

PRESS RELEASE

Friday, 29 August 2003

**PAPERLINX SHARE PURCHASE PLAN CLOSES
OVER-SUBSCRIBED**

PaperlinX today announced that the Share Purchase Plan ("SPP") offered to Australian and New Zealand shareholders in connection with the proposed acquisition of Buhrmann's Paper Merchants Division has been substantially oversubscribed.

Mr Ian Wightwick, PaperlinX's Managing Director, stated, "We are delighted that, following the very substantial over-subscription of our institutional share offer, our existing shareholders have responded so well to the share purchase plan, displaying confidence in our strategy of developing a leading international position in paper merchandising and distribution. Due diligence and preparation of legal agreements on the proposed acquisition are progressing satisfactorily."

The company originally targeted to raise approximately \$120 million from the SPP. Due to the overwhelming response from shareholders, the Company will accept applications for \$150 million of shares at \$4.46 per share. The excess will be returned to applicants on the basis of a scale back as follows;

| Offer | Original Number of SPP Shares offered | Final Number of SPP Shares offered | Total Amount payable |
|---------|---------------------------------------|------------------------------------|----------------------|
| Offer A | 450 | 345 | A\$1,538.70 |
| Offer B | 675 | 515 | A\$2,296.90 |
| Offer C | 1,120 | 855 | A\$3,813.30 |

The SPP and the institutional share placement have raised A\$389million in additional share capital resulting in 87.2 million new shares being issued. The SPP shares will be issued during the next week and will receive the final dividend for the Financial Year ending 30 June 2003. The final dividend of 14 cents per share will be mailed to shareholders on 29 September 2003.

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