

PIA_Report_2010.txt

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We stand for

National

Values

PIA

Pakistan International Airlines

first quarterly report 2010

Great People to Fly With

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corporate information (as at april 29, 2010)

Board of Directors

Ch. Ahmed Mukhtar

Minister for Defence and Chairman - PIA

Syed Naseer Ahmad

Malik Nazir Ahmed

Mr. Javed Akhtar

Li. Gen. (Retd.) Syed Athar Ali

Federal Secretary Defence

Capt. Muhammad Ajjaz Haroon

Managing Director – PIA

Prof. Mian Ijaz ul Hassan

Mr. Mubashir Iftikhar

Mr. Husain Lawai

Mr. Shaukat Ali Rana

Mr. Salman Siddique

Federal Secretary Finance

Corporate Secretary

Mr. Muhammad Shuaib

Acting Head of Internal Audit

Mr. Bhagwan Bharvani

Executive Management

Capt. Muhammad Ajjaz Haroon

Managing Director

Mr. M. Salim Sayani

Deputy Managing Director

Mr. Imraan Ahmed Khan

Director - Marketing

Mr. M. Haneef Pathan

Director - Human Resource, Administration & Coordination

Mr. Shahnavaz Rehman

Director - Corporate Planning

AVM Muhammad Kamal Alam Siddiqui

Director - Precision Engineering Complex

Capt. Shuja Naqvi

Director - Flight Operations

Mr. Dilawar Fareed Beg

Director - Training and Development

Mr. Maqsood Ahmed

Director - Line Maintenance

Mr. Richard Bate

Director - Special Projects

Mr. Faisal I. H. Malik

Director Finance & Chief Financial Officer

Mr. S. Kamran Hasan

Director

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Share Registrar

Central Depository Company of Pakistan Ltd. - Shares Registrar Department,

CDC House, 99 – B, Block 'B', Sindhi Muslim Cooperative Housing Society,

Main Shahrah-e-Faisal, Karachi – 74400, PAKISTAN

Ph: Customer Support Services

(Toll Free) 0800 – CDCPL (23275)

Fax: (92-21) 3432 6053

Email: info@cdcpak.com

Website: www.cdcpakistan.com

Head Office

PIA Building

Jinnah International Airport

Karachi – 72500

PAKISTAN

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board of directors' committees (as of april 29, 2010)

Audit Committee

Mr. Hussain Lawai

Malik Nazir Ahmed

Prof. Mian Jiaz ul Hassan

Mr. Mubashir Iftikhar

Chief Internal Auditor

Chairman

Member

Member

Member

Secretary (ex-officio)

Brand & Advertisement Committee

Prof. Mian Jiaz ul Hassan

Malik Nazir Ahmed

Mr. Javed Akhtar

Capt. Muhammad Ajjaz Haroon

Managing Director

Mr. Mubashir Iftikhar

General Manager Marketing Planning

Chairman

Member

Member

Member (ex-officio)

Member

Secretary (ex-officio)

Finance Committee

Mr. Salman Siddique

Capt. Muhammad Ajjaz Haroon

Managing Director

Mr. Mubashir Iftikhar

Mr. Hussain Lawai

Chief Financial Officer

Chairman

Member (ex-officio)

Member

Secretary (ex-officio)

Human Resource Committee

Syed Naseer Ahmad

Capt. Muhammad Ajjaz Haroon

Managing Director

Malik Nazir Ahmed

Mr. Javed Akhtar

Mr. Mubashir Iftikhar

Mr. Shaukat Ali Rana

Director HR&RC

Chairman

Member (ex-officio)

Member

Member

Member

Member

Secretary (ex-officio)

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Directors' Report to the Shareholders

The Directors of Pakistan International Airlines Corporation are pleased to present their report along with the unaudited interim condensed financial statements for the three months period ended March 31, 2010.

The financial results for the period under review are summarized below:

| First Quarter Ended March 31, 2010 | 2010 (Rs. Billion) | 2009 (Rs. Billion) |

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

| Revenues | | |

| Passenger | 20.34 | 17.26 |

| Hajj | 0.16 | 1.99 |

| Cargo & Others | 2.35 | 2.00 |

| Total Turnover - Net | 22.85 | 21.25 |

| Operating Cost & Expenses | | |

| Fuel Cost | 8.48 | 5.85 |

| Other Cost Of Service | 11.63 | 10.85 |

| Distribution & Admin Expenses | 3.21 | 2.58 |

| Exchange (Gain)/Loss | (0.33) | 1.85 |

Others Income & Adjustments	(0.02)	(0.24)	
Financial Cost	2.30	2.41	
Loss Before Tax	2.42	2.05	
Loss After Tax	2.53	2.05	

Our business has continued to grow despite sagging economic activity, security condition in the country and visa restrictions by many countries on Pakistani passport holders. The passenger revenue increased by PKR 3 billion (7.8%) resulting from both yield and traffic. Quarterly Revenue has recorded an all time high showing an increase of PKR 1.6 billion (7.6%) against corresponding period of last year although last year figures included Hajj 2008 revenue (1.99 B). Total number of passengers grew to 1.33 million as compared to 1.26 million (5.6%) whereas yield excluding Hajj increased to 5.97 from 5.73 in the corresponding period last year. Seat-factor increased to 78.1% as compared to 72.3% in the corresponding quarter of 2009. Charter revenue also kept its pace and grew by 12%. However bottom-line suffered due to increase in fuel cost and inflationary effect on expenses.

Revenue (PKR 000)

Actual 2010 Budget 2010 Actual 2009

Seat Factor %

Actual 2010 Budget 2010 Actual 2009

Capacity ASK (000)

Actual 2010 Budget 2010 Actual 2009

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We increased our capacity by deploying B-777 on major EU & UK routes instead of A310s and by increasing number of flights. At the same time we managed to increase passenger traffic and yield thus resulting in highest quarterly revenues in the history of PIA. Cargo revenue also increased by PKR 242 million inspite of a weak economic environment. Similarly other revenues also increased by 10.9%.

Measures to control fuel cost are being strictly implemented in 2010. Fuel cost rose by 45% from 5.8 billion to 8.4 billion, as Brent oil prices rose by 72% over the same period, representing a significant control on actual cost vis-a-vis market prices. We are cautious going ahead as oil prices have been firmer this year and pose a significant threat to revenue margins. Fuel hedging is being planned in 2010 with a view to manage fuel price volatility and cash flow gyrations.

Exchange rate stability also helped to reduce exchange losses by 1.5 billion. Pak rupee was weaker by nearly 4.42% on March 31st 2010, closing at 83.90 compared to 80.35 on March 31st 2009. Financial charges also decreased marginally due to decrease in LIBOR & KIBOR rates.

We are set to continue focusing on the revenue while keeping a watchful eye on surging fuel prices, a strict check on non-fuel costs whilst addressing rising challenge from gulf operators due to increased capacity. Rising fuel cost will have adverse effect on bottom line. It will not only increase operating cost but passenger traffic may also reduce due to derailed nascent world economic recovery. Rising fuel cost may have a negative impact on exchange rate as well. Your board is fully aware of the threats and will continue to foster risk management.

During second quarter we plan to start our operations to Chicago and also increase capacity on Barcelona, London and Scandinavian routes. We have also managed to increase capacity on Umra flights.

Hospitality business continued to suffer due to fragile world economy. PIA Investments Limited (PIALI) reported revenues of USD 21.1 million compared to USD 21.3 million in the same period last year. PIALI made after tax loss of USD 0.645 million as compared to a profit of USD 6,313 in the corresponding period last year.

Despite security concerns in the country, impacting the number of travelers coming to Pakistan, SkyRooms (Pvt) Limited reported revenue of PKR 66.3 million as compared to PKR 50.4 million in the corresponding period last year. After tax profit also increased to PKR 0.31 million as compared to PKR 0.18 million in the corresponding period of 2009.

The Board and the Management, with continued support of employees, are fully committed to bring about financial discipline, eradicate losses and become an agile and efficient organization. In this regard the Corporation is developing a strategic road map along with detailed business plan for next five years. This will also help us to find ways to reduce debt burden and financial cost. We are confident that "Together we shall prevail"

For and on Behalf of the Board

****Ch. Ahmed Mukhtar****

Chairman

April 29, 2010

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Great People to Fly With

unconsolidated

financial statements

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Unconsolidated

Interim Condensed Balance Sheet

As at March 31, 2010

| | (Un-audited) March 31, 2010 | (Audited) December 31, 2009 | (Un-audited) March 31, 2010 |
(Audited) December 31, 2009 |

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

| Note | Rupees in '000 | | US\$ in '000 | |

ASSETS

NON CURRENT ASSETS

Fixed assets

Property, plant and equipment intangibles 3 132,561,688 133,555,560 1,579,996 1,586,171

Long-term investments 4 86,140 91,992 1,027 1,092

Long-term deposits and prepayments 4 132,647,828 133,647,522 1,581,023 1,587,263

Stores and spare parts 5 4,446,962 4,446,960 53,003 52,814

Trade debts 5 4,492,892 5,034,148 58,795 58,835

Trade deposits and prepayments 5 142,027,672 143,132,620 1,692,821 1,699,912

CURRENT ASSETS

Stores and spare parts 4 4,901,150 3,897,423 584,17 47,357

Trade debts 5 8,160,776 7,978,187 97,268 94,753

Advances 5 1,354,415 2,189,162 16,143 26,000

Other receivables 5 1,110,780 1,158,497 13,239 13,759

Short-term investments 5 1,019,940 799,193 12,157 9,492

Cash and bank balances 5 25,125 25,151 299 299

Total assets 5 3,003,157 742,945 35,794 8,824

Total liabilities 5 19,575,343 16,880,558 233,317 200,484

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Share capital 6 23,280,356 23,280,356 277,477 276,489

Reserves 6 74,762,889 (72,335,101) (891,095) (869,087)

TOTAL EQUITY

Surplus on Revaluation of Fixed Assets 7 61,482,529 (49,054,745) 613,619 (582,598)

Total liabilities 7 28,180,380 28,281,903 335,881 335,890

NON CURRENT LIABILITIES

Advance against equity from GoP 8 1,177,679 - 14,037 -

Long-term financing 9 2,637,303 24,553,113 298,269 291,605

Term finance and subuk certificates 9 19,599,703 19,592,320 223,499 232,668

Liabilities against assets subject to finance lease 9 59,792,660 61,272,797 712,666 727,705

Long-term deposits 9 365,578 365,847 4,596 4,345

Deferred liabilities 9 6,663,084 6,164,327 79,417 73,448

Total liabilities 11 2,636,064 111,968,404 1,342,504 1,329,791

CURRENT LIABILITIES

Trade and other payables including provisions Accrued interest / mark-up / profit 30,633,784 28,684,514 365,122 340,671

Provision for taxation 1,949,713 1,845,520 23,239 21,919

Short-term borrowings 27,345,114 84,890 10,256 10,082

Current maturities of: 23,982,160 325,925 284,824

Long-term financing 4,099,472 5,328,458 48,861 63,283

Term finance and subuk certificates 5 5,120 61 61

Liabilities against assets subject to finance lease 7,375,439 8,122,882 87,907 96,473

CONTINGENCIES AND COMMITMENTS 10 72,269,100 68,817,616 861,371 817,313

TOTAL EQUITY AND LIABILITIES 161,603,015 160,013,178 1,926,138 1,900,396

The annexed notes form an integral part of these interim condensed unconsolidated financial statements.

Ch. Ahmed Mukhtar

Chairman

Husain Lawal

Director

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We stand for National Values

Unconsolidated

Interim Condensed

Profit and Loss Account (Un-audited)

For the first quarter ended March 31, 2010

		March 31, 2010		March 31, 2009		March 31, 2010		March 31, 2009	
--	--	----------------	--	----------------	--	----------------	--	----------------	--

	---		---		---		---		---	
--	-----	--	-----	--	-----	--	-----	--	-----	--

		Note		Rupees in '000			US\$ in '000	
--	--	------	--	----------------	--	--	--------------	--

REVENUE - net

COST OF SERVICES

Aircraft fuel

Others

GROSS PROFIT

Distribution costs

Administrative expenses

Other provisions and adjustments - net

Exchange profit (loss) - net

Other operating income

PROFIT (LOSS) FROM OPERATIONS

Finance costs

LOSS BEFORE TAXATION

Taxation

LOSS FOR THE QUARTER

EARNINGS PER SHARE - BASIC AND DILUTED

'A' class Ordinary shares of Rs.10 each

'B' class Ordinary shares of Rs. 5 each

11 22,847,794 21,247,496 272,322 264,437

12 (8,476,249) (11,835,654) (6,852,772) (101,028) (72,841) (13,685) (134,964)

(20,111,903) (16,697,128) (239,713) (207,805)

2,735,891 4,550,368 32,609 56,632

(1,606,559) (1,399,340) (19,148) (17,416) (1,599,369) (1,178,310) (19,063) (14,665)

- 43,266 - 538

335,439 (1,850,595) 3,998 (23,032) 14,974 200,366 178 2,494

(2,855,514) (4,184,613) (34,035) (52,081)

(119,623) 365,755 (1,426) 4,551

13 (2,295,444) (2,414,436) (27,359) (30,049)

(2,415,067) (2,048,681) (28,785) (25,498)

(114,239) - (1,362) -

(2,529,306) (2,048,681) (30,147) (25,498)

(Rupees) (US\$)

(1.18) (0.96) (0.01) (0.01)

(0.59) (0.48) (0.01) (0.01)

The annexed notes form an integral part of these interim condensed unconsolidated financial statements.

Ch. Ahmed Mukhtar

Chairman

Husain Lawai

Director

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Interim Condensed Statement of Comprehensive Income (Un-audited)

For the first quarter ended March 31, 2010

		March 31, 2010		March 31, 2009		March 31, 2010		March 31, 2009	
--	--	----------------	--	----------------	--	----------------	--	----------------	--

		---		---		---		---	
--	--	-----	--	-----	--	-----	--	-----	--

		Rupees in '000—		US\$ in '000—		
--	--	-----------------	--	---------------	--	--

Loss for the period

(2,529,306)

(2,048,681)

(30,147)

(25,497)

OTHER COMPREHENSIVE INCOME

Unrealised loss on re-measurement of investments

-

(53,261)

-

(663)

Cash flow hedge

Reclassification adjustment for loss transferred to profit and loss account

-

125,271

-

1,559

COMPREHENSIVE INCOME TRANSFERRED TO EQUITY

(2,529,306)

(1,976,671)

(30,147)

(24,601)

The annexed notes form an integral part of these interim condensed unconsolidated financial statements.

Ch. Ahmed Mukhtar

Chairman

Husain Lawai

Director

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Interim Condensed

Statement of Cash Flows (Un-audited)

For the first quarter ended March 31, 2010

| | March 31, 2010 | March 31, 2009 | March 31, 2010 | March 31, 2009 |

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

| Note | Rupees in '000—' | | US\$ in '000—' | |

Cash flows from operating activities

Cash (used in / generated from operations 14 3,284,106 1,292,319 39,143 16,084

Profit on bank deposits received 6,057 7,298 72 91

Finance costs paid (2,191,323) (2,933,076) (26,118) (36,504)

Taxes paid (102,672) (125,855) (1,224) (1,566)

Long term deposits - net 124,988 (53,331) 1,490 (664)

Net cash used in operating activities 1,121,156 (1,812,645) 13,363 (22,559)

Cash flows from investing activities

Fixed capital expenditure (417,157) (514,349) (4,972) (6,401)

Proceeds from sale of fixed assets 516 6,961 6 87

Net cash used in investing activities (416,641) (507,388) (4,966) (6,314)

Cash flows from financing activities

Advance against Equity 1,177,679 933,592 14,037 11,619

Proceeds / (repayment) of long term financing (754,796) 3,044,149 (8,996) 37,886

Redemption of term finance certificates (2,560) (369,856) (31) (4,603)

Repayment of obligations under finance lease (2,227,580) 514,763 (26,551) 6,406

Net cash generated from / (used in) financing activities (1,807,257) 4,122,648 (21,541) 51,308

Decrease in cash and cash equivalents (1,102,742) 1,802,615 (13,144) 22,435

Cash and cash equivalents at the beginning of the quarter (23,239,215) (29,710,507) (276,987) (369,764)

Cash and cash equivalents at the end of the quarter (24,341,957) (27,907,892) (290,131) (347,329)

CASH AND CASH EQUIVALENTS

Cash and bank balances 3,003,157 758,368 35,794 9,438

Short term borrowings (27,345,114) (28,666,260) (325,925) (356,767)

(24,341,957) (27,907,892) (290,131) (347,329)

The annexed notes form an integral part of these interim condensed unconsolidated financial statements.

Ch. Ahmed Mukhtar

Chairman

Husain Lawal

Director

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Interim Condensed Statement of Changes in Equity (Un-audited)

For the first quarter ended March 31, 2010

	Issued, subscribed, and paid-up capital	Capital reserves	Revenue reserves	Reserves Unrealised loss on remeasurement of investments	Accumulated losses	Other reserves	Total
--	---	------------------	------------------	--	--------------------	----------------	-------

--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--

Balance as at January 01, 2009 - restated

Total comprehensive income for the year transferred to equity

21,423,014	2,501,038	1,779,674	73,265	(73,174,143)	(125,271)	(47,522,423)
------------	-----------	-----------	--------	--------------	-----------	--------------

- - -	(43,987)	(5,822,431)	125,271	(5,741,147)		
-------	----------	-------------	---------	-------------	--	--

Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax

- - - -	2,351,483	-	2,351,483			
---------	-----------	---	-----------	--	--	--

Transactions with owners

Issue of share capital /k' class ordinary shares

1,857,342	-	-	-	-	1,857,342	
-----------	---	---	---	---	-----------	--

Balance as at December 31, 2009

23,290,356	2,501,038	1,779,674	29,278	(76,645,091)	-	(49,054,745)
------------	-----------	-----------	--------	--------------	---	--------------

Total comprehensive income for the quarter transferred to equity

--- - - (2,529,306) (2,529,306)

Surplus on revaluation of fixed assets realized during the quarter on account of incremental depreciation charged thereon - net of tax

--- - - 101,522 - 101,522

Balance as at March 31, 2010

23,290,356 2,501,038 1,779,674 29,278 (79,072,875) - 61,482,529)

The annexed notes form an integral part of these interim condensed unconsolidated financial statements.

Ch. Ahmed Mukhtar

Chairman

Husain Lawai

Director

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Notes to the Interim Condensed Financial Statements (Un-audited)

For the first quarter ended March 31, 2010

1 STATUS AND FUNCTION

Pakistan International Airlines Corporation (the Corporation) was incorporated on January 10, 1955 under PIAC Ordinance 1955 which was subsequently repealed and replaced by the Pakistan International Airlines Corporation Act, 1956 (PIAC Act). The shares of the Corporation are quoted on all Stock Exchanges of Pakistan. The principal activity of the Corporation is to provide air transport services. Other activities of the Corporation include provision of engineering and other allied services. The Head Office of the Corporation is situated at PIA Building, Jinnah International Airport, Karachi.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements are un-audited and are being circulated to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

These financial statements are being presented in condensed form in accordance with the requirements of International Accounting Standards (IAS) 34 " Interim Financial Reporting " as applicable in Pakistan and shall be read in conjunction with the annual audited financial statements of the Corporation for the year ended December 31, 2009.

The accounting policies, estimates and methods of computation adopted in the preparation of these financial statements are the same as those applied in the preparation of the annual audited financial statements of the Corporation for the year ended December 31, 2009.

3. PROPERTY, PLANT AND EQUIPMENT

| | (Un-audited) March 31, 2010 | (Audited) December 31, 2009 |

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

| | Rupees in '000 | |

Operating fixed assets (note 3.1)	131,525,619	132,790,938
Capital work-in-progress	1,036,069	764,622
	132,561,688	133,555,560

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3.1 Following are the major additions and deletions during the period:

	March 31, 2010	March 31, 2009
---	---	---
	Rupees in '000	

****Addition / transfers****

****Owned****

Buildings on leasehold land

Renovation and improvements

Operating ground equipment, Catering Communication & meteorological equipment

Engineering equipment and tools

Motor transport

Traffic equipment

Furniture, fixture and fitting

P.E.C Equipments

Office equipment

Computer and office automation

Other equipment

Capital spares

****Leased****

Aircraft fleet / Engines

****Deletions****

****Owned****

Motor transport

Traffic equipment

| | 2,951 | 360 |

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

| | 5,158 | 431 |

| | 29,464 | 806 |

| | 24,999 | 3,141 |

		-		7,225	
		14,548		-	
		10,762		678	
		36		-	
		116		167	
		3,873		5,325	
		1,249		755	
		54,693		33,758	
		147,849		52,646	
		-		399,261	
		147,849		451,907	

		(516)		(846)	
	---	---		---	
		-		(3,866)	
		(516)		(4,712)	

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4. STORES AND SPARE PARTS

Stores

Spares

Inventory held for disposal

Less: adjustment to write down surplus inventory to net realisable value

Provision for slow moving and obsolete spares

Stores and spares-in-transit

4.1 Movement in provision is as follows:

Balance at the beginning of the period

Provision for the period

Balance at the end of the period

5. TRADE DEBTS

Considered good

Considered doubtful

Less: provision for doubtful debts

Note (Un-audited) March 31, 2010 December 31, 2009

Rupees in '000

727,247

5,462,009

2,197,398

(1,944,539)

252,859

(2,662,295)

3,779,820

1,121,330

4,901,150

2,662,295

-

2,662,295

8,160,776

600,361

(600,361)

6,160,776

623,200

(22,839)

-

600,361

7,978,187

623,200

(623,200)

-

7,978,187

5.1 Movement in provision is as follows:

Balance at the beginning of the period

Written off during the period

(Reversal) / provision for the period - net

Balance at the end of the period

5.2 Certain portion of trade debts is secured by cash and bank guarantees received from agents but due to very large number of agents all over the world the amount of secured trade debts is not determinable.

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6. RESERVES

Capital reserves

Reserve for replacement of fixed assets

Capital redemption reserve fund

Others

Revenue reserve

Unrealised gain on remeasurement of investment Accumulated losses

7. SURPLUS ON REVALUATION OF FIXED ASSETS - net

Opening balance

Surplus arising as a result of revaluation

Related deferred tax effect of revaluation

Transferred to statement of changes in equity on account of incremental depreciation – net of tax

8. ADVANCE AGAINST EQUITY FROM GoP.

This represents the amount received from GoP towards equity contribution under the terms of financial package whereby GoP had agreed to provide equity contribution to the Corporation to cover interest/profit.

9. LONG TERM FINANCING

During the quarter, the Corporation has arranged the long term financing of Rs.1 billion loan from Government of Pakistan at 10% markup per annum for ten years with two years grace period payable in 16 equal installments from year 3 onwards.

10. CONTINGENCIES AND COMMITMENTS

There has been no change in the status of contingencies and commitments as disclosed in the annual financial statements of the Corporation for the year ended December 31, 2009.

11. REVENUE - net

| | March 31, 2010 | March 31, 2009 |

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

| | Rupees in '000 | |

Passenger	20,482,611	19,221,044	
Cargo	1,278,565	1,036,876	
Excess baggage	268,689	232,683	
Charter	78,700	70,317	
Engineering services	158,079	172,183	
Handling and related services	128,291	110,790	
Mail	90,112	65,130	
Others	351,747	338,273	

22,847,794 21,247,496

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We stand for National Values

12. COST OF SERVICES - others

Salaries, wages and allowances

Welfare and social security costs

Retirement benefits

Compensated absences

Legal and professional charges

Stores and spares consumed

Maintenance and overhaul

Flight equipment rental

Landing and handling

Passenger services

Crew layover

Staff training

Utilities

Communication

Insurance

Rent, rates and taxes

Repair and maintenance

Printing and stationery

Depreciation

Amortisation

Others

13. FINANCE COSTS

Mark-up on long-term financing

Profit on term finance certificate

Profit on subuk certificates

Interest on liabilities against assets subject to finance lease

Mark-up on short-term borrowings

Interest to pension / provident fund

Arrangement, agency and commitment fee

Bank charges

14. CASH (USED IN) / GENERATED FROM OPERATIONS

Loss before tax

Adjustments for:

Depreciation

Gain on disposal of fixed assets

Amortization

Provision for slow moving stores and spares

Provision for employees' benefits

Finance costs

Profit on bank deposits

Working capital changes

(Increase) in stores and spares

(Increase) in trade debts

Decrease / (increase) in advances

Decrease / (increase) in trade deposits and prepayments

Decrease / (increase) in other receivables

Increase / (decrease) in trade and other payables

Cash generated from / (used in) operations

March 31,

2010

March 31,

2009

— Rupees in '000—

2,422,200 2,065,223

187,945 180,839

353,486 239,256

25,751 53,000

10,647 12,234

692,585 544,257

1,344,729 1,000,195

297,161 302,128

2589,492 2,387,309

821,590 628,902

651,998 603,738

15,676 18,880

5,038 4,309

14,657 17,518

399,098 314,527

221,885 157,561

39,655 36,937

34,510 35,309

1,373,163 2,198,563

183 728

64,555 71,173

11,635,654 10,844,356

429,670 451,876

418,490 428,322

241,447 568,895

369,150 553,882

597,314 44,099

55,587 66,946

173,857 10,716

9,929 2,414,436

2,295,444 2,414,436

(2,415,067)

1,410,518 (6)

5,823

478,757

2,296,444

(6,057)

1,769,412

(913,727)

(182,589)

831,747

47,637

(220,667)

1,949,293

1,514,694

(2,048,681)

2,238,149

(1,808)

5,993

43,155

2,414,436

(6,246)

2,644,998

(79,545)

(739,218)
 267,426
 614,507
 (125,855)
 (1,289,996)
 (1,352,679)

3,284,106 1,292,319

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15. TRANSACTIONS WITH RELATED PARTY

The transactions with related parties, other than those relating to issuance of tickets at concessional rates to employees and directors according to terms of employment / regulations and those not mentioned elsewhere in these financial statements are as follows:

	March 31, 2010	March 31, 2009
	---	---
	Rupees in '000	
Skyrooms (Private) Limited – Subsidiary		
Catering services	11,500	-
Retirement funds		
Contribution	136,961	200,854

The Corporation's sales of transportation services to subsidiaries and associates are not determinable.

16. RELATED PARTY RELATIONSHIP

| | March 31, 2010 | March 31, 2009 |

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

| The Corporation has related party relationships with the following undertakings: | | |

| - Sky Rooms (Private) Limited | Subsidiary | Subsidiary |

| - Midway House (Private) Limited (under winding-up) | Subsidiary | Subsidiary |

| - PIA Investment Limited (PAIL) | Subsidiary | Subsidiary |

| - Abacus Distribution Systems Limited | Joint Venture Associate | Joint Venture Associate |

| - Minhali Incorporated - Sharjah | | |

17. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue in the Board of Directors meeting held on April 29, 2010.

18. GENERAL

The US\$ amounts in balance sheet, have been translated into US\$ at the rate of Rs.83.90 = US\$1 (December 31,2009: Rs. 84.20 = US\$1). The US\$ amounts in profit & loss account, statement of comprehensive income and cash flow statement have been translated into US\$ at the rate of Rs.83.90 = US\$1(March 31* 2009:Rs.80.35 = US\$1)

18.1 Figures have been rounded off to the nearest thousand rupee.

Ch. Ahmed Mukhtar

Chairman

Husain Lawai

Director

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We stand for National Values

Quarterly Summary

		2010	2009	2008			
		---	---	---	---		
		1st Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2008 1st Quarter

Traffic Operations

Available Seat Kilometers (million)

		International	Domestic	3,789 571	3,429 629	4,164 650	4,087 666	3,494 586	3,314 652
		---	---	---	---	---	---	---	---
		Haj	15	295	-	-	1,635	615	
		Total	4,375	4,353	4,814	4,753	5,697	4,581	

Revenue Passenger Kilometers (million)

		International	Domestic	2,983 429	2,589 416	2,943 452	2,842 458	2,824 413	2,383 464
		---	---	---	---	---	---	---	---
		Haj	6	143	-	-	783	313	
		Total	3,418	3,148	3,395	3,300	4,020	3,160	

Seat Factor (%)

		International	Domestic	78.73	75.13	75.50	66.14	70.68	69.54	69.54	68.77	80.82	72.71
71.91	71.17												

---	---	---	---	---	---	---	---
-----	-----	-----	-----	-----	-----	-----	-----

		Haj	40.00	48.47	0.00	0.00	47.89	50.89
--	--	-----	-------	-------	------	------	-------	-------

		Total	78.13	72.32	70.52	69.43	70.56	68.98
--	--	-------	-------	-------	-------	-------	-------	-------

Available Freight Tome Kilometers (million)

		International	Domestic	96	15	109	17	124	18	121	18	116	15	107	20
--	--	---------------	----------	----	----	-----	----	-----	----	-----	----	-----	----	-----	----

---	---	---	---	---	---	---	---
-----	-----	-----	-----	-----	-----	-----	-----

		Total	111	126	142	139	131	127
--	--	-------	-----	-----	-----	-----	-----	-----

Revenue Freight Tome Kilometers (million)

		International	Domestic	60	5	45	5	56	7	74	7	61	5	60	9
--	--	---------------	----------	----	---	----	---	----	---	----	---	----	---	----	---

---	---	---	---	---	---	---	---
-----	-----	-----	-----	-----	-----	-----	-----

		Total	65	50	63	81	66	69
--	--	-------	----	----	----	----	----	----

Load Factor (%)

		International	Domestic	62.50	33.33	41.28	29.41	45.16	38.89	61.16	38.89	52.59	33.33
56.07	45.00												

---	---	---	---	---	---	---	---
-----	-----	-----	-----	-----	-----	-----	-----

		Total	58.56	39.68	44.37	58.27	50.38	54.33
--	--	-------	-------	-------	-------	-------	-------	-------

Financial

		Rupees in million
--	--	-------------------

---	---
-----	-----

Operating Revenue	22,848	23,318	21,247	19,275	20,673	20,863	22,018	23,068	30,625	28,539	17,826	21,320	
Operating Expenses	(470)	1,972	(210)	(1,050)	2,086	(3,494)							
Operating profit/(loss)	(2,415)	(2,049)	(5,839)	(5,565)	(1,906)	(5,398)							
Profit/(loss) before taxation	(2,529)	(2,049)	(5,395)	(5,376)	(4,949)	(5,487)							
Profit/(loss) after taxation	132,648	113,395	111,698	109,960	133,648	100,973							
Fixed Assets	19,575	15,256	16,198	15,595	16,881	14,236							
Current Assets	72,260	70,140	83,418	83,349	68,818	85,198							
Current Liabilities	106,410	97,580	86,925	88,485	104,418	83,271							
Long-term Debts	(51,483)	(48,026)	(50,814)	(55,825)	(49,055)	(17,171)							
Net Worth	183.2	122.53	126.64	162.67	176.91	174.47							

Jet Fuel Prices (Rs. Per US Gallon)

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We stand for National Values

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Interim Condensed Balance Sheet (Un-audited)

As at March 31, 2010

| | (Un-audited) March 31, 2010 | (Audited) December 31, 2009 | (Un-audited) March 31, 2010 |
(Audited) December 31, 2009 |

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

| ASSETS | Note | Rupees in '000 | | US\$ in '000 |

| NON CURRENT ASSETS | | | | |

| Fixed assets | 3 | 173,708,615 | 175,531,555 | 2,070,425 | 2,084,698 |

| Property, plant and equipment | | 2,694,699 | 2,903,518 | 32,001 | 34,464 |

| Intangibles | | 176,393,514 | 178,435,073 | 2,102,426 | 2,119,182 |

| Long-term investments | | 95,583 | 93,021 | 1,139 | 1,105 |

| Receivable from Centre Hotel | | 633,792 | 630,064 | 7,584 | 7,364 |

| Long-term loans | | 5,101,904 | 5,199,986 | 60,809 | 61,757 |

| Long-term deposits and prepayments | | 182,233,927 | 184,376,195 | 2,172,037 | 2,189,741 |

| CURRENT ASSETS | | | | |

| Stores and spare parts | 4 | 4,922,265 | 4,017,665 | 28,727 | 27,716 |

| Trade debts | 5 | 6,808,408 | 8,335,142 | 101,412 | 89,929 |

| Short-term loans and advances | | 1,401,799 | 2,187,319 | 16,708 | 25,978 |

| Trade deposits and prepayments | | 1,340,563 | 1,672,701 | 15,978 | 19,866 |

| Other receivables | | 1,067,169 | 1,062,840 | 13,077 | 11,360 |

| Short-term investments | | 166,393 | 144,060 | 1,983 | 1,711 |

| Taxation - net | | 73,356 | 70,628 | 874 | 939 |

| Cash and bank balances | | 6,853,171 | 4,691,221 | 81,658 | 55,715 |

| TOTAL ASSETS | | 24,373,124 | 22,122,575 | 290,502 | 262,739 |

| | | 206,607,051 | 206,498,771 | 2,462,539 | 2,452,460 |

| EQUITY AND LIABILITIES | | | | |

| SHARE CAPITAL AND RESERVES | | | | |

| Share capital | 6 | 23,280,356 | 23,280,356 | 277,477 | 276,489 |

| Reserves | | (73,486,157) | (70,568,745) | (875,679) | (638,109) |

Attributable to the Holding company's shareholders	(50,205,801)	(47,288,389)	(588,401)	(561,620)	
Non-controlling interest	829,584	760,764	9,888	9,035	
Total equity	(49,376,217)	(46,527,625)	(588,513)	(552,585)	
Surplus On Revaluation Of Fixed Assets	7	41,745,693	42,212,154	497,565	501,332
NON CURRENT LIABILITIES					
Advance against equity from GoP	8	1,177,679	40,300,378	14,027	478,627
Long-term financial assets	9	40,476,448	19,592,320	482,425	232,688
Term finance and subuk certificates		19,569,790	19,592,320	233,489	228,289
Liabilities against assets subject to finance lease		59,936,540	61,321,895	713,189	728,286
Long-term deposits		385,710	39,579,979	4,597	4,449
Deferred liabilities		18,619,180	18,307,683	221,921	217,431
		140,084,317	139,888,255	1,669,658	1,661,381
CURRENT LIABILITIES					
Trade and other payables including provisions		32,192,425	30,418,267	383,700	361,262
Accrued interest / mark-up / profit		1,949,713	1,845,892	23,238	21,919
Tax payable		860,674	974,887	10,256	10,391
Short-term borrowings		27,345,114	23,982,160	325,825	284,824
Current maturities off:					
Long-term financing		4,408,915	5,655,812	52,550	67,171
Term finance and subuk certificates		5,120	5,120	61	61
Advance rent		7,391,514	8,149,663	88,099	96,683
Liabilities against assets subject to finance lease		74,153,258	70,925,967	883,829	842,352
CONTINGENCIES AND COMMITMENTS	10				
TOTAL EQUITY AND LIABILITIES		206,607,051	206,498,771	2,462,539	2,452,460

The annexed notes form an integral part of these interim condensed consolidated financial statements.

Ch. Ahmed Mukhtar

Chairman

Husain Lawai

Director

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[Note: Page 23 contains non-text elements (images/watermarks) with no extractable content]

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We stand for National Values

Consolidated

Interim Condensed Statement of Comprehensive Income (Un-audited)

For the first quarter ended March 31, 2010

			March 31, 2010		March 31, 2009		March 31, 2010		March 31, 2009	
--	--	--	----------------	--	----------------	--	----------------	--	----------------	--

		---		---		---		---		---	
--	--	-----	--	-----	--	-----	--	-----	--	-----	--

			Rupees in '000—			US\$ in '000—			
--	--	--	-----------------	--	--	---------------	--	--	--

Loss for the quarter

OTHER COMPREHENSIVE INCOME

Unrealised loss on re-measurement of investments

Cash flow hedge

Reclassification adjustment for loss transferred to profit and loss account

Exchange differences on translation of foreign operations

TOTAL COMPREHENSIVE INCOME FOR THE QUARTER

Attributable to:

Attributable to the Holding company's shareholders Non controlling interest

(2,583,592)

(2,048,064)

(30,794)

(25,489)

-

(63,261)

-

(663)

-

125,271

-

1,559

125,271

-

1,559

(435,342)

40,995

(5,189)

510

(3,018,934)

(1,935,059)

(35,983)

(24,083)

(3,027,678)

8,744

(1,938,984)

3,925

(36,087)

104

(24,132)

49

(3,018,934)

(1,935,059)

(35,983)

(24,083)

The annexed notes form an integral part of these interim condensed consolidated financial statements.

Ch. Ahmed Mukhtar

Chairman

Husain Lawal

Director

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Consolidated

Interim Condensed

Statement of Cash Flows (Un-audited)

For the first quarter ended March 31, 2010

| | March 31, 2010 | March 31, 2009 | March 31, 2010 | March 31, 2009 |

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

| Note | Rupees in '000— | US\$ in '000— | | |

Cash flows from operating activities

Cash generated from / (used in) operations after working capital changes 14 3,560,023 (2,195,530)
(102,683) (3,116) 1,776,226 (3,060,006) (268,990) - (53,756) 42,432 (26,168) (1,224) (37) 22,106
(37,959) (3,323) - (669)

Net cash used in operating activities 1,264,751 (1,587,228) 15,075 (19,754)

Purchase of property, plant and equipment (453,373) (753,611) (5,404) (9,379)

Proceeds from sale of property, plant and equipment 8,840 (10,127) 6,961 (49,666) 105 (120) 87 (618)

Long term receivable 62,607 (796,316) 746 (4,673) - (9,910)

Proceeds from short-term investments 692,053

Cash flows from financing activities

Advance against Equity 1,177,679 (1,014,554) (2,560) 933,592 2,848,365 (368,856) 14,037 (12,082) (31)
11,619 35,449 (4,603)

Redemption of term finance certificates (Repayment) of / proceeds from obligations under finance lease
- net (2,234,267) 508,681 (26,630) 6,331

Net cash generated from financing activities (2,073,702) (1,201,004) 3,920,782 1,537,238 (24,716)
(14,314) 48,796 19,132

Increase / (decrease) in cash and cash equivalents

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER (19,290,939) (26,613,040)
(229,929) (331,214)

CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER (20,491,943) (25,075,802) (244,242)
(312,082)

CASH AND CASH EQUIVALENTS

Cash and bank balances 6,653,171 (27,345,114) 3,590,458 (28,666,260) 81,683 (325,925) 44,685
(356,767)

Short-term borrowings (20,491,943) (25,075,802) (244,242) (312,082)

The annexed notes form an integral part of these interim condensed consolidated financial statements.

Ch. Ahmed Mukhtar Chairman Husain Lawai Director

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Interim Condensed Statement of Changes in Equity (Un-audited)

For the first quarter ended March 31, 2010

| Issued, subscribed, and pledge capital | Capital reserves | Revenue reserve | Unrealised base on
measurement of fixed-rate | Foreign currency translation reserve | Accumulated bases | Other reserves
| Total | Non controlling interest | Total |

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

| Balance as at January 1, 2009 - realised | 21,423,014 | 2,501,038 | 1,778,874 | 73,285 | (802,014) |
(71,882,706) | (96,138) | (48,762,864) | 743,835 | (48,013,019) |

| | 21,423,014 | 2,501,038 | 1,778,874 | 73,285 | (802,014) | (71,882,706) | (96,138) | (48,762,864) |
743,835 | (48,013,019) |

| Total comprehensive income for the year transferred to equity | - | - | - | - | (63,987) | 142,145 |
(5,253,041) | 126,271 | (3,004,812) | 14,170 | (4,908,443) |

| Suptive on evaluation of fixed assets realized during the year on account of incremental depreciation
charged income net of tax | - | - | - | - | 2,814,705 | - | 2,814,705 | 2,659 | 2,817,284 |

| Monetary statutory reserve | - | - | - | - | 1,130 | 1,130 | - | 1,130 |

| Transactions with owners issue of share capital X' class ordinary shares | 1,857,342 | - | - | - | - | - |
1,857,342 | - | 1,857,342 |

| Balance as at December 31, 2009 | 23,330,356 | 2,501,038 | 1,778,874 | 26,278 | (654,488) |
(74,455,126) | 31,262 | (47,388,386) | 700,764 | (48,527,829) |

| Total comprehensive income for the quarter transferred to equity | - | - | - | - | - | (655,340) |
(2,458,156) | - | (3,018,884) | 68,820 | (2,993,114) |

| Suptive on evaluation of fixed assets realized during the quarter on account of incremental
depreciation charged income net of tax | - | - | - | - | 101,522 | - | 101,522 | - | 101,522 |

| Monetary statutory reserve | - | - | - | - | - | - | - | - | - |

| Transactions with owners issue of share capital X' class ordinary shares | - | - | - | - | - | - | - | - | - |

| Balance as at March 31, 2010 | 23,330,356 | 2,501,038 | 1,778,874 | 26,278 | (862,211) |
(76,832,196) | 31,262 | (63,206,891) | 629,584 | (49,378,217) |

The annexed notes form an integral part of these interim condensed consolidated financial statements.

Ch. Ahmed Mukhtar

Chairman

Husain Lavai

Director

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Consolidated

Notes to the Interim Condensed Financial Statements (Un-audited)

For the first quarter ended March 31, 2010

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Pakistan International Airlines Corporation (the Holding company)

Pakistan International Airlines Corporation (the Corporation), was incorporated on January 10, 1955 under the PIAC Ordinance, 1955, which was subsequently repealed and replaced by the Pakistan International Airlines Corporation's Act 1956 (PIAC Act). The shares of the Corporation are quoted on all Stock Exchanges of Pakistan. The principal activity of the Corporation is to provide air transport services. Other activities of the Corporation include provision of engineering and other allied services.

Following subsidiary companies have been consolidated in the Financial Statements of Pakistan International Airlines Corporation (Holding Company)

Subsidiary Companies

Nature of Business

PIA Investments Ltd. (PIA-II.)

Promotes of and investors in projects related to construction, development and operations of hotels, motels and restaurants throughout the world.

Skyrooms (Private) Limited (SRI.)

To manage Airport Hotel at Karachi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These interim condensed consolidated financial statements are unaudited and are being circulated to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

These interim condensed consolidated financial statements are being presented in condensed form in accordance with the requirements of International Accounting Standards (IAS) 34 'Interim Financial Reporting' as applicable in Pakistan and shall be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2009.

The accounting policies, estimates and methods of computation adopted in the preparation of these interim condensed consolidated financial statements are the same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2009.

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3. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (note 3.1)

Capital work-in-progress

3.1 Following are the major additions and deletions during the period:

	(Un-audited) March 31, 2010	(Audited) December 31, 2009
	---	---
	Rupees in '000	
Operating fixed assets (note 3.1)	172,670,900	174,765,284
Capital work-in-progress	1,037,715	766,271
	173,708,615	175,531,555

March 31, 2010

Rupees in '000

	March 31, 2009	
	---	---
Additions / transfers		
Owned		
Buildings on leasehold land	2,951	360
Renovation and improvements	15,810	431
Communication & meteorological equipment	29,464	806
Engineering equipment and tools	24,989	3,141
Motor transport	-	7,225
Traffic equipment	14,548	-

Furniture, fixture and fitting	36,325	678	
P.E.C. equipment	36	-	
Office equipment	116	167	
Computer and office automation	3,873	5,825	
Other equipment	1,249	755	
Capital spares	54,693	33,758	

Leased

Aircraft fleet / Engines

	184,064	52,646	
---	---	---	
	-	399,261	
	164,064	451,907	

Deletions

Owned

Motor transport

	516	846	
---	---	---	
Traffic equipment	-	3,866	
Furniture, fixture and fitting	8,324	-	
	8,840	4,712	

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4. STORES AND SPARE PARTS

Stores

Spares

Less: provision for slow moving stores and spares

Inventory held for disposal

Less: adjustment to write down

surplus inventory to net realizable value

Goods-in-transit

4.1 Movement in provision is as follows:

Balance at the beginning of the period

Provision made during the period

Balance at the end of the period

5. TRADE DEBTS

Considered good

Considered doubtful

Less: Provision for doubtful debts

Note (Un-audited) (Audited)

March 31, December 31,

2010 2009

— Rupees in '000 —

```
\[ \begin{align*}
&758,362 \quad 822,709 \quad \\
&5,462,009 \quad 5,280,298 \quad \\
&6,220,371 \quad 6,103,007 \quad \\
&(2,662,295) \quad (2,662,295) \quad \\
\end{align*} \]
```

4.1

```
\[ \begin{align*}
&3,558,076 \quad 3,440,712 \quad \\
&2,197,398 \quad 2,197,398 \quad \\
&(1,944,539) \quad (1,944,539) \quad \\
\end{align*} \]
```

```
\[ \begin{align*}
&252,859 \quad 252,859 \quad \\
&1,121,330 \quad 324,294 \quad \\
&4,932,265 \quad 4,017,865 \quad \\
\end{align*} \]
```

```
\[ \begin{align*}
&2,662,295 \quad 2,216,611 \quad \\
&- \quad 445,684 \quad \\
&2,662,295 \quad 2,662,295 \quad \\
\end{align*} \]
```

```

\[\begin{align*}
&8,508,408 \text{ } 8,335,142 \text{ } \\
&601,572 \text{ } 624,411 \text{ } \\
&(601,572) \text{ } (624,411) \text{ } \\
&\text{- } \text{- } \\
&8,508,408 \text{ } 8,335,142 \text{ } \\
\end{align*}]

```

5.1 Movement in provision is as follows:

Balance at the beginning of the period
Written off during the period
(Reversal)/provision made during the period

```

\[\begin{align*}
&624,411 \text{ } 740,655 \text{ } \\
&(22,839) \text{ } (3,504) \text{ } \\
&\text{- } \text{- } (112,740) \text{ } \\
\end{align*}]

```

Balance at the end of the period

```

\[\begin{align*}
&601,572 \text{ } 624,411 \text{ } \\
\end{align*}]

```

5.2 Trade debts include debts due from Government agencies, other airlines and International Air Transport Association's (AiTA) approved agents. Certain portion of trade debts is secured by bank

guarantees received from agents but due to very large number of agents all over the world the amount of secured trade debts is not determinable.

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6. RESERVES

Capital reserves

Reserve for replacement of fixed assets

Capital redemption reserve fund

Others

Revenue reserves

Unrealized gain on remeasurement of investments

Accumulated losses

Foreign exchange translation reserve

Other reserves

7. SURPLUS ON REVALUATION OF FIXED ASSETS - net

Surplus on revaluation of fixed assets -Group

Surplus on revaluation of fixed assets -Minority

8. ADVANCE AGAINST EQUITY FROM GoP

This represents the amount received from GoP towards equity contribution under the terms of financial package whereby GoP had agreed to provide equity contribution to the Parent Corporation to cover interest/profit payments on TFCs.

9. LONG TERM FINANCING

During the quarter, the Parent Corporation has arranged the long term financing of Rs.1 billion loan from Government of Pakistan at 10% markup per annum for ten years with two years grace period payable in 16 equal installments from year 3 onwards.

10. CONTINGENCIES AND COMMITMENTS

There has been no change in the status of contingencies and commitments as disclosed in the annual financial statements of the Group for the year ended December 31, 2009.

11. TURNOVER - net

| Note | (Un-audited) March 31, 2010 | (Audited) December 31, 2009 |

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

| | Rupees in '000 — | |

| | 1,966,779 | 1,966,779 |

| | 250,000 | 250,000 |

| | 284,259 | 284,259 |

| | 2,501,038 | 2,501,038 |

| | 1,779,674 | 1,779,674 |

| | 4,280,712 | 4,280,712 |

| | 29,278 | 29,278 |

| | (76,937,198) | (74,455,128) |

| | (880,211) | (854,869) |

	31,262 31,262
	(77,766,869) (74,849,457)
	(73,496,157) (70,568,745)

8. LONG TERM FINANCING

During the quarter, the Parent Corporation has arranged the long term financing of Rs.1 billion loan from Government of Pakistan at 10% markup per annum for ten years with two years grace period payable in 16 equal installments from year 3 onwards.

10. CONTINGENCIES AND COMMITMENTS

There has been no change in the status of contingencies and commitments as disclosed in the annual financial statements of the Group for the year ended December 31, 2009.

11. TURNOVER - net

	March 31, 2010 March 31, 2009
	--- --- ---
	Rupees in '000 —
	Passenger 20,492,611 19,221,044
	Cano 1,278,565 1,036,876
	Excess baggage 269,689 232,883
	Charter 78,700 70,317
	Engineering services 158,079 172,183
	Handling and related services 129,291 110,730
	Mail 90,112 65,130
	Rooms, food and beverages sales 1,811,641 1,643,019
	Others 391,705 386,606
	24,699,393 22,938,848

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12. COST OF SERVICES - others

	March 31, 2010	March 31, 2009
	---	---
	Rupees in '000	
Salaries, wages and allowances	3,415,575	2,723,748
Welfare and social security costs	195,024	180,839
Retirement benefits	353,488	239,296
Compensated absences	25,751	25,000
Legal and professional charges	10,847	12,234
Suites and spares consumed	692,585	644,877
Maintenance and overhaul	1,347,729	1,000,195
Flight equipment rental	297,161	302,128
Landing and handling	2,659,492	2,387,039
Passenger services	821,590	628,902
Over layover	651,998	602,738
Hotel running expenses	465,701	592,062
Staff training	15,676	18,880
Food cost	8,761	6,359
Utilities	10,769	5,768
Communication	14,723	17,291
Insurance	417,414	314,547
Rent, rates and taxes	223,410	159,505
Repair and maintenance	47,647	36,937
Printing and stationery	34,842	35,537

Amortization	1,254	728	
Depreciation	1,496,147	2,329,548	
Others	103,070	198,444	
	13,307,449	12,366,884	

13. FINANCE COSTS

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Mark-up on long term financing	507,237	550,760	
Profit on term finance certificates	418,480	428,322	
Profit on term Sukuk certificates	241,447	-	
Interest on liabilities against assets subject to finance lease	369,150	558,895	
Mark-up on short-term borrowings	597,314	653,882	
Interest to pension / provident funds	55,587	44,099	
Arrangement, agency and commitment fee	173,857	66,646	
Bank charges	9,929	10,716	
	2,373,011	2,513,320	

14. CASH (USED IN) / GENERATED FROM OPERATIONS

---	---	---	
Loss before tax	(2,444,136)	(2,045,082)	
Adjustments for:			
Depreciation	1,524,529	2,369,660	
Gain on disposal of fixed assets	(6)	(1,808)	
Provision of employees benefits	479,657	-	
Amortization	6,246	6,416	

	Provision for stores and spares		43,155	
	Finance costs		2,372,396	
	Profit on bank deposits		(6,057)	
			1,932,629	
			2,880,539	

Working capital changes

(increase) in stores and spares

(increase) in trade debts

(increase) / decrease in advances

(increase) / decrease in trade deposits and prepayments

(increase) / decrease in other receivables

Increase (decrease) in trade and other payables

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	Cash (used in) / generated from operations		1,927,394		(1,104,313)	
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			3,560,023		1,776,226	
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We stand for National Values

15. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue in the Board of Directors meeting held on April 29, 2010.

16. GENERAL

The US\$ amounts in Balance Sheet have been translated into US\$ at the rate of Rs. 83.90 = US\$ 1 (December 31, 2009: Rs. 84.20 = US\$ 1). The US\$ amounts in profit & loss account, statement of comprehensive income and cash flow statement have been translated into US\$ at the rate of Rs. 83.90 = US\$ 1 (March 31, 2009: Rs. 80.35 = US\$1).

16.1 Figures have been rounded off to the nearest thousand rupee.

Ch. Ahmed Mukhtar

Chairman

Husain Lawal

Director

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