

The General Manager
Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building, Stock Exchange Road
Karachi.

Dear Sir,

PAKISTAN INCOME FUND (PIF)
FINANCIAL RESULT FOR THE QUARTER ENDED 30 SEPTEMBER 2007

We have to inform you that the Board of Directors of Arif Habib Investment Management Limited, (The Management Company) of PIF (the Fund) in their meeting held on 24 October 2007 at 3:00 pm at 2/1, R.Y.16, Old Queens Road, Karachi approved the following:

The financial result of the Fund are as follows:

	Quarter ended 30 September	
	2007	2006
	(Rupees in '000)	
INCOME		
Capital (losses) on sale of investments	(46)	(1,060)
Income from term finance certificates	65,670	40,136
Income from continuous funding system	58,964	74,618
Income from reverse repurchase transactions	3,108	-
Income from government bonds	590	-
Income from term deposits receipts	-	6,380
Profit on bank deposits	118,066	45,428
Other income	56	252
	<u>246,408</u>	<u>165,754</u>
Unrealised appreciation / (diminution) in fair value of investments at fair value through profit or loss - 'held for trading'	18,723	(679)
Unrealised (loss) / gain on revaluation of derivative financial instruments	(331)	1,210
Total income	<u>264,800</u>	<u>166,285</u>
Expenses		
Remuneration of Arif Habib Investment Management Limited - Management Company	34,477	21,092
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,550	1,658
Annual fee - Securities and Exchange Commission of Pakistan	2,298	1,406
Securities transaction cost	6,370	10,185
Settlement and bank charges	1,664	1,766
Fees and subscription	51	63
Legal and professional charges	30	30
Auditors' remuneration	161	132
Amortisation of preliminary expenses and floatation costs	-	126
Total Expenses	<u>47,601</u>	<u>36,458</u>
Net operating income	<u>217,199</u>	<u>129,827</u>
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units repurchased	40,114	4,721
Net income for the period	<u>257,313</u>	<u>134,548</u>

We will be sending you 300 copies of printed accounts for distribution amongst the members of the Exchange.

Yours faithfully,

Syed Ajas Ahmed
Company Secretary