



CS/S&T/FT/PSX/PIAC-AAC-15/16

October 28, 2016

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

**FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2015
OF PAKISTAN INTERNATIONAL AIRLINES CORPORATION**

Dear Sir,

1. We have to inform you that the Board of Directors of our Company in their Meeting held on Friday, October 28, 2016 at 10:00 A.M. at Karachi, recommended the following:

(i)	CASH DIVIDEND	NIL
(ii)	BONUS SHARES	NIL
(iii)	RIGHT SHARES	NIL
(iv)	ANY OTHER ENTITLEMENT / CORPORATE ACTION	NIL
(v)	ANY OTHER PRICE SENSITIVE INFORMATION	The Financial Results of PIAC are attached

2. The Annual Audited Financial Results for the year ended December 31, 2015 of the Pakistan International Airlines Corporation (PIAC) are being transmitted through Pakistan Unified Corporate Action Reporting System (PUCARS) and a hard copy is being sent through courier.

Yours sincerely,



Younus M. Khan
Company Secretary
PIACL

Encl: As stated above

Pakistan International Airlines Corporation
Unconsolidated Balance Sheet
As at December 31, 2015

		December 31, 2015	December 31, 2014	January 01, 2014	December 31, 2015	December 31, 2014	January 01, 2014
			----- (Restated) -----			----- (Restated) -----	
Note		(Rupees in '000)			(US\$ in '000)		
ASSETS							
NON - CURRENT ASSETS							
Fixed assets							
- Property, plant and equipment	5	76,602,307	84,035,983	90,363,868	730,440	832,569	854,961
- Intangibles	6	45,645	66,165	88,204	435	656	835
		76,647,952	84,102,148	90,452,072	730,875	833,225	855,796
Long-term investments	7	4,511,581	4,500,342	4,465,759	43,020	44,586	42,252
Long-term advances	8	-	-	-	-	-	-
Long-term deposits and prepayments	9	9,602,902	7,510,203	7,951,649	91,569	74,406	75,234
Total non - current assets		90,762,435	96,112,693	102,869,480	865,464	952,217	973,282
CURRENT ASSETS							
Stores and spares	10	3,039,872	3,410,626	3,582,728	28,986	33,790	33,897
Trade debts	11	9,294,690	10,367,251	8,712,578	88,629	102,711	82,432
Advances	12	1,574,020	1,189,840	1,388,716	15,009	11,788	13,139
Trade deposits and prepayments	13	2,355,635	975,662	704,573	22,462	9,666	6,666
Other receivables	14	6,154,674	7,085,804	6,039,732	58,688	70,201	57,144
Short-term investments	15	19,220	19,220	19,220	183	190	182
Cash and bank balances	16	2,641,305	1,685,124	2,290,134	25,187	16,695	21,668
Total current assets		25,079,416	24,733,527	22,737,681	239,144	245,041	215,128
TOTAL ASSETS		115,841,851	120,846,220	125,607,161	1,104,608	1,197,258	1,188,410
EQUITY AND LIABILITIES							
SHARE CAPITAL AND RESERVES							
Issued, subscribed and paid-up share capital	17	52,345,110	28,779,674	28,779,674	499,136	285,129	272,294
Reserves	18	4,374,621	4,363,382	4,328,799	41,714	43,229	40,956
Accumulated losses		(269,946,703)	(234,916,125)	(200,631,111)	(2,574,071)	(2,327,381)	(1,898,235)
		(213,226,972)	(201,773,069)	(167,522,638)	(2,033,221)	(1,999,023)	(1,584,985)
Advance against equity from Government of Pakistan (GoP)	19	-	19,591,065	14,921,244	-	194,094	141,175
Total shareholders' equity		(213,226,972)	(182,182,004)	(152,601,394)	(2,033,221)	(1,804,929)	(1,443,810)
Surplus on revaluation of property, plant and equipment - net	20	4,863,889	7,530,285	9,274,408	46,380	74,605	87,748
NON - CURRENT LIABILITIES							
Long-term financing	21	49,766,421	36,087,553	31,407,996	474,547	357,530	297,161
Term finance and sukuk certificates	22	26,707,209	-	-	254,666	-	-
Liabilities against assets subject to finance lease	23	13,218,479	19,656,064	31,357,890	126,045	194,738	296,687
Advance from a subsidiary	24	4,209,056	3,752,325	1,479,709	40,135	37,175	14,000
Long-term deposits		-	6,582	6,444	-	65	61
Deferred liabilities	25	24,732,719	19,543,479	15,190,860	235,838	193,623	143,726
Total non current liabilities		118,633,884	79,046,003	79,442,899	1,131,231	783,131	751,635
CURRENT LIABILITIES							
Trade and other payables	26	108,498,696	98,032,778	76,543,532	1,034,588	971,238	724,202
Accrued interest	27	11,965,110	12,619,246	12,799,646	114,093	125,022	121,102
Provision for taxation		231,779	193,226	220,564	2,210	1,914	2,087
Short-term borrowings	28	36,940,201	59,772,367	56,747,538	352,242	592,183	536,907
Current maturities of:							
- Long-term financing	21	27,534,829	15,954,282	13,308,189	262,557	158,064	125,913
- Term finance and sukuk certificates	22	13,196,419	19,589,760	19,589,760	125,834	194,081	185,345
- Liabilities against assets subject to finance lease	23	7,204,016	10,290,277	10,282,019	68,694	101,949	97,281
Total current liabilities		205,571,050	216,451,936	189,491,248	1,960,218	2,144,451	1,792,837
TOTAL LIABILITIES		324,204,934	295,497,939	268,934,147	3,091,449	2,927,582	2,544,472
TOTAL EQUITY AND LIABILITIES		115,841,851	120,846,220	125,607,161	1,104,608	1,197,258	1,188,410

Contingencies and commitments

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The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

Chairman

Chairman

Actg. Chief Executive Officer
Pakistan International Airlines

Chief Financial Officer

Director

Actg. Chief Executive Officer
Pakistan International Airlines

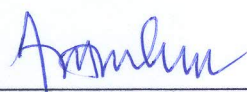
Pakistan International Airlines Corporation
Unconsolidated Profit and Loss account
For the year ended December 31, 2015

	Note	2015 ———— (Rupees in '000) ————	2014 (Restated)	2015 ———— (US\$ in '000) ————	2014 (Restated)
Revenue - net	30	91,268,545	99,519,057	870,289	985,964
Cost of services					
Aircraft fuel		(28,256,224)	(48,033,885)	(269,437)	(475,886)
Others	31	(64,530,382)	(56,903,883)	(615,328)	(563,763)
		(92,786,606)	(104,937,768)	(884,765)	(1,039,649)
Gross loss		(1,518,061)	(5,418,711)	(14,476)	(53,685)
Distribution costs	32	(4,232,278)	(4,415,728)	(40,357)	(43,748)
Administrative expenses	33	(5,572,735)	(5,869,628)	(53,139)	(58,152)
Other provisions and adjustments	34	(3,820,524)	(2,825,541)	(36,431)	(27,993)
Exchange (loss)/gain - net		(2,065,869)	3,105,045	(19,699)	30,763
Other income	35	773,571	485,746	7,376	4,812
		(14,917,835)	(9,520,106)	(142,250)	(94,318)
Loss from operations		(16,435,896)	(14,938,817)	(156,726)	(148,003)
Finance costs	36	(13,517,442)	(14,372,621)	(128,895)	(142,394)
Loss before taxation		(29,953,338)	(29,311,438)	(285,621)	(290,397)
Taxation	37	(2,576,222)	(2,433,126)	(24,566)	(24,106)
Loss for the year		(32,529,560)	(31,744,564)	(310,187)	(314,503)
Loss per share - basic and diluted		———— (Rupees) ————	———— (US\$) ————		
		(Restated)	(Restated)		
Loss attributable to:					
'A' class ordinary shares of Rs. 10 each	38	(6.39)	(6.90)	(0.06)	(0.07)
'B' class ordinary shares of Rs. 5 each	38	(3.19)	(3.45)	(0.03)	(0.03)

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

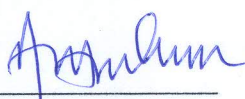
Wahid

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Chairman


Actg. Chief Executive Officer
Pakistan International Airlines


Chief Financial Officer


Chairman


Actg. Chief Executive Officer
Pakistan International Airlines


Director

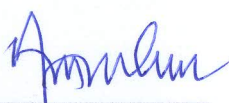
Pakistan International Airlines Corporation
Unconsolidated Statement of Comprehensive Income
For the year ended December 31, 2015

	2015	2014 (Restated)	2015	2014 (Restated)
	(Rupees in '000)		(US\$ in '000)	
Loss for the year	(32,529,560)	(31,744,564)	(310,187)	(314,503)
Other comprehensive income				
<i>Items that will be reclassified subsequently to unconsolidated profit and loss account</i>				
Unrealised gain on remeasurement of available for sale investments	11,239	34,583	107	343
<i>Items that will not be reclassified subsequently to unconsolidated profit and loss account</i>				
Remeasurement of post retirement defined benefits obligations	(3,397,005)	(2,595,919)	(32,392)	(25,719)
Effect of deferred tax	900,747	146,316	8,589	1,450
	<u>(2,496,258)</u>	<u>(2,449,603)</u>	<u>(23,803)</u>	<u>(24,269)</u>
	(2,485,019)	(2,415,020)	(23,696)	(23,926)
Total comprehensive income - loss	<u><u>(35,014,579)</u></u>	<u><u>(34,159,584)</u></u>	<u><u>(333,883)</u></u>	<u><u>(338,429)</u></u>

Surplus / (deficit) arising on revaluation of property, plant and equipment has been reported in accordance with the requirements of the Companies Ordinance, 1984, in a separate account below equity and accordingly changes therein are reported directly into equity.

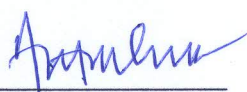
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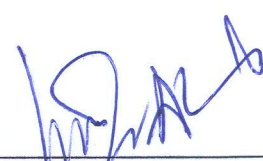

Chairman


Actg. Chief Executive Officer
Pakistan International Airlines


Chief Financial Officer


Chairman


Actg. Chief Executive Officer
Pakistan International Airlines


Director

Pakistan International Airlines Corporation
Unconsolidated Statement of Changes in Equity
For the year ended December 31, 2015

	Issued, subscribed, and paid-up share capital	Advance against equity from Government of Pakistan (GoP) (Note 19)	Capital reserves	Revenue reserves	Reserves Unrealised gain on remeasurement of investments (Rupees in '000)	Subtotal	Accumulated losses	Total
Balance as at December 31, 2013 - as previously reported	28,779,674	14,921,244	2,501,038	1,779,674	24,083,981	28,364,693	(192,075,962)	(120,010,351)
Effect of restatement - note 2.7	-	-	-	-	(24,035,894)	(24,035,894)	(8,555,149)	(32,591,043)
Balance as at December 31, 2013 - as restated	28,779,674	14,921,244	2,501,038	1,779,674	48,087	4,328,799	(200,631,111)	(152,601,394)
Total comprehensive income for the year ended December 31, 2014:								
Loss for the year	-	-	-	-	-	-	(31,744,564)	(31,744,564)
Other comprehensive income for the year	-	-	-	-	34,583	34,583	(2,449,603)	(2,415,020)
Total comprehensive income for the year - loss	-	-	-	-	34,583	34,583	(34,194,167)	(34,159,584)
Surplus on revaluation of property, plant and equipment realised during the year on account of reduced depreciation charged thereon - net of tax	-	-	-	-	-	-	(90,847)	(90,847)
Transactions with owners:								
Advance against equity from GoP	-	4,669,821	-	-	-	-	-	4,669,821
Balance as at December 31, 2014 - as restated	28,779,674	19,591,065	2,501,038	1,779,674	82,670	4,363,382	(234,916,125)	(182,182,004)
Balance as at December 31, 2014 as previously reported	28,779,674	19,591,065	2,501,038	1,779,674	22,775,869	27,056,581	(226,838,884)	(151,411,564)
Effect of restatement - note 2.7	-	-	-	-	(22,693,199)	(22,693,199)	(8,077,241)	(30,770,440)
Balance as at December 31, 2014 - as restated	28,779,674	19,591,065	2,501,038	1,779,674	82,670	4,363,382	(234,916,125)	(182,182,004)
Total comprehensive income for the year ended December 31, 2015:								
Loss for the year	-	-	-	-	-	-	(32,529,560)	(32,529,560)
Other comprehensive income for the year	-	-	-	-	11,239	11,239	(2,496,258)	(2,485,019)
Total comprehensive income for the year - loss	-	-	-	-	11,239	11,239	(35,025,818)	(35,014,579)
Surplus on revaluation of property, plant and equipment realised during the year on account of reduced depreciation charged thereon - net of tax	-	-	-	-	-	-	(4,760)	(4,760)
Transactions with owners:								
Advance against equity from GoP	-	3,974,371	-	-	-	-	-	3,974,371
Issuance of shares to GoP - note 17.2	23,565,436	(23,565,436)	-	-	-	-	-	-
Total transactions with owners	23,565,436	(19,591,065)	-	-	-	-	-	3,974,371
Balance as at December 31, 2015	52,345,110	-	2,501,038	1,779,674	93,909	4,374,621	(269,946,703)	(213,226,972)

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

W. Qureshi

Chairman

Chairman

*Actg. Chief Executive Officer
Pakistan International Airlines*

*Actg. Chief Executive Officer
Pakistan International Airlines*

Chief Financial Officer

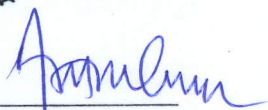
Director

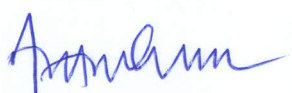
Pakistan International Airlines Corporation
Unconsolidated Cash Flow Statement
For the year ended December 31, 2015

	Note	2015 (Rupees in '000)	2014	2015 (US\$ in '000)	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	39	5,631,117	11,882,155	53,695	117,720
Profit on bank deposits received		38,307	55,124	365	546
Finance costs paid		(13,898,654)	(14,141,326)	(132,531)	(140,102)
Taxes paid		(417,790)	(524,933)	(3,984)	(5,201)
Employee benefits paid		(828,160)	(782,433)	(7,897)	(7,752)
Insurance claim received in respect of airfleet		-	551,650	-	5,465
Long-term deposits and prepayments - net		(2,215,461)	(294,897)	(21,125)	(2,922)
Net cash (used in) operating activities		(11,690,641)	(3,254,660)	(111,477)	(32,246)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(3,001,460)	(6,106,781)	(28,621)	(60,502)
Proceeds from sale of property, plant and equipment		283,530	155,031	2,704	1,536
Net cash (used in) investing activities		(2,717,930)	(5,951,750)	(25,917)	(58,966)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of advance against equity from GoP		3,974,371	4,669,821	37,898	46,266
Repayments of long-term financing		(13,389,668)	(1,677,898)	(127,677)	(16,623)
Proceeds from long-term financing		37,518,361	10,522,146	357,756	104,246
Receipts of advance from a subsidiary		456,731	2,308,460	4,355	22,871
Proceeds from long-term deposits		-	138	-	1
Repayments of short term borrowings		(3,161,720)	(1,548,497)	(30,149)	(15,342)
Proceeds from short term borrowings		-	5,046,403	-	49,996
Repayments of obligations under finance lease - net		(10,408,106)	(10,282,035)	(99,246)	(101,867)
Net cash from financing activities		14,989,969	9,038,538	142,937	89,548
Increase / (decrease) in cash and cash equivalents		581,398	(167,872)	5,543	(1,664)
Cash and cash equivalents at beginning of the year		(2,572,418)	(2,397,665)	(24,529)	(23,754)
Effects of exchange rate changes on cash and cash equivalents		(4,032)	(6,881)	(38)	(68)
Cash and cash equivalents at end of the year		(1,995,052)	(2,572,418)	(19,024)	(25,486)
Cash and cash equivalents					
Cash and bank balances	16	2,641,305	1,685,124	25,186	16,695
Running finance under mark-up arrangements	28.2	(4,636,357)	(4,257,542)	(44,210)	(42,181)
		(1,995,052)	(2,572,418)	(19,024)	(25,486)

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

K.P. Khan

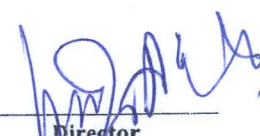

Chairman


Chairman


Actg. Chief Executive Officer
Pakistan International Airlines


Actg. Chief Executive Officer
Pakistan International Airlines


Chief Financial Officer


Director

Pakistan International Airlines Corporation
Consolidated Balance Sheet
As at December 31, 2015

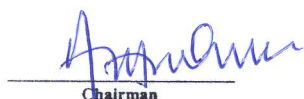
		December 31, 2015	December 31, 2014 (Restated)	January 01, 2014 (Restated)	December 31, 2015	December 31, 2014 (Restated)	January 01, 2014 (Restated)
	Note	(Rupees in '000)			(US\$ in '000)		
ASSETS							
NON - CURRENT ASSETS							
Fixed assets							
- Property, plant and equipment	5	138,098,487	143,931,025	156,034,308	1,316,835	1,425,966	1,476,290
- Intangibles	6	3,490,204	3,711,867	3,538,086	33,281	36,775	33,475
		141,588,691	147,642,892	159,572,394	1,350,116	1,462,741	1,509,765
Long-term investments	7	164,897	151,435	120,386	1,572	1,500	1,139
Receivable in respect of Centre Hotel	8	792,329	763,114	798,648	7,555	7,560	7,556
Long-term loans and advances	9	-	3,030	8,696	-	30	82
Long-term deposits and prepayments	10	10,723,347	8,353,538	8,112,483	102,252	82,761	76,755
Total non - current assets		153,269,264	156,914,009	168,612,607	1,461,495	1,554,592	1,595,297
CURRENT ASSETS							
Stores and spares	11	3,092,446	3,459,839	3,627,086	29,488	34,278	34,316
Trade debts - net	12	9,870,517	10,975,590	9,368,145	94,120	108,738	88,635
Short-term loans and advances	13	1,580,917	1,195,825	1,394,699	15,075	11,847	13,196
Trade deposits and prepayments	14	3,130,516	1,676,697	2,376,511	29,851	16,612	22,485
Other receivables	15	6,445,893	7,346,783	6,311,289	61,465	72,787	59,713
Short-term investments	16	208,066	197,288	305,019	1,985	1,954	2,886
Taxation		153,086	135,291	129,748	1,460	1,340	1,227
Cash and bank balances	17	7,625,242	6,112,858	7,252,505	72,710	60,562	68,619
Total current assets		32,106,683	31,100,171	30,765,002	306,154	308,118	291,077
TOTAL ASSETS		185,375,947	188,014,180	199,377,609	1,767,649	1,862,710	1,886,374
EQUITY AND LIABILITIES							
SHARE CAPITAL AND RESERVES							
Issued, subscribed and paid-up share capital	18	52,345,110	28,779,674	28,779,674	499,136	285,129	272,294
Reserves	19	4,395,484	4,772,977	5,491,197	41,913	47,288	51,954
Accumulated losses		(261,532,285)	(227,489,535)	(194,806,014)	(2,493,835)	(2,253,804)	(1,843,122)
		(204,791,691)	(193,936,884)	(160,535,143)	(1,952,786)	(1,921,387)	(1,518,874)
Advance against equity from Government of Pakistan (GoP)	20	-	19,591,065	14,921,244	-	194,094	141,175
Attributable to the Holding Company's shareholders		(204,791,691)	(174,345,819)	(145,613,899)	(1,952,786)	(1,727,293)	(1,377,699)
Non-controlling interest		1,657,742	1,562,703	1,764,958	15,807	15,482	16,699
Total equity		(203,133,949)	(172,783,116)	(143,848,941)	(1,936,979)	(1,711,811)	(1,361,000)
Surplus on revaluation of property, plant and equipment - net	21	30,949,467	32,412,924	36,241,172	295,118	321,124	342,889
NON - CURRENT LIABILITIES							
Long-term financing	22	64,362,044	50,538,303	32,671,889	613,723	500,698	309,119
Term finance and sukuk certificates	23	26,707,209	-	-	254,666	-	-
Liabilities against assets subject to finance lease	24	13,218,479	19,656,064	31,357,890	126,045	194,738	296,687
Long-term deposits		99,611	93,399	99,525	950	925	942
Deferred taxation	25	20,450,267	19,576,643	21,369,198	195,003	193,951	202,180
Deferred liabilities	26	24,862,040	19,671,914	15,308,519	237,071	194,895	144,839
Total non - current liabilities		149,699,650	109,536,323	100,807,021	1,427,458	1,085,207	953,767
CURRENT LIABILITIES							
Trade and other payables	27	110,533,748	100,083,514	78,874,154	1,053,992	991,556	746,253
Accrued interest	28	11,790,141	12,528,208	12,788,401	112,424	124,121	120,995
Provision for taxation		232,263	193,745	281,364	2,215	1,919	2,662
Short-term borrowings	29	36,940,201	59,772,367	56,747,538	352,243	592,182	536,907
Current maturities of:							
- Long-term financing	22	27,963,991	16,390,178	27,615,121	266,650	162,382	261,275
- Term finance and sukuk certificates	23	13,196,419	19,589,760	19,589,760	125,834	194,081	185,345
- Liabilities against assets subject to finance lease	24	7,204,016	10,290,277	10,282,019	68,694	101,949	97,281
Total current liabilities		207,860,779	218,848,049	206,178,357	1,982,052	2,168,190	1,950,718
TOTAL LIABILITIES		357,560,429	328,384,372	306,985,378	3,409,510	3,253,397	2,904,485
TOTAL EQUITY AND LIABILITIES		185,375,947	188,014,180	199,377,609	1,767,649	1,862,710	1,886,374

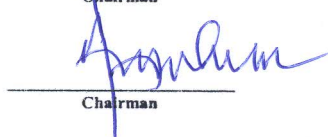
Contingencies and commitments

30

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



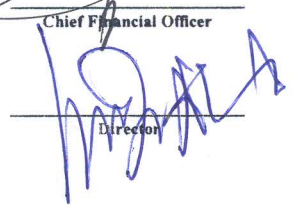

Chairman


Chairman


Actg. Chief Executive Officer
Pakistan International Airlines


Actg. Chief Executive Officer
Pakistan International Airlines




Chief Financial Officer

K. P. M. T. M.

Pakistan International Airlines Corporation
Consolidated Profit and Loss account
For the year ended December 31, 2015

	Note	2015 ———— (Rupees in '000) ————	2014 (Restated)	2015 ———— (US\$ in '000) ————	2014 (Restated)
Revenue - net	31	104,514,672	113,780,088	996,597	1,127,252
Cost of services					
Aircraft fuel		(28,256,224)	(48,033,885)	(269,437)	(475,886)
Others	32	(73,388,550)	(65,824,902)	(699,795)	(652,146)
		<u>(101,644,774)</u>	<u>(113,858,787)</u>	<u>(969,232)</u>	<u>(1,128,032)</u>
Gross profit / (loss)		2,869,898	(78,699)	27,365	(780)
Distribution costs	33	(4,947,130)	(5,039,677)	(47,173)	(49,929)
Administrative expenses	34	(8,352,457)	(8,428,496)	(79,644)	(83,503)
Other provisions and adjustments	35	(3,816,540)	(2,848,768)	(36,393)	(28,224)
Exchange (loss) / gain - net		(2,065,869)	3,098,216	(19,699)	30,695
Other income	36	671,767	384,999	6,406	3,814
		<u>(18,510,229)</u>	<u>(12,833,726)</u>	<u>(176,503)</u>	<u>(127,147)</u>
Loss from operations		(15,640,331)	(12,912,425)	(149,138)	(127,927)
Finance costs	37	(13,911,907)	(15,016,848)	(132,657)	(148,776)
Share of profit in an associate	7.1	612	933	6	9
Loss before taxation		<u>(29,551,626)</u>	<u>(27,928,340)</u>	<u>(281,789)</u>	<u>(276,694)</u>
Taxation	38	(2,579,556)	(2,774,256)	(24,597)	(27,485)
Loss for the year		<u>(32,131,182)</u>	<u>(30,702,596)</u>	<u>(306,386)</u>	<u>(304,179)</u>
Attributable to:					
Equity holders of the Holding company		(32,149,308)	(30,743,036)	(306,559)	(304,580)
Non-controlling interest		18,126	40,440	173	401
		<u>(32,131,182)</u>	<u>(30,702,596)</u>	<u>(306,386)</u>	<u>(304,179)</u>
Loss per share - basic and diluted		———— (Rupees) ————	———— (Restated) ————	———— (US\$) ————	———— (Restated) ————
Loss attributable to:					
'A' class Ordinary shares of Rs 10 each	39	<u>(6.31)</u>	<u>(6.68)</u>	<u>(0.06)</u>	<u>(0.07)</u>
'B' class Ordinary shares of Rs 5 each	39	<u>(3.16)</u>	<u>(3.34)</u>	<u>(0.03)</u>	<u>(0.04)</u>

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.


Chairman

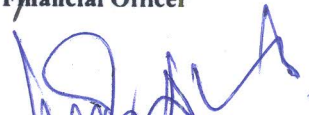



Chief Financial Officer


Chairman

Actg. Chief Executive Officer
Pakistan International Airlines


Actg. Chief Executive Officer
Pakistan International Airlines


Director

15/2/2016

Pakistan International Airlines Corporation
Consolidated Statement of Comprehensive Income
For the year ended December 31, 2015

	2015	2014 (Restated)	2015	2014 (Restated)
	(Rupees in '000)		(US\$ in '000)	
Loss for the year	(32,131,182)	(30,702,596)	(306,386)	(304,179)

Other comprehensive income

Items that will be reclassified subsequently to consolidated profit and loss account

Unrealised gain on remeasurement of available for sale investments	11,239	34,583	107	343
Exchange differences on translation of foreign operations	(378,703)	(888,050)	(3,611)	(8,798)
	(367,464)	(853,467)	(3,504)	(8,455)

Items that will not be reclassified subsequently to consolidated profit and loss account

Remeasurement of post retirement defined benefits obligation	(3,397,005)	(2,595,919)	(32,392)	(25,719)
Effect of deferred tax	900,747	146,316	8,589	1,450
	(2,496,258)	(2,449,603)	(23,803)	(24,269)
Total comprehensive income - loss	(34,994,904)	(34,005,666)	(333,693)	(336,903)

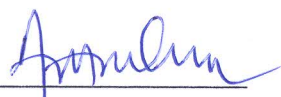
Attributable to:

Equity holders of the Holding Company	(35,023,059)	(33,910,859)	(333,961)	(335,964)
Non-controlling interest	28,155	(94,807)	268	(939)
	(34,994,904)	(34,005,666)	(333,693)	(336,903)

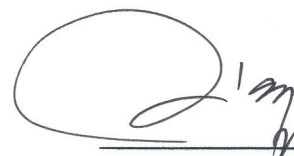
Surplus / (deficit) arising on revaluation of property, plant and equipment has been reported in accordance with the requirements of the Companies Ordinance, 1984, in a separate account below equity and accordingly changes therein are reported directly into equity.

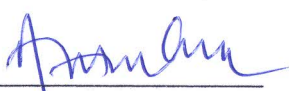
The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

by


Chairman

Actg. Chief Executive Officer
Pakistan International Airlines


Chief Financial Officer


Chairman

Actg. Chief Executive Officer
Pakistan International Airlines


Director

Pakistan International Airlines Corporation
Consolidated Cash Flow Statement
For the year ended December 31, 2015

		2015	2014	2015	2014
	Note	(Rupees in '000)		(US\$ in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	40	8,994,204	20,222,098	85,764	200,346
Profit on bank deposits received		38,307	55,124	365	546
Finance costs paid		(14,649,974)	(15,277,041)	(139,695)	(151,354)
Taxes paid		(654,178)	(1,379,911)	(6,238)	(13,671)
Staff retirement benefits paid		(1,018,594)	(782,433)	(9,713)	(7,752)
Proceeds from long-term loans and advances		4,122	5,666	39	56
Long-term deposits and prepayments - net		(2,492,571)	(624,397)	(23,768)	(6,186)
Net cash (used in) / from operating activities		(9,778,684)	2,219,106	(93,246)	21,985
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(3,407,383)	(6,698,248)	(32,491)	(66,361)
Purchase of Intangibles		(29,914)	-	(285)	-
Proceeds from sale of operating fixed assets		284,820	155,265	2,716	1,539
Insurance claim received in respect of airfleet		-	551,650	-	5,465
(Repayments of) / proceeds from short-term investments		(10,778)	107,731	(103)	1,067
Net cash used in investing activities		(3,163,255)	(5,883,602)	(30,163)	(58,290)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from advance against equity from GoP		3,974,371	4,669,821	37,898	46,265
Repayments of long-term financing		(13,815,391)	(19,608,601)	(131,737)	(194,268)
Proceeds from long-term financing		37,518,361	24,731,474	357,756	245,022
Proceeds from / (repayment of) long-term deposits		6,212	(6,126)	59	(61)
Payment of dividend to non-controlling interest		(34,187)	(40,451)	(326)	(401)
Repayments of short term borrowings		(3,161,720)	(1,548,498)	(30,149)	(15,341)
Proceeds from short term borrowings		-	5,046,403	-	49,996
Repayments of obligations under finance lease - net		(10,408,106)	(10,282,035)	(99,246)	(101,867)
Net cash from financing activities		14,079,540	2,961,987	134,255	29,345
Increase / (decrease) in cash and cash equivalents		1,137,601	(702,509)	10,846	(6,960)
Cash and cash equivalents at beginning of the year		1,855,316	2,564,706	17,692	25,409
Effects of exchange rate changes on cash and cash equivalents		(4,032)	(6,881)	(38)	(68)
Cash and cash equivalents at end of the year		2,988,885	1,855,316	28,500	18,381
Cash and cash equivalents					
Cash and bank balances	17	7,625,242	6,112,858	72,710	60,562
Short-term borrowings	29	(4,636,357)	(4,257,542)	(44,210)	(42,181)
		2,988,885	1,855,316	28,500	18,381

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

[Signature]

Chairman

[Signature]
Chairman

Actg. Chief Executive Officer
Pakistan International Airlines

Actg. Chief Executive Officer
Pakistan International Airlines

[Signature]

Chief Financial Officer

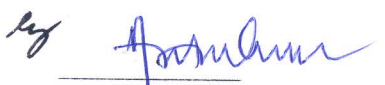
Director

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Pakistan International Airlines Corporation
Consolidated Statement of Changes in Equity
For the year ended December 31, 2015

	Issued, subscribed, and paid-up capital	Advance against equity from Government of Pakistan (GoP) (Note 20)	Attributable to the Holding Company's shareholders					Subtotal	Accumulated losses	Non - controlling interest	Total
			Capital reserves	Revenue reserves	Reserves		Other reserves				
					Unrealised gain on remeasur- ment of investments	Foreign currency translation reserves					
(Rupees in '000)											
Balance as at December 31, 2013 as previously reported	28,779,674	14,921,244	2,501,038	1,779,674	48,086	1,150,059	12,340	5,491,197	(193,866,202)	1,752,273	(142,921,814)
Effect of restatements - note 2.8	-	-	-	-	-	-	-	-	(939,812)	12,685	(927,127)
Balance as at December 31, 2013 - as restated	28,779,674	14,921,244	2,501,038	1,779,674	48,086	1,150,059	12,340	5,491,197	(194,806,014)	1,764,958	(143,848,941)
Total comprehensive income for the year ended December 31, 2014:											
(Loss) / profit for the year	-	-	-	-	-	-	-	-	(30,743,036)	40,440	(30,702,596)
Other comprehensive income											
- Currency translation differences	-	-	-	-	-	(774,851)	22,048	(752,803)	-	(135,247)	(888,050)
- Remeasurement of post retirement defined benefits obligation - net of tax	-	-	-	-	-	-	-	-	(2,449,603)	-	(2,449,603)
- Unrealised gain on remeasurement of investments	-	-	-	-	34,583	-	-	34,583	-	-	34,583
Total comprehensive income for the year transferred to equity	-	-	-	-	34,583	(774,851)	22,048	(718,220)	(33,192,639)	(94,807)	(34,005,666)
Deficit arising on property, plant and equipment during the year - net of tax	-	-	-	-	-	-	-	-	-	(66,997)	(66,997)
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-	-	-	-	509,118	-	509,118
Transactions with owners:											
Advance against equity from GoP	-	4,669,821	-	-	-	-	-	-	-	-	4,669,821
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(40,451)	(40,451)
Balance as at December 31, 2014 - as restated	28,779,674	19,591,065	2,501,038	1,779,674	82,669	375,208	34,388	4,772,977	(227,489,535)	1,562,703	(172,783,116)
Balance as at December 31, 2014 as previously reported											
	28,779,674	19,591,065	2,501,038	1,779,674	82,669	135,639	34,388	4,533,408	(226,602,471)	1,536,228	(172,162,096)
Effect of restatements - note 2.8	-	-	-	-	-	239,569	-	239,569	(887,064)	26,475	(621,020)
Balance as at December 31, 2014 - as restated	28,779,674	19,591,065	2,501,038	1,779,674	82,669	375,208	34,388	4,772,977	(227,489,535)	1,562,703	(172,783,116)
Total comprehensive income for the year ended December 31, 2015:											
(Loss) / profit for the year	-	-	-	-	-	-	-	-	(32,149,308)	18,126	(32,131,182)
Other comprehensive income											
- Currency translation differences	-	-	-	-	-	(388,732)	-	(388,732)	-	10,029	(378,703)
- Remeasurement of post retirement defined benefits obligation - net of tax	-	-	-	-	-	-	-	-	(2,496,258)	-	(2,496,258)
- Unrealised gain on remeasurement of investments	-	-	-	-	11,239	-	-	11,239	-	-	11,239
Total comprehensive income for the year transferred to equity	-	-	-	-	11,239	(388,732)	-	(377,493)	(34,645,566)	28,155	(34,994,904)
Surplus arising on property, plant and equipment during the year - net of tax	-	-	-	-	-	-	-	-	-	101,071	101,071
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-	-	-	-	602,816	-	602,816
Transactions with owners:											
Advance against equity from GoP	-	3,974,371	-	-	-	-	-	-	-	-	3,974,371
Issuance of shares to GoP	23,565,436	(23,565,436)	-	-	-	-	-	-	-	-	-
	23,565,436	(19,591,065)	-	-	-	-	-	-	-	-	3,974,371
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(34,187)	(34,187)
Balance as at December 31, 2015	52,345,110	-	2,501,038	1,779,674	93,908	(13,524)	34,388	4,395,484	(261,532,285)	1,657,742	(203,133,949)

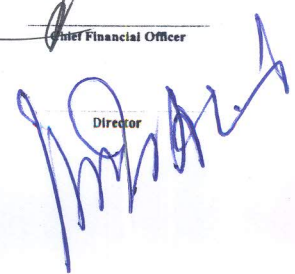
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Chairman

Chairman


Actg. Chief Executive Officer
Pakistan International Airlines


Actg. Chief Executive Officer
Pakistan International Airlines


Chief Financial Officer

Director