

PIF/9543/994/09
24 October 2008

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 2008**

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 2008 at 10:30 a.m. at 2/1, R.Y.16, Old Queens Road, Karachi approved the following:

DISTRIBUTION SUMMARY:

The Board of Directors of AHIML in their meeting held on 30 September 2008 has already approved interim cash dividend for unit holders having CD units @ Rs.1.30 per unit. The other unit holders got 2,596 interim bonus units for every 100 units held as on 28 September 2008 on the ex-bonus price of Rs.50.07 per unit, the proportionate applied to actual holdings. The distribution was 2.60% on the opening FX-NAV for F.Y.2009.

The above entitlement had been paid to the unit holders whose name appeared in the Register of unit holders as on 28 September 2008.

The financial results of the PIF are as follows:

| | Quarter ended 30 September | |
|---------------------------------------------------------------------------------------------------------------|-------------------------------|----------------|
| | 2008 | 2007 |
| | (Rupees in '000) | |
| INCOME | | |
| Loss on sale of investments | (6,267) | (46) |
| Income from Term Finance Certificates and Sukuk bonds | 85,000 | 65,670 |
| Income from Government Securities | - | 590 |
| Income from Continuous Funding System transactions | 45,293 | 58,964 |
| Income from Certificates of Investment and Term Deposit Receipts | 41,914 | - |
| Income from reverse repurchase transactions | - | 3,108 |
| Profit on bank accounts | 18,868 | 118,066 |
| Other Income | - | 56 |
| | 184,808 | 246,408 |
| Unrealised appreciation / (diminution) in the value of investments at fair value through profit or loss - net | (4,884) | 18,723 |
| Unrealised gain / (loss) on revaluation of futures contracts | 46 | (331) |
| | 179,970 | 264,800 |
| Total Income | | |
| Expenses | | |
| Remuneration of Arif Habib Investment Management Limited - Management Company | 21,010 | 34,477 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 1,653 | 2,550 |
| Annual fee - Securities and Exchange Commission of Pakistan | 1,401 | 2,298 |
| Securities transaction cost | 1,247 | 6,370 |
| Settlement and bank charges | 3,104 | 1,664 |
| Fees and Subscription | 477 | 51 |
| Legal and Professional Charges | 70 | 30 |
| Auditors' Remuneration | 195 | 161 |
| Printing and related cost | 102 | - |
| | 29,259 | 47,601 |
| Total Expenses | | |
| Net income from operating activities | 150,711 | 217,199 |
| Element of income and capital gains included in prices of units issued less less those in units redeemed | 5,868 | 40,114 |
| Net income for the period | 156,579 | 257,313 |

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

Yours faithfully,

Syed Ali Ahmed
Company Secretary

Arif Habib Investment Management Limited

2/1, R.Y.16, Old Queens Road, Karachi-74000

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Handwritten signatures and initials:
Umar