

**CROSS RELEASE PXUPA
ASX RELEASE**

22 October 2013

**RESPONSE TO REQUEST BY MINORITY GROUP OF PAPERLINX STEP-UP
PREFERENCE SECURITY (HYBRID) UNITHOLDERS TO AMEND PAPERLINX
SPS TRUST CONSTITUTION**

PaperlinX Limited (“**PaperlinX**”, or the “**Company**”) notes the announcement made by The Trust Company, as responsible entity for the PaperlinX SPS Trust (“**RE**”), on 21 October 2013 in relation to a request the RE received from a minority group of Hybrid unitholders to hold a general meeting to consider a special resolution (“**Resolution**”) to amend the constitution of the PaperlinX SPS Trust (“**Constitution**”). The announcement has proposed a meeting date for PaperlinX SPS Trust Members on 2nd December 2013.

PaperlinX is not supportive of the proposed amendments and is firmly of the view that these amendments are incapable of execution without its support. The announcement made by the RE states that the Resolution can only take effect if it is also approved by a special resolution of SPS holders and PaperlinX Limited as holder of the ordinary unit in the Trust in separate class meetings.

Furthermore, the RE states the Constitution also provides that members may not exercise their rights under the Constitution to vary the Constitution in a manner in which PaperlinX, as the ordinary unitholder, reasonably considers, and notifies The Trust Company, may adversely affect its interests without its consent.

This action taken by a minority group of Hybrid unitholders carries further cost and disruption to the Company. The proposed amendments only serve to undermine the efforts of the Company to execute its turnaround initiatives and simplify the existing capital structure to assist with the operational recovery.

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