



PRESS RELEASE

Fax No. _____

October 14, 2008

Mr. _____

Karachi

Dear Sir,

We shall appreciate if you will kindly publish/release the under-mentioned 'Press Release' in the next issue/bulletin of your esteemed News Papers/TV Channel.

Thanking you,

Yours faithfully,

S. MUNAWAR ALI
Manager Public Relations

PRESS RELEASE

(Karachi, October 14, 2008): Over the past few weeks, The Karachi Stock Exchange has been in active consultations with the Ministry of Finance, SECP, State Bank of Pakistan and other stake-holders to develop a set of measures for achieving market stability. In this context three critical areas were identified:

1. Liquidity
2. Risk Management and
3. Restoring Investor Confidence.

The Board of Directors of Karachi Stock Exchange met on Tuesday, October 14, 2008 to review the progress made on these efforts and noted that some recommendations have been implemented (e.g. Announcement of Buy back of shares, Reduction in CRR) while other recommendations (e.g. Equity Fund, Put Options, change in CFS margining regime, etc.) are being processed. The final details of all the stabilization measures will be announced by the respective authorities (e.g. Ministry of Finance/SECP).

The Board has decided to remove the 'floor mechanism' from the Karachi Stock Exchange from Monday, October 27, 2008. Normal trading parameters of 5% upper and lower circuit breakers will be imposed from that day onwards.

The Board of Directors has been informed that the Ministry of Finance and SECP will implement the full set of stabilization measures prior to October 27, 2008.

Public Relations Department

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