

**KARACHI STOCK EXCHANGE LIMITED**

KSE/N-1595

**NOTICE**

March 14, 2013

Reproduced hereunder Financial Projections received from CENTURY PAPER & BOARD MILLS LIMITED, for information of TREC Holders of the Exchange.

(Copy of the same is also available on our Website [www.kse.com.pk](http://www.kse.com.pk)).

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**Annexure**

Board of Directors' Meeting dated February 22, 2013  
Information on Right Issue of Ordinary Shares for Stock exchanges

**1) NEED FOR ISSUE OF RIGHT SHARES AND ITS BENEFITS TO THE COMPANY**

The Century Paper & Board Mills Limited ("Century") has announced the present right issue to cater for partial redemption of preference shares along with proportionate cumulative dividend thereof. The Century has cumulative and redeemable preference share capital of Rs. 3,004.046 million (300,404,561 preference shares of Rs. 10/- each) along with cumulative preference dividend in arrears of Rs. 1,231.494 million at December 31, 2012.

These preference shares were issued on 6<sup>th</sup> November 2009 as right shares in the proportion of 4.25 preference shares for every Ordinary Shares held. Preference shares carried coupon rate of 13%. The dividend payable is cumulative and become due as and when declared by the Company.

Although, Company has shown better profitability for last two years, but no dividend on preference shares has been paid yet due to liquidity and reserve constraints. However, it has to be paid before any distribution to the ordinary shareholders.

These right shares will increase the Ordinary Share capital to support the expanding asset base of the Company. Moreover, redemption through right shares needs appropriation of reserves upto dividend payments only. Redemption of preference shares will reduce fixed preference dividend thus increase earnings attributable to Ordinary Shareholders.

  
Iqbal Ali Lakhani

  
Zulfiqar Ali Lakhani



