

FIRST CAPITAL SECURITIES CORPORATION LIMITED

**CONDENSED INTERIM
HALF YEARLY ACCOUNTS
(Un-Audited)**

31 DECEMBER 2008

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FIRST CAPITAL SECURITIES CORPORATION LIMITED

COMPANY INFORMATION

Board of Directors	Salmaan Taseer (Chairman & Chief Executive Officer) Aamna Taseer Suliaman Ahmed Said Al-Hoqani Shahbaz Ali Taseer Jamal Said Al-Ojaili Omer Subhan Salamat Syed Kashan Kazmi
Chief Financial Officer	Syed Kashan Kazmi
Audit Committee	Shahbaz Ali Taseer (Chairman) Aamna Taseer Omer Subhan Salamat
Company Secretary	Muhammad Irfan Khawaja
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Adviser	Mazhar Law Associates Advocates
Bankers	Allied Bank Limited Bank Al-Habib Limited Bank Alfalah Limited Citi Bank N.A. Faysal Bank Limited KASB Bank Limited MCB Bank Limited NIB Bank Limited Standard Chartered Bank (Pakistan) Limited Soneri Bank Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building-3, Dr. Zia-ud-Din Ahmed Road, Karachi. ☎ (021) 5689021, 111-000-322
Registered Office/Head Office	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 5757591-4 Fax: (042) 5757590, 5877920

FIRST CAPITAL SECURITIES CORPORATION LIMITED

DIRECTORS' REVIEW

The Directors of First Capital Securities Corporation Limited (the "Company" or "FCSC") are pleased to present the auditors' reviewed financial statements of the Company for the half year ended 31 December 2008.

Operational Results

The operating results of the Company are summarized as follows:

	31 December 2008	31 December 2007
	Rupees	Rupees
Revenue/(loss)	(729,807,281)	328,999,910
Operating expenses	34,439,261	23,695,073
Operating (loss)/profit	(764,246,542)	305,304,837
Finance and other costs	7,159,672	22,705,325
(Loss)/profit after taxation	(718,909,813)	284,504,620
Earnings per share (Basic & diluted)	(3.16)	1.25

During the half year under review the Company posted an after tax loss of Rs718.91 million as compared to profit of Rs284.50 million in the corresponding period last year translating into negative earning per share (EPS) of Rs(3.16) as compared to Rs1.25 per share. The downfall observed in the period under review is mainly attributed to the crisis in the economy of the country especially in stock markets. The Equity market saw an unprecedented plunge in the KSE 100-Index which resulted in freezing of equity market for almost four months. As a result, the financial institutions having exposures in equity market faced a threatening situation of default which also distressed the profitability of the Company. This financial distress in share market is reflected through unrealized loss of Rs688.41 million on re-measurement of short term investment compared to gain of Rs312.04 million correspondingly. Realized loss on sale of investments amounted to Rs56.67 million contributing towards the operating loss of Rs764.25 million.

Future Outlook

Keeping in view the worst economic numerals, specially with high inflation, twin deficits, falling reserves, depreciating currency, down grading of its international rating, low FDI and FPI, the management of the Company is constantly reviewing and changing its business policies & strategies in order to cope with current competitive business dynamics. We believe that the worst has incorporated in the economy and the economic indicators will show improvement incoming days and we hope for better days seem in new year. The stock and real estate sectors have started showing positive signals and hopefully these sectors will improve in the future.

Finally, the Board of Directors wishes to pay their sincere gratitude to all executives, staff and workers of the Company for their commitment and services.

For and on behalf of the Board of Directors

Lahore
28 February 2009

Salmaan Taseer
Chairman & Chief Executive Officer

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FIRST CAPITAL SECURITIES CORPORATION LIMITED

Independent Report on Review of Condensed Interim Financial Information to the members of First Capital Securities Corporation Limited

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First Capital Securities Corporation Limited** as at 31 December 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period then ended (condensed interim financial information). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended 31 December 2008 in the condensed interim profit and loss account have not been reviewed and we do not express a conclusion on them.

Lahore
28 February 2009

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran Iqbal Yousafi)

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**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 31 DECEMBER 2008**

	31 December 2008 Rupees	30 June 2008 Rupees
NON CURRENT ASSETS		
Property and equipment	214,444,070	114,750,664
Long term loans	407,725,000	330,700,000
Investment property	771,565,541	736,307,933
Long term investments	7,262,819,233	7,175,927,758
Long term deposits	646,838	646,838
	8,657,200,682	8,358,333,193
Current assets		
Trade debts	24,476,275	1,885,006
Loans and advances	276,650	113,248
Short term prepayments	138,308	108,747
Taxation recoverable	24,469,143	21,418,663
Other receivables	1,090,912	11,238,189
Placements	32,200,000	-
Investments at fair value through profit or loss	2,634,404,553	3,366,163,035
Cash and bank balances	109,244,079	350,905,292
	2,826,299,920	3,751,832,180
Current liabilities		
Current portion of liabilities against assets subject to finance lease	625,766	587,805
Mark up accrued	2,913,208	81,098
Short term borrowings - secured	74,860,548	14,000,000
Trade and other payables	307,368,759	367,058,185
	385,768,281	381,727,088
Working capital	2,440,531,639	3,370,105,092
Net assets	11,097,732,321	11,728,438,285
Non current liabilities		
Liabilities against assets subject to finance lease	1,325,134	1,647,793
Staff retirement benefits	9,862,280	8,200,796
	11,187,414	9,848,589
Contingencies and commitments		
Net capital employed	11,086,544,907	11,718,589,696
Represented by:		
Share capital and reserves		
Issued, subscribed and paid-up capital	2,275,315,220	1,625,225,160
Reserves	2,993,312,307	2,905,945,335
Unappropriated profit	5,817,917,380	7,187,419,201
	11,086,544,907	11,718,589,696

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

	Six months ended		Three months ended	
	31 December 2008 Rupees	31 December 2007 Rupees	31 December 2008 Rupees	31 December 2007 Rupees
Operating revenue				
Financial consultancy services	1,500,000	4,521,875	-	2,646,875
Money market services	6,116,953	6,227,137	2,651,916	3,563,490
Loss/(gain) on sale of investments	(56,672,629)	3,929,629	(55,369,288)	5,128,677
Gain on sale of investment property	250,000	-	250,000	-
Rental income from investment property	5,369,477	-	3,902,924	-
Unrealized (loss)/gain on remeasurement of short term investments	(688,406,632)	312,041,069	(477,985,535)	102,807,330
Dividend income	2,035,550	2,280,200	2,035,550	725,000
	(729,807,281)	328,999,910	(524,514,433)	114,871,372
Operating expenses	34,439,261	23,695,073	19,498,424	15,355,057
Operating (loss)/profit	(764,246,542)	305,304,837	(544,012,857)	99,516,315
Finance and other costs	7,159,672	22,705,325	5,608,902	12,167,243
	(771,406,214)	282,599,512	(549,621,759)	87,349,072
Other operating income	52,496,401	1,905,108	27,768,558	1,268,766
(Loss)/profit before taxation	(718,909,813)	284,504,620	(521,853,201)	88,617,838
Taxation	(501,948)	(281,765)	(390,293)	(268,447)
(Loss)/profit after taxation	(719,411,761)	284,222,855	(522,243,494)	88,349,391
(Loss)/earnings per share- basic and diluted	(3.16)	1.25	(2.30)	0.39

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

	31 December 2008 Rupees	31 December 2007 Rupees
Cash flow from operating activities		
(Loss)/profit before taxation	(718,909,813)	284,504,620
Adjustments for:		
Finance and other costs	7,159,672	22,705,325
Unrealized loss/(gain) on remeasurement of investments at fair value through profit or loss	688,406,632	(312,041,069)
Dividend income	(2,035,550)	(2,280,200)
Depreciation	614,291	664,241
Gain on disposal of property and equipment	(450,000)	(621,000)
Gain on disposal of subsidiary	(249,503)	-
Mark up income	(50,965,741)	(1,282,330)
Provision for gratuity-net	1,675,484	1,002,342
	<u>644,155,285</u>	<u>(291,852,691)</u>
	(74,754,528)	(7,348,071)
Loss before working capital changes		
Effect on cash flow due to working capital changes:		
Trade debts	(22,591,269)	488,193
Loans and advances	(163,402)	275,932
Short term prepayments	(29,561)	(4,677)
Other receivables	(952,506)	144,034
Short term investments-net	43,351,850	27,258,150
Trade and other payables	(59,689,426)	131,200
	<u>(40,074,314)</u>	<u>28,292,832</u>
	(114,828,842)	20,944,761
Cash generated from operations		
Staff retirement benefits paid	(14,000)	-
Finance and other costs paid	(4,327,562)	(23,117,073)
Other long term deposits	-	(109,338)
Taxes paid	(3,552,428)	(1,261,239)
	<u>(7,893,990)</u>	<u>(24,487,650)</u>
	(122,722,832)	(3,542,889)
Net cash generated from operating activities		
Cash flows from investing activities		
Capital expenditure	(100,307,697)	(250,157)
Dividend received	13,019,914	2,435,715
Proceeds from disposal of property and equipment	450,000	621,000
Placements	(32,200,000)	-
Investment property	(35,257,608)	-
Proceeds from disposal of subsidiary	725,000	(53,048,702)
Long term loans-net	(77,025,000)	-
Long term deposits	-	-
Mark up received	51,081,160	1,282,330
	<u>(179,514,231)</u>	<u>(48,959,814)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Repayment of liabilities against assets subject to finance lease	(284,698)	(264,961)
Short term borrowings-net	60,860,548	41,833,769
	<u>60,575,850</u>	<u>41,568,808</u>
Net cash generated from financing activities		
Net (decrease) in cash and cash equivalents	(241,661,213)	(10,933,895)
Cash and cash equivalents at the beginning of the period	350,905,292	17,754,146
Cash and cash equivalents at the end of the period	<u>109,244,079</u>	<u>6,820,251</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)**

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	Share capital Rupees	Fair value reserve Rupees	Revenue reserve Unappropriated profit Rupees	Total Rupees
Balance as at 30 June 2007	1,354,354,300	1,667,705,724	2,016,844,449	5,038,904,473
Fair value gain during the period	-	583,893,552	-	583,893,552
Profit for the period	-	-	284,222,855	284,222,855
Total recognized income and expenses for the period	-	583,893,552	284,222,855	868,116,407
Issuance of bonus shares	270,870,860	-	(270,870,860)	-
Balance as at 31 December 2007	1,625,225,160	2,251,599,276	2,030,196,444	5,907,020,880
Fair value gain during the period	-	654,346,059	-	654,346,059
Profit for the period	-	-	5,157,222,757	5,157,222,757
Total recognized income and expenses for the period	-	654,346,059	5,157,222,757	5,811,568,816
Balance as at 30 June 2008	1,625,225,160	2,905,945,335	7,187,419,201	11,718,589,696
Fair value gain during the period	-	87,366,972	-	87,366,972
Loss for the period	-	-	(719,411,761)	(719,411,761)
Total recognized income and expenses for the period	-	87,366,972	(719,411,761)	(632,044,789)
Issuance of bonus shares	650,090,060	-	(650,090,060)	-
Balance as at 31 December 2008	<u>2,275,315,220</u>	<u>2,993,312,307</u>	<u>5,817,917,380</u>	<u>11,086,544,907</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

1 Status and nature of business

First Capital Securities Corporation Limited ("the Company") was incorporated in Pakistan on 11 April 1994 as a public limited company under the Companies Ordinance, 1984 and is listed on the Karachi, Lahore and Islamabad stock exchanges. The registered office of the Company is situated at 103 C/II, Gulberg-III, Lahore. The Company is involved in making long and short term investments, money market operations and financial consultancy services.

2 Basis of preparation

These condensed interim financial information are un-audited but subject to limited scope review by auditors and have been presented in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. The condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2008.

The condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

3 Accounting policies

Accounting policies adopted for the preparation of these condensed interim financial information are the same as those applied in preparing the financial statements for the year ended 30 June 2008.

4 Estimates

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2008.

5 Long term investments

Available for sale

	31 December 2008 Rupees	30 June 2008 Rupees
Subsidiary companies - at cost	5,663,222,580	5,663,698,077
Unrealized gain on revaluation of available for sale investments recognized directly in equity	1,244,551,653	1,157,184,681
	6,907,774,233	6,820,882,758
Associated companies - at cost	355,045,000	355,045,000
	<u>7,262,819,233</u>	<u>7,175,927,758</u>

	31 December 2008 Rupees	30 June 2008 Rupees
6 Investments at fair value through profit or loss		
Held for trading		
Related parties	21,370,931	14,833,051
Others	53,000,897	51,533,644
Others - related parties	<u>3,248,439,357</u>	<u>1,756,482,752</u>
	<u>3,322,811,185</u>	<u>1,822,849,447</u>
Unrealised (loss)/gain on account of remeasurement to fair value during the period	<u>(688,406,632)</u>	<u>1,543,313,588</u>
	<u>2,634,404,553</u>	<u>3,366,163,035</u>

6.1 Shares having market value of Rs. 190 million are pledged.

7 CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments from those disclosed in the published financial statements of the Company for the year ended 30 June 2008 except for the commitment to purchase property amounting to Rs. 254,655,319/-.

8 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, subsidiary undertakings, associated companies, directors and key management personnel. The significant transactions with related parties are as follows:

	31 December 2008 Rupees	31 December 2007 Rupees
Subsidiary companies		
Finance cost charged	1,426,684	14,695,718
Brokerage / Commission / Loan arrangement fee paid	606,160	851,390
Mark up income	926,890	-
Dividend income	-	-
Purchase of goods/services	426,207	607,617
Short term borrowings - Repo	60,000,000	525,000,000
Repayment of short term borrowings - Repo	60,000,000	370,000,000
Placements entered and rolled over	32,200,000	-
Associated companies		
Income from financial consultancy services	1,500,000	4,521,875
Mark up income	32,183,014	1,251,804
Short term borrowing availed and repaid	-	1,000,000
Finance cost charged	-	4,932
Insurance premium	361,536	264,225
Insurance claim	8,700	201,865

	31 December 2008 Rupees	30 June 2008 Rupees
Period end balances		
Subsidiary companies		
Short term borrowings - secured	10,600,000	-
Trade debts	14,126,666	-
Associated companies		
Long term loans	397,125,000	330,700,000
Trade debts	1,500,000	3,000,000

9 Date of authorization for issue

These un-audited condensed interim financial information for the half year ended 31 December 2008 were authorized for issue on 28 February 2009 by the Board of Directors of the Company.

10 GENERAL

Figures have been rounded off to the nearest rupee.

FIRST CAPITAL SECURITIES CORPORATION LIMITED

**CONDENSED CONSOLIDATED
HALF YEARLY ACCOUNTS
(Un-Audited)**

31 DECEMBER 2008

FIRST CAPITAL SECURITIES CORPORATION LIMITED

Directors' Review on Consolidated Financial Statements

The Directors of First Capital Corporation Limited ("the Group") are delighted to present the auditors reviewed consolidated financial statements of the group for the half year ended 31 December 2008.

	31 December 2008	31 December 2007
	Rupees in Millions	
Revenue	879	573
Direct Costs	173	99
Operating Expenses	199	193
Operating Profit	507	281
Share of (Loss)/profit of associated companies	(10)	35
Unrealized (loss)/gain on re-measurement of investment	(824)	78
(Loss)/profit after Taxation	(628)	176
Minority interest	58	115
Earnings per Share (Basis & Diluted)	(3.02)	0.27

First Capital Equities Limited ("FCEL")

First Capital Equities Limited (FCEL) reported an after tax profit of Rs8.20 million as compared to profit of Rs254.05 million in the same period last year translating into EPS of Rs0.08 as compared to Rs2.35 for the corresponding period last year.

Lanka Securities (Pvt.) Limited ("LSL")

Lanka Securities (Pvt.) Limited generated revenue of LKR 28.60 million and net profit of LKR 1.74 million during the period translating into EPS of LKR 0.25.

First Capital Investments Limited ("FCIL")

First Capital Investments Limited (FCIL) reported an after tax loss of Rs20.52 million as compared to loss of Rs3.12 million for the corresponding period last year.

World Press (Pvt.) Limited ("WPL")

World Press (Pvt.) Ltd. (WPL) performed pleasingly well during the period, reporting after tax profit of Rs6.12 million which is nearly 5 times higher than the figure of Rs1.23 million correspondingly.

Trident Construct (Pvt.) Limited ("TCL")

Trident Construct (Pvt.) Limited ("Trident") reported generous profits during the period under review where after tax profit increased to Rs74.42 million as compared to Rs44.21 million in the corresponding period.

Future Outlook

The negative market conditions experienced in 2008 are expected to continue into 2009. Although the current global and national economic crises are expected to continue in the short run, we believe that some sectors might improve quicker than the others. Keeping in mind the initiatives and measures taken by government to address the current situation and resumption of stock market operations, the Group holds the modest optimistic views for the future and is exploring best possible arenas and options to utilize its diversified resources/portfolio to post best possible returns for its shareholders.

The Board of Directors desires to place on record its sincere gratitude and appreciation to all stakeholders for their esteemed support and to employees for their dedication and commitment towards to the group.

For and on behalf of the Board of Directors

Lahore

28 February 2009

Salmaan Taseer

Chairman & Chief Executive Officer

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED CONSOLIDATED BALANCE SHEET (UN-AUDITED)
AS AT 31 DECEMBER 2008**

Note	Un-audited 31 December 2008 Rupees	Audited 30 June 2008 Rupees
NON CURRENT ASSETS		
	539,281,451	837,651,529
	41,960,000	40,700,000
	397,125,000	330,700,000
	771,565,541	736,307,933
5	525,040,678	534,831,039
	18,270,011	14,802,312
	60,921	-
	2,293,303,602	2,494,992,813
Current assets		
	101,952,255	34,760,863
	3,896,755,286	2,599,551,840
	34,456,357	968,230,098
	4,826,728	7,911,514
	18,187,981	42,140,736
	94,988,979	91,886,879
6	2,556,030,925	1,997,425,000
	22,106,739	18,393,819
7	646,581,788	1,435,122,313
	554,117,963	993,870,985
	7,930,005,001	8,189,294,047
Current liabilities		
	924,242,086	1,100,300,523
	178,237,064	92,511,811
8	804,315,079	508,425,000
9	3,912,715,068	3,971,364,774
	18,413,440	17,789,895
	5,837,922,737	5,690,392,003
Net current assets		
	2,092,082,264	2,498,902,044
Net assets		
	4,385,385,866	4,993,894,857
Non current liabilities		
	30,359,425	37,354,781
	-	138,967
	47,851,915	38,885,992
	78,211,340	76,379,740
Contingencies and commitments		
10	4,307,174,526	4,917,515,117
Represented by:		
Share capital and reserves		
	2,275,315,220	1,625,225,160
	18,698,322	9,670,933
	313,506,640	298,968,600
	821,865,570	2,172,678,728
Capital and reserves attributable to equity holders of the parent		
	3,429,385,752	4,106,543,421
	877,788,774	810,971,696
	4,307,174,526	4,917,515,117

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
(UN-AUDITED)**

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Six months ended		Three months ended	
	31 December 2008 Rupees	31 December 2007 Rupees	31 December 2008 Rupees	31 December 2007 Rupees
	Revenue	878,643,350	572,597,783	639,733,966
Direct costs	172,752,338	98,525,614	82,760,307	51,978,696
Gross profit	705,891,012	474,072,169	556,973,659	284,081,157
Operating expenses	198,706,289	192,872,315	97,949,476	107,798,242
Operating profit	507,184,723	281,199,854	459,024,183	176,282,915
Other income/(loss)	163,184,840	102,012,793	(101,404,704)	61,691,519
Finance costs	670,369,563	383,212,647	357,619,479	237,974,434
	411,940,814	124,806,190	225,881,631	75,987,135
	258,428,749	258,406,457	131,737,848	161,987,299
Share of (loss)/profit of associated companies	(9,790,361)	35,183,870	(7,351,471)	26,690,421
Unrealized loss on remeasurement of short term investments	(823,574,451)	(78,038,773)	(380,012,138)	(270,406,931)
(Loss)/profit before taxation	(574,936,063)	215,551,554	(255,625,761)	(81,729,211)
Taxation	53,105,287	39,746,655	31,172,137	22,498,079
(Loss)/profit after taxation	(628,041,350)	175,804,899	(286,797,898)	(104,227,290)
Minority interest	58,143,708	115,273,161	49,837,624	81,853,640
(Loss)/profit attributable to parent company	(686,185,058)	60,531,738	(336,635,522)	(186,080,930)
Earnings per share - basic and diluted	(3.02)	0.27	(1.48)	(0.82)

Appropriations have been reflected in the statement of changes in equity.

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	31 December 2008	31 December 2007
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(574,936,063)	215,551,554
Adjustments for:		
Depreciation	34,178,078	28,359,819
Finance cost	406,125,966	124,806,190
Loss on remeasurement of short term investments	823,574,451	78,038,773
Dividend income	(2,259,719)	(2,482,669)
Amortization of intangible assets	140,000	-
Gain on disposal of property, plant and equipment	(18,342,093)	(792,175)
Exchange translation difference	(9,027,389)	(4,015,579)
Retirement benefits	9,915,049	5,411,131
Gain on disposal of subsidiary	(249,503)	-
Share of loss/(profit) of associated companies	9,790,361	(35,183,870)
Mark up income	(320,662,099)	(105,890,369)
	933,183,102	88,251,251
Profit before working capital changes	358,247,039	303,802,805
Effect on cash flow due to working capital changes:		
(Increase)/decrease in:		
Inventories	(67,191,392)	(5,923,320)
Trade debts	(1,297,203,446)	(414,535,321)
Loans and advances	929,339,759	691,677,062
Short term prepayments	3,084,786	(5,199,224)
Deposits and other receivables	(18,605,902)	41,220,701
Short term investments - net	(35,033,926)	(299,226,315)
Placements	(558,605,925)	(715,242,000)
Interest receivable	(50,814,514)	(12,597,549)
Increase/(decrease) in:		
Trade and other payables	(176,058,437)	(251,618,431)
Liability against repurchase agreement	295,890,079	(108,758,000)
Short term borrowings	(58,649,706)	1,110,139,766
	(1,033,848,624)	29,937,369
Cash (used in)/generated from operations	(675,601,585)	333,740,174
Long term deposits and advances	(3,467,699)	(69,674,345)
Retirement benefits paid	(949,126)	(997,250)
Finance costs paid	(326,215,561)	(95,553,374)
Taxes paid	76,858,154	41,223,634
Net cash (used in)/generated from operating activities	(929,375,817)	208,738,839
Cash flows from investing activities		
Fixed capital expenditure	(177,194,449)	(123,648,729)
Proceeds from sale of membership card and license	-	978,322
Sale proceeds of property, plant and equipment	459,510,307	-
Sale proceeds of subsidiary	725,000	-
Investment made during the period	-	(88,607,870)
Dividend received	13,244,083	2,518,184
Long term Loans	(66,425,000)	-
Mark up received	266,134,665	90,433,049
Net cash generated/ (used in) from investing activities	495,994,606	(118,327,044)
Cash flows from financing activities		
Repayment of liabilities against assets subject to finance lease	(6,371,811)	20,077,055
Long term finance	-	(8,280,000)
Net cash (used in)/generated from financing activities	(6,371,811)	11,797,055
Net (decrease) in cash and cash equivalents	(439,753,022)	102,208,850
Exchange loss on translation of deposit account		
Cash and cash equivalents in the beginning of the period	993,870,985	286,494,519
Cash and cash equivalents at the end of the period	554,117,963	388,703,369

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Attributable to equity holders of the Parent						Total Equity Rupees
	Share capital Rupees	Revaluation reserve of an associated company Rupees	Reverse capitalised Rupees	Currency translation reserve Rupees	Revenue Reserve		
					Unappropriated profit Rupees	Total Rupees	
Balance as at 30 June 2007	1,354,354,300	25,313,943	80,898,000	(2,347,636)	1,450,492,381	2,908,710,988	3,448,580,047
Adjustment for profit of subsidiary	-	-	-	-	(923,484)	(923,484)	923,484
Exchange translation difference recognized directly in equity	-	-	-	4,015,579	60,531,738	4,015,579	4,832,871
Profit for the period	-	-	-	-	59,608,254	63,623,833	175,804,899
Total recognized income and expense for the period	-	-	-	4,015,579	59,608,254	63,623,833	180,637,770
Disposal of investment	-	-	-	-	-	-	(7,667,759)
Issue of bonus shares by subsidiary	-	-	-	-	-	-	216,000,000
Reserve on issue of right shares by subsidiary	-	-	-	-	-	-	48,190,802
Share issue by subsidiary	270,870,860	-	-	-	(270,870,860)	-	16,710,985
Issuance of share capital bonus issue	-	-	-	-	-	-	-
Balance as at 31 December 2007	270,870,860	25,313,943	218,070,600	1,667,943	1,239,229,775	2,18,070,600	249,248,688
Balance as at 30 June 2008	1,625,225,160	-	298,968,600	9,670,933	2,172,678,728	3,190,405,421	3,878,466,505
Exchange translation difference recognized directly in equity	-	-	-	9,027,389	(686,185,058)	(677,157,669)	810,971,696
Loss for the period	-	-	-	-	(686,185,058)	(686,185,058)	8,673,370
Total recognized income and expenses for the period	-	-	-	9,027,389	(686,185,058)	(677,157,669)	58,143,708
Issue of bonus shares by subsidiary	-	-	-	-	-	-	66,817,078
Issuance of share capital bonus issue	650,090,060	-	-	-	(650,090,060)	-	-
	650,090,060	-	14,538,040	-	(664,628,100)	-	-
Balance as at 31 December 2008	2,275,315,220	-	313,506,640	18,698,322	821,865,570	3,429,385,752	4,307,174,826

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

1. Status and nature of business

First Capital Securities Corporation Limited (FCSC) ("the Parent Company") was incorporated in Pakistan on 11 April 1994 as a public limited company under the Companies Ordinance, 1984 and is listed on the Karachi, Lahore and Islamabad stock exchanges. The registered office of the Parent Company is situated at 103 C/II, Gulberg-III, Lahore. The Parent Company is involved in making long and short term investments, money market operations and financial consultancy services.

2. Basis of preparation

These condensed interim financial statements are un-audited. These condensed financial statements have been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Statements" and are being submitted to the shareholders under section 245 of the Companies Ordinance 1984.

3. Accounting policies

Accounting policies adopted for the preparation of these condensed financial statements are the same as those applied in the preparation of the preceding consolidated financial statements of the Parent Company for the year ended 30 June 2008.

4. Subsidiary companies

Following subsidiary companies have been consolidated in the financial statements of the Parent Company:

	Percentage of Holding	
	31 December 2008	30 June 2008
First Capital Investments Limited (FCIL)	76.56	76.56
Lanka Securities (Pvt.) Limited, Sri Lanka	51	51
World Press (Pvt.) Limited	65	65
First Capital Equities Limited (FCEL)	67.29	67.29
Trident Construct (Pvt.) Limited	51	51

4.1 Mileage (Pvt.) Limited (Mileage) was wholly owned subsidiary of the Company and during the period, it has sold its entire share holding due to which Mileage have not been consolidated in these accounts.

**31 December
2008
Rupees**

**30 June
2008
Rupees**

5. Investment in associates

Opening balance	534,831,039	568,887,962
Add: Acquisition of additional shares	-	346,767,150
Transfer to short term investment	-	(440,504,145)
Share of (loss)/profit	(9,790,361)	59,680,072
Closing balance	<u>525,040,678</u>	<u>534,831,039</u>

6 Placements

Securities purchased under the resale agreements of quoted shares - Related Party	1,715,000,000	1,030,000,000
Securities purchased under the resale agreements of quoted shares - Others	841,030,925	967,425,000
	<u>2,556,030,925</u>	<u>1,997,425,000</u>

7 Short term investments

Investments measured at fair value through profit and loss account		
Carrying amount of investments	1,470,156,239	1,469,646,489
Un-realised loss on remeasurement of investments	(823,574,451)	(34,524,176)
	<u>646,581,788</u>	<u>1,435,122,313</u>

8 Liability against repurchase agreement

This represent the amount payable to financial institutions under the repurchase agreement against the securities given under the arrangement. The effective interest rate is 12.5 % to 18 % per annum (June 2008: 12.5% to 20% per annum) and is for a period seven days to ninety two days (June 2008: twenty days to ninety two days).

9 Short term borrowings

These facilities have been obtained from various commercial banks under mark up arrangements amounting to Rs 5,025 million (June 2008: Rs 4,464 million). These facilities carry mark up at rate ranging from 1 to 6 months KIBOR plus 1.8 % to 3 % per annum payable quarterly (June 2008: 1.8 % to 4.25 % per annum) with floor limits ranging from 10 % to 13.5 % per annum (June 2008: 10% to 13.5% per annum). These are secured against pledge of quoted equity securities.

10 Contingencies and commitments

There is no change in contingencies and commitments disclosed in the annual audited consolidated financial statements for the year ended June 30, 2008 except for the following:

During the period, the FCEL entered into a contract for usual future transaction with Meezan Bank Limited on behalf of its clients in certain scrips for an amount of Rs. 200,121,653. However, due to extra ordinary circumstances in stock market which led to placing of floor on value of securities for almost four months and finally declaration of force majeure by Karachi Stock Exchange on December 04, 2008, the said contracts were cancelled. Resultantly the bank filed a suit in the Honourable Sind High Court for recovery of above stated amount. FCEL is contesting the case in the Honourable Sind High Court, however the management is simultaneously trying to settle the matter with the bank in an amicable manner.

	31 December 2008 Rupees	30 June 2008 Rupees
Commitments		
Capital Expenditure	254,655,319	567,126,852
Sale of Shares	-	1,782,101,966
Purchase of shares	-	2,338,809,506
Performance Gurantees	6,565,193	-

11 Transactions with related parties

Related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, associated companies, directors and key management personnel. The significant transactions with related parties are as follows:

	31 December 2008 Rupees	31 December 2007 Rupees
Associated companies		
Brokerage income	7,709,910	17,021,010
Repurchase agreement arrangement fee	2,929,167	269,542
Placements entered and rolled over	1,140,000,000	2,041,040,000
Placements matured	455,000,000	396,900,000
Income earned on placement	158,200,480	40,382,693
Contract services	203,239,680	180,667,902
Finance cost charged	-	4,932
Mark up Income	32,183,014	2,067,004
Income from Financial Consultancy Services	4,919,923	9,764,308
Insurance premium	361,536	264,225
Insurance claim	8,700	201,865
Sale of goods/services	68,068,801	41,265,988
Purchase of goods/services	37,823	287,460

12 Date of authorization for issue

These un-audited condensed interim consolidated financial information for the half year ended 31 December 2008 were authorized for issue on 28 February 2009 by the Board of Directors of the Parent Company.

13 General

Figures have been rounded off to the nearest rupee.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR