

PRESS RELEASE

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PAPERLINX ANNOUNCES POTENTIAL EUROPEAN PORTFOLIO CHANGES

PaperlinX has today announced that it is in negotiations with international paper merchant, Antalis, to pursue possible transactions that will allow both companies to better focus their European business portfolios. In two transactions, PaperlinX will purchase Antalis Italian paper merchanting business, Antalis S.p.A, while Antalis will purchase PaperlinX paper merchanting business, Axelium, in France.

Commenting on this announcement, Managing Director of PaperlinX, Tom Park said, "These transactions will strengthen our position in Italy, improving our in-market scale, while also allowing us to exit France where we have not enjoyed sufficient scale to compete at the level we would like."

"PaperlinX is following one of its Core Operating Principles of "strengthening and building off of our existing business platforms". These transactions will allow both companies to focus on areas where they have greater competitive advantage. The decision to sell our business in France has not been an easy one given the dedication of our employees in that country and their efforts made to turn this business around."

The final purchase and selling prices have yet to be agreed and are subject to closing adjustments. These transactions are also subject to various approvals, including Competition Authorities, Works Councils, and final Board approvals of both companies. It is expected that these transactions will conclude, should all conditions be met, within three to four months, with both businesses operating as usual during this period.

For further information, please contact:

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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.