

CROSS RELEASE PXU

22 January 2014

**Off-market takeover bid by PaperlinX Limited for
PaperlinX SPS Trust (ASX Code: PXU)****Variation of takeover bid by extension of Offer Period, new date for giving notice
of status of conditions and satisfaction of tax ruling condition**

We refer to the off-market takeover bid (**Offer**) by PaperlinX Limited (**PaperlinX**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all of the step-up preference securities in the PaperlinX SPS Trust.

PaperlinX has today extended the offer period under its Offer from 7pm (Sydney time) on 29 January 2014 to **7pm (Sydney time) on 28 February 2014 (unless further extended)**. Despite certain media reports overnight, PaperlinX has not made any decision about whether the Offer will be extended beyond 28 February 2014 or whether it will close at that time. PaperlinX reserves its rights to extend the Offer further.

The new date under the Offer for giving notice of the status of bid conditions is 21 February 2014.

We attach:

- A letter from the PaperlinX Chairman;
- a Notice of Variation extending the offer period, under section 650D of the Corporations Act; and
- a Notice of the new date for giving notice of the status of conditions, under section 630(2) of the Corporations Act.

PaperlinX also announces that it has satisfied the Tax Ruling Condition, set out in clause 10.12(a) of its Bidder's Statement dated 5 December 2013.

For further information, please contact:**Investors**

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ASX RELEASE

22 January 2014

Dear PaperlinX SPS Unitholder,

On 18 October 2013, PaperlinX announced its intention to make an off-market takeover offer for all of the PaperlinX step-up preference securities (**PaperlinX SPS Units**) in the PaperlinX SPS Trust.

PaperlinX is offering you the opportunity to receive 250 PaperlinX Shares for every PaperlinX SPS Unit you hold.

The PaperlinX Board has extended this Offer to 7pm (Sydney time) on 28 February 2014 from the original closing date of 29 January 2014. In addition, PaperlinX has removed one of the Offer conditions relating to a tax ruling after receiving a favorable ruling from the ATO.

Full acceptance of the Offer would result in PaperlinX SPS Unitholders owning approximately 54% of the combined PaperlinX Group in aggregate and, as PaperlinX shareholders, being able to share in any benefits achieved. These benefits were outlined in detail in our Second Supplementary Bidder's Statement issued on the 24 December 2013, which is available on PaperlinX's website at www.paperlinx.com. The PaperlinX Board is of the view that the Offer is attractive and strongly encourages you to accept the Offer as soon as possible.

A number of events have occurred since PaperlinX announced its intention to make a takeover offer, that continue to highlight the complexity of the PaperlinX SPS Units and the conflicting rights between the PaperlinX SPS Trust and the company. These include:

- An unsuccessful attempt by a minority group of PaperlinX SPS Unitholders to change the constitution of the SPS Trust
- An application by Coastal to the Takeovers Panel in relation to the PaperlinX SPS Trust (on which the Panel has declined to conduct proceedings)

The Board strongly supports the view that a simplification of PaperlinX's capital structure is in the best interests of both PaperlinX SPS Unitholders and PaperlinX's Shareholders and fundamental in unlocking value and accelerating PaperlinX's ability to successfully implement an operational turnaround and introduce company transforming initiatives. The Board believes that the Offer made to PaperlinX SPS Unitholders is attractive, taking into account the relative market value of the PaperlinX SPS Units and the PaperlinX Shares.

On 23 December 2013, PaperlinX announced further details on the progress of its restructure strategy and reaffirmed its market guidance that it expects to be marginally profitable at the underlying EBIT level by the end of FY 2014.

If you have questions or require assistance please contact our information line on 1300 396 150 (local call cost for callers within Australia) or + 61 3 9415 4261 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Sydney time).

You now have until 7pm (Sydney time) on 28 February 2014 to consider the Offer and make your decision. The Board believes that the Offer is attractive and strongly encourages you to accept the Offer as soon as possible.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Robert Kaye', with a horizontal line underneath.

Robert Kaye SC
Chairman
PaperlinX Limited

PaperlinX Limited (ACN 005 146 350)

Notice of Variation extending the Offer Period

To: Australian Securities and Investments Commission (*ASIC*)

And to: The Trust Company (RE Services) Limited (ACN 003 278 831), as responsible entity of the PaperlinX SPS Trust (ARSN 123 839 814) (*Trust*)

This notice is given by PaperlinX Limited (*PaperlinX*) in relation to the offer made by PaperlinX in the bidder's statement (*Bidder's Statement*) dated 5 December 2013 (*Offer*), as supplemented by supplementary bidder's statements dated 20 December 2013 and 24 December 2013, for all of the step-up preference securities in the Trust.

PaperlinX gives notice under section 650D of the *Corporations Act 2001* (Cth) that it varies the Offer by extending the Offer Period (as described in the Bidder's Statement) so as to change the close of the Offer Period from 7pm (Sydney time) on 29 January 2014 to 7pm (Sydney time) on 28 February 2014.

The Offer is varied by replacing all references to "29 January 2014" with "28 February 2014" in the Bidder's Statement.

Unless the context requires otherwise, defined terms in this notice have the same meaning as in the Bidder's Statement.

A copy of this notice was lodged with ASIC on 22 January 2014. ASIC takes no responsibility for the contents of this notice.

This notice is dated 22 January 2014.

Signed for and on behalf of PaperlinX in accordance with a resolution of the directors of PaperlinX.



Robert Kaye SC
Director
PaperlinX Limited



Michael Barker
Director
PaperlinX Limited

PaperlinX Limited (ACN 005 146 350)

Notice of new date for giving notice on status of Conditions under section 630(2) of the *Corporations Act*

To: ASX Limited (*ASX*)

And to: The Trust Company (RE Services) Limited (ACN 003 278 831), as responsible entity of the PaperlinX SPS Trust (ARSN 123 839 814) (*Trust*)

This notice is given by PaperlinX Limited (*PaperlinX*) in relation to the offer made by PaperlinX in the bidder's statement (*Bidder's Statement*) dated 5 December 2013 (*Offer*), as supplemented by supplementary bidder's statements dated 20 December 2013 and 24 December 2013, for all of the step-up preference securities in the Trust.

The date for giving a notice on the status of the Conditions set out in clause 10.12 of the Bidder's Statement has been postponed by operation of section 630(2) of the *Corporations Act 2001* (Cth). The new date for giving a notice on the status of those Conditions is 21 February 2014.

As at the date of this notice:

- (a) the Tax Ruling Condition, set out in clause 10.12(a) of the Bidder's Statement, has been fulfilled; and
- (b) PaperlinX has not freed the Offer from any of the Conditions set out in clauses 10.12(b) or 10.12(c) of the Bidder's Statement.

Unless the context requires otherwise, defined terms in this notice have the same meaning as in the Bidder's Statement.

This notice is dated 22 January 2014.

Signed for and on behalf of PaperlinX.



Robert Kaye SC
Director
PaperlinX Limited