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BOARD OF DIRECTORS

Chairman PTCL Board

Farooq Ahmed Awan

Members PTCL Board

- Abdulrahim A. Al Nooryani
- Abdul Wajid Rana
- Abdulaziz A. Al Sawaleh
- Jamil Ahmed Khan
- Dr. Syed Ismail Shah
- Fadhil Al Ansari
- Abdulaziz H. Taryam
- Dr. Ahmed Al Jarwan

Company Secretary PTCL

Farah Qamar

CORPORATE INFORMATION

Management

Walid Irshaid

President & Chief Executive Officer

Muhammad Nehmatullah Toor

SEVP (Finance) / Chief Financial Officer(CFO)

Syed Mazhar Hussain

SEVP (Admin & Procurement / HR)

Sikandar Naqi

SEVP (Corporate Development)

Naveed Saeed

SEVP (Commercial)

Muhammad Nasrullah

Chief Technical Officer (CTO)

Hamid Farooq

SEVP (Business Development)

Furqan Habib Qureshi

SEVP (Business Zone South)

Jamal Abdalla Salim Hussain Al Suwaidi

SEVP (Business Zone Central)

Anwer Umed Ali

Chief Information Officer (CIO)

Company Secretary

Farah Qamar

EVP (Legal)

Zahida Awan

Bankers

Allied Bank Limited

Askari Bank Limited

Bank Alfalah Limited

Bank Al Habib Limited

The Bank of Punjab

Citibank. N.A

Dubai Islamic Bank

Faysal Bank Limited

Habib Metropolitan Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

NIB Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

Registered Office

PTCL Headquarters,
Block-E, Sector G-8/4,
Islamabad-44000, Pakistan.

Tel: +92-51-2263732 & 34

Fax: +92-51-2263733

E-mail: company.secretary@ptcl.net.pk

Web: www.ptcl.com.pk

Auditors

A.F. Ferguson & Co.

Chartered Accountants

Ernst & Young Ford Rhodes Sidat Hyder,

Chartered Accountants

Share Registrar

M/s FAMCO Associates (Pvt.) Limited

Ground Floor,

State Life Building 1-A

I.I. Chundrigar Road

Karachi 74000

Tel: +92-21-32422344, 32467406 &

32420755

Fax: +92-21-32428310

DIRECTORS' REPORT

The Directors of Pakistan Telecommunication Company Limited (PTCL) are pleased to present to the shareholders the unaudited financial information of the Company for the nine months period ended March 31, 2012.

Although the envisaged auction of 3G license and spectrum could not take place as per the schedule earlier announced by Government of Pakistan, PTCL, nevertheless, envisions the foreseeable introduction of 3G technology as a window of business opportunity and is, therefore, augmenting its capabilities in terms of network enhancement and improved service delivery to ensure that benefits from launching of 3G technology accrue to PTCL in due course of time.

Financial Performance

During the period under review, PTCL Group earned revenues of Rs. 83 billion which were 8% higher compared to same period last year. The revenues of PTCL were Rs. 44 billion registering 8 % increase whereas revenues of PTML (Ufone), the wholly owned subsidiary of PTCL, grew by 7%.

The Group's net profit after tax remained at Rs. 7 billion during the period under review depicting a decrease of 11% over corresponding period last year. PTCL's net profit after tax was Rs. 4.2 billion which is 15% lower than profit in the same period last year mainly on account of decrease in Other Operating Income.

Commercial Performance

During the period under review, PTCL, the only integrated service provider in the country, continued to introduce innovative products and services based upon latest available technologies to meet the diversified needs of its customer base.

PTCL's DSL, the wireline Broadband service, is the market leader with 95% share. The DSL subscribers' base increased by 24% which significantly contributed in the revenue growth. An innovative product branded as 'Jadoo Box' was introduced which ensures uninterrupted connectivity through combination of wireline (DSL) and wireless (EVO) broadband technologies. Various promotion schemes were also launched during the period, examples of which were free WiFi modems with different packages for new DSL connections, unlimited download for 256Kbps subscribers for specified time period, re-launch of unlimited double-up packages with value propositions coupled with reduced calling rates, upgrading the existing 1Mbps subscribers to 2Mbps at the same price for a limited period and promotional packages in USF areas. Besides, a fair usage policy was also introduced during the period to rationalize bandwidth usage and, hence, to improve the overall customer experience.

The renewed focus on Smart TV (the IPTV service) resulted in 39% increase in its customer base. Further improvements like enhanced features, content enrichment, improvement in entertainment portal and availability of Smart TV on 3G EVO Tab are in offing.

PTCL also commenced FTTH (fibre to the home) in major urban areas with the objective to meet increased demand of higher bandwidth and superior quality of service. The success of broadband services of your Company was instrumental in making Pakistan one of the fastest growing countries in the world in terms of broadband growth.

With the objective to increase the landline usage, international calling rates were made more attractive. Special promotions were also offered on occasions of Ramadan, Eid, Hajj and Christmas.

During the nine months' period, 'EVO' the wireless broadband service based on 3G technology, witnessed 59% growth in its customer base. The growth is result of sustained efforts in introducing innovative products and packages based upon latest technology. The 'EVO Tab' is a 3G enabled Android Tablet with built-in EVO wireless broadband for high speed on-the-go internet connectivity. Another product is EVO Droid, a 3G enabled Android GSM Smartphone with built in EVO. Both these products are first of their kind in Pakistan. Various new packages and promotions were also introduced including a mid-tier unlimited package of 256Kbps for budget conscious consumers, prepaid package options for EVO Tab subscribers and free EVO devices on advance payment of three to four months' rentals.

To facilitate PTCL V-fone customers, various packages with flexible tariff were offered. Examples of these promotions are Grand V-charge Offer, Azaadi Offer, Non-stop Package, Double Dhamaka Offer and Islamic Portal VAS Services. Further, beside the attractive mobile calling rate, airtime incentives were also offered to V-fone subscribers.

Your Company continued to expand its services to the Corporate customers. The enhanced focus on V-SAT and IP-MPLS services resulted in engaging leading enterprises at national and international level in provision of these services. Also, the Data Centre infrastructure was leased for data hosting to some of the large public and private enterprises of repute. Further, PTCL made contractual arrangements to provide managed servers and their hosting in our Data Centers to numerous provincial education governing bodies. PTCL also plans to harness the potentials in surveillance market by developing and offering suitable solutions at affordable prices.

During the period under review, PTCL maintained its presence in electronic and print media effectively promoting its brands, products and services. A major communication initiative was built around a series of commercials featuring top celebrity from the world of entertainment.

Technical Performance

During the nine months period in current financial year, PTCL increased its DSL coverage throughout Pakistan encompassing urban and rural areas alike. As a result, the total installed PTCL Broadband-enabled lines during the current year stood at 1.49 million lines covering more than 1,100 cities and towns.

To meet the needs of its diversified customer base ranging from residential users to enterprise customers, PTCL introduced latest technologies like MSAG (Multi Service Access Gateways) and Ultra Broadband VDSL-2 which enables data rates up to 50Mbps bandwidth on existing copper pair thereby facilitating offering of Broadband packages from 256Kbps to 50Mbps on the single platform which has widened the choice for customers. During the period, your Company installed 20K VDSL-2 lines and successfully completed pilot project to deploy 15K all optical network up to the customer's premises through GPON (Gigabit Passive Optical Network) technology.

Network coverage of 'EVO', the wireless broadband service, was further extended. As a result, total EVO enabled sites across the country were 1,347. With wireless internet speeds ranging from 3.1Mbps to 9.3Mbps, PTCL is the first operator in the world to offer such technology on commercial basis.

To facilitate the Corporate customers, DVB-S2 based VSAT network is extending the reach of Broadband services to far-flung sites in the country. A total of 165 DVB-S2 based VSATs were installed during the period under review across Pakistan. Over 3,000 dedicated circuits were also added to provide required connectivity to our valued customers.

To meet ever-increasing demand of bandwidth requirements, the core and subsidiary sections of transmission network are being constantly upgraded. Resultantly, the total length of optical-fiber based parallel backbone reached 2,050 Km. Similarly, the total length of OFC network in Baluchistan stood at 2,100 Km providing vital connectivity link to remote towns and Tehsils in the province. Moreover, IP based Digital Radio Systems and VSAT networks were installed in geographically difficult terrains to meet requirements of all of our customers – residential, enterprise and other telecom operators alike.

The legacy switching network is also being transformed to latest IP-based technology. In this regard, replacement of 1.2 million TDM (Time Division Multiplexed) lines to NGN (Next Generation Switching Network) is under progress. Towards this end, 573K lines have already been replaced with Class-5 NGN using MSANs (Multi Service Access Nodes).

Your Company also undertook a major Network Rehabilitation campaign to further improve the reliability and quality of services of Access network. PTCL is also extending its network to the green field areas with the objective to provide PSTN and Broadband connectivity to meet the need of growing population.

Regulatory Affairs

In addition to successfully implementing the broadband, telephony and transmission projects earlier secured by your Company under Universal Service Fund (USF) scheme of Government of Pakistan, PTCL won two more projects viz. broadband services in Sukkur and basic telephony services in Mastung, Nushki and Ziyarat districts in Baluchistan under USF.

Further, the long outstanding anomaly in Research and Development (R&D) Fund contribution between cellular and fixed line licenses was finally resolved by the Federal Cabinet during the period under review. Accordingly, the fixed line operators are required to contribute to R&D fund at the same reduced rate as is applicable to cellular operators.

PTCL also submitted the Expression of Interest to Pakistan Telecom Authority (PTA) to become eligible to participate in the envisaged spectrum auction for 1.9GHz and 3.5GHz bands.

Customer Care

With the objective to bring in continuous improvement in customer satisfaction levels with regard to service provisioning and fault removal, the related processes as practiced through Sales & Customer Care Centers and Contact Centers have been further streamlined. Accordingly, under the initiative of "Customer First", flagship Sales and Customer Care Centers are planned across the country. The first such center is operational in Islamabad, whereas work is in progress on five others, with thirteen more at the design stage across the country.

Through the newly introduced Siebel CRM (Customer Relationship Management) application, all interactions with individual customer are timely captured at one platform. PTCL has implemented this application in almost all the regions. The timely availability of customer-centric data, therefore, provides a rich tool to improve the process efficiency. Further, roll-out of IPCC solution at Contact Center was completed to improve interaction with customers. As a result of these initiatives, service provisioning time for PSTN and Broadband was reduced by 40% and 22% respectively within the last quarter.

At the same time, new and diversified channels are being introduced to facilitate customers in making payment of the bills. Unified Electronic Voucher Card (EVC) is a noteworthy development in this regard through which PTCL customers availing services on CDMA / EVDO technology can load balance using GSM recharge facility at country-wide Ufone's network of approximately 150K retailers. Your Company also installed Public Cash Payment Machines (PCPM) at prominent public places facilitating the bill payment. In coordination with banks, processes are further streamlined to capture the collections particular in real-time basis.

Human Resource Development

PTCL is fully cognizant of the fact that development of human resources plays a vital role in achieving the desired growth objectives. For this purpose, performance evaluation system based upon SMART KPIs along with on-line job descriptions was already implemented throughout the organization. Skill sets of individual employees is continuously improved by imparting regular trainings to all the strata of PTCL staff. Besides, social events like Movie Night and Painting Exhibition were also held during the period to foster cohesion among employees and improve their job satisfaction levels. Your Company's efforts in this regard were duly recognized in the form of "2nd Global HR Excellence Award 2011" by Global Media Links of Pakistan.

Corporate Social Responsibility

Your Company plays its due role to serve the society through donations and assistance to promote various social causes. A few initiatives in this regard are enumerated as follows:

- PTCL group made a donation of Rs. 50 million in Prime Minister Flood Relief Fund to help the victims of 2011 floods.
- Medical equipment worth Rs 20 million was provided to Federal General Hospital.

- An assistance of Rs 2.3 million was extended to Pakistan Bait-ul-Maal's Pakistan Sweet Homes project that provides quality housing and education to orphaned children across Pakistan.
- PTCL partnered with Government of Punjab to spread quality education in rural areas by providing high-speed DSL internet connectivity to Danish School System. A donation of Rs 10 million was also made to these schools.
- A blood donation campaign was conducted in collaboration with Pakistan Red Crescent Society and Jamila Sultana Foundation (Affiliated with Thalassemia International Federation) to support thalassemia patients.
- PTCL launched an awareness campaign for prevention of Dengue fever and provided special treatment facilities for its affected employees.
- A tree plantation campaign was also launched by PTCL.

In recognition of its role for social development of Pakistan, your Company was honored with the "Best Corporate Social Responsibility Initiative 2011-2012 Award" presented by the National Forum for Environment and Health in collaboration with the United Nations Environment Program.

Besides, the improvements made by PTCL in imparting quality services helped your Company to receive various accolades and awards briefly described as follows:

- PTCL was declared the leading operator in the country by Pakistan Telecommunication Authority's 2011 Quality of Service survey for providing the highest quality Broadband Internet service to consumers.
- Your Company won the prestigious International SAMENA Award 2011 as the "Best Telecom Operator in South Asia".
- PTCL was also awarded the 2012 Consumer Choice Award as the 'Best Wireless Broadband' Internet service provider.
- PTCL was honored with "10th Teradata National IT Excellence Award" for its evolutionary 3G EVO Wireless Broadband Internet project by world's leading analytic data solutions company, Teradata.

The management and employees of PTCL remain committed to provide quality services at competitive prices through concentrated efforts for achieving increased revenue, enhanced customer satisfaction and improved shareholders' value.

On behalf of the Board,



Farooq Ahmed Awan
Chairman



Walid Irshaid
President & CEO PTCL

Islamabad: April 25, 2012

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CONDENSED INTERIM FINANCIAL INFORMATION

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2012 (UN-AUDITED)

	Note	March 31, 2012 (Un-Audited)	June 30, 2011 (Audited)
----- (Rupees in '000) -----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		51,000,000	51,000,000
Revenue reserves			
Insurance reserve		2,385,532	2,385,532
General reserve		30,500,000	30,500,000
Unappropriated profit		18,577,625	14,376,349
		51,463,157	47,261,881
Unrealized gain on available-for-sale investments		55,322	30,590
		102,518,479	98,292,471
NON CURRENT LIABILITIES			
Long-term security deposits		713,131	740,744
Deferred taxation		4,781,707	5,011,731
Employees' retirement benefits		17,477,739	16,823,015
Deferred government grants		3,733,926	3,631,585
		26,706,503	26,207,075
CURRENT LIABILITIES			
Trade and other payables		23,189,663	24,644,683
Dividend payable		-	3,375,631
		23,189,663	28,020,314
TOTAL EQUITY AND LIABILITIES		152,414,645	152,519,860
CONTINGENCIES AND COMMITMENTS			

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The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

Fahim
Chairman

Note	March 31, 2012 (Un-Audited)	June 30, 2011 (Audited)
	----- (Rupees in '000) -----	

ASSETS**NON CURRENT ASSETS****Fixed assets**

Property, plant and equipment	5	88,355,500	92,377,276
Intangible assets		2,874,532	3,036,127
		91,230,032	95,413,403
Long-term investments		6,607,439	6,607,439
Long-term loans	6	11,135,643	11,487,375
		108,973,114	113,508,217

CURRENT ASSETS

Stores, spares and loose tools	3,656,727	3,369,488
Trade debts	10,135,194	9,171,851
Loans and advances	1,199,440	586,124
Accrued interest	433,834	508,863
Recoverable from tax authorities	12,599,306	12,572,963
Receivable from Government of Pakistan	2,164,072	2,164,072
Other receivables	585,567	366,997
Short-term investments	9,132,248	2,642,378
Cash and bank balances	3,535,143	7,628,907
	43,441,531	39,011,643

TOTAL ASSETS

152,414,645	152,519,860
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President & CEO

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

	Note	Three months period ended		Nine months period ended	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
REVENUE		14,834,131	13,325,776	44,173,693	41,024,176
Cost of services		(11,102,050)	(10,486,129)	(32,783,683)	(30,560,494)
GROSS PROFIT		3,732,081	2,839,647	11,390,010	10,463,682
Administrative and general expenses		(1,897,120)	(1,837,424)	(5,596,361)	(5,136,093)
Selling and marketing expenses		(512,613)	(500,017)	(1,694,108)	(1,704,818)
Other operating income	8	863,242	1,002,357	2,589,063	4,189,764
		(1,546,491)	(1,335,084)	(4,701,406)	(2,651,147)
OPERATING PROFIT		2,185,590	1,504,563	6,688,604	7,812,535
Finance costs		(100,209)	(46,183)	(233,048)	(172,829)
PROFIT BEFORE TAX		2,085,381	1,458,380	6,455,556	7,639,706
Taxation					
- Current		(683,514)	(1,075,113)	(2,484,304)	(3,559,671)
- Deferred		(44,701)	565,846	230,024	891,885
		(728,215)	(509,267)	(2,254,280)	(2,667,786)
PROFIT AFTER TAX FOR THE PERIOD		1,357,166	949,113	4,201,276	4,971,920
OTHER COMPREHENSIVE INCOME FOR THE PERIOD					
Unrealized gain on available-for-sale investments - net of tax		7,994	-	24,732	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,365,160	949,113	4,226,008	4,971,920
Earnings per share - basic and diluted (Rupees)		0.27	0.19	0.83	0.97

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


Chairman


President & CEO

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

	Note	March 31, 2012	March 31, 2011
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	15,362,844	14,061,123
Long-term security deposits		(27,613)	80,038
Employees' retirement benefits paid		(2,286,729)	(1,652,802)
Payment of other VSS components		(4,787)	(6,735)
Finance costs paid		(146,636)	(139,533)
Income tax paid		(2,571,439)	(3,160,447)
Net cash inflows from operating activities		10,325,640	9,181,644
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(6,734,909)	(8,563,649)
Intangible assets		(34,246)	-
Proceeds from disposal of property, plant and equipment		36,194	51,601
Short-term investments		-	(277,118)
Long-term loans - net		5,507	(66,230)
PTA WLL license fee		-	(1,894,950)
Loan to the wholly owned subsidiary - PTML		-	(4,000,000)
Return on long-term loans and short-term investments		1,934,090	2,518,270
Government grants received		204,869	1,120,478
Dividend income on long-term investments		-	644,000
Net cash outflows from investing activities		(4,588,495)	(10,467,598)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(3,365,770)	(3,366,678)
Net cash outflows from financing activities		(3,365,770)	(3,366,678)
Net decrease in cash and cash equivalents		2,371,375	(4,652,632)
Cash and cash equivalents at the beginning of the period		9,971,493	19,916,009
Cash and cash equivalents at the end of the period	11	12,342,868	15,263,377

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


Chairman


President & CEO

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

	Issued, subscribed and paid-up capital		Revenue reserves			Unrealized gain on available-for-sale investments	Total
	Class "A"	Class "B"	Insurance reserve	General reserve	Unappropriated profit		
	(Rupees in '000)						
Balance as at July 01, 2010	37,740,000	13,260,000	2,113,704	30,500,000	16,145,007	-	99,758,711
Total comprehensive income for the period							
Profit for the period	-	-	-	-	4,971,920	-	4,971,920
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	4,971,920	-	4,971,920
Balance as at March 31, 2011	37,740,000	13,260,000	2,113,704	30,500,000	21,116,927	-	104,730,631
Balance as at July 01, 2011	37,740,000	13,260,000	2,385,532	30,500,000	14,376,349	30,590	98,292,471
Total comprehensive income for the period							
Profit for the period	-	-	-	-	4,201,276	-	4,201,276
Other comprehensive income	-	-	-	-	-	24,732	24,732
	-	-	-	-	4,201,276	24,732	4,226,008
Balance as at March 31, 2012	37,740,000	13,260,000	2,385,532	30,500,000	18,577,625	55,322	102,518,479

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


Chairman


President & CEO

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Pakistan Telecommunication Company Limited ("the Company") was incorporated in Pakistan on December 31, 1995 and commenced business on January 01, 1996. The Company, which is listed on the Karachi, Lahore and Islamabad stock exchanges, was established to undertake the telecommunication business formerly carried on by the Pakistan Telecommunication Corporation (PTC). PTC's business was transferred to the Company on January 01, 1996 under the Pakistan Telecommunication (Reorganization) Act, 1996, on which date, the Company took over all the properties, rights, assets, obligations and liabilities of PTC, except those transferred to the National Telecommunication Corporation (NTC), the Frequency Allocation Board (FAB), the Pakistan Telecommunication Authority (PTA) and the Pakistan Telecommunication Employees' Trust (PTET). The registered office of the Company is situated at PTCL Headquarters, G-8/4, Islamabad.

The Company provides telecommunication services in Pakistan. It owns and operates telecommunication facilities and provides domestic and international telephone services and other communication facilities throughout Pakistan. The Company has also been licensed to provide such services in the territories of Azad Jammu and Kashmir and Gilgit-Baltistan.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the nine months period ended March 31, 2012 has been prepared in accordance with the requirements of International Accounting Standard 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of annual audited financial statements of the Company for the year ended June 30, 2011.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of this condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience including expectation of future events that are believed to be reasonable under the circumstances.

Estimates and judgements made by the management in the preparation of this condensed interim financial information are the same as those used in the preparation of annual audited financial statements of the Company for the year ended June 30, 2011.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

	Note	As at March 31, 2012 (Un-Audited)	As at June 30, 2011 (Audited)
------(Rupees in '000)-----			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	72,994,072	73,788,459
Capital work-in-progress		15,361,428	18,588,817
		<u>88,355,500</u>	<u>92,377,276</u>
5.1 Operating fixed assets			
Opening book value		73,788,459	73,960,689
Additions during the period / year	5.2	7,877,322	11,459,584
		<u>81,665,781</u>	<u>85,420,273</u>
Disposals during the period / year - at book value		(44)	(977)
Depreciation for the period / year		(8,671,665)	(11,630,837)
		<u>(8,671,709)</u>	<u>(11,631,814)</u>
Closing book value		<u>72,994,072</u>	<u>73,788,459</u>
5.2 Details of additions during the period / year:			
Land - freehold		-	233
Buildings on freehold land		221,231	339,793
Lines and wires		1,418,498	1,878,997
Apparatus, plant and equipment		6,042,391	4,937,900
Office equipment		23,548	14,451
Computer equipment		36,974	45,959
Furniture and fittings		10,238	6,478
Vehicles		124,442	148,035
Submarine cables		-	4,087,738
		<u>7,877,322</u>	<u>11,459,584</u>

6. LONG-TERM LOANS

These include unsecured loans of Rs 11,000,000 thousand (June 30, 2011: Rs 11,000,000 thousand) to Pak Telecom Mobile Limited, a wholly owned subsidiary of the Company, under subordinated debt agreements. These loans are recoverable in eight equal quarterly installments commencing after a grace period of 3 to 4 years maturing latest by February 2016 and carrying mark-up at the rate of three months KIBOR plus 82 to 180 basis points (June 30, 2011: KIBOR plus 82 to 180 basis points). Out of Rs. 11,000,000 thousand an amount of Rs. 375,000 thousand due with in a period of next twelve months is shown under current assets.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There has been no material change in contingencies as disclosed in the last annual audited financial statements of the Company except for the following:

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

- (i) On October 17, 2011, the Deputy Commissioner Inland Revenue (DCIR), raised a demand of Rs 2,782,660 thousand, on the premise that the Company has not paid Federal Excise Duty on its local interconnect revenue for the years from 2006 to 2009, aggregating to Rs 16,522,290 thousand, billed to mobile / landline operators and Long Distance and International Operators. The Company has filed an appeal against the said order, before the Commissioner Inland Revenue (Appeals - II) which is pending for adjudication;
- (ii) On July 16, 2011, the Deputy Commissioner Inland Revenue (DCIR), raised a demand of Rs 298,008 thousand, on the premise that the Company has not paid Federal Excise Duty on Fee for Technical Services, aggregating to Rs 4,073,283 thousand, paid to the Etisalat Telecommunication Corporation of the United Arab Emirates, during the period from July 01, 2007 to June 30, 2009, on the grounds that the said fee has been paid under a Franchise agreement. The case has been decided against the Company by the Commissioner Inland Revenue (Appeals - II) and the Company has filed an appeal before the Appellate Tribunal Inland Revenue; and
- (iii) On the same grounds, as disclosed in note 13.8 of the annual financial statements for the year ended June 30, 2011, the Deputy Commissioner Inland Revenue (DCIR), has raised an additional demand on August 02, 2011, amounting to Rs 313,420 thousand, for the period from July 2005 to June 2006 and July 2008 to June 2009. The Company has filed an appeal against the said order, before the Commissioner Inland Revenue (Appeals - II) which is pending for adjudication.

No provision has been made in this condensed interim financial information for the above-mentioned matters, as the management and the Company's tax advisors are of the view that these matters will eventually be settled in the favour of the Company.

7.2 Commitments

Commitments, in respect of contracts for capital expenditure amount to Rs 16,137,494 thousand (June 30, 2011: Rs 15,106,081 thousand).

Three months period ended		Nine months period ended	
March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
-----(Rupees in '000) ----		-----(Rupees in '000) ----	

8. OTHER OPERATING INCOME

Interest on loan to subsidiary	363,095	399,049	1,162,526	1,159,993
Return on bank placements	263,963	494,172	696,533	1,265,919
Dividend from subsidiary - PTML	-	-	-	644,000
Old liabilities written back	-	-	235,000	635,445
Others	236,184	109,136	495,004	484,407
	<u>863,242</u>	<u>1,002,357</u>	<u>2,589,063</u>	<u>4,189,764</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

		Nine months period ended	
Note	March 31, 2012 (Un-Audited)	March 31, 2011 (Un-Audited)	
	----- (Rupees in '000) -----		

9. TRANSACTIONS WITH RELATED PARTIES

Relationship with the Company	Nature of transaction		
i. Subsidiary	Purchase of goods and services	1,332,449	1,061,166
	Sale of goods and services	3,601,709	3,661,354
	Mark-up on long-term loans	1,162,526	1,151,790
	Disbursement of loans	-	4,000,000
	Dividend received	-	644,000
ii. Associated undertakings	Technical services fee - note 9.1	1,419,540	1,307,699
	Purchase of goods and services	764,746	968,367
	Sale of goods and services	906,457	3,306,443
iii. Employees' contribution plans	Contribution to Pakistan Telecommunication Employees' Trust (PTET)	2,000,643	1,295,787
iv. Employees' benefit plans	Amount received from PTCL employees' GPF Trust	33,704	212,420
v. Directors, Chief Executive and Executives	Fees and remuneration including benefits and perquisites	764,615	710,256
		As at March 31, 2012 (Un-Audited)	As at June 30, 2011 (Audited)
----- (Rupees in '000) -----			

Period-end balances

Receivables from related parties

Long-term loans to subsidiary	6	11,000,000	11,000,000
Trade debts			
- Subsidiary		1,111,034	924,074
- Associated undertakings		92,338	105,006
Accrued interest receivable			
- Subsidiary		247,886	279,082
Other receivables			
- PTCL employees' GPF Trust		97,828	64,124
- Pakistan Telecommunication Employees' Trust (PTET)		96,333	95,691

Payables to related parties

Trade creditors			
- Subsidiary		67,916	14,878
- Associated undertakings		397,297	338,910
Technical services fee payable to Etisalat		477,393	456,399
Retention money payable to associated undertaking		88,892	108,451
Pakistan Telecommunication Employees' Trust (PTET)		5,032,371	5,618,852

9.1 This represents the Company's share of fee payable to Emirates Telecommunication Corporation (Etisalat) under an agreement for technical services at the rate of 3.5% of Pakistan Telecommunication Group's consolidated annual revenue.

	Nine months period ended	
Note	March 31, 2012 (Un-Audited)	March 31, 2011 (Un-Audited)
	------(Rupees in '000)-----	

10. CASH GENERATED FROM OPERATIONS

Profit before tax	6,455,556	7,639,706
Adjustments for non-cash charges and other items:		
Depreciation and amortization	8,867,506	8,782,107
Provision for doubtful trade debts	1,299,745	1,203,432
Employees' retirement benefits	2,941,452	2,432,990
Imputed interest on consideration payable on MAXCOM	2,535	5,686
Interest income on long-term loans	(1,162,526)	(1,159,993)
Gain on disposal of property, plant and equipment	(36,150)	(50,857)
Unrealized gain on available-for-sale investments	-	(22,202)
Dividend	-	(644,000)
Return on bank placements	(696,533)	(1,265,919)
Provision for obsolete stores, spares and loose tools	-	98,703
Amortization of USF grants	(102,528)	-
Finance costs	146,636	139,534
	<u>17,715,693</u>	<u>17,159,187</u>

Effect on cash flows due to working capital changes:

(Increase) / decrease in current assets:

Stores, spares and loose tools	(287,239)	358,141
Trade debts	(2,263,090)	(2,428,997)
Loans and advances	(620,700)	(457,672)
Recoverable from tax authorities	60,791	624,586
Other receivables	(234,295)	79,165
	(3,344,533)	(1,824,777)

Increase / (decrease) in current liabilities:

Trade and other payables	991,684	(1,273,287)
	15,362,844	14,061,123

11. CASH AND CASH EQUIVALENTS

Short-term investments	8,807,725	12,758,064
Cash and bank balances	3,535,143	2,505,313
	<u>12,342,868</u>	<u>15,263,377</u>

12. DATE OF AUTHORIZATION FOR ISSUE OF CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information for the nine months period ended March 31, 2012 was authorized for issue on April 25, 2012 by the Board of Directors of the Company.

Chairman


President & CEO



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future

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2012 (UN-AUDITED)

Note	March 31, 2012 (Un-Audited)	June 30, 2011 (Audited)
----- (Rupees in '000) -----		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	51,000,000	51,000,000
Revenue reserves		
Insurance reserve	2,385,532	2,385,532
General reserve	30,500,000	30,500,000
Unappropriated profit	30,685,690	23,669,848
	63,571,222	56,555,380
Unrealized gain on available-for-sale investments	55,322	30,590
	114,626,544	107,585,970
NON CURRENT LIABILITIES		
Long-term loans from banks	20,500,000	11,000,000
Liability against assets subject to finance lease	77,505	83,439
Payable to PTA against license fee	155,053	138,246
Long-term security deposits	1,690,555	1,646,400
Deferred taxation	17,168,632	15,498,413
Employees' retirement benefits	17,676,741	17,018,391
Deferred government grants	3,733,926	3,631,585
Long-term vendor liability	1,501,357	3,188,375
	62,503,769	52,204,849
CURRENT LIABILITIES		
Trade and other payables	32,688,638	34,306,442
Interest accrued	197,597	387,114
Short-term running finance	-	234,676
Current portions of:		
Long-term loans from banks	-	9,000,000
Liability against assets subject to finance lease	31,983	32,075
Payable to PTA against license fee	44,739	42,984
Long-term vendor liability	2,662,500	3,232,951
Unearned income	2,141,080	1,592,680
Dividend payable	-	3,375,631
	37,766,537	52,204,553
TOTAL EQUITY AND LIABILITIES	214,896,850	211,995,372
CONTINGENCIES AND COMMITMENTS		

5

The annexed notes from 1 to 11 form an integral part of this condensed consolidated interim financial information.


Chairman

Note	March 31, 2012 (Un-Audited)	June 30, 2011 (Audited)
	------(Rupees in '000)-----	

ASSETS**NON CURRENT ASSETS****Fixed assets**

Property, plant and equipment	148,694,841	156,173,748
Intangible assets	3,645,985	3,906,996
	152,340,826	160,080,744
Long-term investments	107,553	107,553
Long-term loans	597,163	552,760
	153,045,542	160,741,057

CURRENT ASSETS

Stores, spares and loose tools	3,656,726	3,369,488
Stock-in-trade	449,706	577,434
Trade debts	10,759,654	9,434,885
Loans and advances	1,143,121	773,746
Deposits and prepayments	1,439,101	1,295,348
Accrued interest	185,948	377,822
Recoverable from tax authorities	13,665,318	13,317,194
Receivable from Government of Pakistan	2,164,072	2,164,072
Other receivables	585,567	504,042
Short-term investments	9,132,248	2,642,378
Cash and bank balances	18,669,847	16,797,906
	61,851,308	51,254,315

TOTAL ASSETS

214,896,850	211,995,372
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President & CEO

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

	Three months period ended		Nine months period ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
REVENUE	28,254,556	25,760,542	83,213,790	77,378,427
Cost of services	(18,410,929)	(17,208,499)	(54,294,174)	(49,966,438)
GROSS PROFIT	9,843,627	8,552,043	28,919,616	27,411,989
Administrative and general expenses	(3,746,298)	(3,418,699)	(11,066,469)	(9,840,202)
Selling and marketing expenses	(2,044,685)	(1,770,582)	(5,879,073)	(5,614,781)
Other operating income	702,993	880,091	1,836,281	3,453,081
	(5,087,990)	(4,309,190)	(15,109,261)	(12,001,902)
OPERATING PROFIT	4,755,637	4,242,853	13,810,355	15,410,087
Finance costs	(797,217)	(735,683)	(2,217,271)	(1,966,486)
PROFIT BEFORE TAX	3,958,420	3,507,170	11,593,084	13,443,601
Taxation				
- Current	(829,228)	(1,536,906)	(2,907,973)	(3,968,617)
- Deferred	(736,133)	95,263	(1,669,269)	(1,563,624)
	(1,565,361)	(1,441,643)	(4,577,242)	(5,532,241)
PROFIT FOR THE PERIOD	2,393,059	2,065,527	7,015,842	7,911,360
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Unrealized gain on available-for-sale investments - net of tax	7,994	-	24,732	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,401,053	2,065,527	7,040,574	7,911,360
Earnings per share - basic and diluted (Rupees)	0.47	0.41	1.38	1.55

The annexed notes from 1 to 11 form an integral part of this condensed consolidated interim financial information.


Chairman


President & CEO

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

	Note	March 31, 2012	March 31, 2011
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	6	31,125,845	31,128,149
Long term security deposits		44,155	384,142
Employees' retirement benefits paid		(2,357,129)	(1,727,433)
Payment of other VSS components		(4,787)	(6,735)
Finance cost paid		(2,301,814)	(1,840,437)
Income tax paid		(3,315,939)	(3,478,106)
Net cash inflows from operating activities		23,190,331	24,459,580
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(10,949,854)	(16,322,325)
Intangible assets		(34,246)	-
Proceeds from disposal of property, plant and equipment		66,434	112,917
Short-term investments		-	(277,118)
Long-term loans - net		5,507	(66,230)
Government grant received		204,869	1,120,478
PTA license fee		-	(1,894,950)
Return on long-term loans and short-term investments		1,217,980	1,944,914
Net cash outflows from investing activities		(9,489,310)	(15,382,314)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan received		9,500,000	5,000,000
Long-term vendor liability		(2,257,469)	(11,498,752)
Liabilities against assets subject to finance lease		(6,026)	90,435
Long-term loan paid		(9,000,000)	-
Dividend paid		(3,365,770)	(3,366,678)
Net cash outflows from financing activities		(5,129,265)	(9,774,995)
Net decrease in cash and cash equivalents		8,571,756	(697,729)
Cash and cash equivalents at beginning of the period		18,905,816	23,566,425
Cash and cash equivalents at end of the period	7	27,477,572	22,868,696

The annexed notes from 1 to 11 form an integral part of this condensed consolidated interim financial information.


Chairman


President & CEO

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

	Issued, subscribed and paid-up capital		Revenue reserves			Unrealized gain on available-for-sale investments	Total
	Class "A"	Class "B"	Insurance reserve	General reserve	Unappropriated profit		
	(Rupees in '000)						
Balance as at July 01, 2010	37,740,000	13,260,000	2,113,704	30,500,000	24,461,054	-	108,074,758
Total comprehensive income for the period							
Profit for the period	-	-	-	-	7,911,360	-	7,911,360
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	7,911,360	-	7,911,360
Balance as at March 31, 2011	37,740,000	13,260,000	2,113,704	30,500,000	32,372,414	-	115,986,118
Balance as at July 01, 2011	37,740,000	13,260,000	2,385,532	30,500,000	23,669,848	30,590	107,585,970
Total comprehensive income for the period							
Profit for the period	-	-	-	-	7,015,842	-	7,015,842
Other comprehensive income	-	-	-	-	-	24,732	24,732
	-	-	-	-	7,015,842	24,732	7,040,574
Balance as at March 31, 2012	37,740,000	13,260,000	2,385,532	30,500,000	30,685,690	55,322	114,626,544

The annexed notes from 1 to 11 form an integral part of this condensed consolidated interim financial information.


Chairman


President & CEO

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

1. CONSTITUTION AND OWNERSHIP

The condensed consolidated financial information of the Pakistan Telecommunication Company Limited and its subsidiaries ("the Group") comprise of the financial information of:

Pakistan Telecommunication Company Limited (PTCL)

PTCL provides telecommunication services in Pakistan. PTCL owns and operates telecommunication facilities and provides domestic and international telephone services and other communication facilities throughout Pakistan. PTCL has also been licensed to provide such services to territories in Azad Jammu & Kashmir and Gilgit-Baltistan.

Pak Telecom Mobile Limited (PTML)

PTML provides cellular mobile telephone services throughout Pakistan under the brand name of Ufone.

2. STATEMENT OF COMPLIANCE

This condensed consolidated interim financial information of the Group for the nine months period ended March 31, 2012 has been prepared in accordance with the requirements of International Accounting Standard 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of this condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual audited financial statements for the year ended June 30, 2011.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of this condensed consolidated interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience including expectation of future events that are believed to be reasonable under the circumstances.

Estimates and judgements made by the management in preparation of this condensed consolidated interim financial information are the same as those used in the preparation of annual audited financial statements of the Group for the year ended June 30, 2011.

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There has been no material change in contingencies as disclosed in the last annual audited financial statements of the Group except for the following:

PTCL

- (i) On October 17, 2011, the Deputy Commissioner Inland Revenue (DCIR), raised a demand of Rs 2,782,660 thousand, on the premise that the Company has not paid Federal Excise Duty on its local interconnect revenue for the years from 2006 to 2009, aggregating to Rs 16,522,290 thousand, billed to mobile / landline operators and Long Distance and International Operators. The Company has filed an appeal against the said order, before the Commissioner Inland Revenue (Appeals - II) which is pending for adjudication;
- (ii) On July 16, 2011, the Deputy Commissioner Inland Revenue (DCIR), raised a demand of Rs 298,008 thousand, on the premise that the Company has not paid Federal Excise Duty on Fee for Technical Services, aggregating to Rs 4,073,283 thousand, paid to the Etisalat Telecommunication Corporation of the United Arab Emirates, during the period from July 01, 2007 to June 30, 2009, on the grounds that the said fee has been paid under a Franchise agreement. The case has been decided against the Company by the Commissioner Inland Revenue (Appeals - II) and the Company has filed an appeal before the Appellate Tribunal Inland Revenue; and

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

- (iii) On the same grounds, as disclosed in note 16.8 of the annual financial statements for the year ended June 30, 2011, the Deputy Commissioner Inland Revenue (DCIR), has raised an additional demand on August 2, 2011, amounting to Rs 313,420 thousand, for the period from July 2005 to June 2006 and July 2008 to June 2009. The Company has filed an appeal against the said order, before the Commissioner Inland Revenue (Appeals - II) which is pending for adjudication.

No provision has been made in this condensed interim financial information for the above-mentioned matters, as the management and the Company's tax advisors are of the view that these matters will eventually be settled in the favour of the Company.

5.2 Commitments

Commitments in respect of letter of credit for purchase of stock amount to Rs.343,150 thousand (June 30, 2011: 256,867 thousand) and contracts for capital expenditure amount to Rs. 28,011,162 thousand (June 30, 2011: Rs. 17,721,554 thousand).

Note	Nine months period ended	
	March 31, 2012 (Un-Audited)	March 31, 2011 (Un-Audited)
	------(Rupees in '000)-----	

6. CASH GENERATED FROM OPERATIONS

Profit before tax	11,593,084	13,443,601
Adjustments for non-cash charges and other items:		
Depreciation and amortization	16,615,157	16,169,106
Provision for doubtful trade debts	1,311,617	1,227,808
Provision for obsolete stores, spares and loose tools	-	98,703
Provision for stock and warranty against mobile phones	17,699	-
Employees' retirement benefits	3,015,479	2,512,252
Imputed interest	2,535	5,686
Gain on disposal of property, plant and equipment	(42,550)	(51,493)
Unrealized gain on available-for-sale investments	-	(22,202)
Return on bank placements	(1,099,877)	(2,325,008)
Amortization of USF grants	(102,528)	-
Finance costs	2,130,859	1,924,988
	33,441,475	32,983,441
Effect on cash flows due to working capital changes:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(287,239)	358,141
Stock in trade	110,029	(172,097)
Trade debts	(1,697,436)	(3,062,182)
Loans and advances	(772,894)	(574,660)
Deposits and prepayments	80,587	(135,197)
Recoverable from tax authorities	60,791	624,586
Other receivables	13,591	79,165
	(2,492,571)	(2,882,244)
Increase / (decrease) in current liabilities:		
Trade and other payables	(371,461)	1,222,181
Unearned income	548,402	(195,229)
	176,941	1,026,952
	31,125,845	31,128,149

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

Nine months period ended	
March 31, 2012 (Un-Audited)	March 31, 2011 (Un-Audited)
----- (Rupees in '000) -----	

5. CASH AND CASH EQUIVALENTS

Short-term investments	8,807,725	16,810,610
Cash and bank balances	18,669,847	6,058,086
	<u>27,477,572</u>	<u>22,868,696</u>

8. SEGMENT INFORMATION

For Management purposes, the Group is organized into business units based on their services and has two reportable operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

8.1 Revenue information regarding the Group's operating segments for the nine months period ended March 31, 2012 and 2011 is tabulated below:

	Note	Wire line	Wireless	Total
		----- (Rupees in '000) -----		
Nine months period ended March 31, 2012 (Un-Audited)				
Segment revenue		41,703,805	46,444,143	88,147,948
Inter segment revenue	8.1.1	(3,601,709)	(1,332,449)	(4,934,158)
Revenue from external customers		<u>38,102,096</u>	<u>45,111,694</u>	<u>83,213,790</u>
Nine months period ended March 31, 2011 (Un-Audited)				
Segment revenue		38,990,996	43,157,305	82,148,301
Inter segment revenue	8.1.1	(3,661,354)	(1,108,520)	(4,769,874)
Revenue from external customers		<u>35,329,642</u>	<u>42,048,785</u>	<u>77,378,427</u>

8.1.1 Inter segment revenues are eliminated on consolidation.

8.2 Assets & liabilities of the Group's operating segments as at March 31, 2012 and June 30, 2011 are tabulated below:

	Wire line	Wireless	Total
	----- (Rupees in '000) -----		
As at March 31, 2012 (Un-Audited)			
Segment assets	123,441,703	91,455,147	214,896,850
Segment liabilities	<u>49,793,541</u>	<u>50,476,765</u>	<u>100,270,306</u>
As at June 30, 2011 (Audited)			
Segment assets	<u>126,586,343</u>	<u>85,409,029</u>	<u>211,995,372</u>
Segment liabilities	<u>54,111,570</u>	<u>50,297,832</u>	<u>104,409,402</u>

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

9. TRANSACTIONS WITH RELATED PARTIES

		Nine months period ended	
		March 31, 2012 (Un-Audited)	March 31, 2011 (Un-Audited)
		----- (Rupees in '000) -----	
Relationship with the Group	Nature of transaction		
i. Associated undertakings	Technical services fee - note 9.1	2,859,556	2,654,180
	Purchase of goods and services	807,297	1,019,412
	Sale of goods and services	927,891	3,339,661
	Expenses reimbursed / advances to Pakistan MNP Database (Guarantee) Limited	9,913	5,650
ii. Employees' contribution plans			
PTCL	Contribution to Pakistan Telecommunication Employees' Trust (PTET)	2,000,643	1,295,787
iii. Employees' benefit plans			
PTCL	Amount received from PTCL employees' GPF Trust	33,704	212,420
PTML	Gratuity Fund	62,560	44,761
	Provident Fund	64,192	55,108
iv. Directors, Chief Executive and Executives	Fees and remuneration including benefits and perquisites	1,155,577	981,020

As at March 31, 2012 (Un-Audited)	As at June 30, 2011 (Audited)
----- (Rupees in '000) -----	

Period-end balances			
Receivables from related parties			
Trade debts		108,617	127,469
Other receivables			
- PTCL employees' GPF Trust		97,828	64,124
- Pakistan Telecommunication Employees' Trust (PTET)		96,333	95,691
- Pakistan MNP Database (Guarantee) Limited		4,738	-
Payables to related parties			
Trade creditors		932,910	896,299
Technical services assistance fee payable to Etisalat		970,411	942,185
Retention money payable to associated undertaking		88,892	108,451
PTCL			
Pakistan Telecommunication Employees' Trust (PTET)		5,032,371	5,618,854
PTML			
Gratuity Fund		62,560	80,071
Provident Fund		16,223	13,865

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UN-AUDITED)

9.1 This represents the Group's share of fee payable to Emirates Telecommunication Corporation (Etisalat) under an agreement for technical services at the rate of 3.5% of Pakistan Telecommunication Group's consolidated annual revenue.

10. DATE OF AUTHORIZATION FOR ISSUE OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

This condensed consolidated interim financial information for the nine months period ended March 31, 2012 was authorized for issue on April 25, 2012 by the Board of Directors of the holding Company.

11. GENERAL

Figures presented in this condensed consolidated interim financial information have been rounded off to the nearest thousand rupees.



Chairman



President & CEO

