CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

30 JUNE 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 over-whelming 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

COMPANY INFORMATION

Chairman	Mehdi Mohammed Al Abduwani
Chief Executive Officer	Babar Ali Syed
Board of Directors *(In Alphabetic order)*	Mr. Aimen Bin Ahmed Al Hosni Mr. Asadullah Khawaja Mr. Mehdi Mohammed Al Abduwani (Chairman) Mr. Samy Ahmed Abdulqadir Al Ghassany Mr. Sohail Qadir Dr. Syed Salman Ali Shah Mr. Talal Said Marhoon Al Mamari (Vice Chairman)
Chief Financial Officer	Mr. Muhammad Murtaza Raza
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)
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)
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
Chief Internal Auditor	Mr. Mirghani Hamza Al-Madani
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

Bankers *(In Alphabetic Order)*	Allied Bank Limited Albaraka Bank (Pakistan) Limited Askari Bank Limited Bank Al Habib Limited Barclays Bank Plc Pakistan Burj Bank Limited Deutsche Bank AG Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited HSBC Bank Middle East Limited IGI Investment Bank Limited JS Bank Limited KASB Bank Limited MCB Bank Limited National Bank of Pakistan NIB Bank Limited Pak Oman Investment Co. Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited Tameer Microfinance Bank Limited The Bank of Punjab United Bank Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building No.3, Dr. Zia-ud-Din Ahmed Road, Karachi. Tel: (021) 111-000-322
Registered Office/Head Office	67-A, C/III, Gulberg-III, Lahore, Pakistan Tel: (042) 3587 2633-38 Fax: (042) 3575 5231
Webpage	www.worldcall.com.pk

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

Babar Ali Syed
Chief Executive Officer

31 August 2014

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

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 information based on our review. The figures of the condensed interim profit and 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 Farooq Mian

WORLD CALL
An Omantel Company

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

	Note	30 June 2014 Un-Audited	31 December 2013 Audited
		(Rupees in '000)	
NON-CURRENT ASSETS			
Tangible fixed assets			
Property, plant and equipment	6	**12,100,612**	12,520,955
Capital work-in-progress		**1,357,076**	1,018,067
		13,457,688	13,539,022
Intangible assets	7	**4,673,379**	4,775,881
Investment properties		**160,474**	160,474
Long term trade receivables		**121,103**	172,794
Deferred taxation		**2,542,052**	2,546,247
Long term loans and deposits		**80,395**	77,615
		21,035,091	21,272,033
CURRENT ASSETS			
Stores and spares		**274,811**	186,253
Stock-in-trade		**263,730**	243,898
Trade debts		**1,035,595**	1,043,058
Loans and advances - considered good		**790,711**	969,604
Deposits and prepayments		**550,496**	192,786
Short term investments		**81,245**	83,193
Other receivables		**43,475**	79,665
Income tax recoverable - net		**134,862**	204,690
Cash and bank balances		**1,240,191**	2,501,852
		4,415,116	5,504,999
Long term investment - classified as held for sale	8	**-**	-
		4,415,116	5,504,999
CURRENT LIABILITIES			
Current maturities of non-current liabilities		**2,823,348**	1,831,247
Running finance under mark up arrangements - secured		**767,266**	786,944
Short term borrowings	9	**-**	69,756
License fee payable		**1,021,500**	1,021,500
Trade and other payables		**6,935,563**	7,040,571
Interest and mark up accrued		**218,251**	258,311
		11,765,928	11,008,329
NET CURRENT LIABILITIES		**(7,350,812)**	(5,503,330)
NON-CURRENT LIABILITIES			
Term finance certificates - secured	10	**547,914**	1,095,824
Long term loans	11	**2,866,819**	3,201,197
Retirement benefits		**326,568**	336,991
Liabilities against assets subject to finance lease		**-**	1,423
Long term payables		**848,504**	1,123,506
Long term deposits		**42,282**	42,333
		4,632,087	5,801,274
Contingencies and commitments	12		
		9,052,192	9,967,429
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 6,000,000,000)		**6,000,000**	6,000,000
Ordinary share capital		**8,605,716**	8,605,716
Preference share capital	13	**3,537,700**	3,537,700
Share premium		**837,335**	837,335
Fair value reserve		**9,754**	11,702
Exchange translation reserve		**(81,450)**	144,300
Accumulated loss		**(4,214,911)**	(3,527,284)
		8,694,144	9,609,469
Surplus on revaluation		**358,047**	357,960
		9,052,192	9,967,429

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

Chief Executive Officer **Director**

WORLD CALL
An Omantel Company

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	Quarter ended 30 June 2014 Un-Audited	Quarter ended 30 June 2013 Un-Audited
		(Rupees in '000)			
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.

Chief Executive Officer **Director**

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	Quarter ended 30 June 2014 Un-Audited	Quarter ended 30 June 2013 Un-Audited
	(Rupees in '000)			
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.

Chief Executive Officer

Director

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

	Note	Half year ended 30 June 2014 Un-Audited	Half year ended 30 June 2013 Un-Audited
		(Rupees 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 lease		**(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		**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.

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 3O JUNE 2014

	Share Capital		Capital Reserves			Revenue Reserve		
	Ordinary share capital	Preference share capital	Share premium	Fair value reserve	Exchange translation reserve	Accumulated loss	Surplus on revaluation	Total
	(Rupees in '000)							
Balance as at 31 December 2012 (Audited)	8,605,716	-	837,335	13,835	-	(823,263)	348,130	8,981,753
Loss for the period	-	-	-	-	-	(615,625)	-	(615,625)
Other comprehensive loss for the period - net of tax	-	-	-	(4,029)	-	-	-	(4,029)
Transfer to surplus on revaluation	-	-	-	-	-	(2,442)	2,442	-
Balance as at 30 June 2013 (Un-Audited)	8,605,716	-	837,335	9,806	-	(1,441,330)	350,572	8,362,099
Issuance of preference shares	-	3,537,700	-	-	-	-	-	3,537,700
Cost of issuance of preference shares	-	-	-	-	-	(161,139)	-	(161,139)
Loss for the period	-	-	-	-	-	(1,685,955)	-	(1,685,955)
Other comprehensive income for the period - net of tax	-	-	-	1,896	-	1,665	-	3,561
Transfer to surplus on revaluation	-	-	-	-	-	(2,443)	7,388	4,945
Exchange translation reserve	-	-	-	-	144,300	(144,300)	-	-
Dividend on preference shares	-	-	-	-	-	(93,782)	-	(93,782)
Balance as at 31 December 2013 (Audited)	8,605,716	3,537,700	837,335	11,702	144,300	(3,527,284)	357,960	9,967,429
Loss for the period	-	-	-	-	-	(817,918)	-	(817,918)
Other comprehensive loss for the period - net of tax	-	-	-	(1,948)	-	-	-	(1,948)
Transfer to surplus on revaluation	-	-	-	-	-	(87)	87	-
Exchange translation reserve	-	-	-	-	(225,750)	225,750	-	-
Dividend on preference shares	-	-	-	-	-	(95,371)	-	(95,371)
Balance as at 30 June 2014 (Un-Audited)	8,605,716	3,537,700	837,335	9,754	(81,450)	(4,214,911)	358,047	9,052,192

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

Chief Executive Officer **Director**

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.

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.

5. 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.

	Note	**30 June 2014 Un-Audited**	31 December 2013 Audited
		--------(Rupees in '000)--------	
6 Property, plant and equipment			
Owned and leased assets			
Opening book value		**12,520,955**	13,002,060
Additions for the period/year	6.1	**229,909**	831,490
		12,750,864	13,833,550
Disposals (at book value) for the period/year	6.2	**(5,596)**	(46,090)
Adjustment (at book value)		**-**	(631)
Depreciation charged for the period/year		**(644,656)**	(1,265,874)
Closing book value	6.3	**12,100,612**	12,520,955

6.1 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	**-**	3,592
	229,909	831,490

	30 June 2014 Un-Audited	31 December 2013 Audited
	--------(Rupees 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
Vehicles	**1,243**	5,871
	5,596	46,090

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 quality specification.

	Note	**30 June 2014 Un-Audited**	31 December 2013 Audited
		--------(Rupees in '000)--------	
7. 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.

	30 June 2014 Un-Audited	31 December 2013 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

	30 June 2014	31 December 2013
7,221,740 (31 December 2013: 7,221,740) ordinary shares of Sri Lankan Rupees 10 each	**44,406**	44,406
Equity held 70.65% (31 December 2013: 70.65%)		
Share deposit money	**13,671**	13,671
	58,077	58,077
Provision for impairment	**(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
		--------(Rupees in '000)--------	
9 Short term borrowings			
Soneri Bank Limited - I	9.1	**-**	35,051
Soneri Bank Limited - II	9.1	**-**	34,705
		-	69,756

9.1 These have been restructured during the period into a long term loan as referred to in note 11.3.

	30 June 2014 Un-Audited	31 December 2013 Audited
	--------(Rupees in '000)--------	
10 Term Finance Certificates - secured		
Term finance certificates	**1,643,735**	1,643,735
Initial transaction cost	**(53,994)**	(53,994)
	1,589,741	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

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.

	Note	30 June 2014 Un-Audited	31 December 2013 Audited
		--------(Rupees in '000)--------	
11. Long term loans			
Askari Bank Limited	11.1	**2,714,886**	3,201,197
Summit Bank Limited	11.2	**123,452**	-
Soneri Bank Limited	11.3	**28,481**	-
		2,866,819	3,201,197
11.1 Askari Bank Limited			
Receipt		**2,943,855**	2,943,855
Initial transaction cost		**(129,365)**	(129,365)
		2,814,490	2,814,490
Amortization of transaction cost		**30,010**	16,762
		2,844,500	2,831,252
Exchange loss		**463,020**	685,545
		3,307,520	3,516,797
Paid during the period		**(98,884)**	-
		3,208,636	3,516,797
Current maturity		**(493,750)**	(315,600)
		2,714,886	3,201,197

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.

	30 June 2014 Un-Audited	31 December 2013 Audited
	--------(Rupees in '000)--------	
11.2 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	-

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 Un-Audited	31 December 2013 Audited
	--------(Rupees 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)'],

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).

	30 June 2014 Un-Audited	31 December 2013 Audited
	--------(Rupees in '000)--------	
Commitments		
Commitments in respect of capital expenditure	1,953,246	2,346,433
Outstanding letters of credit	155,074	56,203

13. 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.

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	30 June 2013 Un-Audited
	--------(Rupees in '000)--------	
15 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

	30 June 2014 Un-Audited	30 June 2013 Un-Audited
	--------(Rupees in '000)--------	
16. Cash and cash equivalents		
Cash and bank balances	**1,240,191**	79,917

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:

Relationship with the Company	**Nature of transactions**	**Half year ended 30 June 2014 Un-Audited**	Half year ended 30 June 2013 Un-Audited
		---------(Rupees in '000)---------	
Parent Company	Purchase of goods and services	**-**	16
	Sale of goods and services	**-**	6
Other related parties	Purchase of goods and services	**-**	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	31 December 2013 Audited
	--------(Rupees in '000)--------	
Period/year end balances		
Receivable from related parties	**-**	228,813
Payable to related parties	**2,277,403**	2,364,131

These are in normal course of business and are interest free.

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.

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 1	Level 2	Level 3	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
	Rupees			
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.

Chief Executive Officer **Director**

WORLDCALL TELECOM LIMITED AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

30 JUNE 2014

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

Babar Ali Syed
Chief Executive Officer

31 August 2014

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

	Note	30 June 2014 Un-Audited	31 December 2013 Un-Audited
		-------------(Rupees in '000)------------	
NON-CURRENT ASSETS			
Tangible fixed assets			
Property, plant and equipment	7	12,100,612	12,520,955
Capital work-in-progress		1,357,076	1,018,067
		13,457,688	13,539,022
Intangible assets	8	4,673,379	4,775,881
Investment properties		160,474	160,474
Long term trade receivables		121,103	172,794
Deferred taxation		2,542,052	2,546,247
Long term loans and deposits		80,395	77,615
		21,035,091	21,272,033
CURRENT ASSETS			
Stores and spares		274,811	186,253
Stock in trade		263,730	243,898
Trade debts		1,035,595	1,043,058
Loans and advances - considered good		790,711	969,604
Deposits and prepayments		550,495	192,786
Short term investments		81,245	83,193
Other receivables		43,484	69,965
Income tax recoverable - net		134,862	204,690
Cash and bank balances		1,240,192	2,501,852
		4,415,125	5,495,299
Assets of disposal group classified as held for sale	9	2	128
		4,415,127	5,495,427
CURRENT LIABILITIES			
Current maturities of non-current liabilities		2,823,348	1,831,247
Running finance under mark up arrangements - secured		767,266	786,944
Short term borrowings	10	-	69,756
License fee payable		1,021,500	1,021,500
Trade and other payables		6,935,563	7,040,571
Interest and mark up accrued		218,251	258,311
		11,765,928	11,008,329
Liabilities of disposal group classified as held for sale	9	3,399	8,077
		11,769,327	11,016,406
NET CURRENT LIABILITIES		(7,354,200)	(5,520,979)
NON-CURRENT LIABILITIES			
Term finance certificates - secured	11	547,914	1,095,824
Long term loans	12	2,866,819	3,201,197
Retirement benefits		326,568	336,991
Liabilities against assets subject to finance lease		-	1,423
Long term payables		848,504	1,123,506
Long term deposits		42,282	42,333
		4,632,087	5,801,274
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 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		8,605,716	8,605,716
Preference share capital	14	3,537,700	3,537,700
Share premium		837,335	837,335
Fair value reserve		9,755	11,702
Exchange translation reserve		(85,493)	136,733
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)
		8,690,757	9,591,820
Surplus on revaluation		358,047	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.

Chief Executive Officer **Director**

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	Quarter ended 30 June 2014 Un-Audited	Quarter ended 30 June 2013 Un-Audited
		-----------------(Rupees in '000)-----------------			
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		(127,218)	399,420	(56,533)	197,091
Loss after taxation from continuing operations		(808,217)	(615,625)	(838,543)	(359,080)
Discontinued operations					
Loss for the period from discontinued operations		(427)	(1,301)	(216)	(355)
		(808,644)	(616,926)	(838,759)	(359,435)
Attributable to:					
Equity holders of the Parent Company		(808,519)	(616,544)	(838,696)	(359,330)
Non-controlling interest		(125)	(382)	(63)	(105)
		(808,644)	(616,926)	(838,759)	(359,435)
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.

Chief Executive Officer **Director**

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	Quarter ended 30 June 2014 Un-Audited	Quarter ended 30 June 2013 Un-Audited
	(Rupees in '000)			
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	**4,987**	998	**(31)**	1,877
Net change in fair value of available 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	**(806,943)**	(619,868)	**(848,409)**	(357,437)
Non-controlling interest	**1,338**	(89)	**(73)**	447
	(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.

Chief Executive Officer **Director**

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	Half year ended 30 June 2013 Un-Audited
		(Rupees 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		**(554,879)**	(208,669)
Proceeds from sale of property, plant and equipment		**9,648**	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		**(29,636)**	(28,237)
Net cash generated from/(used in) financing activities		**93,311**	(17,148)
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.

Chief Executive Officer **Director**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2014

	Attributable to equity holders of the Group									
	Ordinary share capital	Preference share capital	Share premium	Fair value reserve	Currency translation reserve	Accumulated loss	Surplus on revaluation	Total	Non controlling interest	Total equity
	-----(Rupees in '000)-----									
Balance as at 31 December 2012 (Audited)	**8,605,716**	**-**	**837,335**	**13,835**	**(4,447)**	**(826,720)**	**348,130**	**8,973,849**	**(3,286)**	**8,970,563**
Loss for the period	-	-	-	-	-	(616,544)	-	**(616,544)**	-	**(616,544)**
Other comprehensive loss for the period	-	-	-	(4,029)	705	-	-	**(3,324)**	(89)	**(3,413)**
Transfer to surplus on revaluation	-	-	-	-	-	(2,442)	2,442	**-**	-	**-**
Balance as at 30 June 2013 (Un-Audited)	**8,605,716**	**-**	**837,335**	**9,806**	**(3,742)**	**(1,445,706)**	**350,572**	**8,353,981**	**(3,375)**	**8,350,606**
Issuance of preference shares	-	3,537,700	-	-	-	-	-	**3,537,700**	-	**3,537,700**
Cost of issuance of preference shares	-	-	-	-	-	(161,139)	-	**(161,139)**	-	**(161,139)**
Loss for the period	-	-	-	-	-	(1,686,480)	-	**(1,686,480)**	-	**(1,686,480)**
Other comprehensive income/(loss) for the period	-	-	-	1,896	(3,825)	1,665	-	**(264)**	(1,806)	**(2,070)**
Transfer to surplus on revaluation	-	-	-	-	-	(2,443)	7,388	**4,945**	-	**4,945**
Exchange translation reserve	-	-	-	-	144,300	(144,300)	-	**-**	-	**-**
Dividend on preference shares	-	-	-	-	-	(93,782)	-	**(93,782)**	-	**(93,782)**
Balance as at 31 December 2013 (Un-Audited)	**8,605,716**	**3,537,700**	**837,335**	**11,702**	**136,733**	**(3,532,185)**	**357,960**	**9,954,961**	**(5,181)**	**9,949,780**
Loss for the period	-	-	-	-	-	(808,519)	-	**(808,519)**	-	**(808,519)**
Other comprehensive (loss)/income for the period	-	-	-	(1,948)	3,524	-	-	**1,576**	1,338	**2,914**
Transfer to surplus on revaluation	-	-	-	-	-	(87)	87	**-**	-	**-**
Exchange translation reserve	-	-	-	-	(225,750)	225,750	-	**-**	-	**-**
Dividend on preference shares	-	-	-	-	-	(95,371)	-	**(95,371)**	-	**(95,371)**
Balance as at 30 June 2014 (Un-Audited)	**8,605,716**	**3,537,700**	**837,335**	**9,754**	**(85,493)**	**(4,210,413)**	**358,047**	**9,052,646**	**(3,843)**	**9,048,804**

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

Chief Executive Officer **Director**

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

1 Legal status and nature of business

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 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 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 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

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.

6. 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.

	Note	**30 June 2014 Un-Audited**	31 December 2013 Un-Audited
		--------(Rupees in '000)--------	
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		**-**	3,592
		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.

	Note	30 June 2014 Un-Audited	31 December 2013 Un-Audited
		--------(Rupees in '000)--------	
8. 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	8.1	**2,553,494**	2,553,494
		4,673,379	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 2014 Un-Audited	31 December 2013 Un-Audited
	--------(Rupees 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)

	Note	30 June 2014 Un-Audited	31 December 2013 Un-Audited
		--------(Rupees in '000)--------	
Assets and liabilities			
Assets			
Cash and bank balances		**2**	128
		2	128
Liabilities			
Trade and other payables		**3,392**	8,070
Income tax payable		**7**	7
		3,399	8,077
10 Short term borrowings			
Soneri Bank Limited - I	10.1	**-**	35,051
Soneri Bank Limited - II	10.1	**-**	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	31 December 2013 Un-Audited
	--------(Rupees in '000)--------	
11 Term Finance Certificates - secured		
Term finance certificates	**1,643,735**	1,643,735
Initial transaction cost	**(53,994)**	(53,994)
	1,589,741	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

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.

	Note	30 June 2014 Un-Audited	31 December 2013 Un-Audited
		--------(Rupees in '000)--------	
12. Long term loans			
Askari Bank Limited	12.1	**2,714,886**	6,717,994
Summit Bank Limited	12.2	**123,452**	-
Soneri Bank Limited	12.3	**28,481**	-
		2,866,819	6,717,994

12.1 Askari Bank Limited

	30 June 2014 Un-Audited	31 December 2013 Un-Audited
Receipt	**2,943,855**	2,943,855
Initial transaction cost	**(129,365)**	(129,365)
	2,814,490	2,814,490
Amortization of transaction cost	**30,010**	16,762
	2,844,500	2,831,252
Exchange loss	**463,020**	685,545
	3,307,520	3,516,797
Paid during the period	**(98,884)**	-
	3,208,636	3,516,797
Current maturity	**(493,750)**	(315,600)
	2,714,886	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 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.

	30 June 2014 Un-Audited	31 December 2013 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	-

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	31 December 2013 Un-Audited
	--------(Rupees 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 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).

	30 June 2014 Un-Audited	31 December 2013 Un-Audited
	--------(Rupees in '000)--------	
Commitments		
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.

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	Half year ended 30 June 2013 Un-Audited
	--------(Rupees in '000)--------	
16 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
	(324,226)	498,699

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:

Relationship with the Company	Nature of transactions	**Half year ended 30 June 2014 Un-Audited**	Half year ended 30 June 2013 Un-Audited
		---------(Rupees in '000)---------	
Parent Company	Purchase of goods and services	**-**	16
	Sale of goods and services	**-**	6
Other related parties	Purchase of goods and services	**-**	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	31 December 2013 Un-Audited
	--------(Rupees in '000)--------	
Period/year end balances		
Receivable from related parties	**-**	228,813
Payable to related parties	**2,277,403**	2,364,131

These are in normal course of business 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.

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.

	Level 1	**Level 2**	**Level 3**	**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**
		Rupees		
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.

Chief Executive Officer **Director**