



engro corp

February 20, 2019

The General Manager
Pakistan Stock Exchange Ltd
Stock Exchange Building
Stock Exchange Road
Karachi
Fax: (021) 111-573-329

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2018

Dear Sir,

We would like to inform you that the Board of Directors of our Company, Engro Corporation Limited, in their meeting held on Tuesday, February 19, 2019 at 10:00 a.m. at 8th Floor Harbor Front Building Block 4, Clifton, Karachi, reviewed and approved the audited financial results of the Company for the year ended December 31, 2018 and recommended the following:

- Final Cash Dividend for the year ended December 31, 2018 @ Rs. 2.00 per share i.e. 20%. This is in addition to Interim Dividend already paid at Rs. 19.00 per share i.e. 190%
- Bonus Shares – To issue Bonus Shares in the proportion of 10 shares for every 100 shares held i.e. 10%. The said bonus shares shall not be eligible for the dividend declared for the year ended December 31, 2018.

A certificate from our auditors, A.F. Ferguson & Co. Chartered Accountants is enclosed as required under clause 4 (v) of the Companies (Further Issue of Shares) Regulations, 2018.

The audited financial results of the Company (consolidated and standalone) for the year ended December 31, 2018 are attached.

The Annual General Meeting (AGM) of the Company will be held on Wednesday, April 24, 2019 at 10:00 a.m. at Karachi Marriott Hotel, Abdullah Haroon Road, Karachi.

The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on Wednesday, April 17, 2019.

The share transfer books of the Company will be closed from Wednesday, April 17, 2019 to Wednesday, April 24, 2019 (both days inclusive). Transfer received in order at the office of our registrar, M/s FAMCO Associates (Private) Limited, 8-F, near Hotel Faran, Nursery, Block 6, P.E.C.H.S Shahrah-e-Faisal, Karachi at the close of business (5:00 p.m.) on Tuesday, April 16, 2019 will be treated in time for the purpose of above entitlement to the transferees, and to attend and vote at the AGM.

Yours sincerely,


Faiz Chapra

General Counsel & Company Secretary
Encl.: As above



Engro Corporation Limited

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ENGRO CORPORATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in thousand except for earnings per share)

	2018	2017
	-----Rupees-----	
Revenue	171,568,238	128,592,511
Cost of revenue	(120,459,766)	(93,786,270)
Gross profit	51,108,472	34,806,241
Selling and distribution expenses	(8,488,256)	(7,850,236)
Administrative expenses	(5,594,326)	(3,954,380)
Other income	9,147,368	10,488,895
Other operating expenses	(4,421,632)	(2,401,254)
Operating profit	41,751,626	31,089,266
Finance cost	(5,453,221)	(5,130,635)
Share of income from joint venture and associates	128,647	1,463,095
Profit before taxation	36,427,052	27,421,726
Taxation	(12,795,319)	(11,131,979)
Profit for the year	23,631,733	16,289,747
Less: Profit attributable to Non-Controlling Interest	10,924,207	6,882,662
Profit attributable to owners of the Holding Company	12,707,526	9,407,085
Earnings per share - basic and diluted	24.26	17.96

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ENGRO CORPORATION LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2018

(Amounts in thousand except for earnings per share)

	2018	2017
	-----Rupees-----	
Dividend income	10,263,698	13,134,115
Royalty income	968,959	757,200
	<u>11,232,657</u>	<u>13,891,315</u>
Administrative expenses	(2,610,895)	(1,603,368)
	<u>8,621,762</u>	<u>12,287,947</u>
Other income	8,597,203	4,233,787
Other operating expenses	(394,210)	(330,802)
Operating profit	<u>16,824,755</u>	<u>16,190,932</u>
Finance cost	(148,844)	(357,828)
Profit before taxation	<u>16,675,911</u>	<u>15,833,104</u>
Taxation	(3,956,036)	(4,432,940)
Profit for the year	<u>12,719,875</u>	<u>11,400,164</u>
Unappropriated profit brought forward	60,660,171	61,307,059
Final cash dividend for the year ended December 31, 2016 @ Rs. 4.00 per share	-	(2,095,138)
Interim cash dividends for the year ended December 31, 2017:		
- 1st interim @ Rs.5.00 per share	-	(2,618,924)
- 2nd interim @ Rs.7.00 per share	-	(3,666,495)
- 3rd interim @ Rs.7.00 per share	-	(3,666,495)
Final cash dividend for the year ended December 31, 2017 @ Rs. 2.00 per share	(1,047,567)	-
Interim cash dividends for the year ended December 31, 2018 :		
- 1st interim @ Rs.5.00 per share	(2,618,924)	-
- 2nd interim @ Rs.7.00 per share	(3,666,495)	-
- 3rd interim @ Rs.7.00 per share	(3,666,495)	-
Profit Available for appropriation	<u>62,380,565</u>	<u>60,660,171</u>
Earnings per share - basic and diluted	<u>24.28</u>	<u>21.76</u>

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The Board of Directors
Engro Corporation Limited
7th and 8th Floors, The Harbour Front Building
Plot No. HC-3, Block 4
Scheme No. 5, Clifton
Karachi

February 19, 2019
ASR 1926

Dear Sirs / Madam

FREE RESERVES AS AT DECEMBER 31, 2018

The authorized capital of Engro Corporation Limited (the Company) as at December 31, 2018 amounted to Rs. 5,500,000 thousand which the Company intends to increase to Rs. 7,000,000 thousand after due approval from the shareholders in the forthcoming Annual General Meeting.

In the light of above, as requested, we have ascertained, from the audited financial statements of the Company for the year ended December 31, 2018, which have been approved by the Board of Directors and on which the auditors' report remains to be signed, that the Company's residual free reserves in terms of the meaning given to free reserves in the Companies (further issue of shares) Regulations, 2018, after the proposed issue of bonus shares of a face value of Rs. 523,785 thousand would be higher than fifteen percent of the enhanced paid up capital of Rs. 5,761,633 thousand subject to the aforementioned increase in authorized capital.

We have reviewed the contingent liabilities outstanding as at December 31, 2018 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 all such liabilities have been accounted for which are deductible from the aforementioned "Free Reserves" of the Company.

The Company's "Free Reserves" retained, after the aforementioned proposed bonus issue, do not include any reserve created as a result of revaluation of fixed assets or any intangible or fictitious assets such as preliminary expenses or goodwill.

Yours truly

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