

LSE Financial Services Limited
(Formerly: Lahore Stock Exchange Limited)

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2016



LSE Financial Services Ltd

Directors' Review Report

Dear Shareholders,

The Board of Directors is pleased to present its review report along with the accounts of your Company for the 2nd Quarter/Half year ended December 31, 2016:

Financial Highlights	Rs. in '000
Revenue	121,511
Expenditure	34,466
Profit before Taxation	87,045
Taxation	22,434
Profit after Taxation from continuing operation	64,611
Net loss for the period from discontinued operations	(539)
Net Profit for the period	64,072
Earnings Per Share (EPS) from continued operation = Rs. 0.50	

PERFORMANCE REVIEW

During the 1st half year of FY 2016-17, LSEFSL earned total revenue of Rs 121,511 million as compared to comparative period of last year Rs. 103.776 million, i.e., increased by 17.735 million or 17%. The revenue was generated from rent, profit from bank deposits, investments, income from MTS, share of profits from the associated companies and other income. The administrative expenses were Rs. 35.005 million, down by Rs. 15.01 million or 30% from last year's comparative period, due to transfer of business undertaking to Pakistan Stock Exchange Ltd. and voluntary separation scheme package paid to employees related to discontinued operations of erstwhile Lahore Stock Exchange. The Company earned a profit before taxation of Rs. 87.045 million for the period under review, which is up by Rs. 18.734 million or 27%, as compared to corresponding period. Profit after tax is also up by Rs. 36.925 million or 136% from last year comparative period and has reached to Rs. 64.072 million.

Earnings per Share- (Basic & Diluted) from continued & discontinued operations during the 1st half year of FY 2016-17 was recorded as Rs. 0.50 per share against Rs. 0.21 per share in the comparative period of last year, which is up by Rs. 0.29 or 136%. The distributable earning per share for the period is Rs. 0.28 per share.

During the period under review, associated companies (CDC, NCCPL and PACRA) announced dividend worth of Rs. 32.59 million as compared to Rs. 73.95 million in comparative periods. The major reduction in dividend received from associated companies is due regulatory advice regarding limiting the dividend distribution up to 30% of profit after taxation. During the period CDC declared bonus shares @ 35% and paid cash dividend of Rs. 2 million to LSEFSL. NCCPL and PACRA paid Rs. 22.50 million and Rs. 8 million, respectively as dividend during the period.

The Company has successfully started lending business through Margin Trading System (MTS) of NCCPL. During the period, JCR-VIS Credit Rating Company Ltd. has assigned initial entity ratings of 'A/A-2' to LSEFSL. Outlook on the assigned ratings is 'Stable'.

For and on behalf of the Governing Board of Directors of LSEFSL,

Naveed Amin

Chief Executive/Managing Director

February 22, 2017

received
profits

