Contents

TCI Managing Director's Report 02
Iran at a glance 04
Highlights of the year 2000 06

Telecom Networks 08
Fixed Communications
Mobile Communications
Data Communications
Rural Communications

Telephone Exchanges 10
Local Exchanges
Long Distance Exchanges
International Exchanges

Transmission Systems 12
Transmission Circuits
Optical Fiber Cable
Satellite Communications
Domestic Satellite Communications
International Satellite Communications

Numbering Plan 14

TCI's Performance Records in Year 2000 15

Training and Research 16
Training
Research

Production 18
Iran Telecommunication Manufacturing Company (ITMC)
Iran Telephone Planning and Development Company (ITPD)
Iran Telecommunications Industries (ITI)
Shahid Ghandi Communication Cable Company (S.G.C.C)

TCI's Technical and Engineering Capabilities 24

International Cooperations 30

Financial Report 31

TCI's Organization Chart 32
In the very first year of the third millennium, when a widespread development has taken place in all economic, social, political, and cultural aspects of the world due to the rapid growth of Information and Communication Technology (ICT), combination of Computer and Communication (C&C) and also the expansion of information networks and the Internet, the International Telecommunication Union (ITU) has selected the motto “Internet, challenges, opportunities, and prospects” for the World Telecommunication Day (May 17th, 2001).

Such an act, together with the moves towards introduction of this viewpoint within the global telecommunication societies, are clear indications of a thorough change in the world's telecommunications and also the necessity to use all types of advanced technologies in the industry in all countries.

Telecommunication Company of Iran, as the executive of the policies of the Islamic Republic of Iran and the respective ministry (PTT) in the field of information and communication technology, is making all endeavours to materialize at least two tasks of the Third National Development Plan regarding: 1) Privatization and liberalization of some of its activities and services, and 2) Restructuring based on the contract concluded with ITU, which includes rendering consultation services (establishment of an operational regulatory body, segregation of policy-making duties, regulations, operations management, etc.).

It is to be noted that our Third National Development Plan (2000-2004) has assigned some groundwork for TCI to participate in the global information economics, global information society, and also for the provision of telecommunication networks and services, a good evidence of which is the national information infrastructure, currently being implemented with the aim of achieving the telecommunication strategic objectives.

Telecommunication restructuring is another remarkable issue which has to be dealt with by using domestic expertise and via the technical support of the foreign sources such as UNDP and ITU.

Telecommunication Company of Iran, as a main specialized company acts as the general assembly of the 28 provincial telecommunication companies and supervises the operation and development of the network throughout the country.

This company is planning to increase 10 million cellular mobile telephones (5 millions by the government and 5 millions by private sector) and 10 million fixed telephone lines, parallel with the provision of the national telecommunication infrastructure during the Third National Development Plan (2000-2004), aiming at creating an appropriate ground for domestic Internet users.

In order to keep pace with the global ICT expansions and considering the role of telecommunication in our national economic, social, political and cultural developments, the Telecommunication Research Center (ITRC) is actively pursuing the key projects such as Tele-education, Electronic Commerce, Electronic Banking, and Tele-medicine and is hoping to take fundamental steps in extending these services on a nationwide basis.

TCI’s approach towards human resources has also changed during the recent years, which entails recruitment of well-educated and expert manpower, increasing domestic and foreign training courses, provision of the appropriate recreational services for the personnel, assigning service and non-specialized tasks to the private sector, and in brief, initiating a new prospect towards motivation of the personnel.

In a worldwide dimension, TCI participates in global forums as an active member and is striving to develop its technical and political relations in this field through joining the significant international projects.

Alireza Bahrampour
Chairman of the Board
and Managing Director
In the very first year of the third millennium, when a widespread development has taken place in all economic, social, political, and cultural aspects of the world due to the rapid growth of Information and Communication Technology (ICT), combination of Computer and Communication (C&C) and also the expansion of information networks and the Internet, the International Telecommunication Union (ITU) has selected the motto “Internet, challenges, opportunities, and prospects” for the World Telecommunication Day (May 17th, 2001).

Such an act, together with the moves towards introduction of this viewpoint within the global telecommunication societies, are clear indications of a thorough change in the world’s telecommunications and also the necessity to use all types of advanced technologies in the industry in all countries.

Telecommunication Company of Iran, as the executive of the policies of the Islamic Republic of Iran and the respective ministry (PTT) in the field of information and communication technology, is making all endeavours to materialize at least two tasks of the Third National Development Plan regarding 1) Privatization and liberalization of some of its activities and services, and 2) Restructuring based on the contract concluded with ITU, which includes rendering consultation services (establishment of an operational regulatory body, segregation of policy-making duties, regulations, operations management, etc.).

It is to be noted that our Third National Development Plan (2000-2004) has assigned some groundworks for TCI to participate in the global information economics, and global information society, and also for the provision of telecommunication networks and services, a good evidence of which is the national information infrastructure, currently being implemented with the aim of achieving the telecommunication strategic objectives.

Telecommunication restructuring is another remarkable issue which has to be dealt with by using domestic expertise and via the technical support of the foreign sources such as UNDP and ITU.

Telecommunication Company of Iran, as a main specialized company acts as the general assembly of the 26 provincial telecommunication companies and supervises the operation and development of the network throughout the country.

This company is planning to increase 10 million cellular mobile telephones (5 millions by the government and 5 millions by private sector) and 10 million fixed telephone lines, parallel with the provision of the national telecommunication infrastructure during the Third National Development Plan (2000-2004), aiming at creating an appropriate ground for domestic Internet users.

In order to keep pace with the global ICT expansions and considering the role of telecommunications in our national economic, social, political and cultural developments, Iran Telecommunication Research Center (ITRC) is actively pursuing the key projects such as Tele-education, Electronic Commerce, Electronic Banking, and Tele-medicine and is hoping to take fundamental steps in extending these services on a nationwide basis.

TCI’s approach towards human resources has also changed during the recent years, which entails recruitment of well-educated and expert manpower, increasing domestic and foreign training courses, provision of the appropriate recreational services for the personnel, assigning service and non-specialized tasks to the private sector, and in brief, initiating a new prospect towards motivation of the personnel.

In a worldwide dimension, TCI participates in global forums as an active member and is striving to develop its technical and political relations in this field through joining the significant international projects.
Establishment of more than 1.1 million fixed telephone lines to reach a total number of about 9.5 million lines throughout Iran.

Activation of more than 472,000 cellular mobile telephones to increase the total number to 962,000 all over the country.

Extension of mobile telephones to 120 cities and towns which now add up to 337.

Increasing the fixed Telephone Penetration Factor from 13.34 in 1999 to 14.9 in 2000.

Providing rural communication services to 5062 villages to reach a total number of 28000.

Installation of 665 Kilometers of optical fiber cable in main and diversity routes, expansion of OFC main lines to 1332 Kilometers thus reaching a total length of 6083 Kilometers (including TAE).

Implementation of the new Numbering Plan and decreasing the long - distance codes from 4680 to 184.

Activation of 57,745 transmission circuits to reach a total number of 405,997.

Increasing 42,862 long - distance trunks to reach a total number of 322,980.

Expansion of 382 incoming international circuits (from STD to the national network) to increase to 8483.

Decreasing the number of personnel from 5.66 in 1999 to 4.99 in 2000 (per 1000 lines).

Increasing the personnel holding B.S. and higher degrees from 19.65 percent in 1999 to 22.18 percent in 2000.

RURAL COMMUNICATIONS

Rural communications were extended to 5062 villages in 2000 thus increasing the total number to more than 28,000.

LOCAL EXCHANGES

In year 2000, 520 low and 49 high-capacity exchanges were established in Iran, and the total numbers reached 3,609 and 651 for low and high capacity exchanges, respectively.

LONG-DISTANCE EXCHANGES

These exchanges are comprised of a three-layer structure:
- Secondary Centers (SC), as regional transit exchanges
- Primary Centers (PC), as long-distance transit exchanges
- Terminal Exchanges (TX), as nodes

There are two SCs in each of the cities of Babol, Tehran, Isfahan, Tabriz, Mashhad, Ahwaz, Shiraz, and Hamedan for redundancy purposes. Tehran and Hamedan have two digital SCs each and other cities one analog and one digital SC each which will be totally converted to digital in the future. The total number of long-distance exchanges throughout the country is 3,135 consisting of 16 SCs, 78 PCs, and 3,041 TXs.

INTERNATIONAL EXCHANGES

8,683 international circuits have already been established between Iran and 48 countries directly and 198 countries through transit routes via three satellite earth stations, some radio links and optical fiber cable connections.
TRANSMISSION SYSTEMS

The total number of microwave circuits was 248,252 in 1999 which reached 405,997 in year 2000 with an increase of 57,745 circuits and a growth rate of 17 percent.

OPTICAL FIBER CABLE (OFC)

Iran’s main network of optical fiber cable has a total length of 13,000 Kms. consisting of TAE network and the national main loop of OFC.

DOMESTIC SATELLITE COMMUNICATIONS

This project has been implemented to provide service to the regions for which terrestrial communication is not feasible:
- 4 main stations and 48 remote terminals are currently operational in 4 provinces.
- VSAT project is also in service to provide dedicated circuits to government and private institutions based on the three following phases:
  - Phase one with one hub and 200 VSAT terminals (operational).
  - Phase two with one hub and 700 VSAT terminals, 450 of which are now operational and the remaining 250 terminals are due to be activated in year 2001.
  - Phase three consisting of ten hubs in the cities of Orumieh, Ahwaz, Iranshahr, Tehran, Rasht, Zehedan, Sanandaj, Shiraz, Kermanshah and Mashhad with 2000 terminals, 1500 of which for rural communications and 500 terminals for data applications (planned).

INTERNATIONAL SATELLITE COMMUNICATIONS

INTELSAT

This service is provided via Intelsat satellites by using three standard-A and three standard-B antennas and IDR/DCME digital equipment.

INMARSAT

Boomehen Land Earth Station (LES) offers Inmarsat A and C services via IOR satellite.

SATELLITE COMMUNICATIONS

Three satellite earth stations (located at Asadabad, Boomehen, and Mobarakeh) provide international services with most countries around the world via about 3,000 circuits.
Taking into account the specific geopolitical situation of Iran in the region and the world, and in order to interface our national network with the most-advanced global networks, the integrated numbering plan was implemented in Iran in year 2000.

In this new plan, the national telecommunication network has been divided into 92 regions, each comprising several villages, towns, and cities according to the predetermined geographical territories. Two 3-digit codes are allocated to each of these regions, one to access the main exchanges and the other to access other nodes in any specific region. Therefore, the total number of long-distance codes has been reduced to 184 from 4680 which fully meets TCI’s requirements for at least the next three decades.

<table>
<thead>
<tr>
<th>INDEX</th>
<th>UNIT</th>
<th>YEAR-END 1999</th>
<th>YEAR-END 2000</th>
<th>YEAR 2000 RECORD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed telephones</td>
<td>Number</td>
<td>8,371,167</td>
<td>9,486,260</td>
<td>1,115,093</td>
</tr>
<tr>
<td>Mobile telephones</td>
<td>Number</td>
<td>400,478</td>
<td>962,595</td>
<td>472,117</td>
</tr>
<tr>
<td>Villages with rural Telecom services</td>
<td>Village</td>
<td>23,000</td>
<td>28,062</td>
<td>5,062</td>
</tr>
<tr>
<td>Fixed Telephone Penetration Factor</td>
<td>Number of telephones per 100 persons</td>
<td>13.34</td>
<td>14.9</td>
<td>1.56</td>
</tr>
<tr>
<td>Transmission Circuits</td>
<td>Circuit</td>
<td>348,252</td>
<td>405,997</td>
<td>57,745</td>
</tr>
<tr>
<td>Long-distance trunks</td>
<td>trunk</td>
<td>280,118</td>
<td>322,980</td>
<td>42,862</td>
</tr>
<tr>
<td>Local public telephones</td>
<td>Set</td>
<td>78,481</td>
<td>89,971</td>
<td>6,490</td>
</tr>
<tr>
<td>Long-distance public telephones</td>
<td>Set</td>
<td>10,724</td>
<td>11,813</td>
<td>1,086</td>
</tr>
<tr>
<td>Cities with mobile phones</td>
<td>City</td>
<td>217</td>
<td>337</td>
<td>120</td>
</tr>
<tr>
<td>Data network capacity</td>
<td>Mega Bit</td>
<td>98</td>
<td>1,603</td>
<td>1,505</td>
</tr>
<tr>
<td>Data network expansion</td>
<td>City</td>
<td>121</td>
<td>129</td>
<td>8</td>
</tr>
</tbody>
</table>
TRAINING

Faculty of Scientific-Applied Post and Telecommunications (FSAPT)
FSAPT’s activities record in year 2000 reached 310,731 students x hours with 1517 students in the fields of telecommunication engineering (switching and transmission), and post technician and expert training.

Specialized - Applied Training
This training covered the fields of technicians long-term course, transmission, switching, computer sciences, mobile technology, financial and administrative affairs, applied engineering course, and OJT training on digital radio and multiplex, high-capacity digital exchanges, different types of low-capacity exchanges, power installations, optical fiber cable, satellite, cellular mobile telephony, data, financial and administrative affairs, and languages with a total work record of 20451 students in 1460 classes consisting of 1,527,863 students x hours for short-term courses and 112,934 students x hours for long-term courses.
Meanwhile, in year 2000, some 134 and 331 students have respectively had their long and short-term training courses outside TCI.

RESEARCH

Iran Telecommunication Research Center (ITRC)
During the second plan of national economic, social, and cultural development ITRC expanded its activities and converted to a Research Institution, as approved by the Higher Education Promotion Council, so as to increase its cooperation with the universities and research and industrial centers. This resulted in the conclusion of more than 50 research contracts in 1998 and 1999 worth of 4.6 billion Rials.

According to the new structure, ITRC’s activities are focused on the following fields and branches:
1. Space technology research group
2. Radio systems and technology group
3. Optical systems and technology group
4. Mobile communication group
5. Antennas and waves propagation research group
6. Information society group
7. Group for technical support of telecom plans and adoption of the standards
8. Switching systems group
9. Data networks group
10. Data processing group
11. Network management and quality control group

ITRC is planning to render research, consultation, design, and prototype manufacturing services in the following fields in the future:

- Study and research on designing and manufacturing of satellites and the relevant equipment
- Study and research on space technology and its communication applications
- Study and research on the 3rd generation of mobile phones
- Study and design of the advanced switching systems and their interfaces
- Research on all types of signal processing equipment including baseband and multiplex equipment
- Research on optical technology
- Antennas, waves propagation, and microwave radio equipment
- Basic and applied research on information technology
- Research on data transmission networks and their applications
- Study and research on management, quality control, and standardization of telecom networks and equipment.
ITMC was established in Shiraz in 1969 by the Ministry of PTT (%30), Bank of Industry and Mine (%30) and Siemens Company of Germany (%40) in order to produce high-capacity switching systems and telephone sets. ITMC’s manufacturing capabilities are as follows:
1-Design and manufacture of mobile switching centers (MSC)
2-Design and manufacture of fixed high-capacity switching centers of all types (transit, STD, and local) and their power supplies
3-Design and manufacture of digital low-capacity exchanges
4-Production of all types of telephone sets
5-After-sale and support services for exchanges
6-Production of all types of terminals (10, 100, 125, and 256 pairs)

7-Production of connectors and splices
8-Current production of PCM4 and PCM11 in the near future
9-Production of Signalling No. 7 equipment
10-Design and production of metallic and plastic moulds, and their parts
11-Production of computer main boards (motherboard, graphic card, and their accessories).

YEAR 2000 PRODUCTION OF EXCHANGES

<table>
<thead>
<tr>
<th>Exchange Model</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITMC/S12</td>
<td>9,855</td>
</tr>
<tr>
<td>ITMC/EWSD</td>
<td>271,452</td>
</tr>
<tr>
<td>ITMC/NEAX</td>
<td>752,306</td>
</tr>
</tbody>
</table>

YEAR 2000 PRODUCTION OF ACCESSORIES

<table>
<thead>
<tr>
<th>Category</th>
<th>PCM4</th>
<th>HDSL</th>
<th>Main Board</th>
<th>No.7 Sig.</th>
<th>Monitor Board</th>
<th>Circuit Breaker</th>
<th>10-pair Terminal</th>
<th>100-pair Terminal</th>
<th>256-pair Terminal</th>
<th>Telephone Set</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPGRADE</td>
<td>126</td>
<td>123</td>
<td>7217</td>
<td>769</td>
<td>4,259</td>
<td>345,700</td>
<td>9,430</td>
<td>6,793</td>
<td>2,806</td>
<td>24,657</td>
</tr>
</tbody>
</table>
Iran Telephone Planning and Development Company (ITPD)

ITPD, a Private Joint Stock Company, has been established to produce the equipment and accessories used in copper and optical fiber cable networks, and metallic, concrete and plastic parts used in network installations, and also to implement the contract activities related to the planning and installation of local and long-distance networks inside Iran and abroad.

Production Activities

1- Polymeric structures
   - Grounding Cable: 244,789 threads
   - Thermal Splices: 60,222 units

2- Hot galvanized parts and Metallic Structures
   - 2,742 tons

3- Concrete Structures
   - Manholes: 1,610
   - Junction Box Platform: 1,521
   - Manhole Bottom Hook: 6,000
   - Grid Ring: 1,875

4- Metallic Structures
   - Different parts of towers: 614 tons
   - Junction Box: 332
   - Other parts and accessories: 1,488,854

Executive Activities

- Duct Manufacturing: 68,511 meters
- Splicing: 2,467,286 pairs
- Installation of manholes: 315
- Installation of terminals: 10,441
- Ducted Cabling: 460,915 meters
- Optical Fiber Cabling: 128,800 meters
- Ducted Cabling in Armenia: 115,245 meters
- Installation of Junction Boxes: 390
- Optical fiber cabling in Armenia: 230,000 meters
Iran Telecommunications Industries (ITI)

ITI has taken remarkable steps within the last two decades towards meeting all equipment requirements for the purpose of expansion of Iran's national telecom network, as regards analog and digital high-capacity transmission systems, and is not only capable of providing TCI's required equipment but those of other companies as well. ITI's productions and services, which comply with the latest international standards, are various types of digital radio and multiplex systems, optical line terminals, low-capacity exchanges up to 1000 lines, 3 and 12 ch. carrier systems, chargers and converters with different voltages, walkie-talkies, solar chargers, single-channel VHF radios, single and double-face printed-circuit boards, coils, transformers, PCM 4, 6, 8, 11, HDSL, 2 x 2 radio systems, and WLL equipment.

This company has produced 725 sets of 2 x 2 radio equipment, 800 moduracks of SDH multiplex, 250 chargers, 12,000 PCM links, 2400 square meters of single and double-face printed circuit boards in year 2000.

Shahid Ghandi Communication Cable Company (S.G.C.C),

Affiliated to the Ministry of Post, Telegraph and Telephone (P.T.T), SGCC was founded in 1984 in Yazd to produce different kinds of copper and optical telecommunication cables in buried jelly filled, duct type jelly filled, and conduit unfilled categories.

SGCC, in its plant, manufactures a wide range of telecommunication cables since 1988, and the products of SGCC have been utilized by PTT to expand the telecommunication network of the country.

SGCC is proud of its high quality products due to:
- Latest technology together with $ 150 million worth of modern machinery
- Computerized control system
- Selection, transfer and handling of reels by robots
- Sophisticated laboratory equipment
- Employment of more than one thousand experienced and well-trained personnel
- Careful inspection of products at all stages of production
- Application of ISO 9000

In 1999, the production of SGCC diversified after the merger with Optical Fiber & Solar Cell Fabrication Company (OFSCFC), which is located in Pounak, Tehran with an annual output of 50,000 kilometers of single mode optical fibers and 3 Megawatts of solar modules.

The annual output of SGCC after the merger is:
- 8,000 MCM of copper telecommunication cables
- 8,000 kilometers of optical fiber cables
- 40,000 kilometers of drop wires
- 20,000 Kilometers of aerial cables
- 50,000 kilometers of single mode optical fibers
- 3 Megawatts of solar modules
Installation and Commissioning of Transmission Systems

Installation and maintenance of different analog and digital radio and multiplex equipment, SDH, PDH, copper cable lines, PCM, PDH and SDH optical fiber cable systems, network supervisory and control, tower foundation and grounding, installation and maintenance of all types of towers, antennas and feeders.

Installation, Commissioning, and Maintenance of Power Systems

Diesel generators, DC equipment, high voltage systems, emergency power distribution panels, UPS, and solar cells.

Technical and Engineering Capabilities of Mobile Communication (GSM)

Consultation and executive services on the access networks, signalling, ISDN, SCCP, CCS7, TMN, OMC, COMC, as well as installation, commissioning, and maintenance of mobile and data switching centers.

It should be noted that the planning, ducting, and cabling of the optical fiber cable project in Armenia (490 km) were totally carried out by TCI in 1999 and 2000.
INTERNATIONAL COOPERATIONS

Iran's first international activity on communications was to join the International Telegraph Union in 1868 which later in 1934 was renamed as the International Telecommunication Union (ITU).

Iran has currently an active participation in the following international organizations as a permanent member:
1. International Telecommunication Union (ITU)
2. Asia-Pacific Telecommunity (APT)
3. Asia Electronic Union (AEU)
4. Asia Association for Remote Sensing (AARS)
5. International Telecommunications Satellite Organization (INTELSAT)
6. International Maritime Satellite Organization (INMARSAT)
7. Intermediate Circular Orbit (ICO)

International Activities in Year 2000

- Participation in ITU - 2000 Regional Conference in Hong Kong.
- Convening TELECOMP 2000 fair in Tehran, simultaneous with the World Telecommunication Day.
- Cooperation with ITU to convene the regional telecom conference in Tehran.
- Convening the preliminary session of the fifth joint Iran-Indonesia commission in May 2000.
- Convening the fourth session of the Joint Iran-Kyrgyzstan economic and trade commission in March 2001.
- Updating the national table of radio frequencies allocation, according to the changes of WRC 2000.

FINANCIAL REPORT

PROFIT AND LOSS STATEMENT
YEAR ENDED 20 MARCH 2001

OPERATING INCOME AND EXPENDITURE

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>MILLION RIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Telephone Calls</td>
<td>3,006,278</td>
</tr>
<tr>
<td>International and Long Distance Phone Calls</td>
<td>1,569,278</td>
</tr>
<tr>
<td>Leased Circuits</td>
<td>217,473</td>
</tr>
<tr>
<td>Other revenues</td>
<td>155,998</td>
</tr>
<tr>
<td>Special Services</td>
<td>913,701</td>
</tr>
<tr>
<td>International Traffic Revenues</td>
<td>1,021,405</td>
</tr>
<tr>
<td>TOTAL OPERATING REVENUES</td>
<td>6,887,319</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING COSTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating and Maintenance Costs</td>
<td>3,629,758</td>
</tr>
<tr>
<td>Financial and Administrative Costs</td>
<td>904,574</td>
</tr>
<tr>
<td>Other Costs</td>
<td>79,819</td>
</tr>
<tr>
<td>TOTAL OPERATING COSTS</td>
<td>4,614,151</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>2,273,168</td>
</tr>
<tr>
<td>Net Income and Non-Operating Costs</td>
<td>68784</td>
</tr>
<tr>
<td>NET PROFIT</td>
<td>2,204,384</td>
</tr>
</tbody>
</table>
INTERNATIONAL COOPERATIONS

Iran's first international activity on communications was to join the International Telegraph Union in 1868 which later in 1934 was renamed as International Telecommunication Union (ITU).

Iran has currently an active participation in the following international organizations as a permanent member:
1- International Telecommunication Union (ITU)
2- Asia-Pacific Telecommunity (APT)
3- Asia Electronic Union (AEU)
4- Asia Association for Remote Sensing (AARS)
5- International Telecommunications Satellite Organization (INTELSAT)
6- International Maritime Satellite Organization (INMARSAT)
7- Intermediate Circular Orbit (ICO)

International Activities in Year 2000

- Participation in ITU - 2000 regional conference in Hong Kong.
- Convening TELECOMP 2000 fair in Tehran, simultaneous with the World Telecommunication Day.
- Cooperation with ITU to convene the regional telecom conference in Tehran.
- Convening the preliminary session of the fifth joint Iran-Indonesia commission in May 2000.
- Convening the fourth session of the Joint Iran-Kyrgyzstan economic and trade commission in March 2001.
- Updating the national table of radio frequencies allocation, according to the changes of WRC 2000.

FINANCIAL REPORT

PROFIT AND LOSS STATEMENT
 YEAR ENDED 20 MARCH 2001

REVENUES

<table>
<thead>
<tr>
<th>Service</th>
<th>MILLION RIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Telephone Calls</td>
<td>3,006,278</td>
</tr>
<tr>
<td>International and Long Distance Calls</td>
<td>1,569,278</td>
</tr>
<tr>
<td>Local and International Telex and Telegram</td>
<td>2,475</td>
</tr>
<tr>
<td>Leased Circuits</td>
<td>217,473</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>155,998</td>
</tr>
<tr>
<td>Special Services</td>
<td>913,701</td>
</tr>
<tr>
<td>International Traffic Revenues</td>
<td>1,021,405</td>
</tr>
</tbody>
</table>

TOTAL OPERATING REVENUES 6,887,319

OPERATING COSTS

<table>
<thead>
<tr>
<th>Cost</th>
<th>MILLION RIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating and Maintenance Costs</td>
<td>3,629,758</td>
</tr>
<tr>
<td>Financial and Administrative Costs</td>
<td>904,574</td>
</tr>
<tr>
<td>Other Costs</td>
<td>79,819</td>
</tr>
</tbody>
</table>

TOTAL OPERATING COSTS 4,614,151

Operating Profit 2,273,168

Net Income and Non-Operating costs 68784

NET PROFIT 2,204,384