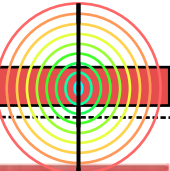


Annexures



Annex - 1

PAKISTAN TELECOMMUNICATION AUTHORITY
BALANCE SHEET
AS AT JUNE 30, 2009

	2009		2008		Note	2009		2008		
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	
Total due to Government of Pakistan - Federal Consolidated Fund	29,622,719,507	39,467,731,969	Non-Current Assets		17	584,140,807	520,873,597	17	584,140,807	520,873,597
Payments made to Government of Pakistan Federal Consolidated Fund - to date	(41,051,058,869)	(41,051,058,869)								
Due from Government of Pakistan - Federal Consolidated Fund	(11,428,339,362)	(1,583,326,900)	Intangible							
Long Term Loan	57,584,222	44,624,352	Long Term Investments		19	20,000,000	20,000,000	19	20,000,000	20,000,000
Total payable against Initial License Fee- Pakistan	90,261,223,242	76,517,535,310	Initial License Fee Receivable		20	59,382,060,000	59,565,164,300	20	59,382,060,000	59,565,164,300
Less: Transferred to current portion - to date	14,311,169,730	8,638,124,730	Cash and Bank Balances		21	36,641,121	17,244,039	21	36,641,121	17,244,039
Amount transferred to current portion	(5,842,487,087)	(5,019,568,230)	Long Term Advances to Employees							
Payments made to Public Account - to date	8,468,682,643	3,618,556,500	Current Assets							
Net amount transferred to current liabilities	(10,028,767,386)	-	Fee receivable		22	14,543,855,334	15,473,946,871	22	14,543,855,334	15,473,946,871
Provision for doubtful receivables of Initial License Fee			Taxation - net		14	-	199,144,194	14	-	199,144,194
Long term payable against Initial License Fee - Pakistan	71,763,773,213	72,898,978,810	Advances, deposits, prepayments and other receivables		23	85,213,887	98,184,584	23	85,213,887	98,184,584
Total Payable to AIK & NAs	2,004,544,652	1,948,002,107			24	4,081,403,786	1,681,077,280	24	4,081,403,786	1,681,077,280
Less: Transferred to current portion - to date	2,120,693,406	1,839,966,835								
Amount transferred to current portion	(1,469,954,194)	(1,204,800,000)								
Payments made to Governments of AIK & NAs - to date	650,739,212	655,166,835								
Net amount transferred to current liabilities	1,353,805,440	1,292,835,272								
Long term payable to AIK & NAs	1,353,805,440	1,292,835,272								
Deferred Grant	225,454,375	151,115,287								
Deferred Liabilities	114,350,960	89,731,307								
Current Liabilities										
Payable against Initial License Fee - Pakistan	8,468,682,643	3,618,556,500								
Payable to AIK and NAs	650,739,212	655,166,835								
Payable to Public Account against USF, R&D, and APC for USF	9,484,573,824	1,945,756,493								
Less: Receivable from operators against USF, R&D, and APC for USF	(8,135,797,775)	(1,544,007,054)								
Net payable to Public Account against USF, R&D, and APC for USF	1,348,776,049	401,749,439								
Taxation - net	6,166,142,243	-								
Accrued and other liabilities	15,838,456	10,195,696								
	16,650,178,603	4,685,668,470								
	78,736,807,451	77,579,626,598								
	78,736,807,451	77,579,626,598								
	78,736,807,451	77,579,626,598								

Contingencies and Commitments

The annexed notes 1 to 33 form an integral part of these financial statements.

Member (Finance)

Chairman

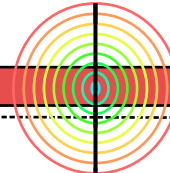
**PAKISTAN TELECOMMUNICATION AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2009**

	Note	2009 <u>Rupees</u>	2008 <u>Rupees</u> (Re-stated)
Annual license fee	25	2,203,927,241	2,424,890,553
Administrative surcharge on funds collected for AJK and NA		24,290,321	33,232,775
Expenditure			
General and administrative expenses	26	463,478,798	445,428,048
Provision for doubtful receivable	27	170,202,745	-
Audit fee		300,000	135,000
Financial charges		9,495,857	4,931,894
		643,477,400	450,494,942
Amortization of deferred grant		(23,107,690)	(4,414,892)
Operating surplus		1,607,847,852	2,012,043,278
Other income	28	120,344,809	127,618,271
Surplus for the year		1,728,192,661	2,139,661,549
Less: Provision for taxation			
Current year	14	(664,438,392)	(804,609,898)
Prior periods'		(10,630,457,579)	-
		(11,294,895,971)	(804,609,898)
Net (deficit)/surplus for the year transferred to Federal Consolidated Fund		(9,566,703,310)	1,335,051,651

The annexed notes 1 to 33 form an integral part of these financial statements.

Member (Finance)

Chairman



PAKISTAN TELECOMMUNICATION AUTHORITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	Amounts in Pak Rupees	
	June 30, 2009	June 30, 2008 (Re-stated)
Cash flow from operating activities		
Receipts from Operators		
Received against initial license fee	5,951,321,360	4,163,813,745
Annual fee/other fee received	2,079,425,436	2,489,045,029
Receipts of USF, R&D and APC	947,026,610	449,130,832
Grant received during the year	102,114,782	150,688,371
	9,079,888,188	7,252,677,977
Payments		
Payments made to Public Account against Initial License Fee	(822,918,857)	(1,769,280,000)
Payments made to FCF	-	(5,000,000,000)
Payment made to AJK & NA Government	(265,154,194)	(1,204,800,000)
Payment to Public Account against USF,R&D and APC	-	(663,220,000)
Payments to Frequency Allocation Board	(278,309,152)	(279,293,816)
Payment to suppliers/expenses	(376,057,883)	(331,267,963)
	(1,742,440,086)	(9,247,861,779)
	7,337,448,102	(1,995,183,802)
Less:		
Income tax paid	(4,929,609,534)	(1,000,000,000)
Payment of gratuity and pension	(12,190,823)	(489,405)
Cash generated from/ (used in) operating activities	2,395,647,745	(2,995,673,207)
Cash from investing activities		
Purchase of intangible	(473,395)	(764,145)
Purchase of fixed assets	(123,951,062)	(175,434,052)
Proceeds from sale of fixed assets	4,868,296	152,565
Profit on bank deposits received	124,324,922	162,589,372
	4,768,761	(13,456,260)
Net increase/(decrease) in cash and cash equivalents during the year	2,400,416,506	(3,009,129,467)
Cash and cash equivalents at beginning of the year	1,681,077,280	4,690,206,747
Cash and cash equivalents at end of the year	4,081,493,786	1,681,077,280

The annexed notes 1 to 33 form an integral part of these financial statements.

Member (Finance)

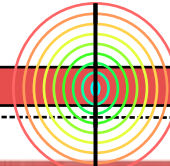
Chairman

Annex - 2

Pakistan's Comparative Performance of Key Economic Indicators

	Unit	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
I. Real Sector							
Real GDP Growth	%	7.5	9.0	5.8	6.8	4.1	2.0
Agriculture	%	2.3	6.5	6.3	3.7	1.1	4.7
Large Scale Manuf.	%	18.1	19.9	8.3	8.6	4.8	-7.7
Investment	% of GDP	16.6	19.1	22.1	22.5	22.0	19.7
National Savings	% of GDP	17.9	17.5	18.2	17.4	13.5	14.3
Inflation	%	4.6	9.3	7.9	7.8	12.0	20.8
- Food Inflation		6.0	12.5	6.9	10.3	17.6	23.7
- Non-Food Inflation		3.6	7.1	8.6	6.0	7.9	18.4
- Core Inflation		3.7	7.6	7.1	5.5	8.2	17.6
II. Fiscal Sector							
Revenue Collection (CBR)	Billion Rs	518.8	591	713	846.0	1,008.1	1,152.4
Fiscal Deficit	% of GDP	2.9	3.3	4.2	4.3	7.6	5.2
Public Debt	% of GDP	67.1	62.2	57.2	55.5	57.8	58.3
- of which foreign currency							
Denominated	% of GDP	32.0	29.4	26.8	25.5	26.6	28.7
Debt Servicing	% of Total Revenue	31.1	30.4	28.6	30.0	37.6	39.8
III. External Sector							
Exports (f.o.b)	Billion \$	12.4	14.5	16.5	17.3	20.4	18.9
Imports (f.o.b)	Billion \$	13.7	19.0	25.0	27.0	35.5	30.9
Trade Deficit	Billion \$	-1.3	-4.5	-8.4	-9.7	-15.0	-12
Remittances	Billion \$	3.8	4.2	4.6	5.5	6.4	7.8
Current Account Balance	% of GDP	1.4	-1.6	-3.9	-5.0	-8.4	-5.3
	Billion \$	1.31	-1.77	-5.0	-7.0	-13.7	-8.5
Total Foreign Investment	Million \$	921.7	1,676.6	4,485.5	8,428.3	5,429.1	3,212.6
Foreign Direct Investment	Million \$	949.4	1,524	3,521	5,140	5,410	3,7210
External Debt and Forex Liabilities	Billion \$	35.3	35.8	37.3	40.2	46.2	52.8
External Debt and Liabilities	% of Forex Earnings	164.9	137.2	121.6	124.1	123.9	148.9
Exchange Rate (EOP)	Rs Per dollar	58.53	60.44	60.63	61.12	68.16	80.4
Foreign Exchange Reserves	Billion \$	12.3	12.6	12.8	15.7	11.6	11.3
IV. Monetary & Capital Market							
Weighted Avg. Lending Rate	%	5.05	8.2	10.2	10.6	11.5	14.3
Credit to Private Sector	Rs. Billion	325.0	390.3	401.8	356.7	408.4	18.9
Stock Market (KSE Index)	1991=100	5,279	7,450	9,989	13,772	12,289	7,162
Market Capitalization	Rs. Billion	1,357.5	2,036.7	2,766.4	3,980.8	3,777.7	2,120
Market Capitalization	\$ Billion	23.4	34.3	45.7	65.3	55.2	31.4

Source: Ministry of Finance, Government of Pakistan



Annex - 3

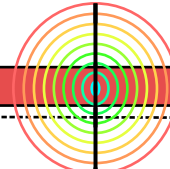
Summary of Consumer Complaints Received Against PTCL

Nature of Complaints	Total	% of Consumer Complaints
Quality of Service- Disruption/Faults in service	3,793	73
Poor customer Services-Redressal of grievances	311	6
Provision of Service- Activation/Restoration /Closure/ Up gradation	483	9
Matters related to billing, overcharging, unjustified deduction/tariffs, Non issuance of bills	303	6
Misuse of Service-Obnoxious & Fraudulent calls/SMSs	216	4
Value added Services/Packages-GPRS, Easy load ,BF, prepaid card	123	2
Miscellaneous Issues	20	0
Financial Compensation- on account of any specified nature of complaint	18	0
TOTAL	5,288	100

Annex - 4

Summary Of Consumer Complaint Received against CMTOs July 2008 & June 2009

Nature of Complaints	Total	% Consumers Complaints
Misuse of Service -Obnoxious & Fraudulent calls/SMSs	3660	45
Illegal Practices-Transfer of connections/Ownership, Issue of SIMs, Blocking of number/SIM without notification etc, Non registration of SIMs	948	13
Quality of Service- Disruption/Faults in service	665	9
Matters related to billing, overcharging, unjustified deduction/tariffs, Non issuance of bills	584	8
Verification Issues-User information/illegal use of CNIC/Issuance of Multiple SIMs on same CNIC/change of numbers/names	361	5
Poor Customer Services-Redressal of grievances	396	5
Mobile Number Portability	416	6
Provision of Service-Activation/Restoration /Closure/ Up gradation	351	5
Value added Services/Packages-GPRS, Easy load ,BF, prepaid card	225	3
Financial Compensation- on account of any specified nature of complaint	87	1
Misleading statements, advertisement, hiding facts about service and tariffs etc	44	1
Non Provision of Service in an area /Coverage issues	13	0
Miscellaneous Issues	23	0
Issue related to Operators Infrastructure	6	0
TOTAL	7479	100



Annex - 5

Telecom Revenues by Service

Rs. Million

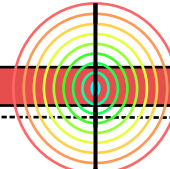
	2006-07	2007-08	2008-09
Cellular	133,131.9	182,081.2	212,423
Local Loop	68,368.2	63,693.1	62,640
LDI	15,567.4	21,982.6	47,969
WLL	2,644.9	2,704.0	2,670
VAS (Estimated)	15,901.1	8,048	8,179
Total	235,613.4	278,508.6	333,882

Note: 2007-09 revenues are revised and 2008-09 are estimated

Annex - 6

Cellular Mobile Subscribers

	2005	2006	2007	2008	2009
Mobilink	7,469,085	17,205,555	26,162,289	32,032,363	29,136,839
Ufone	2,579,103	7,487,005	14,015,060	18,100,440	20,004,707
Zong	924,486	1,040,503	1,024,563	3,950,758	6,386,571
Instaphone	454,147	360,140	333,081	321,134	34,048
Telenor	835,727	3,573,660	10,701,333	18,125,189	20,893,129
Warid	508,655	4,297,547	10,620,386	15,489,858	17,886,736
Total	12,771,203	33,964,410	62,856,712	88,019,742	94,342,030



Annex - 7

Cellular Mobile ARPU/Month (US\$)

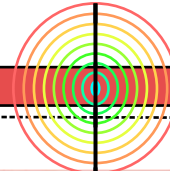
	Mobilink	Ufone	Instaphone	Zong	Telenor	Warid	Total
2006-07	3.80	2.80	2.10	3.30	4.00	2.50	3.20
2007-08	3.50	2.10	0.90	1.60	3.90	2.70	3.10
2008-09	3.04	2.20	0.08	1.52	2.80	1.83	2.48

Annex - 8

Cellular Mobile Investment

US\$ Million

	2006-07	2007-08	2008-09
Mobilink	590	919	270
Ufone	232	174	215
Instaphone	9	0	-
Zong	570	200	204
Telenor	762	565	374
Warid	422	480	167
Total	2,585	2,338	1,230



Annex - 9

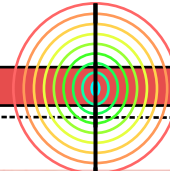
Local Loop Subscribers

	2004-05	2005-06	2006-07	2007-08	2008-09
PTCL	5,190,899	5,128,442	4,676,204	4,273,548	3,375,103
NTC	81,027	92,163	99,665	103,991	104,538
WorlCall	4,100	9,135	10,748	11,502	18,850
Brain	1,520	5,880	6,089	7,376	12,234
Uninon Comm.		200	2,500	3,500	8,817
Nayatel			11,000	16,500	3,700
Total	5,277,546	5,235,820	4,806,206	4,416,417	3,523,242

Annex - 10

WLL Cell Sites 2008-09

	Punjab	Sindh	NWFP	Balochistan	AJK	NA	Total
PTCL	808	329	222	89	7	3	1,458
WorldCall	216	121	14				351
Telecard	152	120	14	9			295
Great Bear	42						42
Wateen	621	273	53	24			971
Mytel				2			2
Link Direct	114	214	3	1			332
Total	1,953	1,057	306	125	7	3	3,451



Annex - 11

Cellular Subscribers in AJK& Nas 2008-09

	AJK	NA	Total
SCO	193,613	91,459	285,072
Mobilink	405,962	68,185	474,147
Ufone	179,395	1,858	181,253
Zong	109,222	150	109,372
Telenor	587,100	112,500	699,600
Warid	224,298		224,298
Total	1,699,590	274,152	1,973,742