

9 February 2012

## **REQUISITION FROM SHAREHOLDERS – UPDATE**

On Friday 3 February, as previously announced, PaperlinX Limited was served with a notice requisitioning a general meeting of shareholders to consider resolutions relating to the removal of Mr Harry Boon as a director of the Company and appointing Mr Andrew J Price as a director of the Company. The General Meeting will be held on 23 March 2012 in Melbourne.

The Board acknowledges the Company's poor financial performance. The Company has recently made a number of significant changes: the Board has been reconstituted with the retirement of four directors, the appointment of three new non-executive directors and the replacement five months ago of the former Chairman with Harry Boon. Additionally, Toby Marchant became Chief Executive Officer in November 2010 and he has substantially overhauled and reduced the size of the senior executive team. Further, during this period of leadership change and challenging trading conditions, especially in Europe, the Company has undertaken significant restructuring, dealt with a number of legacy assets associated with past paper manufacturing activities and initiated a Strategic Review.

The Board and management believe they have taken the appropriate steps to stabilize the business and are committed to actions that optimize value for all shareholders. The Board fully supports its current Chairman, Mr Harry Boon.

Further, the Board welcomes input and ideas from its shareholders for improving the fortunes of PaperlinX, in which we share a common interest. To date Mr Price has been unwilling to share his ideas and plans for the Company with us.

PaperlinX will release its interim financial results on 22 February and provide a detailed and comprehensive report on the most current position of its strategic review, status of restructuring activities and capital structure considerations.

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

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