

STATEMENT UNDER SECTION 237 OF THE COMPANIES ORDINANCE, 1984

| Midway* House (Private) Ltd. | Skyrooms* (Private) Limited | International Advertising (Private) Limited |

|-----|-----|-----|

STATEMENT UNDER SUB-SECTION 1(e)

(a) Extent of the interest of PIAC (the holding Company) in the equity of its subsidiaries at the end of the last of the financial years of the subsidiaries.

100% 100% 100%

(b) The net aggregate amount of revenue profits less losses of the subsidiaries companies so far as these concern members of the holding company and has not been dealt with in the accounts of the holding company for the year ended June 30, 2004 are:

(i) for the last of the financial year of the subsidiaries. (1,703) 202** 701

(ii) for the previous years upto June 30, 2003 but subsequent to the acquisition of the controlling interest by the holding company. (158,790) (67,449) (12,909)

(c) The net aggregate amount of profit less losses of the subsidiary companies so far as these have been dealt with or provision made for losses in the account of the holding company for the year ended June 30, 2004.

(i) for the last of the financial years of the subsidiaries. NIL NIL NIL

(ii) for the previous years upto June 30, 2003 but subsequent to the acquisition of the controlling interest by the holding company. NIL NIL NIL

*Based on un-audited accounts. ** For the year ended December 31, 2004

PIA Annual Report 2004 70

===== Page 2 =====

Financial Statements of Subsidiaries

Balance sheet as at

	Midway* House (Pvt) Ltd	Skyrooms* Private Limited	International Advertising (Pvt) Ltd
	June 30, 2004	December 31, 2004	June 30, 2004
	(Rupees in thousand)		

SHARE CAPITAL

AUTHORISED	50,000	50,000	7,500
ISSUED, SUBSCRIBED AND PAID UP	29,600	40,000	2,500

RESERVES AND SURPLUS

Capital	-	687	-
Revenue	-	-	2,700
Accumulated profit/(loss)	(160,493)	(67,247)	(12,208)
TOTAL	(130,893)	(26,560)	(7,008)

ADVANCE AGAINST EQUITY	73,074	37,042	-
LONG-TERM DEPOSITS	55	128	-
DEFERRED LIABILITIES	-	25,504	1,389
OBLIGATION UNDER FINANCE LEASE	-	-	1,473

CURRENT LIABILITIES

Current maturities	-	-	1,497
Running finance under markup	50,814	84,928	68,366
Creditors, accrued expenses	22,752	14,000	-
Payable to PIAC	73,566	98,928	69,863
TOTAL CURRENT LIABILITIES	146,132	197,856	139,726

FIXED ASSETS

At cost less depreciation	15,802	135,042	65,717
Long-term deposits	-	27,655	9,153
Deferred taxation	-	1,498	80,807
	-	22,367	-

CURRENT ASSETS

Stores and spares	-	-	2,540
Stock in trade	-	349	-
Loans and advances	97	12,240	-
Trade debts	5,023	8,403	37,459
Trade deposits	79	-	288
Other receivables	-	3,462	1,711
Advance tax	8,940	25,609	13,275
Short-term investments	-	16,845	-
Cash and bank balances	1,663	14,074	3,024
TOTAL CURRENT ASSETS	15,802	83,522	55,757
TOTAL ASSETS	15,802	135,042	65,717

* un-audited

===== Page 3 =====

Financial Statements of Subsidiaries

Profit and Loss Account for the year ended

	Midway* House (Pvt) Ltd	Skyrooms* Private Limited	International Advertising (Pvt) Ltd
--	-------------------------	---------------------------	-------------------------------------

	-----	-----	-----	-----
	June 30, 2004	December 31, 2004	June 30, 2004	
	(Rupees in thousand)			

REVENUE

SALES/COMMISSION	-	110,838	14,174
LESS: COST OF SALES	-	99,958	-
GROSS PROFIT	-	10,880	14,174
OTHER INCOME	-	957	1,037
TOTAL INCOME	-	11,837	15,211

EXPENDITURE

Administrative, general, etc.	1,703	11,631	13,622
Financial	-	4	480
TOTAL EXPENDITURE	1,703	11,635	14,102

PROFIT/(LOSS) FOR THE YEAR	(1,703)	202	1,109
PROVISION FOR TAXATION	-	-	(408)
NET PROFIT/(LOSS)	(1,703)	202	701

BALANCE BROUGHT FORWARD	(158,790)	(67,449)	(12,909)
BALANCE CARRIED FORWARD	(160,493)	(67,247)	(12,208)

* un-audited