

**HALF YEARLY ACCOUNTS
(Un-Audited)**

31 December 2006

VISION

We at Worldcall are committed to achieving dynamic growth and service excellence by being at the cutting edge of technological innovation. We strive to consistently meet and surpass customers', employees' and stake-holders' expectations by offering state-of-the-art telecom solutions with national & international footprints. We feel pride in making efforts to position Worldcall and Pakistan in the forefront of international arena.

MISSION STATEMENT

In the telecom market of Pakistan, Worldcall to have an overwhelming impact on the basis of following benchmarks:

- Create new standards of product offering in basic and value added telephony by being more cost effective, easily accessible and dependable. Thus ensuring real value for money to all segments of market.
- Be a leader within indigenous operators in terms of market share, gross revenues and ARPU within five years and maintain the same positioning thereafter.
- Achieve utmost customer satisfaction by setting up high standards of technical quality and service delivery.

Ensuring the most profitable and sustainable patterns of ROI (Return on Investment) for the stake-holders.

Contents

Page Seven

Company information

Page Eight

Directors' review

Page Nine

Review report to the members

Page Ten

Condensed balance sheet

Page Eleven

Condensed profit & loss account

Page Twelve

Condensed cash flow statement

Page Thirteen

Condensed statement of changes in equity

Page Fourteen

Notes to the condensed financial statements

Page Nineteen

Condensed consolidated financial statements

COMPANY INFORMATION

Board of Directors	Sulieaman Ahmed Said Al-Hoqani (Chairman) Salmaan Taseer (Chief Executive Officer) Aamna Taseer Shaan Taseer Jamal Said Al-Ojaili Babar Ali Syed Air Vice Marshal (R) Syed Imtiaz Hyder Abid Raza Arshed Ahmed Khan
Chief Financial Officer	Muhammad Naveed Tariq
Audit Committee	Babar Ali Syed (Chairman) Aamna Taseer Arshed Ahmed Khan
Company Secretary	Ahmad Bilal
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisers	Hosain & Rahim Advocates
Bankers	Allied Bank Limited Askari Commercial Bank Limited Atlas Bank Limited (Formerly Dawood Bank Ltd) Crescent Commercial Bank Limited Faysal Bank Limited First Woman Bank Limited Habib Bank AG Zurich Habib Bank Limited KASB Limited MCB Bank Limited National Bank of Pakistan Limited PICIC Commercial Bank Limited Prime Commercial Bank Limited Saudi Pak Commercial Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited The Bank of Punjab United Bank Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor State Life Building-3, Dr. Zia-ud-Din Ahmed Road Karachi ☎ (021) 111-000-322
Registered Office/Head Office	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 5757591-4 Fax: (042) 5757590, 5877920

DIRECTORS' REVIEW

The Directors of Worldcall Telecom Limited ("WTL" or the "Company") are pleased to present the financial statements for the half year ended 31 December 2006, reviewed by the statutory auditors.

Operating Results

During the period under review the total revenue stood at PKR 2,098 million, which is almost at the same level as compared to the corresponding period last year, mainly due to adjustments in overall tariff structure and changes in Company's policies regarding the accumulation of line rent from WLL subscribers. These compelling changes were made in order to stay competitive under the prevailing market conditions. The Company is still increasing its customer base on a reasonable growth rate, even under the immense pressure from GSM and other operators. The Company posted profit after tax of Rs. 386 million in the period under review, showing a considerable growth as compared to profit after tax of Rs. 88 million in the corresponding period last year. WTL management's continuing endeavors for best utilization of resources resulted in cost optimization which is evident from the reduction of PKR 16 million in the operating cost during the period under review as compared to the corresponding period last year. Furthermore, the EPS has increased to PKR 0.51 per share showing a considerable increase as compared to the corresponding period last year.

With the expansion of Wireless Local Loop (WLL) operations in more than thirty two cities across Pakistan, the Company has crossed the 250,000 subscribers mark. A sustained growth in wireless payphones segment has ensured steady cash flows, keeping the acquisition costs optimized at the same time. Further, over 18 white label operators have joined hands with us and are running their pay phone operations under the umbrella of WTL. An additional 18 cities are under roll-out with launch expected in the next quarter for a major portion of the same. WLL - Phase II expansion is nearing completion bringing the deployment count of more than 185 sites along with deployment of an additional MSC in Faisalabad. Expansion work on the prepaid platform has been completed whereas the same is underway on the existing HLR (Switch). 80% of the deployed sites are commercially in operation, whereas, the rest will be operational soon, after necessary testing process.

LDI operations are progressing in a very professional manner with due considerations to prudent strategic initiatives. Market share has seen an upward trend in times when the competition has been suffering on account of financial mismanagement.

Broadband division has also showed promising growth trends. Launch of new products, like digital TV and video on demand, have also contributed further in exploring niche markets, boosting sales and increased revenues which are being further tapped by attractive packaging on an ongoing basis. Worldcall is presently the only broadband service provider in Pakistan working with over 3 STM-1 (465Mbps) bandwidth capacity.

Future outlook

Deployment of WLL Phase III is underway with aggressive launch targets. This is a turn key project and performance and delivery targets are being monitored closely. Presently, the deployment is underway at a satisfactory pace with key milestones already achieved including successful deployment of Karachi MSC, over 95% sites in Hyderabad, approx. 50% sites in Karachi, and first successful call in both cities. Hyderabad is planned to be launched in the third quarter and Karachi at the start of fourth quarter.

New Initiatives

In line with the Company's vision of targeting telecom opportunities of significant relevance to the current service profile, WTL is proactively working in enhancing its network reach and service portfolio.

The Company is currently in conclusive negotiations with Capital Development Authority (CDA) for formalization of a Joint venture (JV) operation in the capital territory of Islamabad. The JV operation will perform the service as telecom infrastructure provider for other significant telecom operators in CDA's jurisdiction besides the Company's own initiatives in HFC broadband services. WTL was selected for the assignment as a result of a transparent pre-qualification and bidding process for which Company profile and project experience played a key role in decision making from the CDA side.

WTL is considering for investment opportunities to launch a WLL project in the Kingdom of Saudi Arabia (KSA) with foreign investor. Preliminary meetings and initial workings regarding this investment opportunity is in process and investment shall be made subject to completion of all necessary corporate formalities.

The management is confident that the strategic decisions like network expansion, enhancing service portfolios and cost controls will enable WTL to improve its profitability and customer base in the short as well as in the long run.

Acknowledgement

We wish to thank all our shareholders and financial partners for their support and confidence in the management. We would also like to appreciate the hard work & determination of our employees that has helped Company to become one of the leading telecom companies in Pakistan. WTL continues to rely on its employees for its future expansion and believes in the mutual sharing of rewards that are a result of the endeavors of its employees.

on behalf of the Board of Directors

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed condensed balance sheet of **Worldcall Telecom Limited** ("the Company") as at 31 December 2006, and the related condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity together with the notes forming part thereof, (here-in-after referred to as the "financial statements") for the half year then ended. These condensed financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these condensed financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the condensed financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed condensed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

The figures of condensed profit and loss account for the three months ended 31 December 2005 and 2006 were not subject to review, as we are only required to review the cumulative figures for the six months period ended 31 December 2006.

Lahore
27 February 2007

KPMG TASEER HADI & CO.
CHARTERED ACCOUNTANTS

**CONDENSED BALANCE SHEET (Un-Audited)
AS AT 31 DECEMBER 2006**

	Note	31 December 2006	Audited 30 June 2006
(Rupees in '000')			
Non current assets			
Tangible fixed assets			
Property, plant and equipment	5	6,550,169	5,973,792
Capital work-in-progress		1,370,461	886,893
		<u>7,920,630</u>	<u>6,860,685</u>
Intangible assets		4,763,327	4,826,751
Investment properties		66,140	56,634
Long term investments - at cost		100,072	100,072
Long term deposits		190,311	199,704
Deferred costs		7,395	10,063
		<u>13,047,875</u>	<u>12,053,909</u>
Current assets			
Store and spares		15,705	34,637
Stock in trade		28,152	21,931
Trade debts		774,221	701,434
Loans and advances - considered good		110,796	134,095
Deposits and short term prepayments		175,772	191,024
Other receivables		708,486	549,548
Short term investments		488,098	784,542
Cash and bank balances		1,187,705	1,452,789
		<u>3,488,935</u>	<u>3,870,000</u>
Current liabilities			
Current maturities of non-current liabilities		816,356	793,762
Running finance under mark-up arrangements - secured		387,786	273,207
Trade and other payables		778,234	845,569
Interest and mark-up accrued		30,194	34,131
Provision for taxation		101,202	101,202
		<u>2,113,772</u>	<u>2,047,871</u>
Net current assets		<u>1,375,163</u>	<u>1,822,129</u>
Non current liabilities			
Term finance certificates - secured	7	344,161	49,909
Long term finances		889,300	1,085,017
Deferred taxation		554,348	477,545
Retirement benefits		80,124	69,823
Liabilities against assets subject to finance lease		125,622	175,624
Long term payables		6,326	6,261
Long term deposits		51,323	76,260
License fee payable	6	755,490	705,667
		<u>2,806,694</u>	<u>2,646,106</u>
Contingencies and commitments	8		
		<u>11,616,344</u>	<u>11,229,932</u>
Represented By			
Share capital and reserves			
Authorized capital			
775,000,000 (30 June 2006: 775,000,000)			
ordinary shares of Rs. 10 each.		<u>7,750,000</u>	<u>7,750,000</u>
Issued, subscribed and paid up capital		7,520,607	6,539,658
Share premium		410,887	1,391,836
Convertible loan reserve		1,400,430	1,400,430
Unappropriated profit		2,284,420	1,898,008
		<u>11,616,344</u>	<u>11,229,932</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

Lahore

Chief Executive

Director

Worldcall Telecom Limited

CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Half year ended		Quarter ended	
	31 December 2006	31 December 2005 (restated)	31 December 2006	31 December 2005 (restated)
	(Rupees in '000')		(Rupees in '000')	
Revenue -Net	2,097,985	2,189,654	1,002,489	1,064,724
Direct cost	<u>(1,181,111)</u>	<u>(1,493,356)</u>	<u>(405,842)</u>	<u>(682,094)</u>
Gross profit	916,874	696,298	596,647	382,630
Operating cost	<u>(512,787)</u>	<u>(529,434)</u>	<u>(271,637)</u>	<u>(310,472)</u>
Operating profit	404,087	166,864	325,010	72,158
Finance cost	<u>(125,561)</u>	<u>(108,822)</u>	<u>(60,568)</u>	<u>(64,030)</u>
	278,526	58,042	264,442	8,128
Gain on re-measurement of investments at fair value	95,832	12,062	49,174	30,591
Gain on re-measurement of investment property at fair value	9,506	8,100	9,506	8,100
Other operating income	79,353	43,775	27,000	26,592
Profit before taxation	463,217	121,979	350,122	73,411
Taxation	<u>(76,805)</u>	<u>(34,396)</u>	<u>(44,102)</u>	<u>(8,230)</u>
Profit after taxation	386,412	87,583	306,020	65,181
Earnings per share - basic (Rupees)	0.51	0.12	0.30	0.09
Earnings per share - diluted (Rupees)	0.45	0.12	0.27	0.09

Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 1 to 13 form an integral part of these financial statements.

Lahore

Chief Executive

Director

Worldcall Telecom Limited

CONDENSED CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2006

Note	31 December 2006	31 December 2005 (restated)
	(Rupees in '000')	
Cash flows from operating activities		
Cash generated from operations	9 643,562	150,864
Decrease in long term deposits receivable	9,393	673
(Decrease)/increase in long term deposits payable	<u>(24,937)</u>	<u>2,284</u>
Increase in long term payables	65	-
Retirement benefits paid	<u>(7,149)</u>	<u>(6,026)</u>
Finance cost paid	<u>(79,675)</u>	<u>(178,203)</u>
Taxes paid	<u>(19,511)</u>	<u>(26,671)</u>
Net cash generated from operating activities	521,748	(57,079)
Cash flow from investing activities		
Fixed capital expenditure	<u>(1,350,791)</u>	<u>(674,167)</u>
Intangible asset acquired	-	(3,656)
Sale proceeds of property, plant and equipment	1,817	600
Insurance claim received	-	468
Long term investments - Net	-	(15,405)
Short term investments - Net	<u>392,276</u>	<u>(229,326)</u>
Net cash used in investing activities	(956,698)	(921,486)
Cash flow from financing activities		
Receipt of term finance certificates - Net	<u>343,917</u>	<u>148,491</u>
Repayment of term finance certificates	-	(48,956)
Repayment of long term finances	<u>(224,749)</u>	<u>(106,432)</u>
Repayment of finance lease liabilities	<u>(63,881)</u>	<u>(18,221)</u>
Shares issued	-	690,000
Dividend paid	-	(42)
Net cash generated from financing activities	55,287	664,840
Net decrease in cash and cash equivalents	(379,663)	(313,725)
Cash and cash equivalents at the beginning of the period	1,179,582	562,389
Cash and cash equivalents of merged entities	-	252,315
Cash and cash equivalents at the end of the period	799,919	500,979
Cash and cash equivalents comprised of the following		
Cash and bank balances	1,187,705	723,145
Running finances under markup arrangements	<u>(387,786)</u>	<u>(222,166)</u>
	799,919	500,979

The annexed notes from 1 to 13 form an integral part of these financial statements.

Lahore

Chief Executive

Director

Worldcall Telecom Limited

CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Share capital	Share premium	Capital reserves		Revenue reserve Accumulated profit/(loss)	Total
			Convertible loan reserve	Share deposit money		
(Rupees in '000')						
Balance as at 30 June 2005	2,750,000	-	-	-	(19,218)	2,730,782
Share deposit money received against issue of shares	-	-	-	690,000	-	690,000
Shares issued	690,000	-	-	(690,000)	-	-
Interim dividend paid	-	-	-	-	(42)	(42)
Net profit for the half year ended 31 December 2005	-	-	-	-	87,583	87,583
Balance as at 31 December 2005 as previously stated	3,440,000	-	-	-	68,323	3,508,323
Shares issued to shareholders of WBL, WCL and WML under scheme of merger	3,099,658	1,373,148	-	-	-	4,472,806
Reserves of merged entities transferred as per scheme of merger	-	18,688	-	-	1,189,888	1,208,576
Bonus shares issued by WCL prior to court order	-	-	-	-	(220,230)	(220,230)
Balance as at 31 December 2005 - restated	6,539,658	1,391,836	-	-	1,037,981	8,969,475
Equity component of convertible loan	-	-	1,400,430	-	-	1,400,430
Net profit for the period	-	-	-	-	860,027	860,027
Balance as at 30 June 2006	6,539,658	1,391,836	1,400,430	-	1,898,008	11,229,932
Bonus shares issued	980,949	(980,949)	-	-	-	-
Net profit for the half year ended 31 December 2006	-	-	-	-	386,412	386,412
Balance as at 31 December 2006	7,520,607	410,887	1,400,430	-	2,284,420	11,616,344

The annexed notes from 1 to 13 form an integral part of these financial statements.

Lahore

Chief Executive

Director

Worldcall Telecom Limited

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2006

1 Legal status and nature of business

Worldcall Telecom Limited ("the Company") is a public limited company incorporated in Pakistan on 15 March 2001 under the Companies Ordinance, 1984 and its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company commenced its operations on 01 December 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan, operation and maintenance of public payphones network and re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals as well as interactive communication and to establish, maintain and operate the licensed telephony services. The Company has been licensed by Pakistan Telecommunication Authority ("PTA") and Pakistan Electronic Media Regulatory Authority ("PEMRA") for these purposes. The registered office of the Company is situated at 103 C-II, Gulberg III, Lahore.

2 Basis of presentation

These condensed interim financial statements have been presented in accordance with the requirements of the "International Accounting Standard 34 - Interim Financial Reporting" as applicable in Pakistan and are unaudited but subject to limited scope review performed by the external auditors of the Company in accordance with the requirements of clause (xxi) of the Code of Corporate Governance. These condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2006. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

3. Estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2006.

4 Accounting policies

Accounting policies adopted for preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2006 except that:

During the period the Company has adopted International Financial Reporting Standard "IFRS" 3 (Business Combinations), which has been adopted by Securities and Exchange Commission of Pakistan (SECP) vide SRO 1228(I)/2006 dated 06 December 2006. Prior to adoption of IFRS 3, International Accounting Standard 22 (Business Combinations) required that Goodwill arising on business combinations should be stated at cost less any accumulated amortisation and accumulated impairment losses, whereas IFRS 3 requires that Goodwill should be stated at cost less any accumulated impairment losses. Consequently, no amortization of goodwill has been charged to the profit and loss account during the period in conformity with the requirements of IFRS 3. Had there been no change the profit for the period and goodwill would have been lower by Rs 67.3 million.

Worldcall Telecom Limited

	Note	31 December 2006	30 June 2006
(Rupees in '000')			
5. Property, Plant and Equipment			
Opening book value		5,973,792	799,911
Acquisition through business combinations		-	2,596,314
Additions/transfers during the period/year	5.1	<u>915,457</u>	<u>3,098,519</u>
		6,889,249	6,494,744
Disposals for the period/year - WDV	5.2	<u>(1,556)</u>	<u>(19,810)</u>
Depreciation for the period/year		<u>(337,524)</u>	<u>(501,142)</u>
Closing book value		<u><u>6,550,169</u></u>	<u><u>5,973,792</u></u>
5.1 Break-up of additions			
Freehold land		19,800	-
Leasehold improvements		4,399	31,294
Plant and equipment		849,499	3,024,106
Office equipment		2,867	6,422
Computers		9,743	14,679
Furniture and fixtures		297	1,410
Vehicles		26,304	16,007
Lab and other equipment		2,548	4,601
		<u>915,457</u>	<u>3,098,519</u>
5.2 Disposals			
Plant and equipment		(205)	(10,090)
Office equipment		(171)	-
Computers		(210)	(251)
Vehicles		(970)	(8,934)
Items with book value below Rs. 50,000		-	(535)
		<u>(1,556)</u>	<u>(19,810)</u>

6 License fee payable

This represents interest free license fee payable to PTA for WLL license. As per the agreement with PTA the total of Rs. 1,206 million is payable after four years by March 2010. The long term portion was discounted in the year 2006 using the effective interest rate of 12.5% per annum.

	Note	31 December 2006	30 June 2006
(Rupees in '000')			
7 Term Finance Certificates - Secured			
Term Finance Certificates	7.1	449,939	149,909
Unamortized transaction cost		<u>(6,923)</u>	-
		443,016	149,909
Amortization of TFC transaction cost		<u>1,154</u>	-
		444,170	149,909
Less: Current maturity		<u>(100,009)</u>	<u>(100,000)</u>
		<u><u>344,161</u></u>	<u><u>49,909</u></u>

7.1 These includes Rs 350 million received by the Company against 2nd TFC issue in November 2006 to raise funds for future expansion plans comprising expansion, up gradation and development of prepaid telephony and related businesses. The TFCs are redeemable in six equal semi annual instalments commencing from May 2009. Profit is payable at the rate of 6

Worldcall Telecom Limited

months KIBOR + 2.75% p.a with no floor and no cap. These are secured by way of first pari passu hypothecation charge on the present and future fixed assets of the Company amounting to Rs. 467 million.

8 Contingencies and commitments

Contingencies

There were no significant changes in the status of contingencies as at balance sheet date from the disclosures made in the financial statements as at 30 June 2006 except for the following:

- 8.1 There is a dispute of Rs. 490 million with Pakistan Telecommunication Authority on account of Universal Service Fund (USF) representing contribution to USF for period prior to the formation of the USF by the Federal Government. Out of this amount Rs 223 million relating to prior periods has been deposited with the PTA. Based on the legal advice the management is confident that the matter will be decided in the favour of the Company.
- 8.2 There is a dispute of Rs. 68.2 million with Pakistan Telecommunication Company Limited (PTCL) on account of excess minutes billed and application of wrong formulae on account of interconnect and settlement charges.
- 8.3 PTCL has charged the Company excess DPLC charges amounting to Rs 15.76 million (June 2006: Rs 6.8 million) on account of differences of distances, transmission capacity and route which were not activated but were charged by PTCL.
- 8.4 The applicability of withholding tax under section 236 of the Income Tax Ordinance 2001 on Payphone services was challenged by the Association of Payphones Operators of Pakistan. At present the matter is pending before the Honorable Supreme Court of Pakistan. The Management is confident of favourable outcome in this regard, therefore liability amounting to Rs. 150.82 million (30 June 2006: 141.80 million) approximately has not been recognized in these financial statements.
- 8.5 During the period, the sales tax authorities served show cause notices on account of alleged wrong claim of refund under section 66 of the sales tax act 1990 to different payphone companies including the Company. Writ petition has been filed before the Honorable Lahore High Court and stay has been granted against the show cause proceedings. The management is confident that the matter will be decided in the favour of the Company and the proceedings will be dropped.

	31 December 2006	30 June 2006
(Rupees in '000')		
Commitments		
8.6 Outstanding guarantees	<u>204,229</u>	196,161
8.7 Commitments in respect of capital expenditure	<u>695,745</u>	<u>66,349</u>
8.8 Outstanding letters of credit	<u>325,777</u>	<u>324,277</u>

Worldcall Telecom Limited

	31 December 2006	31 December 2005 (restated)
	(Rupees in '000')	
9 Cash generated from operations		
Profit before taxation	463,217	121,979
Adjustment for non-cash charges and other items:		
Depreciation	337,524	270,268
Amortization on intangible assets	29,876	69,874
Amortization on deferred cost	2,668	7,826
Amortization of transaction cost	1,154	814
Provision for doubtful receivables	4,730	4,542
Gain on sale of investments	-	(411)
Loss/(profit) on disposal of property, plant and equipment	(261)	(314)
Gain on re-measurement of investments at fair value	(95,832)	(12,062)
Gain on re-measurement of investment property at fair value	(9,506)	(8,100)
Retirement benefits	17,450	15,416
Finance cost	125,561	108,822
Profit before working capital changes	876,581	578,654
Effect on cash flow due to working capital changes:		
Decrease in stores and spares	18,932	380
(Increase) in stock in trade	(6,221)	(2,018)
(Increase)/decrease in trade debts	(77,517)	14,884
(Increase)/decrease in loans and advances	23,299	51,730
(Increase)/decrease in deposits and short term prepayments	15,252	(29,884)
(Increase)/decrease in other receivables	(139,429)	102,679
Decrease in trade and other payables	(67,335)	(565,561)
	643,562	150,864

10 Related party transactions

The related parties comprise foreign subsidiary, local associated companies, related group companies, directors of the Company, companies where directors also hold directorship, and key management employees. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	31 December 2006	31 December 2005 (restated)
	(Rupees in '000')	
Associated companies		
Purchase of goods and services	10,726	15,085
Interest on loan charged	3,194	6,007
Sale of goods and services	6,774	2,545
Interest on loan expensed	-	89

All transactions with related parties have been carried out on commercial terms and conditions.

11 Segment reporting

Segment information is presented in respect of the Company's business. The primary format, business segment, is based on the Company's management reporting structure.

Worldcall Telecom Limited

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

The Company's operations comprise of the following main business segments:

- Telecom segment which comprises of WLL, LDI and Operation and Maintenance of payphone network.
- Broadband segment which comprise of internet over cable and cable TV services.

Segment analysis for the half year ended 31 December 2006.

	Telecom	Broadband	Total
	(Rupees in '000')		
Total revenue - net	1,612,211	485,774	2,097,985
Profit before tax and unallocated expenses	314,007	149,210	463,217
Unallocated corporate expenses - taxation			(76,805)
			386,412
Segment assets and liabilities			
Segment assets	13,400,823	3,135,987	16,536,810
Unallocated assets			-
Consolidated total assets			16,536,810
Segment liabilities	3,884,897	934,367	4,819,264
Unallocated liabilities - Provision for taxation			101,202
Consolidated total liabilities			4,920,466
Segment capital expenditure	1,054,073	296,718	1,350,791
Unallocated capital expenditure			-
			1,350,791
Depreciation and amortization	284,084	87,138	371,222

12 Date of authorization for issue.

These condensed financial statements were authorized for issue on 27 February 2007 by the Board of Directors.

13 General

13.1 Previous year's figures have been restated to include the results of the entities merged into the Company through a Court order. The effective date of the merger of WorldCall Communication Limited, WorldCall Broadband Limited and WorldCall Multimedia Limited with WorldCall Telecom Limited as per the Court order was 01 July 2005.

13.2 Figures have been rounded off to the nearest of thousand of rupee.

Lahore

Chief Executive

Director

**WORLDCALL TELECOM LIMITED
AND ITS SUBSIDIARY**

**CONDENSED CONSOLIDATED
HALF YEARLY
FINANCIAL STATEMENTS
(UN-AUDITED)**

31 DECEMBER 2006

DIRECTORS' REVIEW

The Directors of Worldcall Telecom Limited ("WTL" or the "Parent Company") are pleased to present the un-audited condensed consolidated financial statements of the Group for the half year ended 31 December 2006.

Operating results

Revenues for the six months is Rs. 2,107 million as compared to Rs. 2,201 million in the corresponding period last year. The gross profit has increased by Rs. 219 million over those in the last corresponding period. Profit after-tax of Rs. 373 million is showing signs of improvement as compared to profit after tax of Rs. 77 million in the corresponding period last year. Combined earning per share reported for the half year is Rs. 0.50 as compared to Rs. 0.30 in corresponding period last year.

Group Foreign Subsidiary

Worldcall Telecommunications Lanka (Pvt.) Limited (WCTL)

The company posted a gross profit of SLR 2.25 million as compared to SLR 4.95 million in the corresponding period last year. Net loss has increased from SLR 5.79 million to SLR 8.11 million during the corresponding period last year. The management is hopeful that by launching WLL payphones in the market the revenues will increase and so as the profits of the company.

For and on behalf of the Board of Directors

Lahore
27 February 2007

Salmaan Taseer
Chief Executive Officer

Worldcall Telecom Limited Group

CONDENSED CONSOLIDATED BALANCE SHEET (Un-Audited) AS AT 31 DECEMBER 2006

Note	31 December 2006	Audited 30 June 2006
Rupees in ('000)		
Non current assets		
Tangible fixed assets		
Property, plant and equipment	6,586,208	6,012,276
Capital work-in-progress	1,370,731	887,333
	<u>7,956,939</u>	<u>6,899,609</u>
Intangible assets		
Investment properties	4,792,362	4,855,798
Long term investments - at cost	66,140	56,634
Long term deposits	19,058	27,923
Deferred costs	190,311	199,704
	7,395	10,063
	<u>13,032,205</u>	<u>12,049,731</u>
Current assets		
Store and spares	15,705	34,637
Stock in trade	28,392	22,264
Trade debts	775,218	701,744
Loans and advances - considered good	110,796	134,095
Deposits and short term prepayments	180,380	191,428
Other receivables	708,486	553,214
Short term investments	488,098	784,542
Cash and bank balances	1,192,625	1,456,516
	<u>3,499,700</u>	<u>3,878,440</u>
Current liabilities		
Current maturities of non-current liabilities	816,356	793,762
Running finance under mark-up arrangements - secured	387,786	273,207
Trade and other payables	795,857	857,621
Interest and mark-up accrued	30,194	34,131
Provision for taxation	101,202	101,202
	<u>2,131,395</u>	<u>2,059,923</u>
Net current assets	<u>1,368,305</u>	<u>1,818,517</u>
Non current liabilities		
Term finance certificates - secured	344,161	49,909
Long term finances	889,300	1,085,017
Deferred taxation	554,348	477,545
Retirement benefits	80,369	70,103
Liabilities against assets subject to finance lease	125,622	175,624
Long term payables	6,326	6,261
Long term deposits	52,235	77,214
License fee payable	755,490	705,667
	<u>2,807,851</u>	<u>2,647,340</u>
Contingencies and commitments	<u>11,592,659</u>	<u>11,220,908</u>
Represented By		
Share capital and reserves		
Authorized capital 775,000,000 (30 June 2006: 775,000,000) ordinary shares of Rs. 10 each.	<u>7,750,000</u>	<u>7,750,000</u>
Issued, subscribed and paid up capital	7,520,607	6,539,658
Share premium	410,887	1,391,836
Convertible loan reserve	1,400,430	1,400,430
Exchange translation reserve	(1,645)	(845)
Unappropriated profit	2,254,073	1,879,824
Capital and reserves attributable to equity holders of the parent	<u>11,584,352</u>	<u>11,210,903</u>
Minority interest	8,307	10,005
	<u>11,592,659</u>	<u>11,220,908</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

Lahore

Chief Executive

Director

Worldcall Telecom Limited Group

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Half year ended		Quarter ended	
	31 December 2006	31 December 2005 (restated)	31 December 2006	31 December 2005 (restated)
(Rupees in '000')				
Revenue -Net	2,107,056	2,201,184	1,005,972	1,070,495
Direct cost	<u>(1,188,891)</u>	<u>(1,501,961)</u>	<u>(409,409)</u>	<u>(686,132)</u>
Gross profit	<u>918,165</u>	<u>699,223</u>	<u>596,563</u>	<u>384,363</u>
Operating cost	<u>(518,742)</u>	<u>(536,184)</u>	<u>(274,427)</u>	<u>(313,947)</u>
Operating profit	<u>399,423</u>	<u>163,039</u>	<u>322,136</u>	<u>70,416</u>
Finance cost	<u>(125,561)</u>	<u>(108,822)</u>	<u>(60,568)</u>	<u>(64,030)</u>
	<u>273,862</u>	<u>54,217</u>	<u>261,568</u>	<u>6,386</u>
Gain on re-measurement of investments at fair value	95,832	12,062	49,174	30,591
Gain on re-measurement of investment property at fair value	9,506	8,100	9,506	8,100
Other operating income	79,353	43,775	27,000	26,592
Share of loss of associate	<u>(8,865)</u>	<u>(7,094)</u>	<u>(3,309)</u>	<u>(1,849)</u>
Profit before taxation	<u>449,688</u>	<u>111,060</u>	<u>343,939</u>	<u>69,820</u>
Taxation	<u>(76,805)</u>	<u>(34,396)</u>	<u>(44,102)</u>	<u>(8,230)</u>
Profit after taxation	<u>372,883</u>	<u>76,664</u>	<u>299,837</u>	<u>61,590</u>
Attributable to :				
Equity holders of the parent	374,249	77,562	300,678	61,989
Minority interest	<u>(1,366)</u>	<u>(898)</u>	<u>(841)</u>	<u>(399)</u>
Profit attributable to parent company	<u>372,883</u>	<u>76,664</u>	<u>299,837</u>	<u>61,590</u>
Earnings per share - basic (Rupees)	<u>0.50</u>	<u>0.11</u>	<u>0.30</u>	<u>0.09</u>
Earnings per share - diluted (Rupees)	<u>0.44</u>	<u>0.11</u>	<u>0.27</u>	<u>0.09</u>

Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 1 to 14 form an integral part of these financial statements.

Lahore

Chief Executive

Director

Worldcall Telecom Limited Group

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2006

Note	31 December 2006	31 December 2005 (restated)
(Rupees in '000')		
Cash flows from operating activities		
Cash generated from operations	10 645,365	149,461
Decrease in long term deposits receivable	9,393	673
(Decrease)/increase in long term deposits payable	(24,937)	2,284
Increase in long term payables	65	-
Retirement benefits paid	(7,149)	(6,026)
Finance cost paid	(79,675)	(178,203)
Taxes paid	(19,511)	(26,671)
Net cash generated from operating activities	523,551	(58,482)
Cash flow from investing activities		
Fixed capital expenditure	(1,351,401)	(674,254)
Intangible asset acquired	-	(3,656)
Sale proceeds of property, plant and equipment	1,817	600
Insurance claim received	-	468
Long term investments - Net	-	(15,405)
Short term investments - Net	392,276	(229,326)
Net cash used in investing activities	(957,308)	(921,573)
Cash flow from financing activities		
Receipt of term finance certificates - Net	343,917	148,491
Repayment of term finance certificates	-	(48,956)
Repayment of long term finances	(224,749)	(106,432)
Repayment of finance lease liabilities	(63,881)	(18,221)
Shares issued	-	690,000
Dividend paid	-	(42)
Net cash generated from financing activities	55,287	664,840
Net decrease in cash and cash equivalents	(378,470)	(315,215)
Cash and cash equivalents at the beginning of the period	1,183,309	562,389
Cash and cash equivalents of merged entities	-	257,443
Cash and cash equivalents at the end of the period	804,839	504,617
Cash and cash equivalents comprised of the following		
Cash and bank balances	1,192,625	726,783
Running finances under markup arrangements	(387,786)	(222,166)
	804,839	504,617

The annexed notes from 1 to 14 form an integral part of these financial statements.

Lahore

Chief Executive

Director

Worldcall Telecom Limited Group

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Share capital	Share premium	Currency translation reserve	Capital reserves		Share deposit money	Revenue reserve Accumulated profit/(loss)	Minority Interest	Total
				Convertible loan reserve	(Rupees in '000')				
Balance as at 30 June 2005	2,750,000	-	-	-	-	-	(19,218)	-	2,730,782
Share deposit money received against issue of shares	-	-	-	-	690,000	(690,000)	-	-	690,000
Shares issued	690,000	-	-	-	-	-	-	-	-
Minority interest arising on business combination	-	-	-	-	-	-	-	11,425	11,425
Interim dividend paid	-	-	-	-	-	-	(42)	-	(42)
	3,440,000	-	-	-	-	-	(19,260)	11,425	3,432,165
Exchange translation difference	-	-	(548)	-	-	-	-	(227)	(775)
Net profit for the half year ended 31 December 2005	-	-	-	-	-	-	77,562	(898)	76,664
Balance as at 31 December 2005 as previously stated	3,440,000	-	(548)	-	-	-	77,562	(1,125)	75,889
Shares issued to shareholders of WCL, WCL and WML under scheme of merger	3,099,658	1,373,148	-	-	-	-	-	-	4,472,806
Reserves of merged entities transferred as per scheme of merger	-	18,688	-	-	-	-	1,189,888	-	1,208,576
Bonus shares issued by WCL prior to court order	-	-	-	-	-	-	(220,230)	-	(220,230)
Balance as at 31 December 2005 - restated	6,539,658	1,391,836	(548)	-	-	-	1,027,960	10,300	8,969,206
Equity component of convertible loan	-	-	-	1,400,430	-	-	-	-	1,400,430
Exchange translation difference	-	-	(297)	-	-	-	-	(120)	(417)
Net profit for the period	-	-	-	-	-	-	851,864	(175)	851,689
	-	-	-	-	-	-	851,864	(295)	2,251,702
Balance as at 30 June 2006	6,539,658	1,391,836	(845)	-	-	-	1,879,824	10,005	11,220,908
Exchange translation difference	-	-	(800)	-	-	-	-	(332)	(1,132)
Bonus shares issued	980,949	(980,949)	-	-	-	-	-	-	-
Net profit for the half year ended 31 December 2006	980,949	-	(800)	-	-	-	374,249	(1,366)	372,883
Balance as at 31 December 2006	7,520,607	410,887	(1,645)	1,400,430	-	-	2,254,073	8,307	11,592,659

The annexed notes from 1 to 14 form an integral part of these financial statements.

Lahore

Chief Executive

Director

**NOTES TO THE CONDENSED CONSOLIDATED ACCOUNTS
(UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

1 Legal status and nature of business

Worldcall Telecom Limited ("the Parent Company") is a public limited company incorporated in Pakistan on 15 March 2001 under the Companies Ordinance, 1984 and its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company commenced its operations on 01 December 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan, operation and maintenance of public payphones network and re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals as well as interactive communication and to establish, maintain and operate the licensed telephony services. The Parent Company has been licensed by Pakistan Telecommunication Authority ("PTA") and Pakistan Electronic Media Regulatory Authority ("PEMRA") for these purposes.

Worldcall Telecommunications Lanka (Private) Limited ("the Subsidiary") was incorporated in Sri Lanka and is joint venture with Hayleys Group to operate payphones. The principal activity of the subsidiary is the operation and maintenance of public payphones network. Payphones are installed at various shops/commercial outlets. The Parent Company holds 70.65 % of voting securities in the subsidiary.

The registered office of the Group is situated at 103 C - II, Gulberg III, Lahore

2 Basis of presentation

These condensed consolidated interim financial statements have been presented in accordance with the requirements of the "International Accounting Standard 34 - Interim Financial Reporting" as applicable in Pakistan and are unaudited. These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 30 June 2006. Further, these condensed consolidated financial statements are being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

3 Basis of consolidation

The consolidated interim financial statements include the financial statements of the Company and its subsidiary. The financial statements of the subsidiary has been consolidated on a line by basis.

Subsidiary

Subsidiary is an entity controlled by the Parent Company. The control exists when the Parent Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to benefit from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

Associates are those entities in which the Group has significant influences but not control over the financial and reporting policies. The consolidated financial statements in the Group's share of the total recognized gains and losses of associates on equity accounting basis, from the date that significant influence commences until the date total significant influence ceases. When the Group's

share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further is discontinued except to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate.

Transactions eliminated on consolidation

Intragroup balances and any other unrealized gains and losses or income or expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Minority interest is that part of net results of operations and of net assets of subsidiary attributable to interest which are not owned by the Parent Company. Minority interest is presented separately in the consolidated financial statements.

4. Estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Parent Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2006.

5 Accounting policies

Accounting polices adopted for preparation of these condensed consolidated interim financial statements are the same as those applied in the preparation of the annual financial statements of the Parent Company for the year ended 30 June 2006 except that:

During the period the Group has adopted International Financial Reporting Standard "IFRS" 3 (Business Combinations), which has been adopted by Securities and Exchange Commission of Pakistan (SECP) vide SRO 1228(I)/2006 dated 06 December 2006. Prior to adoption of IFRS 3, International Accounting Standard 22 (Business Combinations) required that Goodwill arising on business combinations should be stated at cost less any accumulated amortisation and accumulated impairment losses, whereas IFRS 3 requires that Goodwill should be stated at cost less any accumulated impairment losses. Consequently, no amortization of goodwill has been charged to the profit and loss account during the period in conformity with the requirements of IFRS 3. Had there been no change the profit for the period and goodwill would have been lower by Rs 68.1 million.

		31 December 2006	30 June 2006
		(Rupees in '000')	
6. Property, Plant and Equipment			
		6,012,276	799,909
Opening book value			2,633,767
Acquisition through business combinations		-	3,102,522
Additions/transfers during the period/year	6.1	915,441	6,536,198
		6,927,717	(19,810)
Disposals for the period/year - WDV		(1,556)	(504,112)
Depreciation for the period/year		(339,953)	
Closing book value		6,586,208	6,012,276

Worldcall Telecom Limited Group

	31 December 2006	30 June 2006
	(Rupees in '000')	
6.1 Break-up of additions		
Freehold land	19,800	-
Leasehold improvements	4,399	31,294
Plant and equipment	849,499	3,028,248
Office equipment	2,867	6,430
Computers	9,743	14,645
Furniture and fixtures	297	1,375
Vehicles	26,304	16,005
Lab and other equipment	2,548	4,525
	<u>915,441</u>	<u>3,102,522</u>

7 License fee payable

This represents interest free license fee payable to PTA for WLL license. As per the agreement with PTA the total of Rs. 1,206 million is payable after four years by March 2010. The long term portion was discounted in the year 2006 using the effective interest rate of 12.5% per annum.

Note	31 December 2006	30 June 2006
	(Rupees in '000')	

8 Term Finance Certificates - Secured

Term Finance Certificates	8.1	449,939	149,909
Unamortized transaction cost		(6,923)	-
		<u>443,016</u>	<u>149,909</u>
Amortization of TFC transaction cost		1,154	-
		<u>444,170</u>	<u>149,909</u>
Less: Current maturity		(100,009)	(100,000)
		<u>344,161</u>	<u>49,909</u>

8.1 These includes Rs 350 million received by the Parent Company against 2nd TFC issue in November 2006 to raise funds for future expansion plans comprising expansion, up gradation and development of prepaid telephony and related businesses. The TFCs are redeemable in six equal semi annual instalments commencing from May 2009. Profit is payable at the rate of 6 months KIBOR + 2.75% p.a with no floor and no cap. These are secured by way of first pari passu hypothecation charge on the present and future fixed assets of the Parent Company amounting to Rs. 467 million.

9 Contingencies and commitments

Contingencies

There were no significant changes in the status of contingencies as at balance sheet date from the disclosures made in the condensed consolidated financial statements as at 30 June 2006 except for the following:

9.1 There is a dispute of Rs. 490 million with Pakistan Telecommunication Authority on account of Universal Service Fund (USF) representing contribution to USF for period prior to the formation of the USF by the Federal Government. Out of this amount Rs 223 million relating to prior periods has been deposited with the PTA. Based on the legal advice the management is confident that the matter will be decided in the favour of the Parent Company.

Worldcall Telecom Limited Group

9.2 There is a dispute of Rs. 68.2 million with Pakistan Telecommunication Company Limited (PTCL) on account of excess minutes billed and application of wrong formulae on account of interconnect and settlement charges.

9.3 PTCL has charged the Parent Company excess DPLC charges amounting to Rs 15.76 million (June 2006: Rs 6.8 million) on account of differences of distances, transmission capacity and route which were not activated but were charged by PTCL.

9.4 The applicability of withholding tax under section 236 of the Income Tax Ordinance 2001 on Payphone services was challenged by the Association of Payphones Operators of Pakistan. At present the matter is pending before the Honorable Supreme Court of Pakistan. The Management is confident of favourable outcome in this regard, therefore liability amounting to Rs. 150.82 million (30 June 2006: 141.80 million) approximately has not been recognized in these condensed consolidated financial statements.

9.5 During the period, the sales tax authorities served show cause notices on account of alleged wrong claim of refund under section 66 of the sales tax act 1990 to different payphone companies including the Parent Company. Writ petition has been filed before the Honorable Lahore High Court and stay has been granted against the show cause proceedings. The management is confident that the matter will be decided in the favour of the Parent Company and the proceedings will be dropped.

	31 December 2006	30 June 2006
	(Rupees in '000')	
Commitments		
9.6 Outstanding guarantees	<u>204,229</u>	<u>196,161</u>
9.7 Commitments in respect of capital expenditure	<u>695,745</u>	<u>66,349</u>
9.8 Outstanding letters of credit	<u>325,777</u>	<u>324,277</u>
	<u>31 December 2006</u>	<u>31 December 2005 (restated)</u>
	(Rupees in '000')	

10 Cash generated from operations

Profit before taxation	449,688	111,060
Adjustment for non-cash charges and other items:		
Depreciation	339,311	272,075
Amortization on intangible assets	29,876	70,639
Amortization on deferred cost	2,668	7,826
Amortization of transaction cost	1,154	814
Provision for doubtful receivables	4,730	4,542
Gain on sale of investments	-	(411)
Loss/(profit) on disposal of property, plant and equipment	(261)	(314)
Share of loss of associate	8,865	7,094
Gain on re-measurement of investments at fair value	(95,832)	(12,062)
Gain on re-measurement of investment property at fair value	(9,506)	(8,100)
Retirement benefits	17,450	15,416
Finance cost	125,571	108,822
Profit before working capital changes	<u>873,714</u>	<u>577,401</u>

Worldcall Telecom Limited Group

31 December 2006 31 December 2005
(restated)

(Rupees in '000')

Effect on cash flow due to working capital changes:

Decrease in stores and spares	18,932	380
(Increase) in stock in trade	(6,139)	(1,872)
(Increase)/decrease in trade debts	(78,898)	16,928
(Increase)/decrease in loans and advances	23,299	51,730
(Increase)/decrease in deposits and short term prepayments	15,252	(29,884)
(Increase)/decrease in other receivables	(139,429)	102,679
Decrease in trade and other payables	(61,366)	(567,901)
	(228,349)	(427,940)
	645,365	149,461

11 Related party transactions

The related parties comprise foreign subsidiary, local associated companies, related group companies, directors of the Parent Company, companies where directors also hold directorship, and key management employees. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

31 December 2006 31 December 2005
(restated)
(Rupees in '000')

Associated companies

Purchase of goods and services	10,726	15,085
Interest on loan charged	3,194	6,007
Sale of goods and services	6,774	2,545
Interest on loan expensed	-	89

All transactions with related parties have been carried out on commercial terms and conditions.

12 Segment reporting

Segment information is presented in respect of the Group's business. The primary format, business segment, is based on the Group's management reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

The Group's operations comprise of the following main business segments:

- Telecom segment which comprises of WLL, LDI and Operation and Maintenance of payphone network.
- Broadband segment which comprise of internet over cable and cable TV services.

Worldcall Telecom Limited Group

Segment analysis for the half year ended 31 December 2006.

Telecom Broadband Total
(Rupees in '000')

Total revenue - net	1,621,282	485,774	2,107,056
Profit before tax and unallocated expenses	300,478	149,210	449,688
Unallocated corporate expenses - taxation			(76,805)
			372,883
Segment assets and liabilities			
Segment assets	13,395,918	3,135,987	16,531,905
Unallocated assets			-
Consolidated total assets			16,531,905
Segment liabilities	3,903,677	934,367	4,838,044
Unallocated liabilities - Provision for taxation			101,202
Consolidated total liabilities			4,939,246
Segment capital expenditure	1,054,683	296,718	1,351,401
Unallocated capital expenditure			-
			1,351,401
Depreciation and amortization	285,871	87,138	373,009

13 Date of authorization for issue.

These condensed financial statements were authorized for issue on 27 February 2007 by the Board of Directors.

14 General

Figures have been rounded off to the nearest of thousand of rupee.

Lahore

Chief Executive

Director