

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-736

N O T I C E

February 18, 2010

Reproduced hereunder Financial Projection received from **ENGRO POLYMER & CHEMICALS LIMITED** for information of members of the Exchange.
(Copy of the same is also available on our Website www.kse.com.pk).

Engro Polymer & Chemicals Limited

Purpose of Right Issue

The Company, in 2007, had embarked upon an expansion & back integration project (Project) which entailed expansion of PVC unit and setting up of an integrated chemical complex to produce Ethylene di Chloride ("EDC"), Vinyl Chloride Monomer ("VCM), Caustic Soda and associated chemicals. Mechanical Completion of all units was achieved successfully in 2009. All plants except VCM have come into commercial production and are operating satisfactorily. Company launched Caustic soda in the domestic market and the product was very well received by the customers. Domestic demand of PVC also remains robust. However, there has been a delay in achieving stable VCM production which has created a funding gap which the Company has decided to meet partially through additional equity.

Benefits to the Company

The benefits to EPCL (and its shareholders) will come from cost efficiencies arising out of back integration resulting in better margins and enhanced production. Additional equity would strengthen its balance sheet resulting in improved financial health of the Company.

Use of funds:

The funds will be used to finance the Project funding gap resulting from higher capital cost and delay in VCM plant startup

Financial projections:

Rs. In Million	2010	2011	2012
Net Sales Revenue	15,650	17,700	19,260
PAT	365	1,360	1,775

Note:

The information given above reflects bona fide current business perceptions of the Directors as to the future performance of the Company's business. It is imperative for investors to understand that Company's business is extremely sensitive to regional and global commodity prices and demand/supply situation. Neither the Company nor the Directors accept any responsibility for conclusions drawn on or investment decisions made by any person based on above information.



Asad Umar

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