



July 4, 2016.

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

**Fax: 32410825**

### MATERIAL INFORMATION

Dear Sir,

In accordance with Sections 96 and 131 of the Securities Act 2015 read with Section 15(D) of the Securities Ordinance 1969 and Clause 5.19.13(c) of the Rule Book of the Pakistan Stock Exchange Limited, we hereby convey the following information:

Further to our notification to the exchange dated March 3<sup>rd</sup> 2016, we wish to inform you that a sale and purchase agreement ("SPA") has been entered into between FrieslandCampina Pakistan Holdings B.V. (the "Purchaser"), a wholly owned subsidiary of Royal FrieslandCampina N.V. (FrieslandCampina), and Engro Corporation Limited (the "Seller" or the "Company") with respect to the sale of up to 51 percent of the Company's shareholding in Engro Foods Limited (the "Transaction"). The parties are currently in the process of meeting all conditions to closing as set out in the SPA.

The sale price under the SPA has been agreed on a cash and debt free basis ("Enterprise Value") of PKR 96,600 million to be adjusted for certain items including debt and debt-like items, cash and cash equivalents and working capital ("Adjusting Items"). The estimated sale price as of the date of this announcement, after taking the Adjusting Items into consideration is approximately PKR 120 per share (the "Estimated Sale Price") and the then Estimated Sale Price shall be payable simultaneously with the transfer of the shares, in accordance with the provisions of the SPA ("Closing"). The final sale price will be calculated within 40 business days of Closing after preparation of the closing statements reflecting the Adjusting Items as of the Closing date (the "Final Sale Price"). Price differences between the Estimated Sale Price and the Final Sale Price arising from the final Adjustment Items reflected in the Closing Statements will be settled between the Purchaser and Seller accordingly.

Under the Securities Act 2015 and the takeover laws, FrieslandCampina are obliged to make a mandatory tender offer ("MTO") for half of the shares not held by the Company, i.e. approximately 6.5 percent. In that regard, the parties have agreed that in the event the aggregate amount paid by FrieslandCampina for shares that are acquired under the MTO exceeds the aggregate amount that would have been paid for such number of shares based on the Final Price by more than PKR 1,700,000,000 (one billion seven hundred million rupees), one half of such excess will be borne by the Company and will also be adjusted in the Final Price. Engro Foods' closing share price on March 2<sup>nd</sup> 2016, the date prior to the announcement of intention by FrieslandCampina, was Rs. 129.9, i.e. approximately only 8 percent higher than the presently Estimated Sale Price.

Engro Corporation Limited

8th Floor, The Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton, Karachi 75600 Pakistan.

T 00 92 (21) 35297501-10 F 00 92 (21) 35810663

engro.com

