

**CHERAT PAPERSACK LIMITED**

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CPL/AMF/022
September 19, 2007

- i) The General Manager
Karachi Stock Exchange
(Guarantee) Limited
Fax: 2415763 & 2437560
- ii) The Secretary
Lahore Stock Exchange
Guarantee Limited
Fax: 042 - 6368484 - 5

Dear Sirs,

Re: **MAJOR ANNOUNCEMENT**
EXPANSION OF PRODUCTION CAPACITY

We would like to inform our shareholders that in order to meet the growing demand for paper bags from the cement industry, the company has decided to install a fourth line of tuber/bottomer, which will increase its total production capacity from 160 million bags to 265 million bags per annum. Order for the equipment has been placed with Newlong - Japan and the additional capacity will be online by December 2008.

With this enhanced capacity, the company will be suitably placed to meet the continued rise in demand for paper bags and further improve its efficiency.

Yours sincerely,
For Cherat Papersack Ltd.

Amer Faruque
Chief Executive

