

CROSS RELEASE PXUPA

18 September 2013

PAPERLINX MANAGEMENT CHANGES

The PaperlinX Board announced today that effective immediately Mr Andrew Price has been appointed Managing Director and Chief Executive Officer. Mr Dave Allen has stepped down as the Group's Chief Executive Officer but will remain with the Company until 31 December 2013 to assist with special projects and to work with Mr Price on transition.

Mr Robert Kaye SC, Chairman of PaperlinX said "Significant progress has been made over the last 12 months as the Company restructures its business globally in the face of a declining paper market, while simultaneously focusing on developing its diversified businesses. We would like to thank Dave for his valuable contribution to the turnaround efforts at PaperlinX over the last 12 months.

"We are pleased that Andrew has accepted the role of Managing Director and Chief Executive Officer. Since his appointment as an Executive Director in November 2012, he has been working closely with management, particularly in Europe, to accelerate the restructuring initiatives. Accordingly, the Board is confident that Andrew will be able to return PaperlinX to profitability in the shortest possible time."

In commenting on his appointment Mr Price said "I am excited about the future of PaperlinX and look forward to building on the good work started by Dave Allen, as we move towards a sustainably profitable business in a very difficult market".

In accordance with the terms of Mr Allen's employment contract and the limits imposed by the Corporations Act, Mr Allen will receive a termination payment of 12 months in lieu of notice, plus statutory entitlements such as outstanding annual leave.

Mr Price has entered into an employment agreement that comprises the following key terms:

- A remuneration package that includes a fixed component of A\$751,000. He will also receive rental assistance whilst he is seconded to the United Kingdom.
- A short term incentive plan ("Incentive") comprising both a cash and equity component. The Incentive is based on achieving targets for earnings and working capital. The maximum annual reward of up to a 100% of his Total Fixed Remuneration (75% equity and 25% cash) will only be paid if outstanding performance is achieved by both the Company and Mr Price, 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 of the Incentive is deferred for a further two year service period following measurement of performance, and reward is provided in the form of ordinary shares in PaperlinX Limited.

- As announced in February 2013, Mr Price will participate in an Options Plan.
- The initial term of Mr Price's agreement extends to April 2015. Mr Price can terminate the agreement on 6 months' notice. The agreement can be extended upon mutual agreement. The agreement may be terminated immediately and without notice on the grounds of, but not limited to, misconduct, dishonesty or breach of duty.

For further information, please contact:

Mr Wayne Johnston
Deputy Chief Financial Officer and
Executive General Manager Corporate Services
PaperlinX Limited
Phone : +61 (3) 9764 7393