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Corporate Information

BOARD OF DIRECTORS

Mr. Muhammad Rashid Zahir	Chairman
Mr. Ihsanul Haq Piracha	Vice Chairman
Mr. Farrukh Shaukat Ansari	Chief Executive Officer
Mr. Aasim Azim Siddiqui	Director
Mr. Haroon Ihsan	Director
Mr. Faridullah Khan	Director
Mr. Muhammad Tariq Masud	Director

AUDIT COMMITTEE

Mr. Muhammad Rashid Zahir	Chairman
Mr. Ihsanul Haq Piracha	Vice Chairman
Mr. Aasim Azim Siddiqui	Director

CREDIT COMMITTEE

Mr. Ihsanul Haq Piracha	Chairman
Mr. Aasim Azim Siddiqui	Director
Mr. Faridullah Khan	Director

HUMAN RESOURCE COMMITTEE

Mr. Aasim Azim Siddiqui	Chairman
Mr. Haroon Ihsan	Director
Mr. Muhammad Tariq Masud	Director

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. Shyam Lal, ACA

HEAD OF INTERNAL AUDIT

Mr. Imran Masood

AUDITORS

Anjum Asim Shahid Rahman
Chartered Accountants

LEGAL ADVISOR

Mandviwalla & Zafar

TAX CONSULTANTS

Anjum Asim Shahid Rahman
Chartered Accountants

CREDIT RATING AGENCY

JCR-VIS Credit Rating Company (Pvt) Limited

**CREDIT RATING**

Long-term- (A-)
Short-term-(A-2)

BANKS & LENDING INSTITUTIONS

National Bank of Pakistan
United Bank Limited
MCB Bank Limited
Allied Bank Limited
Askari Bank Limited.

The Bank of Punjab
ABN AMRO Bank (Pakistan) Limited
Standard Chartered Bank (Pakistan) Limited
Saudi Pak Commercial Bank Limited.
The Hong Kong and Shanghai Banking Corp. Ltd.

REGISTERED OFFICE

6th Floor, Lakson Square, Building #1,
Sarwar Shaheed Road, Saddar, Karachi.
Tel : (021) 5655181-85, 5655215-19
Fax : (021) 5210607-9

BRANCHES**Lahore**

Pakistan Engineering Congress (PEC) Building
First Floor, 97/A-D/1, Liberty Market,
Gulberg-III, Lahore.
Tel : (042) 5762644-47, 5762634
Fax : (042) 5762633

Islamabad

2nd Floor, High-Rise Block, Saudi Pak Tower
61-A, Jinnah Avenue, Blue Area, Islamabad
Tel : (051) 2800207, 2800206
Fax : (051) 2800205

Faisalabad

Kotwali Road (Allama Iqbal Road), Faisalabad.
Tel : (041) 2412082

Sialkot

2nd Floor, Sanori Building
27, Paris Road, Sialkot
Tel : (052) 4296364, 3005335
Fax : (052) 4296365

Universal Access Number: 111-888-999

Karachi, Lahore & Islamabad

Website : www.saudipakleasing.com

REGISTRAR AND SHARE TRANSFER OFFICE

THK Associates (Pvt.) Ltd.
Ground Floor, State Life Building No.3
Dr. Ziauddin Ahmed Road, Karachi 75530.
Tel : (021) 111-000-322
Fax : (021) 5655595

Directors' Review

I am pleased to present on behalf of the Board of Directors the report and review of the accounts of your Company for the nine months period ended March 31, 2008.

Economic Scenario

In the wake of prevailing domestic and international economic situation all major targets set in the Budget 2007-08 are apparently difficult to be achieved. The GDP growth estimate for the financial year 2007-2008 has been revised downward to around 6 percent from 7 percent. During the first half of 2007-08 agriculture growth stood at 3.8 percent of GDP as against target of 5 percent, large scale manufacturing 7.5 percent against 8.8 percent.

The current account deficit increased to US\$ 8.4 billion in the period July-February 2008. This is mainly attributed to the widening trade deficit as imports rose by 21 percent while exports grew by 12 percent. The 21 percent rise in home remittances during the eight months to US\$ 4.1 billion has provided some cushion to widening current account deficit.

Despite the reversal in wheat prices, food inflation remained as high as 16 percent due to disruption in food supply during the electioneering period. All time high global commodity prices and deteriorating currency strength also contributed to the inflationary pressure.

The Karachi Stock Exchange (KSE) 100 index grew 7.45 percent at the closing of first quarter of 2008. With the improved political conditions after elections foreign investors returned to the stock market. It is expected that the market continue its momentum.

Financial Performance

During the period under review, your company maintained steady growth in lease and loan portfolio. Total Disbursements increased to Rs.2,393 million in July-March 2008 as against Rs.1,693 million in the corresponding period last year showing an increase of 41 percent. Total gross revenue rose to Rs.630 million in July-March 2008 from Rs.522 million in the corresponding period of the previous year showing growth of 21 percent. Lease revenue increased to Rs.375 million from Rs.339 million and income on investments, to Rs.249 million from Rs.171 million. During the period under review, financial charges did not increase in the ratio as increase in revenue. The financial charges increased by 6 percent to Rs.421 million.

Operating profit increased to Rs. 113 million from Rs.44 million during the nine months ended March 31, 2008 showing a healthy increase of 157 percent. Net profit after provisions and tax for the nine months ended March 31, 2008 amounted to Rs.45 million compared to Rs.37 million in the corresponding period last year.

Future Outlook

The political uncertainty has finally settled down and the new government is expected to focus its efforts on the growing economic imbalances and inflationary pressure. With rising commodity prices and U.S. recession apprehensions, it will be a challenging term for the new government.

Upward movement of the mark up rates, and tough competition from the banks are the vital challenges confronting the NBFC Sector. The margins in the leasing sector will continue to remain under stress. To address these competitive challenges and to augment financial lease business the management had diversified into operating lease business which is bearing fruit. The company is exploring options in development of commercial and residential properties, which will add significantly to the growth in profits of the company.

The Board appreciates the support of the lending institutions, regulatory authorities, COI holders and the dedication of the management and staff of the Company to promote its steady growth on sound lines.

For and on behalf of the Board of Directors



Muhammad Rashid Zahir
Chairman

Dated: April 25, 2008

Condensed Interim Balance Sheet

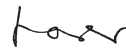
AS AT MARCH 31, 2008 (UN-AUDITED)

	Note	March 31, 2008 Rupees (Un-audited)	June 30, 2007 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances		80,347,511	104,618,359
Short-term loans and fund placements		922,305,699	851,069,387
Short-term investments	4	428,862,817	407,293,928
Loans and receivables		35,149,647	36,960,916
Advances, deposits, prepayments and other receivables		420,561,562	437,258,882
Current maturity of non-current assets	5	2,125,238,928	2,091,038,978
Total current assets		4,012,466,164	3,928,240,450
Non-current assets			
Long-term loans	6	270,793,035	103,473,089
Net investment in leases	7	2,788,667,460	2,281,114,477
Long-term investments		12,891,897	16,641,900
Property, plant and equipment	8	244,462,051	208,860,551
Total non-current assets		3,316,814,443	2,610,090,017
Total Assets		7,329,280,607	6,538,330,467
LIABILITIES			
Current liabilities			
Borrowings from financial institutions		800,000,000	965,000,000
Certificates of investment		2,268,649,000	1,811,676,000
Accrued and other payables		197,719,473	150,849,930
Current maturity of non-current liabilities	9	568,406,145	942,136,470
Provision for taxation-net		1,165,560	1,834,633
Total current liabilities		3,835,940,178	3,871,497,033
Non-current liabilities			
Certificates of investment		715,954,000	571,139,000
Long term finances	10	996,666,670	555,833,340
Deposits against leases		1,076,479,101	846,942,192
Deferred tax		62,081,968	54,581,968
Total non-current liabilities		2,851,181,739	2,028,496,500
Total Liabilities		6,687,121,917	5,899,993,533
NET ASSETS		642,158,690	638,336,934
FINANCED BY EQUITY			
Authorized capital 100,000,000 (June 30,2007: 100,000,000) ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	11	451,605,000	430,100,000
Reserves		145,129,629	136,164,293
Unappropriated profit		58,724,292	87,377,946
		655,458,921	653,642,239
Unrealized loss on available for sale investments		(13,300,231)	(15,305,305)
CONTINGENCIES AND COMMITMENTS	12	-	-
Total equity		642,158,690	638,336,934

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



Farrukh S. Ansari
Chief Executive Officer



Muhammad Rashid Zahir
Chairman


Condensed Interim Profit and Loss Account

FOR THE QUARTER & NINE MONTHS PERIOD ENDED MARCH 31, 2008 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2008	March 31, 2007 (Restated)	March 31, 2008	March 31, 2007 (Restated)
----- (Rupees) -----				
Revenues				
Income from:				
Finance leases	318,608,275	314,880,955	108,977,599	97,468,272
Operating leases	56,286,629	24,396,542	24,045,410	5,655,026
Investments	248,971,475	171,140,661	77,368,395	59,443,926
Other operating income	6,175,652	11,918,124	2,425,051	6,381,154
	630,042,031	522,336,282	212,816,455	168,948,378
Expenses				
Financial and bank charges	420,514,982	395,230,384	145,267,582	133,475,774
Administrative, selling and operating expenses	76,451,833	70,015,921	26,770,249	24,180,205
Direct cost of operating leases	19,707,880	12,661,804	8,580,802	5,125,505
	516,674,695	477,908,109	180,618,633	162,781,484
Operating profit before provisions	113,367,336	44,428,173	32,197,822	6,166,894
Provision and fair value changes				
(Increase)/Decrease in provision for potential lease and other losses	(52,802,348)	5,992,825	(18,196,491)	11,452,080
Increase/(Decrease) in market value of investments classified as held for trading	761,694	(224,481)	1,007,971	(677,709)
	(52,040,654)	5,768,344	(17,188,520)	10,774,371
Profit before taxation	61,326,682	50,196,517	15,009,302	16,941,265
Taxation - Current	9,000,000	9,000,000	1,250,000	1,500,000
- Deferred	7,500,000	4,000,000	2,500,000	500,000
	16,500,000	13,000,000	3,750,000	2,000,000
Profit after taxation	44,826,682	37,196,517	11,259,302	14,941,265
Earnings per share- Basic and Diluted	0.99	0.82	0.25	0.33

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


Farrukh S. Ansari
Chief Executive Officer


Muhammad Rashid Zahir
Chairman

Condensed Interim Cash Flow Statement

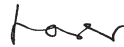
FOR THE PERIOD ENDED MARCH 31, 2008 (UN-AUDITED)

Note	July 01, 2007 to March 31, 2008	July 01, 2006 to March 31, 2007
----- Rupees -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations after working capital changes 13	598,816,127	114,974,039
Financial charges paid	(415,005,787)	(205,791,797)
Taxes paid	(9,669,073)	(11,952,539)
Deposits received from lessees	235,806,584	56,439,009
Increase in long term-loans	(178,500,139)	(76,567,409)
(Increase)/Decrease in short-term loans and fund placements	(71,236,312)	13,622,538
Increase in net investment in leases	(582,033,118)	(34,091,934)
	(1,020,637,845)	(258,342,132)
Net cash used in operating activities	(421,821,718)	(143,368,093)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(1,460,415)	(18,706,112)
Investment in operating lease assets	(86,985,942)	(94,712,500)
Proceeds from sale of operating assets - own use	5,324,543	826,785
Proceeds from sale of operating lease assets	24,817,538	1,042,002
Decrease in loans and receivables	1,811,269	21,764,250
(Increase)/Decrease in investments	(14,679,217)	4,221,031
Dividend received	13,044,173	16,284,809
Net cash used in investing activities	(58,128,051)	(69,279,735)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long term finances	60,833,330	362,500,005
Decrease in borrowing from financial institutions	(165,000,000)	(290,000,000)
Increase in certificates of investment	601,788,000	67,188,000
Dividend paid	(41,942,409)	(64,204,435)
Net cash generated from financing activities	455,678,921	75,483,570
Net decrease in cash and cash equivalents	(24,270,848)	(137,164,258)
Cash and cash equivalents at beginning of the period	104,618,359	164,161,545
Cash and cash equivalents at end of the period	80,347,511	26,997,287

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



Farrukh S. Ansari
Chief Executive Officer



Muhammad Rashid Zahir
Chairman


Condensed Interim Statement of Changes in Equity

FOR THE NINE MONTHS ENDED MARCH 31, 2008 (UN-AUDITED)

	Share capital	Reserve for issue of bonus shares	Capital Reserves		Total reserves	Unappropriated profit	Unrealized loss on investments classified as available for sale	Total equity
			Contingency reserve	Statutory reserve				
----- Rupees -----								
Balance as at July 01, 2006 brought forward	430,100,000	-	2,600,000	122,724,754	125,324,754	108,534,789	(125,983,504)	537,976,039
Unrealized gain on investments classified as available for sale	-	-	-	-	-	-	5,364,827	5,364,827
Net income recognized directly in equity	-	-	-	-	-	-	5,364,827	5,364,827
Profit for the nine months ended March 31, 2007	-	-	-	-	-	37,196,517	-	37,196,517
Final dividend for the year ended June 30, 2006 declared and issued subsequent to year end	-	-	-	-	-	(64,515,000)	-	(64,515,000)
Transfer to statutory reserve	-	-	-	7,439,303	7,439,303	(7,439,303)	-	-
Balance as at March 31, 2007	430,100,000	-	2,600,000	130,164,057	132,764,057	73,777,003	(120,618,677)	516,022,383
Balance as at July 01, 2007	430,100,000	-	2,600,000	133,564,293	136,164,293	87,377,946	(15,305,305)	638,336,934
Unrealized gain on investments classified as available for sale	-	-	-	-	-	-	2,005,074	2,005,074
Net income recognized directly in equity	-	-	-	-	-	-	2,005,074	2,005,074
Profit for the nine months ended March 31, 2008	-	-	-	-	-	44,826,682	-	44,826,682
Transfer to reserve for issue of bonus shares	-	21,505,000	-	-	21,505,000	(21,505,000)	-	-
Issue of bonus shares	21,505,000	(21,505,000)	-	-	(21,505,000)	-	-	-
Final dividend for the year ended June 30, 2007 declared and issued subsequent to year end	-	-	-	-	-	(43,010,000)	-	(43,010,000)
Transfer to statutory reserve	-	-	-	8,965,336	8,965,336	(8,965,336)	-	-
Balance as at March 31, 2008	451,605,000	-	2,600,000	142,529,629	145,129,629	58,724,292	(13,300,231)	642,158,690

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


Farrukh S. Ansari
Chief Executive Officer


Muhammad Rashid Zahir
Chairman

Selected Notes to the Condensed Interim Financial Statements
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2008 (UN-AUDITED)

1. STATUS AND NATURE OF BUSINESS

Saudi Pak Leasing Company Limited (the Company) was incorporated in Pakistan and is listed on all the three Stock Exchanges in Pakistan. The registered office of the Company is situated at 6th floor, Lakson Square Building No.1, Sarwar Shaheed Road, Saddar, Karachi. The main business activity of the Company is leasing of moveable assets and housing finance.

2. STATEMENT OF COMPLIANCE

These unaudited financial statements are being submitted to the shares holders in accordance with section 245 of the Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standards (IAS) -34 "Interim Financial Reporting", as applicable in Pakistan.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2007.

	March 31, 2008 (Un-audited)	June 30, 2007 (Audited)
	----- (Rupees) -----	
4. SHORT TERM INVESTMENTS		
Related party		
Available for sale		
Investment in equity securities	25,000,000	58,920,000
Other than related party		
Available for sale	403,853,357	322,314,908
4.1		
At fair value through profit or loss-held for trading		
Investment in equity securities	9,460	26,059,020
	428,862,817	407,293,928
4.1 Available for sale		
Investment in equity securities	4.1.1 272,767,598	220,768,655
Mutual funds	96,585,759	101,546,253
Membership cards	4.1.2 34,500,000	-
	403,853,357	322,314,908

4.1.1 Fifteen per cent of the resources raised through Certificates of Investments other than those held by financial institutions, amounting to Rs.110,599,350 (June 30,2007: Rs.111,422,250) have been invested in listed securities to comply with the requirement of Non Banking Finance Companies and Notified Entities Regulations, 2007.

4.1.2 These represent 46 club memberships of Rs. 750,000 each purchased from Quality Golf Pakistan (Private) Limited. These investments are carried at cost which is the consideration paid by company for acquisition of memberships. In the absence of an established market, these have not been converted at fair value which may not be different than the cost.

Selected Notes to the Condensed Interim Financial Statements
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2008 (UN-AUDITED)

		March 31, 2008 (Un-audited)	June 30, 2007 (Audited)
----- (Rupees) -----			
5. CURRENT MATURITY OF NON - CURRENT ASSETS			
Long term-loans	6	120,772,439	112,142,246
Net investment in leases	7	1,993,492,428	1,966,788,076
Long-term investments		10,974,061	12,108,656
		2,125,238,928	2,091,038,978
6. LONG TERM LOANS - secured, considered good			
Term loans to customers	6.1	366,840,498	203,985,649
Due from employees		24,724,976	11,629,686
		391,565,474	215,615,335
Less: Recoverable within one year shown as current portion of long-term loans	5	120,772,439	112,142,246
		270,793,035	103,473,089

6.1 Term loan due from customers is secured against property and pledge of listed securities. The rate of return on these loans ranges from 11% to 25% (June 30, 2007: 11.5% to 20%) per annum.

		March 31, 2008 (Un-audited)	June 30, 2007 (Audited)
----- (Rupees) -----			
7. NET INVESTMENT IN LEASES			
Minimum lease payments receivable		4,606,901,910	4,018,724,432
Add: Residual value of leased assets		1,179,940,372	1,064,967,670
Gross investment in leases		5,786,842,282	5,083,692,102
Less: Unearned lease income		818,998,070	692,190,681
Provision for potential lease losses		185,684,324	143,598,868
		1,004,682,394	835,789,549
Net investment in leases		4,782,159,888	4,247,902,553
Less: Current portion of net investment in leases		1,993,492,428	1,966,788,076
		2,788,667,460	2,281,114,477

7.1 The internal rate of return on leases disbursed during the period ranges from 15.55% to 24.47% (June 30, 2007: 10% to 30.82%) per annum.

8. PROPERTY, PLANT AND EQUIPMENT

	Own use		Operating lease assets	
	Addition	Disposal	Addition	Disposal
	----- Rupees -----		----- Rupees -----	
Premises	80,000	21,792,000	-	-
Vehicles	588,090	2,808,925	74,687,807	6,509,580
Office equipment	792,325	40,000	-	-
Plant and machinery	-	-	12,298,135	-
Total	1,460,415	24,640,925	86,985,942	6,509,580

8.1 The above statement shows cost of additions to and disposals from property, plant and equipment during the nine months period ended March 31, 2008.

Selected Notes to the Condensed Interim Financial Statements
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2008 (UN-AUDITED)

	March 31, 2008 (Un-audited)	June 30, 2007 (Audited)
	----- (Rupees) -----	
9. CURRENT MATURITY OF NON- CURRENT LIABILITIES		
Long term finances	373,333,333	753,333,333
Deposits against lease	195,072,812	188,803,137
	568,406,145	942,136,470
10. LONG TERM FINANCES		
Long-term finances under mark-up arrangements 10.1	620,000,003	1,309,166,673
Term finance certificates 10.2	750,000,000	-
	1,370,000,003	1,309,166,673
Less: Current maturity shown under current liabilities 9	373,333,333	753,333,333
	996,666,670	555,833,340

10.1 These represent long term finances availed from financial institutions and are secured by hypothecation of specific leased assets and associated lease rentals.

10.2 This represents third issue of registered and listed TFCs issued by the Company to financial institutions, trusts and general public. These are secured by way of a first exclusive charge on specific leases including lease rental and receivables against lease with 25% margin available at all times to the TFCs holders on total outstanding amount of the issue.

Profit on these TFCs is payable on a semiannual basis at the rate of six month KIBOR plus 1.50% per annum without any Floor or Cap. The principal to be repaid in eight (8) semi-annual installments in arrears after a grace period of 12 months from the date of issuance.

	March 31, 2008 (Un-audited)	June 30, 2007 (Audited)
	----- (Rupees) -----	
11. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
25,180,000 (June 30, 2007: 25,180,000) ordinary shares of Rs. 10 each fully paid in cash	251,800,000	251,800,000
19,980,500 (June 30, 2007: 17,830,000) ordinary shares of Rs. 10 each issued as fully paid bonus shares	199,805,000	178,300,000
	451,605,000	430,100,000
12. CONTINGENCIES AND COMMITMENTS		
Contingencies	-	-
Commitments for lease disbursements	106,154,350	243,223,300

Selected Notes to the Condensed Interim Financial Statements

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2008 (UN-AUDITED)

	Nine months ended March 31, 2008 ----- (Un-audited) ----- ----- (Rupees) -----	Nine months ended March 31, 2007
13. CASH GENERATED FROM OPERATIONS		
Profit for the period before taxation	61,326,682	50,196,516
Adjustment for non cash charges and other items :		
Depreciation - owned assets	6,328,121	6,806,196
- assets under operating lease	19,036,042	11,681,651
Financial charges	419,834,136	220,982,113
Increase/(Decrease) in provision for potential lease losses	52,802,348	(5,992,825)
Dividend income	(13,044,173)	(20,420,934)
Gain on disposal of fixed assets	(2,661,384)	(1,005,143)
	482,295,090	212,051,058
Profit before working capital changes	543,621,772	262,247,574
Movement in working capital		
Increase/(Decrease) in advances, deposits, prepayments and other receivables	14,220,755	(141,613,546)
Increase in accrued and other payables	40,973,600	(5,659,989)
	55,194,355	(147,273,535)
Cash generated from operations after working capital changes	598,816,127	114,974,039

14. TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED UNDERTAKINGS

The related parties comprises Saudi Pak Industrial & Agricultural Investment Company (Private) Limited, related group companies, key management personnel and companies in which directors are common or a director hold office.

Aggregate transactions with related parties and associated undertakings which are not disclosed in respective notes are as follows:

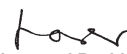
	Nine months ended March 31, 2008 ----- (Un-audited) ----- ----- (Rupees) -----	Nine months ended March 31, 2007
Rent paid	284,747	64,715
Rent received	1,652,000	-
Leases		
Lease money disbursed during the period	6,194,650	12,988,000
Rentals received during the period	15,599,156	11,482,160
Lease key money received during the period	487,280	1,298,800
Financial charges	18,496,666	12,373,150

15. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on April 25, 2008.



Farrukh S. Ansari
Chief Executive Officer



Muhammad Rashid Zahir
Chairman