

CROSS RELEASE PXUPA

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EXECUTIVE APPOINTMENTS

The Board of PaperlinX is pleased to announce the following appointments which have been made after careful consideration of the needs of the business, the Company's legacy management issues and the challenging business environment faced by our business, particularly in Europe.

1. Appointment of Chief Executive Officer

Mr David Allen who was acting as the Interim Chief Executive Officer since August 2012 has been appointed as PaperlinX's Chief Executive Officer effective today.

Mr Allen joined PaperlinX in 2004 and previously served as Managing Director of the Robert Horne Group in the UK and subsequently as Executive Vice President of PaperlinX with responsibility for the UK, Ireland and Canada. Mr Allen's earlier background was in corporate and product strategy, sales and marketing and general management in a range of sectors including abrasives, industrial diamonds and automotive with Saint-Gobain, Unicorn international and the Rover Group.

In commenting on Mr Allen's appointment, the Chairman, Mr Michael Barker, said that "The Board has complete confidence that Mr Allen is the person who can continue this rapid restructuring and return PaperlinX to profitability in the shortest possible time. Since Mr Allen's appointment as the Interim Chief Executive Officer, we have identified and are implementing A\$15 million of cost saving initiatives."

Mr Allen's remuneration comprises a fixed component of £420,832 which may be increased to £450,774 on 1 July 2013, subject to meeting certain financial criteria. The short term incentive ("Incentive") for Mr Allen under the PaperlinX incentive plan comprises both cash and equity component. The Incentive is based on 50% EBIT, 25% Return on Funds Employed and 25% Special Projects. The maximum annual reward of up to a 100% (75% equity and 25% cash) will only be paid if outstanding performance is achieved by both PaperlinX and Mr Allen, and the percentage will be pro-rated as appropriate. In addition, the Incentive will not be paid if certain specific safety targets are not met.

The equity component is deferred for a further two year service period following measurement of performance and reward is provided in the form of shares in PaperlinX Limited.

Mr Allen's employment arrangements do not contain a fixed term and can be terminated by PaperlinX on 12 months' notice or payment in lieu of notice. His employment may be terminated immediately and without notice on the grounds of misconduct, dishonesty or breach of duty.

Mr Allen can terminate his employment on 6 months' notice.

Relevant details of these remuneration arrangements will be in the 2013 Remuneration Report

2. Appointment of Chief Financial Officer

Mr Joost Smallenbroek has been promoted to the position of Chief Financial Officer for the PaperlinX Group effective today.

Mr Smallenbroek, a resident of The Netherlands, joined PaperlinX in 2004 and is currently Corporate Finance Director for PaperlinX Europe, leading Treasury, Tax and M&A functions in that area. His earlier background was as an international tax adviser with Coopers and Lybrand (now PwC) and Ernst and Young.

Based in Continental Europe, the new CFO will be well positioned to focus on the Company's under-performing businesses in that region.

"Mr Smallenbroek has a thorough understanding of the issues facing our business and has exhibited the qualities, which this Board believes, are necessary to return our business to profitability," said the Chairman.

Mr Andrew Price will continue in his role as Executive Director to assist the Executive team in restructuring for the foreseeable future.

In summary, Mr Barker, said "These appointments, along with many other restructuring initiatives, place PaperlinX in the best possible position to deal with a difficult market and legacy management issues. In particular we are pleased to be promoting experienced Executives from within the business. The Board is delighted with the new structure and quality of the Executive team now in place and believes we have an excellent opportunity to restore value in this business. It was apparent to the new Board, almost immediately that in order to turn the Company around there had to be a major cultural shift within. A key element of this shift is the complete redesign of the remuneration scheme. Our remuneration system now ensures that shareholder returns are the priority."

For further information, please contact:

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