Annual
Report
2008

Experience, Commitment and Service

PICT

Pakistan International Container Terminal Limited

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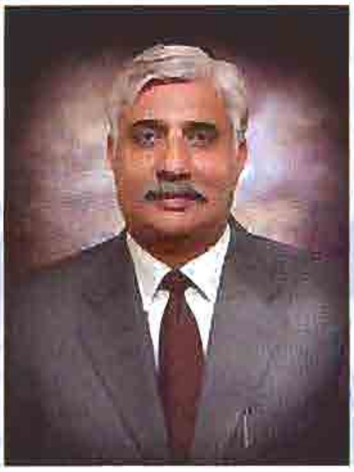
Board of **Directors**

Capt. Haleem A. Siddiqui
Chairman



Capt. Zafar Iqbal Awan
Chief Executive

Mr. Aasim Azim Siddiqui
Director

Mr. Sharique Azim Siddiqui
Director / Chief Operating Officer

Syed Nizam A. Shah
Director

Mr. A[illegible] Siddiqui
[illegible]

Mr. Danish Azim Siddiqui
Director

Mr. M. Masood Ahmed Usmani
Chief Financial Officer & Company Secretary

Company information

Board of Directors

Chairman
Capt. Haleem A. Siddiqui

Chief Executive
Capt. Zafar Iqbal Awan

Directors
Mr. Aasim Azim Siddiqui
Mr. Sharique Azim Siddiqui, Chief Operating Officer
Mr. Danish Azim Siddiqui
Syed Nizam A. Shah
Mr. Ali J. Siddiqui

Chief Financial Officer & Company Secretary
Mr. M. Masood Ahmed Usmani, FCA

Audit Committee

Chairman
Syed Nizam A. Shah

Members
Mr. Aasim Azim Siddiqui
Mr. Ali J. Siddiqui

Secretary
Mr. Arsalan I. Khan, ACA

Auditors
Ford Rhodes Sidat Hyder & Co.
Chartered Accountants, 6th Floor, Progressive Plaza,
Beaumont Road, P.O. Box 15541, Karachi-75530 Tel. 5650007-11

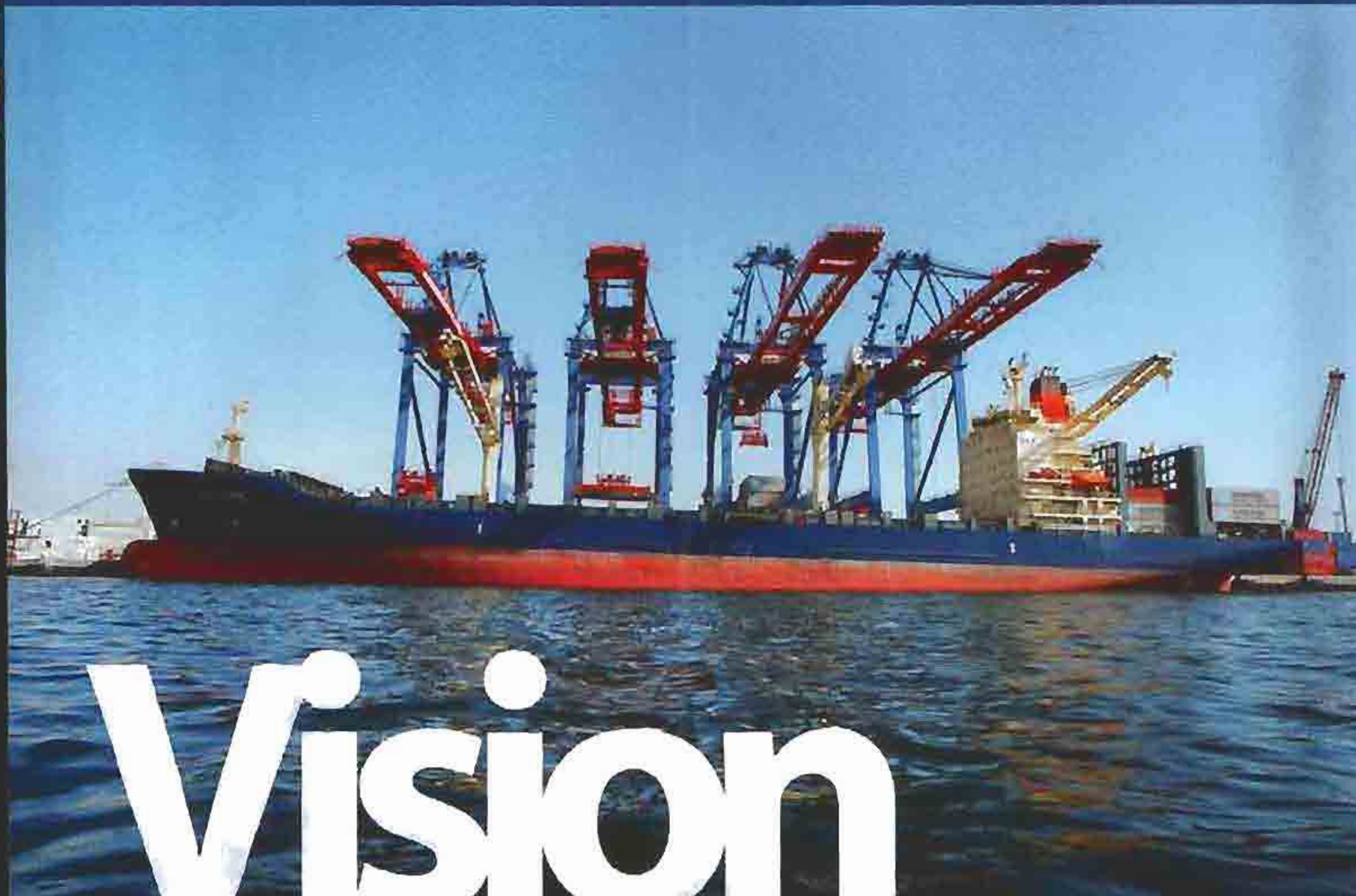
Legal Advisors
Kabraji & Talibuddin, 64-A/1, Gulshan-e-Faisal, Bath Island, Karachi.
Usmani & Iqbal, 6th Floor, Business Centre, Mumtaz Hassan Road, Karachi.
The Continental Law Associates, Panorama Centre, Saddar, Karachi.

Bankers
Faysal Bank Limited
Crescent Commercial Bank Limited
JS Bank Limited
United Bank Limited
Standard Chartered Bank

Registered & Head Office
2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi 74000, Pakistan.
Tel. (+9221) 2400450 Fax. (+9221) 2400281

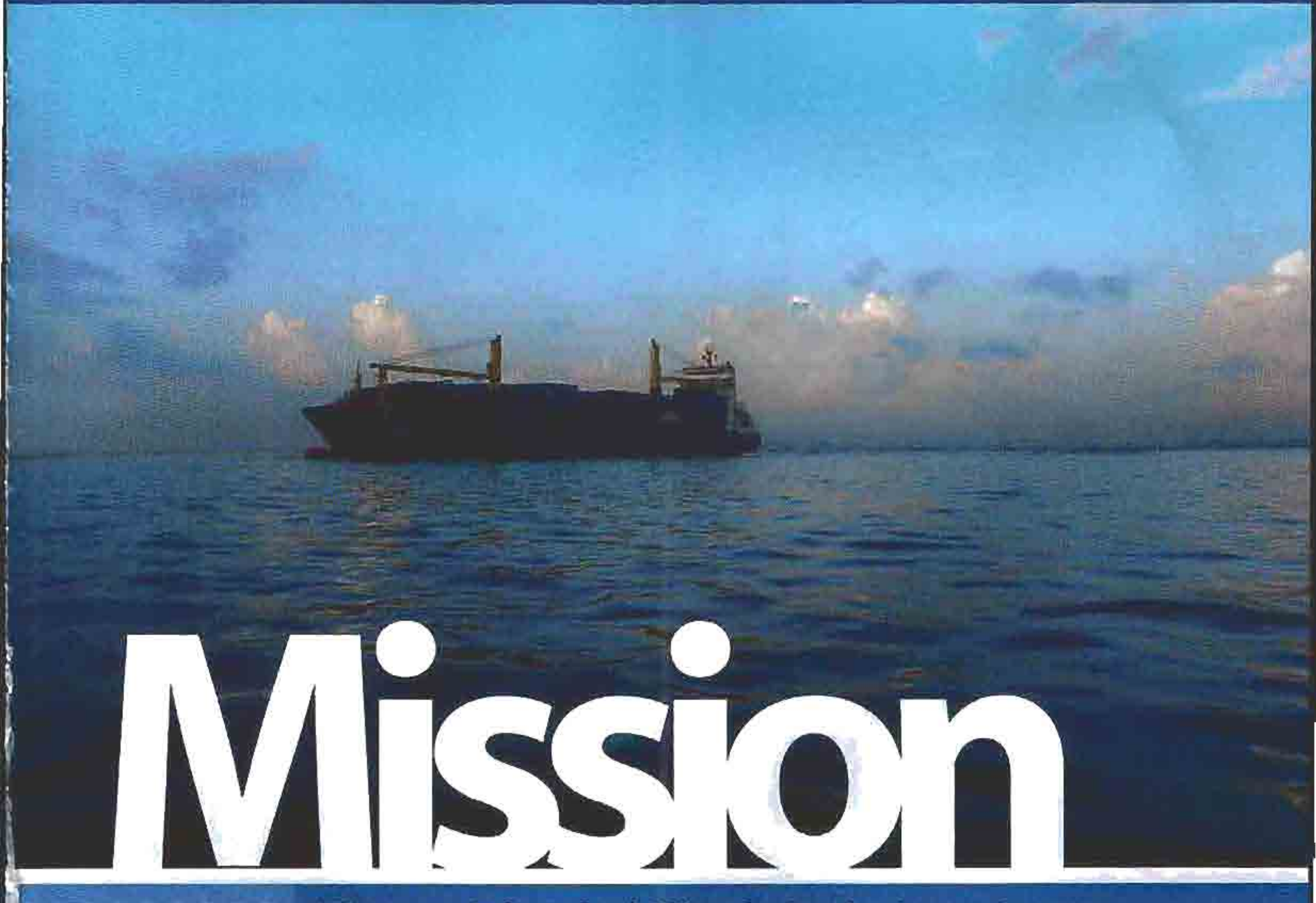
Terminal
Berth 6-9, East Wharf Karachi.
UAN. (+9221) 111 11 PICT (7428) Fax. (+9221) 2854815

Registrar / Transfer Agent
Technology Trade Services (Pvt.) Ltd. 241-C, Block 2, P.E.C.H.S., Karachi.
Tel 4391316-7



Vision

Operate a Container Terminal at Karachi Port that provides the highest level of quality services to its clients



Mission

A Company dedicated to fulfilling the Port Service requirements of Customers and Users of Karachi Port at an economic cost through optimum use of human and financial resources and giving a fair return to investors

Corporate Social Responsibility

Our Commitment

Fundamental to creating and maintaining stakeholder's value is our commitment to:

- **People** constitute our single most important advantage. It is only through the combined efforts of our people that we will grow and prosper.
- **Integrity** is caring about how we get results. Committed to a future based on the fundamentals of our code of conduct. Ensuring our actions match our words.
- **Leadership** provides the environment for all our people to realise their potential and focus on our goals.
- **Performance** is continuously improving all that we do, measuring what is important and driving for excellence.
- **Innovation** is differentiating our business; we will be 'First to be First'.

Code of Conduct

- We treat each other with respect and dignity.
- We respect the law and act accordingly.
- We are fair and honest in our dealings.
- We are accountable for our actions and their consequence

Community

To be an efficient and proactive community member, we understand the needs and expectations of those stakeholders we seek to operate. PICT is committed to balancing its business needs with the needs of the community around its area of operational activities as well as to the society.

PICT contributes financially to communities through employment, business opportunities sponsorship and donations.

Sponsorships and Donations

Sponsorships and donations were disbursed to NGOs namely;

- Edhi Foundation
- SOS Children's Villages of Pakistan
- Rotary International
- The Indus Hospital Karachi
- Jinnah Foundation
- Behbood Association
- The CJM Karachi Alumni Association
- M.H. Sufi Foundation School
- Sada Welfare Foundation
- Shaukat Khanum Memorial Cancer Hospital and Research Centre
- FLAME (Friends of Literacy and Mass Education)
- World Federation of Islamic Missions
- The Layton Rehmatullah Benevolent Trust
- Dr. Abdul Hameed Khan's Welfare Trust
- Karwan-e-Ilm Foundation
- Pak Navy Women Association

Further to these donations PICT also supports its low paid salary staff in their financial distress, and in case of casualty of close family member all the burial expenses are met by the company. Such staff is also entitled to avail the special allowance for education of their children.

Indigenous Employment Initiative

Our commitment to serve the community includes skill development of members of community. PICT aims to equip trainees with the skills to secure and sustain employment. We do not guarantee employment for indigenous trainees at the end of training – we aim to equip each trainee with the skills and ability to secure employment on their own merit.

Environment, Health & Safety

PICT is committed to achieving compatibility between economic development and the maintenance of the environment. To fulfill this commitment the company observes all the environmental laws. By implementing OHSAS 18001 we had integrated our planning and operational processes, and with continuous improvement we are maintaining the appropriate environment friendly performance levels. Preserving environment through awareness among the company personnel is our continuous ongoing process and is being achieved by throughout the year inhouse training sessions.

We believe that no business activity could come before Health & Safety. PICT strives to develop a culture that supports its safety and health of all employees, contractors, customers and the communities associated with operations.

Notice of the 7th Annual General Meeting

Notice is hereby given that the 7th Annual General Meeting of Pakistan International Container Terminal Limited will be held at Avari Tower & Hotel, Karachi, on Thursday, September 18, 2008 at 12:00 P.M. to transact the following business:

Ordinary Business:

1) To confirm the minutes of 6th Annual General Meeting held on September 29, 2007.

2) To receive and adopt Audited Accounts for the year ended June 30, 2008 together with Auditors' and Directors' Reports thereon.

3) To approve payment of final cash dividend on Ordinary Shares @ 30% (i.e., Rs. 3/- per share) for the year ended June 30, 2008.

4) To approve payment of final cash dividend on Preference Shares @ 10% (i.e., Re. 1/- per share) for the year ended June 30, 2008.

5) To appoint Auditors for the year 2008-2009 and fix their remuneration. The present auditors, M/s. Ford Rhodes Sidat Hyder & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

6) To transact any other business with the permission of the Chair.

By order of the Board

M. Masood Ahmed Usmani
Company Secretary

Thursday, August 28, 2008

Notes:

1. Share Transfer Books of the Company will remain closed from September 11, 2008 to September 17, 2008 (both days inclusive). Transfer received in order at Company's Registrar, Technology Trade (Pvt.) Ltd., 241-C, Dagia House, P.E.C.H.S., Block 2, Karachi by close of business on September 10, 2008 will be considered in time.

2. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Company's Registered Office, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

3. CDC shareholders, entitled to attend and vote at this meeting, must bring with them their Computerized National Identity Cards/Passport in original alongwith Participants' ID Numbers and their Account Numbers to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

4. Shareholders are requested to notify any change in their addresses to the company immediately.

Chairman's Review

I am proud on the efforts made by the management of PICT for achieving our targets of growth in container handling in financial year 2007-08 and to handle 472,137 TEUs (Twenty Foot Equivalent Container Units) during the year as compared to 345,802 TEUs last year- a growth of 37%. Our revenues have grown significantly by 43% and consequently net profits before tax have seen a growth of 42%. Our growth has been commendable ever since we started commercial operations in 2002. All this has been possible by the Grace of God with the full dedication of our team of professionals.

Our priority is to add shareholder value by reinvesting our earnings in the company to support our expansion plans in order to capture a significant share in the double digit growth in Pakistan's container throughput. The Board of Directors also recommends cash dividend on Ordinary Shares @ 30 % (Rs. 3/- per ordinary share) amounting to Rs. 272.883 million and cash dividend on Preference Shares on proportionate basis @ 10% p.a. (Re. 1 per preference share) amounting to Rs. 18 million.

During the year, we have become the first container terminal in Pakistan and second facility in the world to install a 6MEV Dual Scan Scanner. This has enabled us to employ the most modern methods of non-intrusive customs examination by scanning the containers without opening the cargo.

We are presently operating with a total of four Quayside Cranes, two Mobile Harbour Cranes and ten Rubber Tyred Gantry Cranes along with the other ancillary equipment. We also appreciate Karachi Port Trust (KPT) efforts to deepen the Karachi Port Channel which will enable Karachi Port to handle larger vessels. The Phase 4 Equipment, comprising of Two Quayside Cranes and Ten Rubber Tyred Gantry Cranes are also expected to arrive on schedule by end September 2008 and be commissioned by November 2008. This will significantly add to our Berth and Yard handling capacity.

PICT has also procured land at the Northern Bypass in Karachi which will develop as an Off-Dock Container Depot to extend our services more efficiently to our customers - outside the congestion of the Port area.

On behalf of PICT, I would like to thank the management of KPT, our Lenders- the International Finance Corporation and the OPEC Fund for International Development, our clients and our valued shareholders.

Our objective remains to build the first Pakistani-owned container terminal of PICT and to successfully operate at international norms of productivity and service, and to be second to none.

Capt. Haleem A. Siddiqui
Chairman

Karachi: August 18, 2008

Directors' Report

The Directors have pleasure in presenting the Annual Report together with the audited Financial Statements of the Company for the year ended June 30, 2008.

During the last year, PICT has shown outstanding progress in terms of growth in containers handled, increase in berth productivity, increase in company revenues and profits. The significant milestones achieved were the following:

- 37 percent growth in annual container throughput to 472,137 TEUs (Twenty Foot Equivalent Container Units) (2007: 345,802 TEUs);
- 43 percent growth in annual revenues to Rs. 3,134.06 (2007: Rs. 2,186.06) million;
- 69 percent growth in profits before interest and tax to Rs.1,185.61 (2007: Rs. 699.61) million ;and
- 42 percent increase in profits before tax to Rs.740.994 (2006: Rs. 520.12) million.

The year under review saw the successful installation and commissioning of 6MEV Dual Scan Scanner which has enabled us to employ the most modern methods of non-intrusive customs examination by scanning the containers without opening the cargo. PICT team has been organized to successfully operate the new container handling equipments and integrate the operations with the terminal management software installed at the Terminal. The above milestones are a result of the successful teamwork whereby state-of-the-art container handling equipment was installed at PICT and container handling services of international standards were provided to shipping lines and the trade by a team of dedicated Pakistani professionals.

Inauguration of PICT Scanner by FBR Chairman

Future Plans

We appreciate Karachi Port Trust's (KPT) efforts to deepen the Karachi Port Channel for which we have already equipped our selves with the latest equipment to handle larger vessels. As part of our drive to be ahead of the competition, PICT has installed the latest scanning and radioactivity detection system. This will enable us to employ the most modern methods of non-intensive customs examination by scanning the containers without opening them. PICT is the first container terminal in Pakistan and the second facility in the world to install a 6MEV Dual Scan capable Scanner. Further more, PICT has also procured the latest Terminal Operating Software N4 from Navis, USA and is in testing phase for rolling out N4.



Our new Phase 4 Equipment - two additional Quayside Cranes and 10 Rubber Tyred Gantry Cranes - is also expected to be commissioned at the Terminal by November 2008. The Rubber Tyred Cranes ("RTG"), used in the Yard, are dual powered: diesel and electric power compatible. We will be the first Terminal in Pakistan to install these electric powered RTGs which are more fuel efficient and environment friendly. We are also developing an inland container depot at Northern By-Pass at Karachi which will assist us to expand our handling capacities in synchronization with the increase in our terminal equipment.



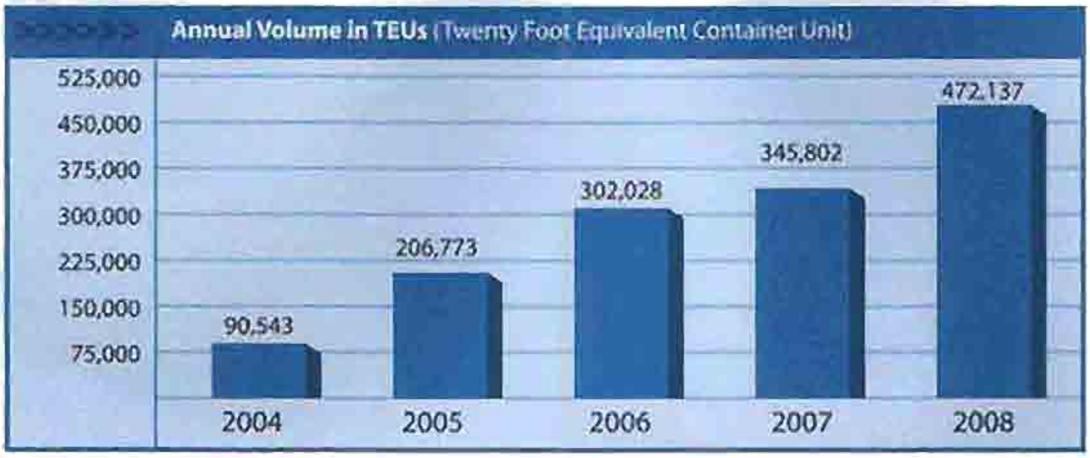
During the year, we have also demolished the old Karachi Port buildings in our area which housed our Engineering and Administration Offices, and constructed container stacks in these areas to boost our Yard capacity. We have constructed a new Administrative Block at the berth side and relocated our Engineering offices to newly constructed block next to the equipment yard.



Furthermore, we are constructing a new Bridge Down-Ramp and expanding to eight inner gates for improved efficiencies at the Gate Interchange.

Operational Performance

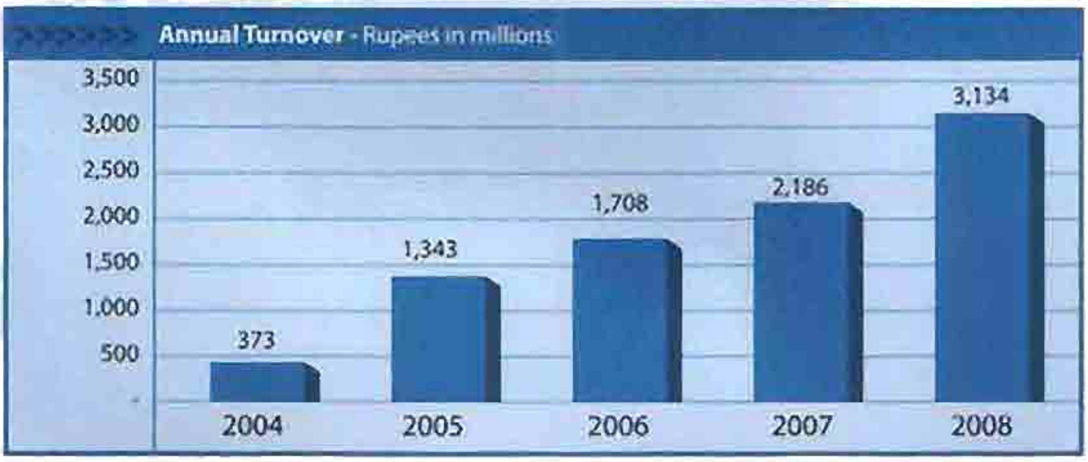
The Company has shown growth both in terms of volume as well as revenue. During the year, the Company has handled 472,137 TEU's as compared to 345,802 TEU's in the last year showing a growth of 37%. This increase in volume is mainly attributable to the quality of service and state-of-the-art facilities being provided to the shipping lines calling at the Terminal.

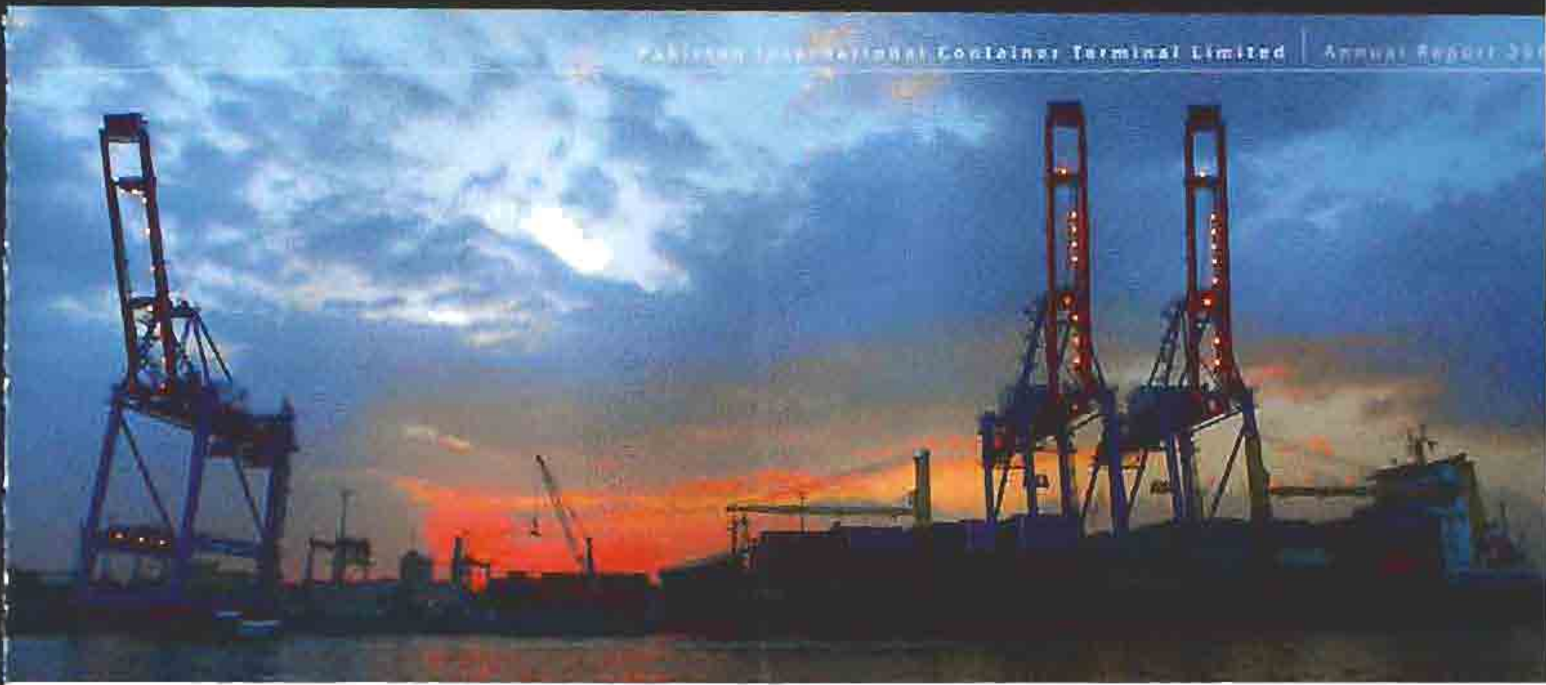


Financial Performance

The increase in volumes has been backed by increase in margins as compared to the last year. The Company has achieved Rs. 2 billion turnover in the fifth year after starting operations. The Company has shown an increase of 43% in revenue as compared to last year i.e. from Rs. 2,186.06 million to Rs. 3,134.06 million.

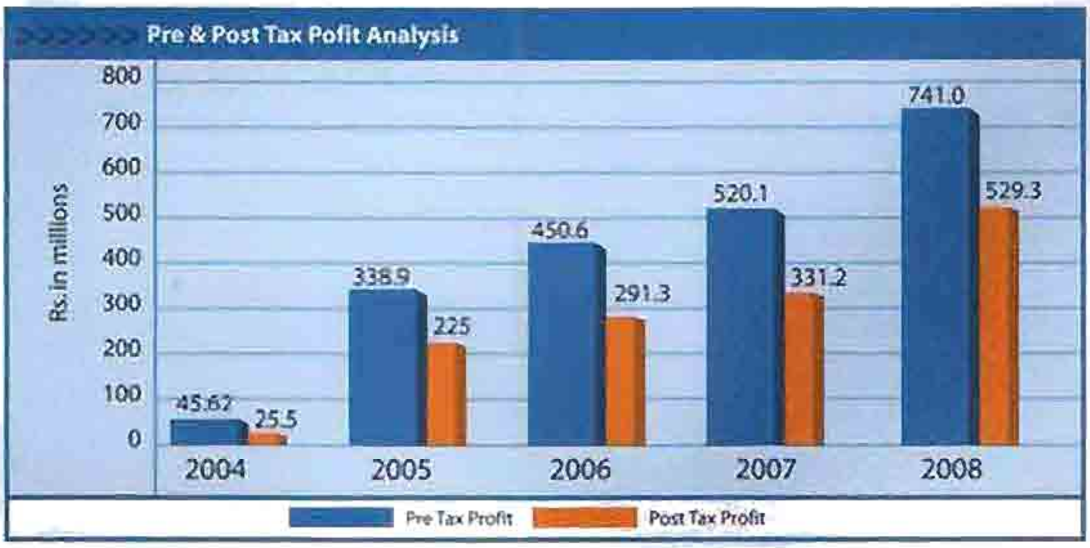
Gross profit for the year has amounted to Rs. 1,325.6 million (2007: Rs. 808.07 million). Gross margins for the year were 42% as compared to 37% last year.

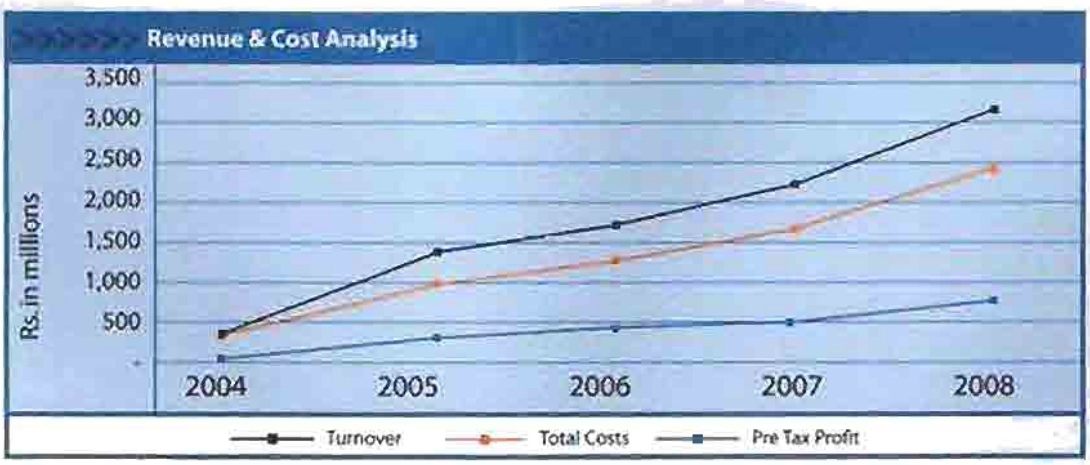




During the year the financial charges have increased from Rs. 177.48 million to Rs. 200.37 million. The increase relate to the mark up on US Dollar Loans acquired to finance the Phase II and Phase III. The company has also suffered an exchange loss of Rs. 244.24 million as compared to Rs. 2.01 million last year, due to the weakening of the Pak Rupee against US Dollar.

The Company has posted a pre-tax profit of Rs. 740.99 million (2006: Rs. 520.19 million) and post-tax profit of Rs. 529.26 million (2006: Rs. 331.19 million) showing an increase of 42% and 60% respectively from last year figures.





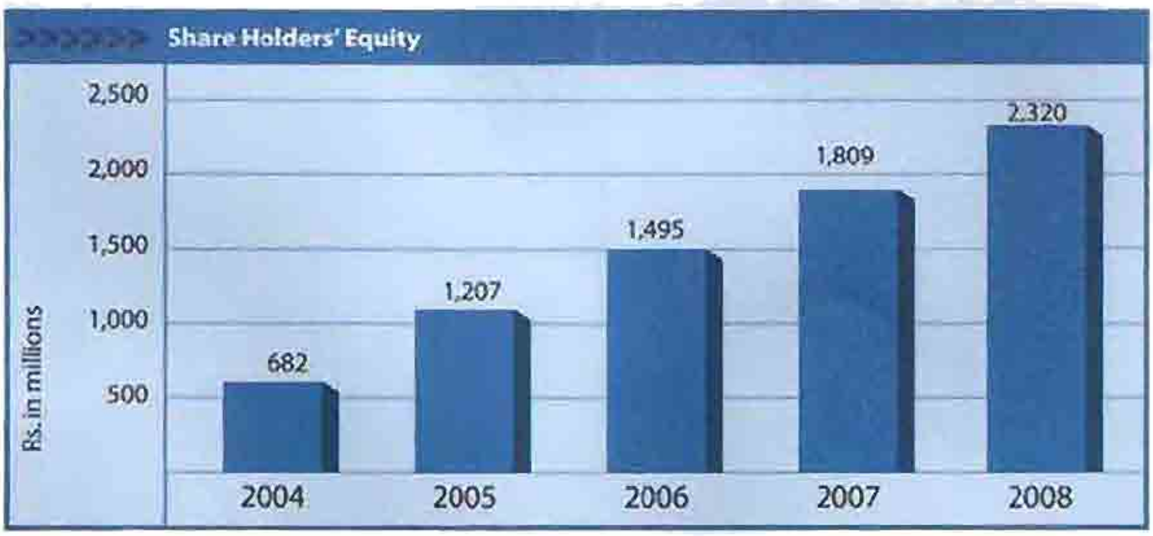
Financial Results
These are summarized below:

	Rs in 000's
Profit before taxation	740,994
Taxation	(211,734)
Profit after tax	529,260
Un-appropriated profit brought forward	870,530
Issuance for bonus shares for the year ended June 30, 2007 - ordinary shares	(151,602)
Final dividend for the year ended June 30, 2007- Preference shares	(18,000)
Un-appropriated profit carried forward	1,230,188
EPS- Basic	Rs. 5.62
EPS- Diluted	Rs. 4.86

The Directors of the Company recommends that final cash dividend @ 30% (Rs.3/- per ordinary share) amounting to Rs. 272.883 million and final cash dividend on Preference Shares on proportionate basis @ 10% p.a. (Re. 1/- per preference share) amounting to Rs. 18 million. The approval of the members for the final dividends will be obtained at the Annual General Meeting to be held on September 18, 2008.

Share Holders' Equity & Capital Gearing

At the year end, the shareholders' equity stood at Rs. 2,319.80million (2005: Rs. 1,808.54 million). Debt to Equity ratio is 52:48 as compared to 52:48 last year and the interest coverage for the year is 4.7 times as compared to 3.9 times last year. Current ratio at the year end stood at 1.96 as compared to 2.82 last year.



Integrated Management System (IMS)

PICT is the first Container Terminal in Pakistan to have an IMS Certification from Bureau Veritas Quality International. IMS integrates the main parameter of ISO 9001:2000 (Quality Management System), ISO14001 (Environment Management System) and OSHAS 18001 (Occupational Safety and Health Standards). By complying with all the three standards we are actually committed to follow the World Bank Guidelines on Quality, Environment, Health and Safety.

Health Safety & Environment

The Company has implemented the ISO 9001:2000 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health & Safety Management System) certification through a recognized consultant.

ISPS Code Compliant Terminal

PICT is compliant with the International Ship and Port Facility Security Code whereby the Terminal facility is well equipped to deal with security threats and respond to potential emergencies. Furthermore, the Terminal is equipped with a camera surveillance system and monitors the entry of all vehicles into the Terminal.

Credit Rating by JCR-VIS

JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned entity credit rating of A- (Single A Minus) and A-2 (A Two) for the medium to long-term and short-term respectively to the Company. The outlook on the medium to long-term rating is 'Stable'.

Auditors

The auditors M/s Ford Rhodes Sidat Hyder & Co., Chartered Accountants retire and being eligible they have offered themselves for reappointment. The Audit Committee has recommended the reappointment of the retiring auditors for the year ending June 30, 2009 and the Board agrees to the recommendation of the Audit Committee.

Compliance with the Code of Corporate Governance

The compliance with the Code of Corporate Governance set out by the Karachi Stock Exchange in the listing regulations, relevant for the year ended June 30, 2008 have been duly complied with. A statement to this effect is annexed with the report.

Board of Directors

During the year four meetings of the Board of Directors of the Company were held. These were attended as follows:

Name of Directors	Meetings Attended
Capt. Haleem A. Siddiqui	4
Capt. Zafar Iqbal Awan	4
Mr. Aasim A. Siddiqui	4
Mr. Sharique A. Siddiqui	4
Mr. Danish A. Siddiqui	4
Syed Nizam A. Shah	4
Mr. Munaf Ibrahim – Alternate to Mr. Ali J. Siddiqui	4

Audit Committee

During the year four meetings of Audit Committee were held.

Corporate Governance and Financial Reporting Framework:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- There has been no departure from the best practices of transfer pricing, as detailed in the Listing Regulations.
- The key operating and financial data is annexed.
- The value of investments of provident fund based on their un-audited accounts as on June 30, 2008 was Rs. 40 million.
- Details of purchase/sale of shares of the company by its directors, CEO, CFO, Company Secretary and their spouses and minor children is in the annexed shareholders' information.
- Pattern of shareholding is included in the annexed shareholders' information.

Code of Ethics & Business Principles

The Board has adopted the Statement of Ethics and Business Principles, which is signed and acknowledged by all the Directors and employees of the Company and are required to abide by the Code.

Material Changes & Commitments:

Proposed final cash dividend on ordinary shares @ 30% (Rs. 3/- per ordinary share) amounting to Rs. 272.883 million and proposed final dividend on preference shares carrying dividend @10% p.a. (Re. 1/- per preference share) amounting to Rs. 18 million. The Companies Ordinance, 1984 requires that events subsequent to the balance sheet date including declaration of dividend should be incorporated in the year it is declared. Therefore, the cash dividend on both ordinary and preference shares proposed by the directors in the meeting held on August 18, 2008 shall be incorporated in the financial statements for the year ending June 30, 2009.

For and on behalf of Board of Directors

Capt. Zafar Iqbal Awan
Chief Executive

Karachi: August 18, 2008

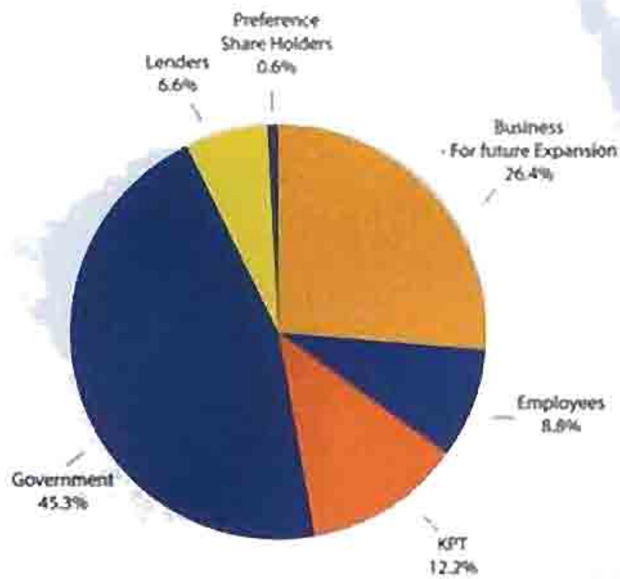

PAKISTAN INTERNATIONAL CONTAINER TERMINAL
BUNGA TERASEK

Key Operating and Financial Data

	2008	2007	2006	2005	2004
			Rupees in Millions		
TURNOVER & PROFITS					
Revenue	3,134.06	2,186.06	1,707.76	1,342.68	372.60
Gross Profit	1,325.60	808.07	640.67	536.40	112.07
Operating Profit	1,185.61	699.61	539.54	412.40	60.09
Profit Before Taxation	740.99	520.12	450.58	338.90	45.62
Profit After Taxation	529.26	331.19	291.27	225.01	25.51
ASSETS EMPLOYED					
Operating Assets - net	2,970.58	2,879.49	2,033.52	1,498.32	1,529.50
Intangible Assets - net	14.41	33.81	53.41	63.30	70.48
Net Current Assets	811.85	812.82	786.62	501.33	18.54
FINANCED BY					
Share Capital	1,089.61	938.01	938.01	938.01	638.01
Share Holder's Equity	2,319.80	1,808.50	1,495.4	1,207.4	682.42
Long Term Loans	1,745.57	1,301.40	1,416.99	847.06	924.50
STATISTICS					
Break up Value Per Ordinary Share (Rs.)	23.52	21.48	17.35	13.55	10.70
Market Value Per Ordinary Share (Rs.)	124.48	84.80	77.15	24.50	23.00
Earnings Per Ordinary Share (Rs.)	5.62	4.13	3.61	3.30	0.43
Total TEU's for the Year (Numbers)	472,137.00	345,802	302,028	206,773	90,950
Total Boxes for the Year (Numbers)	357,942.00	260,225	216,230	152,606	69,986
CAPITAL MARKET ANALYSIS RATIOS					
Price Earning Ratio	22.15	20.53	21.37	7.42	53.49
LIQUIDITY ANALYSIS RATIOS					
Current Ratio	1.96	2.82	2.86	2.75	1.06
PROFITABILITY ANALYSIS RATIOS					
Return on Assets (before tax)	14.61%	12.92%	14.53%	15.15%	3.66%
Return on Capital Employed (before tax)	35.90%	31.49%	33.34%	35.87%	8.22%
Return on Capital Employed (after tax)	25.64%	20.05%	21.55%	23.81%	4.60%
Gross Profit Margin	42.30%	36.96%	37.52%	39.95%	30.08%
Net Profit Margin-Before Tax	23.64%	23.79%	26.38%	25.24%	12.24%
Net Profit Margin-After Tax	16.89%	15.15%	17.06%	16.76%	6.85%
CAPITAL STRUCTURE ANALYSIS RATIOS					
Debt Ratio	44.03%	44.11%	45.03%	41.32%	54.02%
Debt Equity Ratio	52:48	52:48	52:48	46:54	60:40
Interest Coverage	4.70	3.93	6.19	5.68	3.58

Statement of Value Added

Value Added	**2008 Rupees in 000's**
Revenue	3,134,065
Net Cost of services rendered	2,480,603
	653,462
Other Income	87,532
	740,994
Distribution	
Employees	
- Salaries & Wages	267,357
Karachi Port Trust	
- Royalty & HMS Charges	371,239
Government	
- Taxes	1,375,793
Lenders	
- Mark up on Loans and Leased Assets	200,110
Preference Share Holders	
- Cash Dividend	18,000
Retained in Business	
- Depreciation & Amortization	273,272
- Retained Earnings	529,260
	802,532
	3,035,031



Distribution - %

Employees	8.8%
KPT	12.2%
Government	45.3%
Lenders	6.6%
Preference Share Holders	0.6%
Retained in Business - For future Expansion	26.4%
	100%

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2008

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent Non-Executive Directors and Directors representing minority interests on its Board of Directors. At present the Board consists of seven Directors out of which three are Non-Executive Directors including two nominee directors.

2. The Directors have confirmed that none of them is serving as a Director in more than ten listed companies, including this company.

3. All the Directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBFI. No Director in the board is a member of any of the Stock Exchanges in Pakistan.

4. There has been no casual vacancy in the Board during the year ended June 30, 2008.

5. The Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all of the directors and employees of the Company.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other Executive Directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose and the Board met atleast once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The directors are well aware of their duties and responsibilities as outlined by corporate laws and listing regulations.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2008

10. No new appointment of CFO, Company Secretary and Head of Internal Audit has been made during the year. However, the Board has approved their annual remuneration and terms and conditions of employment, as determined by the Chief Executive Officer.

11. The Directors' report for the year ended June 30, 2008 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

13. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee comprising of three members of whom two are Non-Executive Directors including the Chairman of the Committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formulated and advised to the committee for compliance.

17. The Board has set up an effective internal audit function.

18. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. We confirm that all other material principles contained in the Code have been complied with except that presently the position of the Company Secretary and the Chief Financial Officer is held by the same person. The said decision has been taken by the Board keeping in view the size of the Company.

Karachi: August 18, 2008

Capt. Zafar Iqbal Awan
Chief Executive

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES ON TRANSFER PRICING FOR THE YEAR ENDED JUNE 30, 2008

The Company has fully complied with the Best practices on Transfer Pricing as contained in the Listing Regulations of the Stock Exchange.

Karachi: August 18, 2008

Capt. Zafar Iqbal Awan
Chief Executive

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) for the year ended 30 June 2008 prepared by the Board of Directors of Pakistan International Container Terminal Limited (the Company) to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code, effective for the year ended 30 June 2008.

KARACHI: August 18, 2008

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Financial Statements

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **PAKISTAN INTERNATIONAL CONTAINER TERMINAL LIMITED** as at **30 June 2008** and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change as stated in note 3.2 to the financial statements, with which we concur;

ii) the expenditure incurred during the year was for the purpose of the Company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2008 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Without qualifying our opinion, we draw attention to the contents of note 15.2.3 to the financial statements. As fully explained in the said note, preference shares have been treated as part of equity in view of the requirements of the Companies Ordinance, 1984 and the matter of its classification will be dealt with in accordance with the clarification from the Securities and Exchange Commission of Pakistan.

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

KARACHI: August 18, 2008

PICT BALANCE SHEET

AS AT JUNE 30, 2008

	Note	2008	2007
		(Rs. In thousands)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	3,990,261	3,004,720
Intangible assets	5	14,406	33,810
Long-term deposits	6	89,074	90,079
Deferred costs	7	764	3,981
		4,094,505	3,132,590
CURRENT ASSETS			
Stores and spares	8	222,021	168,465
Trade debts - unsecured	9	249,275	137,846
Advances - unsecured	10	25,653	15,850
Deposits and prepayments	11	58,973	25,762
Other receivables - unsecured	12	6,817	7,930
Investments	13	706,580	461,004
Taxation - net		-	62,186
Cash and bank balances	14	390,458	380,540
		1,659,777	1,259,583
TOTAL ASSETS		5,754,282	4,392,173
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital	15.1	2,000,000	1,000,000
Issued, subscribed and paid-up capital	15.2	1,089,610	938,008
Unappropriated profit		1,230,188	870,530
		2,319,798	1,808,538
NON-CURRENT LIABILITIES			
Long-term financing - secured	16	1,745,570	1,301,418
Liabilities against assets subject to finance lease	17	295,548	364,487
Deferred tax liability	18	529,035	458,565
Staff compensated absences	19	16,400	12,399
		2,586,553	2,136,869
CURRENT LIABILITIES			
Trade and other payables	20	286,354	175,203
Accrued interest on long-term financing		51,788	43,795
Current maturity of long-term financing	16	366,385	140,843
Current maturity of liabilities against assets subject to finance lease	17	74,460	86,925
Taxation-net		68,944	-
		847,931	446,766
CONTINGENCIES AND COMMITMENTS	21		
TOTAL EQUITY AND LIABILITIES		5,754,282	4,392,173

The annexed notes from 1 to 38 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008	2007
		—— (Rs. In thousands) ——	
Turnover - net	22	**3,134,065**	2,186,064
Terminal operating costs	23	**1,808,469**	1,377,999
Gross profit		**1,325,596**	808,065
Administrative expenses	24	**227,523**	175,664
Other operating income	25	**87,532**	67,210
		1,185,605	699,611
Finance costs	26	**200,369**	177,484
Other charges	27	**244,242**	2,009
Profit before taxation		**740,994**	520,118
Taxation	28	**211,734**	188,931
Profit after taxation		**529,260**	331,187
			(Restated)
Earnings per ordinary share - Basic	29.1	**Rs. 5.62**	Rs. 3.44
			(Restated)
Earnings per ordinary share - Diluted	29.2	**Rs. 4.86**	Rs. 3.04

The annexed notes from 1 to 38 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

PICT

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008	2007
		(Rs. in thousands)	
CASH FLOWS FROM OPERATIONS	34	1,375,793	850,427
Taxes paid		(10,134)	(25,322)
Finance costs paid		(155, 715)	(166,620)
Net cash generated from operating activities		1,209,944	658,485
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(332,854)	(207,550)
Proceeds from sale of property, plant and equipment		3,963	2,722
Payment in relation to capital work-in-progress		(1,263,786)	(178,811)
Purchase / redemption of investments - net		(245,576)	(407,301)
Interest received		40,744	54,638
Net cash used in investing activities		(1,797,509)	(736,302)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long -term financing - net		681,426	(118,854)
Dividends paid on preference shares		(18,000)	(18,000)
Security deposits against lease assets		1,005	(82,018)
Lease rentals paid		(66,948)	(79,213)
Net cash generated from / (used in) financing activities		597,483	(298,085)
Net increase / (decrease) in cash and cash equivalents		9,918	(375,902)
Cash and cash equivalents at the beginning of the year		380,540	756,442
Cash and cash equivalents at the end of the year		390,458	380,540

The annexed notes from 1 to 38 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2008

	Issued, subscribed and paid-up capital			
	Ordinary shares	Redeemable preference shares	Unappropriated profit	Total
	(Rs. in thousands)			
Balance as at June 30, 2006	**758,008**	**180,000**	**557,343**	**1,495,351**
Dividend on preference shares @10% for the year ended June 30, 2006	-	-	(18,000)	(18,000)
Profit after taxation for the year ended June 30, 2007	-	-	331,187	331,187
Balance as at June 30, 2007	**758,008**	**180,000**	**870,530**	**1,808,538**
Bonus shares issued during the year in the ratio of 1 ordinary share for every 5 shares held	151,602	-	(151,602)	-
Dividend on preference shares @10% for the year ended June 30, 2007	-	-	(18,000)	(18,000)
Profit after taxation for the year ended June 30, 2008	-	-	529,260	529,260
Balance as at June 30, 2008	**909,610**	**180,000**	**1,230,188**	**2,319,798**

The annexed notes from 1 to 38 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

1. CORPORATE INFORMATION AND OPERATIONS

1.1. Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan as a private limited company in June 2002. Subsequently, it was converted to an unquoted public limited company and is now listed on the Karachi Stock Exchange. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi. The terminal office of the Company is located at berths 6 to 9, East Wharf, Kemari Road, Karachi Port.

1.2. The Company has a Build Operate Transfer (BOT) contract with Karachi Port Trust (KPT) for the exclusive construction, development, operations and management of a common user container terminal at Karachi Port for a period of twenty-one years commencing June 18, 2002.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.1. Accounting standards not yet effective

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations.

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS 1 - Presentation of Financial Statements (Revised)	01 January 2009
IAS 23 - Borrowings Costs (Revised)	01 January 2009
IAS 27 - Consolidated and Separate Financial Statements (Revised)	01 January 2009
IFRS 3 - Business Combinations	01 January 2009
IFRS 7 - Financial Instruments: Disclosures	01 July 2008
IFRS 8 - Operating Segments	01 January 2009
IFRIC 12 - Service Concession Arrangements	01 January 2009
IFRIC 13 - Customer Loyalty Programs	01 July 2008
IFRIC 14 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interactions	01 January 2008

The Company expects that the adoption of the above standards and interpretations will have no material impact on the Company's financial statements in the period of initial application other than certain changes and enhancements in presentation and disclosures.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Basis of preparation

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value as referred to in note 3.11 below.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

3.2. Change in accounting policy

During the year, the company has changed its accounting policy in respect of the exchange differences on translation of borrowings denominated in foreign currency. Effective 01 October 2007, the exchange differences arising on translation of foreign currency borrowings have been charged to profit and loss account in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rates". Previously, these exchange differences were capitalized as part of cost of the related assets as allowed under Circular No. 1 of January 19, 2005 issued by the SECP. This change in accounting policy has been applied prospectively.

Had the above change in accounting policy not made, the carrying value of assets and the profit before tax would have been higher by Rs.1.372 million.

3.3. Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

Property, plant and equipment and intangible assets

The Company reviews appropriateness of the rate of depreciation/amortization, useful life and residual value used in the calculation of depreciation/amortization. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with corresponding effects on the depreciation/amortization charge and impairment.

Stores and spares

The Company reviews the net realizable value of stores and spares to assess any diminution in the respective carrying values. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Trade debts

The Company reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3.4. Fixed assets and depreciation

Property, plant and equipment

Owned

Operating property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

Depreciation is charged to profit and loss using straight line method so as to write off the historical cost of the assets over their estimated useful lives at the rates specified in Note 4.1. Depreciation on additions is charged from the month in which the asset is available to use and on disposals up to the month the respective asset was in use. Assets residual values, useful lives and methods are reviewed, and adjusted, if appropriate, at each financial year end.

The carrying values of property, plant and equipment are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Maintenance and normal repairs are charged to profit and loss as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account in the period in which they arise.

Leased

Assets held under finance lease are stated at cost less accumulated depreciation and accumulated impairment losses, if any. These are accounted for by recording the asset at the lower of present value of minimum lease payments under the lease agreements and the fair value of asset acquired. The related obligation under the lease is accounted for as liability. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged to the profit and loss using the same basis as for owned assets.

3.4.1. Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for use.

3.5. Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

Costs incurred on the acquisition of computer software are capitalized and are amortized on straight line basis over their estimated useful life. Amortization is charged in the month in which the asset is put to use at the rates stated in Note 5 to the financial statements.

Development expenditure incurred on the project is capitalized when its future recoverability can reasonably be regarded as assured. These are amortized over a period of five years on straight line basis commencing from the date of completion of the project, on a monthly pro-rata basis.

Useful lives of intangible assets are reviewed, at each financial year end and adjusted if appropriate.

The carrying value of intangible assets are reviewed for impairment at each financial year end when events or changes in circumstances, indicate that the carrying value may not be recoverable.

3.6. Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are in progress and capitalized as a part of the cost of related asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.7. Deferred costs

Deferred costs representing preliminary expenses and share issue expenses capitalized (before July 05, 2004 i.e. the date of revision of the Fourth Schedule to the Companies Ordinance, 1984) are amortized over a period of five years as allowed under Circular No. 1 of January 19, 2005 issued by the SECP.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

3.8. Stores and spares

These are valued at lower of moving average cost and net realizable value. Provision is made for slow moving items where necessary to bring these down to approximate net realizable value and is recognised in income. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

3.9. Trade debts

Trade debts originated by the Company are recognised and carried at original invoice amounts less an allowance for doubtful debts. Provision for doubtful debts is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

3.10. Loans, advances and other receivables

After initial measurement these are carried at amortized cost less any allowance for impairment.

Gains and losses are recognised in the profit or loss when the loans, advances and other receivables are derecognised or impaired.

3.11. Investments

The investments of the Company, upon initial recognition, are classified as investment at fair value through profit or loss, held to maturity investment or available for sale investment, as appropriate. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

When investments are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Investments at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains or losses recognized directly in the profit and loss account. Transaction costs are charged to profit and loss account when incurred.

Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified as held to maturity and are stated at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the investments are derecognized or impaired, as well as through the amortization process.

Available for sale investments

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available for sale. They are initially measured at fair value plus directly attributable transaction costs. After initial measurement, these are stated at fair values (except for unquoted investments where active market does not exist) with unrealized gains or losses recognized directly in equity until the investment is disposed or determined to be impaired. At the time of disposal, the cumulative gain or loss previously recorded in equity is recognized in the profit and loss account.

Fair value of investments

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

3.12. Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or on one-half percent of turnover under section 113 of the Income Tax Ordinance, 2001, which ever is higher.

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

3.13. Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks, cheques in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

3.14. Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs, and have not been designated 'as at fair value through profit or loss'. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

3.15. Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services render whether or not billed to the Company.

3.16. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.17. Transactions with related parties

All transactions with related parties are carried out by the company using the methods prescribed under the Ordinance.

3.18. Revenue

- Revenues from port operations are recognised when services are rendered;
- Profit on deposits / saving accounts are recognised on accrual basis; and
- Dividend income is recognised when the Company's right to receive the same is established.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

3.19. Staff retirement benefits

The Company operates an approved contributory provident fund for all eligible employees. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 8.33% of the basic salary.

Contributions from the Company are charged to income for the year.

3.20. Staff compensated absences

The Company provides for its estimated liability towards leaves accumulated by employees on an accrual basis using current salary levels.

3.21. Financial Instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and are derecognised in case of assets, when the contractual rights under the instrument are realized, expire or surrendered and in case of liability, when the obligation is discharged, cancelled or expired.

3.22. Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Company has the enforceable legal right to set off the transaction and also intends either to settle on net basis or to realize the asset and settle the liability simultaneously. Income and expense arising from such assets and liabilities are also offset accordingly.

3.23. Foreign currency translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to income currently.

3.24. Derivative financial instruments

The Company uses derivative financial instruments such as interest rate and cross currency swaps to hedge its risk associated with interest and exchange rate fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives with positive market values (unrealized gains) are included in other asset and derivates with negative market values (unrealized losses) are included in other liabilities in the balance sheet. Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to the profit and loss account.

3.25. Dividend and other appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

3.26. Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are charged to income in the period in which they arise.

3.27. Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008	2007
		(Rs. in thousands)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**2,970,578**	2,879,489
Capital work-in-progress	4.2	**1,019,683**	125,231
		3,990,261	3,004,720

4.1. The following is a statement of operating fixed assets:

	2008									
	COST				ACCUMULATED DEPRECIATION					
	As at July 01, 2007	Additions / *transfers	Disposals	As at June 30, 2008	As at July 01, 2007	For the year / *transfers	Disposals	As at June 30, 2008	Written down value as at June 30, 2008	Dep rate % per annum
	(Rs in thousands)									
Owned										
Leasehold improvements	18,799	-	-	18,799	8,390	3,760	-	12,150	6,649	20
Port improvement	559,649	21,173	-	580,822	46,174	28,076	-	74,250	506,572	5
Mobile Harbour Crane	101,819	-	-	101,819	89,711	12,108	-	101,819	-	20
Ship to Shore Cranes – STS	1,023,407	-	-	1,023,407	129,910	54,531	-	184,441	838,966	5-6.06
Gantry tracks	12,254	-	-	12,254	1,959	613	-	2,572	9,682	5
Rubber Tyred Gantry Cranes – RTG	574,466	-	-	574,466	65,276	34,468	-	99,744	474,722	6
Port equipment	347,714	229,011	(13,079)	565,784	100,104	34,202	(13,079)	122,014	443,770	7-20
		2,138*				787*	-			
Port Power Generation	130,037	38,483	-	168,520	22,708	12,944	-	35,652	132,868	5-10
Vehicles	39,948	23,698	(4,334)	65,978	13,971	9,800	(2,900)	25,337	40,641	20
		6,666*	-			4,466*	-			
Computers	26,038	12,001	-	38,039	12,062	8,938	-	21,000	17,039	33.33
Furniture and fixtures	17,938	1,247	-	19,185	3,113	1,874	-	4,987	14,198	10
Office equipment	19,394	7,241	-	26,635	6,477	2,466	-	8,943	17,692	10-20
	2,871,463	332,854	(17,413)	3,195,708	499,855	203,780	(15,979)	692,909	2,502,799	
		8,804*				5,253*				
Leased										
Ship to Shore Cranes – STS	380,973	-	-	380,973	13,467	23,087	-	36,554	344,419	5-6.06
Rubber Tyred Gantry Cranes – RTG	67,908	-	-	67,908	2,377	4,074	-	6,451	61,457	6
Port equipment	44,885	(2,138)*	-	42,747	13,147	2,993	-	15,353	27,394	7-20
						(787)*				
Generators	55,000	-	-	55,000	14,991	5,500	-	20,491	34,509	10
Vehicles	6,666	(6,666)*		-	3,569	897	-	-	-	20
						(4,466)*				
	555,432	-	-	546,628	47,551	36,551		78,849	467,779	
		(8,804)*				(5,253)*				
Total - 2008	**3,426,895**	**332,854**	**(17,413)**	**3,742,336**	**547,406**	**240,331**	**(15,979)**	**771,758**	**2,970,578**	

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

	2007									
	COST				ACCUMULATED DEPRECIATION					
	As at July 01, 2006	Additions / *transfers	Disposals	As at June 30, 2007	As at July 01, 2006	For the year / *transfers	Disposals	As at June 30, 2007	Written down value as at June 30, 2007	Dep rate % per annum
	(Rs. in thousands)									
Owned										
Leasehold improvements	15,522	3,277		18,799	5,187	3,203		8,390	10,409	20
Port improvement	282,208	277,441		559,649	30,847	15,327	-	46,174	513,475	5
Mobile Harbour Crane	101,819	-		101,819	69,347	20,364		89,711	12,108	20
Ship to Shore Cranes - STS	1,018,500	4,907		1,023,407	75,791	54,119		129,910	893,497	5-6.06
Gantry tracks	12,208	46	-	12,254	1,352	607		1,959	10,295	5
Rubber Tyred Gantry Cranes - RTG	364,120	210,346	-	574,466	36,394	28,882		65,276	509,190	6
Port equipment	327,849	17,623 2,242*		347,714	63,374	35,804 926*		100,104	247,610	7-20
Port Power Generation	69,110	60,927		130,037	13,281	9,427		22,708	107,329	5-10
Vehicles	15,838	18,903 9,369*	(4,162)	39,948	5,447	5,856 5,128*	(2,460)	13,971	25,977	20
Computers	19,314	6,724		26,038	5,036	7,026	-	12,062	13,976	33.33
Furniture and fixtures	11,300	6,638		17,938	1,825	1,288	-	3,113	14,825	10
Office equipment	14,580	4,814		19,394	4,298	2,179	-	6,477	12,917	10-20
	2,252,368	611,646 11,611*	(4,162)	2,871,463	112,179	184,082 6,054*	(2,460)	499,855	2,371,608	
Leased										
Ship to Shore Cranes - TS	-	380,973		380,973	-	13,467	-	13,467	367,506	5-6.06
Rubber Tyred Gantry Cranes - RTG	-	67,908		67,908	-	2,377	-	2,377	65,531	6
Port equipment	47,127	(2,242)*		44,885	9,405	4,668 (926)*	-	13,147	31,738	7-20
Generators	55,000	-	-	55,000	9,491	5,500	-	14,991	40,009	10
Vehicles	16,035	(9,369)*	-	6,666	5,935	2,762 (5,128)*	-	3,569	3,097	20
	118,162	448,881 (11,611)*	-	555,432	28,537	28,774 (6,054)*	-	51,257	507,881	
Total - 2007	**2,370,530**	**1,060,527**	**(4,162)**	**3,426,895**	**337,010**	**212,856**	**(2,460)**	**547,406**	**2,879,489**	

4.1.1. Additions to fixed assets include borrowing costs amounting to Rs. Nil (2007: Rs. 2.434 million) and exchange differences of Rs. Nil (2007: Rs. 6.140 million).

* represent transfer from leased assets to owned assets.

Disposal of operating fixed assets:

	Cost	Accumulated depreciation	Written down value	Sale price	Gain/ (loss)	Mode of disposal	Particulars of buyer
	(Rs. in thousands)						
Vehicles							
Suzuki cultus	548	438	110	110	-	Company policy	Mr. Afzal Shaikh (employee)
Suzuki Bolan	426	248	178	410	232	Company policy	EFU Insurance
Suzuki Alto	510	467	43	150	107	Company policy	Mr. M. Kamal (employee)
Honda Citi	795	690	105	105	-	Company policy	Mr. Basit Alvi (employee)
Toyota Saloon	1,209	746	463	463	-	Company policy	Mr. Zafar Iqbal Awan (employee)
Honda Citi	845	310	535	625	90	Company policy	Mr. Mehran Siddique (employee)
Port Equipment							
Lancer Boss	6,408	6,408	-	800	800	Tender	M. Sulimen Ghazi
Lancer Boss	6,319	6,319	-	700	700	Tender	M. Sulimen Ghazi
Lancer Boss	353	353	-	600	600	Tender	M. Sulimen Ghazi
	17,413	15,979	1,434	3,963	2,529		

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008	2007
		(Rs. in thousands)	
4.1.2. Depreciation charge for the year has been allocated as under:			
Terminal operating costs	23	**216,298**	191,314
Administrative expenses	24	**24,033**	21,542
		240,331	212,856

4.2. Capital work-in-progress

	2008	2007
Civil works	**376,862**	51,147
Advances to suppliers and contractors	**124,329**	54,020
Mobilization advance		
- for purchase of cranes and related equipments	**474,336**	-
- for purchase / development of computer software	**44,156**	20,064
	1,019,683	125,231

4.2.1.Movement

	Civil works	Advances to suppliers and contractors	Advance for purchase of cranes and related equipments	Advance for purchase / development of computer software	Total
	(Rs. in thousands)				
Balance as at July 1, 2006	228,929	121,587	-	-	350,516
Capital expenditure incurred / advances made during the year	104,727	54,020	-	20,064	178,811
Transfer to operating fixed assets	(282,509)	(121,587)	-	-	(404,096)
Balance as at June 30, 2007	**51,147**	**54,020**	**-**	**20,064**	**125,231**
Capital expenditure incurred / advances made during the year	600,159	165,199	474,336	24,092	1,263,786
Transfer to operating fixed assets	(274,444)	(94,890)	-	-	(369,334)
Balance as at June 30, 2008	**376,862**	**124,329**	**474,336**	**44,156**	**1,019,683**

5. INTANGIBLE ASSETS

		COST			ACCUMULATED AMORTIZATION				
	Note	As at July 01, 2007	Additions	As at June 30, 2008	As at July 01, 2007	Charge for the year	As at June 30, 2008	Book value as at June 30, 2008	Amortization rate %
		(Rs. in thousands)							
Computer software		37,357		37,357	16,808	11,826	28,634	8,723	20-33.33
Project development cost	5.1.1	37,889	-	37,889	24,628	7,578	32,206	5,683	20
2008		75,246	-	75,246	41,436	19,404	60,840	14,406	
2007		75,246	-	75,246	21,840	19,596	41,436	33,810	

5.1.1. These include legal and professional charges, litigation settlement, salaries and benefits and traveling expenses incurred in connection with the main project during the pre operating period.

	Note	2008	2007
		(Rs. in thousands)	
5.1.2. Amortization charge for the year has been allocated as under:			
Terminal operating costs	23	**11,825**	12,018
Administrative expenses	24	**7,579**	7,578
		19,404	19,596

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

6. LONG TERM DEPOSITS

Represents security deposits against leased assets.

7. DEFERRED COSTS

	Note	2008 Preliminary expenses	2008 Shares issue expenses	2008 Total	2007
		(Rs. in thousands)			
Balance at July 01 - at cost		**2,987**	**14,877**	**17,864**	17,864
Less: Accumulated amortization	7.1	**(2,987)**	**(14,113)**	**(17,100)**	(13,883)
Balance as at June 30		-	**764**	**764**	3,981

	Note	2008	2007
		(Rs. in thousands)	
7.1. Movement of amortization			
Opening balance		**13,883**	10,311
Charge for the year		**3,217**	3,572
Closing balance		**17,100**	13,883
8. STORES AND SPARES			
Stores		**62,166**	47,170
Spares		**159,855**	121,295
		222,021	168,465
9. TRADE DEBTS - Unsecured			
Considered good	9.1	**249,275**	137,846
Considered doubtful		**2,154**	560
		251,429	138,406
Less: Provision for doubtful debts		**2,154**	560
		249,275	137,846

9.1. Includes Rs. 14.514 (2007: Rs. 10.15) million due from Marine Services (Private) Limited, Rs. 0.081 (2007: Rs. 0.253) million due from Port Link International Services (Private) Limited and Rs. 0.0041 million (2007: Rs. 0.314) due from Premier Mercantile Services (Private) Limited - all related parties.

	2008	2007
	(Rs. In thousands)	
10. ADVANCES - Unsecured, considered good		
- to employees	**747**	707
- to suppliers	**24,906**	15,143
	25,653	15,850

	2008	2007
	(Rs. in thousands)	
11. DEPOSITS AND PREPAYMENTS		
Security deposits	**2,822**	3,603
Prepayments		
- Insurance	**42,802**	9,284
- Front end fee	-	12,690
- LC margin	**12,454**	-
- Others	**895**	185
	58,973	25,762

PICT NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

12. OTHER RECEIVABLES - Unsecured	Note	2008	2007
		(Rs. in thousands)	
Fair value gain on derivatives	17.1	2,434	-
Accrued profit on term deposits		971	4,728
Other receivables - considered good	12.1	3,412	3,202
		6,817	7,930

12.1. Includes due from Jahangir Siddiqui Company Limited - a related party amounting to Rs. Nil (2007:Rs. 2,058)

INVESTMENTS	Note	2008	2007
		(Rs. in thousands)	
At fair value through profit or loss	13.1	605,594	69,298
Held to maturity	13.3	100,986	391,706
		706,580	461,004

13.1. At fair value through profit or loss

Number of units / shares 2008	2007		Note	2008 Cost	2008 Fair value	2007 Cost	2007 Fair value
				(Rs. in thousands)			
		Listed - Mutual Funds (Open Ended)					
116,964	104,802	JS Income Fund (Formerly ABAMCO Income Fund)		9,480	12,172	50,500	59,229
53,939	50,000	Faysal Savings Growth Fund		5,000	5,585	5,000	5,069
106,905	100,000	Al Falah GHP Income Multiplier Fund		5,000	5,495	5,000	5,000
101,579	-	AKD Income Fund		5,000	5,223	-	-
470,943	-	KASB Liquid Fund		46,396	48,625	-	-
485,394	-	United Growth and Income Fund		48,323	50,096	-	-
91,399	-	AMZ Plus Income Fund		10,000	10,260	-	-
4,943	-	JS - UTP (Formerly ABAMCO Unit Trust of Pakistan)		501	750	-	-
719,886	-	JS Income Fund	13.2	71,973	74,920	-	-
3,662,273	-	JS Aggressive Income Fund	13.2	375,273	376,568	-	-
				576,946	589,694	60,500	69,298
		Listed - Mutual Funds (Close Ended)					
243,500	-	UTP Large Cap Fund	13.2	2,438	2,170	-	-
		Listed equity securities					
50,000	-	Hub Power Company Limited	13.2	1,428	1,430	-	-
50,000	-	Pakistan Petroleum Limited	13.2	12,362	12,300	-	-
				13,790	13,730	-	-
		Unrealized gain on revaluation of investments		12,420	-	8,798	-
				605,594	605,594	69,298	69,298

13.2 Represents investments made in accordance with "Separately Managed Account" agreement with JS Investments Limited - a related party, entered into during the year. As per the agreement, investment portfolio of the Company will be managed by the related party at an agreed management fee.

13.3 Represents Rs. 100.986 million (2007: 103.844 million) invested in Certificates of Investments of Saudi Pak Leasing Company - a related party, having face value of Rs. 100 million carrying interest at the rate of 12% per annum maturing by August 2008 and in unlisted TFCs of Pak American Fertilizer Company Limited amounting to Rs. Nil (2007: 287.862 million).

PICT

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008	2007
		(Rs. in thousands)	
14. CASH AND BANK BALANCES			
With banks:			
- in current accounts		**14,903**	47,661
- in saving accounts	14.1	**199,074**	279,782
- in deposit account	14.2	**170,000**	50,000
		383,977	377,443
Cash in hand		**6,481**	3,097
		390,458	380,540

14.1. These carry profit at the rates ranging from 1.25 to 10.25 percent (2007: 1.25 to 10 percent) per annum.

14.2. These carry profit at the rates ranging from 8.75 to 13 percent (2007: 10.25 percent) per annum.

15. SHARE CAPITAL

15.1. Authorised capital

2008	2007		2008	2007
(Number of shares)			(Rs. in thousand)	
182,000,000	82,000,000	Ordinary shares of Rs.10/- each	**1,820,000**	820,000
18,000,000	18,000,000	Preference shares of Rs. 10/- each	**180,000**	180,000
200,000,000	100,000,000		**2,000,000**	1,000,000

15.2. Issued, subscribed and paid-up capital

2008	2007		Note	2008	2007
(Number of shares)				(Rs. in thousand)	
		Ordinary shares of Rs. 10/- each			
63,761,200	63,761,200	- fully paid in cash		**637,612**	637,612
15,160,160	-	- issued as bonus shares		**151,602**	-
12,039,600	12,039,600	- issued for consideration other than cash	15.2.1	**120,396**	120,396
90,960,960	75,800,800			**909,610**	758,008
		Preference shares of Rs. 10/- each			
18,000,000	18,000,000	- fully paid in cash	15.2.2 & 15.2.3	**180,000**	180,000
108,960,960	93,800,800			**1,089,610**	938,008

15.2.1 Represents shares issued in consideration for mobile harbour cranes, port equipment and a vehicle.

15.2.2 These are cumulative redeemable preference shares, issued in the ratio of 1 preference share for 3.54 ordinary shares held and carry a dividend of 10 percent on the issue price, redeemable 7 years after the issue date. The shareholders, inter alia, have the right to convert these into ordinary shares in the ratio of 1 ordinary share for 1 preference share held, if the Company fails to redeem these shares.

15.2.3. The above stated preference shares have been treated as part of equity on the following bases:

- The preference shares were issued under the provision of Section 86 of the Companies Ordinance, 1984 (the Ordinance) read with Section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.

- The authorised capital of the Company and the issue of the preference shares were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on December 24, 2004.

- Return of allotment of shares was filed under Section 93(1) of the Ordinance.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

- The Company is required to set-up a reserve for redemption of preference shares under Section 85 of the Ordinance in respect of the shares redeemed which effectively makes preference shares a part of equity.
- Dividend on the preference shares is appropriation of profit both under the Ordinance and the tax laws.
- The requirements of the Ordinance take precedence over the requirements of IFRSs.
- As stated in 15.2.2 above, shareholders have the right to convert these preference shares into ordinary shares or else retain their preference shares, provided that the Company shall pay the preferred dividend for each financial year following the expiry of the term date at the rate of 12% (instead of 10%) per annum on the face value.
- These preference shares are listed on the Karachi Stock Exchange.

However, considering the requirements of the IFRSs for classification of debt and equity instruments, which suggests that the above preference shares be classified as debt, the Company has sought a clarification from the SECP in respect of the presentation of preference shares in the financial statements prepared in accordance with the requirements of the Companies Ordinance, 1984. Pending the decision of the SECP in this matter, the preference shares have been reflected as equity of the Company.

15.3 Premier Mercantile Services (Private) Limited - a related party holds 31,211,700 ordinary shares (2007: 26,009,750 ordinary shares) of nominal value of Rs.10/- each representing 34.31 percent (2007: 34.31 percent) of the ordinary paid-up capital of the Company.

Jahangir Siddiqui & Company Limited - a related party holds 17,759,800 ordinary shares (2007: 13,659,601 ordinary shares) of nominal value of Rs.10/- each representing 19.52 percent (2007: 18.02 percent) of the ordinary paid-up capital of the Company.

15.4 The Company has entered into long term loan agreements with IFC and OFID. These agreements restrict the Company, that unless otherwise agreed by IFC and OFID, not to declare or pay any dividend on ordinary shares or make any distribution on its share capital (other than dividends or distributions payable in shares of the Company) subject to certain conditions of the agreements.

	2008	2007
	(Rs. in thousands)	
16. LONG-TERM FINANCING - Secured		
International Finance Corporation (IFC)		
First Loan		
- Loan A	**323,003**	339,471
- Loan C	**102,250**	90,971
	425,253	430,442
Second Loan	**375,100**	351,771
Third Loan	**477,400**	-
	1,277,753	782,213
OPEC Fund for International Development (OFID)		
First Loan	**323,003**	339,472
Second Loan	**375,100**	351,770
Third Loan	**179,025**	-
	877,128	691,242
	2,154,881	1,473,455
Less:		
- Unamortized transaction costs	**42,926**	31,194
- Current maturity of long-term financing	**366,385**	140,843
	409,311	172,037
	1,745,570	1,301,418

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

16.1. The principal terms and conditions of the above loans are summarized as follows:

IFC

	First Loan		Second Loan	Third Loan
	Loan A	Loan C		
- Principal amount in US Dollars	7,750,000	1,500,000	6,000,000	8,000,000
- Interest rate per annum	LIBOR plus 3.875%	5% (Note 16.1.1)	LIBOR plus 3.375%	LIBOR plus 3.25%
- Repayment terms:				
• Number of installments	18 semi-annual	2 equal installments	18 semi-annual	16 semi-annual
• First installment	April 15, 2005	April 15, 2014	January 15, 2007	October 15, 2007
• Last installment	October 15, 2013	October 15, 2014	July 15, 2015	April 15, 2015

OFID

	First Loan	Second Loan	Third Loan
- Principal amount in US Dollars	7,750,000	6,000,000	3,000,000
- Interest rate per annum	LIBOR plus 3.875%	LIBOR plus 3.375%	LIBOR plus 3.25%
- Repayment terms:			
• Number of installments	18 semi-annual	18 semi-annual	16 semi-annual
• First installment	April 15, 2005	January 15, 2007	October 15, 2007
• Last installment	October 15, 2013	July 15, 2015	April 15, 2015

16.1.1. In addition to the above, IFC is entitled to additional interest to be computed at the rate of US Dollar 1.85 per TEU (Twenty Feet Equivalent Container Units) in excess of 150,000 TEUs per annum subject to cap of upto US Dollars 150,000 per annum upto year 2008 and progressively increasing to US Dollar 300,000 per annum upto year 2014.

16.1.2. The above loans are secured as follows:

IFC Loans (First Loan A , Second Loan and Third Loan) and OFID Loans
These loans are secured by way of a first equitable mortgage on land, building, equipments, immovable assets and leasehold interest in project site and first hypothecation over all other movable assets.

IFC Loan C
This loan is secured by way of a second equitable mortgage on land, building, equipments, immovable assets and leasehold interest in project site and second hypothecation over all other movable assets.

16.1.3 On June 25, 2008 the Company has obtained a loan facility of USD 10,000,000 from IFC (Fourth loan), for Phase four. The amount of the above said loan was not disbursed to the Company up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Represent finance leases entered into with leasing companies for Ship to Shore Crane (STS), Rubber Tyred Gantry Crane and port equipments. Total lease rentals due under various lease agreements aggregate Rs. 482.767 (2007: Rs. 574.843) million and are payable in quarterly and six monthly installments latest by 2012. Overdue rental payments are subject to an additional charge upto 0.1 percent per day. Taxes, repairs, replacement and insurance costs are to be borne by the lessee. In case of termination of agreement, the lessee has to pay the entire rent for unexpired period. Financing rates of approximately 13.68 to 16.3 (2007: 6.8 to 13.98 percent) per annum have been used as discounting factor. These lease obligations are based on six months KIBOR. Purchase options can be exercised by the lessee in accordance with the respective lease agreements.

	2008		2007	
	Minimum lease Payments	Present Value	Minimum lease Payments	Present Value
	(Rs. in thousands)			
Within one year	**118,646**	**74,460**	127,272	86,925
After one year but not more than five years	**364,120**	**295,548**	332,255	251,003
More than five years	**-**	**-**	115,317	113,484
Total minimum lease payments	**482,766**	**370,008**	574,844	451,412
Less: Amount representing finance charges	**112,758**	**-**	123,432	-
Present value of minimum lease payments	**370,008**	**370,008**	451,412	451,412
Less: Current portion	**74,460**	**74,460**	86,925	86,925
	295,548	**295,548**	364,487	364,487

17.1. The Company has entered into a cross currency interest rate swap agreement with a local commercial bank for a notional amount of Rs. 343.50 million, maturing up to July 2011. Under swap arrangement the principal payable amount of Rs. 343.750 million is swapped with US dollar component at Rs. 60.49 per US dollar making loan amount to US dollar 5.682 million. Besides foreign currency component, the Company would receive three months KIBOR rates and pay three months LIBOR and spread of 3.15% as per the respective arrangement, which will be settled quarterly. The swap is being used to hedge the exposure to change in the fair value of Company's lease obligations which are based on KIBOR. The outstanding balance of this arrangement is Rs. 312.500 million as at the balance sheet date. The net fair value of this cross currency interest rate swap was Rs. 2.434 million in favour of the Company as of the balance sheet date. The swap arrangement has exposed the Company with foreign currency risk on the US$ value converted at the agreement date of principal amount of the loan.

	2008	2007
	(Rs. in thousands)	
18. DEFERRED TAX LIABILITY		
Taxable temporary differences		
Accelerated tax depreciation / amortization allowance	**535,262**	485,487
Deferred costs	**267**	450
	535,529	485,937
Deductible temporary differences		
Provision for compensated absences	**(5,740)**	(4,340)
Provision for doubtful debts	**(754)**	(196)
Others	**-**	(116)
Unabsorbed tax losses	**-**	(3,252)
Unabsorbed tax credits	**-**	(19,468)
	529,035	458,565

19. STAFF COMPENSATED ABSENCES

	2008	2007
Opening balance	**12,399**	10,538
Provision for the year	**4,001**	1,861
Closing balance	**16,400**	12,399

PICT

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008	2007
		—— (Rs. in thousands) ——	
20. TRADE AND OTHER PAYABLES			
Creditors	20.1	**91,361**	78,591
Bills payable – equipment		**4,608**	1,545
Due to Karachi Port Trust			
Royalty		**29,384**	17,265
Wharfage		**41,744**	36,053
Handling and marshalling charges	21.1.2	**34,554**	-
		105,682	53,318
Accrued expenses			
Legal and professional charges		**5,436**	1,367
Salaries and wages		**30,058**	13,019
Others		**1,310**	947
		36,804	15,333
Other liabilities			
Advances from customers		**18,523**	9,764
Retention money		**21,853**	10,930
Sales tax payable		**5,237**	3,493
Fair value loss on derivatives		-	1,824
Others		**2,286**	405
		47,899	26,416
		286,354	175,203

20.1 Includes Rs. 33.757 (2007: Rs. 14.418) million payable to Premier Mercantile Services (Private) Limited – a related party.

21. CONTINGENCIES AND COMMITMENTS

21.1. Contingencies

21.1.1. In the previous year, the Trustees of the Port of Karachi filed a civil suit against the Company in the Honorable High Court of Sindh alleging mis-declaration of the category of goods upon import of Quayside Container Crane and Rubber Tyred Gantry Cranes in the year 2004 and thereby claiming a sum of Rs. 101.5 million being additional wharfage charges and Rs 203 million as penalty, with interest. According to the opinion of the legal counsel of the Company, there is no merit in this claim and hence there is a remote possibility that the case would be decided against the Company. Further, the legal counsel has also stated that, in any case, the penalty imposed will be disallowed by the Honorable High Court. In view thereof, no provision for any liability has been made in these financial statements.

21.1.2. In the previous year, the Company filed a interpleader civil suit against the Deputy District Officer, Excise and Taxation and the Trustees of the Port of Karachi (KPT) in the Honorable High Court of Sindh against the demand raised by the Deputy District Officer, Excise and Taxation under Section 14 of the Property Tax Act, 1958 to pay the property tax amounting to Rs. 34.6 million for the period from 2003 to 2007 out of the rent payable to KPT. The Honorable High Court of Sindh granted a stay order to Company ensuring that no coercive action is taken against the Company in due course until the case has been finalized. During the year, the Company has withheld the amount of Rs 34.6 million from the handling and marshalling charges billed by KPT for the period from July 01, 2007 till December 31, 2007, in accordance with the Honorable High Court's short order dated June 29, 2007. According to the opinion of the legal counsel of the Company, there is full merit in this case and the property tax imposed will be disallowed by the Honorable High Court. In view thereof, no provision for any liability has been made in these financial statements.

	2008	2007
	—— (Rs. in thousands) ——	
21.2. Commitments		
21.2.1. Commitments for capital expenditure		
Civil works	**586,520**	463,747
Crane and equipments	**1,146,715**	190,972
Intangible assets	**26,674**	52,766
	1,759,909	707,485
21.2.2. Performance bond issued by a commercial bank on behalf of the Company in favour of KPT	**68,200**	60,600
21.2.3. Letters of credit	**35,583**	181,304

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

22. TURNOVER - net	Note	2008	2007
		------- (Rs. in thousands) -------	
Turnover		3,194,529	2,218,850
Less: Sales tax		60,464	32,786
		3,134,065	2,186,064

23. TERMINAL OPERATING COSTS

	Note	2008	2007
Salaries, wages and benefits	23.1	170,648	123,014
Contracted labour		9,225	5,560
Staff training		323	235
Royalty		281,776	198,261
Handling and Marshalling charges		89,463	84,246
Crane usage charges		80,254	65,398
Port maintenance		1,956	4,073
Stevedoring		468,061	323,089
Custom seals		431	1,778
Storage charges		20,672	24,585
Stores, spares and other maintenance charges		151,385	101,239
Fuel consumed		222,417	168,891
Travelling and conveyance		4,640	1,434
Office maintenance		11,491	8,875
Vehicles running expenses		6,900	5,338
Insurance		43,020	45,830
Printing and stationery		1,649	1,630
Utilities		4,949	3,721
Depreciation	4.1.2	216,298	191,314
Amortization	5.1.2	11,825	12,018
Others		11,086	7,470
		1,808,469	1,377,999

23.1. This includes Rs. 4.075 (2007: Rs. 2.996) million in respect of staff retirement benefits and Rs.3.2 (2007: Rs. 1.485) million in respect of compensated absences.

24. ADMINISTRATIVE EXPENSES	Note	2008	2007
		------- (Rs. in thousands) -------	
Salaries, wages and benefits	24.1	96,709	68,818
Travelling and conveyance		4,032	5,547
Advertising expense		1,240	2,103
Auditors' remuneration	24.2	2,249	1,927
Legal and professional charges		22,388	16,176
Office maintenance		5,406	4,161
Vehicles running expenses		7,104	5,872
Security expenses		2,306	2,123
Insurance expense		1,335	2,236
Communication		3,380	2,480
Printing and stationery		12,270	8,096
Utilities		946	839
Depreciation	4.1.2	24,033	21,542
Amortisation	5.1.2, 7 &16	21,116	17,003
Fees and subscription		4,065	2,777
Entertainment		9,643	7,084
Donations	24.3	2,920	2,579
Provision for doubtful debts		1,594	-
Others		4,787	4,301
		227,523	175,664

24.1. This includes Rs. 3.149 (2007: Rs. 2.404) million in respect of staff retirement benefits and Rs. 800.2 (2007: Rs. 0.373) million in respect of compensated absences.

PICT NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

	2008	2007
	(Rs. in thousands)	
24.2. Auditors' remuneration		
Statutory audit fee	**900**	700
Fee for review of compliance with Code of Corporate Governance and half yearly accounts	**376**	225
Tax and corporate advisory services	**898**	952
Out of pocket expenses	**75**	50
	2,249	1,927

24.3. No directors or their spouses have any interest in any donee's fund to which donation was made.

	Note	2008	2007
		(Rs. in thousands)	
25. OTHER OPERATING INCOME			
Profit on deposit accounts		**21,635**	30,765
Gain on re measurement of investments at fair value through profit or loss		**12,420**	5,595
Gain realised on disposal of investments		**33,162**	-
Profit on Term Finance Certificate (TFCs)		**15,352**	28,325
Profit on sale of fixed assets		**2,529**	1,020
Fair value gain on derivatives	17.1	**2,434**	-
Provision for doubtful debts written back		**-**	1,505
		87,532	67,210

	2008	2007
	(Rs. in thousands)	
26. FINANCE COSTS		
Interest on long-term financing	**163,528**	141,851
Financial charges on leased assets	**36,582**	32,073
Fair value loss on derivatives	**-**	1,824
Bank charges	**259**	1,736
	200,369	177,484

27. OTHER CHARGES

Represents the net exchange loss in respect of borrowings in foreign currency.

28. TAXATION

	Note	2008	2007
		(Rs. in thousands)	
Current	28.1	**141,264**	10,931
Deferred		**70,470**	178,000
		211,734	188,931

	2008
28.1. Relationship between tax expense and accounting profit	
Profit before tax	740,944
Tax at the applicable tax rate of 35%	259,348
Tax effect of expenses that are inadmissible in determining taxable income	110,441
Tax effect of expenses that are admissible but not included in determining accounting profit	(164,749)
Effect of change in prior years' tax	(12,377)
Effect of tax losses brought forward	(51,399)
	141,264

PICT NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

28.2. Comparative figures of relationship between accounting profit and tax expense has not been reported as tax expense of previous year was determined under turnover tax.

29. EARNINGS PER SHARE

29.1. Basic earnings per share

		2008	2007
		(Rs. in thousands)	
Profit after tax		**529,260**	331,187
Preferred dividend on cumulative preference shares		**(18,000)**	(18,000)
Profit after taxation attributable to ordinary shareholders		**511,260**	313,187
Weighted average number of ordinary shares in issue during the year	Numbers	**90,961**	(Restated) 90,961
Basic earnings per share	Rupees	**5.62**	(Restated) 3.44

29.2. Diluted earnings per share

		2008	2007
		(Rs. in thousands)	
Profit after taxation attributable to ordinary shareholders		**511,260**	313,187
Preferred dividend on cumulative preference shares		**18,000**	18,000
		529,260	331,187
Weighted average number of ordinary shares in issue during the year	Numbers	**90,961**	(Restated) 90,961
Adjustment of preference shares	Numbers	**18,000**	18,000
		108,961	108,961
Diluted earnings per share	Rupees	**4.86**	(Restated) 3.04

30. FINANCIAL INSTRUMENTS

31. Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and investments. Capital signifies equity as shown in the balance sheet plus net debt.

During 2008, the Company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2008 and 2007 were as follows:

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

	2008	2007
	(Rs. in thousands)	
Long term financing	2,111,955	1,442,261
Trade and other payables	286,354	175,203
Accrued interest / mark-up on borrowings	51,788	43,795
Liabilities against asset subject to finance lease	370,008	451,412
Total debt	2,820,105	2,112,671
Less: Cash and bank balances	(390,458)	(380,540)
Short term investments	(706,580)	(461,004)
Net debt	1,723,067	1,271,127
Share capital	1,089,610	938,008
Reserves	1,230,188	870,530
Equity	2,319,798	1,808,538
Capital	4,042,865	3,079,665
Gearing ratio	42.62%	41.27%

The Company finances its investment portfolio through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

30.2. Interest rate risk

The following table sets out the carrying amount, by maturity, of the Company's financial instruments that are exposed to interest rate risk:

	2008 INTEREST BEARING				2007 INTEREST BEARING			
	Less than one year	One to Five years	More than Five years	Total	Less than one year	One to Five years	More than Five years	Total
	(Rs. in thousands)				(Rs. in thousands)			
Financial assets:								
Long-term deposits	-	-	-	-	-	-	-	-
Trade debts – unsecured, considered good	-	-	-	-	-	-	-	-
Deposits and other receivables	971	-	-	971	4,728	-	-	4,728
Investments	100,986	-	-	100,986	391,706	-	-	391,706
Cash and bank balances	369,074	-	-	369,074	329,782	-	-	329,782
	471,031			471,031	726,216	-	-	726,216
Financial liabilities:								
Long-term financing – secured	366,385	1,073,098	715,398	2,154,881	140,843	745,321	587,291	1,473,455
Liabilities against assets subject to finance lease	74,460	295,548	-	370,008	86,925	251,002	113,484	451,411
Accrued interest on long-term financing	-	-	-	-	-	-	-	-
Trade payables and other liabilities	-	-	-	-	-	-	-	-
	440,845	1,368,646	715,398	2,524,889	227,768	996,323	700,775	1,924,866

Effective interest rates for the monetary financial assets and liabilities are mentioned in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

30.3. Credit risk and concentration of credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on trade debts, loans and advances and long-term deposits as disclosed in the respective notes to the financial statements. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable.

30.4. Liquidity risk management

The Company applies prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines.

30.5. Currency risk and foreign exchange risk management

Foreign currency risk is the risk that the value of a financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. Financial liabilities include foreign currency borrowings of Rs. 2,154.881 (2007: Rs. 1,473.455) million which are subject to currency risk exposure. The foreign currency exposure is partly covered as the majority of the Company's billing is determined in dollars which is converted into rupees at the exchange rate prevailing at the transaction date. The Company has assessed that hedging its foreign currency borrowings will be more expensive than assuming the risk itself.

30.6. Fair value of financial instruments

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

31. UNAVAILED CREDIT FACILITIES

As at the balance sheet date, the Company has unavailed credit facility from a bank amounting to Rs. 170.500 (2007: Rs. 151.500) million.

32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

32.1 The aggregate amount, charged in the financial statements for the year is as follows:

	2008			2007		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rs. in thousands)					
Remuneration (including bonus)	7,600	20,942	24,104	6,417	16,616	6,797
Housing rent	1,650	4,550	5,248	1,320	3,480	1,404
Retirement benefits	466	1,200	1,296	367	966	390
Medical Allowance	550	1,517	1,749	440	1,160	468
Utilities	550	1,517	1,749	440	1,160	468
Conveyance	132	685	889	132	465	305
	10,948	**30,411**	**35,035**	9,116	23,847	9,832
Number	1	4	17	1	3	6

The Chief Executive, some of directors and executives of the Company are also provided with the use of the Company maintained car, club memberships and medical benefits in accordance with their terms of service.

PICT NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

33. RELATED PARTIES TRANSACTIONS

The related parties include major shareholders, entities having directors in common with the Company, directors and other key management personnel. Transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment and transactions with such reflected elsewhere in these financial statements are as under:

	2008	2007
	(Rs. in thousands)	
Major shareholders		
Premier Mercantile Services (Private) Limited		
Stevedoring charges	**395,937**	271,876
Storage charges	**20,671**	24,585
Equipment charges	**27,600**	27,600
Jahangir Siddiqui & Company Limited		
Purchase of TFCs	-	61,226
Entities having directors in common with the Company		
Premier Software (Private) Limited		
Software maintenance charges	**2,100**	1,710
Marine Services (Private) Limited		
Revenue from container handling	**64,757**	68,374
Port Link International (Private) Limited		
Revenue from container handling	**1,070**	3,918
AMI Pakistan (Private) Limited		
Revenue from container handling	**532**	230
Travel Club (Private) Limited		
Traveling expenses	**4,910**	3,428
Saudi Pak Leasing Company Limited		
Purchase of Certificate of Investments	**100,000**	100,000
Lease payments	**8,559**	15,163
Profit on certificate of investments	**10,654**	13,127
Staff retirement contribution plan		
Contribution to staff provident fund	**7,224**	5,400

33.1. Balances outstanding with related parties have been disclosed in the respective notes to the financial statements.

33.2 The above transactions with related parties are entered into on arm's length basis.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008

	2008	2007
	(Rs. In thousands)	
34. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**740,994**	520,118
Adjustments for non-cash items:		
Depreciation	**240,331**	212,856
Amortisation	**32,941**	29,021
Provision for staff compensated absences	**4,001**	1,861
Finance costs	**200,369**	177,484
Exchange loss	**244,242**	2,009
Unrealised gain on investment	**(3,622)**	(5,595)
Interest income	**(36,987)**	(59,090)
Gain on disposal of fixed assets	**(2,529)**	(1,020)
Provision for doubtful debts no longer required	**-**	(1,505)
	678,746	356,021
Operating profit before working capital changes	**1,419,740**	876,139
(Increase)/decrease in current assets		
Stores and spares	**(53,556)**	(49,960)
Trade debts	**(111,429)**	30,463
Advances, deposits, prepayments and other receivables	**(41,901)**	(14,480)
	(206,886)	(33,977)
	1,212,854	842,162
Increase/(decrease) in current liabilities		
Accrued financial charges	**51,788**	59,380
Trade payables and other liabilities	**111,151**	(51,115)
Cash generated from operations	**1,375,793**	850,427

DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue by the Board of Directors of the Company on August 18, 2008.

35.2. DIVIDENDS

The Board of Directors in their board meeting held on August 18, 2008 have recommended a cash dividend of Rs.3.00 - 30% (2007: Nil) for the year ended June 30, 2008. Stock dividend for the year ended June 30, 2008 was Nil (2007: 20%). The Directors have also proposed a final dividend for the year ended June 30, 2008 of Re.1.00 - 10% (2007: Re.1.00 - 10%) per preference share. The financial statements for the year ended June 30, 2008 do not include the effect of the final dividend which will be accounted for in the financial statements for the year ending June 30, 2009.

37. CORRESPONDING FIGURES

Certain prior year's figures have been reclassified consequent upon certain changes in current year's presentation for more appropriate comparison. There were no material reclassifications.

38. GENERAL

Amounts have been rounded off to the nearest thousand rupees unless otherwise stated.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

PATTERN OF SHAREHOLDING (ORDINARY SHARES)

AS AT JUNE 30, 2008

NUMBER OF SHAREHOLDERS	SHARE HOLDING FROM	SHARE HOLDING TO	TOTAL SHARES HELD
403	1	100	18,708
549	101	500	146,201
997	501	1000	686,153
284	1001	5000	615,239
38	5001	10000	287,881
8	10001	15000	89,795
7	15001	20000	128,479
9	20001	25000	213,955
3	25001	30000	87,700
4	30001	35000	128,556
4	35001	40000	145,200
2	40001	45000	83,400
2	45001	50000	99,500
1	50001	55000	52,000
5	55001	60000	294,054
2	60001	65000	125,512
1	65001	70000	68,988
2	70001	75000	143,484
1	75001	80000	80,000
1	80001	85000	83,100
1	95001	100000	100,000
3	115001	120000	358,320
1	120001	125000	123,614
1	140001	145000	142,569
1	195001	200000	200,000
1	210001	215000	213,854
2	215001	220000	434,769
1	220001	225000	225,000
1	245001	250000	250,000
1	260001	265000	264,700
2	295001	300000	600,000
1	300001	305000	300,180
1	305001	310000	306,680
1	430001	435000	434,949
1	470001	475000	472,400
1	495001	500000	500,000
1	525001	530000	526,100
1	540001	545000	544,500
1	550001	555000	552,800
1	700001	705000	702,400
1	720001	725000	724,300
1	810001	815000	813,220
1	990001	995000	994,820
1	1170001	1175000	1,174,486
1	1195001	1200000	1,198,716
1	1225001	1230000	1,230,000
1	1365001	1370000	1,367,912
1	1915001	1920000	1,918,600
1	2395001	2400000	2,400,000
1	5040001	5045000	5,040,300
1	14295001	14300000	14,296,366
1	17755001	17760000	17,759,800
1	31210001	31215000	31,211,700
2360			**90,960,960**

PATTERN OF SHAREHOLDING (ORDINARY SHARES)

AS AT JUNE 30, 2008

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
INDIVIDUALS	2256	9,988,453	10.98
INSURANCE COMPANY	5	726,312	0.80
JOINT STOCK COMPANY			0.00
FINANCIAL INSTITUTIONS	10	134,598	0.15
MODARABA AND MUTUAL FUNDS	17	12,065,329	13.26
FOREIGN INVESTORS	5	14,627,850	16.08
OTHERS:	67	53,418,418	58.73
	2,360	90,960,960	100.00

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage
Associated Companies, undertakings and related parties			**53.84**
Premier Mercantile Services (Pvt.) Ltd.	1	31,211,700	
Jahangir Siddiqui & Co.	1	17,759,800	
NIT and ICP Investment Companies	-	-	
Directors, CEO and their spouse and minor children			**8.16**
Capt. Haleem A. Siddiqui	1	5,989,018	
Mrs. Saba Haleem	1	356,425	
Mr. Aasim A. Siddiqui	1	356,639	
Mr. Sharique A. Siddiqui	1	363,139	
Mr. Danish Azim Siddiqui	1	356,425	
Capt. Zafar Iqbal Awan	1	600	
Executives			**0.00**
Mr. M. Masood Ahmed Usmani	1	2,512	
Public Sector Companies and Corporations	-	-	
Banks, DFI's, NBFI's, Insurance Companies, Modarabas and Mutual Funds	32	12,926,239	**14.21**
Joint Stock Companies Investment Companies Foreign Investors and Others	70	19,074,768	**20.97**
Individuals	2249	2,563,695	**2.82**
TOTAL	2360	90,960,960	**100.00**

Shareholders holding 10% or more voting interest

Premier Mercantile Services (Pvt.) Ltd.	1	31,211,700
Jahangir Siddiqui & Co. Ltd.	1	17,759,800
Aeolina Investments Ltd.	1	14,296,366

DETAILS OF PURCHASE/ SALE OF SHARES BY DIRECTORS, CEO, CFO, COMPANY SECRETARY AND THEIR SPOUSES OR MINOR CHILDREN DURING THE YEAR ENDED JUNE 30, 2008

Name	Date of Purchase/Gift	Number of Shares	Rate
Mr. Sharique Azim Siddiqui	31-03-2008	2,500	73.52
Mr. Nizam A. Shah	16-04-2008	70,000	Gift

PATTERN OF SHAREHOLDING (PREFERENCE SHARES)

AS AT JUNE 30, 2008

NUMBER OF SHAREHOLDERS	SHARE HOLDING FROM	TO	TOTAL SHARES HELD
3	0	100	192
497	101	500	90,074
35	501	1000	23,290
39	1001	5000	79,997
6	5001	10000	40,158
2	10001	15000	22,991
2	25001	30000	56,424
1	55001	60000	57,734
1	130001	135000	130,500
1	245001	250000	250,000
1	2495001	2500000	2,500,000
1	3595001	3600000	3,600,000
1	4195001	4200000	4,199,320
1	6945001	6950000	6,949,320
591			**18,000,000**

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARE HELD
INDIVIDUALS	581	305,639
MODARBAS & MUTUAL FUNDS	2	4,329,820
FINANCIAL INSTITUTIONS	2	2,557,734
OTHERS:	6	10,806,807
	591	**18,000,000**

PATTERN OF SHAREHOLDING (PREFERENCE SHARES)

AS AT JUNE 30, 2008

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Associated companies, undertaking and related parties:			
Premier Mercantile Services (Pvt.) Ltd.	1	3,600,000	20.00
NIT and ICP Investment Companies	-	-	-
Banks, DFI's, NBFI's, Insurance Companies	2	2,557,734	14.21
Modarabas and Mutual Funds	2	4,329,820	24.05
Joint Stock Companies & Others	5	7,206,807	40.04
Individuals	581	305,639	1.70
TOTAL	591	18,000,000	100

SHAREHOLDERS HOLDING 10% OR MORE

PREMIER MERCANTILE SERVICES (PVT) LTD	1	3,600,000
PAKISTAN KUWAIT INVESTMENT CO.(PVT) LTD.	1	2,500,000
JS GLOBAL CAPITAL LIMITED	1	6,949,320
CDC - TRUSTEE FAYSAL SAVINGS GROWTH FUND	1	4,199,320

DETAILS OF PURCHASE/ SALE OF SHARES BY DIRECTORS, CEO, CFO, COMPANY SECRETARY AND THEIR SPOUSES OR MINOR CHILDREN DURING THE YEAR ENDED JUNE 30, 2008 — NIL —

PICT

Pakistan International Container Terminal Limited

Head Office
2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi 74000, Pakistan.
Tel. (+9221) 2400450 **Fax.** (+9221) 2400281 **Email.** info@pict.com.pk **Website.** www.pict.com.pk

Terminal Office
Berth 6-9, East Wharf, Karachi, Pakistan. **UAN.** (+9221) 111 11 PICT (7428) **Fax.** 2855715

Printed by YAQEEN UAN: 111-927-336 Logic Design Group