PACE (PAKISTAN) LIMITED

CONDENSED INTERIM FINANCIAL REPORT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2013

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 Sulaiman Ahmed Saeed Al-Hoqani (Chairman)	Non-Executive
	Aamna Taseer (Chief Executive Officer)	Executive
	Shehryar Ali Taseer	Executive
	Maheen Ghani Taseer	Non-Executive
	Shehrbano Taseer	Non-Executive
	Imran Hafeez	Executive
	Jamal Said Al-Ojaili	Non-Executive
	Imran Saeed Chaudhry	Non-Executive
Chief Financial Officer	Imran Hafeez	
Audit Committee	Shehryar Ali Taseer (Chairman) Maheen Ghani Taseer Shehrbano Taseer	
Company Secretary	Sajjad Ahmad	
Auditors	A.F. Ferguson & Co. Chartered Accountants	
Legal Advisers	M/s. Imtiaz Siddiqui & Associates	
Bankers	Albaraka Bank (Pakistan) Limited Allied Bank Limited Silkbank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited KASB Bank Limited National Bank of Pakistan Pair Investment Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited The Bank of Punjab	
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	2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt., Lahore, Pakistan. ☎ (042) 36623005/6/8 Fax: (042) 36623121-36623122	

DIRECTORS' REPORT

We are pleased to present the Directors' Report together with the unaudited condensed interim financial information for the third quarter and nine months period ended March 31, 2013.

Operating Performance:

During the period, the company has shown a heftier performance as compared to the previous nine months, with an aggregate increase in sales by 171%. Company incurred a net after tax loss of Rs 302.452 Million during the period which is just 22% of the loss of the corresponding period of the preceding year, which is indicative of enhanced operational growth.

Comparison of the unaudited results for the quarter and nine months period ended March 31, 2013 as against March 31, 2012 is as follows:

	For the nine months and quarter ended			
				Rupees in '000'
	For the 3rd Quarter		**Cumulative**	
	Jan-Mar 2013	Jan-Mar 2012	**Jul-Mar 2013**	Jul-Mar 2012
Sales	86,407	43,603	269,247	99,172
Cost of sales	(75,205)	(46,266)	(273,668)	(203,931)
Gross profit/(loss)	11,202	(2,663)	(4,421)	(104,759)
Other operating income	3,325	10,638	178,285	33,123
Finance cost	(71,012)	(110,654)	(289,783)	(348,049)
Net loss before tax	(104,769)	(153,896)	(301,914)	(1,331,943)
Net loss after tax	(104,769)	(154,246)	(302,452)	(1,333,005)
Loss per share-Basic and diluted (Rupees)	(0.39)	(0.55)	(1.08)	(4.78)

Other income has shown a significant increase by 438% because of reversal of impairment loss on investment property which amounts to Rs 151.730 Million. Other operating expenses have increased by 56% during the period mainly because of exchange loss on closing liability in respect of foreign currency convertible bonds and loss on sale of assets held in disposal group. These losses amount to Rs 64.155 and 40.095 Million respectively. Finance cost has decreased by 17% because of the repayments of principal amounts of the loans during the period. These factors have cumulatively resulted in an improved performance by the company as reflected in a rigorous diminution in its Net loss after tax and loss per share by 77%, as compared to the corresponding period of the immediately preceding year.

Amount payable to financial institutions and lenders in respect of company's borrowings is currently in overdue status because of the liquidity issues in company, however rescheduling of the debts and financial obligations is in process and management is hopeful to complete it on favorable terms in near future.

During the period company entered into a contract with Izhar constructions for restating the halted construction of Pace Towers. This construction work will shortly begin in due course which will help to increase the stage of completion of project and Company sales resultantly.

Future Outlook:

Despite general recessionary economic conditions in the country, high interest rates and inflation, turbulent law and order situation, power shortfalls and rising fuel prices, your Company will continue to strive for improving shareholder's value through cost cutting, value added services and systems, customer

satisfaction, price rationalization and efficient working capital management. We are surefooted that economic prospects will show improvement in future and the Company will be able to achieve profitable operations very soon.

Change in Board directors:

During the period covered by our interim financial information, Mr Imran Hafeez has been appointed as director of the company in place of Mr khaldoon Bin latif. There are no other changes in the constitution of Board.

General:

We would like to express our gratitude to our stakeholders for their continued support and to all employees for their relentless work and dedication in efforts to improve company's performance.

For and on behalf of the Board of Directors

Lahore
April 26, 2013

Aamna Taseer
CEO/Director

PACE (PAKISTAN) LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2013

	Note	Un-Audited March 31, 2013	Audited June 30, 2012
EQUITY AND LIABILITIES		(Rupees in thousand)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
600,000,000 (June 2012: 600,000,000) ordinary shares of Rs 10 each		**6,000,000**	6,000,000
Issued, subscribed and paid up capital			
278,876,604 (June 2012: 278,876,604) ordinary shares of Rs 10 each		**2,788,766**	2,788,766
Reserves		**271,867**	272,130
Unappropriated profit		**(430,809)**	(128,357)
		2,629,824	2,932,539
NON-CURRENT LIABILITIES			
Long term finances - secured	5	**12,378**	-
Redeemable capital - secured (non-participatory)	6	**-**	-
Liabilities against assets subject to finance lease		**-**	227
Foreign currency convertible bonds - unsecured	7	**-**	-
Long term mark up		**5,548**	-
Deferred liabilities		**31,318**	36,650
Advances against sale of property		**99,069**	97,629
		148,313	134,506
CURRENT LIABILITIES			
Current portion of long term liabilities		**3,846,357**	3,745,249
Short term finance - secured	8	**83,735**	100,000
Creditors, accrued and other liabilities		**181,380**	199,927
Accrued finance cost		**723,265**	505,048
		4,834,737	4,550,224
CONTINGENCIES AND COMMITMENTS	9		
		7,612,874	7,617,268

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

LAHORE **CHIEF EXECUTIVE**

ASSETS	Note	Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	10	**684,744**	710,684
Intangible assets		**7,834**	8,248
Investment property	11	**3,155,242**	3,167,645
Investments	12	**852,705**	701,239
Long term advances and deposits		**14,400**	13,822
		4,714,925	4,601,638
CURRENT ASSETS			
Stock-in-trade	13	**1,895,450**	1,982,420
Trade debts - unsecured		**628,669**	721,249
Advances, deposits, prepayments and other receivables		**246,943**	199,351
Cash and bank balances		**11,887**	8,001
		2,782,949	2,911,021
Disposal group held-for-sale		**115,000**	104,610
		2,897,949	3,015,631
		7,612,874	7,617,268

DIRECTOR

PACE (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2013

	Note	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
		(Rupees in thousand)			
Sales	14	**86,407**	43,603	**269,247**	117,297
Less: Sales return	14.1	**-**	-	**-**	(18,125)
		86,407	43,603	**269,247**	99,172
Cost of sales	15	**(75,205)**	(46,266)	**(273,668)**	(203,931)
Gross Profit/(loss)		**11,202**	(2,663)	**(4,421)**	(104,759)
Administrative and selling expenses	16	**(29,048)**	(30,828)	**(90,593)**	(171,117)
Other operating income	17	**3,326**	10,638	**178,285**	33,123
Other operating expenses	18	**(19,236)**	(13,634)	**(107,451)**	(68,936)
Loss from operations		**(33,756)**	(36,487)	**(24,180)**	(311,689)
Finance costs		**(71,013)**	(110,654)	**(289,783)**	(348,049)
Changes in fair value of investment property		**-**	(6,755)	**12,050**	(672,205)
Loss before tax		**(104,769)**	(153,896)	**(301,913)**	(1,331,943)
Taxation		**-**	(350)	**(539)**	(1,062)
Loss for the period		**(104,769)**	(154,246)	**(302,452)**	(1,333,005)
Other comprehensive loss					
Changes in fair value of available for sale investments		**(717)**	296	**(264)**	(440)
Total comprehensive loss for the period		**(105,486)**	(153,950)	**(302,716)**	(1,333,445)
Loss per share attributable to ordinary shareholders					
- basic (Rupees)	19.1	(0.38)	(0.55)	(1.08)	(4.78)
- diluted (Rupees)	19.2	(0.22)	(0.38)	(0.50)	(3.64)

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

LAHORE: **CHIEF EXECUTIVE** **DIRECTOR**

PACE (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2013

	Note	Nine months ended March 31, 2013	Nine months ended March 31, 2012
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	21	**40,705**	26,089
Net increase in advances against sale of property		**1,440**	20,711
Finance costs paid		**(18,325)**	(24,432)
Gratuity and leave encashment paid		**(3,031)**	(4,687)
Taxes paid		**(5,483)**	(6,912)
Net cash generated from/(used) in operating activities		**15,306**	10,769
Cash flow from investing activities			
Purchase of property, plant and equipment		**(3,089)**	(1,965)
Proceeds from sale of property, plant and equipment		**5,568**	4,389
Increase/(decrease) in long term loans and deposits		**(716)**	511
Mark up received		**578**	1,072
Proceeds from disposal of/investment in equity instrument		**-**	13,000
Proceeds from disposal of investment property		**-**	-
Net cash generated from investing activities		**2,341**	17,007
Cash flow from financing activities			
Repayment of long term finances		**(8,375)**	(54,200)
Repayment of installment of redeemable capital		**-**	-
Payment of markup of foreign currency convertible bonds		**-**	-
Transfer from short term finance - secured		**12,378**	-
Payment of finance lease liabilities		**(1,502)**	(3,228)
Net cash generated from/(used) in financing activities		**2,501**	(57,428)
Net increase/(decrease) in cash and cash equivalents		**20,150**	(29,652)
Cash and cash equivalents at the beginning of the year		**(91,999)**	59,352
Cash and cash equivalents at the end of the period		**(71,849)**	29,700

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

LAHORE **CHIEF EXECUTIVE** **DIRECTOR**

PACE (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

(Rupees in thousand)

	Share capital	Share premium	Revaluation reserve for investment property	Reserve for changes in fair value of investments	Un-appro-priated profit	Total
Balance as on June 30, 2011	2,788,766	273,265	-	(105)	1,343,555	4,405,481
Total Comprehensive loss for the period						
Loss for the period	-	-	-	-	(1,471,913)	(1,471,913)
Other comprehensive loss				(1,029)		(1,029)
	-	-		(1,029)	(1,471,913)	(1,472,942)
Issue of ordinary shares	-	-				-
Transfer of reserve relating to sale of investment property	-	-	-	-	-	-
Balance as on June 30, 2012	2,788,766	273,265	-	(1,134)	(128,357)	2,932,539
Total Comprehensive loss for the period						
Loss for the period	-	-	-	-	(302,452)	(302,452)
Other comprehensive loss				(264)		(264)
	-	-	-	(264)	(302,452)	(302,716)
Transfer of reserve relating to sale of investment property	-	-	-	-	-	-
Balance as on March 31, 2013	2,788,766	273,265	-	(1,398)	(430,809)	2,629,823

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

LAHORE **CHIEF EXECUTIVE** **DIRECTOR**

PACE (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2013

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.

1.2 Going concern assumption

During the period, the Company has incurred a loss of Rs 302.452 million (year ended June 30, 2012: Rs 1,471.916 million). As at the reporting date, the current liabilities of the Company have exceeded its current assets by Rs 2,051.788 million and the reserves of the Company have been significantly depleted. The Company has not been able to meet various obligations towards its lenders, including repayment of principal and markup thereon in respect of its long term borrowings. As a consequence, the Company has also been unable to realise its existing receivables from customers and facing difficulties in sale of its inventory, being principally encumbered against borrowings from lenders of long term financing. These conditions raise significant doubts on the Company's ability to continue as a going concern.

In view of the above, the Company approached its lenders for restructuring of loans. As per the restructuring proposals the Company expects the following:

- Relaxation in payment terms of principal outstanding and over due markup;

- Partial settlement of principal amount against properties of the Company and adjustment of markup through receivables of sold shops; and

- Swap of collateral given to the providers of Redeemable Capital (note 6) with that given to the syndicate finance lenders (note 5). This shall entail transfer of encumbrance over the Pace Towers (currently under construction) to syndicate finance lenders against that on the fully developed properties in Model Town, Lahore and Gujranwala to the providers of Redeemable Capital.

During the current period the Company has restructured short term finance from Pair Investment Company Limited ('PAIR') as referred to in note 8. National Bank of Pakistan and Al-Baraka Bank (Pakistan) Limited have agreed to and the Company has accepted to restructure their respective loans at terms referred to in note 5. The Company is confident that other lenders will also agree to its proposals for restructuring.

The above restructuring is expected to be augmented by other actions of the management of the Company for improving operational efficiency of its projects, which include changes in the mechanism for reimbursement of service charges, reduction of cost and enhancement of operational revenues.

The management of the Company is confident that the above actions and steps shall enable the Company to realise its existing receivables, aid the sale of inventory from the completed projects referred above and utilise the resultant liquidity for completion and sale of its 'Pace Towers' Project.

The condensed interim financial information has been prepared on a going concern basis based on the management's expectations that:

- the Company will be able to obtain relaxations from its lenders as highlighted above, and

- the Company will be able to readily realise its receivables and inventory and be able to utilise the resultant liquidity for completion and sale of the 'Pace Towers' Project.

The condensed interim financial information consequently, does not include any adjustment relating to the realisation of its assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Statement of compliance

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2012.

3. Significant accounting policies

The accounting policies adopted for the preparation of this 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, 2012.

3.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.1.1 Amendments to published standards effective in current period

- IAS 12, 'Income taxes', currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment property'. This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC-21, 'Income taxes - recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21. The application of these amendments have no material impact on the Company's condensed interim financial information.

- Amendments to IFRS 7, 'Financial instruments: Disclosures' on transfers of assets (effective 1 July 2011). These amendments arise from the IASB's review of off-balance-sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The application of these amendments have no material impact on the Company's condensed interim financial information.

- Amendment to IFRS 1, 'First time adoption', on fixed dates and hyperinflation (effective 1 July 2011). These amendments include two changes to IFRS 1, 'First-time adoption of IFRS'. The first replaces references to a fixed date of 1 January 2004 with 'the date of transition to IFRSs', thus eliminating the need for entities adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The application of these amendments have no material impact on the Company's condensed interim financial information.

3.1.2 'Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

Standards, amendments or interpretation	Effective date (accounting periods beginning on or after)
IAS 19 - Employee Benefits	January 01, 2013
IAS 27 - Separate Financial Statements	January 01, 2013
IAS 28 - Associates and Joint Ventures	January 01, 2013
IAS 32 - Financial instruments: Presentation	January 01, 2014
IFRS 7 - Financial instruments: Disclosures	January 01, 2013
IFRS 9 - Financial instruments	January 01, 2015
IFRS 10 - Consolidated financial statements	January 01, 2013
IFRS 11 - Joint arrangements	January 01, 2013
IFRS 12 - Disclosures of interests in other entities	January 01, 2013
IFRS 13 - Fair value measurement	January 01, 2013

4. Taxation

The provision for taxation for the nine months ended March 31, 2013 has been made on an estimated basis.

	Un-Audited March 31, 2013	Audited June 30, 2012
	(Rupees in thousand)	
5. Long term finances - secured		
Syndicate term finance facility	**314,253**	322,409
National Bank of Pakistan- term finance	**39,780**	40,000
Pak Iran-term finance facility	**12,378**	-
Park Iran Long term markup payable	**5,549**	-
Soneri Bank - demand finance	**27,422**	27,422
Al Baraka Bank (Pakistan) Limited - musharika based agreement	**360,000**	360,000
	759,382	749,831
Less: Current portion shown under current liabilities	**(741,455)**	(749,831)
	12,378	-

5.1 The aggregate current portion of Rs 741.455 million includes principal instalments aggregating to Rs 180 million, which, under the terms of loan agreements were due for repayment in period subsequent to December 31, 2013. However, as the company could not repay on a timely basis the instalments due uptil December 31, 2012 and is not compliant with certain debt covenants, which represents a breach of the respective agreements, therefore these loans have been classified as a current liability under the guidance contained in IAS 1 "Presentation of financial statements". The company is in negotiation with lenders for relaxation in payment terms and certain other covenants. The banks have not demanded any early repayment nor have levied any penalties.

5.1.1 Syndicate term finance facility

During the current period, National Bank of Pakistan (NBP), one of the syndicate members, has offered restructured terms for its portion, which the Company has accepted for aggregate amount of Rs 209.565 million, however, legal documentation has not been finalised as at March 31, 2013 Following are the key terms:

- Exclusive charge on Pace Gujranwala, Pace Model Town and Pace Model Town (Extension) amounting to Rs 280 million inclusive of 25% margin on identified shops.

- Assignment of receivables from sale of shops of Pace Gujranwala, Pace Model Town, Pace Model Town (Extension) and Pace MM Alam. In case the sale of shops does not transpire as expected NBP will enter into a debt-asset swap arrangement, with the Company, on the shops selected by NBP and the Swap Price will be determined by the agreed pricing mechanism. Shops acquired under debt-asset swap will be subject to buy back agreement with the Company and the Buy Back Price will be determined by the agreed pricing mechanism.

- The loan will be payable in four years in equal monthly installments after the expiry of eighteen months grace period (both for principal and mark up) and rate of mark up will be 3 months KIBOR.

- Joint pari passu charge over shops of Pace MM Alam to be created as additional security.

5.1.2 National Bank of Pakistan - term finance

During the current period, National Bank of Pakistan has offered restructured terms, which the Company has accepted for aggregate amount of Rs 40 million, however, legal documentation has not been finalised as at March 31, 2013. Following are the key terms:

- The loan will be repaid as bullet payment within 24 months and rate of mark up will be 3 months KIBOR.

- First pari passu charge of Rs 67 million over Pace MM Alam with 40% margin.

5.1.3 Al Baraka Bank (Pakistan) Limited - musharika based agreement

During the current period, the bank has agreed to and the Company has accepted to restructure the entire amount of Rs 360 million, however, legal documentation has not been finalised as at March 31, 2013. Following are the key terms:

- Debt to asset swap consisting of shops, counters and super market area comprising of 8,824 square feet against Rs 115 million outstanding. In consideration the bank will release its charge on all units of Pace Towers.

- Markup on restructured facility shall be charged @ 3 months KIBOR and paid on a quarterly basis.

- The Company will create mortgage in favour of the bank on identified properties in Pace Gujranwala, Pace Model Town and Pace Model Town (Extension) amounting to Rs 326.667 million.

	Un-Audited March 31, 2013	Audited June 30, 2012
	(Rupees in thousand)	
6. Redeemable capital - secured (non-participatory)		
Term finance certificates	**1,498,200**	1,498,200
	1,498,200	1,498,200
Less: Current portion shown under current liabilities	**(1,498,200)**	1,498,200
	-	-

6.1 The aggregate current portion of Rs 1,498.200 million includes principal instalments aggregating to Rs 1,048.320 million, which, under the terms of loan agreements were due for repayment in period subsequent to December 31, 2013. However, as the company could not repay on a timely basis the instalments due uptil December 31, 2012 and is not compliant with certain debt covenants, which represents a breach of the respective agreement, therefore the entire outstanding amount has been classified as a current liability under the guidance contained in IAS 1 "Presentation of financial statements". The Company is in negotiation with lenders for relaxation in payment terms and certain other covenants. TFC holders have not demanded any early repayment nor have levied any penalties.

	Note	Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	
7. Foreign currency convertible bonds - unsecured			
Opening balance as at July 1		**1,463,882**	1,254,643
Converted into equity shares		**-**	-
Markup accrued during the period /year		**47,691**	87,789
		1,511,573	1,342,432
Markup paid during the period / year		**-**	-
Exchange loss for the period / year		**64,155**	121,450
		1,575,728	1,463,882
Less: Current portion shown under current liabilities	7.1	**(1,575,729)**	(1,463,882)
		-	-

7.1 The aggregate current portion of Rs 1,575.729 million includes accreted principal amount of Rs 1,527.709 million, which, under the terms of foreign currency convertible bonds was due for repayment in period subsequent to December 31, 2013. However, as the Company could not repay on a timely basis the coupon payments due uptil the maturity date (December 31, 2012) and is not compliant with certain debt covenants, which represents a breach of the respective agreement, therefore the entire outstanding amount has been disclosed as a current liability under the guidance contained in IAS 1 "Presentation of financial statements".

	Note	Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	
8. Short term finance - Secured			
Opening Balance		**100,000**	100,000
Less: Repayment during the year		**(3,886)**	-
Less:Transfer to long term finances	8.1	**(12,378)**	-
		83,736	100,000

8.1 This represents short term finance obtained from Pair Investment Company Limited. The entire amount of loan along with the accrued markup as on October 15, 2012 was restructured during the current period. Consequently, an amount of Rs 12.378 million was transferred to long term finances as per the restructured terms.

9. Contingencies and commitments

9.1 Contingencies

(1) Claims against the Company not acknowledged as debts Rs 21.644 million (June 30, 2012: Rs 21.644 million).

(2) Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favour of The Bank of Punjab, amounting to Rs 900 million (June 30, 2012: Rs 900 million) as per the approval of shareholders through the special resolution dated July 29, 2006.

9.2 Commitments

(1) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	Note	Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	
Not later than one year		**6,300**	6,300
Later than one year and not later than five years		**29,925**	29,925
Later than five years		**757,250**	761,975
		793,475	798,200
10. Property Plant and Equipment			
10.1 Operating fixed assets			
Operating fixed assets	10.1.1	**554,198**	577,075
Capital work-in-progress		**130,546**	6,153
		684,744	583,228
10.1.1 Operating fixed assets - at net book value			
Opening book value		**583,227**	541,678
Add: Additions during the period	10.1.1.1	**-**	92,940
		583,227	634,618
Less: Disposals during the period (at book value)		**8,769**	6,355
Less: Depreciation charged during the period		**20,260**	45,036
		29,029	51,391
Closing book value		**554,198**	583,227
10.1.1.1 Following is the detail of additions during the period / year:			
Buildings on leasehold land		**-**	79,089
Electrical equipment		**-**	6,672
Office equipment		**-**	10
Vehicles		**-**	7,169
		-	92,940

	Fair value as at March 31, 2013	Fair value as at March 31, 2012
	(Rupees in thousand)	
11. Investment property		
Opening value as on July 1	**3,167,645**	3,828,426
Additions to cost during the year:		
Disposal of investment property - swap transaction	**(20,985)**	-
Transfer to disposal group held for sale	**(3,468)**	(94,190)
Closing value before revaluation	**3,143,192**	3,734,236
Add: Fair value gain/(loss) recognised in profit and loss account	**12,050**	(566,591)
Closing value after revaluation	**3,155,242**	3,167,645

	Note	Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	
12. Investments			
Equity instruments of:			
- subsidiaries - unquoted	12.1	**91,670**	91,670
- associated undertakings - unquoted	12.2	**758,651**	606,921
Available for sale - quoted	12.3	**2,384**	2,648
		852,705	701,239
12.1 Subsidiaries - unquoted			
Pace Woodlands (Private) Limited			
3,000 (June 2012: 3,000) fully paid ordinary shares of Rs 10 each			
Equity held 52% (June 2012: 52%)		**30**	30
Pace Gujrat (Private) Limited			
2,450 (June 2012: 2,450) fully paid ordinary shares of Rs 10 each			
Equity held 100% (June 2012: 100%)		**25**	25
Pace Super Mall (Private) Limited			
9,161,528 (June 2012: 9,161,528) fully paid			
ordinary shares of Rs 10 each			
Equity held 57% (June 2012: 57%)		**91,615**	91,615
		91,670	91,670
12.2 Associate - unquoted			
Pace Barka Properties Limited			
75,875,000 (June 2012: 75,875,000) fully paid			
ordinary shares of Rs 10 each			
Equity held 24.9% (June 2012: 24.9%)		**758,651**	758,651
		758,651	758,651
Less:Cumulative impairment losses recognised	12.2.1	**-**	(151,730)
		758,651	606,921
12.2.1 Cumulative impairment losses recognised			
Opening balance		**151,730**	154,980
Reversed during the period / year		**(151,730)**	-
Derecognised on disposal of investment		**-**	(3,250)
		-	151,730
12.3 Available for sale - quoted	12.3		
Worldcall Telecom Limited			
912 (June 2012: 912) fully paid			
ordinary shares of Rs 10 each		**6**	6
Shaheen Insurance Limited			
294,037 (June 2012: 294,037) fully paid			
ordinary shares of Rs 10 each		**3,776**	3,776
		3,782	3,782
Less : Cumulative fair value loss	12.3.1	**(1,397)**	(1,134)
		2,385	2,648

	Un-Audited March 31, 2013	Audited June 30, 2012
	(Rupees in thousand)	
12.3.1 Cumulative fair value loss		
Opening balance	**(1,134)**	(105)
Fair value gain / (loss) during the period / year	**(263)**	(1,029)
	(1,397)	(1,134)
13. Stock-in-trade		
Work in process - Pace Towers	**1,043,613**	1,043,613
PBPL-Pace Circle	**598,604**	640,792
Pace Super Mall (Private) Limited	**21,600**	21,600
Shops and houses	**229,573**	266,276
Woodland plots	**1,433**	9,216
	1,894,823	1,981,497
Stores inventory	**627**	923
	1,895,450	1,982,420

	Quarter ended		Nine months ended	
	March	March	March	March
14. Sales	2,013	2,012	2,013	2,012
Shops, houses and commercial buildings				
- at completion of project basis				
Fortress	5,400	-	43,055	11,478
Pace Circle	15,083	-	52,753	(51,816)
Wood lands House	-	-	13,733	22,957
Wood lands Plots	13,732	-	-	-
- at percentage of completion basis				
Pace Towers	-	-	-	-
Licensee fee	10,412	6,656	26,896	17,827
Display advertisements and miscellaneous income	4,503	4,195	11,907	11,542
Service charges	37,277	32,752	120,903	105,309
	86,407	43,603	269,247	117,297
14.1 Sales return				
- at completion of project basis	-	-	-	(18,125)
- at percentage of completion basis	-	-	-	-
			-	(18,125)
15. Cost of sales				
Shops and commercial buildings sold				
- at completion of project basis				
Gulberg		-		
Fortress	5,595	-	50,597	
Pace Circle	11,298	-	30,890	
Woodlands -Houses	8,421	-	8,422	(22,020)
Plots sold	-	-	-	-
- at percentage of completion basis				
Tower	-	-	-	27,435
Stores operating expenses	49,891	46,266	183,759	(209,346)
	75,205	46,266	273,668	(203,931)

	Note	Nine months ended March 31, 2013	March 31, 2012
		(Rupees in thousand)	
16. Administrative and selling expenses			
Salaries, wages and benefits		**38,611**	38,883
Travelling and conveyance		**3,991**	4,219
Rent, rates and taxes		**2,017**	2,479
Insurance		**3,970**	4,380
Printing and stationery		**1,147**	993
Repairs and maintenance		**2,526**	8,440
Motor vehicles running		**7,658**	11,364
Communications		**3,592**	3,340
Entertainment		**695**	527
Advertising and sales promotion		**4,781**	8,235
Depreciation on:		**-**	-
- property, plant and equipment		**8,710**	7,808
- assets subject to finance lease		**733**	14,331
Amortisation on intangible assets		**413**	420
Auditors' remuneration		**610**	1,624
Operating lease		**-**	-
Legal and professional		**3,867**	4,770
Commission on sales		**869**	1,070
Office expenses		**3,793**	3,965
Other expenses		**1,839**	2,595
Provision for doubtful debts		**547**	48,441
Advances written off		**226**	3,233
		90,593	171,117

	Note	March 2013	March 2012
17. Other operating income		(Rupees in thousand)	
Income from financial assets			
Mark up on bank accounts		**578**	1,366
Mark up on balances with related parties		**-**	-
Exchange gain on foreign currency convertible bonds		**-**	-
Commission on guarantee	17.1	**1,125**	1,500
Reversal of Impairment loss on investments		**151,730**	-
Rental income		**7,500**	9,364
Other income miscellenious HO		**84**	-
Gain on exchange of shops and counters		**12,265**	-
Others		**5,003**	18,329
Income from non-financial assets			
Gain on sale of property, plant and equipment		**-**	2,564
		178,285	33,123

17.1 This represents commission income on guarantee provided on behalf of Pace Barka Properties Limited, an associated undertaking.

	Note	March 2013	March 2012
		(Rupees in thousand)	
18. Other operating expenses			
Loss on disposal Group		**40,095**	-
Gain/loss on sale of property, plant and equipment		**3,201**	-
Exchange loss on foreign currency convertible bonds	7	**64,155**	121,450
		107,451	121,450

19. Loss per share

19.1 Basic loss per share	Quarter ended March 2,013	Quarter ended March 2,012	Nine months ended March 2,013	Nine months ended March 2,012
Loss for the period (Rupees in thousand)	(104,769)	(154,246)	(302,452)	(1,333,005)
Weighted average number of ordinary shares outstanding during the period (in thousand)	278,877	278,877	278,877	278,877
Loss per share (Rupees)	(0.38)	(0.55)	(1.08)	(4.78)

19.1 Diluted loss per share	Quarter ended March 2,013	Quarter ended March 2,012	Nine months ended March 2,013	Nine months ended March 2,012
Loss for the period (Rupees in thousand)	(104,769)	(154,246)	(302,452)	(1,333,005)
Interest on FCCB (Rupees in thousand)	1	14,219	47,691	41,551
Exchange loss (Rupees in thousand)	19,235	8,862	64,155	44,809
Profit / (loss) used to determine diluted earnings / (loss) per share (Rupees)	(85,533)	(131,165)	(190,606)	(1,246,645)
Weighted average number of ordinary shares outstanding during the period (Number)	278,877	278,877	278,877	278,877
Assumed conversion of FCCB into ordinary shares (Number)	105,305	63,615	105,321	63,889
Weighted average number of shares for diluted earnings / (loss) per share (Number)	384,182	342,492	384,198	342,766
Earnings / (loss) per share diluted (Rupees)	(0.22)	(0.38)	(0.50)	(3.64)
Restricted to basic loss per share in case of anti-dilution (Rupees)	(0.38)	(0.55)	(1.08)	(4.78)

The effect of conversion of the FCCB into ordinary shares is anti-dilutive for the current period, accordingly the diluted loss per share has been restricted to the basic loss per share.

20. Transactions with related parties

Relationship with the Company	Nature of transaction	Nine months ended March 2,013 (Rupees in thousand)	Nine months ended March 2,012 (Rupees in thousand)
i. Associates	Guarantee commission income	**1,125**	1,125
	Purchase of goods & services	**-**	3,562
	Sales of goods & services	**-**	5,445
	Disposal of vehicle	**-**	340
	Proceeds from sale of investment	**-**	13,000
ii. Others	Purchase of goods & services	**16,348**	-
	Rental income	**5,999**	-
	Disposal of property, plant and equipement	**8,769**	-
iii. Directors and key management personnel	Salaries and other employee benefits	**18,047**	12,720
iv. Post employment benefit plan	Expense charged in respect of benefit plans	**6,117**	4,575

Period end balances

	Nine months ended March 31, 2013 (Rupees in thousand)	June 30, 2012 (Rupees in thousand)
Receivable from related parties	**165,895**	282,143
Payable to related parties	**17,792**	70,441

21. Cash used in operations

	March 31, 2013 (Rupees in thousand)	March 31, 2012 (Rupees in thousand)
Loss before tax	**(301,913)**	(1,331,943)
Adjustment for:		
Depreciation on:		
- property, plant and equipment	**19,526**	16,626
- assets subject to finance lease	**733**	15,528
Amortisation on intangible assets	**413**	417
Gain/loss on sale of property, plant and equipment	**3,201**	(1,945)
Reversal of Impairment loss on investments	**(151,730)**	
Gain on exchange of shops and counters	**(12,265)**	
Exchange loss on foreign currency convertible bonds	**64,155**	68,936
Loss on disposal Group	**40,095**	
Provision for doubtful receivables	**547**	57,658
Provision for gratuity and leave encashment	**6,112**	4,575
Finance costs	**289,783**	348,049
Mark up income	**(578)**	(1,072)
Changes in fair value of investment property	**(12,050)**	672,205
Gain on disposal of investment property	**-**	-
Deferred income	**-**	(14,375)
Liabilities written back	**-**	-
Advances written off	**226**	2,509

	Nine months ended March 31, 2013 (Rupees in thousand)	June 31, 2012 (Rupees in thousand)
Loss before working capital changes	**(53,745)**	(162,832)
Effect on cash flow due to working capital changes:		
(Increase) / decrease in stock-in-trade	**76,941**	(5,690)
Decrease in trade debts	**113**	144,899
Decrease in due from related parties	**-**	-
Decrease in advances, deposits and other receivables	**(17,805)**	15,994
Increase in creditors, accrued and other liabilities	**35,201**	33,718
	94,450	188,921
	40,705	26,089

22. Date of authorization for issue

This condensed interim financial information was authorised for issue on April 26, 2013 by the Board of Directors of the Company.

23. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

LAHORE **CHIEF EXECUTIVE** **DIRECTOR**

PACE (PAKISTAN) GROUP

CONSOLIDATED CONDENSED INTERIM FINANCIAL REPORT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2013

DIRECTORS' REPORT

The Directors of Pace (Pakistan) Limited ("the Group") take pleasure in presenting to its shareholders the reviewed consolidated condensed interim financial statements of the Group (unaudited) for the quarter and nine months ended March 31, 2012.

Operating Performance:

During the period, the Group has shown a heftier performance as compared to the previous nine months, with an aggregate increase in sales by 171%. Group incurred a net after tax loss of Rs 304.068 million during the period which is just 22% of the loss of the corresponding period of the preceding year, which is indicative of enhanced operational growth.

Comparison of the unaudited results for the quarter and nine months period ended March 31, 2013 as against March 31, 2012 is as follows:

	For the nine months and quarter ended			
				Rupees in '000'
	For the 3rd Quarter		Cumulative	
	Jan-Mar 2013	Jan-Mar 2012	**Jul-Mar 2013**	Jul-Mar 2012
Sales	**86,407**	43,603	**269,247**	99,172
Gross profit/(loss)	**11,202**	(2,663)	**(4,421)**	(104,759)
Other operating income	**3,326**	11,205	**178,285**	35,510
Finance cost	**(71,012)**	(110,660)	**(289,795)**	(348,219)
Net loss before tax	**(107,952)**	(161,320)	**(307,619)**	(1,377,426)
Net loss after tax	**(109,313)**	(161,670)	**(304,068)**	(1,375,405)
Loss per share-Basic (Rupees)	**(0.39)**	(0.58)	**(1.09)**	(4.93)
Loss per share- diluted (Rupees)	**(0.23)**	(0.40)	**(0.50)**	(3.76)

Other income has shown a significant increase by 438% because of reversal of impairment loss on investment property which amounts to Rs 151.730 million. Other operating expenses have increased by 56% during the period mainly because of exchange loss on closing liability in respect of foreign currency convertible bonds and loss on sale of assets held in disposal group. These losses amount to Rs 64.155 and 40.095 Million respectively. Finance cost has decreased by 17% because of the repayments of principal amounts of the loans during the period. These factors have cumulatively resulted in an improved performance by the Group as reflected in a rigorous diminution in its Net loss after tax and loss per share by 77%, as compared to the corresponding period of the immediately preceding year.

Amount payable to financial institutions and lenders in respect of Group's borrowings is currently in overdue status because of the liquidity issues in Group, however rescheduling of the debts and financial obligations is in process and management is hopeful to complete it on favorable terms in near future.

During the period Group entered into a contract with Izhar constructions for restating the halted construction of Pace Towers. This construction work will shortly begin in due course which will help to increase the stage of completion of project and Group sales resultantly.

Future Outlook:

Despite general recessionary economic conditions in the country, high interest rates and inflation, turbulent law and order situation, power shortfalls and rising fuel prices, your Group will continue to strive for improving shareholder's value through cost cutting, value added services and systems, customer satisfaction, price rationalization and efficient working capital management. We are surefooted that economic prospects will show improvement in future and the Group will be able to achieve profitable operations very soon.

Change in Board directors:

During the period covered by our interim financial information, Mr Imran Hafeez has been appointed as director of the Group in place of Mr khaldoon Bin latif. There are no other changes in the constitution of Board.

General:

We would like to express our gratitude to our stakeholders for their continued support and to all employees for their relentless work and dedication in efforts to improve Group's performance.

For and on behalf of the Board of Directors

Lahore
April 26, 2013

Aamna Taseer
CEO/Director

PACE (PAKISTAN) GROUP
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2013

	Note	Un-audited March 31, 2013	Audited June 30, 2012
EQUITY AND LIABILITIES		(Rupees in thousand)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
600,000,000 (June 2012: 600,000,000) ordinary shares of Rs 10 each		**6,000,000**	6,000,000
Issued, subscribed and paid up capital			
278,876,604 (June 2012: 278,876,604) ordinary shares of Rs 10 each		**2,788,766**	2,788,766
Reserves		**303,161**	394,965
Unappropriated loss		**(65,514)**	238,553
		3,026,413	3,422,284
NON-CONTROLLING INTEREST		**87,769**	87,775
		3,114,182	3,510,059
NON-CURRENT LIABILITIES			
Long term finances - secured	5	**12,378**	-
Redeemable capital - secured (non-participatory)	6	**-**	-
Liabilities against assets subject to finance lease		**-**	227
Foreign currency convertible bonds - unsecured	7	**-**	-
Long term markup		**5,549**	-
Deferred taxation		**172,947**	165,047
Deferred liabilities		**31,318**	36,650
Advances against sale of property		**100,069**	98,629
		322,261	300,553
CURRENT LIABILITIES			
Current portion of long term liabilities		**3,846,356**	3,745,248
Short term finance - secured	8	**83,736**	100,000
Creditors, accrued and other liabilities		**216,463**	235,009
Taxation		**5,534**	5,534
Accrued finance cost		**723,265**	505,049
		4,875,354	4,590,840
CONTINGENCIES AND COMMITMENTS	9	**-**	-
		8,311,797	8,401,452

The annexed notes 1 to 22 form an integral part of this consolidated condensed interim financial information.

LAHORE **CHIEF EXECUTIVE**

ASSETS	Note	Un-audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	10	**684,744**	710,684
Intangible assets		**7,834**	8,248
Investment property	11	**3,155,242**	3,167,645
Investments	12	**1,216,922**	1,149,272
Long term advances and deposits		**14,400**	13,822
Deferred taxation		**-**	-
		5,079,142	5,049,671
CURRENT ASSETS			
Stock-in-trade	13	**2,228,031**	2,316,432
Trade debts - unsecured		**628,971**	721,551
Advances, deposits, prepayments and other receivables		**248,645**	201,054
Cash and bank balances		**12,008**	8,134
		3,117,655	3,247,171
Disposal group held-for-sale		**115,000**	104,610
		3,232,655	3,351,781
		8,311,797	8,401,452

DIRECTOR

PACE (PAKISTAN) GROUP

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

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2013

	Note	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Nine Months ended March 31, 2013	Nine Months ended March 31, 2012
		(Rupees in thousand)			
Sales	15	86,407	43,603	269,247	99,172
Cost of sales	16	(75,205)	(46,266)	(273,667)	(206,580)
Gross loss		11,202	(2,663)	(4,420)	(107,408)
Administrative and selling expenses		(29,048)	(30,573)	(90,595)	(171,130)
Other operating income	17	3,326	11,205	178,283	35,510
Other operating expenses		(19,236)	(13,634)	(107,451)	(68,936)
Finance costs		(71,016)	(110,660)	(289,795)	(348,219)
Changes in fair value of investment property		-	(6,755)	12,050	(672,205)
Share of Loss from Associate		(3,180)	(8,240)	(5,691)	(45,038)
Loss before tax		(107,952)	(161,320)	(307,619)	(1,377,426)
Taxation		-			
Group		288	(350)	(250)	(1,062)
Associated Companies		(1,649)	-	3,801	3,083
		(1,361)	(350)	3,551	2,021
Loss for the period		(109,313)	(161,670)	(304,068)	(1,375,405)
Other comprehensive (loss) / income					
Changes in fair value of					
available for sale investment		(717)	296	(264)	(440)
Share in capital reserves of associates		(48,134)	(68,720)	(91,540)	(176,030)
Total comprehensive loss for the period		(158,164)	(230,094)	(395,872)	(1,551,875)
Loss attributable to:					
Equity holders of the Parent		(158,163)	(230,083)	(395,866)	(1,551,863)
Non- Controlling interest		(1)	(11)	(6)	(12)
		(158,164)	(230,094)	(395,872)	(1,551,875)
Loss per share attributable to ordinary shareholders	18				
- basic (Rupees)	18.1	(0.39)	(0.58)	(1.09)	(4.93)
- diluted (Rupees)	18.2	(0.23)	(0.40)	(0.50)	(3.76)

The annexed notes 1 to 22 form an integral part of this consolidated condensed interim financial information.

LAHORE: **CHIEF EXECUTIVE** **DIRECTOR**

PACE (PAKISTAN) GROUP
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Note	Nine Months ended March 31, 2013	March 31, 2012
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	20	**40,691**	36,963
Net increase in advances against sale of property		**1,440**	20,711
Finance cost paid		**(18,325)**	(25,296)
Gratuity and leave encashment paid		**(3,031)**	(4,687)
Taxes paid		**(5,483)**	(6,912)
Net cash generated from operating activities		**15,292**	20,779
Cash flows from investing activities			
Purchase of property, plant and equipment		**(3,089)**	(1,965)
Proceeds from sale of property, plant and equipment		**5,568**	4,389
(Increase) / decrease in long term advances and deposits		**(717)**	511
Proceeds from disposal of investment		**-**	13,000
Markup received		**578**	1,072
Net cash generated from investing activities		**2,340**	17,007
Cash flows from financing activities			
Repayment of long term finances		**(8,370)**	(59,837)
Transfer from short term finance - secured		**12,378**	-
Short term borrowing		**-**	(4,457)
Repayment of finance lease liabilities		**(1,502)**	(3,228)
Net cash generated from / (used in) financing activities		**2,506**	(67,522)
Net increase / (decrease) in cash and cash equivalents		**20,138**	(29,736)
Cash and cash equivalents at beginning of the period		**(91,866)**	59,592
Cash and cash equivalents at the end of the period		**(71,728)**	29,856

The annexed notes 1 to 22 form an integral part of this consolidated condensed interim financial information.

LAHORE CHIEF EXECUTIVE DIRECTOR

PACE (PAKISTAN) GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2013

(Rupees in thousand)

	Attributable to equity holders of the parent								
	Share capital	Share premium Reserve	Revaluation reserve for investment property	Reserve for changes in fair value of investments	Share in capital reserves of associates	Unappro-priated profit	Total	Non-Controlling Interest	Total Equity
Balance as on June 30, 2011 (Audited)	2,788,766	273,265	-	(105)	378,219	1,671,644	5,111,789	(15,514)	5,096,275
Total comprehensive loss for the year									
Loss for the year	-	-	-	-	-	(1,375,405)	(1,375,405)	(12)	(1,375,417)
Other comprehensive (loss) / income	-	-	-	(440)	(176,030)	-	(176,470)	-	(176,470)
	-	-	-	(440)	(176,030)	(1,375,405)	(1,551,875)	(12)	(1,551,887)
Balance as on Mrach 31, 2012 (Un-Audited)	**2,788,766**	**273,265**	**-**	**(545)**	**202,189**	**296,239**	**3,559,914**	**(15,526)**	**3,544,388**
Total comprehensive loss for the period									
Loss for the period	-	-	-	-	-	(57,686)	(57,686)	(125)	(57,811)
Non - controlling interest arising on business combination	-	-	-	-	-	-	-	103,426	103,426
Other comprehensive loss	-	-	-	(589)	(79,355)	-	(79,944)	-	(79,944)
	-	-	-	(589)	(79,355)	(57,686)	(137,630)	103,301	(34,329)
Balance as on June 30, 2012 (Audited)	**2,788,766**	**273,265**	**-**	**(1,134)**	**122,834**	**238,553**	**3,422,284**	**87,775**	**3,510,059**
Total comprehensive loss for the period									
Loss for the period	-	-	-	-	-	(304,067)	(304,067)	(6)	(304,073)
Non - controlling interest arising on business combination	-	-	-	-	-	-	-	-	-
Other comprehensive loss	-	-	-	(264)	(91,540)	-	(91,804)	-	(91,804)
	-	-	-	(264)	(91,540)	(304,067)	(395,871)	(6)	(395,877)
Balance as on March 31, 2012 (Un-Audited)	**2,788,766**	**273,265**	**-**	**(1,398)**	**31,294**	**(65,514)**	**3,026,413**	**87,769**	**3,114,182**

The annexed notes 1 to 22 form an integral part of this consolidated condensed interim financial information.

Lahore Chief Executive Director

PACE (PAKISTAN) GROUP
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2013

1. Legal status and activities

1.1 Constitution and ownership

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

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.

Pace Supermall (Private) Limited

Pace Supermall (Private) Limited (a subsidiary) was incorporated on March 27, 2003 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 Going concern assumption

During the period, the Group has incurred a loss of Rs 304.067 million (year ended June 30, 2012: Rs 1,433.091 million). As at the reporting date, the current liabilities of the Group have exceeded its current assets by Rs 1,765.649 million and the reserves of the Group have been significantly depleted. The Group has not been able to meet various obligations towards its lenders, including repayment of principal and markup thereon in respect of its long term borrowings. As a consequence, the Group has also been unable to realise its existing receivables from customers and facing difficulties in sale of its inventory, being principally encumbered against borrowings from lenders of long term financing. These conditions raise significant doubts on the Group's ability to continue as a going concern.

In view of the above, the Group approached its lenders for restructuring of loans. As per the restructuring proposals the Group expects the following:

- Relaxation in payment terms of principal outstanding and over due markup;

- Partial settlement of principal amount against properties of the Group and adjustment of markup through receivables of sold shops; and

- Swap of collateral given to the providers of Redeemable Capital (note 6) with that given to the syndicate finance lenders (note 5). This shall entail transfer of encumbrance over the Pace Towers (currently under construction) to syndicate finance lenders against that on the fully developed properties in Model Town, Lahore and Gujranwala to the providers of Redeemable Capital.

During the current period the Group has restructured short term finance from Pair Investment Group Limited ('PAIR') as referred to in note 8. National Bank of Pakistan and Al-Baraka Bank (Pakistan) Limited have agreed to and the Group has accepted to restructure their respective loans at terms referred to in note 5. The Group is confident that other lenders will also agree to its proposals for restructuring.

The above restructuring is expected to be augmented by other actions of the management of the Group for improving operational efficiency of its projects, which include changes in the mechanism for reimbursement of service charges, reduction of cost and enhancement of operational revenues.

The management of the Group is confident that the above actions and steps shall enable the Group to realise its existing receivables, aid the sale of inventory from the completed projects referred above and utilise the resultant liquidity for completion and sale of its 'Pace Towers' Project.

The consolidated condensed interim financial information has been prepared on a going concern basis based on the management's expectations that:

- the Group will be able to obtain relaxations from its lenders as highlighted above, and

- the Group will be able to readily realise its receivables and inventory and be able to utilise the resultant liquidity for completion and sale of the 'Pace Towers' Project.

The consolidated condensed interim financial information consequently, does not include any adjustment relating to the realisation of its assets and liquidation of liabilities that might be necessary should the Group be unable to continue as a going concern.

2. Statement of compliance

This consolidated condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2012.

3. Significant accounting policies

Except as described below, the accounting policies adopted for the preparation of these consolidated 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, 2012.

3.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Group's financial statements covering annual periods, beginning on or after the following dates:

3.1.1 Amendments to published standards effective in current period

- IAS 12, 'Income taxes', currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment property'. This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC-21, 'Income taxes - recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21. The application of these amendments have no material impact on the Group's condensed interim financial information.

- Amendments to IFRS 7, 'Financial instruments: Disclosures' on transfers of assets (effective 1 July 2012). These amendments arise from the IASB's review of off-balance-sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The application of these amendments have no material impact on the Group's condensed interim financial information.

- Amendment to IFRS 1, 'First time adoption', on fixed dates and hyperinflation (effective 1 July 2012). These amendments include two changes to IFRS 1, 'First-time adoption of IFRS'. The first replaces references to a fixed date of 1 January 2004 with 'the date of transition to IFRSs', thus eliminating the need for entities adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The application of these amendments have no material impact on the Group's condensed interim financial information.

3.1.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

Standards, amendments or interpretation	**Effective date (accounting periods beginning on or after)**
IAS 19 - Employee Benefits	January 01, 2013
IAS 27 - Separate Financial Statements	January 01, 2013
IAS 28 - Associates and Joint Ventures	January 01, 2013
IAS 32 - Financial instruments: Presentation	January 01, 2014
IFRS 7 - Financial instruments: Disclosures	January 01, 2013
IFRS 9 - Financial instruments	January 01, 2015
IFRS 10 - Consolidated financial statements	January 01, 2013
IFRS 11 - Joint arrangements	January 01, 2013
IFRS 12 - Disclosures of interests in other entities	January 01, 2013
IFRS 13 - Fair value measurement	January 01, 2013

4. Taxation

The provision for taxation for the nine months ended March 31, 2013 has been made on an estimated basis.

	Note	**Un-Audited March 31, 2013**	Audited June 30, 2012
		(Rupees in thousand)	
5. Long term finances - secured			
Opening balance		**749,831**	827,422
Add: Transfer from short term finance	8	**12,378**	-
		762,209	827,422
Less:Repayment during the period / year		**8,376**	77,591
		753,833	749,831
Less:Current portion shown under current liabilities	5.1	**741,455**	749,831
		12,378	-

5.1 The aggregate current portion of Rs 741.455 million includes principal instalments aggregating to Rs 8 million, which, under the terms of loan agreements were due for repayment in period subsequent to December 31, 2013. However, as the Group could not repay on a timely basis the instalments due uptil the nine months ended December 31, 2012 and is not compliant with certain debt covenants, which represents a breach of the respective agreements, therefore these loans have been classified as a current liability under the guidance contained in IAS 1 "Presentation of financial statements". The Group is in negotiation with lenders for relaxation in payment terms and certain other covenants. The banks have not demanded any early repayment nor have levied any penalties.

5.1.1 Syndicate term finance facility

During the current period, National Bank of Pakistan (NBP), one of the syndicate members, has offered restructured terms for its portion, which the Group has accepted for aggregate amount of Rs 209.565 million, however, legal documentation has not been finalised as at March 31, 2013. Following are the key terms:

- Exclusive charge on Pace Gujranwala, Pace Model Town and Pace Model Town (Extension) amounting to Rs 280 million inclusive of 25% margin on identified shops.
- Assignment of receivables from sale of shops of Pace Gujranwala, Pace Model Town, Pace Model Town (Extension) and Pace MM Alam. In case the sale of shops does not transpire as expected NBP will enter into a debt-asset swap arrangement, with the Group, on the shops selected by NBP and the Swap Price will be determined by the agreed pricing mechanism. Shops acquired under debt-asset swap will be subject to buy back agreement with the Group and the Buy Back Price will be determined by the agreed pricing mechanism.
- The loan will be payable in four years in equal monthly installments after the expiry of eighteen months grace period (both for principal and mark up) and rate of mark up will be 3 months KIBOR.
- Joint pari passu charge over shops of Pace MM Alam to be created as additional security.

5.1.2 National Bank of Pakistan - term finance

During the current period, National Bank of Pakistan has offered restructured terms, which the Group has accepted for aggregate amount of Rs 40 million, however, legal documentation has not been finalised as at March 31, 2013. Following are the key terms:

- The loan will be repaid as bullet payment within 24 months and rate of mark up will be 3 months KIBOR.
- First pari passu charge of Rs 67 million over Pace MM Alam with 40% margin.

5.1.3 Al Baraka Bank (Pakistan) Limited - musharika based agreement

During the current period, the bank has agreed to and the Group has accepted to restructure the entire amount of Rs 360 million, however, legal documentation has not been finalised as at March 31, 2013. Following are the key terms:

- Debt to asset swap consisting of shops, counters and super market area comprising of 8,824 square feet against Rs 115 million outstanding. In consideration the bank will release its charge on all units of Pace Towers.
- Markup on restructured facility shall be charged @ 3 months KIBOR and paid on a quarterly basis.
- The Group will create mortgage in favour of the bank on identified properties in Pace Gujranwala, Pace Model Town and Pace Model Town (Extension) amounting to Rs 326.667 million.

		Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	

6. Redeemable capital - secured (non-participatory)

Opening balance		**1,498,200**	1,498,200
Less: Redeemed during the period / year		**-**	-
		1,498,200	1,498,200
Less: Current portion shown under current liabilities	- note 6.1	**1,498,200**	1,498,600
		-	-

6.1 The aggregate current portion of Rs 1,498.200 million includes principal instalments aggregating to Rs 1,048.320 million, which, under the terms of loan agreements were due for repayment in period subsequent to December 31, 2013. However, as the Group could not repay on a timely basis the instalments due uptil the nine months ended December 31, 2012 and is not compliant with certain debt covenants, which represents a breach of the respective agreement, therefore the entire outstanding amount has been classified as a current liability under the guidance contained in IAS 1 "Presentation of financial statements". The Group is in negotiation with lenders for relaxation in payment terms and certain other covenants. TFC holders have not demanded any early repayment nor have levied any penalties.

		Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	

7. Foreign currency convertible bonds - unsecured

Opening balance		**1,463,882**	1,254,643
Markup accrued for the period / year		**47,691**	87,789
		1,511,573	1,342,432
Exchange loss for the period / year		**64,155**	121,450
		1,575,728	1,463,882
Less: Current portion shown under current liabilities	- note 7.1	**1,575,728**	1,463,882
		-	-

7.1 The aggregate current portion of Rs 1,575.728 million includes accreted principal amount of Rs 1,527.709 million, which, under the terms of foreign currency convertible bonds was due for repayment in period subsequent to December 31, 2013. However, as the Group could not repay on a timely basis the coupon payments due uptil the period ended December 31, 2012 and is not compliant with certain debt covenants, which represents a breach of the respective agreement, therefore the entire outstanding amount has been disclosed as a current liability under the guidance contained in IAS 1 "Presentation of financial statements".

		Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	

8. Short term finance - secured

Opening balance		**100,000**	100,000
Less:Repayment during the period / year		**3,886**	-
Less:Transferred to long term finances	- note 5	**12,378**	-
		83,736	100,000

8.1 This represents short term finance obtained from Pair Investment Group Limited. The entire amount of loan along with the accrued markup as on October 15, 2012 was restructured during the current period. Consequently, an amount of Rs 12.378 million was transferred to long term finances as per the restructured terms.

9. Contingencies and commitments

9.1 Contingencies

(i) Claims against the Group not acknowledged as debts Rs 21.644 million (June 30 2012: Rs 21.644 million).

(ii) Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favour of The Bank of Punjab, amounting to Rs 900 million (June 30 2012: Rs 900 million) as per the approval of shareholders through the special resolution dated July 29, 2006.

(iii) The Group entered into an agreement with Worldcall Telecom Limited (WTL) for Rs 12.138 million to provide dark optical fibre services (installation and maintenance) for a period of twenty years on the existing WTL metro optical fibre network.

9.2 Commitments

(i) Contract for purchase of properties from Pace Barka Properties Limited, amounting to Rs 409.098 (June 30, 2012: Rs 426.346)

(ii) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	Un-Audited March 31, 2013	Audited June 30, 2012
	(Rupees in thousand)	
Not later than one year	**6,300**	6,300
Later than one year and not later than five years	**29,925**	29,925
Later than five years	**757,250**	761,975
	793,475	798,200

10. Property, plant and equipment

Operating fixed assets	- note 10.1	**554,198**	583,227
Capital work-in-progress		**130,546**	127,457
		684,744	710,684

10.1 Operating fixed assets

Operating assets - at net book value			
- owned assets		**551,326**	577,075
- assets subject to finance lease		**2,872**	6,152
	- note 10.1.1	**554,198**	583,227

10.1.1 Operating fixed assets - at net book value

Opening book value		**583,227**	541,678
Add: Additions during the period	- note 10.1.1.1	**-**	92,940
		583,227	634,618
Less: Disposals during the period (at book value)		**8,769**	6,355
Less: Depreciation charged during the period		**20,260**	45,036
		29,029	51,391
Closing book value		**554,198**	583,227

		Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	

10.1.1.1 Following is the detail of additions during the period / year:

	Un-Audited March 31, 2013	Audited June 30, 2012
Buildings on leasehold land	-	79,089
Electrical equipment	-	6,672
Office equipment	-	10
Vehicles	-	7,169
	-	92,940

11. Investment property

	Un-Audited March 31, 2013	Audited June 30, 2012
Opening fair value	3,167,645	3,828,426
Transfer to disposal group held for sale	(3,468)	(94,190)
Disposals of investment property	(20,985)	-
Closing value before revaluation	3,143,192	3,734,236
Add: Fair value gain / (loss) recognised during the period / year	12,050	(566,591)
Closing value after revaluation	3,155,242	3,167,645

12. Investments

		Un-Audited March 31, 2013	Audited June 30, 2012
Equity instruments of:			
- associate - unquoted	- note 12.1	1,214,537	1,146,625
Available for sale - quoted	- note 12.2	2,385	2,648
		1,216,922	1,149,272

12.1 Associate - unquoted

		Un-Audited March 31, 2013	Audited June 30, 2012
Pace Barka Properties Limited			
75,875,000 (June 2012: 75,875,000) fully paid ordinary shares of Rs 10 each			
Equity held 24.9% (June 2012: 24.9%)	- note 12.1.1	1,214,537	1,298,355
		1,214,537	1,298,355
Less: Cumulative impairment losses recognised	- note 12.1.2	-	(151,730)
		1,214,537	1,146,625

12.1.1 Pace Barka Properties Limited

	Un-Audited March 31, 2013	Audited June 30, 2012
Cost	758,651	758,651
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognized directly in profit and loss account	549,042	687,772
	1,307,693	1,446,423
Share of movement in reserves during the year	(91,224)	(120,443)
Share of (loss)/profit for the year		
- before taxation	(5,733)	(23,043)
- provision for taxation	3,801	9,838
Loss on sale of investment	-	(14,420)
	(1,932)	(27,625)
Balance as on March 31 2013	1,214,537	1,298,355

		Un-Audited March 31, 2013	Audited June 30, 2012
		(Rupees in thousand)	

12.1.2 Cumulative impairment losses recognised

	Un-Audited March 31, 2013	Audited June 30, 2012
Opening balance	151,730	154,980
Reversed during the period / year	(151,730)	-
Derecognised on disposal of investment	-	(3,250)
	-	151,730

12.2 Available for sale - quoted

		Un-Audited March 31, 2013	Audited June 30, 2012
Worldcall Telecom Limited			
912 (June 2012: 912) fully paid ordinary shares of Rs 10 each		6	6
Shaheen Insurance Limited			
294,037 (June 2012: 294,037) fully paid ordinary shares of Rs 10 each		3,776	3,776
		3,782	3,782
Less : Cumulative fair value loss	- note 12.2.1	(1,397)	(1,134)
		2,385	2,648

12.2.1 Cumulative fair value loss

	Un-Audited March 31, 2013	Audited June 30, 2012
Opening balance	(1,134)	(105)
Fair value gain / (loss) during the period / year	(263)	(1,029)
	(1,397)	(1,134)

13. Stock-in-trade

	Un-Audited March 31, 2013	Audited June 30, 2012
Work in process - Pace Towers	1,043,613	1,043,613
Pace Barka Properties Limited - Pace Circle	598,604	640,792
Pace Super Mall Land	354,181	354,600
Shops and houses	229,573	267,288
Woodland plots	1,433	9,216
	2,227,404	2,315,509
Stores inventory	627	923
	2,228,031	2,316,432

14. Operating Segments

Operating segments are reported in manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, is a committee comprising of the Chief Executive Officer, Group Director Finance, Chief Operating Officer and Chief Financial Officer

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit/loss and reduction in operating costs.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. CODM assesses the performance of the operating segments based on a measure of gross profit/loss and segment assets. Unallocated items include corporate assets and liabilities.

The Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic and business decisions.

14.1 For management purposes, the activities of the Group are organised into business units based on the nature of activities:

(a) Real Estate

This segment relates to the sale of land, condominiums, shops/counters and villas. This also includes sale of Pace Towers and Pace Model Town Extension on percentage of completion basis.

(b) Investment Properties

The segment relates to the properties held to earn rentals or for capital appreciation or for both.

(c) Others

Businesses that individually do not meet the criteria of a reportable segment as per IFRS - 8, "Operating Segments".

(Rupees in thousand)

	Real estate				Investment properties				Others				Total			
	Quarter ended March 31,		Nine months ended March 31,		Quarter ended March 31,		Nine months ended March 31,		Quarter ended March 31,		Nine months ended March 31,		Quarter ended March 31,		Nine months ended March 31,	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
14.2 Segment results																
Sales - note 14.2.1	34,215	-	109,541	(35,506)	10,412	6,656	26,896	17,827	41,780	36,947	132,810	116,851	86,407	43,603	269,247	99,172
Cost of sales - note 14.2.2	(45,070)	55,789	(141,317)	36,435	-	(14,851)	-	(31,816)	(30,135)	(87,204)	(132,351)	(208,550)	(75,205)	(46,266)	(273,668)	(203,931)
Gross (loss) / profit	(10,855)	55,789	(31,776)	929	10,412	(8,195)	26,896	(13,989)	11,645	(50,257)	459	(91,699)	11,202	(2,663)	(4,421)	(104,759)
- Changes in fair value of investment property	-	-	-	-	-	(6,755)	12,050	(672,205)	-	-	-	-	-	(6,755)	12,050	(672,205)
Segment results	(10,855)	55,789	(31,776)	929	10,412	(14,950)	38,946	(686,194)	11,645	(50,257)	459	(91,699)	11,202	(9,418)	7,629	(776,964)
Administrative and selling expenses													(29,048)	(30,573)	(90,593)	(171,130)
Other operating income													3,326	11,205	178,285	35,510
Finance costs													(71,013)	(110,660)	(289,783)	(348,219)
Other operating expenses													(19,236)	(13,634)	(107,451)	(68,936)
Share of loss from associates													(3,180)	(8,240)	(5,691)	(45,038)
Loss before tax													(107,949)	(161,320)	(307,604)	(1,374,777)
Taxation																
Group													288	(350)	(250)	(1,062)
Associated Companies													(1,649)	-	3,801	3,083
Loss for the period													(109,310)	(161,670)	(304,053)	(1,372,756)

(Rupees in thousand)

	Real estate				Investment properties				Others				Total			
	Quarter ended March 31,		Nine months ended March 31,		Quarter ended March 31,		Nine months ended March 31,		Quarter ended March 31,		Nine months ended March 31,		Quarter ended March 31,		Nine months ended March 31,	
	2013	2,012	2013	2,012	2013	2,012	2013	2,012	2013	2,012	2013	2,012	2013	2,012	2013	2,012
14.2.1 Sales																
Shops, houses and commercial buildings																
- at completion of project basis	34,215	-	109,541	34,435	-	-	-	-	-	-	-	-	34,215	-	109,541	34,435
- at percentage of completion basis	-	-	-	(51,816)	-	-	-	-	-	-	-	-	-	-	0	(51,816)
Plots	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licensee fee	-	-	-	-	10,412	6,656	26,896	17,827	-	-	-	-	10,412	6,656	26,896	17,827
Display advertisements and miscellaneous income	-	-	-	-	-	-	-	-	4,503	4,195	11,907	11,542	4,503	4,195	11,907	11,542
Service charges	-	-	-	-	-	-	-	-	37,277	32,752	120,903	105,309	37,277	32,752	120,903	105,309
Sale of commodities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross sales	34,215	-	109,541	(17,381)	10,412	6,656	26,896	17,827	41,780	36,947	132,810	116,851	86,407	43,603	269,247	117,297
Less: Sales return at completion of project basis	-	-	-	(18,125)		-	-	-	-	-	-	-	-	-	-	(18,125)
	34,215	-	109,541	(35,506)	10,412	6,656	26,896	17,827	41,780	36,947	132,810	116,851	86,407	43,603	269,247	99,172
14.2.2 Cost of sales																
Shops, houses and commercial buildings																
- at completion of project basis	(25,314)	-	(89,908)	(24,669)	-	-	-	-	-	-	-	-	(25,314)	-	(89,908)	(24,669)
- at percentage of completion basis	-	-	-	27,435	-	-	-	-	-	-	-	-	-	-	-	27,435
Plots sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commodities sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stores operating expenses	(19,756)	55,789	(51,409)	31,020		(14,851)		(31,816)	(30,135)	(87,204)	(132,350)	(208,550)	(49,891)	(46,266)	(183,759)	(209,346)
	(45,070)	55,789	(141,317)	33,786	-	(14,851)	-	(31,816)	(30,135)	(87,204)	(132,350)	(208,550)	(75,205)	(46,266)	(273,667)	(206,580)

	Quarter ended		Nine months ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(Rupees in thousand)			
15. Sales				
Shops, houses and commercial buildings				
- at completion of project basis	34,215		109,541	34,435
- at percentage of completion basis	-		-	(51,816)
Licensee fee	10,412	6,656	26,896	11,171
Display advertisements and miscellaneous income	4,503	4,195	11,907	7,347
Service charges	37,277	32,752	120,903	72,557
	86,407	43,603	269,247	73,694
Less: Sales return at completion of project basis	-		-	(18,125)
	86,407	43,603	269,247	55,569
16. Cost of Sales				
Shops, houses and commercial buildings				
- at completion of project basis	25,314		89,908	22,020
- at percentage of completion basis	-		-	(27,435)
Stores operating expenses	49,891	46,266	183,759	165,729
	75,205	46,266	273,667	160,314

	Nine months ended	
	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
17. Other operating income		
Income from financial assets		
Mark up on bank accounts	578	514
Commission on guarantee	1,125	750
	1,703	1,264
Income from non-financial assets		
Gain on sale of property, plant and equipment	-	1,935
Amortization of deferred income	-	9,583
Reversal of impairment loss on investment	151,730	-
Gain on exchange of shops and counters	12,264	-
Rental income	7,500	3,630
Miscellaneous income	5,086	7,893
	176,580	23,041
	178,283	24,305

18. Loss per share	Quarter ended		Nine months ended	
18.1 Basic loss per share	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(Rupees in thousand)			
Loss for the period (Rupees in thousand)	(109,313)	(161,670)	(304,068)	(1,375,405)
Weighted average number of ordinary shares outstanding during the period (in thousand)	278,877	278,877	278,877	278,877
Loss per share (Rupees)	(0.39)	(0.58)	(1.09)	(4.93)

18.2 Diluted loss per share

The dilution effect on basic loss per share is due to conversion option on foreign currency convertible bonds ('FCCB'). The basic weighted average number of shares have been adjusted for conversion option available to bondholders.

	Quarter ended		Nine months ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Loss for the period (Rupees in thousand)	(109,313)	(161,670)	(304,068)	(1,375,405)
Interest on FCCB (Rupees in thousand)	-	14,219	47,691	41,551
Exchange loss (Rupees in thousand)	19,235	8,862	64,155	44,809
Profit / (loss) used to determine diluted earnings / (loss) per share (Rupees)	(90,078)	(138,589)	(192,222)	(1,289,045)
Weighted average number of ordinary shares outstanding during the period (Number)	278,877	278,877	278,877	278,877
Assumed conversion of FCCB into ordinary shares (Number)	105,305	63,615	105,321	63,889
Weighted average number of shares for diluted earnings / (loss) per share (Number)	384,182	343,492	384,198	342,766
Earnings / (loss) per share diluted (Rupees)	(0.23)	(0.40)	(0.50)	(3.76)
Restricted to basic loss per share in case of anti-dilution (Rupees)	(0.39)	(0.58)	(1.09)	(4.93)

The effect of conversion of the FCCB into ordinary shares is anti-dilutive for the current period, accordingly the diluted loss per share has been restricted to the basic loss per share.

19. Transactions with related parties

		Nine months ended	
		March 31, 2013	March 31, 2012
		(Rupees in thousand)	
Relationship with the Group	**Nature of transaction**		
i. Associates	Guarantee commission income	1,125	1,125
	Purchase of goods & services	-	3,562
	Sales of goods & services	-	5,445
	Disposal of vehicle	-	340
	Proceeds from sale of investment	-	13,000
ii. Others	Purchase of goods & services	16,348	-
	Rental income	5,999	-
	Disposal of property, plant and equipement	8,769	-
iii. Directors and key management personnel	Salaries and other employee benefits	18,047 -	12,720
iv. Post employment benefit plan	Expense charged in respect of benefit plans	6,117	4,575

	Un-Audited March 31, 2013	Audited June 30, 2012
	(Rupees in thousand)	
Period end balances		
Receivable from related parties	165,895	282,143
Payable to related parties	17,792	70,441

20. Cash generated from /(used in) operations

	Nine months ended	
	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
Loss before tax	**(307,619)**	(1,377,426)
Adjustments for:		
- Depreciation on property, plant and equipment	**19,526**	16,626
- Depreciation on assets subject to finance lease	**733**	15,528
- Amortisation on intangible assets	**413**	417
- Amortisation of deferred income	**-**	(14,375)
- Gain on sale of property, plant and equipment	**3,201**	(1,945)
- Gain on exchange of shops and counters	**(12,264)**	-
- Markup income	**(578)**	(1,072)
- Changes in fair value of investment property	**(12,050)**	672,205
- Reversal of impairment loss on investment	**(151,730)**	-
- Finance costs	**289,783**	348,219
- Exchange loss on foreign currency convertible bonds	**64,155**	68,936
- Loss on disposal group held-for-sale	**40,095**	-
- Advances written off	**226**	-
- Provision for doubtful receivables	**-**	57,658
- Provision for doubtful advances	**547**	2,509
- Share of loss from associates	**5,691**	45,038
- Provision for gratuity and leave encashment	**6,112**	4,575
Loss before working capital changes	**(53,759)**	(163,107)
Effect on cash flow due to working capital changes		
- Decrease / (increase) in stock-in-trade	**76,941**	(3,051)
- Decrease in trade debts	**113**	144,899
- (Increase)/decrease in advances, deposits prepayments and other receivables	**(17,805)**	25,994
- Increase in due from associates	**-**	(2,076)
- Increase in creditors, accrued and other liabilities	**35,201**	34,304
	94,450	200,070
	40,691	36,963

21. Date of authorization for issue

This consolidated condensed interim financial information was authorised for issue on April 26, 2013 by the Board of Directors of the Group.

22. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the consolidated condensed interim balance sheet and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income and consolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

LAHORE **CHIEF EXECUTIVE** **DIRECTOR**