financial position and the statement of comprehensive income of Telesur regarding the year 2015, as well as the explanatory notes, in which we were assisted by Auditing Firm Tjong A Hung N.V. (the external auditor). The external auditor approved the 2015 annual accounts of Telesur and based on this statement we approved the annual report of which the statement of financial position as well as the statement of comprehensive income as at December 31st 2015 are part.

In accordance with article 17 paragraph 1 of the before mentioned Act, the Board of Supervisory Directors recommended the General Shareholders' Meeting to allocate fifty percent of the established profit to the projects 'Accessibility of the Interior' and 'The Telesur National Broadband Project'. The remaining part of the established profit was used to pay part of the outstanding bill for services provided by Telesur to the Surinamese Government by means of defrayal.

We therefore advised Telesur's General Shareholders' Meeting to approve the statement of financial position and the statement of comprehensive income as at December 31st 2015 as well as the recommended profit allocation. According to article 15 paragraph 7 of the aforementioned Act, doing so, discharges the Management and the Board of Supervisory Directors of Telesur for management conducted and supervision exercised in 2015.

In closing, we are pleased to express our appreciation and recognition for the manner in which management and all other employees of Telesur have committedly worked on the company's behalf in 2015.

The Telesur Board of Supervisory Directors

Mr. G. Hew A Kee, MSC	: Chairman of the Board
Mr. Drs. J. Bolman	: Deputy Chairman of the Board
Mrs. F. Harpal-Van Ommeren MPA, BSC	: Secretary
Mr. Ir.R. Abrahams	: Member
Mr. Ing. R. Doekhie	: Member
Mrs. Drs. M. Isselt MBA	: Member

The aforementioned recommendation to Telesur's General Shareholders' Meeting has been approved and adopted, in writing with ref.no. Sec.VP / 201/2017, by the shareholder's representative the Vice President of the Republic of Suriname, Mr. Ir. M.A.S. Adhin.

THE TELESUR BOARD OF DIRECTORS



MR. STEVEN
TJITROTAROENO, MBA, BSC
CHIEF INNOVATION OFFICER



MR. MIKE
ANTONIUS, MBA
CHIEF EXECUTIVE OFFICER



MR. DORIC
RAMLAKHAN, MSC
CHIEF TECHNICAL OFFICER



MRS. GRACE
YARD-HENSEN, MBA, BEC
CHIEF COMMERCIAL OFFICER

MISSION STATEMENT AND VISION OF TELESUR

Mission statement:

Facilitate communication through innovative market-based solutions

Vision:

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 meaning to the mission statement; services and products.
 - Personal/customized delivery to the customer.
- Represents the uniqueness of the company.
- Association with the end user:
 - He/she recognizes himself/herself in the logo.
- Seven lines equal to the number of letters that spell Telesur.

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
- Assurance
- Accuracy in promoting of high-tech products
- Intelligence
- Faith



The trumpeter or 'kami kami' is common in the forest of Brownsberg.

KEY VALUES OF TELESUR



THE DISTRICT OF BROKOPONDO

INTRODUCTION

The district of Brokopondo lies in the transition area between the coastal plain and the interior. It borders the district of Para in the north and is surrounded by the Sipaliwini district on the east, south and west sides. With its centrally located Brokopondo water reservoir, the entire district connects the densely populated coastal area with the tropical rainforest of Sipaliwini.

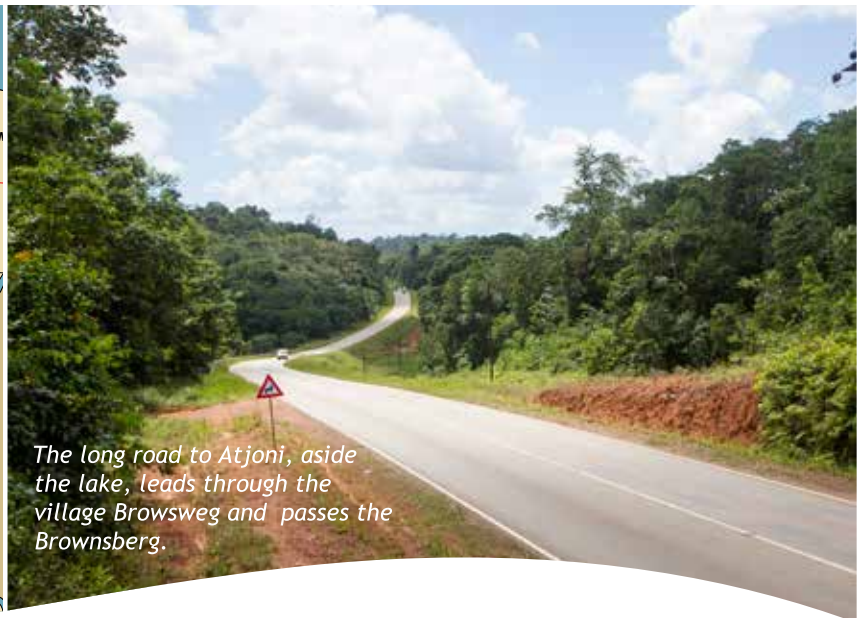
The Brokopondo district was created in 1958 as a partition from the former district of Suriname and as at 2018 consists of six resorts. The main town is Brokopondo, where the office of the district commissioner is located. At 500 meters, the highest point of the district is located in the Brownsberg nature park. Approximately 15,909 people live in Brokopondo, mainly maroons and indigenous and logging, gold mining and ecotourism are the main sources of income in the district.

HISTORY

The Maroons are the largest ethnic group in Brokopondo. Their ancestors were enslaved Africans who fled the plantations and settled in the rainforest upstream of the Suriname River. They developed residential communities with their own culture and hierarchical authority structure. The Brokopondo plan of 1958, of which the construction of the Afobaka dam was part, brought major changes for the former villages in the area. The plan regarded an agreement between the Surinamese government and multinational company Alcoa, for the construction of a 54-meter-high dam, designed by Ir. W.J. van Blommestein, with a hydro-electric power station in the Suriname River. The water reservoir that was created as part of this plan, had to provide sufficient water to the dam, which in turn had to provide sufficient electrical energy for the bauxite industry in Paranam. District Brokopondo was founded and Suralco, the local subsidiary of Alcoa, constructed a road to Afobaka, the town where the dam was built. However, due to creating the water reservoir, 25 villages disappeared under water. Approximately 5,000 maroons had to leave their habitat and move to transmigration villages built by the government. Because of this migration, new villages were created around the water reservoir and along the Afobaka road. Brownsweg became the largest transmigration village and with a population of about 2200 it still is the most densely populated area in the district.



The Afobakadam.



The long road to Atjoni, aside the lake, leads through the village Brownsweg and passes the Brownsberg.

NATURE

A ride along the Afobaka road or along the water reservoir towards Brownsweg and Brownsberg, offers views of a beautiful hilly landscape, covered with tropical rainforest, alternated by white savannah plains. The forest soil turns red from bauxite and the area is lined with cool creeks of dark water that flow into the Suriname River. In the Brokopondo water reservoir, the dead crowns of the flooded forest together with the hilltops, which are like thousands of islands in a lake, form a unique water landscape and the perfect place for rustic comfort. The water is rich in fish such as piranha and tukunari. The Brownsberg is a protected nature park of over 12,000 hectares with a wealth of animal species, medicinal plants and beautiful waterfalls. The howler, the trumpet bird and the agouti can be found in large numbers. Unfortunately, in recent years the nature reserve on and around the Brownsberg has been severely damaged by small-scale mercury using gold mining activities.

DEVELOPMENT

Brokopondo, at an early stage in history, played a significant role in Suriname's economic development because of its timber plantations, for example at Berg and Dal and gold mining along the Suriname River and the Sarakreek. In 1960 a testing ground named "Broko baka" was constructed. This resulted in a successful palm oil plantation in Victoria. Unfortunately the industrial activities in Victoria ended in the eighties of the last century due to the "spear rot disease" and the domestic war which was fought in parts of the interior. As from 2018, all villages in the district are connected to the electric and water grid and several schools on primary and secondary level have been built. Asphalt roads and modern telecommunication made the area more accessible during the past ten years. Timber production is still an important source of income for the district and in addition, ecotourism has developed in the area. Resorts arose along the river, the creeks and in the water reservoir. Gold mining has increased enormously in recent years as a source of income for local residents and also for gold prospectors from abroad. Since 2004, gold mining is also conducted on an industrial scale in Brokopondo, as multinational company IAMGOLD started large-scale commercial gold production in and around the town of Rosebel.



The kankantri or kapok tree, is one of the impressive forest giants growing in Brownsberg nature park

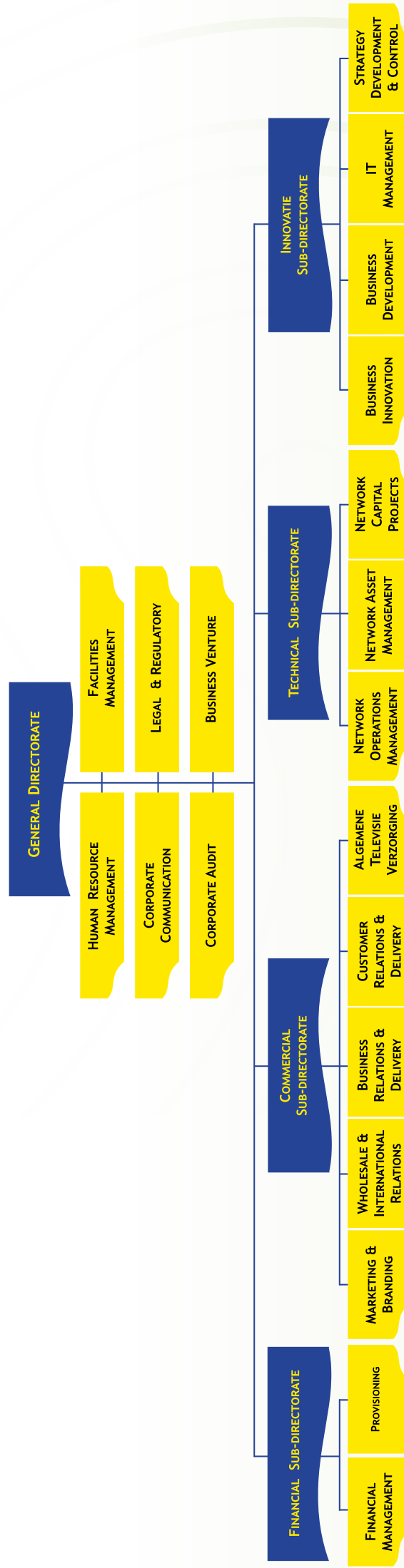
HISTORICAL OVERVIEW

1945	Merger of 's Lands Radiodienst (State Radio Service) and 's Lands Telefoonwezen (State Telephone Company) into 's Lands Telegraaf en Telefoondienst (LTT-dienst, State Telegraph and Telephone Service).
1948	Installation of the first automatic home telephone exchanges.
1952	Putting into operation of the first automatic exchange.
1955	Introduction of the first public telephones with 10 cent coin slots.
1971	Putting into operation of the telex exchange at Keizerstraat.
1973	Transformation of 's Lands Telegraaf en Telefoondienst into 's Lands Telegraaf en Telefoonbedrijf (LTT-bedrijf, State Telegraph and Telephone Company).
1976	Putting into operation of the international telephone exchange at Keizerstraat.
1978	Putting into operation of the public mobile phone network.
1981	Transformation of 's Lands Telegraaf en Telefoonbedrijf into a new legal entity: " <i>Sui Generis</i> ", the Telecommunicatiebedrijf Suriname, Telesur (the Telecommunication Company Suriname).
1986	The broadcasting project of Telesur starts with television broadcasts.
1991	The broadcasting project of Telesur is transformed into Algemene Televisie Verzorging, ATV (General Television Service).
	Change from telephone numbers from five to six digits on the landline phone service.
1993	Recognition of the Telecommunicatie Opleidings- en Onderzoekscentrum (TOC, Telecommunications Training and Research Center) as a regional training center and inauguration of the cellular telephone exchange and teleport of Paramaribo, an Intelsat Business Service.
1994	Commencement of operation of the glass fiber cable network in Paramaribo and Suriname through Telesur on the internet
1996	Introduction of fixed DATA services.
1997	Introduction of Telesur X.25 packet switching technology.
1998	Introduction of the Telesur Telephone Card and introduction of Fixed Radio Access (FRA)
1999	Introduction of Prepaid Mobile Service (TDMA cellular)
2000	Introduction of ISDN (data network).
	Connection of Suriname to the Americas-II international glass fiber sea cable system
2002	Introduction of Global System for Mobile Communications (GSM) under the product name of TeleG.
2004	Launch of corporate website www.telesur.sr
2006	Introduction of the new Telesur slogan: "Telesur keeping us in touch!"
	Introduction of the new house style under the name "The new identity of an old friend"
2007	Passing of the Act on Telecommunications Provisions. This ends the monopoly position of Telesur.
	Signing of the interconnection agreement between Telesur and other telecom companies in Suriname.
2008	Hosting by Telesur of the Annual General Meeting (AGM) of the CANTO.
	Launch of "Telesur Mobiel Nederland" (Telesur Mobile the Netherlands) and unlimited calling.
	Signing of the agreement Suriname Guyana - Submarine Cable System (SG-SCS) by Telesur, Guyana Telecommunication & Telegraph Company, GT&T and Global Marine Systems Ltd.
2009	Inauguration of Wireless Fixed Telephony in Suriname.
2010	Launch of the Blackberry Service of Telesur
	Commercial launch of the SG-SCS sea cable system
2011	Launch of the Telesur Multimedia Innovation Laboratory (TMIL)
	Hosting by Telesur of CANTO Conference and Trade Exhibition
	Election of Telesur CEO Dirk Currie as president of CANTO
	Launch Community Hub as permanent gift to the District of Coronie because of the SG-SCS sea cable
2012	Launch 3rd Generation Mobile Network (3G Services)
2012	Launch Tele.I.C. (Telesur Internet Calling)
2013	Launch 4rd Generation Mobile Network (4G Services)
2014	Introduction Fiber To The Home (FTTH)
2015	Commencement "Ontsluiting Binnenland" project. Digital TV and 3G coverage for 7 area's including Albina, Apoera, Brownsberg and Donderskamp



*From the top of the Brownsberg
it is only a one hour walk to the
waterfall called 'Leo'*

ORGANOGRAM TELESUR



GATEWAY TO THE INTERIOR

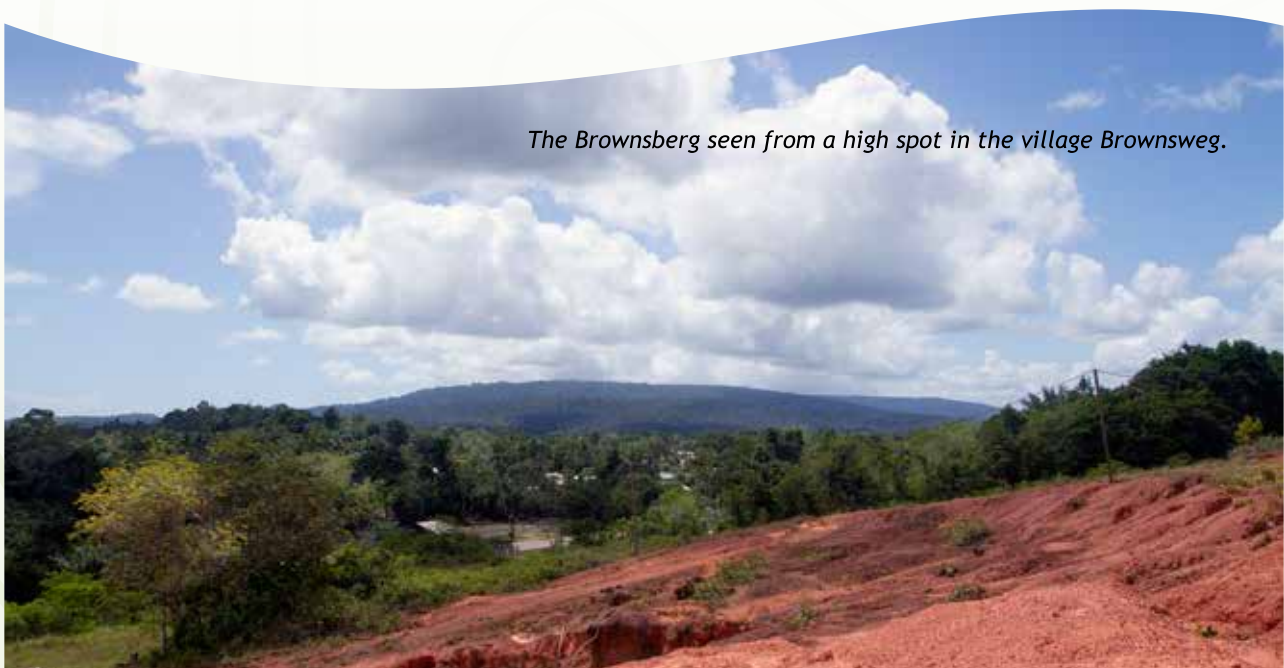
THE FIRST TRANSMISSION TOWER AT BROWNSBERG

In recent years, the infrastructure in Brokopondo has improved and the area became more accessible. But it was mainly modern telecommunication that de-isolated the district. Transmission tower in various places make mobile telecommunication and internet access possible up to far into the interior. Putting in place such a network is certainly not easy! It started more than twenty years ago with the installation of the first transmission pole on the Brownsberg. The highest point in the middle of rugged nature. A massive undertaking!

Mr. Ruben Sangham, who at the time worked as a staff member at the Integral Planning department, still remembers: “We started in Brokopondo in 1996. Initially, it was difficult to get the project up and running. It was taking place in a nature reserve and trees would have to be cut down, which met opposition from nature organizations and international donors. Nonetheless a seventy meter high tower was eventually put in place, which served in support of a solar energy operated beamed connection with Zanderij. Later a cellular system was set up, operated on electricity provided by EBS, through which the village of Gujaba was the furthest reachable vicinity, seventy-five kilometers away, upstream of the Suriname River. The construction of the first tower took about a year and in 2014 it was replaced by a 140 meter high one. The tower functions as a kind of hub (junction) for the current chain of tower in the area, where since 2015, 3G technology, broadband internet and digital television are also available.

Mr. Wendell Weigle of the Engineering and Construction department is closely involved with current construction of communication systems in the interior. Even though it goes much faster nowadays then it did with the first pole at Brownsberg, both installation and maintenance of such equipment in the interior remains a challenge. For example, the 16 kilometers long fiber optic cable at Brownsberg had to be replaced by a more ‘armadillo-resistant’ one and for achieving the best connection, issues such as the angle, vegetation, soil conditions and especially the surrounding residential communities need to be taken into account.

The first pole at Brownsberg is history. It was the gateway to the interior.



The Brownsberg seen from a high spot in the village Brownsweg.

TELESUR KEY FIGURES

RESULTS	2015	2014	2013	2012	2011
		× SRD.'1000			
NET INCOME	397,784	371,515	371,655	362,973	385,740
COSTS	376,752	352,813	350,112	333,111	330,812
OPERATING RESULT	21,032	18,703	21,543	29,862	54,928
PROFIT BEFORE TAX	25,774	10,452	32,077	45,515	37,536
PROFIT AFTER TAX	22,384	7,049	20,530	29,357	24,023
STATEMENT OF FINANCIAL POSITION					
TOTAL ON STATEMENT OF FINANCIAL POSITION	1,234,345	981,737	960,101	903,262	899,711
FIXED ASSETS	839,910	679,132	567,338	541,062	555,903
CURRENT ASSETS	394,435	302,605	392,762	362,200	343,808
SHAREHOLDERS' EQUITY	863,450	687,930	690,519	670,390	653,444
PROVISIONS AND LIABILITIES	370,895	293,806	269,581	232,872	246,265
FINANCING RATIOS					
		IN PERCENTAGES			
SHAREHOLDERS' EQUITY / LIABILITIES	232.8%	234.1%	256.1%	287.9%	265.3%
SHAREHOLDERS' EQUITY / TOTAL ASSETS	70.0%	70.1%	71.9%	74.2%	72.6%
CASH AT BANK AND IN HAND + ACCOUNTS RECEIVABLES / CURRENT LIABILITIES	185.9%	153.5%	206%	216.4%	172.9%
PROFITABILITY RATIOS					
NET INCOME / SHAREHOLDERS' EQUITY	1.5%	1%	3%	4.4%	3.7%
NET INCOME / TOTAL OPERATING CAPITAL	2.2%	0.9%	2.6%	3.9%	3.7%
OPERATING RESULT / NET REVENUES	5.3%	5%	5.8%	8.2%	14.2%
NET INCOME / NET REVENUES	5.6%	1.9%	5.5%	8.1%	6.2%
WORKFORCE					
		NUMBERS			
NUMBER OF EMPLOYEES (AT END OF YEAR)	769	817	798	803	824

REPORT OF THE BOARD OF DIRECTORS



*From left to right:
Mr. Tjitrotaroeno, Mr. Antonius, Mrs. Yard and Mr. Ramlakhan*

REPORT OF THE BOARD OF DIRECTORS

The report of the Board of Directors consists of the following sections:

1. The Macro-economic environment in 2015
A brief review by the Board of Directors on macro-economic developments, which outline the environment in which Telesur operated in 2015. Developments in the telecom sector are also discussed.
2. The “Telesur Operations” in 2015
Developments within Telesur in 2015, regarding operational, commercial, personnel and financial matters, are the core of this section of the report of the Board of Directors.
3. Prospects 2016
The report of the Board of Directors is concluded with a brief preview of the agenda to be completed by Telesur in 2016, which will focus on strengthening the company’s strategic position.

THE MACRO ECONOMIC ENVIRONMENT IN 2015

INTERNATIONAL¹

The growth of the world economy was estimated at 3.1% by the end of 2015. The expected increase in global economic activity has therefore been adjusted downwards compared to forecasts published by the International Monetary Fund in October 2015. The main cause of this moderation lies in countries with emerging economies and developing countries. However, no clear trend can be observed in this group of countries in the growth figures for 2015. In high-income countries, the cautious recovery is expected to continue. The challenges worldwide remain current, mainly due to the slowed down and rebalancing Chinese economy, the decline in commodity prices on world markets and tensions in a number of large emerging market economies. As a result, the growth prospects show a similarly modest increase in 2016 to a growth of 3.4 percent. In this context, it is mentioned that the gradual introduction of monetary policy changes in the United States of America also contributes to the barely increasing growth figures. All in all, a challenging economic landscape with incentives, of which the consequences must be well controlled, in order to ensure positive development of the world’s economic climate.

NATIONAL

In Suriname, the projections for national economic development were not achieved in 2015. The economy shrank by 2.6%². Characteristic was the decline in the spending pattern of both the government and the private sector. Decreasing prices on international markets for raw materials, particularly gold, petroleum and alumina, resulted in lower revenues at companies that active in these sectors in Suriname. In the final months of 2015, the Surinam Aluminum Company (Suralco) ended production of alumina at the Paranam plant, bringing to an end, a decades long era of bauxite processing in Suriname. On a positive note, the major investment for starting a new gold mine in Eastern Suriname by the American company Newmont Mining Corporation, in joint venture with the government of Suriname through the State Oil Company, should also be mentioned. In Suriname the second half of 2015 was characterized by a volatile exchange market due to the low availability of foreign currencies. Intervention of the monetary authorities on the foreign exchange market have in this regard, increased pressure on the monetary reserves of the country. Against this background, the Suriname dollar, SRD was officially devalued from SRD3.35 to SRD4.04 for 1 USD in November

¹Source: International Monetary Fund; World Economic Outlook

²Source: Centrale Bank van Suriname

2015. As a result, the annual average inflation in 2015, calculated by the General Bureau of Statistics rose 6.9%³, more double the 2014 figure. The administration that took office in August 2015, after the election victory of the National Democratic Party, once again led by President D.D. Bouterse, therefore decided to implement budget cuts in its Financial Policy Memo 2016, to try keeping the national deficit at internationally acceptable levels. For 2016, based on the foregoing, contraction of real growth of the Surinamese economy is projected by both national and international financial analysts.

THE TELECOM SECTOR

Telesur also had to adapt in 2015 to the macro economic reality of Suriname described above. After devaluation of the SRD against the USD in November, Telesur was forced to increase tariffs for its telecom products and services. It is worth noting that mid-2015, one of the operators on the Surinamese telecom market decided to discontinue its activities because of sustained losses. Service to the customers of this operator were taken over by another telecom company active in Suriname.

It is known that telecom companies worldwide, including Telesur, are directly confronted with international competition from the so-called “over the top” services such as WhatsApp, Viber and Skype. Also taking into account the foreign exchange losses in 2015 as a result of devaluation of the SRD against the USD, and it is clear that Telesur is facing major challenges. That is why Telesur’s focus in 2015 was mainly on cost control, whilst at the same time working on providing excellent and innovative service to maintain and increase its market share.

THE “TELESUR OPERATIONS” IN 2015

GENERAL

A new Board of Supervisory Directors took office at Telesur in the last quarter of 2015. Shortly thereafter, a new Board of Directors was appointed and other personnel changes were made at different levels in the organization. Subsequently, a new organizational structure was put in place, forming the basis for Telesur’s business and other activities from that time on.

TELECOM OPERATIONS

Sales en marketing

The trend that of all Telesur services, most revenue is generated from sales of mobile telecommunication services (voice and data), was prolonged in 2015. The runner up in this context are services regarding fixed broadband internet. Due to terminating the “End of the Month Bonus” promotion and introduction of the “Together” package, targets regarding mobile voice revenues were exceeded. The use of mobile internet continues to grow and the average number of users per month, increased by more than 13,000 compared to 2014.

³Source: Algemeen Bureau voor de Statistiek

Product development and outlet areas

To further meet the needs of the customer, Telesur continues to work on product development and diversification its products, where broadband services for voice and data will be further expanded. The goal is to offer these services nationwide and for them to be accessible and affordable for everyone. Crucial in this context is the so-called ‘Long Term Evolution’ (LTE) project, which is intended to ensure a large number of locations in the various service areas to have fixed broadband internet. The new products Telesur launched in 2015 are:

- the “prepaid together” packages,
- the “loyalty program in together”,
- the postpaid hybrid project,
- postpaid SMS-CUG and
- mobile VPN.

Investments

The investments made by Telesur in 2015 were mainly focused on:

- Mobile, i.e. the mobile network,
- Fixed, i.e. the fixed network,
- E-service and innovation,
- Transport and expansion.

For mobile-related investments, the focus was mainly on capacity expansion of the network, coverage and quality improvement by setting up tower and base stations and expanding the capacity of the “packet core network”. This, to keep up with the upward trend of the number of data users and an exponential growth in data usage. The expansions will further enable Telesur to continuously respond to the increasing need for good quality data service.



View over the Suriname river seen from the bridge close to the Afobakadam

The investments in the fixed network were mainly focused on expanding the “access” infrastructure.

In new residential areas - the so-called green fields - particularly the Fiber-to-the-Home (FTTH) technology was used. In existing residential areas - also called brown fields - the network has been extended with Fiber-to-the-Curb (FTTC) solutions.

In addition, the wireless network has also been adjusted. Customers in remote areas with limited fixed infrastructure are accommodated through fixed-wireless connections.

The growing demand for bandwidth also meant that expansion and replacement of the xDSL network was necessary. In addition, investments were also made in the microwave and data communication network. Several software and hardware upgrades had to be carried out. This allowed for the guarantee of continuity of international voice traffic as well as the interconnection with other providers.

In Nickerie expansion of the cable network has been carried out, to meet the growing demand for landline and broadband connections.

Investments in the Optical Transport Network (OTN) were revised due to special circumstances, addressing first the most necessitous areas. In addition, parts of the transmission network have been expanded to meet the increasing demand for transmission capacity. This made it possible to realize extensions to the networks of 2G / 3G mobile, fixed telecom, internet, LTE and GPON (Gigabit-capable Optical Networks).

Partnerships

Negotiations with supplier Huawei Marine Network (HMN) were continued jointly with

*The Round-headed katydid -
Amblycorypha oblongifolia, is
one of the millions insects
walking and flying around in the
rainforest.*



the Guyana Telephone & Telegraph Company (GT & T). The purpose of these negotiations was to expand capacity on the SG-SCS sea cable, to replace equipment and to extend the support maintenance contract. This, due to the exorbitant growth of internet traffic as a result of optical fiber lines and the expansion of the mobile network in terms of coverage and capacity. The negotiations were in the final phase by the end of 2015.

Performance

The performance of the wireless network is optimized and monitored for the mobile network (2G and 3G / 4G). In addition to the work done on the existing network, the extensive network parts have also been optimized and integrated. Focus on the network's quality has significantly been improved here, resulting in guarantees of better network quality.

Extension of services

For services in the coastal plain and the hinterland, the focus was on increasing accessibility of services and in this context digital television and radio communication were introduced in the areas of Brokopondo, Para, Boven Suriname, Kabalebo and Boven Coppename, but also in parts of the coastal strip. As of December 2015, the district of Coronie is also has digital television. Furthermore, 4G-HSPA + has opened up a total of 71 new locations in the interior and in the coastal plain. Regarding LTE Core, execution took place through installation of a new core network. LTE has been installed at 19 locations as a result of which these locations can be described as LTE Access areas.

Personnel

The total number of employees dropped to 769 in 2015 (was 817 in 2014). In addition, a group of approximately 100 workers were employed at Telesur through employment agencies.

BUSINESS VENTURES

The 100% subsidiaries of Telesur are WISE N.V., DATASUR N.V. and Telesur Mobiel Nederland and there also is the joint venture between Telesur (50%) and the former Dutch call center company Unamic (50%) now Xerox, operated under the name Telenamic N.V.. The business activities of these subsidiaries are carried out within Telesur's policy framework as their parent company.

Wise N.V.

Upon acquiring 100% of shares of Wise N.V., Telesur completed an intensive investment project was aiming to modernize the company's service package. Since the official start of selling TV broadcasting services in 2014, Wise N.V.'s revenues were more than 21 times higher in 2015 than in 2014. However, due to exchange rate losses suffered as a result of the SRD's devaluation against the USD, the 2015 financial loss increased by approximately 9% compared to 2014.

Datasur N.V.

The service launched by Telesur in 2014, focused on making available digital storage space on Suriname's first Cloud environment, offers the possibility to store and process data and applications locally. This not only brings greater safety guarantees, but also reliability in data storage and increased certainty about data availability and accessibility. These services are marketed by Telesur under a separate brand, through a separate company, namely subsidiary Datasur N.V. Similar to Wise N.V., Datasur N.V. also achieved a very large increase in revenue compared to 2014, however Datasur N.V. also suffered from exchange rate losses, being the main reason for 2015 ending with an increased financial loss, compared to 2014.

Telenamic N.V.

Telenamic N.V. aims to exploit a contact center service company, focusing on creating and stimulating the demand for off- and onshore contact center services in Suriname, the region and internationally. Telenamic N.V. was able to close 2015 profitably and the trend of increasing revenues continued in 2015. This company offers employment to approximately 600 young Surinamese employees and provides services mainly to companies operating in the Dutch market. Due to the increasing competition in the market Telenamic N.V. is active in, quality management, effective human resources policies and a good cost control structures remain topics of great importance.

Telesur Mobiel Nederland (TMN)

As of 2008, Telesur Mobiel Nederland (TMN) is the provider of the advantageous ‘two country sim-card’. The purpose of this service is to increase the Diaspora feeling whereby the close ties between family, friends and business relations in Suriname and the Netherlands are strengthened. Thanks to the advantageous calling, SMS and data rates for communication between the Netherlands and Suriname, TMN has become a crucial player when it comes to telecommunication between Suriname and the Netherlands. TMN offers voice, data and SMS packages, which can also be combined. Aside from the Telesur web shop, TMN products can also be purchased at many points of sale in both the Netherlands and Suriname. The sales figures in the Netherlands decreased in 2015 compared to 2014. However, revenues of both calling credit sales in Suriname and SIM card sales online show an upward trend compared to 2014. The sales of calling credit outside Paramaribo have been more than six times higher in 2015 compared to the previous year. Partly based on these sales and other cost control measures, TMN achieved a gross profit of approximately SRD1.86 million in 2015.

CORPORATE SOCIAL RESPONSIBILITY

As in previous years, Telesur also did its part in 2015 regarding projects within the scope of social corporate responsibility. This was manifested by organizing, financing and/or participating in many social projects, some of which are mentioned below:

- Participation in the 51st edition of the “Avond Vierdaagse Wandelmars”, a 4-day walking parade and achieving the 3rd prize in the Companies’ category.
- Seminar regarding the 65th anniversary of the “Telegraaf & Telefoon Werknemers Organisatie Suriname” (TTWOS), the Telesur workers union.
- Telesur walk and fitness run in Paramaribo and Nickerie.
- SMS action “HOPE”, for donations on behalf of the victims affected by the wind gusts in the month of July 2015.
- Third IT Core/Telesur Hackaton to promote ICT development in Suriname.
- Fundraiser regarding repair and refurbishment of the ambulance of the “SEH Libi Makandra Foundation”, a private emergency response organization.
- Participation in the CTSS sports tournament.
- Donation to the “Gi Wan Anu” fundraiser of the Su Aid Foundation.

2015 FINANCIAL RESULTS

GENERAL

In 2015, Telesur's business activities led to the financial result presented on in this annual report. The realized revenues as well as the expenses will be compared to last year's, giving insight in the operating result attained. The labor productivity realized at Telesur, the investments made and the contribution to Suriname's State Treasury in 2015 will also be discussed.

REVENUES

The total net revenues amounted to SRD397.8 million at year-end 2015 and have increased by 7% compared to 2014. The increase in revenues, is mainly thanks to the significant decrease of 62% in cost of marketing and sales, which are deducted from the realized net revenues. Diagram 1 shows the net revenues of 2015 and 2014, prior to deduction of the marketing and sales cost.

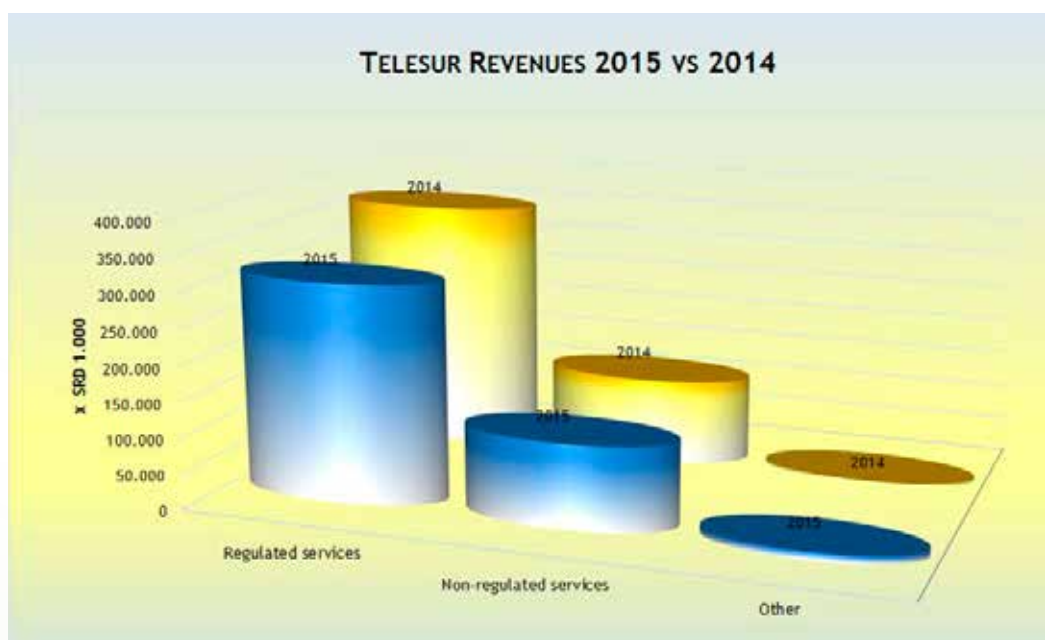


Diagram 1: Net revenues Telesur 2015 vs 2014

EXPENSES

In 2015, the total expenses equaled SRD376.8 million. The expenses increased by 7% compared to 2014. This increase occurs despite the drop in costs of infrastructure and telecommunication, ATV and the general costs. The increase of the total expense amount is caused by the combined effect of a rise in the dotation to provisions, depreciations and a slight increase in personnel costs. The development of expenses over the 2014-2015 period is shown in diagram 2.

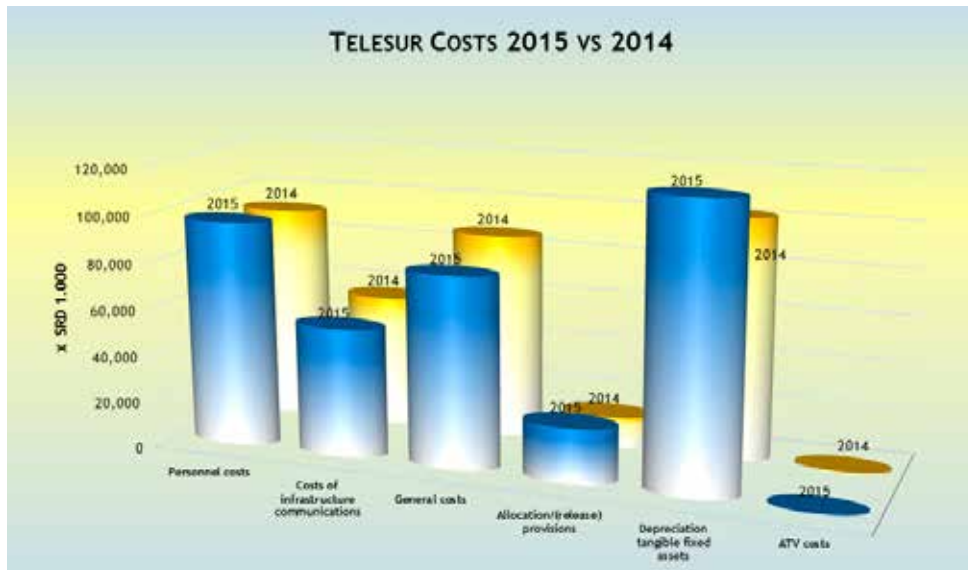


Diagram 2: Operating Expenses Telesur 2014 and 2015

FINANCIAL RESULT

Deducting the expenses from the net revenue, results in an operating profit of SRD21 million. The operating profit over 2015 increased by 12% compared to 2014. This increase is realized mainly as a result of the aforementioned effect of the sharp drop in sales and marketing costs. Balancing the operating profit against the financial- and other income and expenses and then adding the dividends received, results in the profit before taxes, equaling SRD25.8 million in 2015. The profit before taxes has increased by 145% in 2015 compared to 2014. This increase was realized because Telesur was able to halt the company from suffering exchange rate losses, which totaled SRD9.6 million in 2014. To the contrary, an exchange



Bauxite with its significant red colour has been a main economic resource for the district Brokopondo for many years.

rate gain of SRD0.8 million was realized in 2015, resulting in the sharp increase of the pre-tax profit. Settlement of the income taxes due, results in a net profit after taxes equaling SRD22.4 million. Telesur's net profit for 2015 has thus more than tripled compared to 2014. The main reason for this substantial increase lies in the aforementioned decrease in sales costs and the realized exchange rate result. As at 31st December 2015, Telesur's total of shareholders' equity equaled SRD863 million, an increase of 26% compared to year-end 2014.

FINANCIAL RATIOS

In addition to considering the figures mentioned in the previous sections, assessment of the financial development can be monitored even better by determining different financial ratios. In this annual report, the outcome for Telesur of the following financial ratios is presented:

1. Sales growth

Sales growth was equal to 7% in 2015 compared to 2014. As indicated earlier, this growth in net revenue was realized as the result of a decrease in sales costs of more than 62%.

2. Profit margin

The profit margin is the company profit (before taxes) divided by the total net operating revenues. The profit margin equals 6.5% as at 31st December 2015.

3. Return on investments (ROI)

The return on investments is the company profit (before taxes) divided by the total amount of investments. As at 31st December 2015, this rate of return equals 21.7%.

LABOR PRODUCTIVITY

Labor productivity has improved in nominally compared to the previous year, as an increase was realized in 2015. The operating result per employee is SRD27.349, a percentage increase of 19% compared to 2014.

CONTRIBUTION TO THE STATE TREASURY

Contribution to the State Treasury of the Republic of Suriname in 2015 regards defrayal of the claims Telesur has on the Republic of Suriname for services provided. This amounted claims defrayal of up to SRD11.2 million, equivalent to 50% of Telesur's net profit in 2015.

INVESTMENTS

The investments made by Telesur in 2015 relating to fixed assets totaled SRD119 million. This mainly regards expansion and replacement investments for the telecom infrastructure. In this context mention should also be made of the external financing agreement Telesur entered into with the Bank of China, for a term of 7 years including a 2-year grace period.



The dead tree-tops peaking out above the surface of the Brokopondo lake, make a unique landscape.

EXPECTATIONS 2016

Telesur intends to continue investing in its infrastructure and personnel in 2016, so as to further optimize its services to customers.

The goal is to provide customers with an excellent experience in every interaction with Telesur. The demand for ICT/digital services is on the rise and Telesur aims to increase its footprint in this area.

A concrete profit target has been set and Telesur will achieve its objectives in 2016 by continuing its strong focus on cost savings and efficiency increase while putting the available resources to work. The corporate values, known as the seven commandments of Telesur, have been evaluated which will result in them being reviewed shortly.

January 1st 2016 will mark the 35th anniversary of Telesur. In this regard a jubilee committee has been formed. In addition to intra company activities, community projects will be carried out in line with Telesur's Corporate Social Responsibility. In light of this jubilee, Telesur's ambition is to work with even more enthusiasm and united forces to get the work done. Thus showing its customers, the company's continued focus to delivering better quality services at competitive rates in a customer-friendly, speedy, flexible and innovative way.

Paramaribo, April 2019

The Telesur Board of Directors
On its behalf,

M. Antonius, MBA
Chief Executive Officer



*The Afobakadam at lake Brokopondo
at the end of a working day*

COMPUTERS FOR BROKOPONDO

Telesur and the Probitas Foundation support ICT education.

In the district of Brokopondo, the education process develops relatively slow and there still is a shortage of (secondary) schools. Few can afford a computer or an internet connection. The goal of the Telesur project 'PC for Schools', in collaboration with the Probitas Foundation, was partly to fulfill this need. It provided a cyber-center in Klaaskreek and a computer education project in the main town of Brokopondo.

The Probitas Foundation has since 2013 been very committed to ICT education development in Suriname, with emphasis on the interior. Initiator and tireless driver behind the organization is John van der Zijden, ICT teacher at the NATIN (Physics and Technical Institute). The Probitas Foundation not only installs sponsored computer systems at learning institutions, but also maintains them and provides training to the users.

The Probitas' motto is: 'By developing yourself you can also help develop others'. This is well expressed in the successful ISIS project where on behalf of Probitas, NATIN students take care of installation and maintenance of computers sponsored by Telesur at different schools, in exchange for study credits. As part of this project fifteen computers have been placed at schools in Brokopondo, including at the local public school (OS) Brokopondo, at which Henk Smidt from Klaaskreek is school director. The cyber center at Klaaskreek is a good start and provides in a great need for availability of additional educational media.



Children of the O.S. Brokopondo- school are practising calculation by playing an educative computer-game

ABBREVIATED ANNUAL ACCOUNTS 2015

STATEMENT OF FINANCIAL POSITION AS AT 31-12-2015

	2015	2014
	× SRD. 1	
Assets		
TANGIBLE FIXED ASSETS		
LAND AND BUILDINGS	91,295,787	69,701,271
EXCHANGES AND STATIONS	210,490,828	145,743,026
CABLENETWORKSANDMICROWAVELINKS	379,178,442	314,484,658
SUBSCRIBER EQUIPMENT	33,844,971	23,571,974
TRANSPORTATION MEANS	6,091,015	7,421,122
OTHER FIXED ASSETS	38,529,423	32,170,717
INVESTMENTS IN PROGRESS	53,311,767	78,589,753
	812,742,233	671,682,521
FINANCIAL ASSETS	27,167,400	7,449,381
CURRENT ASSETS		
STOCK	24,711,957	25,920,635
RECEIVABLES	203,853,787	185,873,760
CASH AT BANK AND IN HAND	165,869,428	90,810,375
	394,435,172	302,604,770
	1,234,344,805	981,736,672
LIABILITIES		
EQUITY		
CAPITAL	93,349,826	93,349,826
GENERAL RESERVE	503,090,131	496,441,359
RESULT CURRENT YEAR	22,383,878	7,048,772
CONVERSION BALANCE	244,625,792	91,090,232
	863,449,627	687,930,189
PROVISIONS	102,509,772	97,609,028
LONG-TERM LIABILITIES	69,534,905	15,950,477
CURRENT LIABILITIES	198,850,501	180,246,978
	1.234,344,805	981,736,672

STATEMENT OF COMPREHENSIVE INCOME 2015

	2015	2014
	× SRD. 1	
REGULATED SERVICES	309,112,384	356,216,565
NON-REGULATED SERVICES	119,437,995	121,737,974
ATV PROCEEDS	3,063,589	3,327,506
OTHER OPERATING REVENUE	7,722,975	504,176
	439,336,943	481,786,221
LESS: SALES AND MARKETING COSTS	-41,553,070	-110,270,817
	397,783,873	371,515,404
PERSONNEL COSTS	96,307,329	92,079,679
COSTS OF INFRASTRUCTURE AND COMMUNICATION	55,080,150	56,480,600
GENERAL COSTS	81,465,241	87,673,449
ALLOCATION/ (RELEASE) PROVISIONS	23,493,258	13,201,198
DEPRECIATION TANGIBLE FIXED ASSETS	119,881,558	102,649,053
ATV COSTS	524,640	728,523
	376,752,176	352,812,502
OPERATING RESULT	21,031,697	18,702,902
INTEREST INCOME / (EXPENDITURE)	612,876	2,652,052
EXCHANGE RATE PROFIT / (LOSS)	768,918	-9,640,130
	1,381,794	-6,988,078
	22,413,491	11,714,824
OTHER INCOME (AND EXPENDITURE)	2,173,978	-2,261,890
	24,587,469	9,452,934
DIVIDENDS RECEIVED	1,186,805	998,894
PROFIT BEFORE TAX	25,774,274	10,451,828
LESS: INCOME TAX	-3,390,396	-3,403,056
PROFIT AFTER TAX	22,383,878	7,048,772

STATEMENT OF CASH FLOW 2015

	2015	2014
	x SRD.1	
CASH FLOW FROM OPERATIONAL ACTIVITIES		
OPERATING RESULT	21,031,697	18,702,902
ADJUSTMENTS FOR:		
DEPRECIATION	119,881,558	102,649,053
PROVISIONS	4,900,744	5,041,979
INTEREST INCOME (AND EXPENDITURE)	612,876	2,652,052
INCOME TAX	-3,390,396	-3,403,056
RECEIVED DIVIDEND	1,186,805,00	998,894,00
OTHER INCOME (AND EXPENDITURE)	2,173,978	-2,261,890
EXCHANGE RATE PROFIT / (LOSS)	768,918	-9,640,131
	147,166,180	114,739,803
MOVEMENTS IN THE WORKING CAPITAL:		
STOCK	1,208,678	3,727,367
RECEIVABLES	-17,980,027	-66,228,338
CURRENT LIABILITIES	18,603,523	4,052,345
	1,832,174	-58,448,626
	148,998,354	56,291,177
CASH FLOW FROM INVESTMENT ACTIVITIES:		
INVESTMENTS TANGIBLE FIXED ASSETS	-118,733,968	-219,316,246
DISINVESTMENTS	0	0
INCREASE / DECREASE FINANCIAL FIXED ASSETS	-19,718,019	4,873,762
	-138,451,987	-214,442,484
CASH FLOW FROM FINANCING ACTIVITIES:		
PROFIT SHARING	-400,000	-9,638,036
LONG TERM DEBT	53,584,428	15,131,019
	53,184,428	5,492,983
NET CASHFLOW	63,730,795	-152,658,324
CONVERSION BALANCE	11,328,258	
DECREASE / INCREASE CASH AT BANK AND IN HAND	75,059,053	-152,658,324
CASH OPENING FISCAL YEAR	90,810,375	243,468,699
CASH CLOSING FISCAL YEAR	165,869,428	90,810,375



*Decorative seeds hanging from the walaba-tree or
boot-tree that also produces very durable wood.*

GENERAL NOTES TO THE ABBREVIATED TELESUR ANNUAL ACCOUNTS

I. GENERAL

OPERATIONS

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

- Construction and maintenance of communication networks as well as providing innovative communication services;
- Performing tasks regarding telecommunications based on statutory regulations;
- Fulfilling all operations deemed to belong to its work terrain, resulting from the above mentioned tasks.

2. ACCOUNTING PRINCIPLES IN VALUATING ASSETS, LIABILITIES AND DETERMINATION OF THE FINANCIAL RESULT

GENERAL

Principles for drafting the converted annual accounts

The converted annual accounts have been drafted in accordance with generally accepted accounting principles.

Conversion change

The administration of Telesur is conducted in USD. The income tax return is also done in USD. The annual accounts in SRD are derived from the annual accounts in USD dated August 16th 2016, except for the reorganization provision which is dated December 1st 2017.

The bodies in charge of governance have the firm intention to change the administrative currency from USD to SRD. The conversion of the USD financial statements to SRD financial statements took place on the assumption that the administration was conducted in SRD.

This conversion method is different from the conversion method used in the past.

Up to and including the 2014 financial year, the year-end exchange rate was used for the conversion of items on the statement of financial position. The exceptions were the tangible fixed assets and equity which were converted at the historical rate. The statement of comprehensive income was converted at the average rate, which was equal to the year-end exchange rate.

STATEMENT OF FINANCIAL POSITION

- The items included in the equity capital, namely, initial capital, capital contributions 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 2015.
- The year-end exchange rate as at December 31st 2015 equals USD 1 is SRD 4.04

STATEMENT OF COMPREHENSIVE INCOME

- All items, except for exchange rate differences and income tax are converted at the average annual rate. The average annual rate for 2015 equals USD 1 is SRD3.44 (2014: USD 1 is SRD3.25).
- Conversion of the exchange rate differences was carried out as follows:
 - * The exchange rate differences realized over the period of January 1st 2015 to November 18th 2015, according to the USD administration, are converted at the rate of USD 1 is SRD3.35 and the ones over the period of November 19th to

December 31st 2015 at the rate of USD 1 is SRD4.04;

- * The unrealized exchange rate differences calculated according to the USD administration are not included for the purpose of the converted SRD financial statements;
- * For the purpose of the SRD financial statements, the unrealized exchange rate differences have been approximated to monetary assets and liabilities not denominated in SRD (Euro / USD) as well as provisions that were originally set in a currency other than the SRD.

As a result of the method used in 2015 (and 2014), the exchange rate loss in the converted SRD financial statements 2015 is lower than the exchange rate loss in 2014. However, the USD 2015 financial statements show a reversed picture, namely that the exchange rate difference in 2015 is higher than the exchange rate difference in 2014. An overview of the 2015 statement of comprehensive income is included in the appendix based on the average rate as applied in the past, and the conversion method used for the SRD 2015 financial statements.

Comparison with the previous year

The principles used for the valuation of assets and liabilities and the determination of the result are unchanged compared to the previous year, with the exception of the section “exchange rate result”.

ACCOUNTING PRINCIPLES FOR VALUATION OF ASSETS AND LIABILITIES

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. The buildings, telephone switch board plants and stations acquired prior to January 1st 1990 are accounted for at the appraised value as at January 1st 1990, less calculated depreciations. The buildings, telephone switch board plants and stations acquired after January 1st 1990 are accounted for at acquisition costs, less calculated depreciations.

The other tangible fixed assets are accounted for at acquisition costs, less the calculated cumulative depreciations.

Depreciations are done linearly, based on the estimated economic lifespan. Investments in process of construction have been valued at the amounts spent thereon.

The annual depreciation rates for the different categories amount to the percentages below:

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

In 2015, part of the land and buildings were appraised. The current value of this part of the land and buildings as at December 31st 2015 amounts to USD 34.7 million. This value has not yet been included in the financial figures for 2015. As a result of appraisal of all buildings and land, and including the calculated result in the annual accounts, the financial position will have a different effect on the financial statements.

FINANCIAL FIXED ASSETS

Shareholdings

The shareholdings are valued at the acquisition price.

STOCKS

Warehouse stocks

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

Goods ordered

Goods ordered are valued at invoice value. Invoice values expressed in a currency 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. The provisions have been determined on an individual basis for each carrier.

Private debtors

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

PROVISIONS

Restructuring provision

This item relates to the improvement and restructuring of the internal organization. The amount of this provision is based on an internal estimate. The reorganization provision is no longer deemed necessary by the current management.

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 staff, including the management of Telesur 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 Departmental Director at the Government. The amount of this provision is based on actuarial calculations.

OTHER ASSETS AND LIABILITIES

Unless stated otherwise, other assets and liabilities are valued at nominal value.

Principles of determining financial results

The financial result is determined as the difference between at one hand, the income earned from products sold and services delivered and at the other hand the cost of products sold and services delivered, the costs and other charges over the year.

Net revenues refer to:

- The amounts invoiced to customers for goods and services delivered, if applicable less payments owed to carriers for outgoing telecom traffic, the commissions owed to distributors of among other things telephone cards and security codes and the



The thousands of little islands in the Brokopondo-lake are actually the hilltops of a drowned landscape.

- bonuses and discounts granted to customers.
- The payments from carriers for incoming telecom traffic.

The profits on transactions are accounted for in the year they are realized. Losses are accounted for as soon as they are foreseeable.

Costs are allocated to the fiscal year they regard.

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

3. CURRENCY

3.1 PRESENTATION-, REPORTING-, AND FUNCTIONAL CURRENCY

Due to the hyperinflation of the Surinamese currency in the past, the USD was used as presentation and reporting currency from the start of the 1995 financial year.

The converted financial statements in SRD are derived from the USD financial statements and the underlying administration in USD. For the principles of the conversion, we refer to section “Conversion Change” included under “accounting principles for valuation of assets and liabilities”.

3.2 FOREIGN CURRENCY

Monetary assets and liabilities denominated in a currency other than the reporting currency have been converted at the exchange rate on the balance sheet date. The exchange differences arising from the conversion are included in the profit and loss account. Transactions in a currency other than the reporting currency during the reporting period are processed at the exchange rate at the time of settlement.

The rates used for the main currencies are as follows:

December 31 st 2015	December 31 st 2014
USD 1 = SRD4.04	USD 1 = SRD3.25
USD 1 = Euro 0.91	USD 1 = Euro 0.82

4. PRINCIPLES FOR THE PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method.

The cash in the cash flow statement consists of bank balances and cash. Taxes, interest income and similar payments, as well as interest and similar costs, are included under the cash flow from operating activities.

5. EVENTS AFTER BALANCE SHEET DATE

In 2016, the devaluation of the Surinamese currency (SRD) in relation to the USD continued. The financial administration of Telesur is conducted in USD. As a result of the further devaluation in 2016, receivables, cash and debts, originally denominated in SRD, are worth less in USD.

OVERVIEW OF TANGIBLE FIXED ASSETS AS AT 31-12-2015

	Land and Buildings	EXCHANGES AND STATIONS	CABLE NETWORKS AND MICROWAVE LINKS	SUBSCRIBER EQUIPMENT	Vehicles	OTHER FIXED ASSETS	INVESTMENTS IN PROGRESS	TOTAL
x SRD.1								
1-1-2015								
ACQUISITION VALUE	96,066,449	891,376,358	828,737,005	81,595,879	37,357,344	175,379,899	78,589,753	2,189,102,687
ACCUMULATED DEPRECIATION	-26,365,178	-745,633,332	-514,252,347	-58,023,905	-29,936,222	-143,209,182	-	-1,517,420,166
BOOK VALUE	69,701,271	145,743,026	314,484,658	23,571,974	7,421,122	32,170,717	78,589,753	671,682,521
2015 MOVEMENTS								
INVESTMENTS / TRANSFERS	10,078,839	90,558,357	29,070,664	15,895,356	1,658,590	15,853,505	-44,381,343	118,733,968
DEPRECIATION	-4,616,052	-52,085,829	-34,720,451	-9,655,660	-4,076,379	-14,727,187	-	-119,881,558
COVERSION BALANCE	16,131,729	26,275,274	70,343,571	4,033,301	1,087,682	5,232,388	19,103,357.00	
DISINVESTMENT ACQUISITION VALUE	-	-	-	-	-4,330,072	-476,336	-	-4,806,408
DEPRECIATION DISINVESTMENT	-	-	-	-	4,330,072	476,336	-	4,806,408
TOTAAL	21,594,516	64,747,802	64,693,784	10,272,997	-1,330,107	6,358,706	-25,277,986	-1,147,590
31-12-2015								
ACQUISITION VALUE	129,496,823	1,198,607,739	1,059,052,508	117,325,309	43,766,568	233,387,879	53,311,767	2,834,948,593
ACCUMULATED DEPRECIATION	-38,201,036	-988,116,911	-679,874,066	-83,480,338	-37,675,553	-194,858,456	-	-2,022,206,360
BOOK VALUE	91,295,787	210,490,828	379,178,442	33,844,971	6,091,015	38,529,423	53,311,767	812,742,233
DEPRECIATION PERCENTAGE	3½% - 10%	15% - 33½%	4% - 25%	4% - 33½%	33½%	33½%		

EXPLANATORY NOTES TO THE EQUITY CAPITAL

EQUITY CAPITAL	2015	2014
	x SRD.1	
CAPITAL	93,349,826	93,349,826
GENERAL RESERVE	503,090,131	496,441,359
NET INCOME CURRENT YEAR	22,383,878	7,048,772
CONVERSION BALANCE	244,625,792	91,090,232
EQUITY CAPITAL AS AT DECEMBER 31ST 2015	863,449,627	687,930,189

TELECOMMUNICATIONS COMPANY SURINAME (TELESUR)

OTHER DETAILS

TO: THE BOARD OF SUPERVISORY DIRECTORS
TELECOMMUNICATIONS COMPANY SURINAME (TELESUR)

INDEPENDENT AUDITOR'S REPORT

PROCLAMATION CONCERNING THE FINANCIAL STATEMENTS

We have audited the converted SRD annual accounts of the Telecommunicatiebedrijf Suriname (Telesur) in Paramaribo, as included on pages 31 to 41 of this report. These converted SRD financial statements consist of the statement of financial position as at December 31st 2015, the statement of comprehensive income and the statement of cash flow for 2015 with the explanatory notes, which include a summary of the accounting principles for financial reporting and other explanatory information.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the preparation of the converted SRD financial statements which must be a fair reflection of the assets and the result in accordance with generally accepted accounting principles. The Board of Directors is also responsible for such internal control as it deems necessary to enable the preparation of the converted SRD financial statements, in such a way that they are free from significant misstatements due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the converted SRD financial statements based on our audit. We have performed our audit in accordance with internationally accepted guidelines regarding audit assignments. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the converted SRD financial statements are free from significant misstatements.

An audit involves carrying out activities to obtain audit evidence about the amounts and disclosures in the converted SRD financial statements. The selected activities depend on the judgment made by the auditor, including the assessment of the risks that the financial statements do not contain any significant misstatement due to fraud or errors. When making these risk assessments, the auditor takes into account the internal control relevant for the preparation of the converted SRD financial statements and for a fair reflection thereof, aimed at setting up audit procedures that are appropriate to the circumstances. However, these risk assessments are not intended to express an opinion on the effectiveness of the internal control of the company. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of the estimates made by the Board of Directors of the company, as well as an evaluation of the overall picture of the converted SRD financial statements.

We believe that the audit evidence we have obtained is sufficient and suitable to provide a basis for our opinion.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the converted SRD 2015 financial statements are a true and fair reflection of the size and composition of the assets of the Telecommunication Company Suriname (Telesur) as at December 31st 2015 and of the result for 2015 in accordance with generally accepted auditing principles.

EMPHASIS ON A TOPIC

Without prejudice to our judgment, we draw attention to what is included on page 35 under “Conversion Change”. It states that the conversion method has been changed in 2015 compared to 2014, except with respect to the reorganization provision dated December 1st 2017.

Paramaribo, August 16th 2016,

Tjong A Hung Accountants N.V.



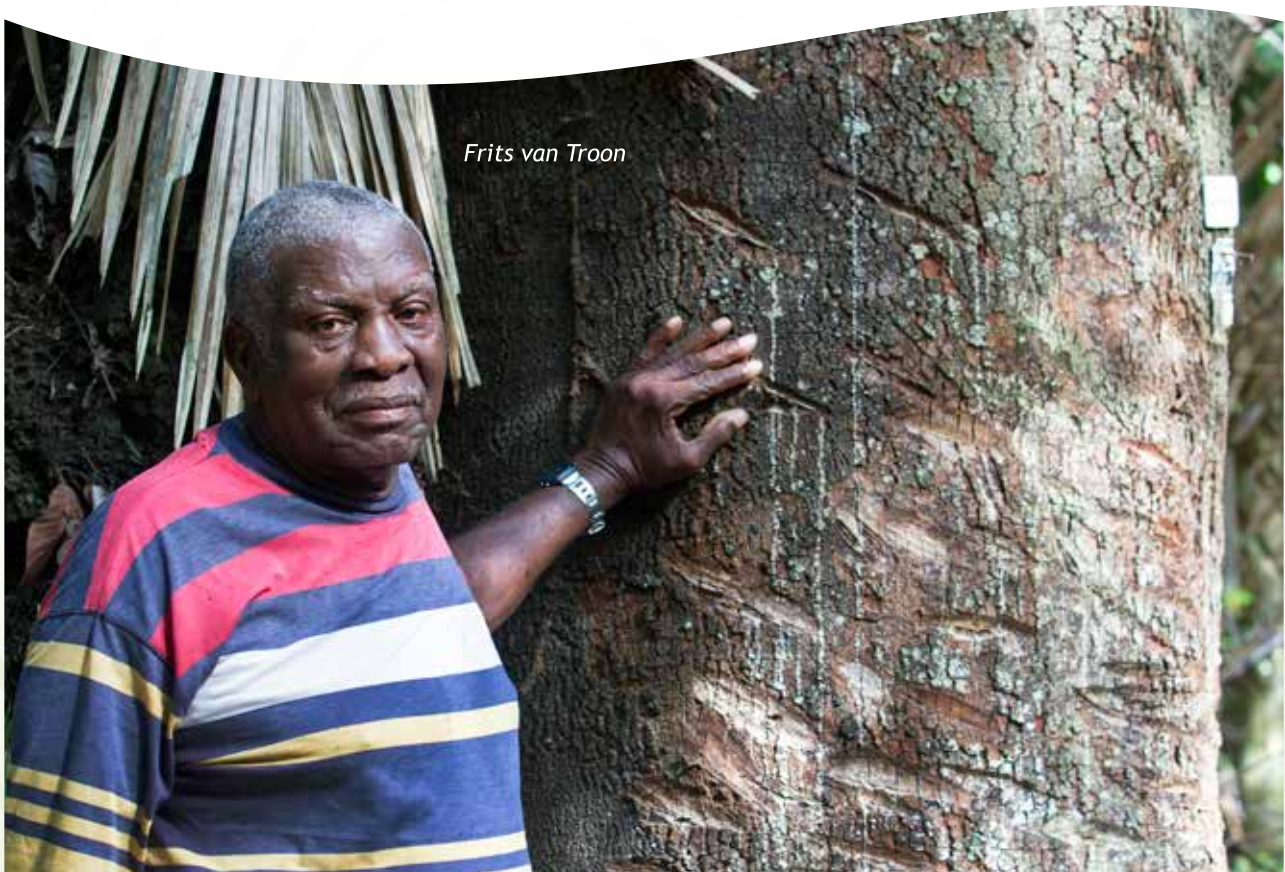
Drs. J.D. Kortram RA
Partner

TREE EXPERT AND BOTANIST

Botanist Frits van Troon belongs to the maroon tribe of the Saramaccaners and was born in 1938 in Kadjoe, one of the many villages in the interior that disappeared under water with the arrival of the Brokopondo dam. In the early “eighties” he developed a nature education center on Tonka Island in the water reservoir, with which he especially wants to teach the younger generation knowledge on jungle vegetation.

Van Troon is self-educated, but is exceptionally knowledgeable nonetheless. Pick out a plant or a tree in the forest and you will soon hear him recite its local, Latin and the family name and often also the characteristics and the medicinal value of the tree or plant. He began his career as a lumberjack in the footsteps of his father, who taught him a lot about the different types of wood at a young age. As a guide and assistant of scientists, (such as tree expert Jiminez-Saa, drs. Pieter Teunissen and botanist Jan Lindeman), he discovered his talent and passion for botany and spent all his time on acquiring all possible scientific knowledge concerning Surinamese vegetation, complemented with the old knowledge of his own Maroon people. He was involved in numerous scientific expeditions and traveled to seventeen different countries to attend and participate in lectures and seminars and received various national and international awards. He is currently working on the realization of an outpatient clinic where herbal medicines are being used and on the creation of awareness about the uniqueness and at the same time vulnerability of Suriname’s jungle.

The nature education center on Tonka Island was set up with support from local and international organizations and a unique field collection of plants and seeds can be found here. In addition to Surinamese youth, the center is also available for students and scientists who do research on the rich biodiversity of Suriname. The income from exploitation of a modest scale ecotourism facility on the island, serves as financial support for the educational center.



Frits van Troon

TELESUR LOCATIONS IN SURINAME

TELESUR HEILIGENWEG (CENTRUM)

ADDRESS: HEILIGENWEG 14
TELEPHONE: 474242/ 473944

TELESUR HAVENLAAN

ADDRESS: HAVENLAAN ZUID 1
TELEPHONE: 474242/ 473944

TELESUR NOORD

ADDRESS: HK. JOZEF ISRAEL/ KRISTALSTRAAT
TELEPHONE: 550168

TELESUR ZONNEBLOEMSTRAAT

ADDRESS: ZONNEBLOEMSTRAAT 50
TELEPHONE: 494555

TELESUR LATOUR

ADDRESS: LATOURWEG 57
TELEPHONE: 484500

TELESUR LELYDORP

ADDRESS: INDIRA GANDHIWEG 474
TELEPHONE: 0366767

TELESUR TAMANREDJO

ADDRESS: PANDIT TILAKDHARIWEG
TELEPHONE: 0356329/ 0356330

TELESUR MOENGO

ADDRESS: SUMATRASTRAAT 4
TELEPHONE: 0341300

TELESUR CORONIE

ADDRESS: HOOFDWEG
TELEPHONE: 0235118

TELESUR NICKERIE

ADDRESS: OOSTKANAALSTRAAT 3
TELEPHONE: 0231751



Cell tower at Brokopondo, the county seat in district Brokopondo