CHAIRMAN'S STATEMENT

Distinguished Shareholders,

With great joy, I welcome you all to the 1st annual general meeting of our Company. As you all are aware Future Unity Glanvills Limited ("FUG"/ our Company), commenced operation in July 2007 following the issuance to it of operating license by the National Pension Commission ("PenCom"). This enabled FUG to become one of the Pension Fund Administrators licensed to carry on the sole business of Pension Fund and Retirement Benefits Administration in Nigeria.

I am pleased to present to you a review of major developments in the local and global environment within which our company operated and as you have observed, the commencement of the business date till our Company's first financial year end date of December 31, 2007 is not up to a full year, hence, a summary of FUG's performance for the financial period ended December 31, 2007 is also presented.

Global Environment

The world economy recorded a mixed performance during the period, following accelerated growth in the first half of the year, global economic growth closed at 4.7% for December 2007. A variety of events culminated in the slow down of the global economic landscape, some of which includes: the effects of the U.S sub-prime mortgage-induced financial turmoil, the downturn in the US manufacturing sector, the sudden decline in the consumer demand in Japan as well as the aggressive rise in commodity prices particularly crude oil as a result of instability in some oil-exporting countries, such as, Iran, Iraq and Nigeria and huge financial imbalance between the United States of America and the rest of the world drastically impacted financial activities and threatened business and consumer confidence.

In as much as the western developed economies have borne the brunt of the economic challenges mentioned above (with looming threat of recession), developing countries such as China and India have fared much better and indeed their strong external demand has helped to particularly offset weak domestic demand in several developed countries.

Domestic Environment

The Nigerian economy achieve real gross domestic product growth rate of 7.01% as at December 2007, the Gross Domestic Product (GDP), was N22.91trillion as at December 2007 from N18.57trillion achieved as at December 2006. Non-oil GDP growth rate was 9.8% in Dec. 07 as against 8.59% recorded in Dec.06, while Oil GDP recorded a decline rate of 5.1% against the decline rate of 4.5% in the previous year. Non-oil GDP drivers were Agriculture, Solid minerals, Telecommunications and Manufacturing sectors. The decline in the Oil GDP was on account of crises in the Niger Delta.

The year-on-year inflation figure stood at 6.6% while the 12-month average stood at 5.4% as at Dec. 07. The economy achieved the single digit inflation projected for the year due to the appreciation in the value of Naira against the US$, the improvement in other macroeconomic variables in the economy and the proactive measures the Central Bank of Nigeria("CBN"), adopted in managing the liquidity in the financial sector.

CHAIRMAN'S STATEMENT

The total external debt stock at the end of Sept. 07 stood at US$3.397billion, marginally drop from US$3.546billion as at Dec. 06. The breakdown of external debt shows that US$2.85billion, representing 83.95 is owed to Multilateral Institutions, US$156million representing 4.6% is owed to Non-Paris Bilateral while US$388.4million representing 11.4% is owed to Non Paris Commercial. The effort of the immediate past President to get Nigeria free from the huge external debt helped the economy to free additional resources for the domestic economy to promote growth and development.

On the domestic debts, the outstanding debt stood at N2.15trillion as at Sept. 07 up from N1.80trillion recorded as at Dec. 06. Nigeria Treasury Bills (NTB) accounted for 31.6%, Federal Government of Nigeria ("FGN") Bonds accounted for 49.5%, Treasury Bonds accounted for 19% while Development Stock accounted for 0.03% of the total domestic debts.

According to CBN, Nigeria external reserves figure as at Dec. 07 stood at US$52billion, which is 15.53% growth from US$45.01billion recorded as at Dec. 06. At the current level of foreign exchange commitment, the external reserve can finance about 28months of imports. Favorable oil prices in international market coupled with low external debts financing were largely responsible for the growth.

Following the commencement of trading in the secondary market of FGN Bonds aimed at creating and developing a vibrant and liquid bond market in Nigeria and the licensing of Primary Dealers and Market Makers (PDMM), the FGN Bond market in Nigeria witnessed a major growth in all its parameters. The Debt Management Office (DMO), on behalf of the FGN offered a total of N592billion worth of FGN Bonds in 2007, up by 47% from a total of N402.65% offered in 2006. The FGN Bond offer in 2007 was 197.15% oversubscribed in 2007 which was 4.49% higher than 2006 oversubscription level of 192.6%. Comparing tenor by tenor, the bond issued in 2007 recorded lower coupon than the 2006 bonds.

The Monetary Policy Committee ("MPC") of the CBN during its second meeting in 2007 reduced the Monetary Policy Rate ("MPR"), by 200basis points to 8% from 10%. It also reduced the width of the interest rate recorded from 300bp to 250bp. In order to stem the inflationary pressures in the economy expected to come from the increased fiscal injection due to supplementary budget at then federal and state levels, the MPC in fourth meeting of the year increased MPR by 100bp to 9% from 8%. In its last meeting for the year 2007, the MPC further increased MPR by 50bp to 9.5% signaling restrictive measures to the expected huge foreign capital and increased fiscal injection from the budget 2008.

The major inflow into the market during the period was the statutory allocation, the excess crude oil revenue shared amongst the tiers of government, the repayment of national bills and foreign capital inflows. Notable strategies CBN employed during the period to mop up the liquidity were; increase in the discount rate in TBs and Coupon rate on FGN Bonds, in crease in issuance of longer tenured TBs and FGN Bonds, increase in Foreign Exchange sales and increase in MPR.

Interbank interest rate was generally low in 2007 when compared with the preceding year, although still at a wide spread of 7.89%. The gap between the average lending rate and the average deposit rate was lower in the preceding year.

CHAIRMAN'S STATEMENT

The value of Naira appreciated by 8.07%, 8.03% and 7.55% in relation to the values US$ in the inter-bank rate, official market and parallel market respectively in 2007. The appreciation in the value of Naira was on account of escalating price of crude oil in the international market which resulted into a more favorable balance of payment position for the country, improved macroeconomic environment and political stability which encouraged foreign direct investment into the country and a better coordination of fiscal and monetary policies during the year. The premium between the parallel market and the official market rate remain under 5% throughout the year.

The equities segment of the Nigeria Financial market recorded impressive performance in all its performance indicators as at December 2007. The performance of the market was attributed to the promising an improved outlook in the Macroeconomic environment and political stability, following successful transition from a civilian government to another. This led to increased participation of institutional investors in the market. The market was further boosted by prospects for future earnings, growth potential in the insurance industry following successful recapitalization exercise, foreign partnership with Nigeria banks by way of equity partnership, announcement of good cash dividend and scrip dividend of some blue chip companies and the impressive quarterly results.

The All Shares Index gained 74.73% in NGN and 82.78% in US$ terms to close the year at 57,990.22 points. The market capitalization also appreciated by 140.83% in NGN to close the year 07 at N10.18trillion (approx US$84.16billion).

The mandatory contribution pension system introduced four years ago by FGN for its workers and those employed in the organized private sector pension assets has risen to N815billion as at Dec.06. This figure is expected to get up to N1.066trillion by Dec.08, according to PenCom officials. Although substantial part of it is inherited but these assets have also been built up over the period. The growth in both new contribution and returns on investment is close to 30% pa. Banks and Insurance Companies that are quoted on the Stock exchange as well as the telecommunication companies have reached up to 80% compliance level. For smaller institutions that are not quoted on the stock exchange and medium sized institutions, the compliance level is still low. For the State Government, 29 states have embraced the new pension system and were at various stages of compliance while 7 were still sitting in the fence.

Summary of Financial Performance

Our Company closed the first financial period with a loss after tax of N146.9m, and shareholders fund position of N353.1m, compared with loss after tax of N203.9m and shareholders fund position N296m. contained in FUGs approved budget for the same period. However, I expect improvement on this in the current financial year as we continuously strengthen and enforce our marketing strategies and as PenCom implement compliance measures as contained in the Pension Reforms Act 2004.

The fixed assets as at the period ended December 31, 2007 stood at N131.9m, and a Deferred tax assets of N57.5m, while the current assets is made up of prepayments and other receivables of N26.2m and cash and short term funds of N222.5m.

CHAIRMAN'S STATEMENT

Human Capital Development
FUG remains committed to recruitment and retention of a competent workforce being a key success factor in the pension industry. Hence during the period under review, over xxx employees received xxxx hrs of training locally which includes an international training delivered locally.

Board of Directors
During the period under review Chief Adetunji Omisore a seasoned legal practitioner with several years of legal practice, Vice Chairman, Glanvill Enthoven & Co (Nig) Ltd., (Insurance Brokers) and Chairman,G.N Bishop & Co, was appointed as an executive director representing Glanvills Enthoven. Chief Omisore replaced Mr Olufemi Ojeremi following the resignation of Mr Ojeremi.

Conclusions
It is my privilege to offer our sincere appreciation to our shareholders, clients, employees and other stakeholders for their continued support and patronage which has enabled us to witness the earnest commencement of this great business endeavor. The financial results depict a good start up and we look forward with great excitement to more rewarding and successful years ahead.

Mrs Elizabeth Ebi
Chairman Board of Directors