

PRESS RELEASE

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DUTCH RESTRUCTURE FURTHER STRATEGIC STEP FOR PAPERLINX

PaperlinX Europe have announced a restructuring of its three Dutch fine paper merchants. The restructure involves the integration of back office services to realise synergies while continuing to provide its customers with extensive service and product offering. The changes will be phased in over the first half of calendar 2006 and are expected to result in approximately 60 jobs being phased out.

This follows the recent announcements of other projects to create value including the establishment of "The Delivery Company" in the UK, the acquisition of Cascades Resources in Canada, and the commencement of the rollout of a common IT platform across Europe.

In announcing the Dutch restructure, PaperlinX CEO Mr Tom Park commented, "This is yet another step in our strategy to deliver value through leveraging the benefits of our global scale, and share best practice across the Group.

"Existing sales offices will remain open to maintain the uniqueness of our customer offerings. The restructure will achieve increased productivity in the back office, and enhance the product offering to customers.

"The restructure strengthens our position in a key market while also supporting our continued leadership position in an increasingly competitive industry."

PaperlinX Europe is Europe's leading fine paper merchant with operations in 19 countries selling around 2.5 million tonnes of paper and generating revenue of around A\$5 billion.

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Editors Note:

PaperlinX is the world's leading fine paper merchant, with businesses in Australia, New Zealand, Asia, North America and Europe. Through its Australian Paper division, it is also the only Australasian producer of high quality communication papers including Reflex, Australia's leading copy paper, and a major Australian producer of high performance packaging and industrial papers.