

PRESS RELEASE

(Karachi, August 27, 2008): The Board of Directors of the Karachi Stock Exchange, after holding extensive consultations with stakeholders (including its members, fund managers, other exchanges, etc.) held an emergent meeting today. The Board observed that the continuous sharp decline in share prices can have implications for the wider financial system. With this in mind, the Board, in terms of the powers described in the Regulations of the Exchange, decided to place a floor based on closing prices of securities of Wednesday, August 27, 2008, whereby the individual security prices will remain free to trade within the normal circuit breaker limits, but not below the floor price level as mentioned above. It was decided to introduce the above mechanism effective from August 28, 2008 till further notice. The Board will engage SECP, State Bank of Pakistan and the Ministry of Finance to develop medium term measures for achieving stability in the capital market.

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