



RATING ACTION

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PACRA REMOVES THE RATINGS OF PACE (PAKISTAN) LIMITED FROM RATING WATCH

The Pakistan Credit Rating Agency (PACRA) has removed the entity (long-term: A; short-term A1) and instrument ratings (TFC PKR 1,500mln: A+; *Sukuk* PKR 400mln: A+) of Pace (Pakistan) Limited (Pace) from Rating Watch upon the successful restructuring of its TFC issue of PKR1500mln. However, the outlook on the ratings remains negative.

About the company: Pace, incorporated in 1992, was acquired by First Capital Group in 1998. Pace has been listed on Karachi and Lahore stock exchanges since February 2007. Pace has established a strong position in the past few years in real estate sector of Pakistan. The company is principally engaged in developing, managing and sale of real estate properties.

About the TFC: Pace has restructured its first secured and listed TFC of PKR 1,500mln. Under the revised terms, the overall tenor of the instrument has been increased by 4 years (maturing in Feb-2017) with principal redemption starting in Aug-2012 in the form of 10 equal semi-annual installments. The profit rate has been increased by 50bps to six months KIBOR plus 2%. The issue is secured by first pari passu charge on assets (movable and immovable) by way of equitable mortgage of immovable properties and hypothecation of movable assets with 25% margin.

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