

ATTN: GENERAL MANAGER.

13th September 2012



The General Manager  
Karachi Stock Exchange (Guarantees) Limited  
Stock Exchange Building  
Karachi

**Subject: Material Information**

Dear Sir,

This has reference to your letter No. KSE/C-998-6632 dated 11 September 2012.

The Long Distance & International services (LDI) Operators, under the guidance of Pakistan Telecommunication Authority (PTA), has been pursuing the objective of establishing an International Clearing House (ICH) for the past few years in order to address the various problems faced by them, such as the menace of illegal traffic, maintaining the rate set by the PTA, ensuring that the LDI margin provided for in the Telecom Deregulation Policy of 2003 (Policy) and as determined from time to time by PTA is realized, etc.

In this regard, the Ministry of Information Technology (MoIT) was approached by the PTA as well as the LDI operators to address these concerns. As a consequence, the MoIT issued a Policy Directive to establish a single gateway for termination of international traffic in the form of International Clearing House (ICH) exchange whereby all LDIs will authorize PTCL to terminate International Incoming Traffic on their behalf and the LDI Operators would be entitled to a share of the revenue from total incoming traffic thus terminated by PTCL. In this way the incoming traffic will be monitored, accounted for and compensated for within the framework as provided in the Policy.

Consequently, all the LDI operators including the Company, under the instructions of the PTA, have signed the ICH Agreement for the implementation of the same from 1st October 2012. It is relevant to note that the Competition Commission of Pakistan has also raised certain issues with respect to the formation of ICH which could have a negative impact on its implementation.

The ICH agreement will have positive bearing on the revenues and cash flow of the Company as it will ensure that the Company gets the per minute LDI margin which is provided for in the Policy, but its exact impact cannot be quantified at this point in time as it depends on the actual level of incoming traffic which is terminated through this mechanism.

We hope the above addresses your queries.

Regards,

Sincerely,

  
Waseem Ahmad  
Company Secretary