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Our Mission

To set standards of best practices and performance for the industry through efficient asset allocation and security selection.

Our Vision

To be the leading mutual fund in the industry, outperforming the benchmark on a consistent basis, and providing shareholders with the best combination of current income and future growth on a risk adjusted basis.

FUND INFORMATION

BOARD OF DIRECTORS

Mr. Irfan Siddiqui
Mr. Mohammad Shoaib
Mr. Ariful Islam
Mr. Salim Yusuf
Mr. Farhan Malik
Mr. Muhammad Asad
Syed Owais Wasti

Chairman
Chief Executive

CFO & Company Secretary

AUDIT COMMITTEE

Mr. Ariful Islam
Mr. Farhan Malik
Mr. Muhammad Asad

Chairman

MANAGEMENT COMPANY

Al Meezan Investment Management Limited

AUDITORS

A.F.Ferguson & Co.
Chartered Accountants.
State Life Building No. 1-C, I.I.Chundrigar Road,
P.O.Box 4716, Karachi-74000, Pakistan.

CUSTODIAN

Central Depository Company of Pakistan Limited
Suite # M 13-16, Mezzanine Floor, Progressive Plaza,
Beaumont Road, Karachi, Pakistan.

BANKERS

Al Baraka Islamic Bank B.S.C (E.C)
Bank AL Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan

LEGAL ADVISOR

Saiduddin & Co.
Chamber 12-16, 19-22, 2nd Floor, Al Hamra Centre,
D-6, Block 7 & 8, Shaheed-e-Millat Road, Karachi.

REGISTERED OFFICE

Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan
Phone: (9221) 563 0722-26, 111 MEEZAN
Fax: (9221) 567 6143, 563 0808
Web site: www.almeezangroup.com
E-mail: marketing@almeezangroup.com

SHARE REGISTRAR

THK Associates (Pvt.) Limited
Ground Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road, Karachi - 75530
P.O. Box No. 8533
Phone: (9221) 111-000-322
Fax: (9221) 565 5595

DIRECTORS' REPORT

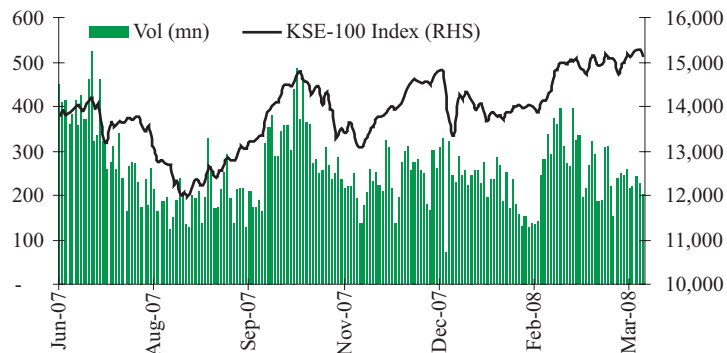
The Board of Directors of Al Meezan Mutual Fund (AMMF) is pleased to present the unaudited accounts of the fund for the nine months ended March 31, 2008. AMMF is a closed end Islamic equity fund that complies with provisions of Shariah. During the period under review the Fund's net asset value (NAV) registered an increase of 16.59%.

Market Review

Stock market showed resilience during the first three quarters of FY08 despite uncertainties on the political front. The KSE-100 Index gained 9.82% during the nine month period, while Dow Jones Islamic market Pakistan Index, an index of Shariah compliant companies listed on Karachi Stock Exchange, registered an increase of 10.32%.

The fiscal year started with positive momentum but soon sentiments turned bearish as political uncertainty and judicial issue started to impact the market. KSE-100 Index touched period's low of 11,955 on August 27, 2007 triggered by outflow of foreign funds. Later, President's re-election led to stock market recovery which was short lived as news of imposition of emergency and assassination of former prime minister of Pakistan Benazir Bhutto brought back the negative sentiments. Turn of the calendar year brought some relief to the market. Peaceful elections and creation of broad based coalition government led to a rebound in the stock market post elections. In addition rising international oil prices, up 56% during the period under review, provided an impetus to the rally in KSE 100-index beyond the 15,000 level.

KSE-100 Index Performance during 9MFY08



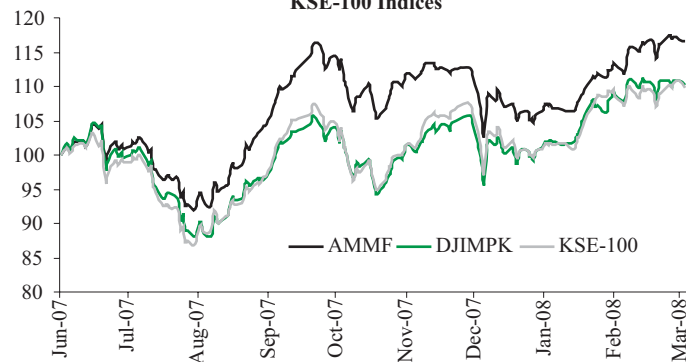
Performance Review

During the first nine months of FY08, AMMF recorded an NAV based appreciation of 16.59% versus KSE-100 Index rise of 9.8% and Dow Jones Islamic Market Pakistan Index appreciation of 10.3%. This out performance over the benchmark was primarily driven by timely reduction in exposure to equities in the Fund during the declining phase of July and August 2007.

During the period under review, the Fund continued with its policy of maintaining exposure in fundamentally sound scrips and sectors. Average equity exposure in the Fund during 9MFY08 was 88%. Equity exposure at the close of the quarter of 89.7% was marginally higher than the period average. As at March 31, 2008, almost 50% of Fund's net assets were invested in oil and fertilizer sectors in anticipation of positive earnings outlook in the same.

For the nine months ended March 31, 2008, the Fund earned gross income of Rs. 329 million, main contributors of which were realized capital gains of Rs. 94 million and dividend income of Rs. 63 million. After accounting for expenses of Rs. 38 million and revaluation gain of Rs. 151 million the Fund recorded a net profit of Rs. 291 million for the nine months period. This translates into earnings per share of Rs.2.12. The net assets of AMMF as at March 31, 2008 were Rs. 2.213 billion and net asset value per share was Rs. 16.09.

AMMF's performance vs Dow Jones Islamic Market Pakistan and KSE-100 Indices



Mutual Fund Rating

PACRA assigns two types of star ratings, differentiated on the basis of period of review, which are (i) normal star ratings based on performance during the trailing 12 months, and (ii) long-term star ratings based on performance during the trailing 36 months period.

Star ratings measure the performance of the funds not only on the returns given by these funds over the period of analysis but also the risk measured by variability in return over monthly period.

Accordingly we are pleased to inform our valued share holders that PACRA has assigned 5 Star normal ratings and 4 star long term rating to Al Meezan Mutual Fund Limited based on the performance during FY07 for normal star rating and during FY05 to FY07 for long term star rating.

Future Outlook

We remain hopeful of the future prospects of the stock market. Future direction of the market is likely to be driven by developments on the economic front. We expect the government to give incentives to agriculture and other domestic sectors in the upcoming budget which will bode well for the economy and the market. We continue to see value in Pakistani equities and remain positive on the basis of relative attractive valuations and continuing double-digit earnings growth of listed companies.

Acknowledgement

We take this opportunity to thank our valuable investors for reposing faith in us and making us the largest Shariah Compliant asset management firm in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan, Al Meezan Mutual Fund's custodian, Central Depository Company of Pakistan and the management of Karachi Stock Exchange for all their support and guidance. Last but not the least, we would like to place on record our gratitude for Justice (Retd.) Muhammad Taqi Usmani, in special and other members of the Shariah Board of Meezan Bank in general, for their continued guidance on Shariah aspects.

For and on behalf of the Board

Karachi
April 25, 2008

Mohammad Shoib, CFA
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2008 (UNAUDITED - NOTE 2)

	Note	March 31, 2008	June 30, 2008
		(Rupees in '000)	
Assets			
Balances with banks	4	253,880	590,523
Investments - available for sale	5	56,119	55,179
Investments at fair value through profit or loss	6	1,913,237	1,551,853
Receivable against sale of investments		392	42,978
Dividend receivable		8,037	5,999
Derivative financial instruments	7	6,620	17,418
Deposits, prepayments and other receivables		7,652	7,433
Advance income tax		5,259	5,124
Total assets		2,251,196	2,276,507
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		3,483	38,340
Payable to the Central Depository Company of Pakistan Limited - Custodian of the Company		90	113
Payable to the Securities and Exchange Commission of Pakistan		1,560	1,741
Payable to Meezan Bank Limited - Shariah Adviser of the Company		188	250
Payable against purchase of investments		27,780	14,377
Accrued expenses and other liabilities		3,448	1,975
Unclaimed dividend		1,915	1,119
Total liabilities		38,464	57,915
Net assets		2,212,732	2,218,592
Commitments	7	-	-
Shareholders' equity			
Authorised share capital 150,000,000 (June 30, 2007: 150,000,000) Ordinary shares of Rs.10/- each		1,500,000	1,500,000
Issued, subscribed and paid-up share capital	8	1,375,400	1,196,000
Unappropriated income		790,886	977,863
Surplus on revaluation of investments		46,446	44,729
		2,212,732	2,218,592
Net assets value per share (Rupees) - restated		16.09	16.13

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

Chief Executive

Director

**CONDENSED INTERIM INCOME STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2008
(UNAUDITED - NOTE 2)**

	Note	Nine months period ended		Quarter ended	
		March 31, 2008	2007	March 31, 2008	2007
(Rupees in '000)					
Income					
Net realised gain on sale of investments	94,294	75,103	20,028	29,266	
Dividend income	63,186	68,628	18,761	16,942	
Profit on deposit accounts with banks	20,861	14,231	5,786	7,391	
Profit on term finance certificates	-	515	-	323	
Other income	-	3	-	-	
	178,341	158,480	44,575	53,922	
Unrealised gain on re-measurement of investments at fair value through profit or loss' (net)	161,889	66,958	122,830	86,719	
(Loss) / gain on re-measurement of derivative financial instruments (net)	(10,798)	(15,314)	6,620	259	
	151,091	51,644	129,450	86,978	
Total income	329,432	210,124	174,025	140,900	
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company	31,150	28,744	10,059	9,153	
Charges to Central Depository Company of Pakistan Limited - Custodian of the Company	818	1,043	260	316	
Annual fee to Securities and Exchange Commission of Pakistan	1,560	1,261	503	458	
Shariah advisory fee to Meezan Bank Limited - shariah adviser of the Company	188	-	62	-	
Auditors' remuneration	378	234	100	134	
Fees and subscription	496	127	57	-	
Brokerage	3,004	3,406	856	943	
Legal and professional charges	137	110	25	-	
Bank and settlement charges	278	294	90	52	
Total expenses	38,009	35,219	12,012	11,056	
Net income	291,423	174,905	162,013	129,844	
Basic and diluted earnings per share (Rupees) - restated ⁹	2.12	1.27	1.18	0.94	

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

Chief Executive

Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2008
(UNAUDITED - NOTE 2)**

	Nine months period ended		Quarter ended	
	March 31,		March 31,	
	2008	2007	2008	2007
	(Rupees in '000)			
Unappropriated income brought forward	977,863	789,906	628,873	476,167
Less: Final distribution in the form of cash dividend for the year ended June 30, 2007 @ 25 %	(299,000)	(358,800)	-	-
Less: Issue of bonus shares for the year ended June 30, 2007 @ 15 %	(179,400)	-	-	-
Net income for the period	291,423	174,905	162,013	129,844
Unappropriated income carried forward	790,886	606,011	790,886	606,011

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT
IN EQUITY AND RESERVES-PER SHARE
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2008
(UNAUDITED - NOTE 2)**

	Nine months period ended		Quarter ended	
	March 31,		March 31,	
	2008	2007	2008	2007
	(Rupees in '000)			
Net assets value per share at beginning of the year	16.13	14.75	14.85	12.42
Net realised gain on sale of investments	0.69	0.55	0.15	0.22
Dividend income	0.46	0.50	0.14	0.12
Profit on deposit accounts with banks	0.15	0.10	0.04	0.05
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss (net)	1.18	0.49	0.89	0.63
(Loss) on re-measurement of derivative financial instruments (net)	(0.08)	(0.11)	0.05	(0.00)
Operating expenses	(0.28)	(0.26)	(0.09)	(0.08)
Net income for the period (based on weighted average number of shares outstanding)	2.12	1.27	1.18	0.94
Dividend declared and paid	(2.17)	(2.61)	-	-
Net changes in surplus on revaluation of available for sale investments	0.01	(0.04)	0.06	0.01
Net assets value per share at the end of the period	16.09	13.37	16.09	13.37

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2008
(UNAUDITED - NOTE 2)**

	Share capital	Unapprop- riated income	Surplus/ (deficit) on revaluation of investments	Total
	(Rupees in '000)			
Balance as at July 1, 2006	1,196,000	789,906	43,064	2,028,970
Final dividend for year the ended June 30, 2006	-	(358,800)	-	(358,800)
Net income for the nine months period ended March 31, 2007	-	174,905	-	174,905
(Deficit) on revaluation of available for sale investments	-	-	(6,598)	(6,598)
Balance as at March 31, 2007	1,196,000	606,011	36,466	1,838,477
Net income for the three months period ended June 30, 2007	-	371,852	-	371,852
Surplus on revaluation of available for sale investments	-	-	8,263	8,263
Balance as at June 30, 2007	1,196,000	977,863	44,729	2,218,592
Final dividend for year the ended June 30, 2007	-	(299,000)	-	(299,000)
Issue of bonus shares for the year ended June 30, 2007	179,400	(179,400)	-	-
Net income for the nine months period ended March 31, 2008	-	291,423	-	291,423
Surplus on revaluation of available for sale investments	-	-	10,570	10,570
Surplus realised on available for sale investments transferred to income statement on disposal	-	-	(8,853)	(8,853)
Balance as at March 31, 2008	1,375,400	790,886	46,446	2,212,732

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

Chief Executive

Director

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2008
(UNAUDITED - NOTE 2)**

	Nine months period ended March 31,		Quarter ended March 31,	
	2008	2007	2008	2007
(Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	291,423	174,905	162,013	129,844
Adjustments for non-cash items				
Dividend income	(63,186)	(68,628)	(18,761)	(16,942)
Profit on deposit accounts with banks	(20,861)	(14,231)	(5,786)	(7,391)
Profit on term finance certificates	-	(515)	-	(323)
Unrealised (gain) on re-measurement of investments at fair value through profit or loss (net)	(161,889)	(66,958)	(122,830)	(86,719)
Loss / (gain) on re-measurement of derivative financial instruments (net)	10,798	15,314	(6,620)	(259)
Surplus realised on sale of available for sale investments	(8,853)	-	-	-
	<u>47,432</u>	<u>39,887</u>	<u>8,016</u>	<u>18,210</u>
(Increase) / decrease in assets				
Investments - available for sale	9,630	-	-	-
Investments at fair value through profit or loss	(199,495)	257,090	(17,903)	32,443
Receivable against sale of investments	42,586	250,112	(392)	7,428
Deposits, prepayments and other receivables	(3,701)	-	(1,088)	-
Advance income tax	(135)	-	-	3
	<u>(151,115)</u>	<u>507,202</u>	<u>(19,383)</u>	<u>39,874</u>
Increase / (decrease) in liabilities				
Payable to Al Meezan Investment Management Limited - management company	(34,857)	(11,184)	24	9,153
Payable to Central Depository Company of Pakistan Limited - custodian of the company	(23)	27	-	-
Payable to Securities and Exchange Commission of Pakistan	(181)	(736)	502	(1,539)
Payable to Meezan Bank Limited - Shariah Adviser of the Company	(62)	-	62	-
Payable against purchase of investments	13,403	-	27,780	-
Accrued expenses and other liabilities	1,473	1,177	397	268
	<u>(20,247)</u>	<u>(10,716)</u>	<u>28,765</u>	<u>7,882</u>
Cash generated from / (used in) operations	<u>(123,930)</u>	<u>536,373</u>	<u>17,398</u>	<u>65,966</u>
Dividend received	61,148	83,042	19,163	15,688
Profit received on deposit accounts with banks	24,343	8,518	5,786	4,336
Profit received on term finance certificates	-	438	-	335
Net cash inflow / (outflow) from operating activities	<u>(38,439)</u>	<u>628,371</u>	<u>42,347</u>	<u>86,325</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(298,204)	(358,293)	(54)	(3,701)
Net cash (outflow) from financing activities	<u>(298,204)</u>	<u>(358,293)</u>	<u>(54)</u>	<u>(3,701)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(336,643)</u>	<u>270,078</u>	<u>42,293</u>	<u>82,624</u>
Cash and cash equivalents at the beginning of the period	<u>590,523</u>	<u>29,382</u>	<u>211,587</u>	<u>216,836</u>
Cash and cash equivalents at the end of the period - note 4	<u><u>253,880</u></u>	<u><u>299,460</u></u>	<u><u>253,880</u></u>	<u><u>299,460</u></u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL
STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2008
(UNAUDITED - NOTE 2)**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al Meezan Mutual Fund Limited (the Fund) was incorporated in Pakistan on July 13, 1995 as a public limited company under the Companies Ordinance, 1984 having its registered office in Karachi, Sindh and is listed on the Karachi Stock Exchange.
- 1.2 The Fund is registered as an 'investment company' under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) vide License no. NBFC -I/MI AMMFL-IC-04\05 issued by the Securities and Exchange Commission of Pakistan (SECP). On November 21, 2007 Non Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC Regulations) were notified.
- 1.3 The Fund has an agreement with Al Meezan Investment Management Limited (AMIML), an associated undertaking, to provide management company services.
- 1.4 The objective of the Fund is to carry on the business of a closed-end mutual fund and to invest its assets in securities, which are listed or proposed to be listed on the stock exchanges.

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan, the Companies Ordinance, 1984, the NBFC Rules and NBFC Regulations and the directives issued by the SECP. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, NBFC Rules and NBFC Regulations and the said directives differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the NBFC Rules and NBFC Regulations and the said directives take precedence. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'.
- 2.2 The condensed interim financial statements comprise of the condensed statement of assets and liabilities as at March 31, 2008 and the condensed income statement, condensed distribution statement, condensed statement of movement in equity and reserves per share, condensed statement of changes in equity and condensed cash flow statement, for the period ended March 31, 2007.
- 2.3 The comparative balance sheet presented in these condensed financial statements as at June 30, 2007 has been extracted from the audited financial statements of the company for the year ended June 30, 2007 whereas the condensed income statement, condensed distribution statement, condensed statement of movement in equity and reserves per share, condensed statement of changes in equity and condensed cash flow statement, for the period ended March 31, 2007 were not subject to audit or review.

2.4 New accounting standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are not yet effective:

The following standard and interpretations of approved accounting standards are effective for accounting periods beginning on or after January 1, 2008 and are not relevant to the fund operations or are not expected to have significant impact on the Fund's financial statements other than certain increased disclosures in certain cases:

- i. IAS 23 - Borrowing Costs (effective from January 1, 2009)
- ii. IFRIC 12 - Service Concession Agreements (effective from January 1, 2008)
- iii. IFRIC 13 - Customer Loyalty Programmes (effective from July 1, 2008)
- iv. IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from January 1, 2008)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements and the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2007.

4. BALANCES WITH BANKS

	Note	March 31, 2008	June 30, 2007
		(Rupees in '000)	
Current accounts		3,076	1,150
Deposit accounts	4.1	250,804	589,373
		<u>253,880</u>	<u>590,523</u>

- 4.1 These represent deposits payable on demand and carry return at approximately 3% to 9.5% per annum (June 30, 2007: 3% to 9.5% per annum).

5. INVESTMENTS - AVAILABLE FOR SALE

5.1 Shares of listed companies - available for sale

Name of the investee company	As at July 01, 2007	Purchases during the period	Bonus/ right shares	Sales during the period	As at Mar 31, 2008	Carrying Value as at Mar 31, 2008	Market value as at Mar 31, 2008	Unrealised gain/(loss) as at Mar 31, 2008	Percentage in relation to		
									Net assets of the Fund on the basis of market value of investments (see note 6.3) below	Paid-up capital of investee company (with face value of investments)	Total market value (carrying value of investments)
					----- Rupees in '000 -----						
Sector / companies											
Refinery											
National Refinery Limited	20,000	-	4,000	24,000	-	-	-	-	-	-	
Oil and gas marketing companies											
Pakistan State Oil Company Limited	1,043	-	-	-	1,043	408	556	148	0.03	0.00	0.03
Fertilizer											
Fauji Fertilizer Company Limited	395,469	-	-	395,469	47,951	55,563	7,612	2.51	0.11	2.82	
					<u>48,359</u>	<u>56,119</u>	<u>7,760</u>				
						<u>9,673</u>					

Sector / companies

Refinery											
National Refinery Limited	20,000	-	4,000	24,000	-	-	-	-	-	-	
Oil and gas marketing companies											
Pakistan State Oil Company Limited	1,043	-	-	-	1,043	408	556	148	0.03	0.00	0.03
Fertilizer											
Fauji Fertilizer Company Limited	395,469	-	-	395,469	47,951	55,563	7,612	2.51	0.11	2.82	
					<u>48,359</u>	<u>56,119</u>	<u>7,760</u>				
						<u>9,673</u>					

Total cost of investments - available for sale

9,673

6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

6.1 Shares of listed companies - held for trading

Name of the investee company	As at July 01, 2007	Purchases during the period	Bonus/ right shares	Sales during the period	As at Mar 31, 2008	Carrying Value as at Mar 31, 2008	Market value as at Mar 31, 2008	Unrealised gain/(loss) as at Mar 31, 2008	Percentage in relation to		
									Net assets of the Fund on the basis of market value of investments (see note 6.3)	Paid-up capital of investee company (with face value of investments)	Total market value (carrying value of investments)
----- Number of shares -----					----- Rupees in '000 -----						
Commercial banks											
BankIslami Pakistan Limited	-	300,000	78,125	350,000	28,125	353	552	199	0.02	0.01	0.03
Meezan Bank Limited	1,261,700	-	224,940	137,000	1,349,640	35,990	55,200	19,210	2.49	0.36	2.80
									2.52		2.83
Textile composite											
Nishat Mills Limited	698,770	186,000	-	528,600	356,170	43,496	38,270	(5,226)	1.73	0.22	1.94
									1.73		1.94
Jute											
Thal Limited (note 6.2)	160,000	-	48,000	55,000	153,000	32,836	37,523	4,687	1.70	0.50	1.91
									1.70		1.91
Cement											
Attock Cement Company Limited	299,800	70,800	-	-	370,600	44,437	40,988	(3,449)	1.85	0.51	2.08
D G Khan Cement Company Limited	-	405,000	-	185,000	220,000	23,962	24,860	898	1.12	0.09	1.26
Fauji Cement Company Limited	-	257,855	-	133,500	124,355	2,133	1,853	(280)	0.08	0.03	0.09
									3.06		3.43
Refinery											
National Refinery Limited	171,300	-	11,460	182,760	-	-	-	-	0.00	0.00	0.00
									0.00		0.00
Power generation & distribution											
The Hub Power Company Limited	1,680,000	1,483,500	-	630,000	2,533,500	87,102	80,945	(6,157)	3.66	0.22	4.11
Kot Addu Power Company Limited	-	105,000	-	105,000	-	-	-	-	0.00	0.00	0.00
									3.65		4.11
Oil & gas marketing companies											
Pakistan State Oil Company Limited	53,200	311,000	-	215,000	149,200	66,393	79,591	13,198	3.60	0.09	4.04
									3.60		4.04
Oil & gas exploration companies											
Oil & Gas Development Company Limited											
	1,379,000	971,000	-	642,000	1,708,000	200,764	228,701	27,937	10.34	0.04	11.61
Pakistan Oilfields Limited	204,000	347,000	-	237,000	314,000	103,220	115,364	12,144	5.21	0.16	5.86
Pakistan Petroleum Limited	545,100	317,000	54,510	215,000	701,610	169,132	183,155	14,023	8.28	0.09	9.30
									23.83		26.77
Automobile assembler											
Indus Motor Company Limited	313,100	-	-	47,000	266,100	81,294	75,838	(5,456)	3.43	0.34	3.85
Pak Suzuki Motor Company Limited	226,680	-	-	40,700	185,980	72,904	47,425	(25,479)	2.14	0.23	2.41
									5.57		6.26
Automobile parts & accessories											
Agriauto Industries Limited (note 6.2)	590,800	-	-	-	590,800	58,430	49,007	(9,423)	2.21	2.46	2.49
									2.21		2.49
Technology & communication											
Pakistan Telecommunication Company Limited "A"											
	50,000	3,100,000	-	1,035,000	2,115,000	108,272	96,021	(12,251)	4.34	0.06	4.88
TRG Pakistan Limited	-	3,720,000	-	-	3,720,000	47,661	42,222	(5,439)	1.91	1.00	2.14
									6.25		7.02
Fertilizer											
Engro Chemical Pakistan Limited	633,700	248,880	-	438,000	444,580	103,752	144,000	40,248	6.51	0.23	7.31
Fauji Fertilizer Company Limited	771,086	357,000	-	220,000	908,086	110,812	127,586	16,774	5.77	0.18	6.48
Fauji Fertilizer Bin Qasim Limited	2,388,000	1,939,500	-	1,192,500	3,135,000	127,521	142,172	14,651	6.43	0.34	7.22
									18.70		21.01
Pharmaceutical											
Glaxo SmithKline (Pakistan) Limited	83,125	-	20,781	-	103,906	15,586	18,869	3,283	0.85	0.06	0.96
									0.85		0.96

Name of the investee company	As at July 01, 2007	Purchases during the period	Bonus/ right shares	Sales during the period	As at Mar 31, 2008	Carrying Value as at Mar 31, 2008	Market value as at Mar 31, 2008	Unrealised gain/(loss) as at Mar 31, 2008	Percentage in relation to		
									Net assets of the Fund on the basis of market value of investments (see note 6.3)	Paid-up capital of investee company (with face value of investments)	Total market value (carrying value of investments)
		Number of shares			Rupees in '000						
Chemicals											
ICI Pakistan Limited	-	436,600	-	100,000	336,600	60,336	67,488	7,152	3.05	0.24	3.43
Sitara Chemical Industries Limited	177,100	-	5,860	120,500	62,460	9,043	20,653	11,610	0.93	0.31	1.05
									3.97		4.48
Paper & Board											
Packages Limited	571,250	136,000	65,737	269,000	503,987	141,977	190,129	48,152	8.59	0.69	9.65
									8.59		9.65
Glass & Ceramics											
Ghani Glass Limited	83,250	-	4,162	33,200	54,212	3,942	4,825	883	0.22	0.06	0.25
									0.22		0.25
									<u>1,751,348</u>	<u>1,913,237</u>	<u>161,889</u>
Total cost of investments - held for trading											
									<u>1,495,366</u>		

6.2 All shares have a nominal value of Rs. 10/- each except for shares of Agriauto Industries Limited & Thal Limited which have a face value of Rs. 5/- each.

6.3 Net assets are as defined in Rule 2 (xxvi) of NBFC Regulations.

7. DERIVATIVE FINANCIAL INSTRUMENTS

7.1 Derivative financial instruments outstanding as at March 31, 2008 amounted to Rs. 6.620 million. (June 30, 2007: Rs 17.418 million)

8. SHARE CAPITAL	Ordinary shares	
	Number	Amount (Rupees in '000)
Issued, subscribed and paid-up share capital		
Ordinary shares of Rs. 10/- each fully paid in cash	96,562,488	965,625
Ordinary shares of Rs. 10/- each fully paid bonus shares	23,037,500	230,375
As at June 30, 2007	119,599,988	1,196,000
Ordinary shares of Rs. 10/- each issued as bonus shares	17,939,998	179,400
As at December 31, 2007	137,539,986	1,375,400

9. BASIC EARNINGS PER SHARE

	Nine months ended		Quarter ended	
	March 31, 2008	2007	March 31, 2008	2007
Net profit for the period (Rupees in '000)	291,423	174,905	162,013	129,844
Weighted average number of ordinary shares outstanding during the period	137,540	137,540	137,540	137,540
Basic and diluted earning per share (Rupees) - restated	2.12	1.27	1.18	0.94

9.1 The number of ordinary shares as at March 31, 2007 has been adjusted for issue of bonus shares.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

	Nine months period ended March 31,	
	2008	2007
(Rupees in '000)		
Al Meezan Investment Management Limited		
- Management Company		
Remuneration for the period	<u>31,150</u>	<u>28,744</u>
Dividend for the period	<u>44,522</u>	<u>59,363</u>
Meezan Islamic Fund		
Dividend for the period	<u>42,545</u>	<u>51,054</u>
Meezan Bank Limited - shariah adviser of the company		
Shariah advisory fee for the period	<u>188</u>	<u>-</u>
Dividend for the period	<u>10,881</u>	<u>12,488</u>
Central Depository Company of Pakistan Limited - custodian		
Charges for the period	<u>818</u>	<u>1,043</u>
Pakistan Kuwait Investment Company (Private) Limited		
Dividend for the period	<u>41,911</u>	<u>55,881</u>
Directors and officers		
Dividend for the period	<u>757</u>	<u>890</u>

11. DATE OF AUTHORISATION

These condensed interim financial statements have been authorised for issue on April 25, 2008 by the board of directors of the company.

Chief Executive

Director

**STATEMENT OF THE INCOME & EXPENDITURE OF
THE MANAGEMENT COMPANY IN RELATION TO THE
INVESTMENT COMPANY
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2008**

	2008	2007
	(Rupees in '000)	
INCOME		
Remuneration receivable from		
Al Meezan Mutual Fund Limited	31,150	28,744
Dividend income	49,469	59,363
	80,619	88,107
OPERATING EXPENSES		
Salaries and other benefits	7,202	5,908
Motor vehicle running expenses	139	156
Fees and subscription	374	202
Insurance expense	77	92
Printing and stationery	157	172
Communication	340	328
Depreciation	595	759
Travelling and conveyance	220	144
Entertainment	36	31
Legal and professional charges	718	360
Training and development	101	41
Repairs and maintenance	38	16
Office supplies	69	43
Rent, rates and taxes	617	761
Utilities	138	187
Miscellaneous expenses	19	11
	10,841	9,211
Profit for the period	69,778	78,896

Note: The above expenses are allocated based on the average net assets of the respective funds managed by the asset management company. Other revenue and expenses not relating to the investment company have not been included in the above statement.