



WorldCall

CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

30 JUNE 2014



HALFYEARLY REPORT 2014

02

HALFYEARLY REPORT 2014



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 Five

Company information

Page Seven

Directors' review

Page Eight

Auditor's Report to the Members

Page Nine Condensed interim balance sheet

Page Ten

Condensed interim profit & loss account

Page Eleven

Condensed interim statement of comprehensive income

Page Twelve

Condensed interim cash flow statement

Page Thirteen

Condensed interim statement of changes in equity

Page Fourteen

Notes to the condensed interim financial information

Page Twenty Five

Condensed consolidated interim financial information





WorldCall

COMPAN	Y INFORMATION	Bankers (In Alphabetic Order)	Allied Bank Limited Albaraka Bank (Pakistan) Limited
Chairman	Mehdi Mohammed Al Abduwani		Askari Bank Limited Bank Al Habib Limited Barclays Bank Plc Pakistan Burj Bank Limited
Chief Executive Officer	Babar Ali Syed		Deutsche Bank AG
Board of Directors <u>(In Alphabetic order)</u>	Mr. Aimen Bin Ahmed Al Hosni Mr. Asadullah Khawaja Mr. Mehdi Mohammed Al Abduwani (Chairman) Mr. Samy Ahmed Abdulqadir Al Ghassany Mr. Sohail Qadir		Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited HSBC Bank Middle East Limited IGI Investment Bank Limited JS Bank Limited
	Dr. Syed Salman Ali Shah Mr. Talal Said Marhoon Al Mamari (Vice Chairman)		KASB Bank Limited MCB Bank Limited National Bank of Pakistan
Chief Financial Officer	Mr. Muhammad Murtaza Raza		NIB Bank Limited
Executive Committee	Mr. Mehdi Mohammed Al Abduwani Mr. Talal Said Marhoon Al Mamari Mr. Aimen Bin Ahmed Al Hosni Mr. Sohail Qadir Mr. Babar Ali Syed (Chief Executive Officer)		Pak Oman Investment Co. Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited Tameer Microfinance Bank Limited The Bank of Punjab
Audit Committee	Mr. Talal Said Marhoon Al Mamari (Chairman) Mr. Asadullah Khawaja (Vice Chairman) Mr. Aimen Bin Ahmed Al Hosni (Member) Dr. Syed Salman Ali Shah (Member) Mr. Mirghani Hamza Al-Madani (Secretary)	Registrar and Shares Transfer Office	United Bank Limited THK Associates (Pvt.) Limited Ground Floor, State Life Building No.3, Dr. Zia-ud-Din Ahmed Road, Karachi. Tel: (021) 111-000-322
Human Resource & Remuneration Committee	Mr. Samy Ahmed Abdul Qadir Al Ghassany Mr. Aimen Bin Ahmed Al Hosni Mr. Sohail Qadir Mr. Talal Said Marhoon Al Mamari	Registered Office/Head Office	67-A, C/III, Gulberg-III, Lahore, Pakistan Tel: (042) 3587 2633-38 Fax: (042) 3575 5231
Chief Internal Auditor	Mr. Mirghani Hamza Al-Madani	Webpage	www.worldcall.com.pk
Company Secretary	Mr. Saud Mansoor Mohammed Al Mazrooei		
Auditors	A.F. Ferguson & Co. Chartered Accountants		
Legal Advisers	M/s Miankot & Co. Barristers, Advocates & Corporate Legal Consultant		

HALFYEARLY REPORT 2014



DIRECTORS' REVIEW

The Directors of Worldcall Telecom Limited ("WTL" or the "Company") are pleased to present the brief overview of the financial information for the half year ended 30 June 2014.

Financial Overview

During the period under review, the Company close its financial results on net loss after tax of Rs 818 million. The revenue has declined from Rs 1,815 million to Rs 1,289 million. The reduction in business volume, charge of depreciation and high fixed cost contributed to a gross loss of Rs 329 million as against the gross profit of last period. A saving in operating costs of 10% is the result of various cost cutting initiatives. Favorable movements in foreign exchange rates have positively affected the Company which results in significant increase of other income. After taking effects of finance cost and tax, the Company has closed the period at a net loss.

Future Outlook

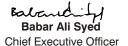
The management is focusing to complete various infrastructure improvement and expansion projects, many project rollout milestones have been achieved to date. Strategic repositioning has been taken in wireless broadband. With launch of 3G/4G this year management is also expecting business opportunities in broadband users which are currently around 3 million marks and are expected to giant leap after roll out. The major portion of the resources will be channeled to broadband segment in order to seize the tremendous opportunities in the arena. The Company has accordingly planned to enhance its footprint along with augmenting its service delivery standards. In broader terms, management is looking forward to take steps so that customer's confidence in its product and services are enhanced. Improvement in financial indictors in thus expected in near future.

Company's staff and customers

We express our appreciation and sincere thanks to all staff members for the hard work and dedication that they have put in. We further express our gratitude for our customers for their support and trust.

For and on behalf of the Board of Directors

31 August 2014



HALFYEARLY REPORT 2014



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

WorldCall

Introduction

We have reviewed the accompanying condensed interim balance sheet of Worldcall Telecom Limited (the 'Company') as at 30 June 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial loss account for the quarters ended 30 June 2013 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 30 June 2014.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended 30 June 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The financial statements of the Company for the year ended 31 December 2013 were audited by another firm of accountants, M/s KPMG Taseer Hadi and Company, Chartered Accountants, whose report dated 08 February 2014 expressed an unmodified opinion thereon.

Lahore 31 August 2014 A.F. Ferguson & Co. Chartered Accountants Imran Faroog Mian

08

HALFYEARLY REPORT 2014

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT 30 JUNE 2014

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9,052,192 9,967,429 The annexed notes 1 to 20 form an integral part of this condensed interim financial information. 1000000000000000000000000000000000000	Surplus on revaluation			3,003,409
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Batanti Lj Grinv Director				3,907,429
Chief Executive Officer Director		nterim financial inf	formation.	
	Chief Executive Officer			Director
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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2014

	Note	Half year ended 30 June 2014 Un-Audited	Half year ended 30 June 2013 Un-Audited (Rupees ir	Quarter ended 30 June 2014 Un-Audited 1 '000)	Quarter ended 30 June 2013 Un-Audited
Revenue - net		1,288,761	1,814,978	595,154	844,934
Direct cost		(1,617,572)	(1,812,613)	(870,112)	(896,040)
Gross (loss)/profit		(328,811)	2,365	(274,958)	(51,106)
Operating cost		(537,302)	(597,564)	(280,961)	(319,697)
Operating loss		(866,113)	(595,199)	(555,919)	(370,803)
Finance cost		(347,183)	(325,815)	(183,313)	(161,683)
		(1,213,296)	(921,014)	(739,232)	(532,486)
Other income	14	522,596	13,906	-	5,760
Other expenses		-	(107,937)	(52,479)	(29,445)
Loss before taxation		(690,700)	(1,015,045)	(791,711)	(556,171)
Taxation		(127,218)	399,420	(56,533)	197,091
Loss after taxation		(817,918)	(615,625)	(848,244)	(359,080)
Basic loss per share (Rupees)	(1.06)	(0.72)	(1.05)	(0.42)
Diluted loss per share (Rupees)	(0.37)	(0.72)	(0.38)	(0.42)

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

Babandiff Chief Executive Officer

10

HALFYEARLY REPORT 2014



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2014

	Half year ended 30 June 2014 Un-Audited	Half year ended 30 June 2013 Un-Audited (Rupees ir	Quarter ended 30 June 2014 Un-Audited 1 '000)	Quarter ended 30 June 2013 Un-Audited
Loss for the period	(817,918)	(615,625)	(848,244)	(359,080)
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to profit or loss:				
- Net change in fair value of available-for-sale financial assets	(1,948)	(4,029)	9,692	(4,029)
Items that will not be reclassified to profit or loss	-	-	-	-
Other comprehensive (loss)/income - net of tax	(1,948)	(4,029)	9,692	(4,029)
Total comprehensive loss for the period - net of tax	(819,866)	(619,654)	(838,552)	(363,109)

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.



11



HALFYEARLY REPORT 2014



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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2014

	Note	Half year ended 30 June 2014 Un-Audited (Rupee	Half year ended 30 June 2013 Un-Audited s in '000)
Cash flows from operating activities			
Cash (used in)/generated from operations	15	(324,101)	498,805
(Increase)/decrease in long term deposits receivable		(2,780)	33,762
Decrease in long term trade receivable		54,749	-
Decrease in long term deposits payable		(51)	(26)
Decrease in deferred income		-	(65,916)
(Decrease)/increase in long term payables		(157,978)	68,518
Retirement benefits paid		(52,191)	(51,728)
Finance cost paid		(273,510)	(267,741)
Taxes paid		(53,878)	(17,675)
Net cash (outflow)/inflow from operating activities		(809,740)	197,999
Cash flows from investing activities			
Fixed capital expenditure		(554,879)	(208,669)
Proceeds from disposal of property, plant and equipment		9,648	6,993
Net cash outflow from investing activities		(545,231)	(201,676)
Cash flows from financing activities			
Proceeds received against long term loan acquired		250,000	-
Initial transaction cost paid		(1,769)	-
Repayment of long term loan		(98,884)	-
(Repayment)/receipt of short term borrowings - net		(6,722)	12,660
Running finance - net		(19,678)	(1,571)
Repayment of liabilities against assets subject to finance le	ase	(29,636)	(28,237)
Net cash inflow/(outflow) from financing activities		93,311	(17,148)
Net decrease in cash and cash equivalents		(1,261,661)	(20,825)
Cash and cash equivalents at the beginning of the period	bd	2,501,852	100,742
Cash and cash equivalents at the end of the period	16	1,240,191	79,917

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.





12

HALFYEARLY REPORT 2014

(615,625) (4,029) (93,782) (817,918) 3,537,700 (161,139) 4,945 (1,948) 1,685,955) 3,981,753 3,362,099 3,561 9,967,429 Total 2.442 ,388 87 Surplus on revaluation 348,130 357.960 350,572 Revenue Reserve (615,625) (2,442) (2,443) (144,300) (93,782) (817,918) (161,139) (1,685,955) (87) Accumulated (1,441,330) 1,665 (3,527,284) (823,263) 000 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) 144,300 Exchange translation 44.300 (000, ui Rupees (4,029) (1,948) Capital Reserves 896 13,835 9.806 1.702 Fair value 837,335 337,335 337,335 Share share Preference share al capital 3,537,700 3,537,700 FOR THE HALF YEAR ENDED 30 JUNE 2014 Share Capital 8,605,716 8,605,716 8,605,716 Ordinary sha capital Other comprehensive income for the period - net of tax comprehensive loss for the period - net of tax net of tax Balance as at 31 December 2012 (Audited) Balance as at 31 December 2013 (Audited) Balance as at 30 June 2013 (Un-Audited) period issuance of preference shares ransfer to surplus on revaluation comprehensive loss for the to surplus on revaluation fransfer to surplus on revaluation Issuance of preference shares Exchange translation reserve Dividend on preference shar -oss for the period Loss for the period for the period Transfer ď Other

WorldCall

(95,371)

(95,371)

225,750

(225,750)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2014

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 67A, C-III, Gulberg III, Lahore. During the year ended 30 June 2008, 56.80% shares (488,839,429 ordinary shares) were acquired by Oman Telecommunications Company SAOG ("the Parent Company").

2. Basis of preparation

This condensed interim unconsolidated financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The figures for the half year ended 30 June 2014 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2013.

3. Significant accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended 31 December 2013.

3.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current year

Certain standards, amendments and interpretations to approved accounting standards are effective in the current year but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

13

HALFYEARLY REPORT 2014

Dividend on preference shares

Exchange translation reserve

Balance as at 30 June 2014 (Un-Audited)

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

Educution Officer



3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2015 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in this condensed interim financial information.

4. Significant accounting judgments and estimates

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments 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 judgments 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 unconsolidated financial information, the significant judgments 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 31 December 2013.

 Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

6	Property, plant and equipment	Note	30 June 2014 Un-Audited (Rupee	31 December 2013 Audited s in '000)
	Owned and leased assets			
	Opening book value Additions for the period/year	6.1	12,520,955 229,909 12,750,864	13,002,060 831,490 13,833,550
	Disposals (at book value) for the period/year Adjustment (at book value) Depreciation charged for the period/year Closing book value	6.2 6.3	(5,596) - (644,656) 12,100,612	(46,090) (631) (1,265,874) 12,520,955
6.1	Following is the detail of additions			
	Leasehold improvements Plant and equipment Office equipment Computers Vehicles		2,587 224,660 1,139 1,523 - 229,909	1,477 823,293 1,284 1,844 3,592 831,490



Vehicles

7.

WorldCall

5,871

46,090

1,243 5,596

		30 June 2014 Un-Audited (Rupee	31 December 2013 Audited s in '000)
6.2	Following are the book values of disposals		
	Leasehold improvement	-	11
	Plant and equipment	4,320	39,258
	Office equipment	27	632
	Computers	-	45
	Furniture and fixtures	6	273

6.3 Property, plant and equipment includes equipment deployed in implementing the Universal Service Fund network which is subject to lien exercisable by Universal Service Fund Company ("USFC") in the event of failure by the Company to maintain service availability and guality specification.

	Note	30 June 2014 Un-Audited (Rupee	31 December 2013 Audited s in '000)
Intangible assets			
Licenses		1,502,082	1,577,738
Indefeasible right of use - media cost		606,166	632,300
Software		11,637	12,349
Goodwill	7.1	2,553,494	2,553,494
		4,673,379	4,775,881

7.1 Goodwill represents the difference between the cost of acquisition (fair value of consideration paid) and fair value of net identifiable assets acquired at the time of merger of Worldcall Telecom Limited with Worldcall Communications Limited, Worldcall Multimedia Limited and Worldcall Broadband Limited.

The Company assessed the recoverable amount of Goodwill at 30 June 2014 and determined that, as of this date, there is no indication of impairment of Goodwill. The recoverable amount was principally calculated on the basis of five years financial business plan approved by the Board.

The business plan also includes a comprehensive analysis of the existing operational deployments of the Company along with strategic direction of future investments and business growth. Discount rate of 27.82% was used for the calculation of net present value of future cash flows. The cash flows beyond the five years period have been extrapolated using a steady 5% growth rate which is consistent with the long-term average growth rate for the industry.

WORLD
An Omantel Company

 30 June
 31 December

 2014
 2013

 Un-Audited
 Audited

 -------(Rupees in '000)-------

8. Long term investment - classified as held for sale

Foreign subsidiary - unquoted

Worldcall Telecommunications Lanka (Private) Limited Incorporated in Sri Lanka

7,221,740 (31 December 2013: 7,221,740) ordinary shares of Sri Lankan Rupees 10 each

Equity held 70.65% (31 December 2013: 70.65%)

Share deposit money

Provision for impairment

44,406	44,406
13,671	13,671
58,077	58,077
(58,077)	(58,077)
-	-

The Company's foreign subsidiary namely Worldcall Telecommunications Lanka (Private) Limited

("the Subsidiary") has been suffering losses for last many years as the demand for payphones in Sri Lanka has greatly diminished. Keeping in view the Sri Lankan market conditions and negative equity of the Subsidiary, the management decided and approved the winding up of the Subsidiary and classified the long term investment in the Subsidiary as held for sale.

			Note	30 June 2014 Un-Audited	31 December 2013 Audited
				(Rupee	es in '000)
9	Shor	rt term borrowings			
	Sone	eri Bank Limited - I	9.1	-	35,051
	Sone	eri Bank Limited - II	9.1	-	34,705
				-	69,756
	9.1	These have been restructured during the period	od into a long teri	m loan as referre	d to in note 11.3.
				30 June	31 December
				2014	2013
				Un-Audited	Audited
				(Rupee	es in '000)

10 Term Finance Certificates - secured

Term finance certificates Initial transaction cost	1,643,735 (53,994) 1,589,741	1,643,735 (53,994) 1,589,741
Amortization of transaction cost	53,994	53,994
	1,643,735	1,643,735
Current maturity	(1,095,821)	(547,911)
	547,914	1,095,824

WORLD

WorldCall

Term finance certificates

These represent listed Term Finance Certificates ("TFCs") amounting to Rs 3,838 million. Rs 3,000 million were offered Pre-IPO out of which Rs 2,838 million were subscribed by underwriters and Rs 1,000 million was received from public against subscription. Profit rate is charged at six months average Karachi Inter Bank Offer Rate (KIBOR) plus 1.60% per annum. The effective rate of markup charged during the period was 11.44%.

These TFCs have been rescheduled by majority of TFC holders. The principal is repayable in three semi-annual instalments commencing from 07 October 2014.

11.	Long term loans	Note	30 June 2014 Un-Audited (Rupees	31 December 2013 Audited in '000)
	Askari Bank Limited Summit Bank Limited Soneri Bank Limited	11.1 11.2 11.3	2,714,886 123,452 28,481 2,866,819	3,201,197 - - 3,201,197
11.1	Askari Bank Limited			
	Receipt Initial transaction cost		2,943,855 (129,365) 2,814,490	(129,365)
	Amortization of transaction cost		<u>30,010</u> 2,844,500	16,762
	Exchange loss		<u>463,020</u> 3,307,520	<u></u>
	Paid during the period		<u>(98,884)</u> 3,208,636	- 3,516,797
	Current maturity		(493,750) 2,714,886	(315,600) 3,201,197
	Current maturity			

This represents foreign currency syndicated loan facility amounting to USD 35 million from Askari Bank Limited Off-Shore Banking Unit, Bahrain with the lead arranger being Askari Bank Limited. Initially, this loan was repayable in 20 equal quarterly instalments with 2 years grace period commencing from 06 June 2013. Profit, which is payable quarterly, is being charged at three months average London Inter Bank Offer Rate (LIBOR) plus 1.75% per annum and monitoring fee at 1.20% per annum. To secure the facility an unconditional, irrevocable, first demand stand-by letter of credit has been issued by National Bank of Oman favouring Askari Bank Limited against the corporate guarantee of Oman Telecommunications Company SAOG. The effective rate of markup charged during the period was 3.19%.

This loan was rescheduled by Askari Bank Limited. Keeping other terms and conditions of the agreement un-modified, the principal is repayable in 16 quarterly instalments commencing from 06 June 2014. The aggregate grace period now stands at 3 years from the original date of the loan facility, as per revised terms of the agreement.

17

HALFYEARLY REPORT 2014

WORLD	WorldCall		
An Omantel Company	30 June 2014 Un-Audited (Rupee	31 December 2013 Audited s in '000)	
11.2 Summit Bank Limited			
Receipt Initial transaction cost	250,000 (1,769) 248,231		
Amortization of transaction cost	<u>221</u> 248,452		
Current maturity	<u>(125,000)</u> 123,452		

This represents a term finance facility of Rs 250 million. The loan is repayable in 18 equal monthly instalments commencing from 01 October 2014. It is secured through lien over Term Deposit Receipt (TDR) with 10% margin along with initial ranking charge which is to be upgraded to first pari passu hypothecation charge with 25% margin over present and future, current and fixed assets of the Company within 60 days. Markup is charged at current TDR rate plus 2.5% per annum and is payable monthly. The effective rate of markup charged during the period was 11.45%.

	30 June 2014	31 December 2013
	Un-Audited (Rupee	Audited s in '000)
11.3 Soneri Bank Limited		
Transferred from short term borrowings	66,756	-
Paid during the period	(3,722)	
	63,034	-
Current maturity	(34,553)	
	28,481	

This facility was previously repayable up to 23 May 2014, however it was rescheduled by the bank in April 2014 and is now repayable in 23 monthly installments starting from 31 May 2014. It carries mark up at one month Karachi Inter Bank Offered Rate (KIBOR) plus 3% per annum and is payable monthly. It is secured through joint pari passu hypothecation agreement over current and movable fixed assets of the Company for Rs 980.33 million with 25% margin. The effective rate of markup charged during the period was 13.71%.

12. Contingencies and commitments

Contingencies

There is no significant change in contingencies from the preceeding annual published financial statements of the Company for the year ended 31 December 2013 except for the following:

(i) During the current period, a demand of Rs 1,059.595 million (including default surcharge of Rs 325.849 million) was raised against the Company under section 161/205 of the Income Tax Ordinance, 2001 ('Ordinance') for the period relevant to Tax Year 2012 alleging non-compliance with various applicable withholding provisions contained in the Ordinance. The managment assailed the subject order in usual appellate course before Commissioner Inland Revenue (Appeals) ['CIR(A)'],

19

HALFYEARLY REPORT 2014

An Ormatici Company

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WorldCall

during the pendency whereof an aggregate recovery of Rs 50.07 million was made by the department. Company's appeal was disposed by CIR(A) through appellate order dated 16 May 2014, and while major issue forming basis of demand was principally decided in department's favour, for reappraisal of certain facts, the assessment order was remanded back for adjudication afresh. Managment has preferred further appeal against CIR(A)'s order and since, it considers that Company's position is based on meritorious grounds, both legal and factual, no provision has been made in this interim financial information.

(ii) Outstanding guarantees amounting to Rs 1,111 million (31 December 2013: Rs 1,120 million).

Operative	30 June 2014 Un-Audited (Rupee	31 December 2013 Audited s in '000)
Commitments		
Commitments in respect of capital expenditure	1,953,246	2,346,433
Outstanding letters of credit	155,074	56,203
Preference share capital		
350,000 (December 2013: 350,000) preference shares of USD 100 each fully paid in cash	3,537,700	3,537,700
The reconciliation of preference shares is as follows:		
Opening number of shares	350,000	-
Shares issued during the period/year	-	350,000
Closing number of shares	350,000	350,000

These are foreign currency denominated in USD, non-voting, cumulative and convertible preference shares ("CPS", or "Preference Shares") having a face value of USD 100/- each, held by Oman Telecommunications Company SAOG ("Omantel", the Parent Company) and Habib Bank Limited (the Investor) amounting to USD 20 million and USD 15 million respectively.

The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but no later than the 5th anniversary. On 5th anniversary, CPS will be mandatorily converted into ordinary voting common shares. The CPS shall be converted fully or partially in multiples of USD 1 million at the conversion ratio defined in the agreement at 10% discount on share price after first anniversary and thereby increased by 10% additional discount for each completed year of anniversary.

The holders are entitled to a non-cash dividend which will be calculated at the rate higher of 5.9% per annum on each of the preference shares or the dividend declared by the Company for Ordinary Shareholders whichever is higher.

Omantel has provided a put option to the Investor in US Dollar where the Investor can sell its Convertible Preference Shares at Participation Amount along with any accumulated and accrued Dividend Shares and other pre-agreed charges and expenses (Put Strike Price) to Omantel. This Put Option may be exercised fully or partially in a multiple of USD 1 million from the 3rd anniversary of the CPS till the 5th anniversary or on occurrence of trigger events, as defined in CPS agreement, any time during the term of CPS.



15

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The CPS have been treated as part of equity on the following basis:

- The shares were issued under the provisions of section 84 and 86 of the Companies Ordinance, 1984 (the Ordinance) read with section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The financial capital of the Company and the issue of the shares were duly approved by the shareholders of the Company at the Annual General Meeting held on 30 April 2012.
- The requirements of the Ordinance takes precedence over the requirements of International Accounting Standards.
- The preference shareholders have the right to convert these shares into Ordinary shares.
- 14. Includes exchange gain of Rs 464.093 million (30 June 2013: Nil). Exchange loss for the corresponding period was included in 'Other expenses'.

	30 June 2014 Un-Audited (Rupees	30 June 2013 Un-Audited s in '000)
Cash (used in)/generated from operations		
Loss before taxation	(690,700)	(1,015,045)
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	644,656	618,357
 Amortization on intangible assets 	98,024	96,689
- Amortization of transaction cost	13,469	6,700
- Discounting charges	38,339	19,220
- Amortization of long term receivables	(3,058)	(3,880)
- Provision for doubtful receivables	30,744	107,667
- Provision for stores and spares	-	11,000
- Exchange (gain)/loss on foreign currency loan	(222,525)	58,650
- Gain on sale of property, plant and equipment	(4,052)	(3,506)
- Retirement benefits	32,207	29,525
- Advance written-off	10,383	-
- Finance cost	295,375	299,895
Profit before working capital changes	242,862	225,272
Effect on cash flow due to working capital changes:		
- (Increase)/decrease in stores and spares	(88,558)	15,704
- Increase in stock-in-trade	(19,832)	(22,199)
 (Increase)/decrease in trade debts 	(23,281)	286,698
- Decrease/(increase) in loans and advances	178,893	(118,596)
 Increase in deposits and prepayments 	(378,371)	(23,610)
- Decrease/ (increase) in other receivables	26,490	(39,018)
- (Decrease)/increase in trade and other payables	(262,304)	174,554
	(566,964)	273,533
	(324,101)	498,805



16.

CALL		
An Omantel Company	30 June	30 June
	2014	2013
	Un-Audited	Un-Audited
	(Rupees	s in '000)
Cash and cash equivalents		
Cash and bank balances	1,240,191	79,917

WorldCall

17. Related party transactions

The related parties comprise of members, foreign subsidiary, local associated companies, related group companies, directors of the Company, companies where directors also hold directorship and key management personnel. Significant transactions with related parties are as follows:

		Half year ended 30 June 2014 Un-Audited (Rupees	Half year ended 30 June 2013 Un-Audited : in '000)
Relationship with the Company Parent Company	Nature of transactions Purchase of goods and servic Sale of goods and services	ces _	16
Other related parties	Purchase of goods and services Sale of goods and services	- ces _ -	6 5,042 510
Key management personnel	Salaries and other employee benefits	158,295	155,580
		30 June 2014 Un-Audited (Rupee	31 December 2013 Audited s in '000)
Period/year end balances			
Receivable from related parties Payable to related parties		- 2,277,403	228,813 2,364,131
These are in normal course of busi	ness and are interest free.		
Financial sistements and the			

18. Financial risk management

18.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2013.

21

HALFYEARLY REPORT 2014



There have been no changes in the risk management department since year end or in any risk management policies.

18.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

18.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1) -
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2014.

> Level 3 Level 2 Level 1 Total Rupees

Assets

Available-for-sale investments	81,245	-	-	81,245
	81,245	-	-	81,245
Liabilities	-	-	-	-

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2013.

	Level 1	Level 2	Level 3	Total
		Rupee	es	
Assets				
Available-for-sale investments	83,193	-	-	83,193
	83,193	-	-	83,193
Liabilities	-	-	-	-

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.



19. Date of authorization for issue

This condensed interim financial information was authorized for issue on 31 August, 2014 by the Board of Directors of the Company.

20. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.









WorldCall

WORLDCALL TELECOM LIMITED AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

30 JUNE 2014





WorldCall

DIRECTORS' REVIEW

The Directors of Worldcall Telecom Limited ("WTL" or the "Parent Company") are pleased to present condensed consolidated interim financial information of the Group for the quarter ended 30 June 2014.

Group Foreign Subsidiary

WorldCall Telecommunications Lanka (Pvt.) Limited

Winding up of the subsidiary is in process as approved in the earlier AGM of the Parent Company. In annexed consolidated financial statements, the subsidiary has been accounted for under IFRS 5 as discontinued operations.

For and on behalf of the Board of Directors

Babanch Babar Ali Syed

Chief Executive Officer

31 August 2014

27

HALFYEARLY REPORT 2014

28

HALFYEARLY REPORT 2014

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (Un-Audited) AS AT 30 JUNE 2014

Note			30 June 2014 Un-Audited	31 December 2013 Un-Audited
Tangble fixed assets 7 12,100.612 12,520.985 Capital work-in-progress 7 12,100.612 12,520.985 Intangible assets 8 4,673.379 14,357.068 110,807 Intangible assets 8 4,673.379 160,474 160,474 Long term trade receivables 2,246,402 2,546,4247 12,103 112,730 Deferred taxation 2,246,202 2,546,4247 12,103 12,123 Stores and sparses 50,355 12,103,004 12,103,004 12,103,004 Stores and sparses 50,455 13,456,004 12,103,004 10,055,001 12,103,004 Deposits and prepayments 50,456 13,484 13,466,014 63,193 10,050,041 10,041,050,041 10,050,041<	NON CURRENT ASSETS	Note	(Rupees	in '000)
Capital work-in-progress 1.357,076 1.1018,067 Investment properties 1.357,076 1.1018,067 Investment properties 1.357,076 1.1018,067 Long term trade receivables 1.21,103 112,734 Deferred taxation 2.542,052 2.546,247 Long term loans and deposits 2.7,815 2.1,053,091 2.1,72,734 Stock in trade 90,395 2.1,72,734 1.06,273 Stock in trade 90,395 2.1,72,033 1.06,253 Cash and advances 2.4,411 2.4,388 1.03,058 Dord term townsthemesis 9 2.4,415,127 2.4,388 Cash and bank balances 9 4.415,127 2.4,388 1.043,058 Short term inversitings 10 1.05,506 2.5,465,278 2.5,465,278 Current maturities of non-current liabilities 11,755,528 2.5,468,02 2.5,468,01 2.5,683,103 1.03,528 1.03,528 1.03,528 1.03,528 1.03,528 1.03,528 1.03,528 1.04,532 2.58,311 1.06,523,528 2.58,311 1.0				
Intargible assets 8 4,675,888 13,539,622 Intargible assets 8 4,673,373 169,273 Long term thade receivables 2,842,082 2,246,241 172,774 Long term thade receivables 2,842,082 2,246,247 172,704 Long term loans and deposits 21,035,091 21,272,033 21,227,033 UBRENT ASSETS Stores and sparse 21,035,091 21,272,033 Stores and sparse Stores and sparse 21,245,0182 24,451,127 Current multiplicits 13,4892 1,445,127 24,455,229 Lorens de payable 17,658,327 11,101,6408 11,101,6408 Lorent de ad other payables 17,758,3327 11,101,6408 11,101,6408 Lorent		7		
Intragible assets 8 4,673.379 4,775.881 Investment properties 160.471 100.474 Integration variables 8 4,673.379 4,775.881 Long term loans and deposits 80.395 21,035.095 21,272.033 CURRENT ASSETS Stores and sparses 7,615 21,272.033 Trade debs 10,343.093 969.604 103.375.91 103.375.91 Stores and shares 9 7,7615 103.57.96 103.375.91 103.923 103.923.92 103.925.91 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 103.925.92 128.925.92	Capital work-in-progress		13,457,688	
Investment properties 160,474 160,474 Long term trade receivables 121,103 172,794 Long term trade receivables 2,542,052 2,546,247 Long term trade receivables 11,035,091 21,272,033 CURRENT ASSETS 21,035,091 1166,253 Stock in trade representation 1,035,094 106,278 Participation 1,035,091 106,278 Short term investments 9 4,415,122 5,495,427 Current tualities of non-current liabilities 9 4,415,122 5,495,427 Current mark up arrangements - secured 10 5,495,427 1,831,247 Top 6,253,248 1,043,084 1,043,084 1,043,084 Locense for payable 10 5,495,427 1,831,247 Running finance under mark up arrangements - secured 10 5,495,427 1,016,406 Not-Current liabilities of non-current liabilities 11,062,595 1,021,500 1,025,593 Interest and mark up accured 11 2,547,914 2,866,619 1,021,500 Locense for payable 11,062,402 4,452,927 1,016,406 1,025,824 3,201,19	Intervible second	0		
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Income tax recoverable - net Cash and bank balances Assets of disposal group classified as held for sale URRENT LIABILITIES CURRENT LIABILITIES CURRENT LIABILITIES Current maturities of non-current liabilities Rhuning finance under mark up arrangements - secured Short term borrowings License fee payable Trade and other payables Interest and mark up acroued License fee payable Trade and other payables Interest and mark up acroued Liabilities of disposal group classified as held for sale Part CURRENT LIABILITIES Term finance centificates - secured Liabilities against assets subject to finance lease Long term payables Liabilities against assets subject to finance lease Long term payables Liabilities against assets subject to finance lease Long term payables Contingencies and commitments Patter methors of 15 000,000 Ordinary shares of R1 0 each Soluto 2013: 1,500,000,000 Ordinary shares of R1 0 each Soluto 2013: 500,000,000 preference shares of USD 100 each (USD 50,000,000 equivalent to fiss, 500,000,000) Ordinary shares of R1 0 each Soluto reserves Current value reserves Current payables Controlling interest Soluto reserves Current payables Contingencies and commitments Soluto 2013: 500,000,000 preference shares of USD 100 each (USD 50,000,000 equivalent to R5,000,000,000) Ordinary share capital Contingencies and commitments Soluto reserves Current share capital Contingencies to be condo; condo; Condingencies and commitments Soluto reserves Current share capital Condingencies and commitments Soluto reserves Current share capital Condingencies to be condo; Soluto reserves Current share capital Condingencies to be condo; Soluto reserves Current share capital Condingencies to be condo; Soluto reserves Current share capital Condingencies to be condo;			81,245	
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Long term payables 848,504 1,123,506 Long term deposits 4,332,087 4,2333 Contingencies and commitments 13 9,048,804 9,949,780 Authorized capital 1,500,000,000 15,000,000 15,000,000 0 ordinary shares of Rs 10 each 15,000,000 6,000,000 6,000,000 500,000 (31 December 2013: 500,000) preference shares of USD 100 each 8,605,716 8,605,716 8,605,716 Ordinary share capital 14 3,537,700 837,335 11,702 837,335 Fair value reserve 8,605,716 3,537,700 837,335 11,702 13,6733 Capital and reserves attributable to equity holders of the Parent Company 8,694,600 9,595,000 9,593,001 13,6733 Surplus on revaluation 38,8047 357,960 9,548,780 9,518,820 357,960 Surplus on revaluation 388,047 357,960 9,044,804 9,949,780 11,702 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. \$11,102 \$358,047 357,960 9,448,804 9,449,7			326,568	
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Contingencies and commitments 13 9,048,804 9,949,780 REPRESENTED BY Authorized capital 1,500,000,000 (31 December 2013: 1,500,000,000) ordinary shares capital 0(SB 50,000,000 equivalent to Rs 6,000,000,000) 15,000,000 15,000,000 500,000,000 equivalent to Rs 6,000,000,000) 6,000,000 6,000,000 Ordinary share capital Preference share capital Share premium Share premium Accumulated loss 14 8,605,716 8,605,716 Quity reserve Exchange translation reserve Accumulated loss 14 3,634,600 1,702 1,352,185) Quity and reserve sattributable to equity holders of the Parent Company Non controlling interest 8,694,600 9,587,001 9,587,001 Surplus on revaluation 358,047 357,960 9,548,004 9,548,780 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. 0,111 m T 0,948,804 Chief Executive Officer Director Director 0			42,282	42,333
Best State 9,048,804 9,949,780 REPRESENTED BY Authorized capital 1,500,000,000 (31 December 2013: 1,500,000,000) ordinary shares of Rs 10 each 15,000,000 15,000,000 500,000 (31 December 2013: 500,000) preference shares of USD 100 each (USD 50,000,000 equivalent to Rs 6,000,000) 6,000,000 6,000,000 Ordinary share capital Preference share capital Share premium Fair value reserve Exchange translation reserve Accumulated loss 14 8,605,716 8,605,716 Quivalent to Rs 6,000,000 15,000,000 6,000,000 6,000,000 13,337,700 Share premium Fair value reserve Exchange translation reserve Accumulated loss 14 8,605,716 8,605,716 3,537,700 Surplus on revaluation 3,634,600 9,557,001 13,532,185) 11,702 136,733 Surplus on revaluation 358,047 357,960 9,548,700 357,960 Surplus on revaluation 9,048,804 9,949,780 4,11K T 0,949,780 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. 011K T 011K T Chief Executive Officer Director 012K T 012K T			4,632,087	5,801,274
REPRESENTED BY Authorized capital 1,500,000 (31 December 2013: 1,500,000,000) ordinary shares of Rs 10 each 500,000 (31 December 2013: 500,000) preference shares of USD 100 each (USD 50,000,000 equivalent to Rs 6,000,000,000) Ordinary share capital Preference share capital Preference share capital Share premium Fair value reserve Exchange translation reserve Accumulated loss Capital and reserves attributable to equity holders of the Parent Company Non controlling interest Surplus on revaluation The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. Mathematical Mathematical Chief Executive Officer	Contingencies and commitments	13	0.040.004	0.040.700
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ordinary shares of Rs 10 each 15,000,000 15,000,000 500,000 (31 December 2013: 500,000) preference shares of USD 100 each (USD 50,000,000 equivalent to Rs 6,000,000,000) 6,000,000 6,000,000 Ordinary share capital Preference share capital 14 8,605,716 3,537,700 Share premium 9,755 9,755 11,702 Exchange translation reserve 9,755 11,702 Accumulated loss (8,64,80) 9,597,001 Capital and reserves attributable to equity holders of the Parent Company 8,690,757 9,597,001 Surplus on revaluation 353,8047 357,960 9,949,780 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. \$,11,17,27 Chief Executive Officer Director				
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(USD 50,000,000 equivalent to Rs 6,000,000) 6,000,000 6,000,000 Ordinary share capital 14 8,605,716 3,537,700 Preference share capital 14 8,605,716 3,537,700 Share premium 8,755 8,605,716 3,537,700 Exchange translation reserve 9,755 11,702 136,733 Accumulated loss (4,210,413) 8,694,600 9,597,001 Non controlling interest 8,690,757 9,591,820 5,181) Surplus on revaluation 8,690,757 9,548,804 357,960 9,048,804 9,949,780 11,17,720 11,67,730 Chief Executive Officer Director			10,000,000	
Ordinary share capital 14 8,605,716 Preference share capital 14 8,605,716 Share premium 3,537,700 837,335 Fair value reserve 9,755 11,702 Exchange translation reserve (85,493) 136,733 Accumulated loss 68,604,716 3,637,700 Capital and reserves attributable to equity holders of the Parent Company 8,694,600 9,557,001 Non controlling interest (3,843) (5,181) Surplus on revaluation 358,604 357,960 9,048,804 9,949,780 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. X11 N 7X Chief Executive Officer Director			6,000,000	6 000 000
Preference share capital 14 3,537,700 3,537,700 Share premium 837,335 837,335 837,335 Fair value reserve 9,755 11,702 136,733 Accumulated loss (88,493) 1(3,532,185) 13,67,335 Capital and reserves attributable to equity holders of the Parent Company 8,694,600 9,597,001 Non controlling interest 8,690,757 9,518,20 Surplus on revaluation 358,047 357,960 9,048,804 9,949,780 357,960 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. 711K 7 Chief Executive Officer Director				
Share premium 837,335 837,335 Fair value reserve 9,755 11,702 Exchange translation reserve (85,493) 136,733 Accumulated loss (8,694,600) 9,597,001 Capital and reserves attributable to equity holders of the Parent Company 8,694,600 9,597,001 Non controlling interest (3,843) (5,181) Surplus on revaluation 358,694,600 9,597,001 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. 711 K 7 Chief Executive Officer Director		14		
Fair value reserve 9,755 11,702 Exchange translation reserve (85,493) 136,733 Accumulated loss (4,210,413) 9,593,600 Capital and reserves attributable to equity holders of the Parent Company 8,694,600 9,593,703 Non controlling interest 8,690,757 9,591,820 Surplus on revaluation 38,8047 357,960 9,048,804 9,949,780 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. 711,772 Chief Executive Officer Director		14	837.335	
Accumulated loss (4,210,413) (3,532,185) Capital and reserves attributable to equity holders of the Parent Company 8,694,600 9,597,001 Non controlling interest (3,843) (5,181) Surplus on revaluation 358,604 9,597,800 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. 9,949,780 Chief Executive Officer Director	Fair value reserve		9,755	11,702
Capital and reserves attributable to equity holders of the Parent Company 8,694,600 9,597,001 Non controlling interest (3,843) (5,181) Surplus on revaluation 358,047 357,960 9,048,804 9,949,780 9,949,780 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. 64 (1187) Chief Executive Officer Director				
Non controlling interest (3,843) (5,181) Surplus on revaluation 358,047 9,591,820 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. 9,949,780 Example: Chief Executive Officer Director				9,597.001
Surplus on revaluation 358,047 9,048,804 9,048,804 9,949,780 9,949,780 9,949,780 Chief Executive Officer Director			(3,843)	(5,181)
9,048,804 9,949,780 The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. 9,049,780 Balance Information 9,049,780 Chief Executive Officer Director	Surplus on revolution			
Babandiff Chief Executive Officer Director	Sulpius on revaluation			9,949,780
Babandiff Chief Executive Officer Director	The annexed notes 1 to 20 form an integral part of this condensed consolida	ated inter	im financial information.	
Chief Executive Officer Director				LINE
				Gr 11187/
29 HALFYEARLY REPORT 2014				Director
	29		HALFYEARLY R	EPORT 2014



WorldCall

CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2014

	Note	Half year ended 30 June 2014 Un-Audited	Half year ended 30 June 2013 Un-Audited (Rupees ir	Quarter ended 30 June 2014 Un-Audited 1 '000)	Quarter ended 30 June 2013 Un-Audited
Continuing operations					
Revenue - net		1,288,761	1,814,978	595,154	844,934
Direct cost		(1,617,572)	(1,812,613)	(870,112)	(896,040)
Gross (loss)/profit		(328,811)	2,365	(274,958)	(51,106)
Operating cost		(537,301)	(597,564)	(280,960)	(319,697)
Operating loss		(866,112)	(595,199)	(555,918)	(370,803)
Finance cost		(347,183)	(325,815)	(183,313)	(161,683)
		(1,213,295)	(921,014)	(739,231)	(532,486)
Other income	15	532,296	13,906		5,760
Other expenses		-	(107,937)	(42,779)	(29,445)
Loss before taxation		(680,999)	(1,015,045)	(782,010)	(556,171)
Taxation Loss after taxation from		(127,218)	399,420	(56,533)	197,091
continuing operations		(808,217)	(615,625)	(838,543)	(359,080)
Discontinued operations Loss for the period from discontinued operations		(427)	(1,301) (616,926)	(216) (838,759)	(355)
Attributable to: Equity holders of the Parent Company Non-controlling interest		(808,519) (125) (808,644)	(616,544) (382) (616,926)	(838,696) (63) (838,759)	(359,330) (105) (359,435)
		(000,044)		(000,100)	(000,100)
Basic loss per share					
From continuing operations	Rupees	(1.05)	(0.72)	(1.04)	(0.42)
From discontinued operations	Rupees	(0.00)	(0.00)	(0.00)	(0.00)
From loss for the period	Rupees	(1.05)	(0.72)	(1.04)	(0.42)
Diluted loss per share					
From continuing operations	Rupees	(0.36)	(0.72)	(0.38)	(0.42)
From discontinued operations	Rupees	(0.00)	(0.00)	(0.00)	(0.00)
From loss for the period	Rupees	(0.36)	(0.72)	(0.38)	(0.42)

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

Babandiff Chief Executive Officer





CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2014

	Half year ended 30 June 2014 Un-Audited	Half year ended 30 June 2013 Un-Audited (Rupees i n	Quarter ended 30 June 2014 Un-Audited 1 '000)	Quarter ended 30 June 2013 Un-Audited
Loss for the period	(808,644)	(616,926)	(838,759)	(359,435)
Other comprehensive income/(loss): Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations Net change in fair value of available	4,987	998	(31)	1,877
for sale financial assets	(1,948)	(4,029)	(9,692)	568
	3,039	(3,031)	(9,723)	2,445
Items that will not be reclassified to profit or loss				-
Total comprehensive loss for the period - net of tax	(805,605)	(619,957)	(848,482)	(356,990)
Attributable to:				
Equity holders of the Parent Company Non-controlling interest	(806,943) 1,338	(619,868) (89)	(848,409) (73)	(357,437) 447
Non controlling interest	(805,605)	(619,957)	(848,482)	(356,990)

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.



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CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

	Note	Half year ended 30 June 2014 Un-Audited (Rupee	Half year ended 30 June 2013 Un-Audited s in '000)
Cash flows from operating activities			
Cash (used in)/generated from operations	16	(324,226)	498,699
Decrease in long term deposits receivable		(2,780)	33,762
Decrease in long term trade receivable		54,749	-
Decrease in long term deposits payable		(51)	(26)
Decrease in deferred income		-	(65,916)
(Decrease)/increase in long term payables		(157,978)	68,518
Retirement benefits paid		(52,191)	(51,728)
Finance cost paid		(273,510)	(267,742)
Taxes paid		(53,878)	(17,675)
Net cash used in from operating activities		(809,865)	197,892
Cash flows from investing activities Fixed capital expenditure Proceeds from sale of property, plant and equipment		(554,879) 9,648	(208,669) 6,993
Net cash used in investing activities		(545,231)	(201,676)
Cash flows from financing activities			
Proceeds received against long term loan acquired		250,000	-
Initial transaction cost paid		(1,769)	-
Repayment of long term loan		(98,884)	-
(Payment)/receipt of short term borrowings - net		(6,722)	12,660
Running finance - net		(19,678)	(1,571)
Repayment of liabilities against assets subject to finance lease Net cash generated from/(used in) financing activities		(29,636) 93,311	(17,148)
Net bash generated nom/(used in) manong activities		33,311	(17,140)
Net decrease in cash and cash equivalents		(1,261,786)	(20,932)
Cash and cash equivalents at the beginning of the period		2,501,980	100,886
Cash and cash equivalents at the end of the period		1,240,194	79,954

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

Balandiy Chief Executive Officer

Director



31

HALFYEARLY REPORT 2014

Attributable to equity holders of the Group

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Total equity	8,970,563	(616 EAA)	(+++C(010)		001000	8,350,606	3,537,700	(161,139)	(1,686,480)	(2,070)	4,945	•	(93,782)	9,949,780	(808,519)	2,914	•	•	(95,371)	9,048,804	Director
Non controllin g interest	(3,286)			(eo) -		(3,375)		•	•	(1,806)				(5,181)		1,338	,		,	(3,843)	, ⁵
Total	8,973,849	(616 574)	(*******		0 010 001	8,353,981	3,537,700	(161,139)	(1,686,480)	(264)	4,945	•	(93,782)	9,954,961	(808,519)	1,576			(95,371)	9,052,646	
Surplus on revaluation	348,130			2.442	010	350,572		•	•		7,388			357,960			87			358,047	
lated	(826,720)	(616 544)	(010,044)	- (2.442)	1 445 7001	(1,445,706)	'	(161,139)	(1,686,480)	1,665	(2,443)	(144,300)	(93,782)	(3,532,185)	(808,519)		(87)	225,750	(95,371)	(4,210,413)	ttion.
Currency translation Accumu reserve loss	(4,447)		- 205	ρο, ·	100 - 07	(3,742)		•	•	(3,825)		144,300		136,733		3,524		(225,750)	,	(85,493)	cial informa
Fair value reserve	13,835	,		(4,U23) -	0000	9,806			•	1,896	'			11,702		(1,948)			,	9,754	nterim finano
Share premium	837,335				100 200	837,335		•	•					837,335						837,335	isolidated i
Ordinary share Preference share capital capital		,				•	3,537,700							3,537,700					,	3,537,700	condensed cor
Ordinary share F capital	8,605,716	,			0 001 140	8,605,716	,		•					8,605,716						8,605,716	al part of this .
	Balance as at 31 December 2012 (Audited)	Loss for the nation	Cuttor comprehensive loss for the pariod	Utilei cumpremensive ross for the period Transfer to surplus on revaluation		Balance as at 30 June 2013 (Un-Audited)	Issuance of preference shares	Cost of issuance of preference shares	Loss for the period	Other comprehensive income/(loss) for the period	Transfer to surplus on revaluation	Exchange translation reserve	Dividend on preference shares	Balance as at 31 December 2013 (Un-Audited)	Loss for the period	Other comprehensive (loss)/income for the period	Transfer to surplus on revaluation	Exchange translation reserve	Dividend on preference shares	Balance as at 30 June 2014 (Un-Audited)	The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information. たいたいしょう Chief Executive Officer
33														HAL	FY	EA	RĽ	YF	REP	OR	T 2014



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL **INFORMATION (UN-AUDITED)** FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2014

- Legal status and nature of business 1
 - 1.1 The Group consists of:

Worldcall Telecom Limited; and

Worldcall Telecommunications Lanka (Private) Limited, together "the Group".

1.2 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 guoted 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 67-A, C III, Gulberg III, Lahore. In the year ended 30 June, 2008, 56.80% shares (488,839,429 ordinary shares) were acquired by Oman Telecommunications Company SAOG ("the Holding Company").

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

2 Basis of preparation

Consolidation

The condensed consolidated interim financial information includes the financial information of the Group. The financial information of the Subsidiary has been consolidated on a line by line basis.

Subsidiary

Subsidiary is an entity controlled by the Parent Company. Control exists when a 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 condensed consolidated interim financial information from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intragroup balances and any other unrealized gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the condensed consolidated interim financial

34



information. Unrealized losses are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Non controlling interest is that part of net results of operations and of net assets of the Subsidiary attributable to interest which are not owned by the Group. Non controlling interest is presented separately in the consolidated financial statements. In view of negative equity of the Subsidiary, the complete amount of losses are being borne by the Parent Company.

3. Statement of compliance

This condensed interim consolidated financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The figures for the half year ended 30 June 2014 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended 31 December 2013.

4. Significant accounting policies

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements for the year ended 31 December 2013.

4.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Group's financial statements covering annual periods, beginning on or after the following dates:

4.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current year

Certain standards, amendments and interpretations to approved accounting standards are effective in the current year but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in this condensed interim financial information.

4.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2015 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in this condensed interim financial information

5. Significant accounting judgments and estimates

The preparation of condensed consolidated interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that

HALFYEARLY REPORT 2014



affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments 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 judgments 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 judgments 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 31 December 2013.

 Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

7 Property, plant and equipment	
Owned and leased assets	
Opening 12,520,955 13,002,060 Additions for the period/year 7.1 229,909 831,490	
12,750,864 13,833,550	
Disposals (at book value) for the period/year 7.2 (5,596) (46,090) Adjustment (at book value) - (631)	
Depreciation charged for the period/year (644,656) (1,265,874) Closing book value 7.3 12,100,612 12,520,955	_
7.1 Following is the detail of additions	
Leasehold improvements 2,587 1,477 Plant and equipment 224,660 823,293 Office equipment 1,139 1,284 Computers 1,523 1,844	
Vehicles - <u>3,592</u> 229,909 831,490	
7.2 Following are the book values of disposals	_
Leasehold improvement - 11	
Plant and equipment 4,320 39,258 Office equipment 27 632	
Computers - 45	
Furniture and fixtures 6 273	
Vehicles 1,243 5,871	
5,596 46,090	_

7.3 Property, plant and equipment includes equipment deployed in implementing the Universal Service Fund network which is subject to lien exercisable by Universal Service Fund Company ("USFC") in the event of failure by the Group to maintain service availability and quality specification.

36

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8.	Intangible assets	Note	30 June 2014 Un-Audited (Rupee	31 December 2013 Un-Audited s in '000)
	Licenses Indefeasible right of use - media cost Software Goodwill	8.1	1,502,082 606,166 11,637 2,553,494 4,673,379	1,577,738 632,300 12,349 2,553,494 4,775,881

8.1 Goodwill represents the difference between the cost of acquisition (fair value of consideration paid) and fair value of net identifiable assets acquired at the time of merger of Worldcall Telecom Limited with Worldcall Communications Limited, Worldcall Multimedia Limited and Worldcall Broadband Limited.

The Group assessed the recoverable amount of Goodwill at 30 June 2014 and determined that, as of this date, there is no indication of impairment of Goodwill. The recoverable amount was principally calculated on the basis of five years financial business plan approved by the Board.

The business plan also includes a comprehensive analysis of the existing operational deployments of the Group along with strategic direction of future investments and business growth. Discount rate of 27.82% was used for the calculation of net present value of future cash flows. The cash flows beyond the five years period have been extrapolated using a steady 5% growth rate which is consistent with the long-term average growth rate for the industry.

9. Non current assets and liabilities classified as held for sale

The Subsidiary was suffering losses as the demand for payphones in Sri Lanka has greatly diminished. Keeping in view the Sri Lankan market conditions and negative equity of the Subsidiary, the management decided and approved the winding up of the Subsidiary. Long term investment in the Subsidiary has been classified as discontinued operations.

Following are the results for the period ended 30 June 2014 and the comparative period of discontinued operations: 30 June 31 December

	2014	2013
	Un-Audited	Un-Audited
	(Rupee	s in '000)
Results of discontinued operations		
Revenue	-	-
Expenses	(427)	(1,346)
Results from operating activities	(427)	(1,346)
Finance cost	-	(1)
Other income	-	46
Loss for the period	(427)	(1,301)
Cash flow used in discontinued operations		
Net cash used in operating activities	(126)	(1,318)
Net cash generated from financing activities	-	1,211
Net cash used in discontinued operation	(126)	(107)



10

	Note	30 June 2014 Un-Audited (Rupee	31 December 2013 Un-Audited s in '000)
Assets and liabilities		()	,
Assets			
Cash and bank balances		2	128 128
Liabilities			
Trade and other payables Income tax payable		3,392 7 3,399	8,070 7 8,077
Short term borrowings			
Soneri Bank Limited - I Soneri Bank Limited - II	10.1 10.1		35,051 34,705 69,756

10.1 These have been restructured during the period into a long term loan as referred to in note 12.3.

		30 June 2014 Un-Audited (Rupees	31 December 2013 Un-Audited s in '000)
11	Term Finance Certificates - secured		
	Term finance certificates Initial transaction cost	1,643,735 (53,994) 1,589,741	1,643,735 (53,994) 1,589,741
	Amortization of transaction cost	53,994 1,643,735	53,994
	Current maturity	(1,095,821) 547,914	(547,911) 1,095,824

Term finance certificates

These represent listed Term Finance Certificates ("TFCs") amounting to Rs 3,838 million. Rs 3,000 million were offered Pre-IPO out of which Rs 2,838 million were subscribed by underwriters and Rs 1,000 million was received from public against subscription. Profit rate is charged at six months average Karachi Inter Bank Offer Rate (KIBOR) plus 1.60% per annum. The effective rate of markup charged during the period was 11.44%.

These TFCs have been rescheduled by majority of TFC holders. The principal will be repayable in three semi- annual instalments commencing from 07 October 2014.

37

HALFYEARLY REPORT 2014

38

12.	Long term loans	Note	30 June 2014 Un-Audited (Rupees	31 December 2013 Un-Audited in '000)
	Askari Bank Limited Summit Bank Limited Soneri Bank Limited	12.1 12.2 12.3	2,714,886 123,452 28,481 2,866,819	6,717,994 - - 6,717,994
12.1	Askari Bank Limited			
	Receipt Initial transaction cost		2,943,855 (129,365) 2,814,490	, ,
	Amortization of transaction cost		<u>30,010</u> 2,844,500	16,762
	Exchange loss		<u>463,020</u> 3,307,520	<u>685,545</u> 3,516,797
	Paid during the period		<u>(98,884)</u> 3,208,636	- 3,516,797
	Current maturity		(493,750) 2,714,886	(315,600) 6,717,994

This represents foreign currency syndicated loan facility amounting to USD 35 million from Askari Bank Limited Off-Shore Banking Unit, Bahrain with the lead arranger being Askari Bank Limited. Initially, this Ioan was repayable in 20 equal quarterly instalments with 2 years grace period commencing from 06 June 2013. Profit, which is payable quarterly, is being charged at three months average London Inter Bank Offer Rate (LIBOR) plus 1.75% per annum and monitoring fee at 1.20% per annum. To secure the facility an unconditional, irrevocable, first demand stand-by letter of credit has been issued by National Bank of Oman favouring Askari Bank Limited against the corporate guarantee of Oman Telecommunications Company SAOG. The effective rate of markup charged during the period was 3.19%.

This loan was rescheduled by Askari Bank Limited. Keeping other terms and conditions of the agreement un-modified, the principal is repayable in 16 quarterly instalments commencing from 06 June 2014. The aggregate grace period now stands at 3 years from the original date of the loan facility, as per revised terms of the agreement.



30 June 31 December 2014 2013 **Un-Audited** Un-Audited -----(Rupees in '000)------12.2 Summit Bank Limited Receipt 250.000 Initial transaction cost (1,769)248,231 Amortization of transaction cost 221 248,452 Current maturity (125.000)123,452

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This represents a term finance facility of Rs 250 million. This loan is repayable in 18 equal monthly instalments commencing from 01 October 2014. It is secured through lien over Term Deposit Receipt (TDR) with 10% margin along with initial ranking charge which is to be upgraded to first pari passu hypothecation charge with 25% margin over present and future, current and fixed assets within 60 days. Markup is charged at current TDR rate plus 2.5% and is payable monthly. The effective rate of markup charged during the period was 11.45%.

	30 June 2014 Un-Audited (Rupees	31 December 2013 Un-Audited s in '000)
12.3 Soneri Bank Limited		
Transferred from short term borrowings	66,756	-
Paid during the period	(3,722)	-
	63,034	-
Current maturity	(34,553)	-
	28,481	-

This facility was previously repayable up to 23 May 2014, however it was rescheduled by the bank in April 2014 and is now repayable in 23 monthly installments starting from 31 May 2014. It carries mark up at one month Karachi Inter Bank Offered Rate (KIBOR) plus 3% per annum and is payable monthly. It is secured through joint pari passu hypothecation agreement over current and movable fixed assets of the Group for Rs 980.33 million with 25% margin. The effective rate of markup charged during the period was 13.71%.

13. Contingencies and commitments

Contingencies

There is no significant change in contingencies from the preceding annual published financial statements of the Group for the year ended 31 December 2013 except for the following:

(i) During the current period, a demand of Rs 1,059.595 million (including default surcharge of Rs 325.849 million) was raised against the Group under section 161/205 of the Income Tax Ordinance, 2001 ('Ordinance') for the period relevant to Tax Year 2012 alleging non-compliance with various applicable withholding provisions contained in the Ordinance. The managment assailed the subject order in usual appellate course before Commissioner Inland Revenue (Appeals) ['CIR(A)'], during the

HALFYEARLY REPORT 2014



pendency whereof an aggregate recovery of Rs 50.07 million was made by the department. Group's appeal was disposed by CIR(A) through appellate order dated 16 May 2014, and while major issue forming basis of demand was principally decided in department's favour, for reappraisal of certain facts, the assessment order was remanded back for adjudication afresh. Managment has preferred further appeal against CIR(A)'s order and since, it considers that Group's position is based on meritorious grounds, both legal and factual, no provision has been made in this interim financial information.

(ii) Outstanding guarantees amounting to Rs 1,111 million (31 December 2013: Rs 1,120 million).

	Commitments	30 June 2014 Un-Audited (Rupees	31 December 2013 Un-Audited s in '000)
	Commitments in respect of capital expenditure	1,953,246	2,346,433
	Outstanding letters of credit	155,074	56,203
14.	Preference share capital		
	350,000 (December 2013: 350,000) preference shares of USD 100 each fully paid in cash	3,537,700	3,537,700
	The reconciliation of preference shares is as follows:		

Opening number of shares	350,000	-
Shares issued during the period/year	-	350,000
Closing number of shares	350,000	350,000

These are foreign currency denominated in USD, non-voting, cumulative and convertible preference shares ("CPS", or "Preference Shares") having a face value of USD 100/- each, held by Oman Telecommunications Company SAOG ("Omantel", the Holding Company) and Habib Bank Limited (the Investor) amounting to USD 20 million and USD 15 million respectively.

The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but no later than the 5th anniversary. On 5th anniversary, CPS will be mandatorily converted into ordinary voting common shares. The CPS shall be converted fully or partially in multiples of USD 1 million at the conversion ratio defined in the agreement at 10% discount on share price after first anniversary and thereby increased by 10% additional discount for each completed year of anniversary.

The holders are entitled to a non-cash dividend which will be calculated at the rate higher of 5.9% per annum on each of the preference shares or the dividend declared by the Group for Ordinary Shareholders whichever is higher.

Omantel has provided a put option to the Investor in US Dollar where the Investor can sell its Convertible Preference Shares at Participation Amount along with any accumulated and accrued Dividend Shares and other pre-agreed charges and expenses (Put Strike Price) to Omantel. This Put Option may be exercised fully or partially in a multiple of USD 1 million from the 3rd anniversary of the CPS till the 5th anniversary or on occurrence of trigger events, as defined in CPS agreement, any time during the term of CPS.



16

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The CPS have been treated as part of equity on the following basis:

- The shares were issued under the provisions of section 84 and 86 of the Companies Ordinance, 1984 (the Ordinance) read with section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The financial capital of the Parent Company and the issue of the shares were duly approved by the shareholders of the Parent Company at the Annual General Meeting held on 30 April 2012.
- The requirements of the Ordinance takes precedence over the requirements of International Accounting Standards.
- The preference shareholders have the right to convert these shares into Ordinary shares.
- **15.** Includes exchange gain of Rs 464.093 million (30 June 2013: Nil). Exchange loss for the corresponding period was included in 'Other expenses'.

	Half year ended 30 June 2014 Un-Audited (Rupee	Half year ended 30 June 2013 Un-Audited es in '000)
Cash (used in)/generated from operations		
Loss before taxation	(681,426)	(1,016,346)
Adjustment for non-cash charges and other items:		
- Depreciation	644,656	618,357
- Amortization of intangible assets	98,024	96,689
- Amortization of transaction cost	13,469	6,700
- Discounting charges	38,339	19,220
- Amortization of receivables	(3,058)	(3,880)
- Provision for doubtful receivables	30,744	107,667
- Provision for stores and spares	-	11,000
 Exchange (gain)/loss on foreign currency loan 	(222,525)	58,650
 Gain on sale of property, plant and equipment 	(4,052)	(3,506)
 Exchange translation difference 	4,987	836
- Retirement benefits	32,207	29,525
- Advance written-off	683	-
- Finance cost	295,375	299,896
Profit before working capital changes	247,423	224,808

Effect on cash flow due to working capital changes:

(Increase)/decrease in the current assets		
Stores and spares	(88,558)	15,709
Stock in trade	(19,832)	(22,195)
Trade debts	(23,281)	286,750
Loans and advances	178,893	(118,596)
Deposits and prepayments	(378,370)	(23,606)
Other receivables	26,481	(38,928)
(Decrease)/increase in current liabilities		
Trade and other payables	(266,982)	174,757
	(571,649)	273,891

42

498,699

(324,226)



17. Related party transactions

The related parties comprise of members, the Subsidiary, local associated companies, related group companies, directors of the Group, companies where directors also hold directorship and key management personnel. Significant transactions with related parties are as follows:

	Н	alf year ended 30 June 2014	Half year ended 30 June 2013
		Un-Audited	Un-Audited
		(nupees	11 000)
Relationship with the Company	Nature of transactions		
Parent Company	Purchase of goods and service	es -	16
	Sale of goods and services	-	6
Other related parties	Purchase of goods and service	es -	5,042
	Sale of goods and services	-	510
Key management personnel	Salaries and other employee benefits	158,295	155,580
		30 June 2014 Un-Audited (Rupees	31 December 2013 Un-Audited 5 in '000)
		()	,
Period/year end balances			
Receivable from related parties Payable to related parties		- 2,277,403	228,813 2,364,131
These are in normal course of busir	ness and are interest free.		

18. Financial risk management

18.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2013.

There have been no changes in the risk management department since year end or in any risk management policies.

18.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.



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18.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at June 30, 2014.

1 ----- 1 0

	Level 1	Iotal		
Assets				
Available-for-sale investments	81,245		-	81,245
	81,245	-	-	81,245
Liabilities	-	-	-	-

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2013.

	Level 1	Total		
Assets				
Available-for-sale investments	83,193	-	-	83,193
	83,193	-	-	83,193
Liabilities	-	-	-	-

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

19. Date of authorization for issue

This condensed interim consolidated financial information was authorized for issue on 31 August, 2014 by the Board of Directors.

20. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Balancif Chief Executive Officer



HALFYEARLY REPORT 2014