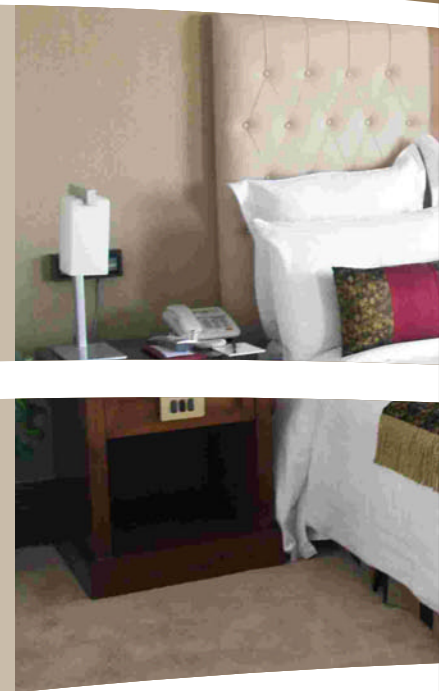
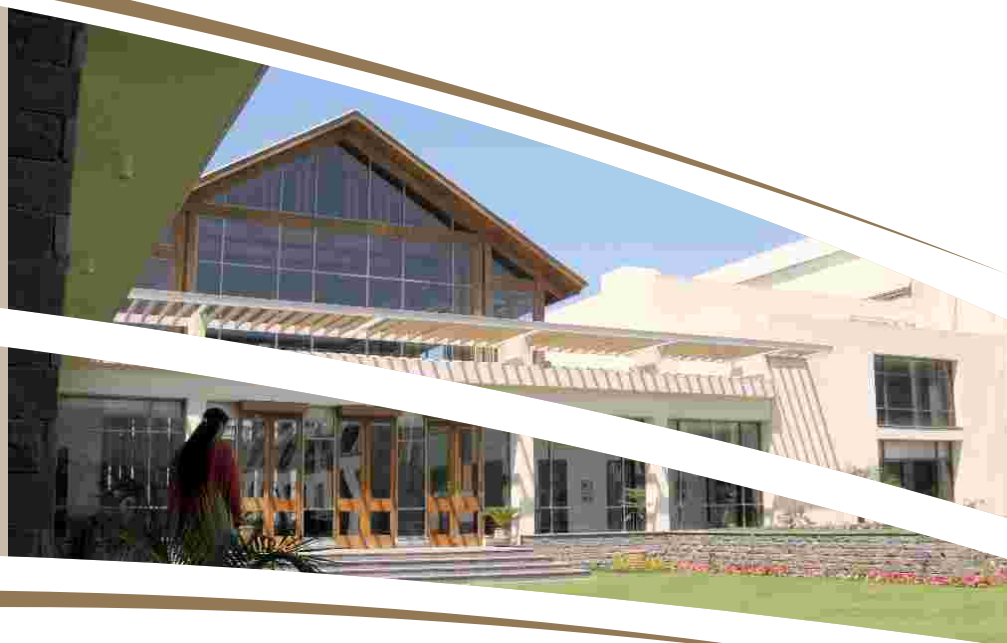
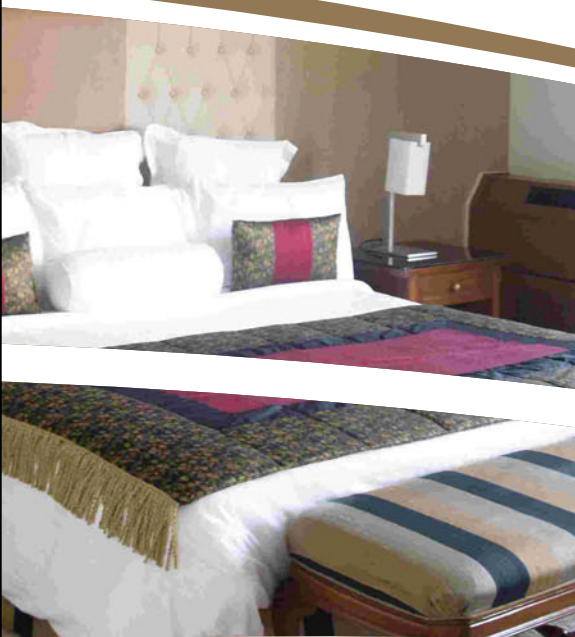


*“Excellence is the gradual result
of always striving to do better”*

PAT RILEY





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VISION & MISSION



VISION

We are committed to dynamic growth and service excellence built upon our heritage of traditional hospitality. We strive to consistently meet and surpass guests', employees' and other stakeholders' expectations. We feel pride in making efforts to position Pakistan in the forefront of the international arena.

MISSION

Secrets to our sustained leadership in hospitality are Excellency and Dynamism through offering competitive and innovative high quality value added services to our guests and business partners.

To meet the challenges of modern business, we constantly upgrade our operations and services in line with latest technological facilities.

As a responsible corporate citizen, maintaining the highest level of governance, ethical standards and prudence.

Keeping close-watch at socio-political environment to make use of all available growth opportunities through aggressive and proactive approach.

Believe in strong and professional workforce by providing challenging and rewarding environment and equal respect to all through creating the sense of participation towards the success of our vision.



BOARD OF DIRECTORS



MS. SHAZIA HASHWANI



MS. SARAH HASHWANI



MR. VAZIR ALI F. MOHAMMAD



MR. SHIRAZ NOORDIN



SYED SAJID ALI



MR. M.A. BAWANY



MR. MASOOD HASHIM

CORPORATE PROFILE/ INFORMATION



Pearl Continental Hotels, a chain owned and operated by Pakistan Services Limited ("the Company") sets the international standards for quality hotel accommodation in South Asia. The Company manages 6 luxury hotels at Karachi, Lahore, Rawalpindi, Peshawar, Bhurban and Muzaffarabad; comprising 1,480 rooms with registered office in Islamabad, Pakistan.

BOARD OF DIRECTORS

Mr. Sadruddin Hashwani.....Chairman
Mr. Murtaza Hashwani.....CEO
Ms. Shazia Hashwani
Ms. Sarah Hashwani
Mr. Vazir Ali F.Mohammad
Mr. Shiraz Noordin
Syed Sajid Ali
Mr. M. A. Bawany
Mr. Masood Hashim

AUDIT COMMITTEE

Mr. Sadruddin Hashwani
Ms. Sarah Hashwani
Mr. Vazir Ali F.Mohammad
Mr. M.A. Bawany

COMPENSATION COMMITTEE

Mr. Sadruddin Hashwani
Mr. Murtaza Hashwani
Mr. Vazir Ali F. Mohammad

HUMAN RESOURCE & RECRUITMENT COMMITTEE

Mr. Sadruddin Hashwani
Mr. Murtaza Hashwani
Mr. Vazir Ali F. Mohammad
Mr. Shiraz Noordin

CHIEF FINANCIAL OFFICER

Mr. Muhammad Rafique

COMPANY SECRETARY

Mr. Mansoor Khan

AUDITORS

M/s KPMG Taseer Hadi & Co. 
Chartered Accountants
6th Floor, State Life Building No.5
Jinnah Avenue, Blue Area Islamabad.

LEGAL ADVISOR

M/s Liaquat Merchant & Associates

BANKERS

Allied Bank Limited
Habib Bank Limited
KASB Bank Limited
mybank Limited
NIB Bank Limited
National Bank of Pakistan
Silkbank Limited
The Bank of Khyber
United Bank Limited

REGISTERED OFFICE

3rd Floor, Saudi Pak Tower 61/A,
Jinnah Avenue, Islamabad.
Tel: 0092-51-2800148
Fax: 0092-51-2800063
<http://www.pchotels.com>
<http://www.pchotels.biz>
<http://www.pchotels.com.pk>
<http://www.pearlcontinental.biz>
<http://www.pearlcontinental.com.pk>
<http://www.hashoogroup.com>
<http://www.hashoogroup.com.pk>
<http://www.hashoogroup.biz>
<http://www.hashoogroup.info>
<http://www.hashoo.info>

SHARE REGISTRAR

Technology Trade (Private) Limited.
Dagia House, 241-C, Block-2, PECHS,
Off Shahrah-e-Quaideen, Karachi.



STRATEGIC OBJECTIVES

Sustain potential market share through managed Average Daily Rate

Ensure successful completion of all expansion projects

Seek improvement in employees' competencies and enhancing performance goals

Continue achieving sales growth to support long term plans

Reinforce all areas of security risks to Company's assets and guests

CODE OF CONDUCT

The smooth and successful flow of processes and operations cannot be achieved without the active participation and concerned efforts of all the employees of the Company. Discipline and professional working environment largely depends on behavior and attitude of the employees. Hence the Company has established its own standards of:

- Confidentiality
- Attendance and punctuality
- Working relationships
- Discussion topics
- Behavior and Attitude-in-General
- Misconduct

CORE VALUES

Growth and development for all

- Competence and contribution as the only basis for job security
- Promotion from within
- Learning environment and opportunities
- Provision for world-class education and training
- Aligning people with latest technological trends

Recognition and reward

- Achievement orientation
- Appreciation
- Setting ever-rising standards of performance
- Performance-based evaluation
- Incentives

Innovation

- Listening and two-way interaction
- Encouragement
- Enterprise
- Participation
- Motivation
- Initiative

Trust

- Cooperation
- Integrity
- Dignity
- Respect
- Candidness
- Support
- Teamwork
- Sense of ownership
- Empowerment

NOTICE OF MEETING

Notice is hereby given that the 50th Annual General Meeting of Pakistan Services Limited will be held on Friday, October 30, 2009 at 11:30 a.m. at Marriott Hotel, Islamabad to transact the following business:

1. To confirm the Minutes of the 49th Annual General Meeting held on October 27, 2008.
2. To receive, consider and adopt the Audited Financial Statements together with the Directors' and the Auditors' Reports thereon for the year ended June 30, 2009.
3. To appoint auditors for the year 2009-10 and fix their remuneration.
4. To discuss any other business with the permission of the Chair.

By Order of the Board

Mansoor Khan
Company Secretary

Dubai: October 02, 2009

Notes:

- i) A member entitled to attend and vote at the above Annual General Meeting may appoint another member as a proxy to attend and vote on the his behalf. Proxies must be deposited with the Company not less than 48 hours before the time appointed to hold the Meeting.
- ii) The Share Transfer Books of the Company will remain closed from October 24, 2009 to October 30, 2009 (both days inclusive).
- iii) Shareholders are requested to notify the Company's Share Registrar, M/s. Technology Trade (Private) Limited, Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shahra-e-Quaideen, Karachi, of any change in their address.

CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

- i) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the CDC Regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity or other share holder, the Board of Directors' Resolution/ Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

holders whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

- ii) The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
- iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity or other share holder, the Board of Directors' Resolution/ Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with Proxy Form to the Company.

B. For Appointing Proxies:

- i) In case of individuals, the account holders or sub-account

*“Quality in a service or product
is not what you put into it. It
is what the client or customer
gets out of it”.*

Peter Drucker



The Hotels Take the Lead!

By signing up for Earth Hour, Pearl Continental Hotels in Pakistan became part of the thousands of cities, communities, business and governments that switched off lights voluntarily for one hour at 8:30 p.m. on Saturday March 28, 2009.

The Hotels turned off all extra lights and invited their guests to participate too by lighting candles in their rooms instead of electrical bulbs, sending a powerful global message that they care enough about climate change to take action.

Earth Hour began in Sydney in 2007, when 2.2 million homes and businesses switched off their lights for one hour. In 2008 the message had grown into a global sustainability movement, with 50 million people switching off their lights. Global landmarks such as Golden Gate Bridge in San Francisco, Romeís Colosseum, Sydney Opera House and Coca Cola billboard in Times Square all stood in darkness.

This year, Earth Hour was transformed into the world's first global election between Earth and global warming. For the first time in history, people of all ages, nationalities, races and background availed the opportunity to cast their vote through their light switchñ turning off the lights was a Vote for Earth, while leaving them on was a Vote for Global Warming. Over 74 countries and territories pledged their support to VOTE EARTH during Earth Hour 2009.

Hashoo Group - the umbrella of these hotels - believes in being proactive and supporting the efforts enabling a secure future of our planet, for future generations and invites its employees, guests and countrymen to join hands and save the world for the generations to come.

*“No matter how difficult the
challenge, when we spread our
wings of faith and allow the winds
of God's spirit to lift us, no obstacle
is too great to overcome”.*

ROY LESSIN



CHAIRMAN'S REVIEW

I am pleased to present before you the Annual Report of Pakistan Services Limited ("the Company") accompanied by the Audited Financial Statements of the Company both in individual and consolidated versions together with Auditors' Report thereon for the year ended June 30, 2009. Your Company completed 50 years of its existence and on this occasion I and my colleagues on the Board extend our warm felicitations to all the members of the Company.



Upon achieving the 50th landmark year your Company has positioned itself at the top of list in serving and leading the hospitality industry in the country. To reach this height I feel proud to say that during these long glorious years your Company kept progressing with the passage of every year not only locally but also promoted its logo of “Pearl Continental” in other parts of the world. It is really a time to celebrate this historic occasion; I congratulate all of you on my behalf and on behalf of the able team members of the Company. I dream your Company to progress further in the years to come and pray to Almighty to bless us in accomplishing and celebrating the milestones of achieving greater heights in the year to come, not only on national but also on global level.

THE ECONOMIC ENVIRONMENT

From overall perspective the financial year 2008-09 will be remembered as one of the worst years of all times. We all are passing through the tough phase of global economic recession and under this scenario every economy in the world is struggling for its survival. The same is also the case with Pakistan which is also facing internal challenges like inflation, energy crises, continuing war against terrorism and domestic security issues. GDP, which registered remarkable growth in past couple of years, has taken a down turn on the other hand stock market crashed significantly.

The impact of all the unfortunate happenings has badly affected performance of hospitality industry. Due to the

security threats not only the foreign visitors refrained from coming to our country but also the retarded economic activity and discouraged domestic traveling which in turn exposed hotel industry to the prodigious challenge of survival.

To cope with these threats, management of your Company is committed itself to restore the confidence of its customers by applying comprehensive and integrated medium term strategy besides providing security solution to the entire satisfaction of all which in return will definitely result into comparatively fair business results in the time of cynicism.

OVERALL PERFORMANCE OF THE COMPANY

Despite the unprecedented challenges and threats we successfully managed to avert the competition of business potential. It is evident from this fact that our overall business remained behind an ignorable drop of just 4 percent. Total revenue (exclusive of GST) of Rs. 4,634 million recorded in the last year dropped to Rs.4,463 million during the year under report. The drop in revenue resulted in dilution of gross profit of the reporting year as against achieved in the financial year 2007-08; the inflationary effects also played an extraneous role in decelerating the gross margin. The gross profit for the reviewing year recorded at 32 percent which in the corresponding year was achieved at 36 percent. From operational point of view your Company’s performance for the year under review remained satisfactory and it registered profit before tax of Rs.496 million but due to un-realized loss of Rs.597 million recorded on investments in the shares of listed



companies the above stated operational performance gulped down and turned it into “(Loss) before taxation” of Rs. 101 million.

Performance of Rooms Department

Revenue from Rooms Department for the year 2008-09 (inclusive of GST) was recorded at Rs. 2,473 million as against Rs. 2,782 million of the preceding year and thus registered a drop of 11 percent which in terms of amount comes to Rs. 309 million. Average occupancy went down from 55 percent recorded during the year 2007-08 to 49 percent achieved in the year under review - a reduction of 6 percent.

Significant business drop witnessed all over the world which also shriveled market potential in Pakistan and created stiff competition; in order to retain our market share to all possible extent, we had to compromise over room rate and resultantly the Average Daily Room Rate of Rs. 8,439 achieved in the year 2007-08 went down to Rs. 8,060 during the reviewing year.

Performance of Food & Beverage Department

Despite extreme poor business conditions in the country, revenue from Food & Beverage department not only maintained the numbers achieved in the last year but also surpassed it. During the reporting year the revenue generated from Food & Beverage department reached to the amount of Rs. 2,584 million (inclusive of GST) as against Rs.2,426 million earned in the corresponding period of last year. From these

numbers it is evident that we had managed to earn incremental revenue of Rs.158 million from this segment; thus modest rise in business from this segment resulted into nearly 7 percent growth than that of the comparable period of last year.

Performance of other Related Services/License Fee/travel and tour division

The Revenue (inclusive of GST) for this segment during the year under review was Rs.201 million as compared to Rs. 184 million recorded in the last year. It is evident from the above numbers that in spite of facing economic hardships; revenue for the year under review from this segment surpassed that of the last year by Rs. 17 million which shows nearly 9% growth.

FUTURE PROSPECTS

We are expecting for the revival of economy and resumption of traditional business opportunities that used to exist in the country. As reflective in economic indicators it is heartening to witness that economy of Pakistan has started to pick gradually. Inflation by maintaining downward trend, which started in the end of year 2008, after touching all time high of over 25 percent has dropped to nearly 11% in August this year. Overseas remittance has registered a phenomenal growth which is a positive sign and fall in imports is heading to a contraction in the current account deficit of the country. Other economic indicators also suggest improvement in the national economy. This is worth noting that these healthy trends are surging despite huge challenges faced by the



PEARL-CONTINENTAL, LAHORE

country. Law & order situation in the country is improving. The activities of stock exchange market are getting gradual boost. In short it looks that prosperity to the country in general and creation of business opportunities for hospitality industry in particular is about to advent.

With the economic turnaround it is expected that business of the Company will prosper. The capable management of your Company, by virtue of its traditional and versatile expertise, is all set to tap such business prospects which are anticipated to create with pleasant change.

Our innovative and ever improving style in operating hotels and completion of Pearl Continental Hotel Muzaffarabad will bring the Company on track to add value towards its growth.

Unfortunately in June 2009, Pearl Continental Hotel Peshawar was attacked by terrorists which caused loss of precious lives and extensive damage to the property. We offer our deepest sympathies to the families of those who lost their lives and may Allah rest the departed souls in peace. Ameen. Rehabilitation work at the site is in full speed and all efforts are on to make the property operational as soon as possible but this tragic event will no doubt affect the profitability of the Company for the year under report.

patronage which supported the Company to accomplish fairly good business results during the year 2008-09 that maintained not only our courage but also boosted our morale even in a highly challenging adverse atmosphere that prevailed in the country and faced by us.

I also wish to express our gratitude to the worthy shareholders and stakeholders for their constant support and we pledge that the Company will keep continue to excel in its operating efficiency towards the maximization of wealth of the shareholders.

Let us join our hands and pray for the solidarity, stability and prosperity of Pakistan and success of your Company.

For and on behalf of Board of Directors

SADRUDDIN HASHWANI

Chairman

Dubai: October 02, 2009

GLIMPSE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated revenues during the reporting year were recorded at Rs.4,555 million as against Rs. 4,729 million generated in the last year. The consolidated loss before tax and loss after tax for the year 2008-09 was recorded at Rs. 150 million and Rs. 277 million respectively.

The wholly-owned subsidiary Company, M/s Pearl Tours and Travels (Private) Limited, continued to engage in the business of Rent-a-Car and arranging package tours. It has generated revenue of Rs.120 million during the year under report as compared to Rs. 125 million of 2007-08.

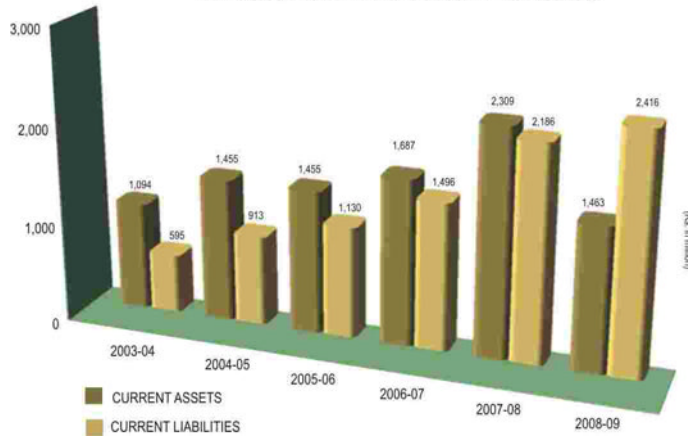
During the year your Company acquired 100% stake in M/s Musafa International (Private) Limited; this a company principally engaged in project management business. Currently it has been awarded with a project for construction and development of an underground parking in the highly demanding area in Karachi and is expected to complete in the current financial year. During the year under review M/s Musafa International (Private) Limited earned net profit after tax amounting to Rs. 4 million primarily from placement of surplus funds in profit bearing account with banks.

Other wholly owned subsidiary companies, namely, M/s Pearl Continental Hotels (Private) Limited and M/s Bhurban Resorts (Private) Limited remained non-operational during the financial year 2008-09.

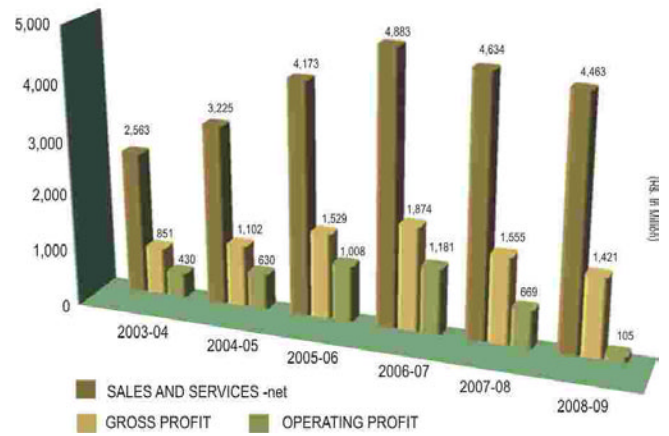
ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to place on record our appreciation to the entire team, bankers and valued guests of the Company for their confidence and sustained

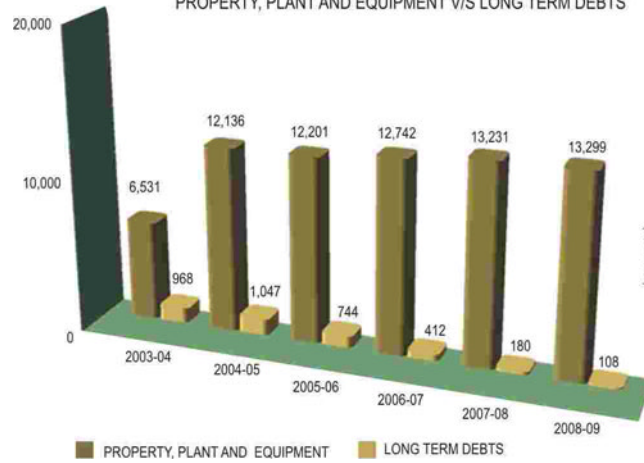
CURRENT ASSETS V/S CURRENT LIABILITIES



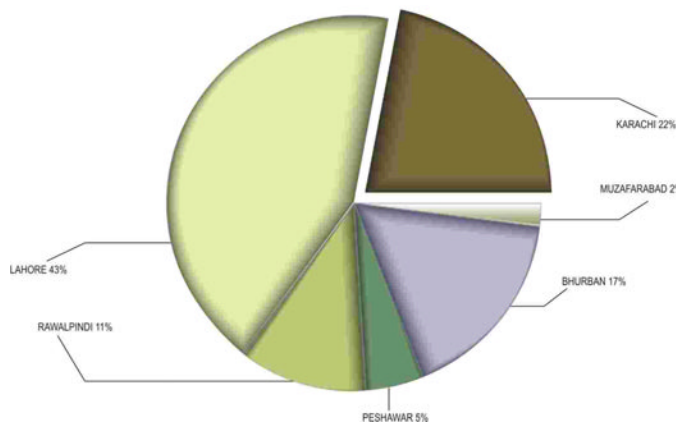
TREND ANALYSIS - SALES AND SERVICES -net GROSS PROFIT & OPERATING PROFIT



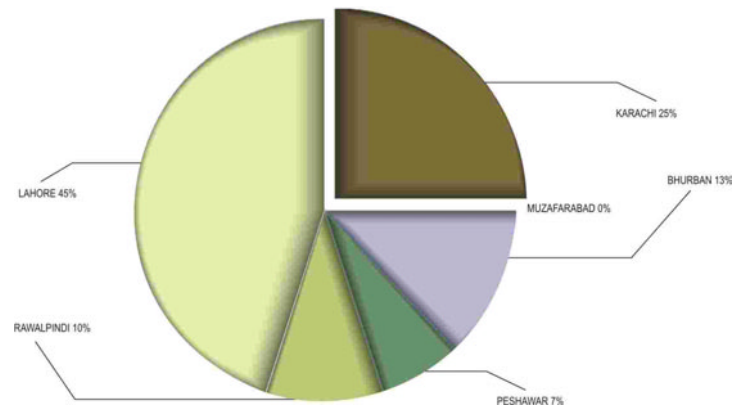
PROPERTY, PLANT AND EQUIPMENT V/S LONG TERM DEBTS



ROOM REVENUE HOTEL WISE FINANCIAL YEAR 2008-09



ROOM REVENUE HOTEL WISE FINANCIAL YEAR 2007-08





DIRECTORS' REPORT

The Board of Directors (“the Board”) of Pakistan Services Limited (“the Company”) takes pleasure in presenting the 50th Golden Jubilee (Annual) Report and the Audited Financial Statements along with the auditors’ report thereon for the year ended June 30, 2009.

Summary of financial performance of the Company is as follow:

	(Rupees '000)
Profit from operations	495,572
Un-realized loss on re-measurement of investments	(597,058)
Loss before taxation	(101,486)
Taxation	(128,352)
Net loss for the year	(229,838)

In view of financial results of the Company, ongoing expansions and projects of your Company, the Board has not recommended dividend for the year.

LOSS PER SHARE

Loss per share for the year Rs. (7.07)

COMPLIANCE STATEMENT

The Board of the Company has throughout the year, complied with the “Code of Corporate Governance” contained in the listing regulations of the Karachi Stock Exchange (Guarantee) Limited and is pleased to confirm that:

- 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 accounts of the Company have been maintained.
- 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 (IAS) and International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.
- 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 material departure from the best practices of transfer pricing.
- Key operating and financial data of last six years in summarized form is annexed to this report.
- During the year, the Board held 4 meetings, the attendance record of the directors is as follows:

Name of Directors	Attendance
Mr. Sadruddin Hashwani	02
Mr. Murtaza Hashwani	02
Ms. Shazia Hashwani	01
Ms. Sarah Hashwani	02
Mr. Vazir Ali F. Mohammad	04
Mr. Shiraz Noordin	04
Syed Sajid Ali	02
Mr. M.A. Bawany	04
Mr. Masood Hashim	03

- The Chief Financial Officer of the Company has purchased 100 shares of the Company in his name during the year. However, Directors, Company Secretary and their spouses & minor children have not traded in Company's shares during the year.
- The value of investment of provident fund as per accounts for the year ended June 30, 2009 was Rs. 332.67 million.
- The pattern of shareholding as required under section 236 of the Companies Ordinance, 1984 and Article (XIX) of the Code of Corporate Governance is annexed to this report.
- The directors fully endorse the contents of the Chairman's Review included in the Annual Report which deals inter alia with the financial and operating results and significant deviations from last year, significant future plans and other related matters of the Company.

PRINCIPAL BOARD COMMITTEES

Audit Committee

The Committee consists of four members including non-executive director as its Chairman. The committee is responsible

to assist the Board in management of business risk, internal controls and the conduct of the business in effective and efficient manner. The Committee meets at least once in every quarter prior to the approval of interim results of the Company by the Board. The terms of reference of the Audit Committee have been adopted from Chapter (xxxiii) of the Code of Corporate Governance.

Compensation Committee

The Committee consists of three members including Chairman, all are the non-executive directors of the Company and responsible for the reviewing and recommending all the elements of the compensation, organization and employees development policies relating to Board's and senior executives' remuneration.

Human Resource & Recruitment Committee

The Committee consists of four members including non-executive director as its Chairman. Its role is to assist the Board to enhance the level of competency and intellectual potential of our human resources.

AUDITORS

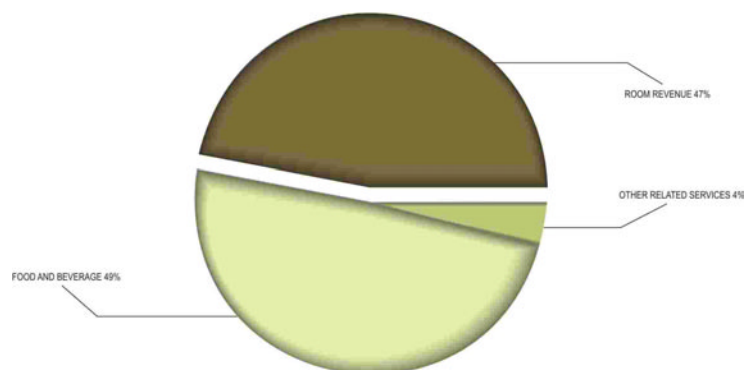
The retiring auditors, M/s KPMG Taseer Hadi & Co, Chartered Accountants being eligible, offer themselves for re-appointment as the Company's auditors. The Board, on the recommendation of Audit Committee, has proposed appointment of M/s KPMG Taseer Hadi & Co, Chartered Accountants as auditors of the Company for the year ending June 30, 2010.

For and on behalf of the Board of Directors

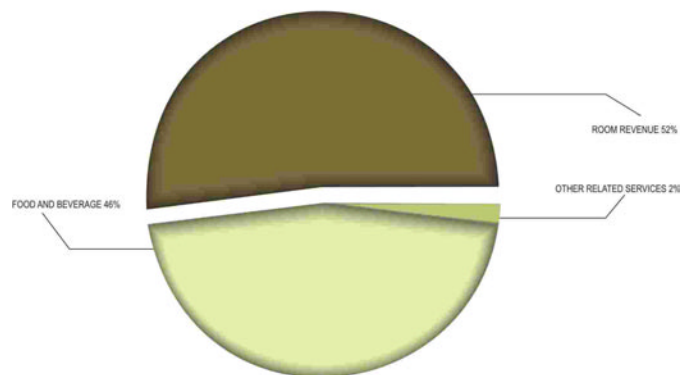
MURTAZA HASHWANI
Chief Executive

Dubai: October 02, 2009

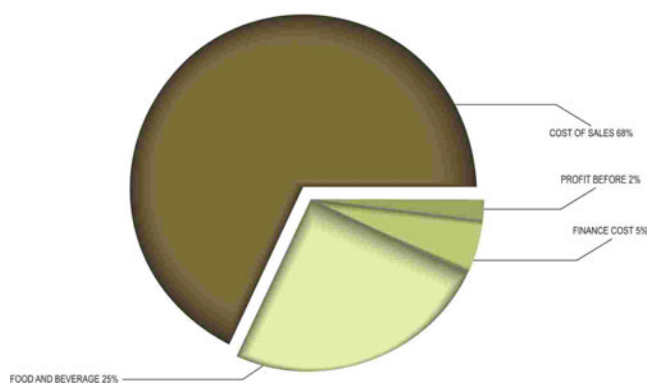
CONTRIBUTION OF MAJOR REVENUE GENERATION
DEPARTMENTS FINANCIAL YEAR 2008-09



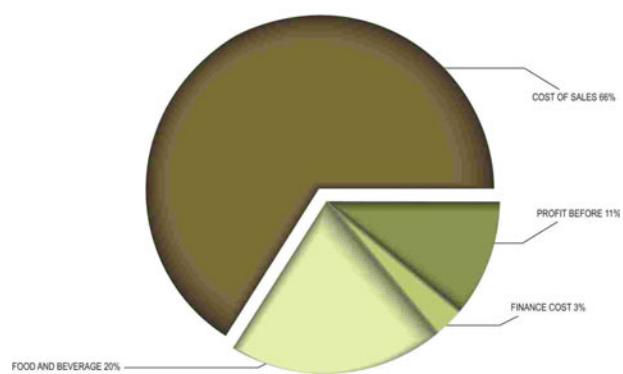
CONTRIBUTION OF MAJOR REVENUE GENERATION
DEPARTMENTS FINANCIAL YEAR 2007-08



APPLICATION OF SALES AND SERVICES - net
& OTHER INCOME FINANCIAL YEAR 2008-09



APPLICATION OF SALES AND SERVICES - net
& OTHER INCOME FINANCIAL YEAR 2007-08



STATEMENT OF COMPLIANCE

Statement of Compliance with the Code of Corporate Governance to the Members For the year ended June 30, 2009

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited 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 on its Board and at present executive directors are not more than 75% of the elected directors including chief executive. The Board includes four non-executive directors.
2. The directors have confirmed that none of them is serving as director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and to the best of our knowledge none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy has occurred in the Board during the year.
5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by the directors and employees of the Company.
6. The Board has developed vision and mission statements, 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 the Board has taken decisions on material transactions. There were no new appointments of the CEO and other executive directors during the year.
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 at least 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 Board has been making arrangements for orientation course for its directors to apprise them of their duties and responsibilities.
10. There was no new appointment of CFO, Company Secretary and Head of Internal Audit department during the year.
11. The directors' report for the year 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 CEO and CFO before approval of the Board.
13. The directors, CEO 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. It consists of four members, including non-executive director as its chairman.
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 formed 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 and that they are not aware of any instances where shares of the Company held by the firm, any partners in the firm, their spouses and minor children. 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. The related parties transactions have been placed before the audit committee and approved by the Board of Directors to comply with the requirements of the Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited.

21. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board of Directors

MURTAZA HASHWANI

Chief Executive

Dubai: October 02, 2009

STATEMENT OF COMPLIANCE

With the Best Practices on Transfer Pricing to the Members

For the year ended June 30, 2009

The Company has fully complied with best practices on Transfer Pricing as contained in the Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited.

For and on behalf of the Board of Directors

MURTAZA HASHWANI

Chief Executive

Dubai: October 02, 2009

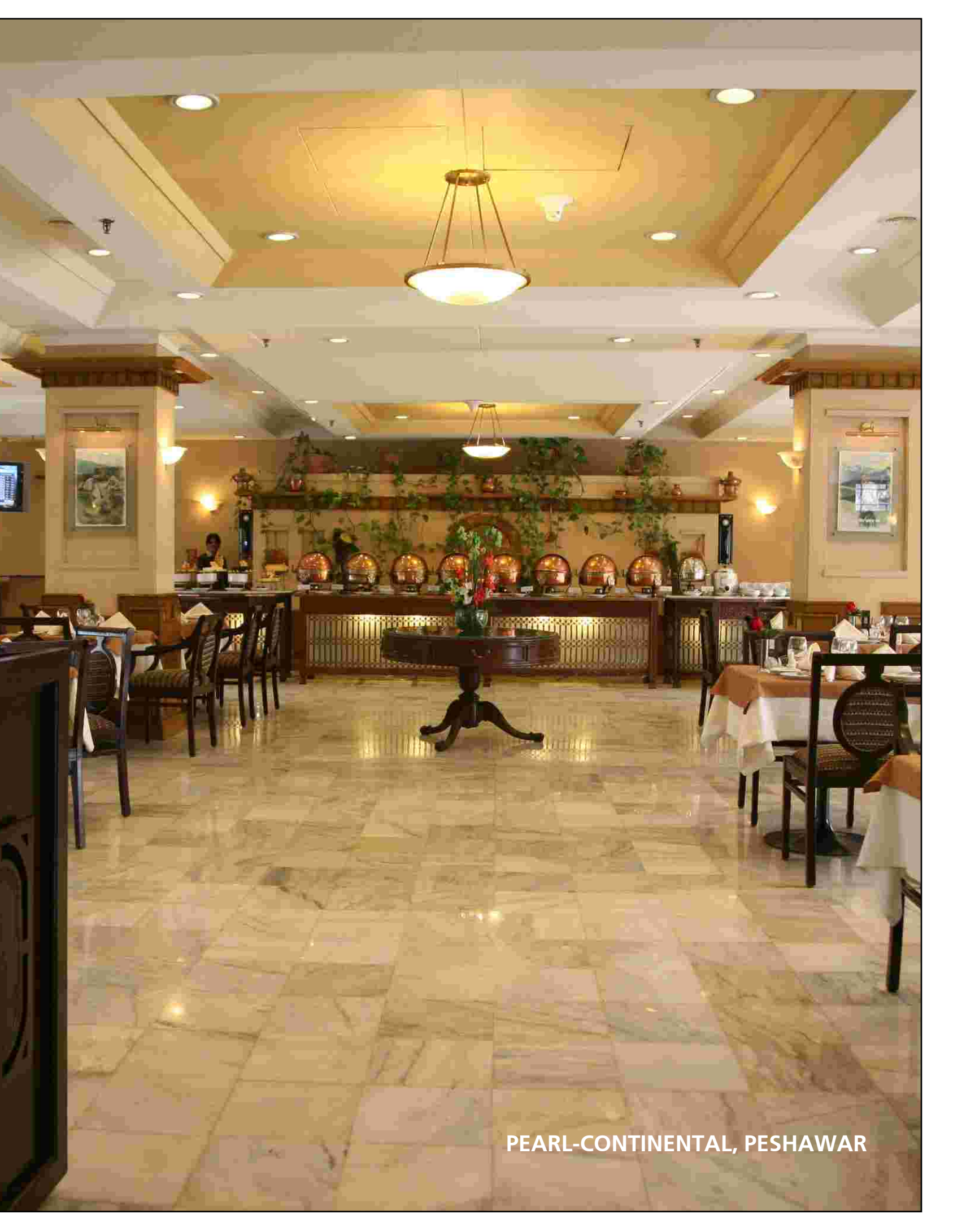
FINANCIAL HIGHLIGHTS

BASED ON UN-CONSOLIDATED FINANCIAL STATEMENT

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
(Rupees in Millions)						
Performance						
Sales and Services-net	4,463	4,634	4,883	4,173	3,225	2,563
Gross Profit	1,421	1,662	1,874	1,529	1,102	851
Operating Profit	105	669	1,181	1,008	630	430
(Loss)/ Profit before Taxation	(101)	536	993	805	457	235
Taxation	128	233	352	51	200	79
(Loss)/ Profit for the year	(230)	304	641	753	257	156
Dividend Paid Including Bonus Shares	49	33	81	81	81	30
Financial Position						
Issued, subscribed and paid of Share Capital	325	325	325	325	325	325
Share Capital and Reserves	2,356	2,635	2,364	1,804	1,132	956
Shareholders' Equity *	10,981	11,260	10,988	10,429	9,756	4,023
Long Term Financing	108	180	412	744	1,047	968
Non Current Liabilities	590	661	838	1,104	1,413	1,319
Current Liabilities	2,416	2,186	1,496	1,130	913	595
Property Plant and Equipment* (Cost)	13,299	13,231	12,742	12,201	12,136	6,531
Property Plant and Equipment* (Carrying Value)	10,721	10,759	10,741	10,313	10,315	4,817
Current Assets	1,463	2,309	1,687	1,455	1,450	1,094
Net Current Assets/ Laibilities	(953)	123	191	325	542	499
Long Term Debt: Shareholders' Equity * Ratio	0.01	0.02	0.04	0.07	0.11	0.32
Current Ratio	0.61	1.06	1.13	1.29	1.59	1.84
Debt Coverage Ratio	2.01	2.15	1.83	1.16	0.68	0.58
Interest Cover Ratio	0.51	5.06	6.29	4.97	3.65	2.20
Investor's Information						
Gross Profit Ratio	31.85%	35.86%	38.38%	36.63%	34.16%	33.22%
(Loss)/ Earnings Per Share **	(7.07)	9.34	19.71	23.16	7.91	4.79
% of (Loss)/ Profit After Tax to Sales	(5.15%)	6.56%	13.13%	18.05%	7.98%	6.08%
Return on Capital Employed	(1.99%)	2.55%	5.42%	6.53%	2.30%	2.92%
Inventory Turnover Ratio	68.66	79.38	93.44	83.64	74.33	67.63
Debtor Turnover Ratio	15.57	15.09	19.93	22.18	23.69	21.30
Fixed Assets Turnover Ratio	0.42	0.43	0.45	0.40	0.31	0.53
Breakup Value per share *	337.63	346.20	337.85	320.64	299.98	123.68
Market value at the end of the year **	113.05	540	466	393.55	180	130
Highest Market value during the year **	530	564	466	393.55	197.55	145
Lowest Market value during the year **	113.05	412	316	161.50	125.50	109.25
Price Earning Ratio	(16.00)	57.79	23.64	16.99	22.76	27.14
Dividend Per Share - Bonus **	-	-	-	-	-	1
Dividend Per Share - Cash **	1.5	1	2.5	2.5	2.5	-
Dividend Yield Ratio %	1.33%	0.19%	0.54%	0.64%	1.39%	0.77%
Dividend Payout Ratio %	(21%)	11%	13%	11%	32%	21%
Addition to Property, Plant and Equipment* (without Capital Expenditure)	288	581	549	75	5,612	103

* This include impact of revaluations

** Amount in Rupees



PEARL-CONTINENTAL, PESHAWAR

STATEMENT OF VALUE ADDITION & ITS DISTRIBUTION

	2008-2009 (Rupees '000)
VALUE ADDED	
Sales and services - net	4,462,575
Other operating expenses	(654,105)
Other operating income	446,860
	<u>4,255,330</u>
Materials, service & finance cost (except remuneration)	(1,872,473)
	<u><u>2,382,857</u></u>
DISTRIBUTION	
Employee remuneration	1,118,956
Government (taxes & levies)	1,215,115
Shareholders (dividend)	48,786
	<u><u>2,382,857</u></u>

