



DIRECTORS' REVIEW

BEGIN IN THE NAME OF ALLAH
THE MOST GRACIOUS AND MERCIFUL

Dear Member(s)

Assalam-o-Alykum!

I, on behalf of Board of Directors of your Company, am pleased to present herewith financial statements of the Company for the quarter and nine months ended March 31, 2010 together with figures for the corresponding periods.

Performance Review

During the quarter ended March 31, 2010, the Company earned an operating profit of Rs. 85.636 million as compared to Rs. 9.223 million for the corresponding period. The increase in operating profit is mainly contributed by the gain on sale of investments and by fees and commission. The Company has earned profit before tax of Rs. 70.569 million and profit after tax of Rs. 68.295 million as compared to Rs. 49.519 million and Rs. 48.625 million respectively for the same period during last year. The said increase can also be attributed to decrease in financial charges due to low utilization of finance facilities. Earnings per share for the quarter are Rs. 1.14 as compared to Rs. 0.94 for the corresponding period.

For the nine months' period ended March 31, 2010, the Company earned an operating profit of Rs. 195.726 million as compared to Rs. 36.144 million for the same period during last year. The Company has earned a profit before tax of Rs. 178.952 million and profit after tax of Rs. 173.344 million as compared to loss before tax of Rs. 160.513 million and loss after tax of Rs. 169.909 million for the corresponding period resulting in earnings per share of Rs. 2.89 as compared to loss per share of Rs. 2.83 for the corresponding period.

Economic and Stock Market Review

The economic conditions remained depressed during the third quarter of 2009-10 as well. Rising crude oil prices internationally pushed Pakistan's inflation rate into double digits once again and average inflation for third quarter 2009-10 was 13.2%. This kept the State Bank of Pakistan from moving interest rates further down and the discount rate remained at 12.5%. The State Bank of Pakistan expects the economy to grow at a slow pace of 2.5-3.5% during the current financial year.

There was some encouragement from large-scale manufacturing which has shown good recovery during the third quarter 2009-10. However, with summer months approaching the electricity deficit in the country has touched a peak level of 6,000MW, which is the highest ever level. This is a key factor in the country's sluggish economic momentum at this time.

The stock market performed well during third quarter 2009-10, with the KSE-100 Index rising 8.4% during the said quarter. Average daily volume stood at 169mn shares, and there was strong interest from foreign portfolio investors as well who remained net buyers of US\$141mn during the quarter. The KSE-100 witnessed this recovery due to improving risk perception of Pakistan in foreign investors' minds.



Future Outlook

With the recent passage of the 18th amendment, the government officials may now be able to pay swift attention to addressing the economic needs of the country, as political volatility seems to have gone into the background. We believe that as the government is working out ways to improve the country's economic performance, the stock market volumes would improve. Improved volumes would contribute to a healthy outlook for Company's business.

Acknowledgements

The Board of Directors of your Company wishes to place on record its gratitude to the Regulators, its bankers, Members, clients and business partners for their continued cooperation and support. Further, the Board appreciates the valuable, loyal, and commendable services rendered to the Company by its employees.

In conclusion, we pray to almighty Allah for his blessings, guidance, health and prosperity to us, our company, country and nation.

For and on behalf of the Board of Directors

AMYN NASIRUDDIN
Chairman & Chief Executive Officer

Karachi, April 20, 2010

NINE MONTHS REPORT MARCH 31, 2010