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PART III

Other Notifications, Orders, etc.

GOVERNMENT OF PAKISTAN MINISTRY OF PRIVATISATION PRIVATISATION COMMISSION

Islamabad, the August 23, 2007

NOTICE

No. UBL-GDR/F&U/PC/07. **Whereas** the Privatisation Commission is required to publish by notice in the official Gazette each privatisation transaction, vide Section 26 of the Privatisation Commission Ordinance, 2000.

Whereas the Privatisation Commission has completed the divestment of 25% equity of the United Bank Limited (“**UBL**”) through an international offering of Global Depository Receipts (“**GDRs**”).

Now, therefore, in pursuance of the aforesaid provisions of the Privatisation Commission Ordinance 2000 and in exercise of powers enabling on that behalf, the Privatisation Commission hereby publishes this notice.

Section A *Summary Description of the Transaction.*

The Cabinet Committee on Privatisation (“**CCOP**”), in its meeting held on October 30, 2006, approved a proposal for the divestment of 14 % to 20 % of UBL’s equity through a GDR offering. However after reviewing the demand level and on the PC Board recommendations, the CCOP on June 12, 2007 enhanced the size of the proposed divestment to the range of 20% to 30%.

Pursuant to the CCOP’s approval and in accordance with the Hiring of Financial Advisor’s Rules 2007, a financial advisor (“**FA**”) was appointed on April 26, 2007.

After carrying out due diligence of UBL, the FA prepared a detailed marketing and road show plan in consultation with the senior management of UBL.

The bank management together with the FA held roadshows in global financial centres including Hong Kong, Singapore, London, Dubai and New York from June 15, 2007 to June 22, 2007. During this period, The institutional offering through the bookbuilding was carried out from June 15, 2007 to June 22, 2007. The marketing effort succeeded in generating a demand of US\$ 2.5 billion (at PKR180 per shares) and US\$ 1.2 billion (at PKR195 per share).

Price sensitivity was witnessed in the demand book, as 72.6% of the demand is at or below PKR 195 per share (5.3% discount to UBL's June 22, 2007 closing price of PKR 206 per share on Karachi Stock Exchange).

On the PC Board recommendation the CCOP approved the final offering size of 202,343,752 shares (25% of the share capital of UBL), which comprises 50,585,938 GDRs at four shares per GDR at Rs.195 i.e. US \$ 12.8543 per GDR.

The GDR was attractively priced at approximately five times to book value per share which was higher than the valuation of similar transactions elsewhere.

Out of the total proceeds of \$ 650.24 million, \$ 400 million (against demand of \$ 643 million) was allocated to institutional investors and \$ 250.24 million (against demand of \$ 572 million) to the strategic owners.

Break-up of allocation of GDRs by region of origin of the investors is as follows:

<u><i>Institutional Allocation by Region</i></u>	<i>GDRs</i>
Strategic investors (the Group of investors that Presently controls the management of UBL).	19,448,738
Other Institutional Investors	
USA	6,640,000
Europe	16,815,000
Asia	6,863,200
Middle East	819,000
Total	50,585,938

Conditional trading of the UBL GDR on the London Stock Exchange began on June 25, 2007 and full trading commenced on June 29, 2007.

The GDRs were sold in two parts. On June 29, 2007, 21.74% (175.95 million) shares of UBL were divested with total proceeds of \$565.43 million. On July 13, 2007, another 3.24% (26.39 million) shares were divested pursuant to a stabilization agreement with the Financial Advisor for total proceeds of \$84.81 million.