

2 February, 2004

PAPERLINX CHIEF EXECUTIVE OFFICER

As previously announced, the Board of PaperlinX Limited has appointed Mr Thomas P Park as Managing Director and Chief Executive Officer of PaperlinX effective 1 February, 2004 to replace Mr Ian Wightwick. Mr Wightwick has resigned as a director effective 1 February and will retire as an executive of PaperlinX on 13 February, 2004. He has agreed to remain available in a consulting role until 30 June, 2004 to assist and advise Mr Park as appropriate.

“The Board again pays tribute to Ian’s achievements during his period as Managing Director and CEO”. PaperlinX Chairman Mr David Meiklejohn said “Following the acquisition of Buhrmann’s paper merchanting division, PaperlinX is now a major participant in the global paper distribution and manufacturing industry”.

“On behalf of the Board and the shareholders I thank Ian for his substantial contribution to the establishment and growth of PaperlinX and wish him a happy and productive retirement. We welcome Tom to his new role and the Board looks forward to working with him”.

In accordance with the ASX Corporate Governance recommendations the following information is provided on the remuneration package for Mr Park. The remuneration package comprises a fixed component augmented by a significant “at risk” proportion comprising a potential short term incentive cash payment and a potential long term incentive share arrangement.

Mr Park will be paid a fixed remuneration amount of \$1.5 million per annum which is reviewable annually.

The short term incentive plan provides for a maximum annual cash bonus of up to 100% of the fixed remuneration if performance criteria determined by the Board are met. These performance criteria include people management, financial targets, implementation of business and strategic plans and effective leadership and management. The maximum payment will only be paid if outstanding performance is achieved by both PaperlinX and Mr Park and the percentage will be pro-rated as appropriate.

The long term incentive will be measured over a 3 year period and the maximum potential entitlement is 200,000 PaperlinX shares per annum for the 3 years. These 600,000 shares will be purchased on market and any of these shares will only vest to Mr Park if relevant performance criteria are met. These performance criteria comprise 2 components, each of which rank equally. The first relates to total shareholder return over the 3 year period measured against the performance of the ASX 200 companies. If PaperlinX performs in the bottom 50% of the ASX 200 group, Mr Park will not receive any shares in respect of this criteria and PaperlinX will need to perform in the top 20% for him to obtain maximum benefit. Pro-rata arrangements will apply for a ranking between the 50th and 80th percentiles.

The second criteria relates to growth in earnings per share. For Mr Park to obtain the maximum benefit of this criteria, earnings per share growth over the 3 years must exceed the aggregate growth in Consumer Price Index over the 3 years plus 5%. No benefit will accrue if the growth over the period is below 50% of the aggregate figure plus 5%. Pro-rata arrangements will apply for performances between the 50% and 100% results.

Mr Park's employment arrangements do not contain a fixed term and can be terminated by PaperlinX on 12 months notice. Mr Park can terminate his employment on 3 months notice.

Relevant details of these remuneration arrangements will be included in the PaperlinX Annual Report.

For further information, please contact:

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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.
