

PRESS RELEASE

Monday, 5 August 2002

PAPERLINX SHARE PURCHASE PLAN CLOSES OVER-SUBSCRIBED

PaperlinX today announced that the A\$50 million Share Purchase Plan ("SPP") that had been offered to Australian and New Zealand shareholders in connection with the acquisition of UK - based Bunzl Fine Paper had been substantially oversubscribed.

lan Wightwick, PaperlinX's Managing Director, stated, "We are delighted that our shareholders in Australia and New Zealand have responded so well to the share purchase plan in what has clearly been a difficult time for global equity markets. This shows their confidence in our company's future and the support for our strategy of developing a leading international position in paper merchanting and distribution and continuing to improve our Australian Paper manufacturing operations."

As a result of the oversubscription, the Company will be scaling back some of the applications for shares. Those shareholders who applied for the minimum number of 210 shares will be allotted that number. The other two offers will be scaled back to 300 and 460 shares respectively, and shareholders will receive a refund of part of their subscription money.

Commenting on Bunzl Fine Paper, Ian Wightwick said, "Bunzl Fine Paper is an excellent acquisition for PaperlinX. Not only is it a first class business in its own right, it also provides PaperlinX with a strong platform from which we can participate in the ongoing rationalisation of the UK and continental European paper merchanting industry. While still early days, having now visited their operations, I am delighted with the management, the quality of the business and am convinced that this acquisition will produce the long term returns for our shareholders that we are expecting."

The share purchase plan and the institutional placement has now raised A\$175 million in additional share capital for the company with around 36.5 million shares to be issued in total. The new shares are not be eligible to participate in the final dividend for the Financial Year ending 30th June, 2002, but otherwise rank equally with existing fully paid shares.

They will trade under the ASX ticker code ("PPXN"), until the existing PaperlinX shares start trading ex-dividend, at which stage all shares will trade under the PaperlinX code of "PPX". The SPP shares are expected to be issued on 8 August 2002 with quotation on the ASX beginning shortly thereafter.



PaperlinX expects to announce its full year results on 13 August 2002.

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Editors Note:

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.