

April 28, 2009.

The General Manager  
Karachi Stock Exchange (Guarantee) Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

The General Manager  
Lahore Stock Exchange (Guarantee) Limited  
19, Khayaban-e-Aiwan-e-Iqbal  
P.O. Box 1315  
Lahore-54000

The General Manager  
Islamabad Stock Exchange  
Stock Exchange Building  
101-E- Fazal-ul-Haq Road  
Blue Area  
Islamabad-44000

**Re: Proposed de-merger of Engro Chemical Pakistan Limited (“Engro”)**

Dear Sirs,

We hereby inform you that the Board of Directors of Engro in their meeting on April 28, 2009 have agreed in principle to carry out a de-merger of Engro, in terms of which its fertilizer business is proposed to be bifurcated from Engro and transferred / merged into a wholly owned subsidiary (to be incorporated). The Company will be seeking the requisite consents / approvals and shall then file a Petition in the High Court of Sind at Karachi to implement the demerger. Essentially the fertilizer assets of Engro will be substituted by shares of its new wholly owned subsidiary.

Engro will then function as a pure holding company and oversee the business of its new fertilizer subsidiary as well as the business of its other existing subsidiaries / affiliate. This will provide a number of organizational and other benefits to the Company.

Very truly yours,

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

c.c.: Securities and Exchange Commission of Pakistan  
NIC Building, Saudi Pak Tower  
Jinnah Avenue, Blue Area  
Islamabad-44000  
Pakistan

The Registrar of Companies  
Securities and Exchange Commission of Pakistan  
Company Registration Office  
4<sup>th</sup> and 5<sup>th</sup> Floor, State Life Building No. 2  
Wallace Road  
Karachi  
Pakistan