

PRESS RELEASE

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PAPERLINX COMPLETES EUROPEAN PORTFOLIO CHANGE

PaperlinX has today announced the completion of two transactions in Europe, first announced on 30 January 2007. The purchase of Antalis S.p.A in Italy and the sale of Axelium SAS in France have closed simultaneously following mutually successful negotiations between PaperlinX and Antalis.

Commenting on these transactions, Managing Director of PaperlinX, Tom Park said, "These transactions are a positive move for PaperlinX in Europe, resulting in an immediate improvement in overall European returns and earnings per share. The acquisition of Antalis S.p.A builds our in-market scale in Italy and will provide a range of opportunities going forward, while the sale of Axelium SAS has completed our exit from an uncompetitive position and allows us to focus on areas of advantage."

The final individual transaction prices will not be disclosed, but it is expected that the net impact on funds employed will be minimal.

"These moves are a continuation of a series of strategic initiatives across the PaperlinX Group targeting improved earnings and shareholder returns' added Mr. Park." Decisions to divest businesses such as Axelium SAS are not easy. We have, however built a good track record in making the hard decisions to strengthen our global paper merchanting platform, and reposition our Australian manufacturing business to better leverage competitive advantages."

"I would like to thank the employees and management of Axelium SAS for their dedication and efforts, and I welcome our new colleagues at Antalis S.p.A to the PaperlinX Group."

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Editors Note:

PaperlinX is the world's leading fine paper merchant, with businesses in Australia, New Zealand, Asia, North America and Europe. Through its Australian Paper division, it is also the only Australasian producer of high quality communication papers including Reflex, Australia's leading copy paper, and a major Australian producer of high performance packaging and industrial papers.