



PACKAGES LIMITED

FAX # 111-573-329

Sec/244/2013

Karachi
31 May 2013

The Secretary
Karachi Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir,

Packages Limited announces start of Joint Venture with Stora Enso

In continuation of our earlier communication dated 18 September 2012 on the captioned, Packages Limited hereby announces the start of a joint venture ("JV") with Stora Enso OYJ of Finland in its 100% wholly owned subsidiary Bulleh Shah Packaging (Private) Limited (formerly Bulleh Shah Paper Mills (Private) Limited) ("Company"). Stora Enso's 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 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. Packages shall continue to hold at least 50% ownership and future profits of the JV.

