

## A STATEMENT OF PURPOSE OF THE RIGHT ISSUE, BENEFITS TO THE COMPANY, UTILIZATION OF FUNDS & FINANCIAL PROJECTIONS

### Purpose of Right Issue, Benefits to the Company & Utilization of Funds

The purpose of the right issue is to raise funds, otherwise, than borrowing from financial institutions i.e. reducing the Company's finance cost, improve debt equity ratio and the leverage ratio.

The funds are required for expanding the business by addition new products to the portfolio.

The risk factor associated with the issue is under subscription of right.

### Financial Projections

The five-year projection of the Company's operations are as follows:

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Rupees In '000						
Revenue	3,669,145	4,724,288	5,393,118	6,263,072	7,231,720	8,027,210
Cost of Goods Sold	(2,707,363)	(3,485,925)	(3,979,437)	(4,621,352)	(5,336,092)	(5,923,062)
<b>Gross Profit</b>	<b>961,782</b>	<b>1,238,363</b>	<b>1,413,681</b>	<b>1,641,720</b>	<b>1,895,629</b>	<b>2,104,148</b>
Total Expenses	(782,640)	(965,591)	(1,088,403)	(1,245,723)	(1,420,418)	(1,570,462)
<b>Profit / (loss) before taxation</b>	<b>179,141</b>	<b>272,772</b>	<b>325,278</b>	<b>395,996</b>	<b>475,211</b>	<b>533,686</b>
Taxation	(148,801)	(191,593)	(218,717)	(253,998)	(293,281)	(325,542)
<b>Profit/ (loss) after taxation</b>	<b>30,340</b>	<b>81,179</b>	<b>106,561</b>	<b>141,999</b>	<b>181,930</b>	<b>208,144</b>
<b>Earning per Share - Rs.</b>	<b>0.20</b>	<b>0.30</b>	<b>0.35</b>	<b>0.43</b>	<b>0.52</b>	<b>0.58</b>
Revised Paid-up Capital	918,000	918,000	918,000	918,000	918,000	918,000

The information given above reflects bona fide current business perceptions of the directors & management as to costs and future performance of the Company's business, trading polices and government policies. Neither the Company nor the Directors accept any responsibility for the conclusions drawn or investment decisions made by any member or any other person based on above information.

This has been duly approved by the Board of Directors during meeting as on February 23, 2018 at 11:30 a.m Jinnah Board Room, IBL Corporate Office, Building Center, Shahrah-e-Faisal, Karachi

Yours Sincerely,



Shariq Ahmed  
Company Secretary



United Brands Limited