



CENTURY PAPER & BOARD MILLS LIMITED

CORPORATE DEPARTMENT

LAKSON SQUARE, BLDG. NO. 2, SARWAR SHAHEED ROAD, KARACHI - 74200, PAKISTAN.

TEL: 569 8000, FAX : 92-21-568 4336 & 568 3410, Website : www.centurypaper.com.pk, E-mail : mansoor-ahmed@centurypaper.com.pk

13 February 2009

✓ The General Manager
Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building
Stock Exchange Road
Off: I.I. Chundrigar Road
KARACHI.

FAX NOS. 111 573 329
HAND DELIVERY

The General Manager
Lahore Stock Exchange (Guarantee) Limited
19, Khayaban-e-Aiwan-e-Iqbal
LAHORE.

FAX NOS. 042-111 441 441
THROUGH COURIER SERVICE (TCS)

Dear Sirs,

FINANCIAL RESTRUCTURING

We have to inform you that the Board of Directors of the Company, in their meeting held on 13 February 2009 at 10: 30 a.m. at the registered office of the Company at Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi has recommended an increase in the paid up share capital of the Company by way of issuance of preference shares either through rights offering or direct placement with sponsor shareholders, subject to appropriate approval of the Shareholders and the SECP, and upon such terms and conditions and features to be proposed by the Board of Directors and approved by the shareholders.

The purpose of the increase of paid up capital would be to essentially convert existing debt of the Company into equity by repaying some of the loans and reducing short term working capital. These actions will improve the financial ratios and facilitate compliance of obligations with the lenders.