

12 December 2003

AMCOR REDUNDANCY CASE

In a press release issued by Amcor Limited today, Amcor indicated that they were in discussions with PaperlinX regarding the potential impact of contracts surrounding the demerger of PaperlinX and previous arrangements that could impact any allocation of the liability between the two companies.

Amcor has received special leave by the High Court of Australia to appeal a decision by the Federal Court that Amcor is obliged to make redundancy payments to its former employees pursuant to the industrial agreement between Amcor and the CFMEU. PaperlinX confirms that it is in discussions with Amcor, but no orders have been made against PaperlinX or any related company, including Paper Australia, and PaperlinX has not been a party to the case.

The employees in question were employed directly by Amcor up until 31 March 2000 when their employment was terminated by Amcor. On the next day the same employees commenced new employment with Paper Australia Pty Limited, a subsidiary of Amcor. This transfer of employees was part of the preparations for the demerger by Amcor of its fine papers and packaging papers businesses.

Amcor has maintained its consistent position that no redundancy payments were payable as employees simply shifted employment with all entitlements maintained.

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Editors Note:

PaperlinX is a leading international paper merchant, with businesses in Australasia, Asia, North America, Africa and Europe. Through its Australian Paper manufacturing division, it is also the only Australasian producer of high quality communication papers, and a major producer of high performance packaging and industrial papers.