



Reference: CLS/CS/10/3/10
16 March 2010

The General Manager
Karachi Stock Exchange
Stock Exchange Building
Karachi

Deferment of payment of Initial Spectrum Fee for Wireless Local Loop

Dear Sir,

The Pakistan Telecommunication Authority (PTA) has informed Telecard (the Company) through a letter received at the Corporate office on March 15, 2010, that the 50% balance of the Initial Spectrum Fee payable by the Company to PTA amounting to Rs. 1,585.500M has been staggered over 10 years.

Telecard was issued Local Loop Licenses in 2004, and the Company later acquired wireless spectrum through an open auction for providing wireless local loop (WLL) services for a total cost of Rs. 3,240.525M, of which Rs. 1,655.025M was paid by the Company in 2004. For the Balance Amount, the WLL Operators requested the government to allow a 4 year moratorium and a staggered payment schedule over 10 years in line with the payment schedule allowed to Cellular Operators. The Cabinet Division granted the 4 year moratorium in 2006, while it formed a committee to review the request for staggering.

As the moratorium expires in 2010, the WLL industry has been working with the government to ensure a timely decision of the request for staggering. The above mentioned PTA letter received by the Company confirms that the request for staggering over 10 years has been approved. The Company is seeking further details relating to this from the PTA.

Sincerely yours,

Waseem Ahmad
Company Secretary

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