

Telecommunication Company Of Iran

Consolidated Balance Sheet

Dated 20/03/2007

Assets	Reference	20/03/2007		Liabilities and Stocolders Equity	20/03/2007	
		Million Riials	EUR		Million Riials	EUR
Current Assets :				Current Liabilities :		
Cash	5	16,702,384	1,358,027,807	Accounts and documents payable	4,356,369	354,205,139
Accounts and documents receivable	6	13,002,701	1,057,216,115	Other accounts and documents payable	6,028,890	490,193,512
Other accounts and documents receivable	7	6,889,247	560,146,923	Advance received of customers	1,994,137	162,138,141
Merchandise inventory	8	239,236	19,451,663	Debt to dependence company	11,162	907,554
Orders and prepayments	9	269,579	21,918,774	Tax reserve	439,173	35,708,025
Demand of dependence company	10	6,134,824	498,806,732	Facilities financial of receivable	0	0
Total currents Assets		43,237,971	3,515,568,014	Profit share payable	4,042,515	328,686,479
				Total Current Liabilities	16,872,246	1,371,838,850
Non - Current Assents :				Non - Current Liabilites :		
Tangible fixed assets	11	80,850,415	6,573,738,922	Long term accounts payable	219,549	17,850,963
Long term to investment	12	4,932,583	401,055,614	Long term facilities financial of receivable	856,524	69,641,759
Intangible fixed assets	13	500,118	40,663,306	Reserve reward End_Service of personnel	2,511,586	204,210,586
Other assets	14	1,489,342	121,094,561	Total Non - Current Liabilities	3,587,659	291,703,308
Total Non - Current Assents		87,772,458	7,136,552,403	Total Liabilities	20,459,905	1,663,542,158
				Stockolders Equity :		
				Capital	36,967,159	3,005,704,448
				Legal reserve	1,987,397	161,590,129
				Other reserves	220,593	17,935,848
				Retained earnings	2,166,230	176,130,580
				Review surplus of fixed assets valuation	35,195	2,861,615
				Conversion reserve assets & liabilites of foreign exchange	420,625	34,199,935
				Transfer of funds to capital account	13,469,801	1,095,194,813
				Total Stockolders Equity	55,267,000	4,493,617,368
				General Rights :		
				* Divergence right of fixed Tel & Mobail & Data	55,283,524	4,494,960,891
				Total Stockolders Equity and General Rights	110,550,524	8,988,578,259
Total Assets		131,010,429	10,652,120,417	Total Liabilities and Stocolders Equity	131,010,429	10,652,120,417
Warranty accounts	40	8,999,847	793,701,927	Other side warranty accounts	8,999,847	793,701,927

Subscription deposit belongs to the postpaid fixed and mobile phone subscribers which has been mortgaged to TCI to be reserved as long as they keep their subscription.

In other words , It will not be refunded unless the subscribers desire to revoke their contract and subscription . It does not involve any instalments ; and no due , either .

Notes explanation favour is integral part of financial statements

Telecommunication Company Of Iran
Consolidated Income Statement
Financial Year End To 20/03/2007

	2007		2007
	Million Rials	Million Rials	EUR
Operating revenues		33,156,259	2,695,849,988
Cost of goods sold (services)		(15,150,917)	(1,231,882,023)
Gross Income		18,005,342	1,463,967,965
Selling and adminstraive and general costs	(5,583,578)		(453,986,340)
Net other revenue and operating expenses	(453,425)		(36,866,818)
		(6,037,003)	(490,853,158)
Operating income		11,968,339	973,114,807
Net other revenue and non - operating expenses	(277,556)		(22,567,363)
		(277,556)	(22,567,363)
Income before of tax		11,690,783	950,547,444
Surplus tax (item H of range 9 of legal budget)	(103,274)		(8,396,943)
Tax payable	(2,883,813)		(234,475,404)
		(2,987,087)	(242,872,347)
Net income		8,703,696	707,675,097

Cyclical Of Accumulated Dividend Combined

Net income		8,703,696	707,675,097
Accumulated dividend for beginning year	(246,469)		(20,039,759)
Correction misrepresentation of before periods	(449,676)		(36,561,997)
Accumulated dividend for beginning year (adjustment)		(696,145)	(56,601,756)
Income for appropriation		8,007,551	651,073,341
Income appropriation :			
Legal reserve	(1,063,246)		(86,449,793)
Profit share payably	(4,778,075)		(388,492,968)
		(5,841,321)	(474,942,761)
Accumulated dividend for ending year		2,166,231	176,130,580

Notes explanation favour is integral part of financial statements

Telecommunication Company Of Iran

Consolidated Statement Comprehensive Income

Financial Year End To 20/03/2007

	2007	
	Million Rials	EUR
Net income year	8,703,696	707,675,097
Review surplus of fixed assets valuation	(591,882)	(48,124,400)
Conversion reserve assets & liabilities of foreign exchange	71,106	5,781,446
Recognition comprehensive income of financial year	8,182,920	665,332,143
Adjustment ago years	(449,676)	(36,561,997)
Recognition comprehensive income	7,733,244	628,770,146

Notes explanation favour is integral part of financial statements

	2007		2007
	Million Rials	Million Rials	EUR
Operating Activity :			
Net course input (output) fund in cash to arise from operating activity		13,474,702	1,095,593,300
Output investment and income payable for security financial :			
Income bonds	440,759		35,836,979
Propit share receivable	1,192		96,918
Propit share payable	(2,644,246)		(214,996,829)
Net course output fund in cash to arise from investment activity and income payment for security financial		(2,202,295)	(179,062,932)
Revenue of tax			
Tax payable (include advance payment revenue of tax)		(2,784,984)	(226,439,873)
Investment Activity :			
Funds payable for acquire long_term investment	21,842		1,775,917
Funds receivable to sell off long_term investment	82,779		6,730,547
Funds payable for purchase bonds	(600,000)		(48,784,454)
Funds payable for purchase fixed tangible assets	(14,652,988)		(1,191,396,699)
Funds receivable to sell off fixed tangible & intangible assets	324,915		26,418,001
Funds payable for purchase intangible assets	(202,700)		(16,481,015)
Net purchase & sale of fixed assets via groups company	0		0
Funds in cash of unexpected / exeptional , funds receivable from insurance	7,495,569		609,445,402
Net course input (output) fund in cash to arise from investment activity		(7,530,583)	(612,292,301)
Net course input (output) fund in cash before security financialt activity		956,840	77,798,194
Financial Safeguarding activity :			
Funds receivable from addition capital	0		0
Subscription right and network Tel and ... (general rights)	(8,474,623)		(689,049,760)
Funds transferred on capital and reserves	0		0
General rights receivable	0		0
Reception for help in working order and resources	0		0
Facilities financial receivable	567,221		46,119,278
Addition reserve capital (extension network rural)	1,323,087		107,576,795
Net funds restoration for deposite mobail	0		0
Decrease funds tarnsferred on capital for the Sputnik Zohreh	0		0
Funds receivable for deposite inmarset	0		0
Net course input (output) fund in cash to arise from security financialt activity		(6,584,315)	(535,353,687)
Net addition (decrease) fund in cash		(5,627,475)	(457,555,493)
Balance of funds in cash in beginning year		23,639,419	1,922,060,249
Balance of funds in cash in ending year		18,011,944	1,464,504,756
(deduct to): Balance of funds in cash of TIC (Telecommunication Infrastructure Company)		(1,309,560)	(106,476,949)
		16,702,384	1,358,027,807
Without cash exchange		0	0

Telecommunication Company Of Iran

Consolidated Balance Sheet

Dated 21 / 09 / 2007

<i>Assets</i>	<i>21 / 09 / 2007</i>		<i>Liabilities and Stocolders Equity</i>	<i>21 / 09 / 2007</i>	
	Million Rials	EUR		Million Rials	EUR
<i>Current Assets :</i>			<i>Current Liabilities :</i>		
Cash	19,072,564	1,454,255,738	Accounts and documents payable	3,523,801	268,684,788
Accounts and documents receivable	17,045,228	1,299,674,266	Other accounts and documents payable	10,338,974	788,331,986
Other accounts and documents receivable	15,123,047	1,153,110,713	Advance received of customers	2,623,672	200,051,239
Merchandise inventory	327,214	24,949,600	Debt to dependence company	0	0
Orders and prepayments	1,266,905	96,599,695	Tax reserve	751,633	57,310,942
Demand of dependence company	932,945	71,135,722	Profit share payable	2,456,273	187,287,305
Total currents Assets	53,767,903	4,099,725,734	Total Current Liabilities	19,694,353	1,501,666,260
<i>Non - Current Assents :</i>			<i>Non - Current Liabilites :</i>		
Tangible fixed assets	80,661,334	6,150,311,399	Long term accounts payable	138,319	10,546,626
Long term to investment	4,613,071	351,740,069	Long term facilities financial of receivable	1,691	128,936
Intangible fixed assets	234,197	17,857,186	Reserve reward End_Service of personnel	2,926,121	223,112,543
Other assets	1,795,025	136,868,090	Total Non - Current Liabilities	3,066,131	233,788,105
Total Non - Current Assents	87,303,627	6,656,776,744	Total Liabilities	22,760,484	1,735,454,365
			<i>Stockolders Equity :</i>		
			Capital	36,967,159	2,818,693,023
			Legal reserve	1,981,388	151,078,002
			Other reserves	582,217	44,393,214
			Retained earnings	7,486,549	570,838,658
			Review surplus of fixed assets valuation	35,038	2,671,597
			Conversion reserve assets & liabilites of foreign exchange	251,582	19,182,768
			Transfer of funds to capital account	15,358,444	1,171,059,398
			Total Stockolders Equity	62,662,377	4,777,916,660
			<i>General Rights :</i>		
			Divergence right of fixed Tel & Mobail & Data	55,648,669	4,243,131,453
			Total Stockolders Equity and General Rights	118,311,046	9,021,048,113
Total Assets	141,071,530	10,756,502,478	Total Liabilities and Stocolders Equity	141,071,530	10,756,502,478
Warranty accounts	7,868,693	599,976,592	Other side warranty accounts	7,868,693	599,976,592

Notes explanation favour is integral part of financial statements

Telecommunication Company Of Iran
Consolidated Income Statement
Financial Year End To 21 / 09 / 2007

	21 / 09 / 2007		21 / 09 / 2007
	Million Rials	Million Rials	EUR
Operating revenues		21,250,940	1,620,353,793
Cost of goods sold (services)		(9,298,233)	(708,976,972)
Gross Income		11,952,707	911,376,821
Selling and adminstraive and general costs	(2,380,554)		(181,513,839)
Net other revenue and operating expenses	(15,528)		(1,183,988)
		(2,396,082)	(182,697,827)
Operating income		9,556,625	728,678,994
Net other revenue and non - operating expenses	(745,040)		(56,808,235)
		(745,040)	(56,808,235)
Income before of tax		8,811,585	671,870,759
Tax payable	(2,090,572)		(159,403,126)
		(2,090,572)	(159,403,126)
Net income		6,721,013	512,467,633

Cyclical Of Accumulated Dividend Combined

Net income		6,721,013	512,467,633
Accumulated dividend for beginning year	2,166,230		165,171,940
Correction misrepresentation of before periods	(2,329,937)		(177,654,365)
Others instance before years	929,243		70,853,450
Accumulated dividend for beginning year (adjustment)		765,536	58,371,025
Income for appropriation		7,486,549	570,838,658
Income appropriation :			
Legal reserve	0		0
Item J of range 1 of legal budget	0		0
Profit share payably	0		0
		0	0
Accumulated dividend for ending year		7,486,549	570,838,658
EPS (Rials)		18,181	1,386,275

Notes explanation favour is integral part of financial statements

Telecommunication Company Of Iran
Consolidated Statement Comprehensive Income
Financial Year End To 20/03/2007

	2007	
	Million Rials	EUR
Net income year	8,703,696	707,675,097
Review surplus of fixed assets valuation	(591,882)	(48,124,400)
Conversion reserve assets & liabilities of foreign exchange	71,106	5,781,446
Recognition comprehensive income of financial year	8,182,920	665,332,143
Adjustment ago years	(449,676)	(36,561,997)
Recognition comprehensive income	7,733,244	628,770,146

Notes explanation favour is integral part of financial statements

Telecommunication Company Of Iran
Consolidated Statement Of Cash Flow
Financial Year End To 22 / 09 / 2007

	<u>22 / 09 / 2007</u>		<u>22 / 09 / 2007</u>
	Million Rials	Million Rials	EUR
Operating Activity :			
Net course input (output) fund in cash to arise from operating activity		8,287,339	631,897,751
Output investment and income payable for security financial :			
Income bonds	121,136		9,236,447
Propit share receivable	0		0
Propit share payable	(1,656,069)		(126,272,894)
Net course output fund in cash to arise from investment activity and income payment for security financial		(1,534,933)	(117,036,447)
Revenue of tax			
Tax payable (include advance payment revenue of tax)		0	0
Investment Activity :			
Funds payable for acquire long_term investment	319,127		24,332,977
Funds receivable to sell off long_term investment	0		0
Funds payable for purchase bonds	385		29,356
Funds payable for purchase fixed tangible assets	(5,256,135)		(400,772,779)
Funds receivable to sell off fixed tangible & intangible assets	33,150		2,527,640
Funds payable for purchase intangible assets	(194,196)		(14,807,167)
Net purchase & sale of fixed assets via groups company	1,546,973		117,954,480
Funds in cash of unexpected / exceotional , funds receivable from insurance	(934,733)		(71,272,055)
Net course input (output) fund in cash to arise from investment activity		(4,485,429)	(342,007,548)
Net course input (output) fund in cash before security financialt activity		2,266,977	172,853,756
Financial Safeguarding activity :			
Subscription right and network Tel and ... (general rights)	365,070		27,836,066
Funds transferred on capital and reserves	238,202		18,162,562
Facilities financial receivable	(69,896)		(5,329,470)
Addition of reserves	(122,089)		(9,309,112)
Net course input (output) fund in cash to arise from security financialt activity		411,287	31,360,046
Net addition (decrease) fund in cash		2,678,264	204,213,802
Balance of funds in cash in beginning year		16,394,300	1,250,041,937
Balance of funds in cash in ending year		19,072,564	1,454,255,739

Notes explanation favour is integral part of financial statements