

FIRST CAPITAL SECURITIES CORPORATION LIMITED

**CONDENSED INTERIM UN-CONSOLIDATED
FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED
31 DECEMBER 2011
(Un-Audited)**

VISION

First Capital Securities Corporation Limited aspires to become a well-diversified and successful conglomerate and develop its image as a premier media, real estate and financial services group.

MISSION

At First Capital Securities Corporation Limited we are committed to provide high quality services in a positive environment that encourages innovation, creativity and teamwork, promotes ethical and efficient behavior and enables shareholders to maximize the returns on their investments.

Contents

Page Five

Company information

Page Seven

Directors' review

Page Nine

Review report

Page Ten

Balance sheet

Page Eleven

Profit & loss account

Page Twelve

Statement of comprehensive income

Page Thirteen

Cash flow statement

Page Fourteen

Statement of changes in equity

Page Fifteen

Notes to the accounts

Page Twenty One

Consolidated accounts

FIRST CAPITAL SECURITIES CORPORATION LIMITED

COMPANY INFORMATION

Board of Directors	Aamna Taseer (Chairman and CEO) Shehryar Ali Taseer Maheen Ghani Taseer Shehribano Taseer Samira Ahmed Zia Sulaiman Ahmed Saeed Al-Hoqani Jamal Said Al-Ojaili
Chief Financial Officer	Saeed Iqbal
Audit Committee	Shehryar Ali Taseer (Chairman) Maheen Ghani Taseer Shehribano Taseer
Company Secretary	Shahzad Jawahar
Auditors	KPMG Taseer Hadi and Co. Chartered Accountants
Legal Advisers	Mazhar Law Associates Advocates and Solicitors
Bankers	Allied Bank Limited Bank Al-Falah Limited Faysal Bank Limited KASB Bank Limited MCB Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building No. 3 Dr. Ziauddin Ahmed Road, Karachi. ☎ (021) 111 000 322
Registered / Head Office	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 35757591-4 Fax: (042) 35757590, 35877920

FIRST CAPITAL SECURITIES CORPORATION LIMITED

DIRECTORS' REVIEW

We on behalf of the Board of Directors of First Capital Securities Corporation Limited (the "Company" or "FCSC") feel pleasure to present the auditors' limited reviewed financial statements of the Company for the six months ended 31 December 2011.

Operational Results

The operating results of the Company are summarized as follows:

Financial overview	31 December 2011	31 December 2010
	Rupees	Rupees
Revenue	18,328,141	16,196,972
Unrealized loss on short term investments	(28,747,063)	(16,973,256)
Operating Expenses	19,194,746	27,114,612
Operating loss	(29,613,668)	(27,890,896)
Finance costs	4,401,318	5,575,461
Profit before Taxation	15,644,278	2,418,468
Profit/(loss) after Taxation	14,539,695	(286,490)
Earnings per Share (basic and diluted)	0.046	(0.001)

The Company recognized an after tax profit of Rs. 14.54 million as compared to a loss of Rs. 0.286 million in the corresponding period of last year. The Company's operating expenses are reduced by 29% which are reported at Rs.19.19 million as compared to 27.11 million in the same period last year.

The financial results of subsidiaries of FCSC during the last six months under review are given hereafter. First Capital Equities Limited (FCEL) reported revenue of Rs. 45.55 million, though it incurred an after tax loss of Rs. 436.67 million as compared to the loss of Rs.261.54 million in the same period last year. Loss per share stood at Rs. 4.04 as compared to Rs. 2.42 in the corresponding period last year. Lanka Securities (Pvt.) Limited ("LSL") generated a gross revenue of Rs. 146.11 million and net profit of Rs. 72.85 million during the period while EPS stood at Rs. 4.17 per share. First Capital Investments Limited (FCIL) has reported loss after tax of Rs.5.17 million as compared to profit of Rs.4.56 million last year. Trident Construct (Pvt.) Limited (TCL) reported revenue of Rs.110.79 million, and reported after tax profit of Rs.17.51 million as compared to an after tax profit of Rs. 49.28 million for the corresponding period last year. Another subsidiary of the Company namely World Press (Pvt.) Limited earned revenue of Rs. 14.38 million while showing an after tax loss of Rs.4.21 million as compared to a loss of Rs. 1.44 million for the same period last year.

Future Outlook

Looking ahead we feel the current steps taken by the government to address the capital gain issue and resolution of circular debt will bring stability in overall financial market and real estate. Improvement in the economic activities will enable the professional team of our group to capitalize these opportunities in their relevant segments. So we are hopeful for better and stable financial position of the Company in future.

Board of Directors

Since the last publication of periodic report for the period ended 30 September 2011, Mr. Shahbaz Ali Taseer and Mr. Omer Subhan Salamat, the Directors of the Company ceased to hold their offices of director in accordance with section 188 (b) of the Companies Ordinance, 1984. The Board of Directors in their meeting held on 31 December 2011 appointed Mrs. Maheen Ghani Taseer and Ms. Samira Ahmed Zia as Director on casual vacancies occurred on the Board, due to cessation of office of Directors.

The Board of Directors in a meeting held on 07 February 2012 re-appointed Mrs. Aamna Taseer as Chief Executive of the Company for a term of next three years on a monthly remuneration of Rs. 200,000 per month along with employee benefits as per policy.

Acknowledgement

The directors place on record their sincere appreciation for the assistance and co-operation provided by financial institutions, government authorities and other stake holders in attaining such commendable performance. The directors also appreciate the committed services of the employees of the Company.

For and on behalf of the Board of Directors

Lahore
25 February 2012

Aamna Taseer
Chairman and Chief Executive Officer

FIRST CAPITAL SECURITIES CORPORATION LIMITED

Independent Report on Review of Condensed Interim Financial Information to the members

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **First Capital Securities Corporation Limited** ("the Company") as at 31 December 2011 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial information for the six-month period then ended (here-in-after referred as the "condensed interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated 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 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 unconsolidated 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 quarters ended 31 December 2011 and 31 December 2010 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

Lahore
25 February 2012

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

FIRST CAPITAL SECURITIES CORPORATION LIMITED CONDENSED INTERIM UN-CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2011

Note	(UN-AUDITED)	(AUDITED)
	31 December 2011 Rupees	30 June 2011 Rupees
NON CURRENT ASSETS		
	Property, plant and equipment	142,679,508
	Long term loans and advances	525,247,706
	Investment property	143,618,000
5	Long term investments	11,517,386,557
	Long term deposits	266,850
	9,921,637,174	12,329,198,621
Current assets		
	Trade debts	1,789,309
	Loans and advances	4,357,738
	Short term prepayments	490,594
	Tax refund due from Government	21,213,957
	Other receivables	15,310,263
6	Investments at fair value through profit or loss	96,179,818
	Cash and bank balances	70,867,446
	194,334,418	210,209,125
Current liabilities		
	Current portion of liabilities against assets subject to finance lease	359,589
	Mark up accrued	2,631,712
	Short term borrowings - secured	51,861,622
	Trade and other payables	118,470,618
	175,365,988	173,323,541
	18,968,430	36,885,584
	9,940,605,604	12,366,084,205
Working capital		
Net assets		
Non current liabilities		
	Staff retirement benefits	11,648,150
	Liabilities against assets subject to finance lease	1,169,411
	14,488,677	12,817,561
Contingencies and commitments		
7	-	-
	9,926,116,927	12,353,266,644
Represented by:		
Share capital and reserves		
	Issued, subscribed and paid-up capital	3,166,101,120
	Reserves	4,250,934,506
	Unappropriated profit	4,936,231,018
	9,926,116,927	12,353,266,644

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

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM UN-CONSOLIDATED PROFIT AND LOSS
ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Operating revenue				
Money market services	6,081,299	5,644,976	3,343,136	3,072,898
(Loss) / profit on sale of investments	(393,331)	(672,980)	27,996	(455,217)
Investment property rentals	2,271,661	6,235,473	869,957	3,081,368
Dividend income	10,368,512	25,395,014	10,368,512	13,857,338
	<u>18,328,141</u>	<u>36,602,483</u>	<u>14,609,601</u>	<u>19,556,387</u>
Loss on sale of investment property	-	(20,405,511)	-	(20,405,511)
Unrealized (loss) / gain on remeasurement of short term investments	(28,747,063)	(16,973,256)	(13,922,180)	6,459,143
	<u>(10,418,922)</u>	<u>(776,284)</u>	<u>687,421</u>	<u>5,610,019</u>
Operating expenses	19,194,746	27,114,612	8,110,831	15,182,642
Operating loss	(29,613,668)	(27,890,896)	(7,423,410)	(9,572,623)
Finance cost	4,401,318	5,575,461	2,220,305	2,847,752
	<u>(34,014,986)</u>	<u>(33,466,357)</u>	<u>(9,643,715)</u>	<u>(12,420,375)</u>
Other operating income	49,659,264	35,884,825	25,406,599	18,529,764
Profit before taxation	15,644,278	2,418,468	15,762,884	6,109,389
Taxation	(1,104,583)	(2,704,958)	(1,036,478)	(1,452,204)
Profit / (loss) after taxation	14,539,695	(286,490)	14,726,406	4,657,185
Earnings / (loss) per share - basic and diluted	8	0.046	(0.001)	0.047
(2010 : restated)				0.015

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

LAHORE: CHAIRMAN AND CHIEF EXECUTIVE OFFICER DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011

	<u>31 December</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>
	<u>Rupees</u>	<u>Rupees</u>
Profit / (loss) after taxation	14,539,695	(286,490)
Other comprehensive (loss) / income for the period		
Net change in fair value of available-for-sale investments	(2,441,689,412)	226,326,441
Total comprehensive (loss) / income for the period	(2,427,149,717)	226,039,951

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

LAHORE CHAIRMAN AND CHIEF EXECUTIVE OFFICER DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM UN-CONSOLIDATED CASH FLOW
STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	31 December 2011 Rupees	31 December 2010 Rupees
Cash flow from operating activities		
Profit before taxation	15,644,278	2,418,468
Adjustments for:		
Finance cost	4,401,318	5,575,461
Dividend income	(10,368,512)	(25,395,014)
Unrealized loss on remeasurement of investments at fair value through profit or loss	28,747,063	16,973,256
Loss on disposal of investment property	-	20,405,511
Depreciation	619,452	393,145
Gain on disposal of property, plant and equipment	(8,000)	(63,500)
Loss on disposal of long term investment	519,720	-
Gain on currency translation	(81,285)	(205,223)
Mark up income	(49,561,663)	(34,504,698)
Provision for staff retirement benefits	1,923,846	1,827,954
	<u>(23,808,061)</u>	<u>(14,993,108)</u>
Loss before working capital changes (Increase) / decrease in working capital	(8,163,783)	(12,574,640)
Trade debts	(175,855)	(816,076)
Loans and advances	369,685	149,234
Short term prepayments	376,935	2,631
Other receivables	(45,483,506)	1,163,275
Trade and other payables	2,527,228	20,084,853
	<u>(42,385,513)</u>	<u>20,583,917</u>
Cash used in operations	(50,549,296)	8,009,277
Staff retirement benefits paid	(40,000)	4,427,651
Finance cost paid	(4,920,241)	(5,421,527)
Taxes paid	(1,777,370)	(3,113,316)
	<u>(6,737,611)</u>	<u>(4,107,192)</u>
Net cash (used in) / generated from operating activities	(57,286,907)	3,902,085
Cash flows from investing activities		
Capital expenditure incurred	-	(100,858)
Dividend received	10,368,512	25,408,514
Proceeds from disposal of property, plant and equipment	8,000	63,500
Payment against liability for purchase of investment property	-	(3,433,053)
Long term loans and advances - net	(10,533,576)	(4,731,622)
Long term investment - net	93,062	(11,300,403)
Short term investments - net	1,912,470	12,228,691
Mark up received	21,765,144	1,155,325
Net cash generated from investing activities	23,613,612	19,290,094
Cash flows from financing activities		
Repayment of liabilities against assets subject to finance lease	(172,936)	(364,299)
Repayment of short term borrowings - net	(5,652)	(124,252)
Net cash used in financing activities	(178,588)	(488,551)
Net (decrease) / increase in cash and cash equivalents	(33,851,883)	22,703,628
Cash and cash equivalents at the beginning of the period	70,867,446	6,892,246
Effect of exchange rate fluctuations on cash held	81,285	205,223
Cash and cash equivalents at the end of the period	37,096,848	29,801,097

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

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	Capital reserve		Revenue reserve	
	Share capital Rupees	Fair value reserve Rupees	Unappropriated profit Rupees	Total Rupees
Balance as at 30 June 2010	2,878,273,750	4,807,494,118	5,260,881,692	12,946,649,560
Total comprehensive loss for the period				
Loss for the period	-	-	(286,490)	(286,490)
Other comprehensive income for the period	-	226,326,441	-	226,326,441
Total comprehensive income / (loss) for the period	-	226,326,441	(286,490)	226,039,951
Transaction with owners of the Company, recognized directly in equity				
Issuance of bonus shares	287,827,370	-	(287,827,370)	-
Balance as at 31 December 2010	3,166,101,120	5,033,820,559	4,972,767,832	13,172,689,511
Total comprehensive income for the period				
Loss for the period	-	-	(36,536,814)	(36,536,814)
Other comprehensive loss for the period	-	(782,886,053)	-	(782,886,053)
Total other comprehensive loss for the period	-	(782,886,053)	(36,536,814)	(819,422,867)
Balance as at 30 June 2011	3,166,101,120	4,250,934,506	4,936,231,018	12,353,266,644
Total comprehensive loss for the period				
Income for the period	-	-	14,539,695	14,539,695
Other comprehensive loss for the period	-	(2,441,689,412)	-	(2,441,689,412)
Total other comprehensive (loss) / income for the period	-	(2,441,689,412)	14,539,695	(2,427,149,717)
Balance as at 31 December 2011	3,166,101,120	1,809,245,094	4,950,770,713	9,926,116,927

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

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONDENSED INTERIM UN-CONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011

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

2.1 Statement of compliance

These condensed interim unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the international Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed interim unconsolidated financial statements have, however, been limited based on the requirements of the International Accounting Standard 34; (Interim Financial Reporting) thus these do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2011. The condensed interim unconsolidated financial information is un-audited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and Listing Regulations of Stock Exchanges of Pakistan.

The comparative balance sheet presented in this condensed interim unconsolidated financial information has been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2011, whereas the comparative condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity are extracted from the unaudited condensed interim unconsolidated financial information for the six months period ended 31 December 2010.

2.2 Functional and presentation currency

This condensed interim un-consolidated financial information is presented in Pak Rupees which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest rupees.

3 Accounting policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim un-consolidated financial information are the same as those applied in the preparation of audited annual separate financial statements of the Company for the preceding year ended 30 June 2011.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

4 Estimates

The preparation of condensed un-consolidated 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 in the financial statements for the year ended 30 June 2011.

		Un-Audited 31 December 2011 Rupees	Audited 30 June 2011 Rupees
5 Long term investments			
Subsidiary companies			
- at cost	5.1	171,919,793	171,919,793
- at fair value	5.2	7,925,412,506	10,242,049,180
Associated companies			
- at cost	5.3	547,313,110	547,245,610
- at fair value	5.4	430,438,954	556,171,974
		<u>9,075,084,363</u>	<u>11,517,386,557</u>

5.1 Subsidiary companies - at cost

	31 December 2011 (Number of shares)	30 June 2011	Unquoted	Un-Audited 31 December 2011 Rupees	Audited 30 June 2011 Rupees
	7,855,000	7,855,000	First Capital Investments Limited	76,840,107	76,840,107
	76.65% equity	76.65% equity			
	1,949,041	1,949,041	World Press (Private) Limited	19,490,410	19,490,410
	64.99% equity	64.99% equity			
	10,455,000	10,455,000	Trident Construct (Private) Limited	10,200,000	10,200,000
	51.00% equity	51.00% equity			
	3,150,000	3,150,000	Falcon Commodities (Private) Limited	19,152,000	19,152,000
	100% equity	100% equity			
	8,912,250	8,912,250	Lanka Securities (Private) Limited	46,229,683	46,229,683
	51.00% equity	51.00% equity	Foreign entity		
	1,000	1,000	Ozer Investments Limited	7,593	7,593
	99.9% equity	99.9% equity			
				<u>171,919,793</u>	<u>171,919,793</u>

5.2 Subsidiary company - at fair value

31 December 2011 (Number of shares)	30 June 2011	Quoted	Un-Audited 31 December 2011 Rupees	Audited 30 June 2011 Rupees
72,690,200	72,690,200	First Capital Equities Limited	10,242,049,180	9,340,690,700
67.29% equity	67.29% equity	Fair value adjustment	(2,316,636,674)	901,358,480
			7,925,412,506	10,242,049,180
			<u>7,925,412,506</u>	<u>10,242,049,180</u>

5.3 Associated companies - at cost

31 December 2011 (Number of shares)	30 June 2011	Unquoted	Un-Audited 31 December 2011 Rupees	Audited 30 June 2011 Rupees
11,250	4,500	Pace Super Mall (Private) Limited	112,500	45,000
25% equity	10% equity			
54,790,561	54,790,561	Pace Barka Properties Limited	547,200,610	547,200,610
17.95% equity	17.95% equity			
			<u>547,313,110</u>	<u>547,245,610</u>

5.4 Associated company - at fair value

31 December 2011 (Number of shares)	30 June 2011	Quoted	Un-Audited 31 December 2011 Rupees	Audited 30 June 2011 Rupees
32,141,169	32,148,669	Media Times Limited	556,171,974	2,018,343,286
23.96% equity	23.97% equity	Sale of 58,500 (2011: 1,145,000) shares	(1,012,050)	(69,925,150)
		Additions through purchase at market price 8,187 (2011: 244,000) shares	83,402	10,688,000
		Fair value adjustment	(124,804,372)	(1,402,934,162)
			430,438,954	556,171,974
			<u>430,438,954</u>	<u>556,171,974</u>

6 Investment at fair value through profit and loss

Held for trading

Related parties	69,619,701	114,250,907
Others	24,647,647	21,333,214
	<u>94,267,348</u>	<u>135,584,121</u>
Unrealized loss on remeasurement of fair value	(28,747,063)	(39,404,303)
	<u>65,520,285</u>	<u>96,179,818</u>

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 2011.

8 Earning / (loss) per share - basic

		Six months period ended	
		31 December 2011	31 December 2010
Net (loss) / profit for the period	Rupees	14,539,695	(286,490)

Weighted average number of ordinary shares

Weighted average number of ordinary shares as at 31 December	Numbers	316,610,112	316,610,112
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Earnings / (loss) per share - basic	Rupees	0.046	(0.001)
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For the purpose of computing earnings per share (EPS), the number of shares of the previous year have been adjusted for the effect of bonus shares issued during the preceding year.

Earnings per share - diluted

There is no dilution effect on the basic EPS as the Company has no such commitments.

9 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:

	Six months period ended	
	31 December 2011 Rupees	31 December 2010 Rupees
9.1 Transaction during the period		
Subsidiary companies		
First Capital Equities Limited		
Long term loan given	14,732,367	5,031,622
Long term loan matured	-	6,500,000
Mark up income	8,176,001	636,845
Brokerage commission	11,699	17,500
World Press (Private) Limited		
Purchase of goods/services	600,000	622,995
Lanka Securities (Private) Limited		
Dividend income received	10,368,512	24,984,014
Associated companies		
Media Times Limited		
Long term investments made	83,402	9,996,000
Long term loan given	22,259,829	21,993,915
Long term loan matured	1,632,000	-
Mark up Income	40,692,828	32,165,158
Purchase of assets	-	1,400,000
Pace Pakistan Limited		
Service charges	1,244,345	2,071,459

	Un-Audited 31 December 2011 Rupees	Audited 30 June 2011 Rupees
9.2 Amount Outstanding as at period end		
<u>Subsidiary companies</u>		
First Capital Equities Limited		
Long term loan	97,198,358	5,031,622
<u>Associated companies</u>		
Media Times Limited		
Long term loan	462,112,737	413,622,917
Payable against services	78,000	-
Pace Pakistan Limited		
Payable against purchase of property	98,281,199	118,880,420

10 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual separate financial statements of the Company as at and for the year ended 30 June 2011.

11 Capital management

The Company's capital management objectives and policies are consistent with those disclosed in the audited annual separate financial statements of the Company as at and for the year ended 30 June 2011.

12 Date of authorization for issue

These un-audited condensed un-consolidated interim financial statements for the half year ended 31 December 2011 were authorized for issue on 25 February 2012 by the Board of Directors of the Company.

13 General

Figures have been rounded off to the nearest rupee.

FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED
31 DECEMBER 2011
(Un-Audited)**

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2011**

	Note	Un-audited 31 December 2011 Rupees	Audited 30 June 2011 Rupees
NON CURRENT ASSETS			
Property, plant and equipment		482,146,446	509,690,891
Intangible assets		43,620,000	43,760,000
Long term loans		462,112,737	441,484,905
Investment property		1,280,279,900	1,280,279,900
Investment in associates	6	1,142,553,582	1,241,110,290
Long term deposits and advances		11,375,428	11,925,428
Deferred tax assets		15,006,860	13,188,619
		3,437,094,953	3,541,440,033
Current assets			
Inventories		10,104,655	12,558,624
Trade debts		3,628,089,241	3,790,926,316
Loans and advances		202,291,870	130,445,259
Short term prepayments		744,708	2,023,570
Deposits and other receivables		140,097,189	124,776,175
Fund placements	7	213,540,689	289,900,675
Mark-up receivable		1,280,804	1,681,915
Short term investments	8	229,320,513	233,492,065
Taxation - net		29,755,495	-
Cash and bank balances		432,891,638	602,045,281
		4,888,116,802	5,187,849,880
Current liabilities			
Trade and other payables		946,507,252	1,065,788,773
Mark up accrued		788,451,375	567,209,790
Liability against repurchase agreement		143,754,625	143,754,625
Short term borrowings		63,367,537	1,404,392,592
Current portion of liabilities against assets subject to finance lease		5,643,285	8,014,231
Provision for taxation		-	32,477,261
		1,947,724,074	3,221,637,272
Net current assets		2,940,392,728	1,966,212,608
Net assets		6,377,487,681	5,507,652,641
Non current liabilities			
Long term finance	9	3,250,998,587	1,932,217,350
Liabilities against assets subject to finance lease		9,003,224	10,180,908
Staff retirement benefits		85,122,169	84,401,380
		3,345,123,980	2,026,799,638
Contingencies and commitments	10	-	-
Net capital employed		3,032,363,701	3,480,853,003
Represented by:			
Share capital and reserves			
Issued, subscribed and paid up capital		3,166,101,120	3,166,101,120
Exchange translation reserve		39,894,664	35,334,564
Reserves capitalised		564,735,308	564,735,308
Unappropriated loss		(1,322,416,297)	(976,174,561)
Equity attributable to owners of the parent		2,448,314,795	2,789,996,431
Non-controlling interest		584,048,906	690,856,572
		3,032,363,701	3,480,853,003

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011

	Six months period ended		Three months period ended	
	31 December 2011 Rupees	31 December 2010 Rupees	31 December 2011 Rupees	31 December 2010 Rupees
Revenue	288,451,762	514,242,701	98,745,093	269,140,366
Direct costs	77,946,436	158,652,356	16,200,013	106,298,931
Gross profit	210,505,326	355,590,345	82,545,080	162,841,435
Operating expenses	355,197,335	271,135,658	252,846,510	149,020,413
Operating (loss)/profit	(144,692,009)	84,454,687	(170,301,430)	13,821,022
Other income	86,581,606	98,311,255	62,235,295	67,239,888
	(58,110,403)	182,765,942	(108,066,135)	81,060,910
Finance costs	229,428,131	239,317,361	127,148,286	117,536,115
	(287,538,534)	(56,551,419)	(235,214,421)	(36,475,205)
Share of loss of associated companies	(97,943,926)	(43,963,146)	(73,451,839)	(31,763,793)
Unrealized loss on remeasurement of short term investments	(47,838,039)	(40,797,718)	(9,762,262)	(244,775)
Loss before taxation	(433,320,499)	(141,312,283)	(318,428,522)	(68,483,773)
Taxation	14,164,769	51,978,114	9,673,217	19,001,962
Loss after taxation	(447,485,268)	(193,290,397)	(328,101,739)	(87,485,735)
Loss per share - basic and diluted	(1.09)	(0.55)	(0.79)	(0.28)
(2010 : restated)				
Loss attributable to:				
-Owners of the company	(346,241,736)	(175,546,170)	(248,697,134)	(88,711,330)
-Non-controlling interest	(101,243,532)	(17,744,227)	(79,404,605)	1,225,595
Loss for the period	(447,485,268)	(193,290,397)	(328,101,739)	(87,485,735)

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	31 December 2011 Rupees	31 December 2010 Rupees
Loss after taxation	(447,485,268)	(193,290,397)
Other comprehensive income for the period		
Foreign currency translation difference recognized as :		
- Currency translation reserve	4,397,770	3,626,189
- Non controlling interest	4,560,100	3,774,198
Total comprehensive loss for the period	<u>(438,527,398)</u>	<u>(185,890,010)</u>
Total Comprehensive loss attributable to:		
-Owners of the company	(341,843,966)	(171,919,981)
-Non-controlling interest	(96,683,432)	(13,970,029)
	<u>(438,527,398)</u>	<u>(185,890,010)</u>

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

LAHORE CHAIRMAN AND CHIEF EXECUTIVE OFFICER DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011
(UN-AUDITED)**

	31 December 2011 Rupees	31 December 2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(433,320,499)	(141,312,283)
Adjustments for:		
Depreciation	31,052,128	36,085,514
Finance cost	233,285,786	236,805,517
Loss on remeasurement of short term investments	47,838,039	40,797,718
Dividend income	-	(411,000)
Amortization of intangible assets	140,000	140,000
Gain on disposal of property, plant and equipment	(585,554)	(1,783,272)
Currency translation difference	8,957,870	6,715,836
Provision for doubtful debts	179,000,000	-
Retirement benefits	12,933,747	8,360,325
Share of loss of associated companies	97,943,926	43,963,146
Mark up income	(64,589,097)	(61,656,480)
	<u>545,976,845</u>	<u>309,017,304</u>
Profit before working capital changes	112,656,346	167,705,021
Effect on cash flow due to working capital changes:		
(Increase)/decrease in:		
Inventories	2,453,969	2,389,168
Trade debts	(16,162,925)	(62,796,196)
Loans and advances	(71,846,611)	(47,922,919)
Short term prepayments	1,278,862	1,427,393
Deposits and other receivables	(15,321,014)	14,671,761
Short term investments - net	(43,666,487)	27,722,669
Fund placements	76,359,986	241,119,163
Mark-up receivable	20,037,845	-
Increase/(decrease) in:		
Trade and other payables	(119,281,521)	(168,933,568)
Liability against repurchase agreement	-	10,000,000
Short term borrowings	(1,341,025,055)	16,641,904
	<u>(1,507,172,951)</u>	<u>34,319,375</u>
Cash generated/(used) from operations	(1,394,516,605)	202,024,396
Long term deposits and advances	550,000	1,453,229
Retirement benefits paid	(12,212,958)	(9,006,211)
Finance costs paid	(12,044,198)	(59,722,461)
Taxes paid	(78,215,766)	(33,823,881)
Net cash generated/(used) in from operating activities	(1,496,439,527)	100,925,072
Cash flows from investing activities		
Fixed capital expenditure	(3,995,945)	(10,598,286)
Sale proceeds of property, plant and equipment	1,073,813	2,998,500
Dividend received	-	411,000
Investment in associates - net	612,782	(11,300,403)
Investment property	-	113,776,000
Long term Loans - net	(20,627,832)	(21,993,915)
Mark up received	44,952,363	64,779,187
Net cash generated from investing activities	22,015,181	138,072,083
Cash flows from financing activities		
Repayment of liabilities against assets subject to finance lease	(3,548,630)	(11,719,733)
Long term finance	1,318,781,237	(14,999,999)
Dividend paid to non controlling interest	(9,961,904)	(24,004,254)
Net cash generated/(used) in financing activities	1,305,270,703	(50,723,986)
Net increase/(decrease) in cash and cash equivalents	(169,153,643)	188,273,169
Cash and cash equivalents in the beginning of the period	602,045,281	590,197,011
Cash and cash equivalents at the end of the period	432,891,638	778,470,180

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

LAHORE CHAIRMAN AND CHIEF EXECUTIVE OFFICER DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	Attributable to equity holders of the Parent company				Total Rupees	Non-controlling Interest Rupees	Total Equity Rupees
	Share capital Rupees	Reserves capitalised Rupees	Currency translation reserve Rupees	Revenue reserve			
			Unappropriated profit/(Loss) Rupees				
Balance as at 30 June 2010	2,878,273,750	564,735,308	28,931,874	(383,343,079)	3,088,597,853	701,012,328	3,789,610,181
Total comprehensive loss for the period	-	-	-	(175,546,170)	(175,546,170)	(17,744,227)	(193,290,397)
Loss for the period	-	-	3,774,198	-	3,774,198	3,626,189	7,400,387
Total comprehensive gain	-	-	3,774,198	(175,546,170)	(171,771,972)	(14,118,038)	(185,890,010)
Total comprehensive income/(loss) for the period	-	-	3,774,198	(175,546,170)	(171,771,972)	(14,118,038)	(185,890,010)
Transactions with owners of the company recognised directly in equity							
issuance of bonus shares	287,827,370	-	-	(287,827,370)	-	-	(24,004,254)
Dividend paid	-	-	-	-	-	(24,004,254)	(24,004,254)
Total transaction with owners	287,827,370	-	-	(287,827,370)	-	-	(24,004,254)
Balance as at 31 December 2010	3,166,101,120	564,735,308	32,706,072	(846,716,619)	2,916,825,881	662,890,036	3,579,715,917
Total comprehensive loss for the period	-	-	-	(129,457,942)	(129,457,942)	59,505,473	(69,952,469)
Loss for the period	-	-	2,628,492	-	2,628,492	2,560,233	5,188,725
Total comprehensive gain	-	-	2,628,492	-	2,628,492	62,065,706	(64,763,744)
Total comprehensive income/(loss) for the period	-	-	2,628,492	(129,457,942)	(126,829,450)	62,065,706	(64,763,744)
Transactions with owners of the company recognised directly in equity							
Dividend paid	-	-	-	-	-	(9,961,904)	(9,961,904)
Balance as at 30 June 2011	3,166,101,120	564,735,308	35,334,564	(976,174,561)	2,789,996,431	690,856,572	3,480,853,003
Total comprehensive loss for the period	-	-	-	(346,241,736)	(346,241,736)	(101,245,532)	(447,485,268)
Loss for the period	-	-	4,560,100	-	4,560,100	4,397,770	8,957,870
Total comprehensive gain	-	-	4,560,100	-	4,560,100	(96,845,762)	(438,527,398)
Total comprehensive income/(loss) for the period	-	-	4,560,100	(346,241,736)	(341,681,636)	(96,845,762)	(438,527,398)
Distribution to owners							
Dividend paid	-	-	-	-	-	(9,961,904)	(9,961,904)
Balance as at 31 December 2011	3,166,101,120	564,735,308	39,894,664	(1,322,416,297)	2,448,314,795	594,046,906	3,042,363,701

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

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

2.1 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the international Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed interim consolidated financial statements have , however , been limited based on the requirements of the International Accounting Standard 34; (Interim Financial Reporting) thus these do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2011. The condensed interim financial information is un-audited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and Listing Regulations of Stock Exchanges of Pakistan.

This condensed interim consolidated financial information comprise of condensed interim consolidated balance sheet, condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity and notes thereto, for the six months period ended 31 December 2011.

2.2 Functional and presentation currency

These condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Group. Figures have been rounded off to the nearest rupees.

3. Accounting policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of audited annual separate financial statements of the Company for the preceding year ended 30 June 2011.

4 Estimates

The preparation of condensed consolidated 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 in the financial statements for the year ended 30 June 2011.

5. Subsidiary companies

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

	Percentage of Holding	
	31 December 2011	30 June 2011
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
Ever Green Water Valley (Pvt.) Limited	51	51
Falcon Commodities (Pvt.) Limited	100	100
Ozer Investments Limited	100	100
	31 December 2011	30 June 2011
	Rupees	Rupees

6. Investment in associates		
Opening balance	1,241,110,290	1,333,667,651
Add: Acquisition of additional shares	150,902	50,732,056
Shares disposed off	(763,684)	(14,941,220)
Share of loss	(97,943,926)	(128,348,197)
Closing balance	<u>1,142,553,582</u>	<u>1,241,110,290</u>

7 Fund placements		
Securities purchased under the resale agreements of quoted shares - Others	<u>213,540,689</u>	<u>289,900,675</u>
	<u>213,540,689</u>	<u>289,900,675</u>

8 Short term investments		
Investments measured at fair value through profit and loss account		
Carrying amount of investments	277,158,552	417,747,668
Un-realised loss on remeasurement of investments	(47,838,039)	(184,255,603)
	<u>229,320,513</u>	<u>233,492,065</u>

31 December 2011	30 June 2011
Rupees	Rupees

9 Long term finance

Secured	<u>3,250,998,587</u>	<u>1,932,217,350</u>
	<u>3,250,998,587</u>	<u>1,932,217,350</u>

These facilities have been obtained from various commercial banks under mark up arrangements amounting to Rs. 3,611 million (June 2011 : Rs.3,611 million). These facilities carry mark up rate ranging from 8 % and from 3 to 6 months kibar plus 3 % to 5 % per annum payable bi-annually and quarterly (June 2011 : 8 % and 3 to 6 months kibar plus 3 % to 5 % per annum). These are secured against pledge of quoted securities having market value of Rs. 1,519,306,656/- (June 2011 : Rs. 2,086,410,543/-), charge over trade receivables and equitable mortgage of certain properties.

10 Contingencies and commitments

Contingencies

There is no significant change in contingencies disclosed in the annual audited consolidated financial statements for the year ended 30 June 2011 except for the following commitments:

	31 December 2011	30 June 2011
	Rupees	Rupees
Commitments		
Capital Expenditure	3,130,103	3,130,103
Sale of Shares	42,380,764	105,139,819
Purchase of shares	47,631,353	107,989,418
	<u>93,142,220</u>	<u>216,259,340</u>

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 2011	31 December 2010
	Rupees	Rupees
Associated companies		
First Capital Mutual Fund Limited		
Income from asset management services	2,576,016	2,441,083
Media Times Ltd		
Mark up income	40,692,828	32,165,158
Long term loan given	22,259,829	21,993,915
Long term loan matured	1,632,000	-
Long term investments made	83,402	9,996,000
Purchase of assets	-	4,700,000

	31 December 2011 Rupees	31 December 2010 Rupees
Pace Pakistan Limited		
Contract services	-	59,469,537
Purchase of assets	-	2,824,303
Service charges	1,244,345	2,071,459

12 EARNINGS PER SHARE-BASIC

Net loss for the period	Rupees	<u><u>(346,241,736)</u></u>	<u><u>(175,546,170)</u></u>
Weighted average number of ordinary shares as at 31 December	Numbers	<u><u>316,610,112</u></u>	<u><u>316,610,112</u></u>
Loss per share - basic	Rupees	<u><u>(1.09)</u></u>	<u><u>(0.55)</u></u>

For the purpose of computing earnings per share (EPS), the number of shares of the previous year have been adjusted for the effect of bonus shares issued during the preceding year.

Earnings per share - diluted

There is no dilution effect on the basic EPS as the Company has no such commitments.

13 Date of authorization for issue

This un-audited condensed consolidated interim financial information for the Six months period ended 31 December 2011 were authorized for issue on 25 February 2012 by the Board of Directors of the Parent Company.

14 General

Figures have been rounded off to the nearest rupee.