

ORIX LEASING
PAKISTAN LIMITED



Delivering Business Needs

HALF YEARLY REPORT

08

Contents

Company Information	2
Directors' Review	4
Auditors' Review Report	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Information	10
Parent and Associated Companies	16
Offices in Pakistan	17

Company Information

Board of Directors (As of December 31, 2008)

Mr. Yuki Oshima	Chairman
Mr. Kunwar Idris	Non Executive Director
Mr. Kiyoshi Fushitani	Non Executive Director
Mr. Fumihiko Sato	Non Executive Director
Mr. Sohail Hashmi	Nominee of State Life Insurance Corporation
Mr. Naim Farooqui	Non Executive Director
Mr. S. Saeed Reza	Executive Director
Mr. Humayun Murad	Chief Executive

Senior Advisor

Mr. Shakirullah Durrani

Audit Committee

Mr. Sohail Hashmi	Chairman
Mr. Kunwar Idris	
Mr. Fumihiko Sato	

Executive Committee

Mr. Kunwar Idris	Chairman
Mr. Naim Farooqui	
Mr. Humayun Murad	

Deputy Managing Director & Chief Financial Officer

Mr. Teizoon Kijat

Company Secretary

Mr. Ramon Alfrey

Head of Internal Audit & Secretary to Audit Committee

Mr. M. Ismail Khan

Banks and Lending Institutions

Allied Bank Limited	National Bank of Pakistan
Bank Alfalah Limited	NIB Bank Limited
Citibank N.A.	Pakistan Poverty Alleviation Fund
Citibank Japan Limited	Standard Chartered Bank (Pakistan) Limited
Habib Bank Limited	Swiss Agency for Development and Co-operation
HSBC Bank Middle East Limited	Soneri Bank Limited
ING Bank Limited, Japan Branch	The Bank of Tokyo - Mitsubishi UFJ, Limited
International Finance Corporation	United Bank Limited
Meezan Bank Limited	

Auditors

M/s. KPMG Taseer Hadi & Co., Chartered Accountants

Legal Advisors

M/s. Mansoor Ahmad Khan & Co.

M/s. Walker Martineau & Saleem

Registrar and Share Transfer Office

Noble Computer Services (Private) Limited

2nd Floor, Sohni Centre

BS 5 & 6, Main Karimabad

Block-4, Federal B. Area, Karachi - 75950

Registered Office & Head Office

Overseas Investors Chamber of Commerce Building

Talpur Road, Karachi-74000

Credit Rating by The Pakistan Credit Rating Agency

Long Term Senior Unsecured Creditors

AA

Short Term Senior Unsecured Creditors

A1+

Term Finance Certificates

AA+

Directors' Review

The Board of Directors of ORIX Leasing Pakistan Limited present the financial statements for the half year ended December 31, 2008.

The Company earned a profit of Rs. 45 million in the first quarter of the period under review. However, in wake of the liquidity crisis which struck the Country's financial institutions in October 2008, the Company recorded a loss of Rs. 80 million in the second quarter. Consequently, the Company posted a loss of Rs. 34 million for the half year compared to a profit of Rs. 166 million earned in the same period last year.

Lack of funding forced the Company to reduce lease disbursements drastically in the second quarter to just Rs. 0.9 billion versus Rs. 2.7 billion in the first quarter. The six monthly disbursements amounted to Rs. 3.6 billion against Rs. 4.9 billion in the first half of last year.

Finance lease and instalment loan revenues increased by 4% to Rs. 1.27 billion (2007: Rs. 1.22 billion). Operating lease revenues, benefiting from a larger portfolio of operating lease assets and better deployment, were higher by 23% at Rs. 306 million (2007: Rs. 248 million).

The sharp increase in interest rates resulted in a 20% increase in finance cost to Rs. 1.25 billion against Rs. 1.05 billion in the corresponding period. The increased financial expenses were incurred on lower average borrowings of Rs. 17.4 billion (2007: Rs. 17.7 billion).

Administrative and general expenses were 25% higher at Rs. 304 million (2007: Rs. 244 million) as the Company had increased staff levels and related infrastructure in anticipation of meeting higher business targets when the new fiscal year started in July 2008. Following the sudden financial crisis of October 2008 and the severe restriction on new business, immediate steps were taken to reduce costs, including cuts in salaries. Further cost reductions are in process.

In view of prevailing difficult business conditions, Management felt it prudent to increase the provision for potential lease losses to Rs. 109 million (2007: Rs. 44.0 million).

The Company's share in associates' profits amounted to Rs. 69 million compared to Rs. 22 million in the comparative period last year. Strong results from associates in the Middle East contributed to the higher profits.

As stated in note 9.1 to the financial statements, the Company extended facility of Rs. 615 million to ORIX Investment Bank Pakistan Limited (OIBP), an associated company, which faced severe liquidity problems during the recent financial crisis. For the past two accounting periods OIBP recorded huge losses which have been reported in the Company's previous Directors' Reviews. The Board of Directors is considering various options for the resolution of OIBP's financial difficulties, including merger with the Company. Management is confident that no material impairment will be incurred on funds placed with OIBP.

As allowed by SRO 150 (1) dated February 13, 2009 and further described in note 9.3 to the financial statements, investment in equity securities held as available for sale are valued at prices quoted on the stock exchanges as of December 31, 2008 and the resulting decline in market value below cost is reported in 'unrealised gain/(loss) on remeasurement of available for sale securities' in equity. Had impairment loss been transferred to condensed interim profit and loss account, the unrealised loss on remeasurement of available for sale securities would have decreased by Rs. 56.47 million with consequential effect on revenue.

The Pakistan Credit Rating Agency (PACRA) revised the Company's credit ratings in view of fundamental changes in operating and economic environment. PACRA maintained the Company's highest rating of A1+ for short term senior unsecured creditors, however, the Company's long term rating for senior unsecured creditors has been revised to AA from AA+. The rating of listed secured Term Finance Certificates has also been maintained at AA+.

In the second quarter, the Company's strong rental recovery and prudent policies enabled it to meet all financial obligations despite non-availability of funding lines due to the liquidity shortage then prevailing. Although financial conditions are improving gradually, economic growth has slowed and liquidity is tight. In these circumstances, the next six months will be challenging for the Company's business.

4

HALE YEARLY REPORT 2008



Humayun Murad
Chief Executive

Dated: February 25, 2009



KPMG Taseer Hadi & Co
Chartered Accountants
First Floor
Sheikh Sultan Trust Building No.2
Beaumont Road
Karachi 75530 Pakistan

Telephone +92 (21) 568 5847
Fax +92 (21) 568 5095
Internet www.kpmg.com.pk

Independent Report on Review of Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed interim balance sheet of ORIX Leasing Pakistan Limited ("the Company") as at 31 December 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

The figures for the quarter ended 31 December 2008 and 31 December 2007 in the condensed interim profit and loss account have not been reviewed and we do not express a conclusion thereon.

Without modifying our opinion, we draw attention to note 9.1 to the interim financial information, regarding the nature and status of short term placement of Rs. 615 million with ORIX Investment Bank Pakistan Limited.

Date: 25 February 2009

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Mohammad Mahmood Hussain

Condensed Interim Balance Sheet

As at 31 December 2008

	Note	31 December 2008 (Un-audited)	30 June 2008 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,009,999,054	832,333,073
Net investment in finance leases and instalment loans	7	21,874,413,035	23,508,540,252
Current maturity		9,470,004,916	10,073,018,534
Allowance for potential lease and instalment loan losses		330,379,321	265,672,818
		9,800,384,237	10,338,691,352
		12,074,028,798	13,169,848,900
Long term investments	8	1,799,396,766	1,400,840,672
Long term finances and loans		460,440,428	458,501,570
Long term deposits		16,981,345	14,601,545
		15,360,846,391	15,876,125,760
Current assets			
Short term finances		473,597,530	357,313,398
Accrued return on investments and term loans		31,197,359	28,109,483
Current maturity of non-current assets		9,667,780,169	10,247,889,401
Short term investments	9	759,396,558	261,518,664
Advances and prepayments		191,460,904	102,990,169
Other receivables		132,312,408	99,063,189
Fair value of hedging instrument		1,282,356,607	558,817,700
Cash and bank balances		490,732,470	207,557,264
Assets classified as held for sale		121,009,659	75,595,216
Taxation - net		4,328,196	-
		13,154,171,860	11,938,854,484
Total assets	Rupees	28,515,018,251	27,814,980,244
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
200,000,000 Ordinary shares of Rs. 10 each (June 2008: 100,000,000 Ordinary shares of Rs. 10 each)		2,000,000,000	1,000,000,000
Issued, subscribed and paid-up-capital		799,002,560	694,784,830
Capital reserves		1,052,603,499	1,156,821,229
Revenue reserves		911,859,984	752,262,319
		2,763,466,043	2,603,868,378
Non-current liabilities			
Long term finances	10	9,430,059,900	9,913,742,769
Long term loans	11	3,844,445,779	3,602,959,387
Long term certificates of investment		925,469,539	1,159,295,060
Long term deposits		5,171,195,446	5,195,174,425
Deferred taxation		314,702,213	304,170,750
		19,685,872,877	20,175,342,391
Current liabilities			
Trade and other payables		168,801,983	206,295,510
Accrued interest / mark-up on loans and term finances		800,371,390	627,501,158
Short term borrowings	12	596,376,360	5,654,931
Short term certificates of investment		309,993,391	43,075,880
Current maturity of non-current liabilities		4,190,136,207	4,140,269,867
Taxation - net		-	12,972,129
		6,065,679,331	5,035,769,475
Total equity and liabilities	Rupees	28,515,018,251	27,814,980,244

COMMITMENTS

13

The investments in equity securities held as available for sale are valued at prices quoted on the stock exchange as of 31 December 2008 and the resulting decline in market value below cost is reported in the 'unrealised gain/(loss) on remeasurement of available for sale securities' in equity. Had the impairment loss been transferred to condensed interim profit and loss account, the unrealised loss on remeasurement of available for sale securities would have been decreased by Rs. 56.47 million with consequential effect on 'reserves' (See note 9.3)

The annexed notes 1 to 20 form an integral part of these condensed interim financial information.

6

HALF-YEARLY REPORT 2008

ORIX

K. Idris
KUNWAR IDRIS
DIRECTOR

Humayun Murad
HUMAYUN MURAD
CHIEF EXECUTIVE

Condensed Interim Profit and Loss Account (Un-audited)

For the Six months period ended 31 December 2008

	Note	Six months period ended		Quarter ended	
		31 December 2008	31 December 2007	31 December 2008	31 December 2007
INCOME					
Income from operations					
Finance leases and instalment loans	14	1,272,740,082	1,216,383,689	640,393,535	604,683,491
Operating leases		306,085,769	248,338,531	151,202,995	122,286,213
Mark-up on term/ factoring finance		82,640,622	63,366,793	45,442,026	36,400,231
		1,661,466,473	1,528,089,013	837,038,556	763,369,935
Income from other operating activities					
Other income - net		94,995,239	150,077,422	59,217,992	115,623,321
Share of profit of equity accounted undertakings	15	69,082,401	22,755,058	17,230,557	(15,099,072)
		164,077,640	172,832,480	76,448,549	100,524,249
		1,825,544,113	1,700,921,493	913,487,105	863,894,184
EXPENSES					
Finance costs	16	1,255,468,574	1,046,654,590	645,045,590	540,799,117
Administrative and general expenses		304,272,769	243,619,015	156,797,715	125,902,976
Direct cost of leases		180,259,287	163,596,556	92,819,600	81,564,949
		1,740,000,630	1,453,870,161	894,662,905	748,267,042
Profit before allowance and tax		85,543,483	247,051,332	18,824,200	115,627,142
Allowance for potential lease, instalment and other loan losses - net		109,436,113	44,053,215	86,101,952	29,901,037
(Loss)/ Profit before tax		(23,892,630)	202,998,117	(67,277,752)	85,726,105
Taxation - Current		-	28,000,000	-	15,000,000
- Deferred		10,531,463	9,139,713	12,531,463	2,139,713
		10,531,463	37,139,713	12,531,463	17,139,713
(Loss)/ Profit for the period	Rupees	(34,424,093)	165,858,404	(79,809,215)	68,586,392
(Loss)/ Earnings per share - basic and diluted	Rupees	(0.43)	2.08	(1.00)	0.86

In accordance with SRO 150(1)2009 dated 13 February 2009, the impairment loss on available for sale equity securities has been reported in equity. In case the impairment loss was charged to profit and loss account, loss for the period would have been higher by Rs. 56.47 million and loss per share would have been higher by Re. 0.71 (See note 9.3).

The annexed notes 1 to 20 form an integral part of these condensed interim financial information.

K. Idris
KUNWAR IDRIS
DIRECTOR

Humayun
HUMAYUN MURAD
CHIEF EXECUTIVE

Condensed Interim Cash Flow Statement (Un-audited)

For the Six months period ended 31 December 2008

Note	31 December 2008	31 December 2007
Cash flows from operating activities		
(Loss)/ Profit before taxation	(23,892,630)	202,998,117
Adjustments for:		
Depreciation and amortisation	124,493,313	100,572,779
Allowance for potential lease, instalment and other loan losses - net	109,436,113	44,053,215
Share of profit of equity accounted undertakings	(69,082,401)	(22,755,058)
Gain on hedging instrument	(537,080,943)	(24,700,000)
Exchange loss - net	537,080,943	24,700,000
Interest/ mark-up expenses	1,146,605,066	939,929,809
Profit on certificates of investment	74,027,280	94,959,052
Dividend income	(2,695,650)	(11,049,950)
Capital gain on sale of investment	-	(74,538,348)
Return on investments and deposits	(41,848,854)	(24,740,020)
Gain on disposal of fixed assets	(3,128,621)	(378,782)
	1,337,806,246	1,046,052,697
Cash flows from operating activities before working capital changes	1,313,913,616	1,249,050,814
(Increase)/ decrease in current assets		
Advances and prepayments	(138,213,374)	(86,137,787)
Other receivables	(33,249,219)	(11,165,745)
	(171,462,593)	(97,303,532)
(Decrease)/ Increase in trade and other payables	(42,015,440)	51,878,939
Cash generated from operations	1,100,435,583	1,203,626,221
(Increase)/ decrease in operating assets		
Investment in finance leases and instalment loans - net	1,609,099,196	(268,240,468)
Long term finances and loans - net	(48,952,803)	(24,371,665)
Short term finances	(127,027,939)	(45,210,778)
Long term deposits	(2,379,800)	(2,552,821)
Investment in operating lease assets	(194,066,305)	(88,668,840)
Proceeds from sale of operating lease assets	3,254,037	6,400,000
	1,239,926,386	(422,644,572)
(Decrease)/ Increase in operating liabilities		
Deposits from lessees - net	(35,164,844)	428,658,457
Interest/ mark-up paid	(997,737,410)	(926,473,274)
Profit paid on certificates of investment	(50,024,704)	(163,045,447)
	(1,082,926,958)	(660,860,264)
Net cash from operating activities before income tax	1,257,435,011	120,121,385
Income tax paid	(12,972,129)	(21,026,553)
Net cash from operating activities	1,244,462,882	99,094,832
Cash flows from investing activities		
Capital expenditure incurred	(90,286,962)	(38,230,472)
Proceeds from disposal of assets - own use	11,526,849	11,997,254
Purchase of right shares of equity accounted undertaking	-	(108,900,000)
Proceed against renunciation of right shares of equity accounted undertaking	-	98,459,418
Investments - net	(698,088,756)	(329,209,646)
Dividend received	2,695,650	11,049,950
Interest received	38,760,978	15,811,132
Net cash used in investing activities	(735,392,241)	(339,022,364)
Cash flows from financing activities		
Proceed from issue of TFCs	-	2,500,000,000
Proceed from long term loans	556,600,000	4,616,968,000
Short term borrowings	-	(790,000,000)
Certificates of investment issued/ (redeemed) -net	110,072,237	(2,183,947,100)
Repayment of long term loans and finances	(1,381,263,755)	(2,233,524,010)
Dividend paid	(102,025,346)	(242,128,313)
Net cash (used in)/ from financing activities	(816,616,864)	1,667,368,577
Net (decrease)/ increase in cash and cash equivalents	(307,546,223)	1,427,441,045
Cash and cash equivalents at beginning of the period	201,902,333	(426,198,719)
Cash and cash equivalents at end of the period	19 Rupees (105,643,890)	1,001,242,326

The annexed notes 1 to 20 form an integral part of these condensed interim financial information.

8

HALF-YEARLY REPORT 2008



K. Idris
KUNWAR IDRIS
DIRECTOR

Humayun
HUMAYUN MURAD
CHIEF EXECUTIVE

Condensed Interim Statement of changes in equity (Un-audited)

For the Six months period ended 31 December 2008

	Issued, subscribed and paid-up capital	Capital Reserves			Revenue Reserves				Share of associates' reserves	Total shareholders equity
		Share premium	Statutory reserve	General reserve	Unappropriated profit	Unrealised (losses) / gains on investment	Hedging reserve	Foreign currency translation reserve		
Balance as at 01 July 2007	694,784,830	552,821,229	550,500,000	210,000,000	362,249,315	10,051,253	(49,418,292)	53,373,903	(5,481,300)	2,378,880,938
Exchange difference arising on translation of foreign associates	-	-	-	-	-	-	-	9,572,395	-	9,572,395
Unrealised (loss)/ gain due to remeasurement in fair value of available for sale securities-net	-	-	-	-	-	(20,810,041)	-	-	(2,828,191)	(23,638,232)
Net loss on interest rate swap	-	-	-	-	-	-	(70,920,152)	-	-	(70,920,152)
Net income/ (loss) recognised directly in equity	-	-	-	-	-	(20,810,041)	(70,920,152)	9,572,395	(2,828,191)	(84,985,989)
Profit for the period	-	-	-	-	165,858,404	-	-	-	-	165,858,404
Total recognised income and expense for the period	-	-	-	-	165,858,404	(20,810,041)	(70,920,152)	9,572,395	(2,828,191)	80,872,415
Cash dividend @ Rs.3.50 per ordinary share of Rs.10 each declared on 22 September 2007	-	-	-	-	(243,174,691)	-	-	-	-	(243,174,691)
Balance as at 31 December 2007	694,784,830	552,821,229	550,500,000	210,000,000	284,933,028	(10,758,788)	(120,338,444)	62,946,298	(8,309,491)	2,216,578,662
Balance as at 01 July 2008	694,784,830	552,821,229	604,000,000	210,000,000	332,184,184	(7,939,458)	62,349,872	169,909,566	(14,241,845)	2,603,868,378
Exchange difference arising on translation of foreign associates - net	-	-	-	-	-	-	-	190,583,287	-	190,583,287
Unrealised (loss)/ gain due to remeasurement in fair value of available for sale securities-net	-	-	-	-	-	(48,408,669)	-	-	(30,393,104)	(78,801,773)
Net gain on interest rate swap	-	-	-	-	-	-	186,457,963	-	-	186,457,963
Net income/ (loss) recognised directly in equity	-	-	-	-	-	(48,408,669)	186,457,963	190,583,287	(30,393,104)	298,239,477
Net loss for the period	-	-	-	-	(34,424,093)	-	-	-	-	(34,424,093)
Total recognised income and expense for the period	-	-	-	-	(34,424,093)	(48,408,669)	186,457,963	190,583,287	(30,393,104)	263,815,384
Cash dividend @ Rs.1.50 per ordinary share of Rs.10 each declared on 16 September 2008	-	-	-	-	(104,217,719)	-	-	-	-	(104,217,719)
Bonus shares issued by transferring from share premium account	104,217,730	(104,217,730)	-	-	-	-	-	-	-	-
Balance as at 31 December 2008	799,002,560	448,603,499	604,000,000	210,000,000	193,542,372	(56,348,127)	248,807,835	360,492,853	(44,634,949)	2,763,466,043

The annexed notes 1 to 20 form an integral part of these condensed interim financial information.

K. Idris
KUNWAR IDRIS
DIRECTOR

Humayun
HUMAYUN MURAD
CHIEF EXECUTIVE

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

For the Six months ended 31 December 2008

1. The Company and its Operations

ORIX Leasing Pakistan Limited (the Company) was incorporated in Pakistan as a private limited company on July 1, 1986 under the Companies Ordinance 1984 and was converted into a public limited company on 23 December 1987. The Company is a subsidiary of ORIX Corporation, Japan. The Company is listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at Overseas Investors Chamber of Commerce Building, Talpur Road, Karachi. The Company is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies and Notified Entities Regulations 2008 issued by the Securities and Exchange Commission of Pakistan.

2. Basis of Preparation

This condensed interim financial information is un-audited and subject to limited scope review by the auditors and have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) as applicable in Pakistan. This condensed interim financial information does not include all of the information required for full financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2008.

The comparative balance sheet presented in this condensed interim financial information has been extracted from the audited financial statements of the Company for the year ended 30 June 2008, whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are stated from the unaudited condensed interim financial information for the period ended 31 December 2007.

This condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Company. The figures are rounded off to the nearest rupee.

This condensed interim financial information is being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and Section 245 of the Companies Ordinance, 1984.

3. Significant Accounting Policies

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended 30 June 2008.

4. Estimates

The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2008.

5. Risk Management Policies

Risk management policies are consistent with those disclosed in the financial statements for the year ended 30 June 2008.

6. Property, Plant and Equipment

	31 December 2008 (Un-audited)	30 June 2008 (Audited)
Property, plant and equipment - own use	241,306,851	200,729,172
Property, plant and equipment - operating lease	701,954,975	580,148,923
Capital work in progress	66,737,228	51,454,978
Rupees	1,009,999,054	832,333,073

6.1 The Following is a statement of cost of additions to and disposals from property, plant and equipment for the six months period ended 31 December 2008.

	Own use		Operating lease assets		Capital Work in Progress Additions
	Additions	Disposals	Additions	Disposals	
Generators	-	-	168,865,349	-	-
Leasehold Land	30,186,500	-	-	-	-
Leasehold improvements	7,117,164	323,000	-	-	-
Furniture, fittings and office equipment	6,633,875	3,176,212	-	-	-
Communication equipment	-	-	25,200,956	14,375	-
Vehicles	27,907,205	14,921,018	-	5,046,053	-
Computers and accessories	3,159,968	984,132	-	-	-
Building	-	-	-	-	15,282,250
Rupees	75,004,712	19,404,362	194,066,305	5,060,428	15,282,250
31 December 2007	Rupees 38,230,472	22,206,299	88,668,840	10,082,302	4,467,303

7. NET INVESTMENT IN FINANCE LEASES AND INSTALMENT LOANS

	31 December 2008 (Un-audited)	30 June 2008 (Audited)
Instalment contract receivables	18,240,217,461	20,014,849,349
Residual value	6,697,282,524	6,738,568,027
Initial direct cost	62,030,317	61,844,724
	24,999,530,302	26,815,262,100
Less: unearned finance income	3,125,117,267	3,306,721,848
	Rupees 21,874,413,035	23,508,540,252

8. LONG TERM INVESTMENTS

	31 December 2008 (Un-audited)	30 June 2008 (Audited)
Related parties		
Investment in equity accounted undertakings	1,607,420,576	1,378,147,992
Others		
Held to maturity investments		
Ijara sukuk-Government of Pakistan 8.1	180,000,000	-
Pakistan Investment Bonds (PIBs)	5,801,781	5,974,398
Term finance certificates (TFCs) - Listed	10,398,348	38,813,735
	196,200,129	44,788,133
Less: Allowance for potential losses	-	390,197
	196,200,129	44,397,936
Less: Current maturity	4,223,939	21,705,256
	Rupees 1,799,396,766	1,400,840,672

8.1 Held to maturity investments have been made as required under Regulation 14 (4) (i) of the Non Banking Finance Companies and Notified Entities, Regulations, 2008 to maintain liquidity against certificates of investment.

9. SHORT TERM INVESTMENTS

	31 December 2008 (Un-audited)	30 June 2008 (Audited)
Related Parties		
Fund placement 9.1	615,000,000	-
Held to maturity investment		
Treasury bills 9.2	38,088,999	93,849,144
Available-for-sale		
Ordinary shares 9.3	16,580,239	25,717,864
Units of open ended mutual funds 9.3	23,894,520	80,074,156
Units of close ended mutual funds 9.3	10,832,800	31,877,500
	51,307,559	137,669,520
Others - unsecured		
Certificates of investment	55,000,000	30,000,000
	Rupees 759,396,558	261,518,664

9.1 This represents fund placement with ORIX Investment Bank Pakistan Limited (OIBP), an associated undertaking, with a maturity of 15 days at prevailing market rate. Subsequent to period end, this balance has been rolled over and OIBP has been serving interest timely. OIBP has incurred losses in the current period and is currently facing financial difficulties. The Board of Directors is considering various options for the resolution of OIBP financial difficulties, including merger with the Company. The Company is confident that no material impairment will be incurred on funds placed with OIBP.

9.2 This represents investments made under Regulation 14 (4) (i) of the Non Banking Finance Companies and Notified Entities, Regulations, 2008 to maintain liquidity against certificates of investment.

- 9.3 The equity securities have been valued at prices quoted on the Karachi Stock Exchange on 31 December 2008 as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide circular No. 'Enf/D-III/Misc./1/2008' dated 29 January 2009.

Furthermore, SECP vide SRO 150(1)/2009 dated 13 February 2009 has allowed the impairment loss, if any, recognised as on 31 December 2008 due to valuation of listed equity investments held as 'Available for Sale' to quoted market prices may be shown under the equity. The amount taken to equity including any adjustment/ effect for price movements shall be taken to profit and loss account on quarterly basis during the calendar year ending on 31 December 2009. The amount taken to equity at 31 December 2008 shall be treated as a charge to profit and loss account for the purposes of distribution of dividend.

International Accounting Standard 39 – Financial Instruments: Recognition and Measurement (IAS 39) requires that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. Such impairment loss should be transferred from equity to profit and loss account.

In view of the current economic conditions in the country, the management believes that these are 'rare circumstances' and the plunge in equity markets cannot be considered to be a fair reflection of equity values. Therefore recognition of impairment for 'Available for Sale' equity securities through profit and loss account will not reflect the correct financial performance of the Company.

On the above basis the management has adopted the treatment permitted by the SRO 150(I)/2009 dated 13 February 2009. The recognition of impairment loss in accordance with the requirements of IAS 39 would have had the following effect on these financial statements.

		31 December 2008 (Un-audited)
Increase in 'impairment loss' in profit and loss account for the period	Rupees	56,474,002
Increase in loss for the period	Rupees	56,474,002
Decrease in unrealised loss on remeasurement of available for sale investments	Rupees	56,474,002
Decrease in unappropriated profits	Rupees	56,474,002
Increase in loss per share - basic and diluted	Rupees	0.71

10. LONG TERM FINANCES - secured

	31 December 2008 (Un-audited)	30 June 2008 (Audited)
Long term finances utilised under mark-up arrangements - financial institutions	3,818,888,900	4,346,111,121
Term finance certificates - Listed	2,498,500,000	2,499,000,000
Term finance certificates - Unlisted	5,000,000,000	5,000,000,000
	11,317,388,900	11,845,111,121
Less: Unamortised transaction cost in respect of		
Long term finances utilised under mark-up arrangements	4,462,355	6,383,669
Term finance certificates	49,644,420	57,873,574
	54,106,775	64,257,243
Less: Current maturity		
Long term finances utilised under mark-up arrangements	1,416,388,892	1,866,111,109
Term finance certificates	416,833,333	1,000,000
	1,833,222,225	1,867,111,109
	1,887,329,000	1,931,368,352
Rupees	9,430,059,900	9,913,742,769

11. LONG TERM LOANS - secured

Name of lending institution	Commencement of repayment	Mode of loan repayment	Rate (%)	31 December 2008 (Un-audited)	30 June 2008 (Audited)
International Finance Corporation	15-Jul-2008	11 equal semi annual instalments after 24 months grace period	US\$ six month LIBOR+1.5%	1,216,272,770	1,169,600,000
Citibank Japan Limited, syndicated loan	31-Jan-08	14 equal semi annual instalments	US\$ six month LIBOR+0.675%	3,372,857,143	3,194,285,685
Swiss Agency for Development & Co-operation (SDC)	10-Dec-2004	5 equal annual instalments	7.00	-	4,000,000
Pakistan Poverty Alleviation Fund (PPAF)	01-Jan-2009	12 quarterly instalments	10.00	56,600,000	-
Pakistan Poverty Alleviation Fund (PPAF)	22-Feb-2006	16 quarterly instalments	6.00	28,893,294	35,000,000
Pakistan Poverty Alleviation Fund (PPAF)	14-Dec-2006	12 quarterly instalments	8.00	22,589,519	54,187,631
Total long term loans				4,697,212,726	4,457,073,316
Less : Unamortised transaction cost				121,010,758	140,318,582
Less : Current maturity				731,756,189	713,795,347
			Rupees	3,844,445,779	3,602,959,387

12. SHORT TERM BORROWINGS

	31 December 2008 (Un-audited)	30 June 2008 (Audited)
Under mark-up arrangements - secured	466,376,360	5,654,931
Letters of placement - unsecured	130,000,000	-
	Rupees	5,654,931

13. COMMITMENTS

- 13.1 Leasing and instalment loans contracts committed but not executed at 31 December 2008 amounted to Rs. 30.49 million (30 June 2008 : Rs. 73.59 million).
- 13.2 Commitments for capital expenditure on Point of Sale (POS) network as at 31 December 2008 amounted to Rs. 1.82 million (30 June 2008 : Rs. 10.99 million).
- 13.3 Commitments for capital expenditure for construction of office as at 31 December 2008 amounted to Nil (30 June 2008 : Rs. 6.55 million).
- 13.4 Commitments for capital expenditure on operating lease asset amounted to Rs. 87.3 million (30 June 2008: Rs.113.96 million).

14. INCOME FROM FINANCE LEASES AND INSTALMENT LOANS

	31 December 2008 (Un-audited)	31 December 2007 (Un-audited)
Income from finance leases	1,261,037,381	1,194,719,559
Income from instalment loans	11,702,701	21,664,130
	Rupees	1,272,740,082

15. SHARE OF PROFIT OF EQUITY ACCOUNTED UNDERTAKINGS

Name of associates	31 December 2008 (Un-audited)		31 December 2007 (Un-audited)	
	Associates' profit/ (loss) after tax	Share of associates' profit/ (loss) after tax	Associates' profit after tax	Share of associates' profit after tax
Listed				
Oman ORIX Leasing Company SAOG	227,465,596	26,480,863	238,715,164	27,790,504
ORIX Investment Bank Pakistan Limited	(141,307,841)	(18,348,359)	(424,400,544)	(63,660,082)
	86,157,755	8,132,504	(185,685,380)	(35,869,578)
Un-listed				
Saudi ORIX Leasing Company	464,241,629	37,139,330	256,523,348	25,652,335
MAF ORIX Finance PJSC	255,251,866	7,657,556	175,450,213	5,263,506
BTA ORIX Leasing JSC	(55,668,823)	(5,566,882)	105,459,651	10,545,965
ORIX Leasing Egypt SAE	93,812,960	21,576,982	74,620,999	17,162,830
ORIX Properties Pakistan (Private) Limited	317,580	142,911	-	-
	757,955,212	60,949,897	612,054,211	58,624,636
	Rupees	844,112,967	426,368,831	22,755,058

16. FINANCE COSTS

	31 December 2008 (Un-audited)	31 December 2007 (Un-audited)
Interest/ mark-up on		
- Long term finances	869,754,479	800,879,315
- Long term loans	240,072,757	97,538,158
- Short term borrowings	36,777,830	37,503,883
Profit on certificates of investment	74,027,280	94,959,052
Amortisation of transaction costs	29,458,292	11,765,729
Bank charges and commission	5,377,936	4,008,453
	Rupees	
	1,255,468,574	1,046,654,590

17. SEGMENT INFORMATION

The Company has two primary reporting segments namely, 'Finance lease' and 'Operating lease', based on the nature of business and the related risks and returns associated with these segments. The finance lease operations are primarily for long term leases of movable assets to corporate entities and individuals, while under operating lease, the Company provides assets on short term rentals. Other operations, which are not deemed by management to be sufficiently significant to disclose as separate items and do not fall into the above segment categories, are reported under 'Others'.

Segment analysis for the six months period ended 31 December 2008

		Finance Lease	Operating Lease	Others	Total
Segment revenues	Rupees	1,272,740,082	306,085,769	177,635,861	1,756,461,712
Segment result	Rupees	1,065,065,428	93,247,635	141,259,532	1,299,572,595
Unallocated expenses					(137,079,052)
Results from operating activities					1,162,493,543
Finance costs					(1,255,468,574)
Share of profit of equity accounted undertakings				69,082,401	69,082,401
Provision for taxation					(10,531,463)
Loss for the period				Rupees	(34,424,093)

Segment analysis for the six months period ended 31 December 2007

Segment revenues	Rupees	1,194,719,559	248,338,531	235,108,345	1,678,166,435
Segment result	Rupees	1,069,128,235	61,175,657	220,107,057	1,350,410,949
Unallocated expenses					(123,513,300)
Results from operating activities					1,226,897,649
Finance costs					(1,046,654,590)
Share of profit of equity accounted undertakings				22,755,058	22,755,058
Provision for taxation					(37,139,713)
Profit for the period				Rupees	165,858,404

18. TRANSACTIONS WITH RELATED PARTIES

The following table provides the details of transactions which have been entered into with related parties.


		31 December 2008 (Un-audited)	31 December 2007 (Un-audited)
ORIX Corporation, Japan			
Controlling entity			
Proceeds against renunciation of right shares of			
Oman ORIX Leasing Company SAOG	Rupees	-	98,459,418
Dividend paid	Rupees	52,004,638	121,344,162
ORIX Investment Bank Pakistan Limited			
Associate/ common directorship			
Purchase of right shares	Rupees	-	108,900,000
Brokerage/ commission/ advisory fee paid during the year	Rupees	-	21,912
Fund placement	Rupees	615,000,000	-
Interest received	Rupees	23,251,644	-
ORIX Properties Pakistan (Pvt.) Limited			
Received against certificates of investment	Rupees	35,000,000	-
Compensation of Key Management Personnel			
Short term employee benefit		16,960,400	16,594,067
Termination benefits		1,396,241	2,238,760
	Rupees	18,356,641	18,832,827

19. CASH AND CASH EQUIVALENT

Cash at bank		488,781,782	1,023,855,807
Cash in hand		1,950,688	1,667,362
		490,732,470	1,025,523,169
Letter of placements	12	(130,000,000)	(9,500,000)
Overdraft	12	(466,376,360)	(14,780,843)
	Rupees	(105,643,890)	1,001,242,326

20. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 25, 2009 by the Board of Directors of the Company.


KUNWAR IDRIS
DIRECTOR


HUMAYUN MURAD
CHIEF EXECUTIVE

Parent Company

ORIX Corporation

4-1-23, Shiba, Minato-ku,
Tokyo 108-0014, Japan
Tel: 81-3-5419-5041
Fax: 81-3-5419-5901

ORIX Leasing Pakistan Limited

ASSOCIATED COMPANIES

Overseas Joint Ventures

Oman ORIX Leasing Company SAOG

Office No. 23 & 33 Rumaila 106
Wattayah, P.O. Box 106
Postal Code 118, Muscat
Sultanate of Oman
Tel: (968) 24565612
Fax: (968) 24565610

ORIX Leasing Egypt SAE

5th Floor, Cairo Center Building
2, Abd El Kader Hamza Street
Garden City, Cairo 11461, Egypt
Tel: (202) 7922757-9
Fax: (202) 7922760

Saudi ORIX Leasing Company

P.O. Box 22890, Riyadh 11418
343 Al Ma'ather Street, Riyadh
Kingdom of Saudi Arabia
Tel: (9661) 2997777
Fax: (9661) 2997770

MAF ORIX Finance PJSC

3rd Floor, Deira City Centre
Office Building
P.O. Box 22600, Dubai
United Arab Emirates
Tel: (9714) 2952200
Fax: (9714) 2940940

BTA ORIX Leasing JSC

5th Floor, 38, Tulebaev Street
Almaty
Republic of Kazakhstan
Tel: (77272) 718546, 509085, 502962, 507979
Fax: (77272) 718545

Joint Ventures in Pakistan

ORIX Investment Bank Pakistan Limited

2nd Floor
Islamic Chamber of Commerce Building
ST2/A, Block 9, Clifton
Karachi-75600
Tel: (9221) 5861266
Fax: (9221) 5868862

ORIX Properties Pakistan (Private) Ltd.

42 (C) E/1, Gulberg III
Lahore
Tel: (042) 5777823-6
UAN: (042) 111-000-737
Fax: (042) 5777819

Offices in Pakistan

ORIX Leasing Pakistan Limited

Karachi

Registered Office & Head Office
Overseas Investors Chamber of
Commerce Building
Talpur Road, Karachi-74000, Pakistan
Tel: 021-2426020-9
Fax: 021-2432604, 2425897, 2424315

Korangi Office

Plot No 16,
Sector 24, Korangi Industrial Area
Karachi.
Tel: 5071661-5, 5071040-3

E-Business Division

601 & 602 STSM Foundation Building
CL-10/20/2, Beaumont Road
Civil Lines, Karachi-75530
UAN: 111-767-657
Tel: 021-5656301
Fax: 021-5656329

Gulshan-e-Iqbal

Plot No. SB-14, Block 13-C
Main University Road
Gulshan-e-Iqbal Karachi
Tel: 021-4830449-53
Fax: 021-4830448

North Nazimabad

S B -54, Block K, North Nazimabad
Karachi
Tel: 021-6702126, 6702142

North Karachi

Ground Floor, Plot No. R-14
Sector 11-K, North Karachi
Tel: 021-6996812

Quetta

Office No 21-22, First Floor, Ahmed Complex
M.A, Jinnah Road, Quetta
Tel: 081-2842383
Fax: 081-2842356

Lahore

4-J, Gulberg-111, Near Firdous Market, Lahore
Tel: 5842560-1, 5842171, 5842964
Fax: 042-5845975, 5845974

Queens Road

Office No. 2, Ground Floor (S-41-R-30-A)
Shah Centre, Queens Road, Lahore
Tel: 042-6307684-5

Shah Alam Market

35/155, Circular Road
Shah Alam Market, Lahore
Tel: 042-7351986

Batapur / Jallo More

Main G.T. Road, Batapur, Lahore
Tel: 042-6584511

Chunian

W-1 370/26, Shop RH, Cantt Road, Chunian
Tel: 049-4014809

Kot Abdul Malik

11 Kilometers, Lahore-Sheikhupura Road
Kot Abdul Malik, Distt. Sheikhupura
Tel: 042-7919722

Sheikhupura

Ground Floor, Sharif Plaza
Sargodha Road, Sheikhupura
Tel: 056-3788040
Fax: 056-3788041

Renala Khurd

Ghalla Mandi, Opp. Zaka Hospital
Renala Khurd, Distt. Okara
Tel: 0442-635185

District Kasur / Pattoki

Al Rehman Center, Main Multan Road, Pattoki
Tel: 049-4420356, 4422064

Faisalabad

3rd Floor, Sitara Towers
Bilal Chowk, Civil Lines, Faisalabad
Tel: 041-2633926, 2633811-3
Fax: 041-2633927

Sargodha

A. R. Tower, Adjacent Q's International Hotel
University Road, Sargodha
Tel: 048-3729521
Fax: 048-3729522

Sahiwal

Near Five Ways Hotel, Five Ways Chowk
Stadium Road, Sahiwal
Tel: 040-4227613-5

Jhang

Government Girls College Chowk
Church Road, Civil Lines, Jhang
Tel: 047-7650421
Fax: 047-7650422

Mianwali

E/56, Fazal Shah Street
Mohalla Zada Khel, Mianwali
Tel: 045-9381203
Fax: 045-9381180

Circular Road Faisalabad

Office 7 & 8, 2nd Floor
Ashraf But Centre
P-156, Circular Road, Faisalabad
Tel: 041-2412051
Fax: 041-2412054

Sialkot

1st Floor, Goolam Kadir Arcade
Aziz Shaheed Road, Sialkot Cantt
Tel: 052-4260767, 4260616, 4260877
Fax: 052-4269548

Mandi Bahauddin

1st Floor PIA Building
Kachery Road, Mandi Bahauddin
Tel: 0546-500506
Fax: 0546-500507

Gujrat

4th Floor, State Life Building
G.T. Road, Gujrat
Tel: 0433-515282

Gujranwala

76-ABC, Block-P, Trust Plaza
G.T. Road, Gujranwala
Tel: 055-3731021-22
Fax: 055-3731022

Islamabad

Ground Floor, Phase 1
State Life Building No. 5
Nizamuddin Road
Blue Area, Islamabad
Tel: 051-2821706, 2821748, 2821960
Fax: 051-2821917

Rawalpindi

Plot No. 7-G 55 & 55-A
2nd Floor, Green Building, Haider Road
Saddar, Rawalpindi
Tel: 051-5120070
Fax: 051-5120071

Talagang Branch

Sheikh Centre, near Eid Gah, Mainwali Road
Talagang, District Chakwal
Tel: 0543-413916
Fax: 0543-413917

Wah Cantt

1st Floor, Mall View Plaza, Sector A
Shah Wali Colony, The Mall Road
Wah Cantt. Distt. Rawalpindi
Tel: 051-4533591
Fax: 051-4533692

Mirpur A. K.

1st Floor, Jarral Plaza, 63/F, Sector F-1
Kotli Road, Mirpur A. K
Tel: 0300-5006188

Chakwal

1st Floor, Abbas Khan Gulsher Khan Firm
Talagang Road, Chakwal
Tel: 0543-543523

Hyderabad

1st Floor, State Life Building
Thandi Sarak, Hyderabad
Tel: 022-2784143, 2720397, 2781178
Fax: 022-2781178

Sukkur

5th Floor, State Life Building
Minara Road, Sukkur
Tel: 071-527907-8

Mirpurkhas

1st Floor, State Life Building, Mirpurkhas
Tel: 0300-3301140

Multan

Ground Floor, Trust Plaza, LMQ Road, Multan
Tel: 061-4580435, 4518431-3
Fax: 061-4580321

Rahim Yar Khan

20-21, Ground Floor, City Centre Plaza
Shahi Road, Rahim Yar Khan
Tel: 068-588565
Fax: 068-587610

Bahawalpur

Ground Floor, Near Cantonment
Office Board, Ahmed Pur East Road
Bahawalpur
Tel: 0300-8680164

Vehari Branch

Jinnah Road, Vehari
Tel: 067-3364795

Peshawar

1st Floor, State Life Building
The Mall, Peshawar
Tel: 091-5279789, 5278647
Fax: 091-5273389

Kohat Branch

Pir Saadullah Shah Market
Kachery Chowk, Hangu Road, Kohat
Tel: 0922-520832
Fax: 0922-520837

Abbotabad

Ground Floor, Opposite GPO
Cantt Bazar, Abbotabad
Tel: 0992-343888
Fax: 0992-340370

Mingora

First Floor Swat Market
G.T. Road Mingora Swat
Tel: 0946-722620, 0300-5749249

UAN: 111-24-24-24

E-mail: olp@orixpakistan.com

Website: www.orixpakistan.com

passed

