

**CONDENSED INTERIM
FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE PERIOD ENDED**

31 MARCH 2008

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.

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COMPANY INFORMATION

Board of Directors	Sheikh Sulieman Ahmed Said Al-Hoqani (Chairman) Salmaan Taseer (Chief Executive Officer) Aamna Taseer Shaan Taseer Air Vice Marshal (R) Arshad Rashid Sethi Nasim Beg Jamal Said Al-Ojaili Babar Ali Syed Abid Raza
Chief Financial Officer	Muhammad Naveed Tariq
Audit Committee	Babar Ali Syed (Chairman) Aamna Taseer Abid Raza
Company Secretary	Ahmad Bilal
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisers	Ebrahim Hosain Advocates & Corporate Counsel
Bankers	Askari Bank Limited ABN Amro Bank Limited Allied Bank Limited Arif Habib Bank Limited Barclays Bank Plc Citi Bank N.A Pakistan Deutsche Bank AG Emirates Global Islamic Bank Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited KASB Bank Limited MCB Bank Limited National Bank of Pakistan NIB 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

Worldcall Telecom Limited

DIRECTORS' REVIEW

The Directors of Worldcall Telecom Limited ("WTL" or the "Company") are pleased to present the financial information for the period ended March 31, 2008.

Financial Overview

During the nine months under review the Company posted net revenues of Rs. 3,308 million showing a slight increase with respect to same period last year. The direct costs however increased by 13% during these nine months. Low profit margins along with increase in direct costs contributed to 8% decline in the gross profit over the year, which stands at Rs. 1,329 million. The operating costs registered a modest increase of 4% from Rs. 764 million to Rs. 792 million over the year. The increase was mainly due to expansion of the network and start of services in new areas.

The prevailing price war among cellular operators has forced us to adjust our voice tariff downwards to remain competitive and resultant profit margins have declined. The telecom industry with its changing market dynamics and increasing competition remained under the limelight of challenges. On a positive note, the current period witnessed a remarkably healthy growth in the broadband and internet market segment. Being a true Multi Service Operator, the Company was able to perform well in this sector.

The Share Purchase Agreement signed between Oman Telecommunication Company (S.A.O.G) ("Omantel") last year has progressed successfully and both the companies now share a common vision of a bright and prosperous future. The Transaction Closing Date for the said agreement is scheduled to be May 2, 2008. Under the said agreement, Omantel will eventually acquire 488,839,429 ordinary shares of the Company so as to own majority share holding. Out of this, 451,236,394 ordinary shares are to be purchased from sponsors and remaining 37,603,035 shares will be acquired from other shareholders through public offer.

Future Outlook

Company is escalating its reach on broadband access and has taken on significant enhancement in wired (FTTx ,HFC) and wireless capacity. This will further consolidate its leadership position in broadband segment besides continued growth in its voice and telecom Operations. Management team coupled with operational and financial strength of Omantel, the future growth and performance of the Company is assured for the benefit of all shareholders.

Acknowledgement

The Company wishes to place on record its appreciation and gratitude for the dedicated services of its employees. Their hard work and commitment have led the Company to secure a leading place among other players of the industry. The Company also wishes to testify the strong patronage and confidence of its valued customers, share holders and financial partners.

on behalf of the Board of Directors

Lahore
30 April 2008

Salmaan Taseer
Chief Executive Officer

Worldcall Telecom Limited

CONDENSED INTERIM BALANCE SHEET (Un-Audited) AS AT 31 MARCH 2008

Note	31 March 2008	30 June 2007
(Rupees in '000')		
Non current assets		
Tangible fixed assets		
Property, plant and equipment	8,718,906	7,643,496
Capital work-in-progress	1,769,495	1,780,544
	10,488,401	9,424,040
Intangible assets	4,608,430	4,704,499
Investment properties	74,157	72,150
Long term investments - at cost	58,758	58,758
Long term deposits	109,826	223,383
Deferred costs	724	4,727
	15,340,296	14,487,557
Current assets		
Store and spares	47,735	67,451
Stock in trade	29,187	35,187
Trade debts	1,034,946	899,052
Loans and advances - considered good	124,164	115,195
Deposits and prepayments	209,210	189,788
Other receivables	283,420	398,777
Short term investments	618,644	570,941
Income tax recoverable-net	85,078	58,229
Cash and bank balances	778,020	560,575
	3,210,404	2,895,195
Current liabilities		
Current maturities of non-current liabilities	262,287	751,320
Short term borrowings - un-secured	935,000	-
Running finance under mark-up arrangements - secured	30,450	525,459
Trade and other payables	856,147	1,039,068
Interest and mark-up accrued	44,627	31,981
	2,128,511	2,347,828
Net current assets	1,081,893	547,367
Non current liabilities		
Term finance certificates - secured	342,787	342,855
Long term finances	1,684,985	677,464
Deferred taxation	691,625	666,625
Retirement benefits	127,649	98,856
Liabilities against assets subject to finance lease	152,549	194,026
Long term payables - secured	136,167	134,127
Long term deposits	61,690	59,774
License fee payable	885,606	806,791
	4,083,058	2,980,518
Contingencies and commitments	9	
	12,339,131	12,054,406
Represented by		
Share capital and reserves		
Authorized capital 900,000,000 (2007: 900,000,000) ordinary shares of Rs. 10 each	9,000,000	9,000,000
Issued, subscribed and paid up capital	7,520,607	7,520,607
Share premium	410,887	410,887
Convertible loan reserve	1,403,575	1,403,575
Accumulated profit	2,806,269	2,521,544
	12,141,338	11,856,613
Surplus on revaluation	197,793	197,793
	12,339,131	12,054,406

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Lahore

Chief Executive

Director

Worldcall Telecom Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2008

	Nine Months ended		Quarter ended	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
	(Rupees in '000')		(Rupees in '000')	
Revenue - net	3,308,024	3,199,888	1,017,231	1,101,903
Direct cost	(1,979,187)	(1,753,999)	(672,005)	(572,888)
Gross profit	1,328,837	1,445,889	345,226	529,015
Operating cost	(791,793)	(763,539)	(235,911)	(250,752)
Operating profit	537,044	682,350	109,315	278,263
Finance cost	(310,475)	(195,866)	(77,211)	(70,305)
	226,569	486,484	32,104	207,958
Gain/(loss) on re-measurement of investments at fair value	47,703	71,462	(55,821)	(24,370)
Gain on re-measurement of investment property at fair value	2,007	9,506	-	-
Other operating income	33,640	105,838	10,766	26,485
Profit/(loss) before taxation	309,919	673,290	(12,951)	210,073
Taxation	(25,194)	(107,620)	(9,605)	(30,815)
Profit/(loss) after taxation	284,725	565,670	(22,556)	179,258
Earnings per share - basic	0.38	0.75	(0.03)	0.24
Earnings per share - diluted	0.37	0.63	(0.02)	0.20

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

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Lahore

Chief Executive

Director

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Worldcall Telecom Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2008

	Note	31 March 2008	31 March 2007
		(Rupees in '000')	
Cash flows from operating activities			
Cash generated from operations	10	1,113,219	751,571
Decrease in long term deposits receivable		113,557	3,777
Increase / (decrease) in long term deposits payable		1,916	(26,198)
Increase in long term payables		2,040	65
(Decrease) in license fee payable		(71,000)	-
Retirement benefits paid		(10,155)	(8,569)
Finance cost paid		(298,179)	(126,413)
Taxes paid		(27,043)	(29,234)
Net cash generated from operating activities		824,355	564,999
Cash flow from investing activities			
Fixed capital expenditure		(1,575,472)	(1,675,269)
Sale proceeds of property, plant and equipment		10,536	17,263
Short term investments - net		13,276	464,725
Net cash used in investing activities		(1,551,660)	(1,193,281)
Cash flow from financing activities			
Repayment of term finance certificates		(50,038)	-
Receipt of term finance certificates-net		-	243,137
Receipt of long term finances		2,364,358	-
Repayment of long term finances		(1,663,997)	(271,403)
Repayment of finance lease liabilities		(145,564)	(73,026)
Receipt of short term borrowings		935,000	-
Net cash generated from financing activities		1,439,759	(101,292)
Net increase / (decrease) in cash and cash equivalents		712,454	(729,574)
Cash and cash equivalents at the beginning of the period		35,116	1,179,582
Cash and cash equivalents at the end of the period		747,570	450,008
Cash and cash equivalents comprised of the following:			
Cash and bank balances		778,020	662,454
Running finance under markup arrangements - secured		(30,450)	(212,446)
		747,570	450,008

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Lahore

Chief Executive

Director

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2008

	Share capital	Capital reserves		Revenue reserve	Total
		Share premium	Convertible loan reserve	Un-appropriated profit	
	(Rupees in '000')				
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 period ended 31 March 2007	-	-	-	565,670	565,670
Balance as at 31 March 2007	7,520,607	410,887	1,400,430	2,463,678	11,795,602
Reimbursement of transaction cost related to equity component of convertible loan	-	-	3,145	-	3,145
Net profit for the period	-	-	-	57,866	57,866
Balance as at 30 June 2007	7,520,607	410,887	1,403,575	2,521,544	11,856,613
Net profit for the period ended 31 March 2008	-	-	-	284,725	284,725
Balance as at 31 March 2008	<u>7,520,607</u>	<u>410,887</u>	<u>1,403,575</u>	<u>2,806,269</u>	<u>12,141,338</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Lahore

Chief Executive

Director

Worldcall Telecom Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2008

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 Accounting convention and basis of preparation

This condensed interim financial information has been presented in accordance with the requirements of the "International Accounting Standard 34 - Interim Financial Reporting" as applicable in Pakistan and are unaudited. This condensed interim financial information does 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 2007. Further, this condensed interim financial information is being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

3. Significant accounting judgements and estimates

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by management in applying accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended 30 June 2007.

4 Accounting policies

Accounting policies adopted for preparation of this condensed interim financial information are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended 30 June 2007.

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	Note	31 March 2008	30 June 2007
(Rupees in '000')			
5. Property, Plant and Equipment			
Owned and leased assets:			
Opening net book value		7,643,496	5,973,792
Revaluation surplus		-	304,297
Additions / transfers during the period / year	5.1	<u>1,742,758</u>	<u>2,117,145</u>
		9,386,254	8,395,234
Disposals during the period / year - NBV	5.2	<u>(6,817)</u>	<u>(25,398)</u>
Depreciation for the period / year		<u>(660,531)</u>	<u>(726,340)</u>
Closing net book value		<u><u>8,718,906</u></u>	<u><u>7,643,496</u></u>

5.1 Break-up of additions

Freehold land	-	19,800
Leasehold improvements	17,370	13,639
Plant and equipment	1,684,114	1,957,202
Office equipment	9,720	6,460
Computers	14,717	24,286
Furniture and fixtures	4,347	2,089
Vehicles	12,160	87,655
Lab and other equipment	330	6,014
	<u>1,742,758</u>	<u>2,117,145</u>

5.2 Break-up of disposals

Plant and equipment	(4,396)	(3,547)
Office equipment	(36)	(171)
Computers	(227)	(40)
Vehicles	(2,158)	(21,520)
Furniture and fixtures	-	(120)
	<u>(6,817)</u>	<u>(25,398)</u>

6. Merger of Total Media Limited with Media Times Limited has been approved by Honourable Lahore Court on 14 April 2008 and Court Order is in the process of issuance.

	Note	31 March 2008	30 June 2007
(Rupees in '000')			
7 Short term borrowings - un-secured			
This includes the Commercial papers issued by the Company during the period:			
Pak Brunei Investment Company Limited (Advisor & Arranger)	7.1	285,000	-
Pak Oman Investment Company Limited (Advisor & Arranger)	7.2	<u>650,000</u>	-
		<u><u>935,000</u></u>	<u>-</u>

- 7.1 It represents an un-secured Commercial paper issued by the Company on 22 November 2007 ("disbursement date"). This carries mark up at 6 months KIBOR plus 0.80% per annum. The maturity of this Commercial paper is 180 days from the disbursement date.
- 7.2 It represents an un-secured Commercial paper issued by the Company on 12 December 2007 ("disbursement date"). This carries mark up at 6 months KIBOR plus 0.80% per annum. The maturity of this Commercial paper is 180 days from the disbursement date.

Worldcall Telecom Limited

8 Long term finances

This includes bridge finance facility of Rs. 3,000 million availed by the Company in December 2007 to raise funds for future expansion and import of equipment. The Company as at 31 March 2008 has only utilized Rs.1,339 million. Interest is payable at the rate of 6 months KIBOR + 2.0% per annum. The Facility is secured by way of charge of Rs. 4,000 million on present and future fixed assets of the Company excluding land and building.

9 Contingencies and commitments

Contingencies

9.1 Billing disputes with PTCL

9.1.1 PTCL has charged the Company excess Domestic Private Lease Circuits (DPLC), International Private Lease Circuit (IPLC), Co Locations and Transmission Capacity charges amounting to Rs. 67.2 million (30 June 2007: Rs. 20.2 million) on account of difference in rates, distances and date of activation. Further the Company has also deposited Rs. 40 million (30 June 2007: Rs. 40 million) in Escrow Account on account of dispute of charging of bandwidth charges from the date of activation of Digital Interface Units (DIU) for commercial operation and in proportion to activation of DIUs related to each DPLC link and excess charging in respect of Karachi-Rawalpindi link which was never activated. The management is confident that the matter will be decided in favour of the Company.

9.1.2 There is a dispute of Rs. 74.7 million (30 June 2007: Rs 75.2 million) with PTCL of non revenue time of prepaid calling cards and excess minutes billed on account of interconnect and settlement charges. The management is confident that the matter will be decided in favour of the Company.

9.2 Disputes with Pakistan Telecommunication Authority (PTA)

9.2.1 There is a dispute of Rs. 11.3 million with PTA on account of contribution to the Research and Development Fund ("R&D Fund") for the period prior to the formation of R&D Fund by the Federal Government. Based on legal advice, the management is confident that the matter will be decided in favour of the Company.

9.2.2 PTA has raised a demand on the Company of Rs. 4.3 million on account of annual microwave and BTS registration charges. The Company is not paying this amount as earlier exemptions were given to mobile operators. The management is confident that the matter will be decided in favour of the Company.

9.2.3 PTA has issued a notice to the Company regarding the 479 MHz and 3.5 MHz frequency bands, as the Company has failed to undertake the rollout of its wireless local loop ("WLL") network in the aforesaid frequencies within the time limit prescribed by PTA. The Authority has right to withdraw unused frequency spectrum and cancel the license for not meeting the said roll out requirement. The Company's stance in this respect is that the rollout in 479 MHz, a non standard frequency band, could not be carried out due to non availability of infrastructure and user terminals. Its deployment and commercial operation is not possible in the limited revised time frame. In 3.5 MHz band, the roll out is delayed due to limited customers' market and high cost of the Customer Premises Equipment. Non-firm standards, technology evolution and optimization of spectrum by PTA are also the main reasons for its delayed rollout. The management is hopeful that the matter will be decided in favour of the Company and notice will be withdrawn.

9.2.4 There is a dispute of Rs. 491 million (30 June 2007: Rs. 491 million) with PTA on Universal Service Fund (USF) representing contribution to USF for the period prior to the formation of USF by the Federal Government. Out of this amount, Rs. 223 million relating to prior periods has been deposited with PTA. Show cause notice was issued by the PTA and the Company has submitted its reply but PTA after hearing the Company has passed determination dated 4th April 2008 against the Company. The Company has filed an appeal in Islamabad High Court and stay order has been passed by the Islamabad High Court in favour of the Company. The case before Islamabad High Court now fixed for May 12, 2008. Based on legal advice, the management is confident that the matter will be decided in favour of the Company.

Worldcall Telecom Limited

9.3 Taxation issues

- 9.3.1** Income Tax Return for the tax year ended 30 June 2006 was filed under the self assessment scheme, subsequently the case was reopened by invoking the provisions of section 122 (5A). Additions were made on account of brought forward losses, gratuity and goodwill of Rs. 773 million. The Company has filed an appeal before the Commissioner Income Tax (Appeals) which has been heard for orders. The management is confident that the matter will be decided in favour of the Company.
- 9.3.2** During the last year the Taxation Officer passed an order under section 161/205 of the Income Tax Ordinance, 2001 for the tax year 2004 and 2005 on account of sales of Payphone services and calling cards creating tax demand of Rs. 173 million by treating the Company as assessee in default for non-deduction of tax under section 236 of the Income Tax Ordinance, 2001. A penalty of Rs. 8.67 million has also been imposed for non payment of the demand mentioned above. The Company has filed an appeal against this order before Commissioner Income Tax (Appeals) which has been heard for orders. The management is confident that the matter will be decided in favour of the Company.
- 9.3.3** During the last year, the Sales Tax authorities served show cause notices to various payphone companies, including the Company on account of alleged wrong claim of refund of Rs. 167 million under section 66 of the Sales Tax Act 1990. Subsequent to 30 June 2007, Additional Collector (Adjudication) Sales Tax Act Lahore has given a decision against the Company and imposed a penalty on the Company and Chief Executive, equivalent to the amount of original alleged claim. Later on, the Sales Tax Department has issued a notice under Section 48 of the Sales Tax Act, 1990 to the bankers of the Company and Customs Authorities for recovery of refund along with penalty. Moreover, a notice for stoppage of clearance of imported goods has also been issued by the Sales Tax Department to Custom Authorities. The Federal Tax Ombudsman ("FTO") has issued an order that no penalty can be imposed against the Company as there is no element of tax fraud involved in the matter and the issue pertains to a change of opinion of the Federal Board of Revenue. Order to the extent of Chief Executive for imposition of penalty can not be passed by FTO as the Chief Executive's write petition is pending in the Honourable Lahore High Court. Upon Application of the Company under section 47A of the Sales Tax Act, 1990 for constitution of Alternate Dispute Resolution Committee (ADRC) the FBR has constituted the Committee and referred the matter to be resolved at ADRC. The management is confident that the matter will be decided in favour of the Company.

	31 March 2008	30 June 2007
	(Rupees in '000')	
Commitments		
9.4 Outstanding guarantees	292,330	195,569
9.5 Commitments in respect of capital expenditure	98,311	179,261
9.6 Outstanding letters of credit	447,255	31,084
	31 March 2008	31 March 2007
	(Rupees in '000')	

10 Cash generated from operations

Profit before taxation	309,919	673,290
Adjustment for non-cash charges and other items:		
Depreciation	660,531	466,418
Amortization of intangible assets	66,087	60,643
Amortization of deferred cost	4,003	4,003
Interest on PTA license fee	78,815	75,921
Amortization of transaction cost	7,406	10,305

Worldcall Telecom Limited

	31 March 2008	31 March 2007
	(Rupees in '000')	

Profit on sale of investments	(13,276)	-
Provision for doubtful receivables	2,700	2,000
Profit on disposal of property, plant and equipment	(3,682)	(1,296)
Gain on re-measurement of investments at fair value	(47,703)	(71,462)
Gain on re-measurement of investment Property at fair value	(2,007)	(9,506)
Retirement benefits	35,005	23,098
Finance cost	224,254	119,945
Profit before working capital changes	1,322,052	1,353,359

Effect on cash flow due to working capital changes:

(Increase)/Decrease in the current assets

Stores and spares	19,716	(6,514)
Stock in trade	6,000	(10,648)
Trade debts	(138,594)	(135,431)
Loans and advances	(8,969)	18,215
Deposits and prepayments	(19,422)	41,721
Other receivables	115,357	(171,354)
Increase/(Decrease) in current liabilities		
Trade and other payables	(182,921)	(337,777)
	(208,833)	(601,788)
	1,113,219	751,571

11 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. Significant transactions with related parties are summarised as follows:

	31 March 2008	31 March 2007
	(Rupees in '000')	

Associated companies

Purchase of goods and services	34,533	37,214
Interest on loan charged	3,053	5,475
Sale of goods and services	122,986	7,991

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 Company's business. The primary format, business segment, is based on the Company'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.

Worldcall Telecom Limited

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 comprises of internet over cable and cable TV services.

All inter-segment sales are on arms length basis.

Segment analysis for the period ended 31 March 2008

	Telecom	Broadband	Eliminations	Total
	(Rupees in '000')			
Sales				
External sales	2,217,963	1,294,486	-	3,512,449
Inter-segment sales	6,812	17,339	(24,151)	-
Sales tax	(33,018)	(52,876)	-	(85,894)
Discount and commission	(95,516)	(23,015)	-	(118,531)
Total revenue	<u>2,096,241</u>	<u>1,235,934</u>	<u>(24,151)</u>	<u>3,308,024</u>
(Loss) / profit before tax and unallocated expenses	(207,274)	517,193	-	309,919
Unallocated corporate expenses				
Taxation				(25,194)
Profit after taxation				<u>284,725</u>

Segment assets and liabilities as at 31 March 2008

	Telecom	Broadband	Total
	(Rupees in '000')		
Segment assets	13,114,964	5,435,736	18,550,700
Consolidated total assets			<u>18,550,700</u>
Segment liabilities	4,066,443	1,453,501	5,519,944
Unallocated segment liabilities			691,625
Consolidated total liabilities			<u>6,211,569</u>
Segment capital expenditure	1,345,329	397,466	<u>1,742,795</u>
			<u>1,742,795</u>
Non-cash expenses other than depreciation and amortization	<u>90,621</u>	<u>8,989</u>	<u>99,610</u>
Depreciation and amortization	<u>561,742</u>	<u>195,411</u>	<u>757,153</u>

Worldcall Telecom Limited

Segment analysis for the period ended 31 March 2007

	Telecom	Broadband	Eliminations	Total
	(Rupees in '000')			
Sales				
External sales	2,671,154	783,940	-	3,455,094
Inter-segment sales	6,086	17,213	(23,299)	-
Sales tax	(123,643)	(27,573)	-	(151,216)
Discount and commission	(87,814)	(16,176)	-	(103,990)
Total revenue	<u>2,465,783</u>	<u>757,404</u>	<u>(23,299)</u>	<u>3,199,888</u>
Profit before tax and unallocated expenses	449,534	223,756	-	673,290
Unallocated corporate expenses				
Taxation				(107,620)
Profit after taxation				<u>565,670</u>

Segment assets and liabilities as at 30 June 2007

	Telecom	Broadband	Total
	(Rupees in '000')		
Segment assets	12,938,245	4,444,507	17,382,752
Consolidated total assets			<u>17,382,752</u>
Segment liabilities	3,671,906	989,815	4,661,721
Unallocated segment liabilities			666,625
Consolidated total liabilities			<u>5,328,346</u>
Segment capital expenditure	1,673,127	449,157	<u>2,122,284</u>
			<u>2,122,284</u>
Non-cash expenses other than depreciation and amortization	<u>187,280</u>	<u>40,044</u>	<u>227,324</u>
Depreciation and amortization	<u>656,291</u>	<u>197,440</u>	<u>853,731</u>

13 Date of authorization for issue

This condensed interim financial information was authorized for issue on 30 April 2008 by the Board of Directors of the Company.

14 General

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

14.2 Corresponding figures have been rearranged wherever necessary for the purpose of comparison.

**WORLDCALL TELECOM LIMITED
AND ITS SUBSIDIARY**

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE PERIOD ENDED**

31 MARCH 2008

DIRECTORS' REVIEW

The Directors of the Worldcall Telecom Limited ("WTL or the "Parent Company") are pleased to present the un-audited condensed consolidated financial information of the Group for the nine months ended 31 March 2008.

Operating result

Revenue for the nine months is Rs. 3,317 million as compared to Rs. 3,213 million in the corresponding period last year. Profit after tax is Rs. 278 million as compared to Rs. 546 million in the corresponding period last year. Combined earning per share reported for the nine months is Rs. 0.37 as compared to Rs. 0.73 in the corresponding period last year.

Group Foreign Subsidiary

Worldcall Telecommunications Lanka (Pvt.) Limited (WTCL)

The company posted gross loss of SLR 0.567 million as compared to gross profit of SLR 3.3 million in the corresponding period last year. Net loss has increased from SLR 13.2 million to SLR 18.06 million during the corresponding period last year. The management is doing endeavors to improve profitability of the company.

For and on behalf of the Board of Directors

Lahore
30 April 2008

Salmaan Taseer
Chief Executive Officer

Worldcall Telecom Limited Group

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (Un-Audited) AS AT 31 MARCH 2008

	Note	31 March 2008	30 June 2007
Rupees in ('000)			
Non current assets			
Tangible fixed assets			
Property, plant and equipment	6	8,752,867	7,677,460
Capital work-in-progress		1,769,735	1,780,893
		10,522,602	9,458,353
		4,608,430	4,704,499
Intangible assets			
Investment properties			
		74,157	72,150
Long term investments - at cost			
	7	41,448	29,680
Long term deposits			
		109,826	223,383
Deferred costs			
		724	4,727
		15,357,187	14,492,792
Current assets			
Store and spares		47,735	67,451
Stock in trade		29,409	36,201
Trade debts		1,035,771	899,714
Loans and advances - considered good		124,164	115,195
Deposits and prepayments		209,550	190,255
Other receivables		285,315	400,635
Short term investments		618,644	570,941
Income tax recoverable-net		85,073	58,224
Cash and bank balances		779,837	562,985
		3,215,498	2,901,601
Current liabilities			
Current maturities of non-current liabilities		262,287	751,320
Short term borrowings - un-secured	8	935,000	-
Running finance under mark-up arrangements - secured		30,450	525,459
Trade and other payables		862,069	1,044,306
Interest and mark-up accrued		44,627	31,981
		2,134,433	2,353,066
		1,081,065	548,535
Net current assets			
		1,081,065	548,535
Non current liabilities			
Term finance certificates - secured		342,787	342,855
Long term finances	9	1,684,985	677,464
Deferred taxation		691,625	666,625
Retirement benefits		128,112	99,311
Liabilities against assets subject to finance lease		152,549	194,026
Long term payables - secured		155,662	146,873
Long term deposits		62,591	60,627
License fee payable		885,606	806,791
		4,103,917	2,994,572
Contingencies and commitments			
	10	12,334,335	12,046,755
Represented by			
Share capital and reserves			
Authorized capital		9,000,000	9,000,000
900,000,000 (2007: 900,000,000) ordinary shares of Rs. 10 each		9,000,000	9,000,000
Issued, subscribed and paid up capital		7,520,607	7,520,607
Share premium		410,887	410,887
Convertible loan reserve		1,403,575	1,403,575
Exchange translation reserve		(1,421)	(2,301)
Accumulated profit		2,799,218	2,509,902
		12,132,866	11,842,670
Minority interest		3,676	6,292
		12,136,542	11,848,962
Surplus on revaluation		197,793	197,793
		12,334,335	12,046,755

The annexed notes 1 to 15 form an integral part of these condensed consolidated interim financial information.

Lahore

Chief Executive

Director

Worldcall Telecom Limited Group

CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2008

	Nine months ended		Quarter ended	
	31 March 2008	31 March 2007	March 2008	31 March 2007
	(Rupees in '000')		(Rupees in '000')	
Revenue - net	3,316,976	3,212,953	1,020,084	1,105,897
Direct cost	(1,991,078)	(1,765,195)	(676,004)	(576,304)
Gross profit	1,325,898	1,447,758	344,080	529,593
Operating cost	(798,560)	(772,956)	(238,415)	(254,214)
Operating profit	527,338	674,802	105,665	275,379
Finance cost	(310,927)	(195,866)	(77,319)	(70,305)
	216,411	478,936	28,346	205,074
Gain/(loss) on re-measurement of investments at fair value	47,703	71,462	(55,821)	(24,370)
Gain on re-measurement of investment property at fair value	2,007	9,506	-	
Other operating income	33,640	105,873	10,766	26,520
Profit before taxation and share from associate	299,761	665,777	(16,709)	207,224
Share of profit/(loss) from associate	5,590	(11,776)	1,001	(2,911)
Profit/(loss) before taxation	305,351	654,001	(15,708)	204,313
Taxation	(27,336)	(107,620)	(9,605)	(30,815)
Profit/(loss) after taxation	278,015	546,381	(25,313)	173,498
Attributable to:				
Equity holders of parents	280,996	548,586	(24,210)	174,337
Minority interest	(2,981)	(2,205)	(1,103)	(839)
	278,015	546,381	(25,313)	173,498
Earnings per share - basic	0.37	0.73	(0.03)	0.23
Earnings per share - diluted	0.36	0.61	(0.02)	0.19

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

The annexed notes 1 to 15 form an integral part of these condensed consolidated interim financial information.

Lahore

Chief Executive

Director

Worldcall Telecom Limited Group

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE PERIOD ENDED 31 MARCH 2008

	Note	31 March 2008	31 March 2007
(Rupees in '000')			
Cash flows from operating activities			
Cash generated from operations	11	1,107,399	753,318
Decrease in long term deposits receivable		113,557	3,777
Increase / (decrease) in long term deposits payable		1,901	(26,198)
Increase in long term payables		7,626	65
(Decrease) in license fee payable		(71,000)	-
Retirement benefits paid		(10,179)	(8,569)
Finance cost paid		(298,631)	(126,413)
Taxes paid		(27,043)	(29,234)
Net cash generated from operating activities		823,630	566,746
Cash flow from investing activities			
Fixed capital expenditure		(1,575,493)	(1,677,726)
Sale proceeds of property, plant and equipment		10,536	17,263
Short term investments - net		13,276	464,725
Net cash used in investing activities		(1,551,681)	(1,195,738)
Cash flow from financing activities			
Repayment of term finance certificates		(50,038)	-
Receipt of term finance certificates-net		-	243,137
Receipt of long term finances		2,364,358	-
Repayment of long term finances		(1,663,997)	(271,403)
Repayment of finance lease liabilities		(145,564)	(73,026)
Receipt of short term borrowings		935,000	-
Net cash generated from financing activities		1,439,759	(101,292)
Net increase / (decrease) in cash and cash equivalents		711,708	(730,284)
Effect of exchange rate changes		153	-
Cash and cash equivalents at the beginning of the period		37,526	1,183,309
Cash and cash equivalents at the end of the period		749,387	453,025
Cash and cash equivalents comprised of the following:			
Cash and bank balances		779,837	665,471
Running finance under markup arrangements - secured		(30,450)	(212,446)
		749,387	453,025

The annexed notes 1 to 15 form an integral part of these condensed consolidated interim financial information.

Lahore

Chief Executive

Director

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Worldcall Telecom Limited Group

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2008

	Attributable to equity holders of the Company						Minority Interest	Total
	Capital reserves		Revenue reserve	Sub Total	Convertible loan reserve	Un-appropriated profit		
	Share capital	Share premium	Currency translation reserve	Share capital				
Balance as at 30 June 2006	6,539,658	1,391,836	(845)	1,400,430	1,879,824	11,210,903	10,005	11,220,908
Exchange translation difference	-	-	(1,193)	-	-	(1,193)	(500)	(1,693)
Bonus shares issued	980,949	(980,949)	-	-	-	-	-	-
Net profit for the period ended 31 March 2007	980,949	(980,949)	(1,193)	-	548,586	547,393	(2,205)	546,381
Balance as at 31 March 2007	7,520,607	410,887	(2,098)	1,400,430	2,428,410	11,758,296	7,300	11,765,596
Reimbursement of transaction cost related to equity component of convertible loan	-	-	-	3,145	-	3,145	-	3,145
Exchange translation difference	-	-	(263)	-	-	(263)	(105)	(368)
Net profit for the period	-	-	-	81,492	81,492	81,492	(903)	80,589
Total recognized income and expenses	-	-	-	-	81,492	81,229	(1,008)	80,221
Balance as at 30 June 2007	7,520,607	410,887	(2,301)	1,403,575	2,509,902	11,842,670	6,292	11,848,962
Exchange translation difference	-	-	880	-	-	880	365	1,245
Adjustment for change in share of associate	-	-	-	8,320	8,320	8,320	-	8,320
Net profit for the period ended 31 March 2008	-	-	-	280,996	280,996	280,996	(2,981)	278,015
Total recognized income and expenses	-	-	880	-	289,316	290,196	(2,616)	287,580
Balance as at 31 March 2008	7,520,607	410,887	(1,421)	1,403,575	2,799,218	12,132,866	3,676	12,136,542

The annexed notes 1 to 15 form an integral part of these condensed consolidated interim financial information.

Lahore

Chief Executive

Director

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2008**

1 Legal status and nature of business

1.1 The Group consists of:

Worldcall Telecom Limited; and
Worldcall Telecommunications Lanka (Private) Limited

1.2 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.

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 Company holds 70.65 % of voting securities in the subsidiary.

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

2 Basis of consolidation

The consolidated interim financial information includes the financial information of the Company and its Subsidiary. The financial information of the Subsidiary has been consolidated on a line by line basis.

Subsidiary

Subsidiary is an entity controlled by the Company. The control exists when the 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 information of the Subsidiary is included in the consolidated financial information 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 information includes 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 losses 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 information. 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 Company. Minority interest is presented separately in the consolidated financial information.

3 Accounting convention and basis of preparation

This condensed consolidated interim financial information has been presented in accordance with the requirements of the "International Accounting Standard 34 - Interim Financial Reporting" as applicable in Pakistan and are unaudited. This condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 30 June 2007. Further, this condensed consolidated interim financial information is being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

4 Significant accounting judgements and estimates

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended 30 June 2007.

5 Accounting policies

Accounting policies adopted for preparation of this condensed consolidated interim financial information are same as those applied in the preparation of the annual audited financial statements of the Group for the year ended 30 June 2007.

Worldcall Telecom Limited Group

	Note	31 March 2008	30 June 2007
(Rupees in '000')			
6. Property, Plant and Equipment			
Owned and leased assets:			
Opening net book value		7,677,460	6,012,276
Exchange adjustment on WDV		2,556	(2,841)
Revaluation surplus		-	304,297
Additions / transfers during the period / year	6.1	1,742,914	2,118,858
		<u>9,422,930</u>	<u>8,432,590</u>
Disposals for the period / year - NBV	6.2	(6,817)	(25,398)
Depreciation for the period / year		(663,151)	(729,864)
Exchange adjustment on depreciation		(95)	132
Closing net book value		<u>8,752,867</u>	<u>7,677,460</u>

6.1 Break-up of additions

Freehold land	-	19,800
Leasehold improvements	17,370	13,639
Plant and equipment	1,684,262	1,958,820
Office equipment	9,720	6,479
Computers	14,725	24,356
Furniture and fixtures	4,347	2,089
Vehicles	12,160	87,655
Lab and other equipment	330	6,020
	<u>1,742,914</u>	<u>2,118,858</u>

6.2 Break-up of disposals

Plant and equipment	(4,396)	(3,547)
Office equipment	(36)	(171)
Computers	(227)	(40)
Vehicles	(2,158)	(21,520)
Furniture and fixtures	-	(120)
	<u>(6,817)</u>	<u>(25,398)</u>

7. Merger of Total Media Limited with Media Times Limited has been approved by Honourable Lahore Court on 14 April 2008 and Court Order is in the process of issuance.

	Note	31 March 2008	30 June 2007
(Rupees in '000')			
8. Short term borrowings - unsecured			
This includes the Commercial papers issued by the Company during the period:			
Pak Brunei Investment Company Limited (Advisor & Arranger)	8.1	285,000	-
Pak Oman Investment Company Limited (Advisor & Arranger)	8.2	650,000	-
		<u>935,000</u>	<u>-</u>

- 8.1 It represents an un-secured Commercial paper issued by the Company on 22 November 2007 ("disbursement date"). This carries mark up at 6 months KIBOR plus 0.80% per annum. The maturity of this Commercial paper is 180 days from the disbursement date.
- 8.2 It represents an un-secured Commercial paper issued by the Company on 12 December 2007 ("disbursement date"). This carries mark up at 6 months KIBOR plus 0.80% per annum. The maturity of this Commercial paper is 180 days from the disbursement date.

Worldcall Telecom Limited Group

9. Long term finances

This includes bridge finance facility of Rs. 3,000 million availed by the Company in December 2007 to raise funds for future expansion and import of equipment. The Company as at 31 March 2008 has only utilized Rs. 1,339 million. Interest is payable at the rate of 6 months KIBOR + 2.0% per annum. The Facility is secured by way of charge of Rs. 4,000 million on present and future fixed assets of the Company excluding land and building.

10. Contingencies and commitments

Contingencies

10.1 Billing disputes with PTCL

10.1.1 PTCL has charged the Company excess Domestic Private Lease Circuits (DPLC), International Private Lease Circuit (IPLC), Co Locations and Transmission Capacity charges amounting to Rs. 67.2 million (30 June 2007: Rs. 20.2 million) on account of difference in rates, distances and date of activation. Further the Company has also deposited Rs. 40 million (30 June 2007: Rs. 40 million) in Escrow Account on account of dispute of charging of bandwidth charges from the date of activation of Digital Interface Units (DIU) for commercial operation and in proportion to activation of DIUs related to each DPLC link and excess charging in respect of Karachi-Rawalpindi link which was never activated. The management is confident that the matter will be decided in favour of the Company.

10.1.2 There is a dispute of Rs. 74.7 million (30 June 2007: Rs 75.2 million) with PTCL of non revenue time of prepaid calling cards and excess minutes billed on account of interconnect and settlement charges. The management is confident that the matter will be decided in favour of the Company.

10.2 Disputes with Pakistan Telecommunication Authority (PTA)

10.2.1 There is a dispute of Rs. 11.3 million with PTA on account of contribution to the Research and Development Fund ("R&D Fund") for the period prior to the formation of R&D Fund by the Federal Government. Based on legal advice, the management is confident that the matter will be decided in favour of the Company.

10.2.2 PTA has raised a demand on the Company of Rs. 4.3 million on account of annual microwave and BTS registration charges. The Company is not paying this amount as earlier exemptions were given to mobile operators. The management is confident that the matter will be decided in favour of the Company.

10.2.3 PTA has issued a notice to the Company regarding the 479 MHz and 3.5 MHz frequency bands, as the Company has failed to undertake the roll out of its wireless local loop ("WLL") network in the aforesaid frequencies within the time limit prescribed by PTA. The Authority has right to withdraw unused frequency spectrum and cancel the license for not meeting the said roll out requirement. The Company's stance in this respect is that the roll out in 479 MHz, a non standard frequency band, could not be carried out due to non availability of infrastructure and user terminals. Its deployment and commercial operation is not possible in the limited revised time frame. In 3.5 MHz band, the roll out is delayed due to limited customers' market and high cost of the Customer Premises Equipment. Non-firm standards, technology evolution and optimization of spectrum by PTA are also the main reasons for its delayed roll out. The management is hopeful that the matter will be decided in favour of the Company and notice will be withdrawn.

10.2.4 There is a dispute of Rs. 491 million (30 June 2007: Rs. 491 million) with PTA on Universal Service Fund (USF) representing contribution to USF for the period prior to the formation of USF by the Federal Government. Out of this amount, Rs. 223 million relating to prior periods has been deposited with PTA. Show cause notice was issued by the PTA and the Company has submitted its reply but PTA after hearing the Company has passed determination dated 4th April 2008 against the Company. The Company has filed an appeal in Islamabad High Court and stay order has been passed by the Islamabad High Court in favour of the Company. The case before Islamabad High Court now fixed for May 12, 2008. Based on legal advice, the management is confident that the matter will be decided in favour of the Company.

Worldcall Telecom Limited Group

10.3 Taxation issues

10.3.1 Income Tax Return for the tax year ended 30 June 2006 was filed under the self assessment scheme, subsequently the case was reopened by invoking the provisions of section 122 (5A). Additions were made on account of brought forward losses, gratuity and goodwill of Rs. 773 million. The Company has filed an appeal before the Commissioner Income Tax (Appeals) which has been heard for orders. The management is confident that the matter will be decided in favour of the Company.

10.3.2 During the last year the Taxation Officer passed an order under section 161/205 of the Income Tax Ordinance, 2001 for the tax year 2004 and 2005 on account of sales of Payphone services and calling cards creating tax demand of Rs. 173 million by treating the Company as assessee in default for non-deduction of tax under section 236 of the Income Tax Ordinance, 2001. A penalty of Rs. 8.67 million has also been imposed for non payment of the demand mentioned above. The Company has filed an appeal against this order before Commissioner Income Tax (Appeals) which has been heard for orders. The management is confident that the matter will be decided in favour of the Company.

10.3.3 During the last year, the Sales Tax authorities served show cause notices to various payphone companies, including the Company on account of alleged wrong claim of refund of Rs. 167 million under section 66 of the Sales Tax Act 1990. Subsequent to 30 June 2007, Additional Collector (Adjudication) Sales Tax Act Lahore has given a decision against the Company and imposed a penalty on the Company and Chief Executive, equivalent to the amount of original alleged claim. Later on, the Sales Tax Department has issued a notice under Section 48 of the Sales Tax Act, 1990 to the bankers of the Company and Customs Authorities for recovery of refund along with penalty. Moreover, a notice for stoppage of clearance of imported goods has also been issued by the Sales Tax Department to Custom Authorities. The Federal Tax Ombudsman ("FTO") has issued an order that no penalty can be imposed against the Company as there is no element of tax fraud involved in the matter and the issue pertains to a change of opinion of the Federal Board of Revenue. Order to the extent of Chief Executive for imposition of penalty can not be passed by FTO as the Chief Executive's writ petition is pending in the Honourable Lahore High Court. Upon Application of the Company under section 47A of the Sales Tax Act, 1990 for constitution of Alternate Dispute Resolution Committee (ADRC) the FBR has constituted the Committee and referred the matter to be resolved at ADRC. The management is confident that the matter will be decided in favour of the Company.

	31 March 2008	30 June 2007
	(Rupees in '000')	
Commitments		
10.4 Outstanding guarantees	293,117	197,006
10.5 Commitments in respect of capital expenditure	98,311	179,261
10.6 Outstanding letters of credit	447,255	31,084
	31 March 2008	31 March 2007
	(Rupees in '000')	
11 Cash generated from operations		
Profit before taxation	305,351	654,001
Adjustment for non-cash charges and other items:		
Depreciation	663,151	469,051
Amortization of intangible assets	66,087	60,643
Amortization of deferred cost	4,003	4,003
Interest on PTA license fee	78,815	75,921
Amortization of transaction cost	7,406	10,305

Worldcall Telecom Limited Group

	31 March 2008	31 March 2007
	(Rupees in '000')	
Profit on sale of investments	(13,276)	-
Provision for doubtful receivables	2,700	2,000
Profit on disposal of property, plant and equipment	(3,682)	(1,296)
Share of (profit)/loss of associate	(5,590)	11,776
Gain on re-measurement of investments at fair value	(47,703)	(71,462)
Gain on re-measurement of investment Property at fair value	(2,007)	(9,506)
Retirement benefits	35,005	23,098
Finance cost	224,706	119,945
Profit before working capital changes	1,314,966	1,348,479

Effect on cash flow due to working capital changes:

(Increase)/Decrease in the current assets

Stores and spares	19,716	(6,514)
Stock in trade	6,838	(10,570)
Trade debts	(138,703)	(136,234)
Loans and advances	(8,969)	18,215
Deposits and prepayments	(19,265)	41,721
Other receivables	115,456	(171,354)
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	(182,640)	(330,425)
	(207,567)	(595,161)
	1,107,399	753,318

12 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. Significant transactions with related parties are summarised as follows:

	31 March 2008	31 March 2007
	(Rupees in '000')	
Associated companies		
Purchase of goods and services	34,533	37,214
Interest on loan charged	3,053	5,475
Sale of goods and services	122,986	7,991

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

13 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.

Worldcall Telecom Limited Group

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 comprises of internet over cable and cable TV services.

All inter-segment sales are on arms length basis.

Segment analysis for the period ended 31 March 2008

	Telecom	Broadband	Eliminations	Total
	(Rupees in '000')			
Sales				
External sales	2,228,456	1,294,486	-	3,522,942
Inter-segment sales	6,812	17,339	(24,151)	-
Sales tax	(34,387)	(52,876)	-	(87,263)
Discount and commission	(95,688)	(23,015)	-	(118,703)
Total revenue	<u>2,105,193</u>	<u>1,235,934</u>	<u>(24,151)</u>	<u>3,316,976</u>
(Loss) / profit before tax and unallocated expenses	(211,842)	517,193	-	305,351
Unallocated corporate expenses				
Taxation				(27,336)
Profit after taxation				<u>278,015</u>

Segment assets and liabilities as at 31 March 2008

	Telecom	Broadband	Total
	(Rupees in '000')		
Segment assets	13,136,949	5,435,736	18,572,685
Consolidated total assets			<u>18,572,685</u>
Segment liabilities	4,093,223	1,453,501	5,546,725
Unallocated segment liabilities			691,625
Consolidated total liabilities			<u>6,238,350</u>
Segment capital expenditure	1,345,485	397,466	<u>1,742,951</u>
Non-cash expenses other than depreciation and amortization	<u>90,621</u>	<u>8,989</u>	<u>99,610</u>
Depreciation and amortization	<u>564,362</u>	<u>195,411</u>	<u>759,773</u>

Worldcall Telecom Limited Group

Segment analysis for the period ended 31 March 2007

	Telecom	Broadband	Eliminations	Total
	(Rupees in '000')			
Sales				
External sales	2,686,440	783,940	-	3,470,380
Inter-segment sales	6,086	17,213	(23,299)	-
Sales tax	(125,637)	(27,573)	-	(153,210)
Discount and commission	(88,041)	(16,176)	-	(104,217)
Total revenue	<u>2,478,848</u>	<u>757,404</u>	<u>(23,299)</u>	<u>3,212,953</u>
Profit before tax and unallocated expenses	430,245	223,756	-	654,001
Unallocated corporate expenses				
Taxation				(107,620)
Profit after taxation				<u>546,381</u>

Segment assets and liabilities as at 30 June 2007

	Telecom	Broadband	Total
	(Rupees in '000')		
Segment assets	12,949,886	4,444,507	17,394,393
Consolidated total assets			<u>17,394,393</u>
Segment liabilities	3,691,198	989,815	4,681,013
Unallocated segment liabilities			666,625
Consolidated total liabilities			<u>5,347,638</u>
Segment capital expenditure	1,674,840	449,157	<u>2,123,997</u>
Non-cash expenses other than depreciation and amortization	<u>175,253</u>	<u>40,044</u>	<u>215,297</u>
Depreciation and amortization	<u>659,815</u>	<u>197,440</u>	<u>857,255</u>

14 Date of authorization for issue

This condensed consolidated interim financial information was authorized for issue on 30 April 2008 by the Board of Directors.

15 General

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

15.2 Corresponding figures have been rearranged wherever necessary for the purpose of comparison.

Lahore

Chief Executive

Director