

## **DIRECTORS' REVIEW FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2009**

The Board of Directors is pleased to present the unaudited condensed interim financial statements of the Company for the nine months period ended June 30, 2009.

The global financial crisis has also affected our business particularly in the United Arab Emirates (UAE). The current economic situation in the country and unfavorable exchange rate fluctuation has also a significant effect on our profitability.

**NEW ORDERS** of over Rs 11.7 billion have been received during the nine months of the current financial year. Major contributions include airfield lighting system at an international airport in Pakistan, a project for mechanical, electrical and instrumentation services, supply of hospital equipments, supply of power and distribution transformers to power distribution companies in Pakistan and a project for building 220 KV Grid station.

**SALES** increased by 49% when compared to the corresponding nine months period to over Rs 28 billion, mainly due to execution of order back log and coming mainly from the projects being undertaken in the energy sector particularly in the UAE.

**PROFIT BEFORE TAX** decreased by 26% as a percentage of sales as compared to the corresponding nine months period. This is mainly due to unfavorable exchange rate fluctuations in Euro and other currencies.

**PROFIT AFTER TAX** also decreased which is in line with the decrease in profit before tax. There is also a slight variation in deferred tax charge as compared to the corresponding nine months period.

**ORDERS IN HAND** position is adequate as at the end of the third quarter.

Considering the orders in hand position of the Company as at the end of third quarter we are confident to achieve our sales targets budgeted for the whole financial year however due to the uncertainties involved in different segments of our business and the situation elaborated above it is difficult to predict about the results of the Company for the whole financial year.

On behalf of the Board  
**Siemens (Pakistan) Engineering Company Limited**

  
**Sohail Wajahat H. Siddiqui**  
Chief Executive Officer

Karachi, July 28, 2009