PACE (PAKISTAN) LIMITED

HALF YEARLY ACCOUNTS (Un-Audited)

DECEMBER 31, 2008

VISION

Our vision is to build a future wherein the Pace Group is a household name across the country and is known worldwide for development and marketing of a fine living as well as shopping environment with highest quality and unmatched value-for-money.

OUR PRINCIPLES

We are a Real Estate Development Company committed to achieving the highest industry standards and personal integrity in dealing with our customers, clients, professionals, employees, and the communities we work in.

MISSION STATEMENT

Formed in 1992, Pace Pakistan's principal mandate is to acquire, develop, sale and manage real estate assets located in major urban environments where real estate demands have increased sharply due to lifestyle changes.

This increased demand together with the real estate expertise from Pace defines the vision and the road map for the company's future. Pace has and will continue to pursue residential, commercial and mixed-use transactions based on these principles with always an eye on strong community relations and integrity.

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COMPANY INFORMATION

Board of Directors Sheikh Sulieman Ahmed Said Al-Hogani (Chairman)

Salmaan Taseer (Chief Executive Officer)

Aamna Taseer Sardar Ali Wattoo Abid Raza

Jamal Said Al-Ojail Mahmood Ali Athar Imran Saeed Chaudhry

Chief Financial Officer Muhammad Musharaf Khan

Audit Committee Aamna Taseer (Chairperson)

Sardar Ali Wattoo Abid Raza

Company Secretary Ahmad Bilal

Auditors A.F. Ferguson & Co.

Chartered Accountants

Legal Advisers Imtiaz Siddiqui & Associates

Advocates and Attorneys

Bankers Allied Bank Limited

Arif Habib Bank Limited Bank Alfalah Limited Bank Al-Habib Limited

Emirates Global Islamic Bank Limited

Faysal Bank Limited Habib Bank Limited Soneri Bank Limited

Standard Chartered Bank (Pakistan) Limited

The Bank of Punjab

The Hongkong and Shanghai Banking

Corporation Limited

The Royal Bank of Scotland

Registrar and Shares Transfer Office THK Associates (Pvt.) Limited

Ground Floor, State Life Building- 3 Dr. Ziauddin Ahmed Road, Karachi

(021) 111 000 322

Registered Office/Head Office 103-C/II, Gulberg-III

Lahore, Pakistan (042) 5757591-4

Fax: (042) 5757590, 5877920

DIRECTORS' REPORT

The Directors of Pace (Pakistan) Limited ("the Company or "Pace") take pleasure in presenting to its shareholders the un-audited financial statements of the Company for the period ended December 31, 2008.

Operating Results

The comparison of the un-audited results for the quarter and six months ended December 31, 2008 with the respective corresponding periods is as under:

Rupees in '000'

	For the 2r	nd Quarter	Cumula	ative
	Oct-Dec	Oct-Dec	Jul-Dec	Jul-Dec
	2008	2007	2008	2007
Gross Profit Increase in fair value of investment property	64,281	2,390	137,070	8,943
	167,108	132.110	630,005	173,190
Other operating income	47,771	39,775	90,911	65,633
Net Profit before tax Earnings per share (PKR)	130,423	98,681	342,602	126,091
- Basic	0.72	0.51	1.57	0.65
- Diluted	0.44	-	1.19	-

Gross and net profits for the second quarter and first half of current financial year have although declined relative to the year end results but as compared to the same periods last year still have shown considerable increase. Increase in profits is primarily attributable to recording of revenue against the sale of properties in Pace shopping mall located at 124 E-Gulberg and Pace towers. This reflects extended investing activities and revenue enhancement strategies successfully applied by the management. During the period under review full commercial operations for Gujrat and Fortress shopping malls have been formally inaugurated in the month of November 2008.

Keeping in view the challenging business environment owing to global recession, bearish trend in real estate industry and inflationary pressures, management of your Company is constantly reviewing and changing its business policies and strategies in order to cope with current competitive business dynamics. Under the circumstances, the management is concentrating on completion of current projects in hand to retain its present position of market leader rather than pursuing its aggressive expansion plans.

Future Outlook

Management of your Company is striving hard and constantly looking for alternate opportunities in the local and international markets for raising funds in order to achieve its goals in line with its envisaged financial plan however the management has decided to hold its decision for the secondary listing of the company share capital at Dubai stock exchange owing to global recession, the secondary listing of the company at Dubai or some other international stock market will be considered later at some appropriate time.

Subsequent Events

Subsequent to period end the Company received notice from the holders of its 'Foreign Currency Convertible Bonds' amounting to USD 12,50,000 for conversion of the same in to the ordinary shares of the Company, pursuant to which 4.053 million ordinary shares of PKR 10 each have been issued at an issue price of PKR 19.24 per share.

General

The Board of Directors wishes to express its pleasure and gratefulness to the shareholders for their continued support and to all the employees for their ongoing dedication and commitment to the Company.

For and on behalf of the Board of Directors

Lahore February 27, 2009

Salmaan Taseer Chief Executive Officer



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Pace (Pakistan) Limited** as at December 31, 2008, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as the "interim financial information"), Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2008 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2008.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

PACE (PAKISTAN) LIMITED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2008

EQUITY AND LIABILITIES	Note	December 31, 2008 (Rupees in	June 30, 2008 thousand)
CAPITAL AND RESERVES			
Authorised capital 600,000,000 (June 2008: 600,000,000) ordinary shares of Rs 10 each		6,000,000	6,000,000
Issued, subscribed and paid up capital 220,482,561 (June 2008: 220,465,538) ordinary shares of Rs 10 each Share deposit money Reserves Unappropriated profit		2,204,826 70 95,235 2,606,558 4,906,689	2,204,656 882 117,254 2,237,914 4,560,706
NON-CURRENT LIABILITIES			
Long term finances - secured Redeemable capital - secured (non-participatory) Liabilities against assets subject to finance lease Deferred liabilities Advances against sale of property	5 6	1,499,100 6,674 110,139 50,961 1,666,874	11,051 1,499,400 9,001 108,923 330,424 1,958,799
CURRENT LIABILITIES		-,,	1,223,132
Current portion of long term liabilities Foreign currency convertible bonds - unsecured Creditors, accrued and other liabilities	7	40,716 2,080,865 220,463 2,342,044	44,843 1,758,565 238,209 2,041,617
CONTINGENCIES AND COMMITMENTS	8	8,915,607	8,561,122

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Lahore February 27, 2009 A.F. FERGUSON & CO.
CHARTERED ACCOUNTANTS

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	Note	31, 2008	30, 2008
		(Rupees in	thousand)
NON-CURRENT ASSETS			
Property, plant and equipment	9	457,470	434,385
Intangible assets		10,247	10,543
Assets subject to finance lease		18,108 66,170	18,385 47,603
Capital work in progress Investment property		4,192,130	3,580,870
Investments	10	600,238	600,248
Long term advances and deposits	10	29,390	29,879
Long term loans - unsecured	11	142,003	142,003
3		5,515,756	4,863,916
CURRENT ASSETS			
CURRENT ASSETS Stock-in-trade	[1,277,612	1,189,809
		1,277,612 884,506	1,189,809 974,764
Stock-in-trade	12		1 '
Stock-in-trade Trade debts - unsecured Due from related parties - unsecured	12	884,506	974,764
Stock-in-trade Trade debts - unsecured Due from related parties - unsecured Advance against purchase of property - unsecured	12	884,506 127,552	974,764 132,975
Stock-in-trade Trade debts - unsecured Due from related parties - unsecured Advance against purchase of property - unsecured Advances, deposits, prepayments and	12	884,506 127,552 165,776 104,015 840,390	974,764 132,975 5,000 79,778 1,314,880
Stock-in-trade Trade debts - unsecured Due from related parties - unsecured Advance against purchase of property - unsecured Advances, deposits, prepayments and other receivables	12	884,506 127,552 165,776 104,015	974,764 132,975 5,000 79,778
Stock-in-trade Trade debts - unsecured Due from related parties - unsecured Advance against purchase of property - unsecured Advances, deposits, prepayments and other receivables	12	884,506 127,552 165,776 104,015 840,390	974,764 132,975 5,000 79,778 1,314,880

December

June

PACE (PAKISTAN) LIMITED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2008

		Quarter	ended	Half year	ended
		December 31,	December 31,	December 31,	December 31,
		2008	2007	2008	2007
			(Rupees in	thousand)	
Sales		273,724	65,813	470,528	93,905
Cost of sales		(209,443)	(63,423)	(333,458)	(84,962)
Gross profit		64,281	2,390	137,070	8,943
Administrative and selling exper	nses	(39,584)	(24,475)	(64,288)	(49,168)
Changes in fair value of investm	ent property	167,108	132,110	630,005	173,190
Other operating income		47,771	39,775	90,911	65,633
Other operating expenses		(18,330)	(13,022)	(276,404)	(13,022)
Profit from operations		221,246	136,778	517,294	185,576
Finance costs		(90,823)	(38,097)	(174,692)	(59,485)
Profit before tax		130,423	98,681	342,602	126,091
Taxation		29,461	14,097	4,000	17,529
Profit for the period		159,884	112,778	346,602	143,620
Earnings per share attributable t	to				
ordinary shareholders					
- basic earnings per share	Rupees	0.72	0.51	1.57	0.65
- diluted earnings per share	Rupees	0.44	·	1.19	

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

DIRECTOR

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DIRECTOR



PACE (PAKISTAN) LIMITED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2008

		Half year	r ended
	Note	December 31, 2008 (Rupees in	December 31, 2007 thousand)
Cash flows from operating activities			
Cash used in operations Net (decrease)/increase in advances against	15	(76,846)	(348,575)
sale of property		(279,463)	44,397
Finance costs paid		(112,505)	(10,480)
Gratuity and leave encashment paid		(546)	(392)
Taxes paid		(7,439)	(4,465)
Net cash used in operating activities		(476,799)	(319,515)
Cash flows from investing activities			
Purchase of property, plant and equipment		(23,887)	(64,031)
Additions in investment property		(11,065)	(10,926)
Proceeds from sale of property, plant and equipment		495	45
Decrease in long term advances and deposits		489	43
Disbursement of loans to subsidiaries		-	(20,000)
Markup received		56,233	44,737
Net cash (used in)/from investing activities		22,265	(50,132)
Cash flows from financing activities			
Surrender of share deposit money to Securities and			
Exchange Commission of Pakistan (SECP)		(609)	(14)
Proceeds from long term finances		-	1,125,000
Repayment of redeemable capital		(300)	-
Repayment of long term finances		(15,000)	(98,259)
(Repayment)/availment of finance lease liabilities		(4,047)	5,511
Net cash (used in)/from financing activities		(19,956)	1,032,238
Net increase in cash and cash equivalents		(474,490)	662,591
Cash and cash equivalents at beginning of the perio	d	1,314,880	307,943
Cash and cash equivalents at the end of the period		840,390	970,534

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

PACE (PAKISTAN) LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2008

DIRECTOR

			- Control of Control		saadnu)	(nubees III mousainu)
Share Capital	Share deposit money	Share Premium	reserve for investment property	changes in fair value of investments	Un-appropriated profit	Total
2,204,650	1,260	1,002	116,244	20,916	830,944	3,175,016
	(14)			(3,152)	- 143,620	(3,152) (14) 143,620
2,204,650	1,246	1,002	116,244	17,764	974,564	3,315,470
ro –	٤.	2 (1)			1 1	
	(357)			(20,906) 3,149	- - 1,263,350	(20,906) 3,149 (357) 1,263,350
2,204,656	882	1,003	116,244	7	2,237,914	4,560,706
145 25 -	(203)	58 (25)		. (10)		- (10) (609)
		1 1	(22,042)	1 1	22,042 346,602	346,602
2,204,826	70	1,036	94,202	(3)	2,606,558	4,906,689
	Share Capital 2,204,650	ର କୁ ଜୁଣ 	Share deposit money Prer money Prer money Prer (14) - (14) - (14) - (7) - (7) - (7) - (7) - (7) - (7) - (7) - (7) - (7) - (7) - (7) - (7) - (7) - (7) - (14	Share deposit Share invest money Premium promoney Premium promoney 1,260 1,002	Share deposit Share investment money Premium property investment property investment inv	Share deposit money Share money Investment fair value of reages in property Investment fair value of property Un-appropriate property Investment fair value of property Un-appropriate property Investments I

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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PACE (PAKISTAN) LIMITED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2008 (UN-AUDITED)

1. The Company and its operations

Pace (Pakistan) Limited ('the Company') is a public limited Company incorporated in Pakistan and listed on Karachi and Lahore Stock Exchanges. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

2. Statement of compliance

These condensed interim financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting. These condensed interim financial statements are unaudited but have been reviewed by the external auditors in accordance with the requirements of the Code of Corporate Governance promulgated by SECP

3. Significant accounting policies

The accounting policies adopted for the preparation of these condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2008.

4. Taxation

The provision for taxation for the half year ended December 31, 2008 has been made on an estimated

	basis.	ao boorrinaao o	man colimatoa
		December	June
		31, 2008	30, 2008
		(Rupees in	thousand)
5.	Long term finances - secured		
	Opening balance	48,658	154,500
	Less: Repayment during the period	15,000	105,842
		33,658	48,658
	Less: Current portion shown under current liabilities	33,658	37,607
			11,051
6.	Redeemable capital - secured (non-participatory)		
	Opening balance	1,500,000	-
	Add: Disbursement during the period	-	1,500,000
		1,500,000	1,500,000
	Less: Redeemed during the period	300	-
		1,499,700	1,500,000
	Less: Current portion shown under current liabilities	600	600
		1,499,100	1,499,400

December	June
31, 2008	30, 2008
(Runees in	thousand)

December

June

7. Foreign currency convertible bonds - unsecured

Opening balance as at July 1	1,758,565	-
Issued during the period	-	1,559,500
Markup accrued for the period	65,948	53,565
	1,824,513	1,613,065
Markup paid during the period	(19,812)	-
Exchange loss for the period	276,164	145,500
	2,080,865	1,758,565

8. Contingencies and commitments

8.1 Contingencies

There has been no material change in contingencies since last audited financial information.

8.2 Commitments

Letters of credit for capital expenditure amounting to Nil (June 2008: Rs 3.161 million).

			31, 2008 (Rupees ir	30, 2008 n thousand)
9.	Property, plant and equipment			
	Opening book value		434,385	245,759
Add	: Additions during the period	- note 9.1	41,943	209,543
Less	s: Transfers to stock-in-trade		(2,232)	
			474,096	455,302
Les	s: Disposals during the period (at book value)		363	2,639
Less	s: Depreciation charged during the period		16,263	18,278
			16,626	20,917
Clos	sing book value		457,470	434,385
9.1	Following is the detail of additions during th	e period		
	Freehold land		-	3,380
	Buildings on freehold land		18,827	39,536
	Buildings on leasehold land		912	134,225
	Plant and machinery		8,292	4,828
	Electrical equipment		12,710	11,827
	Office equipment and appliances		20	231
	Furniture and fixtures		580	6,787
	Computers		382	4,183
	Vehicles		220	4,546
10.	Investments		41,943	209,543
10.	mvestments			
Equ	ity instruments of:			
	 subsidiaries - unquoted 	- note 10.1	55	55
	- associated undertakings - unquoted	- note 10.2	600,180	600,180
Ava	lable for sale - quoted	- note 10.3	3_	13_
			600,238	600,248

10.1 Subsidiaries - unquoted	December 31, 2008 (Rupees in	June 30, 2008 thousand)
Pace Woodlands (Private) Limited 3,000 (June 2008: 3,000) fully paid ordinary shares of Rs 10 each	30	30
Pace Gujrat (Private) Limited 2,450 (June 2008: 2,450) fully paid ordinary shares of Rs 10 each	25	25
	55	55
10.2 Associated undertakings - unquoted		
Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each	600,000	600,000
Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each	180	180
	600,180	600,180
10.3 Available for sale - quoted		
At cost Add: Cumulative fair value (loss)/gain - note 10.3.1	6 (3) 3	6 7 13
10.3.1Cumulative fair value gain		
As at July 1 Fair value loss during the period Transfer to profit and loss account	7 (10) - (3)	20,916 (3) (20,906) 7
11. Long term loans - unsecured		
These represent loans given to the following related parties: Subsidiaries		
Pace Woodlands (Private) Limited	100,900	100,900
Associated undertaking		
Media Times Limited	41,103 142,003	41,103 142,003
12. Due from related parties - unsecured		
Subsidiaries		
Pace Woodlands (Private) Limited Pace Gujrat (Private) Limited	89,750 37,802 127,552	91,420 41,555 132,975

		Half yea	r ended
		December 31, 2008 (Rupees in	December 31, 2007 thousand)
13. Transactions with related parties	5		
Relationship with the Company	Nature of transaction		
i. Subsidiaries	Loans Disbursed	-	20,000
	Short term advances given	8,737	4,875
	Purchase of goods & services Short term advances	20,400	-
	received back	17,304	-
	Mark up income	18,544	19,157
ii. Associates	Purchase of goods & services Advance against purchase of	142,326	48,989
	property	3,855	-
	Mark up income	3,482	3,595
	Guarantee commission	2,250	2,250
	Sales of goods and services	49,395	52,565
	Short term advances given	214	33,799
	Short term advances received back	214	23,109
iii. Key management personnel	Short term employee benefits	6,149	3,380
	1	December 31, 2008 (Rupees in	June 30, 2008 thousand)
Period end balances			
Long term loans to related parties Receivable from related parties Payable to related parties		142,003 678,247 67,415	142,003 597,445 51,643

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			Real t	Real estate			Investment properties	roperties			Others				Total		
		Quart	Quarter ended	Six months ended	s ended	Quarter ended	ended	Six months ended	s ended	Quarter ended	nded	Six months ended	papua :	Quarter ended	ended	Six months ended	s ended
		December 31, 2008	December December 31, 2008 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	14. Segment results																
	Segment revenue	253,195	52,740	430,508	68,270	19,823	12,046	37,332	23,742	206	1,027	2,688	1,893	273,724	65,813	470,528	93,905
	Segment expenses																
	- Cost of sales	(194,171)	(52,301)	(194,171) (52,301) (305,400) (63,321)	(63,321)					(199)	(474)	(1,378)	(883)	(883) (194,370)	(52,775)	(52,775) (306,778)	(64,204)
	- Stores operating expenses					(14,638)	(10,348)	(25,926)	(20,172)	(435)	(300)	(754)	(286)	(15,073)	(10,648)	(26,680)	(20,758)
	Gross profit	59,024	439	125,108	4,949	5,185	1,698	11,406	3,570	72	253	256	424	64,281	2,390	137,070	8,943
17	- Changes in fair value of investment property			,		167,108	132,110	630,005	173,190					167,108	132,110	630,005	173,190
	Segment results	59,024	439	125,108	4,949	172,293	133,808	641,411	176,760	72	253	226	424	231,389	134,500	767,075	182,133
	Administrative and selling expenses													(39,584)	(24,475)	(64,288)	(49,168)
	Other operating income													47,771	39,775	90,911	65,633
	Finance costs													(90,823)	(38,097)	(38,097) (174,692)	(59,485)
	Other operating expenses													(18,330)	(13,022)	(276,404)	(13,022)
	Profit before tax												•	130,423	98,681	342,602	126,091
	Taxation													29,461	14,097	4,000	17,529
	Profit for the period												. "	159,884	112,778	346,602	143,620

Half yea	r ended
December 31,	December 31
2008	2007
(Rupees in	thousand)

15. Cash used in operations

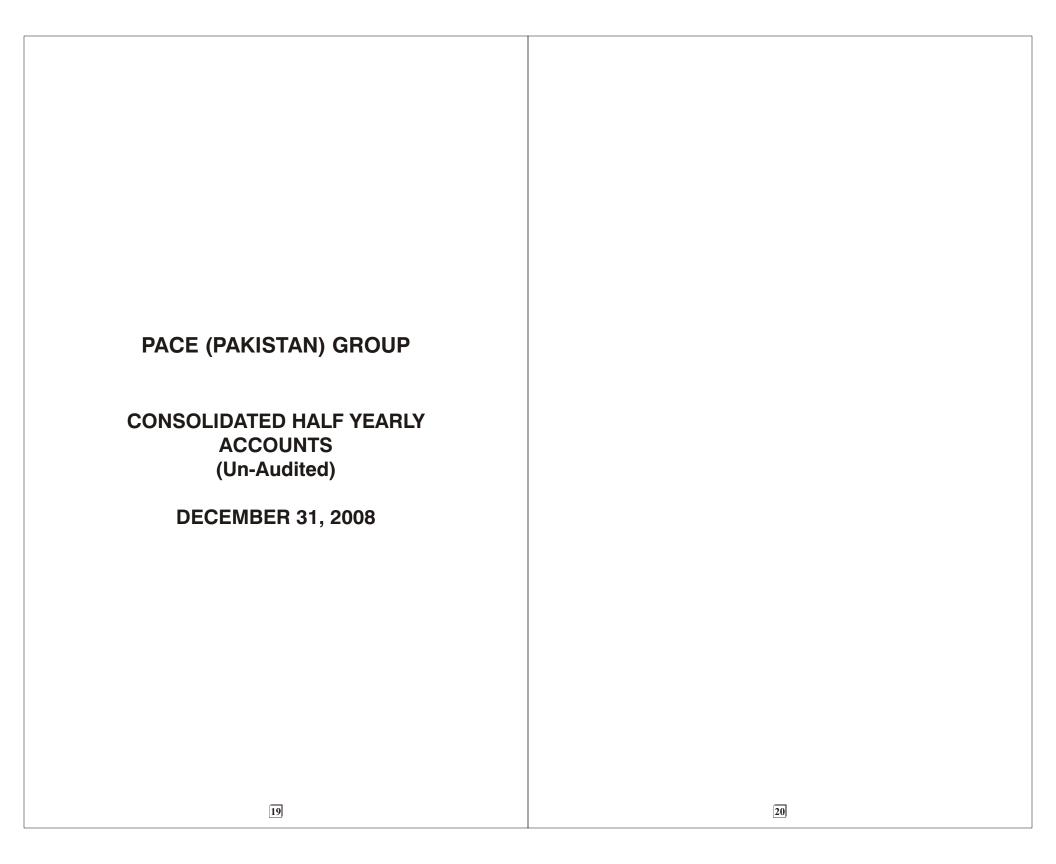
Profit before tax	342,602	126,091
Adjustments for:		
- Depreciation on property, plant and equipment	16,263	7,704
- Depreciation on assets subject to finance lease	1,827	1,564
- Amortisation on intangible assets	296	64
- (Gain)/loss on sale of property, plant and equipment	(132)	4
- Markup Income	(74,777)	(64,298)
- Changes in fair value of investment property	(630,005)	(173,190)
- Finance costs	174,692	59,485
- Liabilities written back	-	(1,335)
- Exchange loss on Foreign Currency Convertible Bonds	276,164	-
 Provision for gratuity and leave encashment 	5,762	4,583
Profit/(loss) before working capital changes	112,692	(39,328)
Effect on cash flow due to working capital changes		
- Increase in stock-in-trade	(68,485)	(157,950)
- Decrease in trade debts	81,598	3,702
 Decrease/(increase) in due from related parties 	8,567	(15,689)
 Increase in advance against purchase of property 	(165,776)	(10,000)
- Increase in advances, deposits		
prepayments and other receivables	(16,798)	(83,933)
 Decrease in creditors, accrued and other liabilities 	(28,644)	(45,377)
	(189,538)	(309,247)
	(76,846)	(348,575)

16. Date of authorization for issue

This condensed interim financial information was authorised for issue on February 27, 2009 by the Board of Directors of the Company.

17. Corresponding figures

 $Corresponding \ figures \ have \ been \ re-arranged, \ wherever \ necessary, for the \ purposes \ of \ comparison.$ However, no significant re-arrangements have been made.



DIRECTORS' REPORT

The Board of Directors of Pace (Pakistan) Limited is pleased to present unaudited consolidated financial statements of the Group for the six months ended December 31, 2008.

Financial overview

Following are the comparative financial results for the six months and quarter ended December 31, 2008 and December 31, 2007:

_				
Rı	inees	in	.U	NO.

	For the 2r	nd Quarter	Cumula	ative
	Oct-Dec	Oct-Dec	Jul-Dec	Jul-Dec
	2008	2007	2008	2007
Gross Profit	64,281	2,372	137,070	8,925
Increase in fair value of investment property	167,108	132,110	630,005	173,190
Other operating income	39,965	29,236	76,185	45,892
Net Profit before tax	142,767	88,124	348,026	106,332
Earnings per share (PKR)				
- Basic	0.76	0.46	1.57	0.56
- Diluted	0.46	-	1.18	-

Net profit is showing considerable increase over the corresponding period last year whereas EPS of the group has also improved as compare to the corresponding period. Increase in profits and EPS is attributable to the recording of new sales and mark-up income received against investments. Company wise latest update in respect of subsidiaries is as under:

Pace Woodlands (Pvt.) Limited

The housing project is located on Bedian Road, Lahore Cantonment near Defense Housing Authority. Gray structure of the houses is almost 90% complete whereas land development activities are also under way. Soft launch of the project regarding sales have been initiated successfully and advance booking for the first lot of houses is almost 80% achieved.

Pace Gujrat (Pvt.) Limited

Pace Gujrat Limited was incorporated as Private Limited Company in July 2005, after the complete sale of its shopping mall project and open land the company is identifying / working on new ventures to be executed.

For and on behalf of the Board of Directors

PACE (PAKISTAN) GROUP CONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2008

EQUITY AND LIABILITIES	Note	December 31, 2008	June 30, 2008
		(Rupees in	thousand)
CAPITAL AND RESERVES			
Authorized capital			
600,000,000 (June 2008: 600,000,000) ordinary			
shares of Rs 10 each		6,000,000	6,000,000
Issued, subscribed and paid up capital			
220,482,561 (June 2008: 220,465,538) ordinary			
shares of Rs 10 each		2,204,826	2,204,656
Share deposit money		70	882
Reserves		95,235	117,254
Unappropriated profit		2,489,543	2,122,322
		4,789,674	4,445,114
MINORITY INTEREST		27	27
		4,789,701	4,445,141
NON-CURRENT LIABILITIES			
Long term finances			
- secured	5	46,875	78,926
- unsecured		202,730	186,730
Redeemable capital - secured (non-participatory)	6	1,499,100	1,499,400
Liabilities against assets subject to finance lease		6,674	9,001
Deferred liabilities		110,139	108,923
Advances against sale of property		61,406	330,424
		1,926,924	2,213,404
CURRENT LIABILITIES			
Current portion of long term liabilities	_	77,841	60,968
Foreign currency convertible bonds - unsecured	7	2,080,865	1,758,565
Finances under mark-up arrangements		35,011	30,284
Creditors, accrued and other liabilities		299,844	302,838
Taxation		4,286	3,719
	_	2,497,847	2,156,374
CONTINGENCIES AND COMMITMENTS	8		
		9,214,472	8,814,919

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

 Lahore
 Salmaan Taseer

 February 27, 2009
 Chief Executive Officer

LAHORE CHIEF EXECUTIVE

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ASSETS	Note	31, 2008	30, 2008
	·	(Rupees in t	housand)
NON-CURRENT ASSETS			
Property, plant and equipment	9	457,470	434,385
Intangible assets		10,247	10,543
Assets subject to finance lease		18,108	18,385
Capital work in progress		99,064	80,497
Investment property	40	4,190,511	3,580,870
Investments	10	614,055	600,193
Long term advances and deposits Long term loans - unsecured	11	29,390 80,074	29,879 80,074
Long term loans - unsecured	'''	5,498,919	4,834,826
CURRENT ASSETS			
Stock-in-trade	Γ	1,662,348	1,548,449
Trade debts - unsecured		884,506	974,764
Due from related parties - unsecured Advance against purchase of	12	11,101	6,959
property - unsecured Advances, deposits, prepayments		165,776	-
and other receivables		151,285	128,187
Cash and bank balances		840,537	1,321,734
		3,715,553	3,980,093
	- =	9,214,472	8,814,919

December

June

PACE (PAKISTAN) GROUP CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2008

	Quarter e	nded	Half year	ended
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
	1	(Rupees in thou	ısand)	
Sales	273,724	65,795	470,528	93,887
Cost of sales	(209,443)	(63,423)	(333,458)	(84,962)
Gross profit	64,281	2,372	137,070	8,925
Administrative and selling expenses	(39,586)	(24,475)	(64,290)	(49,168)
Changes in fair value of investment proper	y 167,108	132,110	630,005	173,190
Other operating income	39,965	29,236	76,185	45,892
Other operating expenses	(18,330)	(13,022)	(276,404)	(13,022)
Profit from operations	213,438	126,221	502,566	165,817
Finance costs	(90,823)	(38,097)	(174,692)	(59,485)
Share of profit of associates	20,152		20,152	
Profit before tax	142,767	88,124	348,026	106,332
Taxation				
- Group	30,391	14,097	3,433	17,529
- Associates	(6,280)		(6,280)	
Profit for the period	166,878	102,221	345,179	123,861
Earnings per share attributable to		- <u> </u>		
ordinary shareholders				
- basic earnings per share Rupees	0.76	0.46	1.57	0.56
- diluted earnings per share Rupees	0.46	-	1.18	

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

DIRECTOR

LAHORE:

CHIEF EXECUTIVE

DIRECTOR

PACE (PAKISTAN) GROUP CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2008

Half year ended December 31, December 31, Note 2008 2007

(Rupees in thousand)

(3,956)

1,057,238

DIRECTOR

Cash flows from operating activities

15 (344, 339)Cash used in operations (85,772)Net (decrease)/increase in advances against sale of property (269,018)68,076 (122,779) (37,066)Finance costs paid Gratuity and leave encashment paid (392)(546)Taxes paid (7,456)(4,465)Net cash used in operating activities (485,571) (318, 186)

Cash flows from investing activities

Purchase of property, plant and equipment (23,887)(64,031)Additions in investment property (29,846)(10,926)Proceeds from sale of property, plant and equipment 495 Decrease in long term advances and deposits 489 43 Markup received 56,352 44,468 Net cash from/(used in) investing activities 3,603 (30,401)

Cash flows from financing activities

Surrender of share deposit money to SECP (609)(14)Proceeds from long term finances 16,000 1,150,000 Repayment of redeemable capital (300)Repayment of long term finances (98.259)(15,000)(repayment)/availment of finance lease liabilities (4,047)5,511

Net cash (used in)/flow from financing activities

Net increase in cash and cash equivalents (485,924) 708,651 Cash and cash equivalents at beginning of the period 1.291.450 278.185 Cash and cash equivalents at the end of the period 16 805,526 986,836

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

PACE (PAKISTAN) GROUP CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2008

			Attrib	itable to equity	Attributable to equity holders of the parent	parent			
	Share Capital	Share Deposit Money	Share Premium	Revaluation reserve for investment property	Reserve for changes in fair value of investments	Unappro- priated profit	Total		
Balance as on June 30, 2007	2,204,650	1,260	1,002	116,244	20,916	738,337	3,082,409	27	3,082,436
Loss on fair value of investment Surrendered to SECP Profit for the period		(14)			(3,152)	- 123,861	(3,152) (14) 123,861		(3,152) (14) 123,861
Balance as on December 31, 2007	2,204,650	1,246	1,002	116,244	17,764	862,198	3,203,104	27	3,203,131
Issue of ordinary shares Bonus shares issued during the year Transferred to profit and loss account on	τυ ←	(2)	(1) 2				1 1		
Telecom Limited Loss in fair value of investment Share deposit money surrendered to SECP Profit for the year		- - (357) -			(20,906) 3,149 -	- - 1,260,124	(20,906) 3,149 (357) 1,260,124		(20,906) 3,149 (357) 1,260,124
Balance as on June 30, 2008	2,204,656	882	1,003	116,244	7	2,122,322	4,445,114	27	4,445,141
Issue of ordinary shares Bonus shares issued during the year Loss in fair value of investment	145 25	(203)	58 (25)		. (10)		(10)		- (10)
Share deposit money surrendered to SECP Transferred to retained earning on disposal		(609)	i				(609)		(609)
of Investment property Profit for the year				(22,042)		22,042 345,179	345,179		345,179
Balance as on December 31, 2008	2,204,826	70	1,036	94,202	(3)	2,489,543	4,789,674	27	4,789,701

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form an integral part of this condensed interim financial information. 19 The annexed notes 1 to

CHIEF EXECUTIVE

DIRECTOR

PACE (PAKISTAN) GROUP NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2008 (UN-AUDITED)

Legal status and nature of business

1.1 Constitution and ownership

The consolidated condensed financial statements of the Pace (Pakistan) Group comprise of the financial statements of:

Pace (Pakistan) Limited

Pace (Pakistan) Limited (the "holding company") is a public limited company incorporated in Pakistan and listed on Karachi and Lahore Stock Exchanges. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

Pace Gujrat (Private) Limited

Pace Gujrat (Private) Limited (a subsidiary) was incorporated on July 8, 2005 as a private limited company under Companies Ordinance, 1984. The object of the company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc. It is a wholly owned company of Pace (Pakistan) Limited. The subsidiary commenced its operations in March, 2008. By virtue of resolution passed by the shareholders on 29 April, 2008, the subsidiary has sold its total land measuring 15 kanal and 8 marlas, out of which 9 kanal and 8 marlas have been sold to Pace Barka Properties Limited and 6 kanals have been sold to Pace (Pakistan) Limited.

Pace Woodlands (Private) Limited

Pace Woodlands (Private) Limited (a subsidiary) was incorporated on July 27, 2004 as a private limited company under Companies Ordinance, 1984. The object of the company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc.

1.2 Activities of the group

The object of the group is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

2. Statement of compliance

These condensed interim financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting. These condensed interim financial statements are unaudited but have been reviewed by the external auditors in accordance with the requirements of the Code of Corporate Governance promulgated by SECP.

3. Significant accounting policies

The accounting policies adopted for the preparation of this consolidatd condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended June 30, 2008.

4. Taxation

The provision for taxation for the half year ended December 31, 2008 has been made on an estimated hasis

5.	Long term finances - secured	December 31, 2008 (Rupees in	June 30, 2008 a thousand)
	Opening balance	132,658	214,500
	Add: Disbursement during the period	132,658	<u>84,000</u> <u>298,500</u>
	Less: Repayment during the period	15,000	165,842
	2000. Hopaymon daining the police	117,658	132,658
	Less: Current portion shown under current liabilities	70,783	53,732
		46,875	78,926
6.	Redeemable capital - secured (non-participatory)		
	Opening balance	1,500,000	-
	Add: Disbursement during the period	1,500,000	1,500,000
	Less: Redeemed during the period	300	
	Less: Current portion shown under current liabilities	1,499,700 600	1,500,000 600
7.	Foreign currency convertible bonds - unsecured	1,499,100	1,499,400
••			
	Opening balance as at July 1 Issued during the period	1,758,565 -	- 1,559,500
	Markup accrued for the period	65,948	53,565
	Markup poid during the poried	1,824,513	1,613,065
	Markup paid during the period Exchange loss for the period	(19,812) 276,164	- 145,500
		2,080,865	1,758,565

8. Contingencies and commitments

8.1 Contingencies

There has been no material change in contingencies since last audited financial information.

8.2 Commitments

Letters of credit for capital expenditure amounting to Rs. Nil (June 2008: Rs 3.161 million).

9. Property, plant and equipment	December 31, 2008 (Rupees	June 30, 2008 in thousand)				December 31, 2008 (Rupees in	June 30, 2008 thousand)
Opening book value	434,385	245,759	10.2	.1Cumulative fair value gain			
	- note 9.1 41,943	209,543		As at July 1		7	20,916
Less: Transfers to stock-in-trade	(2,232)			Fair value loss during the period		(10)	(3)
	474,096	455,302		Transfer to profit and loss accoun	t		(20,906)
Less: Disposals during the period (at book value)	363	2,639			_	(3)	7
Less: Depreciation charged during the period	16,263	18,278	11.	Long term loans - unsecured			
2000. 2 op. colation on at god dailing the penea	16,626	20,917		These represent loans given to th	e following related parties:		
Closing book value	457,470	434,385		med represent realle given to the	o lone imig related parties.		
				Associated undertaking			
9.1 Following is the detail of additions during the per	riod			Pace Super Mall (Private) Limited		38,971	38,971
Freehold land	_	3,380		Media Times Limited	_	41,103	41,103
Buildings on freehold land	18,827	39,536			=	80,074	80,074
Buildings on leasehold land	912	134,225	12.	Due from related parties - unse	cured		
Plant and machinery	8,292	4,828					
Electrical equipment	12,710	11,827		Associated Undertakings			
Office equipment and appliances Furniture and fixtures	20 580	231 6,787					
Computers	382	4,183		Pace Super Mall (Private) Limited	=	11,101	6,959
Vehicles	220	4,546					
	41,943	209,543					
10. Investments						Half year	
Equity instruments of:						December 31, 2008	December 31, 2007
Equity instruments or.							
 associated undertakings - unquoted 	- note 10.1 614.052	600.180				(Rupees in	
9 .	- note 10.1 614,052 - note 10.2 3	600,180 13	13.	Transactions with related partie	s		
Available for sale - quoted		,	13.	Transactions with related partie	s		
· .	- note 10.2 <u>3</u>	13	13.	Transactions with related partie			
Available for sale - quoted 10.1 Associated undertaking - unquoted	- note 10.2 <u>3</u>	13	13.	Relationship with the Company	Nature of transaction	(Rupees in	thousand)
Available for sale - quoted	- note 10.2 <u>3</u>	13	13.	•	Nature of transaction Purchase of goods & services	(Rupees in	48,989
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000)	- note 10.2 <u>3</u>	13	13.	Relationship with the Company	Nature of transaction	(Rupees in	thousand)
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000	- note 10.2 <u>3</u>	13	13.	Relationship with the Company	Nature of transaction Purchase of goods & services Loans received	142,326 16,000 7,624 16,219	48,989 25,000
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each	- note 10.2 3 614,055	13 600,193	13.	Relationship with the Company	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission	142,326 16,000 7,624 16,219 2,250	48,989 25,000 6,868 10,534 2,250
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000	- note 10.2 3 614,055	13 600,193	13.	Relationship with the Company	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services	142,326 16,000 7,624 16,219 2,250 49,395	48,989 25,000 6,868 10,534 2,250 52,565
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000)	- note 10.2 3 614,055 600,000	13 600,193 600,000	13.	Relationship with the Company	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given	142,326 16,000 7,624 16,219 2,250 49,395 214	48,989 25,000 6,868 10,534 2,250 52,565 33,799
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000	- note 10.2 3 614,055	13 600,193	13.	Relationship with the Company	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back	142,326 16,000 7,624 16,219 2,250 49,395 214	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year	- note 10.2 3 614,055 600,000	600,000	13.	Relationship with the Company	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given	142,326 16,000 7,624 16,219 2,250 49,395 214	48,989 25,000 6,868 10,534 2,250 52,565 33,799
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year Share of profit for the period	- note 10.2 3 614,055 600,000 180 600,180	600,000	13.	Relationship with the Company i. Associates	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back Advance against sale of property	142,326 16,000 7,624 16,219 2,250 49,395 214 214	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734 20,000
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year Share of profit for the period - before taxation	- note 10.2 3 614,055 600,000 180 600,180	600,000	13.	Relationship with the Company i. Associates	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back Advance against sale of property	142,326 16,000 7,624 16,219 2,250 49,395 214 214	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734 20,000
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year Share of profit for the period	- note 10.2 3 614,055 600,000 180 600,180 20,152 (6,280)	600,000	13.	Relationship with the Company i. Associates	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back Advance against sale of property	142,326 16,000 7,624 16,219 2,250 49,395 214 214 - 6,149	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734 20,000 3,380
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year Share of profit for the period - before taxation	- note 10.2 3 614,055 600,000 180 600,180	600,000	13.	Relationship with the Company i. Associates	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back Advance against sale of property	142,326 16,000 7,624 16,219 2,250 49,395 214 214 - 6,149 December 31, 2008	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734 20,000 3,380 June 30, 2008
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year Share of profit for the period - before taxation - provision for taxation	- note 10.2 3 614,055 600,000 180 600,180 20,152 (6,280) 13,872	13 600,193 600,000 180 600,180	13.	Relationship with the Company i. Associates	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back Advance against sale of property	142,326 16,000 7,624 16,219 2,250 49,395 214 214 - 6,149	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734 20,000 3,380 June 30, 2008
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year Share of profit for the period - before taxation	- note 10.2 3 614,055 600,000 180 600,180 20,152 (6,280) 13,872	13 600,193 600,000 180 600,180	13.	Relationship with the Company i. Associates	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back Advance against sale of property	142,326 16,000 7,624 16,219 2,250 49,395 214 214 - 6,149 December 31, 2008	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734 20,000 3,380 June 30, 2008
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year Share of profit for the period - before taxation - provision for taxation	- note 10.2 3 614,055 600,000 180 600,180 20,152 (6,280) 13,872 614,052	13 600,193 600,000 180 600,180	13.	Relationship with the Company i. Associates ii. Key management personnel Period end balances	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back Advance against sale of property Short term employee benefits	142,326 16,000 7,624 16,219 2,250 49,395 214 214 - 6,149 December 31, 2008 (Rupees in	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734 20,000 3,380 June 30, 2008 thousand)
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year Share of profit for the period - before taxation - provision for taxation 10.2 Available for sale - quoted At cost	- note 10.2 3 614,055 600,000 180 600,180 20,152 (6,280) 13,872 614,052	13 600,193 600,000 180 600,180	13.	Relationship with the Company i. Associates ii. Key management personnel Period end balances Long term loans to related parties	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back Advance against sale of property Short term employee benefits	(Rupees in 142,326 16,000 7,624 16,219 2,250 49,395 214 214 - 6,149 December 31, 2008 (Rupees in 80,074	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734 20,000 3,380 June 30, 2008 thousand)
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year Share of profit for the period - before taxation - provision for taxation 10.2 Available for sale - quoted At cost	- note 10.2 3 614,055 600,000 180 600,180 20,152 (6,280) 13,872 614,052	13 600,193 600,000 180 600,180	13.	Relationship with the Company i. Associates ii. Key management personnel Period end balances	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back Advance against sale of property Short term employee benefits	142,326 16,000 7,624 16,219 2,250 49,395 214 214 - 6,149 December 31, 2008 (Rupees in	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734 20,000 3,380 June 30, 2008 thousand)
Available for sale - quoted 10.1 Associated undertaking - unquoted Cost Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each Share of movement in reserves during the year Share of profit for the period - before taxation - provision for taxation 10.2 Available for sale - quoted At cost	- note 10.2 3 614,055 600,000 180 600,180 20,152 (6,280) 13,872 614,052 6 - note 10.2.1 6	13 600,193 600,000 180 600,180	13.	Relationship with the Company i. Associates ii. Key management personnel Period end balances Long term loans to related parties Receivable from related parties	Nature of transaction Purchase of goods & services Loans received Mark up income Mark up expenses Guarantee commission Sales of goods and services Short term advances given Short term advances received back Advance against sale of property Short term employee benefits	(Rupees in 142,326 16,000 7,624 16,219 2,250 49,395 214 214 - 6,149 December 31, 2008 (Rupees in 80,074 596,841	48,989 25,000 6,868 10,534 2,250 52,565 33,799 23,734 20,000 3,380 June 30, 2008 thousand)

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alla			93,887		(64,204)	8,925	100	182 115	2	(49,168)	45,892	(59,485)	(13,022)	106,332	17,529	. 00		Half v	vear ended
no D	S ended Decem 31, 20					·	÷	!	20	(49)	45	(29)	(13,	106	17				31, December 31, 2007
Sees	Six months December 31, 2008		470,528		(306,778)	137,070		767 075	5	(64,290)	76,185	(174,692)	(276,404)	348,026	3,433	(6,280)			in thousand)
<u> </u>	_				_	- 1				_						!	15. Cash used in operations		
,	nded December 31, 2007		65,795		(52,775)	2,372	000	134 482	ř 	(24,475)	29,236	(38,097)	(13,022)	88,124	14,097	, 60	Profit before tax Adjustments for:	348,026	106,332
	Quarter December 31, 2008		273,724		(194,370)	64,281	167 400	231,389	600,1	(39,586)	39,965	(90,823)	(18,330)	142,767	30,391	(6,280)	Depreciation on property, plant and equipment Depreciation on assets subject to finance lease	16,263 1,827	7,704 1,564
	ember Di 2007 3		1,893 2		(883) (19	- !		42		9	•	6)	Ε `	` ÷	.,) ;	Amortisation on intangible assets (Gain)/loss on sale of property, plant and equipment	296 (132)	64 4
	end Dec 31,		, 8,		<u> </u>	. 4		·									Markup Income Changes in fair value of investment property	(60,493) (630,005)	(44,557) (173,190)
	Six months December 31, 2008		2,688		(1,378)	556		. 256	8								- Finance costs - Liabilities written back	174,692	59,485 (1,335)
	2					 ၂၈											- Exchange loss on Foreign Currency Convertible Bond		-
ā	nded December 31, 2007		1,027		(474)	253		253	3								Share of profit of associate Provision for gratuity and leave encashment	(20,152) 5,762	4,583
	Quarter e December 31, 2008		902		(199)	72		, 2	֓֓֓֓֓֓֓֓֓֓֓֓֟֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֡֓֓֓֓֓֡֓֡֓֡֓֡֓֡֡֡֓֓֡֓֡								Profit/(loss) before working capital changes	112,248	(39,346)
			5				9	 	 								Effect on cash flow due to working capital changes - Increase in stock-in-trade	(67,069)	(157,299)
	months ended liber December 108 31, 2007		23,742		. (20.172)	3,570	9	176.760	- 0								Decrease in trade debts Increase in due from related parties	81,598	3,702
-	Six month December 31, 2008		37,332		- (25.926)	11,406	. 000	641 411									Increase in advance against purchase of property Increase in advances, deposits	(165,776)	(10,000)
	5.					•											prepayments and other receivables - Decrease in creditors, accrued and other liabilities	(15,642) (31,131)	(84,610) (42,372)
	ended December 31, 2007		12,046		- (10.348)	1,698		133 808	26,00									(198,020) (85,772)	(304,993) (344,339)
	Quarter ember 2008		19,823		- (14.638)	5,185	9	172 293	263										
	ended December Dece 31, 2007 31,		68,252 19		(63,321)	4,931 5		4 931 172	ii									December 31, 2008 (Rupees i	December 31, 2007 in thousand)
	ths .							ļ									16. Cash and cash equivalents		
1	3. De		430,508		(305,400)	125,108		125 108	5								Cash and bank balances Finances under mark-up arrangements - secured	840,537 (35,011)	1,016,483 (29,647)
	ended December 31, 2007		52,722		(52,301)	421		421	7								i mances under mark-up arrangements - secureu	805,526	986,836
	Quarter December 31, 2008		253,195		94,171) ((59,024		59 024	 								17. Detail of subsidiaries	Paraneta an	0
	Dec 31,		253		(194,1	29		2	8								Name of the subsidiaries Accounting period end	Percentage of holding	Country of incorporation
					Ses		į	<u> </u>			e e		ses	orare or (ross) / prom or associates Profit before tax			Pace Woodlands (Private) Limited 31-Dec-08 Pace Gujrat (Private) Limited 31-Dec-08	52% 100%	Pakistan Pakistan
		results	enue	sesuedxe	Cost of sales Stores operating expenses) ,	Changes in fair value		esuits ative and	sesuedxe	Other operating incom	osts	Other operating expenses	oss) / promo		ites			
		Segment results	Segment revenue	Segment expenses	- Cost of sales	Gross profit	- Changes	Segment results	Administrative and	selling	Other ope	Finance costs	Other ope	Profit before tax	Taxation - Group	- Associates			
		4.					3	1								9	32		
							3	*									[32]		

	ate of authorization for issue	
T 2	his consolidated condensed interim financial information was authorised for issue on February 27, 009 by the Board of Directors of the Group.	
19. C	Corresponding figures	
C	Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. lowever, no significant re-arrangements have been made.	
LAHO	RE CHIEF EXECUTIVE DIRECTOR	
	33	34