

Ref: SECK/KSE/15

Dated: 16 February 2015

**The General Manager**

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**Subject: Material Information – Update on KE SUKUK of PKR twenty two (22) billion**

Dear Sirs,

Pursuant to the requirement of Listing Regulations of the esteemed Exchange and the Code of Corporate Governance (CCG) and further to Company's statutory announcement dated 30 January 2015, we are pleased to inform that K-Electric, pursuant to all regulatory approvals, has made prepayment of respective loans to Senior Lenders, including International Finance Corporation (IFC) and Asian Development Bank (ADB) amounting to approximately PKR 18 billion. The loans have been prepaid primarily out of proceeds of SUKUK Pre-IPO of PKR 15 billion invested by leading commercial banks of Pakistan whereas the balance portion of the SUKUK issue amounting to PKR 7 billion including a green shoe option of PKR 2 billion will be offered to General Public with the approval of SECP and Stock Exchanges.

This strategic initiative will have far reaching benefits for KE including significant reduction in financing cost due to improved debt pricing with a positive impact on Company's profitability and much needed room in cash flow resulting from extended debt maturity profile and will help execute long term business strategy and future investment plans of the Company essentially based on generation capacity addition & efficiency improvement and transmission & distribution network augmentation, system reliability and execution of loss reduction projects.

Yours truly,



Muhammad Rizwan Dalia  
Director Finance & Company Secretary

- Copy to:
1. The Securities & Exchange Commission of Pakistan, Islamabad
  2. The Registrar, Joint Stock Companies, SECP, Karachi
  3. Central Depository Company of Pakistan Limited
  4. CDC Share Registrar Services