

NEWS RELEASE

Tuesday April 2, 2002

PAPERLINX EXPANDS IN CANADA

In a continuation of the strategic expansion of its North American paper merchanting business, PaperlinX today announced it has reached agreement to acquire La Papeterie L.P. Turgeon Inc ("L.P. Turgeon"), a family-owned distributor of printing and writing papers, based in Montreal, Quebec, Canada. The acquisition will be effective 31 March 2002.

"While of modest size, L.P. Turgeon is an important step in the growth strategy for our North American businesses," said Ian Wightwick, Managing Director of PaperlinX. "L.P. Turgeon has a long history of providing excellent customer service in eastern Canada, and we are very pleased to welcome L.P. Turgeon to the PaperlinX group."

"The addition of L.P. Turgeon now effectively gives us complete geographic coverage in Canada, building on, and complementary to our acquisition of Coast Paper in April 2001," added Mr Wightwick. "The acquisition of L.P. Turgeon fits all our strategic and financial criteria. It will be earnings per share positive in the first full year of our ownership."

Established in 1913, L.P. Turgeon services the Montreal and Quebec City regions of Quebec, which account for around 25% of Canada's printing and writing papers consumption.

L.P. Turgeon has annual sales of approximately C\$50 million, employs approximately 60 people with warehousing operations in Montreal and Quebec City. The acquisition will be funded from existing PaperlinX resources.

A map depicting PaperlinX's North American merchanting locations is attached.

ENDS

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