

A corporate overview of PaperlinX Limited

Overview of PaperlinX

PaperlinX is a leading international fine paper merchant and Australia's principal manufacturer of high-quality communication, packaging and industrial papers.

Sales (2007 revenue)

AUD\$ 7,839 million

Sales (2007 volume)

over 4 million tonnes paper and packaging material worldwide

Employees

9,500

Sites

407

Operating in

27 countries

History of PaperlinX Group

- Listed on the Australian Stock Exchange following demerger in 2000
- In 2001, PaperlinX began its expansion in paper merchanting with the acquisition of Spicers Paper (Australia, Asia, North America). Other international paper merchant acquisitions followed including:
 - Coast Paper (Canada, 2001)
 - Bunzl Fine Paper (UK, 2002)
 - Buhrmann (Netherlands, 2003)
 - Cascade Resources (Canada, 2006)
- The companies that make up PaperlinX today have a long history in paper. In Australia, some businesses have been making paper since 1939. In Europe, others have been distributing paper since the 1600s.

PaperlinX Vision

To be recognised as the leading international paper company

We will realise this vision by creating value for our shareholders and stakeholders as follows:

- Customers:** Strong value driven partnerships
- Suppliers:** Superior strategic alliances
- Employees:** High point of working life
- Shareholders:** Consistent Earnings Per Share (EPS) growth with improving returns

While rigorously pursuing our belief in employee safety, legal and regulatory compliance and positive environmental management

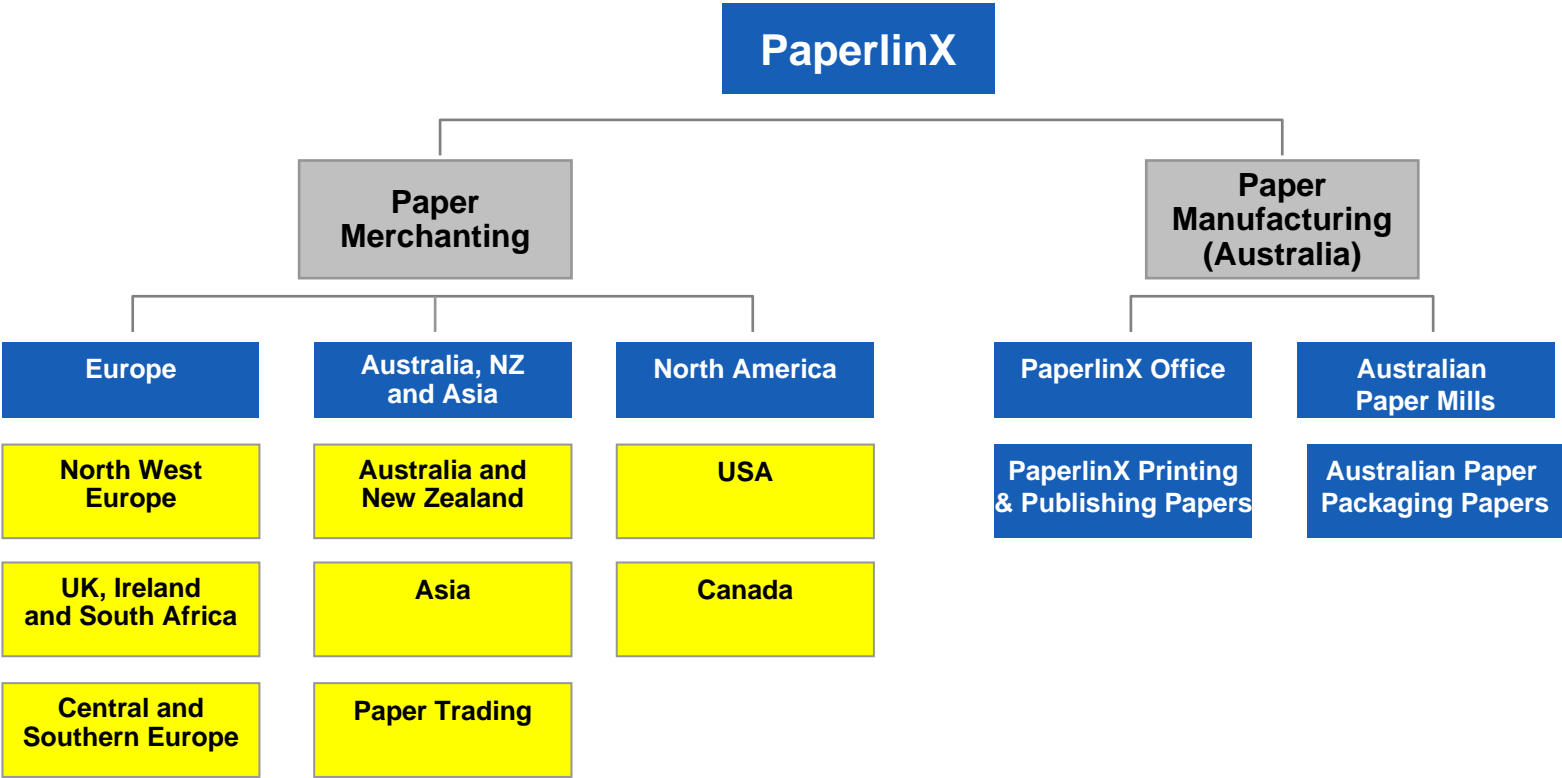
PaperlinX Global Platform

We have the widest geographic distribution of any fine paper company worldwide



PaperlinX Group Structure

The PaperlinX Group is divided into merchandising and manufacturing



PaperlinX Merchanding

We are one of the world's leading global paper merchants delivering to more than 80,000 customers worldwide

- We link customers and suppliers through a global network of locally-focused fine paper merchants
- We are expanding our offerings in Sign and Display, Industrial Packaging and Graphics
- Close partnership with a wide spectrum of customers, in particular printers, designers, publishers, advertisers and the office market
- We stock and market our own proprietary and mill brands in commercial print, printing and publishing and office papers
- A wide range of papers for customers to choose from
- Supply chain assurance, includes independent certification systems such as PEFC and FSC, regarding approved sustainable fibre sources

PaperlinX Manufacturing – Australian Paper

PaperlinX only manufactures paper in Australia

- Focus on the Australian market - 80% of production is sold in Australia
- Australia's only fine paper producer
- A leading Australian producer of packaging paper

Four manufacturing sites providing regional employment and positive economic sustainability for rural communities where we operate

- 1 site in Victoria
- 1 site in NSW
- 2 sites in Tasmania

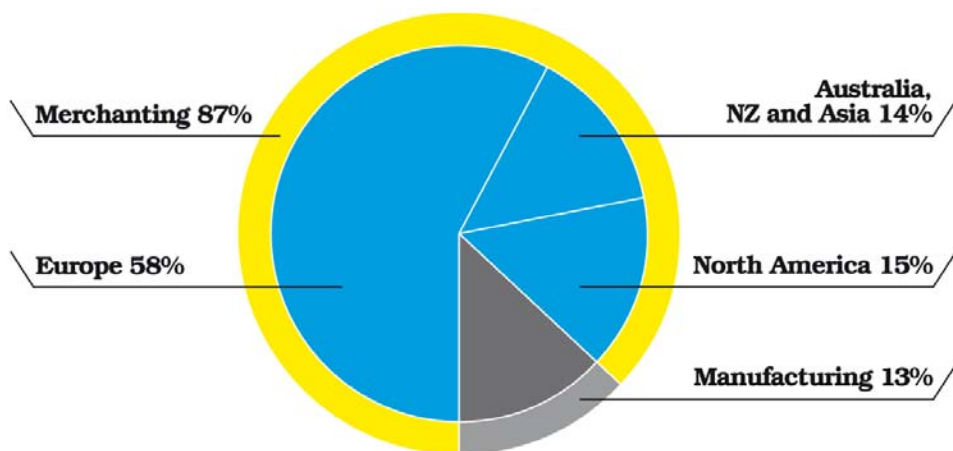
Reflex – Australia's leading office paper brand

- FSC accredited
- Recycled grades available



PaperlinX Sales Revenue

Sales revenue by geography and business

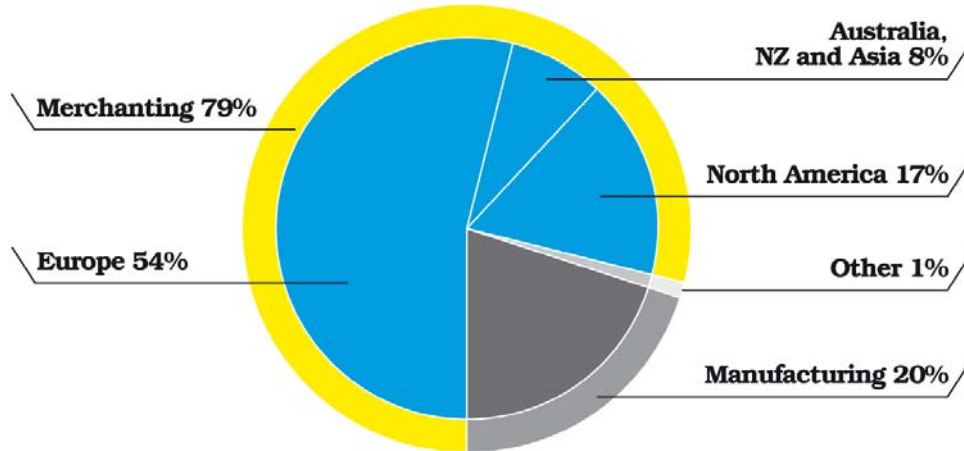


Note: % calculated before inter segment sales deducted

Sales Revenue (AUD\$m)	Year ended 30 June 2007
Total Merchants	7,159
• Australia, NZ, Asia	1,033
• Europe	4,780
• North America	1,380
• Inter-merchant sales	(34)
Total Manufacturing	1,016
Inter-segment sales	(336)
Total Sales Revenue	7,839

PaperlinX People

Our employees by geography and business



We aim to be the employer of choice, where our employees are treated with respect and employed within strong principles of equal opportunity, ethical behaviour and transparent management practices

We are committed to providing our employees the opportunity to grow and develop within a safe workplace wherever they are located

PaperlinX and Sustainability

Our business is built on paper which is a sustainable product made from a renewable, natural resource that is completely recyclable. As a manufacturer and distributor of paper we have certain responsibilities.

The Sustainability Charter, launched 2004, outlines our commitment to delivering long-term sustainable returns and environmental and social benefits for all stakeholders (see chart)

- Sustainability Report published annually
- In 2007, contributed the equivalent of 1.45% of reported profits to community investment, including paper donations - a 28% increase on the prior year
- A member of the FTSE4Good Index for 3rd consecutive year
- Contribute to international Carbon Disclosure Project survey



Environmental Performance

Our long-term commitment to the environment focuses on delivering real and credible benefits in 3 critical areas:

- 1) Energy use and carbon footprint
- 2) Resource use and water management
- 3) Waste reduction and recycling

PaperlinX businesses offer a range of environmentally certified paper grades and recycled products, along with helpful green product guides

Every year more of our mills and merchant operations around the world receive chain-of-custody certification, with systems in place to audit their paper suppliers' forest management practices

In Australian paper manufacturing, we are increasing the amount of recycled and plantation fibre used

PaperlinX Strategy: Core Operating Principles

Our Core Operating Principles have provided guidance to improve competitiveness and position the Group for improved returns going forward:

- Strengthen then build off existing business platforms
- Productivity to provide funds to improve sustainability and growth
- Simplification
- Actively prioritise activities based on value creation for our customers, suppliers and for PaperlinX
- Fully leverage our global opportunities
- Invest in our people and their skills
- Compliance is mandatory
- Results oriented teamwork/success as a team



Financial Summary

		12 months to Jun 2006	12 months to Jun 2007	Change
Sales Volume	'000 tonnes	4,249	4,313	+2%
Sales Revenue	\$m	7,372	7,839	+6%
Net Interest Expense	\$m	65.1	70.9	+9%
Net Interest Cover	x	2.3	2.6	+0.3pts
Underlying EBIT	\$m	156.6	197.7	+26%
Reported EBIT	\$m	152.4	185.5	+22%
Reported Earnings after Tax	\$m	65.4	80.1	+22%
Earnings per share (after SPS distribution)	cps	14.7	16.4	+12%
Final dividend	cps	4.5	6.0	+1.5¢
Total dividends for the fiscal year	cps	10.0	11.0	+1.0¢

Key Financial Measures

		12 months to Jun 2006	12 months to Jun 2007	Change
Working Capital	\$m	1,277	1,212	- 5%
EBITDA	\$m	257	287	+11%
Operating Cash Flow	\$m	260	143	- 45%
Net Debt / Net Debt & Equity	%	36.0	24.3	-11.7 pts
Capital Expenditure (including acquisitions)	\$m	202	213	+ 5%
Net Tangible Assets per share	\$	2.49	2.58	+ 4%
EBIT/Average Funds Employed	%	6.2	7.0	+ 0.8pts

PaperlinX Merchanting - Australia, NZ and Asia



PaperlinX Merchanting - Europe



PaperlinX Merchanding - North America



PaperlinX Paper Manufacturing - Australia



PaperlinX Operating Companies



Our Key Brands



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PaperlinX strongly advises any reader to make their own enquiries and to seek independent professional advice before making any investment decisions.

Prepared by PaperlinX Corporate Affairs, December 2007. Contact Caroline.Duell@paperlinx.com.au

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