

PRESS RELEASE

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PAPERLINX AND SAP ANNOUNCE MAJOR PROJECT SUCCESS

PaperlinX and SAP have announced the successful stage 1 implementation of a new suite of SAP applications.

This major project involves new SAP systems for PaperlinX Australia and New Zealand manufacturing and merchanting operations. Functions include the financial and supply chain modules of the R/3 system along with Advanced Planning & Optimisation (APO), Internet Sales, Business Warehouse (BW) and SAP RF-Console for the warehousing operations.

Ian Wightwick, Managing Director of PaperlinX commented, "Our aim is to provide superior customer service, and this project will deliver major supply chain advantages from advanced forecasting, production planning and warehouse management and distribution functions. We expect enhanced customer benefits from this system including:

- Accelerated customer enquiry response
- Improved stock and planned production availability
- Track and trace of despatched paper through the supply chain
- More extensive and timely management reporting."

On 28 September 2002, the new systems "went live" at PaperlinX's Burnie and Wesley Vale paper mills in Tasmania, as well as at downstream operations in converting and warehousing, customer ordering and related transactional systems.

Mr Paul Detering, Director Professional Services of SAP Australia and New Zealand said: "We are pleased to partner with PaperlinX in the successful implementation of an integrated supply chain and financial applications. The new systems have been successfully put in place without any interruption to the continuous production from PaperlinX's Tasmanian paper mills and to customer service".

Ian Wightwick concluded, "This is an important milestone in the project rollout. PaperlinX with SAP now look forward to successfully replicating this roll-out to its Shoalhaven Mill before the end of this year and its Maryvale Mill early in 2003. This will be followed by the roll-out of the new SAP system in the Australian and New Zealand paper merchanting business toward the middle of 2003."

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Editors Note:**About PaperlinX**

PaperlinX is a leading international paper merchant, with businesses in Australia, New Zealand, Asia, North America, the United Kingdom and Ireland. Through its Australian Paper division, it is also the only Australasian producer of high quality communication papers, and a major producer of high performance packaging and industrial papers. The company is listed on the Australian Stock Exchange under the symbol PPX (additional information at <http://www.paperlinx.com.au>).

About SAP

SAP is the world's leading provider of e-business software solutions. Through the mySAP.comR e-business platform, people in businesses around the globe are improving relationships with customers and partners, streamlining operations, and achieving significant efficiencies throughout their supply chains. Today, more than 18,800 companies in over 120 countries run more than 56,000 installations of SAPR software. With subsidiaries in over 50 countries, the company is listed on several exchanges including the Frankfurt Stock Exchange and NYSE under the symbol "SAP" (Additional information at <http://www.sap.com>)