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engro corp

January 22, 2010.

The General Manager  
Karachi Stock Exchange (Guarantee) Ltd.  
Stock Exchange Building  
Stock Exchange Road  
Karachi.  
Fax: 111-573-329

The Secretary  
Lahore Stock Exchange (Guarantee) Ltd.  
19, Khayabane Aiwane Iqbal  
Lahore-54000  
Fax: (042) 111-441-441

The Secretary  
Islamabad Stock Exchange (Guarantee) Ltd.  
Stock Exchange Building  
Blue Area  
Islamabad  
Fax: (051) 2275044

### RESULTS FOR THE YEAR ENDED DECEMBER 31, 2009

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on Friday, January 22, 2010 recommended the following:

#### CASH DIVIDEND

A final cash dividend for the year ended December 31, 2009 at Rs.2.00 per share i.e. 20 %. Interim Dividends totaling Rs. 4.00 per share i.e. 40 %, have already been paid making a total of Rs. 6.00 per share or 60%.

#### BONUS ISSUE

It has also been recommended by the Board of Directors to issue Bonus shares in the ratio of 1 for every 10 shares held i.e.10%. The said Bonus shares shall not be eligible for the dividend declared for the year ended December 31, 2009.

A certificate from our Auditors, A.F. Ferguson & Company is enclosed as required under clause 6(i) and (iii) of the Companies (Issue of Capital) Rules 1996.

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The financial results of the Company are as follows:

(Amounts in thousand except for earnings per share)

	2009 THOUSAND RUPEES	2008 THOUSAND RUPEES
Net Sales	30,171,520	23,317,198
Less: Cost of sales	(23,240,176)	(17,120,635)
Gross profit	6,931,344	6,196,563
Less: Selling and distribution expenses	(1,945,176)	(1,657,815)
	4,986,168	4,538,748
Add: Other income	1,973,467	2,754,330
Less: Financial and other operating charges including W.P.P.F and W.W.F	(1,744,689)	(2,088,504)
Profit before taxation	5,214,946	5,204,574
Less Provision for Taxation: Current	(1,305,292)	(949,607)
Deferred	47,596	(14,537)
Profit after taxation	3,957,250	4,240,430
Earning per share-basic and diluted	14.08	(restated) 16.81
Unappropriated profit brought forward	6,911,124	4,102,366
Available for appropriation	10,868,374	8,342,796
APPROPRIATED AS UNDER:		
Dividends:		
Final 2008/2007 @ Rs. 2.00 per share (2007:Rs.3.00 per share)	(425,632)	(580,408)
1st Interim 2009/2008 @ Rs. 2.00 per share (2008:Rs. 2.00 per share)	(595,885)	(425,632)
2nd Interim 2009/2008 @ Rs. 2.00 per share (2008:Rs.2.00 per share)	(595,885)	(425,632)
Unappropriated profit carried forward	9,250,972	6,911,124

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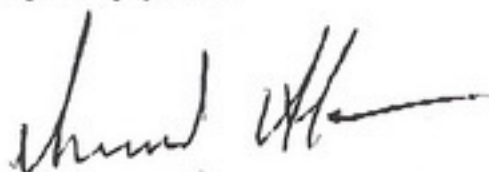
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The Annual General Meeting of the Company will be held at 10.00 a.m. on Saturday, February 27, 2010 at the Karachi Marriott Hotel.

The final dividend and Bonus shares if approved by the shareholders will be paid/issued to the shareholders whose names appear on the Register of Members on Tuesday, February 16, 2010.

The Share Transfer Books of the Company will be closed from Tuesday, February 16, 2010 to Friday, February 26, 2010 (both days inclusive). Transfers received in order at the office of our Registrars, M/s. Famco Associates (Private) Limited, 1<sup>st</sup> Floor, State Life Building No. 1-A, I.I. Chundrigar Road, Karachi by the close of business (5:00 p.m) on Monday, February 15, 2010, will be treated in time for the purpose of payment of dividend and the issue of Bonus shares to the transferees.

Very truly yours



**ANDALIB ALAVI**  
General Manager - Legal  
& Company Secretary

*Encl: Certificate from Auditors A.F. Ferguson & Company.*

**A.F.FERGUSON & CO.**

A member firm of

**PRICEWATERHOUSECOOPERS** 

A.F.Ferguson & Co  
Chartered Accountants  
State Life Building No. 1-C  
I.I.Chundrigar Road, P.O.Box 4716  
Karachi-74000, Pakistan  
Telephone: (021) 32426682-6 / 32426711-5  
Facsimile: (021) 32415007 / 32427930

The Board of Directors  
Engro Corporation Limited  
(Formerly Engro Chemical Pakistan Limited)  
7<sup>th</sup> & 8<sup>th</sup> Floors, The Harbor Front Building,  
HC # 3, Marine Drive, Block 4,  
Clifton, Karachi

January 22, 2010

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Dear Sirs

**FREE RESERVES AS AT DECEMBER 31, 2009**

As requested, we have ascertained from the Company's audited financial statements for the year ended December 31, 2009, which have been approved by the Board of Directors and on which the auditor's report remains to be signed, that the Company's residual free reserves in terms of the meaning given to free reserves in the Companies (Issue of Capital Rule) Rules, 1996, after the proposed issue of bonus shares of a face value of Rs 297,943 thousand would be higher than twenty five percent of the enhanced paid up capital of Rs 3,277,369 thousand.

We have reviewed the contingent liabilities outstanding as at December 31, 2009 to determine the contingent loss, if any, falling within the scope of the paragraph 14 of the International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" and confirm that no such liabilities are deductible from the aforementioned "Free Reserves" of the Company.

The Company's "Free Reserves" retained, after appropriating proposed cash dividend @ Rs 2 per share and the reserve for issue of bonus shares, do not include any reserves created as a result of revaluation of fixed assets or any intangible or fictitious assets such as preliminary expenses or goodwill.

Yours truly

