



AZM SUKOOK - A SUCCESS STORY!

KE brought about a major breakthrough in Pakistan's financial markets in 2012 when it introduced the first rated and listed utility bond in the retail sector, the 'Azm Term Finance Certificates (TFCs). Successful closure of the AZM TFC issue encouraged the management to tap further into the retail sector for meeting KE's permanent working capital requirements. It thus launched an Islamic instrument (SUKUK) on February 24, 2014 and made history in Pakistan's financial markets.

Keeping in view the legal and corporate formalities and timelines, the KE management and HBL Islamic Banking – (Sharia structuring Advisor for Sukuk) chose the "Musharaka/Shirkat-ul-Mulk" structure which is based on the concept of joint ownership.

An independent Sharia Advisory Board was formed comprising Prof. Mufti Muneebur Rehman, Dr. Zubair Usmani, Mufti Irshad Ahmad Aijaz and Mufti Muhammad Yahya Asim. KE also decided to get the Sukuk issue rated by an international rating agency to enhance its credibility and investor confidence. As such, each Azm Sukuk

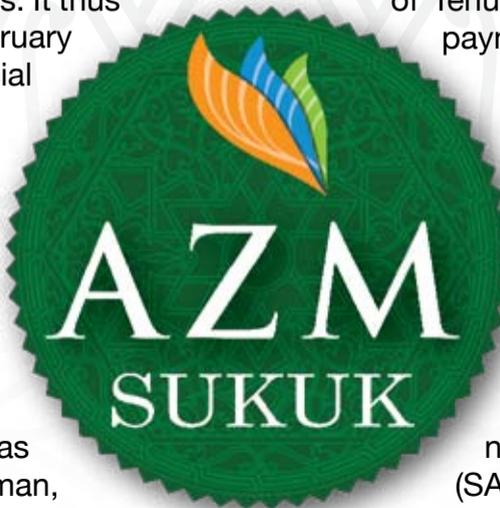
is rated A+ (A plus) by the JCR-VIS Credit Rating Agency Ltd (JCR-VIS) and also by the Bahrain-based International Islamic Rating Agency (IIRA).

The Azm Sukuk is offered under three different options in terms of Tenure, Profit/Rental and Frequency of Profit/Rental payment.

The response to the Sukuk Issue was overwhelming and, within 12 business hours, it was sold out. This was made possible by the financial stability that has been built through KE's significant transformational strides over the last 5 years under the Abraaj management.

KE also received Islamic Instrument IPO award for the Sukuk at an annual IPO summit organized by the South Asian Federation of Exchanges (SAFE) on January 31, 2014.

As a part of the KE marketing campaign related to the Sukuk issue, Junaid Jamshed, a renowned religious celebrity, was also brought on board to endorse the Sukuk.



FAMILY FUN GALA BRINGS JOY

The KE Family Fun Gala was held at the Karachi Expo Centre on February 1 and 2. Some 31,000 guests participated in the gala, representing KE employees and their families. The Gala proved to be the most impressive and remarkable event in KE's history

Three halls at the Expo Centre were dedicated to the KE Family Fun Gala. Of these two were allotted to children and their fun activities while one housed the entertainment part. Among the halls for children's activities, Hall 2 and 3 featured various forms of fun and games, including rubber castles, slides and other activities such as magic show, target shooting, face painting, video games, demonstration of making pots from fresh clay and fine art.

In the entertainment Hall, TV artiste Sahir Lodhi welcomed various entertainers and comedians on stage as well as KE families who presented some lovely music performances. Along with music, the show was interspersed with question and answer sessions and the participants received prizes in the shape of Q-Mobile sets, expensive dinner sets, food factories, bicycles, PC tablets and garments. The grand prize comprised 2 motorcycles, which were won through a draw and were presented to the winners by the KE CEO, Nayyar Hussain.

Speaking on the occasion, he said: "I am happy to note that the KE staff are participating in this Family Gala with such discipline and enthusiasm and are behaving just like one family. It is with the same discipline and harmony that we have to move forward. We will together turn this city once again into a City of Lights. I thank you all for your discipline and patience."

A large food court outside the hall featured food and drinks for the guests where delicious biryani, zarda, burgers and drinks were served by the KE management.

The Family Gala concluded with an impressive fireworks display.



MOU TO SET UP GRID AT MALIR ARMY HOUSING COLONY



K-Electric agreed to facilitate the Pakistan Army housing colony in Malir by providing connections of 4 to 70 MW under a Memorandum of Understanding. The Army will finance a new 40 MVA power transformer at Malir Grid to increase its capacity and to finance a new Common System

Grid. The Army has provided a plot to KE for building its offices and the Grid station.

Speaking at the MoU signing ceremony, Major General Imran Zafar, DG, Housing Directorate at the Army GHQ, expressed gratitude to KE for providing a quick and permanent solution to the Army housing project's power needs for the next 15 years.



CEO KE, Mr. Nayyer Hussain said that KE had been playing a significant role in moving the wheels of Pakistan's economic hub for a century. In order to power the lives of Karachiites, it had worked diligently to provide uninterrupted supply of energy. Mr. Amir Zafar, KE's Director, DS&P, said that since industry and other corporate customers had a vital role in running the economy of the country, the company had established a separate Corporate Customer Desk at the BBD within the Directorate of Distribution Strategy & Planning.

KE AGAIN WINS CSR AWARD FOR 2014

K-Electric received the Corporate Social Responsibility Award 2014 from the National Forum for Environment and Health in recognition of the utility's support to the education and youth platforms through its various Social Investment initiatives.



The award ceremony was held at a local hotel on Feb 20, which marked the end of the 6th International CSR Summit. As many as 40 winners received awards including corporate and industrial heavyweights such as Procter & Gamble, Lucky Cement, Nestle and Fauji Fertilizers that were awarded for categories like Engagement & Communications; Social Impact; Collaboration & Partnership; and Business Practices.

The day-long summit featured expert speaker sessions, seminars, case studies and panel discussions. Several notable speakers representing diplomatic services and the social, corporate and industrial sectors participated, including Javed Jabbar, Dr. Tilo Klinner, Christopher Thomas, Shireen Naqvi, Parvaiz Ghias and Saad Amanullah Khan. They addressed a range of topics revolving around the sustainable development of Pakistan and the role that can be played by the different stakeholder groups.

4 TO 8 MW ELECTRICITY FOR ATLAS BATTERY

K-Electric signed an MoU with Atlas Battery Limited to supply to the company 4 to 8 MW of electricity. This will meet the future requirements of Atlas Battery. When the company's power requirements increase, it will construct its own Grid station for more power supply from KE. At present, Atlas will finance a 40 MVA power transformer to upgrade its grid capacity in SITE.

Speaking at the MoU signing, Mr Talha Saad, MD, Atlas Battery, said the company was earlier contemplating self-generation but had now decided to meet its power requirements through KE.



KE CEO, Mr. Nayyer Hussain said that KE had been playing a

significant role to power the lives of the people of Karachi and always worked to provide uninterrupted power supply to the City of Light.



Mr. Amir Zafar, KE's Director Distribution Strategy & Planning, said KE was well aware that industrial growth depended on uninterrupted power supply and had exempted all major industries from load-shedding. Mr. Muhammad Taha, CDO, said KE kept in close touch with its corporate customers.



ANNUAL SAFETY LEADER AWARD 2013

In line with the K-Electric Safety Reward & Reprimand Procedure, a safety competition is held every year amongst various departments and the Safety Trophy is given to leaders. This trophy is won by those departments, regions and plants that work on defined safety and environment standards, outperform others, promote a safety culture and move towards the company's vision of "Zero Fatalities."



The sole criterion for selecting the winner is linked to safety performance, which is calculated on basis of Safety Initiatives taken by a Region/Department such as compliance to safety audits, awareness/ training sessions conducted, tool box talks, safety walks, near miss reporting, departmental/regional safety committee meetings and involvement of top tiers of management.



EARTH HOUR OBSERVED

KE, in line with its commitment to providing clean, reliable and affordable energy, reaffirmed its commitment to climate change on the occasion of Earth Hour, a worldwide event organized by the World Wildlife Fund (WWF). The earth Hour was held on March 29, 2014 this year.

KE has played a proactive role in observing Earth Hour in collaboration with the Sindh Ministry of Environment and Alternative Energy and the WWF for the past four years. Through mass campaigns and distribution of knowledge-based materials, KE's Energy Conservation Department has encouraged households and



businesses to turn off their non-essential lights and appliances for one hour as a symbolic observance of the event.



KE has adopted a balanced and responsible policy towards energy conservation in its core business operations that reduce carbon emissions and ensure social and environmental gains. KE's holistic approach aims at expanding its current generation

portfolio by 15 percent through renewable energy and various energy efficiency initiatives over the next five years to mitigate climate change and reduce the carbon footprint.

MAXIMIZING ADVANCED METERING INFRASTRUCTURE

KE and InfoTech Pakistan Limited (IPL) entered into an agreement to implement a Smart Grid Technology Platform. This platform will allow the company to maximize its Advance Metering Infrastructure (AMI) capability with proper network management. The key components of the initiative are Oracle Utilities Meter Data Management and Oracle Utilities Network Management System which will be integrated with KE's recently implemented SAP Industry Solution for Utilities (SAP IS-U).

The platform will allow maximization of the Advance Metering Infrastructure (AMI) capability with proper network management, which will help improve monitoring of the overall electri-

cal network leading to reduction in energy losses and better management of recoveries. The system will also proactively address network performance issues, enhance distribution planning capability and improve outage management, thus leading to better customer service. In the initial phase, Smart Meters will be installed for some 10,000 customers in selected areas of Karachi.

Speaking at the agreement signing ceremony, KE CEO Nayyer Hussain said, "This project will be key in enabling the power utility to continue its turnaround and establish itself as a commercially feasible and the best-in-class utility."

ENERGY CONSERVATION DRIVE

KARACHI LITERATURE FESTIVAL

The 5th Karachi Literature Festival was held at the Beach Luxury Hotel from February 7 to 9 and KE's Energy Conservation Department participated in it.

The KE team gave hands-on practical demonstrations about energy saving and conservation and showed how energy efficient appliances could be used. It displayed its new demonstration board which shows the comparison between conventional and energy-efficient lights. This was also the first time when the KE Digital Kiosk was displayed to the visitors.



Chairman KE, Tabish Gauhar appreciated the company's efforts in catering to a diverse range of consumers. Nayyer Hussain, CEO KE, visited the activity area and praised the efforts of the Energy Conservation Department.

To gather data from consumers, a survey form was distributed among the visitors, based on their feedback, comments and other important information on energy conservation.

BTL ACTIVITY AT SIR SYED UNIVERSITY

A one-day below-the-line (BTL) activity was successfully conducted by the KE Energy Conservation Department at the Sir Syed University of Engineering & Technology (SSUET) on March 10. Engr. Adil Usman, Vice Chancellor Sir Syed University inaugurated the event.



KE's EC team briefed students and faculty about their Digital Kiosk which was powered through solar panels. The event was greatly appreciated by the Vice Chancellor, Dean Engineering, Chairman of Faculties and senior members of the faculty. The KE team provided engineering-based knowledge to 5000 students and teachers.

The Energy Conservation Department also conducted a 3-hour workshop in collaboration with the SSUET Civil Engineering Department, which was attended by more than 500 students of Civil Engineering and Architecture, in addition to faculty members, to raise awareness about the importance of Energy Conservation.

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Junaid Rehman @Jay_R39

@KElectricPk Presenting transformation of KE's public image and sublime utilization of your twitter account in my consumer behaviour class.



syed mugheer atif @mugheeratif

@PTCLOfficial should learn from @KElectricPk seriously



Adeel @adeel7327 عدیل احمد

Power Restored in Half an hour... Thanks



Muhammad Faisal @faisalusuf

@KElectricPk we appreciate ur efforts and remember our responsibilities to help u guys to hunt thieves and ontime bill payments



hassan khan @hassanyarkhan

I'm sure every karachite will support you in catching KUNDA USERS



Salman Anwer Habib @salmananwer3

Really impressive customer care & quick response service by @KElectricPk now we can say we are moving towards change




 AZM SUKUK
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THANK YOU FOR HELPING US ACHIEVE ANOTHER RECORD

We are deeply grateful to our valued subscribers of AZM SUKUK for investing in K-ELECTRIC.

We are also extremely thankful to our partner banks, stakeholders, Government of Pakistan (Ministry of Water & Power and Ministry of Finance), SECP and Karachi Stock Exchange.

We believe this awe-inspiring success has been made possible because of the trust you have reposed in K-ELECTRIC. On this triumphant occasion, we pledge to strive even harder to honour and uphold our resolve.

