

CROSS RELEASE PXUPA

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PaperlinX Global Operations Restructure

PaperlinX advises that whilst the Company's financial results for the 2011 financial year are still to be determined, the Company expects that its full year statutory loss after tax will be within previous guidance, but nearer the A\$30M loss advised in that guidance. This includes a substantial non cash valuation loss for a foreign currency option but excludes any possible impairment, if necessary.

The Board has approved management undertaking a restructuring process across its global operations which is expected to result in an additional charge of approximately A\$14M pre tax (A\$10M post tax), which will be included in the 2011 financial result. This additional charge is not included in the guidance referred to above. The intended restructuring is expected to produce annual cost savings of approximately A\$17M pre tax in a full year with benefits of approximately A\$14M pre tax in the 2012 financial year.

The restructuring will be funded from existing cash reserves and working capital facilities. The Company's current forecasts indicate that relevant financing covenants will continue to be complied with.

The Company will announce its full year results on 25 August 2011.

For further information, please contact:

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