



NOTICE FOR ALL LISTED COMPANIES

Subject: **CRITERIA FOR SELECTION OF TOP 25 COMPANIES FOR THE YEAR 2007**

All the listed companies are hereby informed that the Governing Board of Directors of the Exchange reviewed the criteria for selection of Top Companies and it has been decided that the following revised criteria shall be applicable for selection of Top Companies for the year 2007.

The criteria is given hereunder for information:

1) Prerequisites for Selection of Top Companies:

- a) A minimum distribution of 40% (including at least 15% cash dividend) for the year;
- b) The company has joined the CDS after it's securities have been declared as eligible securities by the Central Depository Company of Pakistan Limited; and
- c) The company should not be under violation of the Listing Regulations.

2) The Companies that Qualify above Prerequisites will be Selected on the Basis of Highest Marks Obtained as per the following Criteria:

- a) **Return on Equity:** 35%
On the basis of before tax-profit
- b) **Distribution:** 30%
Out of current years profit only. In case dividend/ bonus is paid out of prior years earnings/ reserves, then the dividend/ bonus shall be adjusted proportionately
- c) **Free-Float of Shares:** 5%
Free-float of shares as a percentage of total shares outstanding
- d) **Turnover of Shares:** 5%
Transactions that are executed on Karachi Automated Trading System (KATS)