THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N- 3309 **NOTICE** *July 16, 2012*

Reproduced hereunder letter received from FIRST UDL MODARABA, for information of members of the Exchange.
(Copy of the same is also available on our Website www.kse.com.pk).

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First UDL Modaraba

July 12, 2012

Mr. Muhammad Ghufran, DGM
Karachi Stock Exchange
Karachi.

SUBJECT: FIRST UDL MODARABA's PHARMACEUTICAL BUSINESS

Dear Mr. Ghufran,

With reference to your letter dated June 25, 2012 on the above-mentioned subject, please find enclosed the approval letter from the Registrar of Modaraba's permitting First UDL Modaraba to carry out pharmaceutical business as a division of the Modaraba.

Secondly, as per your query, please note that the acquisition price of the pharmaceutical plant at Port Qasim amounts to Rs. 150 million and is envisaged to be funded entirely from the Modaraba's own resources.

Finally, with regards the financial projections, the Modaraba is expected to break-even in the pharmaceutical division and / or may even post small operational losses in the initial years. This is quite in line with the type of industry which warrants longer gestation period.

However, the profitability of the Pharma division is projected to progressively improve over a period of time owing to increased volumes which in turn will result in higher payouts to the Modaraba certificate holders.

The above is being informed to you in compliance with the requirements of Clause No. (XX) of the Code of Corporate Governance 2012.

We trust you find the above in order.

Thanking You.

Yours truly,

SYED AAMIR HUSSAIN
Company Secretary

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