

7 March 2007

ASX ANNOUNCEMENT

PAPERLINX ANNOUNCES THE COMPLETION OF THE BOOKBUILD FOR PAPERLINX STEP-UP PREFERENCE SECURITIES

PaperlinX Limited today announced the completion of the bookbuild for the PaperlinX Step-up Preference Securities ("PaperlinX SPS") ("the Offer"). The Offer size is \$250 million, with the ability to accept oversubscriptions of up to a further \$50 million.

The bookbuild has been successfully completed and the Distribution Rate will be set at a margin of 2.40% over the 180 day Bank Bill Swap Rate on the Issue Date which is anticipated to be 30 March 2007.

A replacement product disclosure statement ("PDS") dated 7 March 2007 was lodged with ASIC today.

Offer Now Open

The Shareholder Priority and General Offers have now opened and are expected to close on 23 March 2007. The Broker Firm Offer has now opened and is expected to close on 27 March 2007.

Investors wishing to apply for PaperlinX SPS should read and carefully consider the PDS, then complete and lodge the Application Form and application monies according to instructions set out in section 3 of the PDS. The Application Form is attached to the PDS, which is available online at www.paperlinx.com or by phoning the PaperlinX SPS Information Line on **1300 738 908** (8.30am to 5.00pm Monday to Friday, AEDT). Application monies may be lodged by cheque, money order or online with BPay®.

Timetable

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| Product Disclosure Statement lodged with ASIC | 22 February 2007 |
| Bookbuild to determine margin | 6 March 2007 |
| Margin announced and Replacement Product Disclosure Statement lodged with ASIC | 7 March 2007 |
| Broker Firm, General and Shareholder Offer Priority Opening Date | 7 March 2007 |
| General and Shareholder Priority Offer Closing Date | 23 March 2007 |
| Broker Firm Offer Closing Date | 27 March 2007 |
| Issue Date | 30 March 2007 |
| PaperlinX SPS commence trading on ASX on a deferred settlement basis | 2 April 2007 |
| PaperlinX SPS commence trading on ASX on a normal settlement basis | 5 April 2007 |
| First Distribution Payment Date | 30 June 2007 |
| First Remarketing Date | 30 June 2012 |

These dates are indicative only and are subject to change.

Structurer, Lead Manager and Bookrunner

Macquarie Equity Capital Markets Limited has been appointed as Structurer, Lead Manager and Bookrunner to the Offer.

Co-managers

Co-managers to the offer are:

- ABN AMRO Morgans Limited
- ANZ Securities Limited
- Grange Securities Limited
- Macquarie Equities Limited
- National OnLine Trading Limited

For further information please call the PaperlinX SPS Offer Information Line on 1300 738 908.

For any media related enquiries please contact David Shirer, Executive General Manager Corporate Affairs, on Ph: +61 (3) 8540 2302.