



# PACKAGES LIMITED

FAX # 111-573-329

Sec/336/2012

Karachi  
18 September 2012

The Secretary  
Karachi Stock Exchange  
(Guarantee) Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir,

Packages Limited hereby announces that its Board of Directors has resolved to sign an agreement to start a 50/50 joint venture ("JV") with Stora Enso OYJ Group of Finland in its 100% wholly owned subsidiary Bulleh Shah Paper Mill (Private) Limited ("Company").

Stora Enso is the second largest paper & board producer in the world. Their initial shareholding will be 35% by way of subscription to right shares with a commitment to increase the shareholding to 50% at a later stage subject to certain conditions being met.

The JV will include operations in Kasur Mills (paperboard and corrugated packaging) and Karachi (corrugated packaging).

The main reason for Packages in going for this joint venture is that it gives its paperboard and corrugated packaging businesses core focus and access to Stora Enso's technology as well as an opportunity of being a regional player.

The target of the joint venture is to serve key local and multinational brand owners in Pakistan with packaging products such as liquid packaging board, folding boxboard and corrugated packaging. Also the JV will continue with its extensive investment program to further improve its product quality and competitiveness including new alternate fuel based boiler investment.

The agreed value for 100% of the joint venture company is USD 107.5 million on a cash and debt free basis with additional equity to be subscribed by Stora Enso, through right shares in the joint venture company of USD 17.5 million, based on the financial results of H2 2012 and H1 2013. Its sales are forecast to be approximately USD 130 million in 2012. Packages shall continue to hold minimum 50% ownership and future profits of the JV.

