

23rd November, 2006

VISIT TO OPERATIONS

PaperlinX will be hosting its biannual visit, for financial market participants, to its European and North American paper merchanting operations from 27th to 30th November, 2006. Visits will be made to businesses in Amsterdam (Netherlands), Northampton (UK) and Toronto (Canada). Presentations made on this trip will be lodged with the Australian Stock Exchange in advance and will be available at www.paperlinx.com on the day of each visit.

The aim of these visits is to provide an opportunity for the financial market to gain an improved understanding of the drivers of the Company's paper merchanting businesses and the value proposition for customers. Attendees are covering their own costs.

Attached is the introductory presentation which will be made to participants at the opening of the visit.

-ENDS-

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Visit to Operations

**Introductory presentation to be made by
David Shirer, Executive General Manager, Corporate Affairs
on 27th November, 2006 in Amsterdam**

Introduction - Companies to be visited

Monday,
27th November 06

PaperlinX Europe
PaperlinX Netherlands
BührmannUbbens

Tuesday,
28th November 06

PaperlinX UK
Robert Horne Group
Howard Smith Paper Group

Wednesday
29th November 06

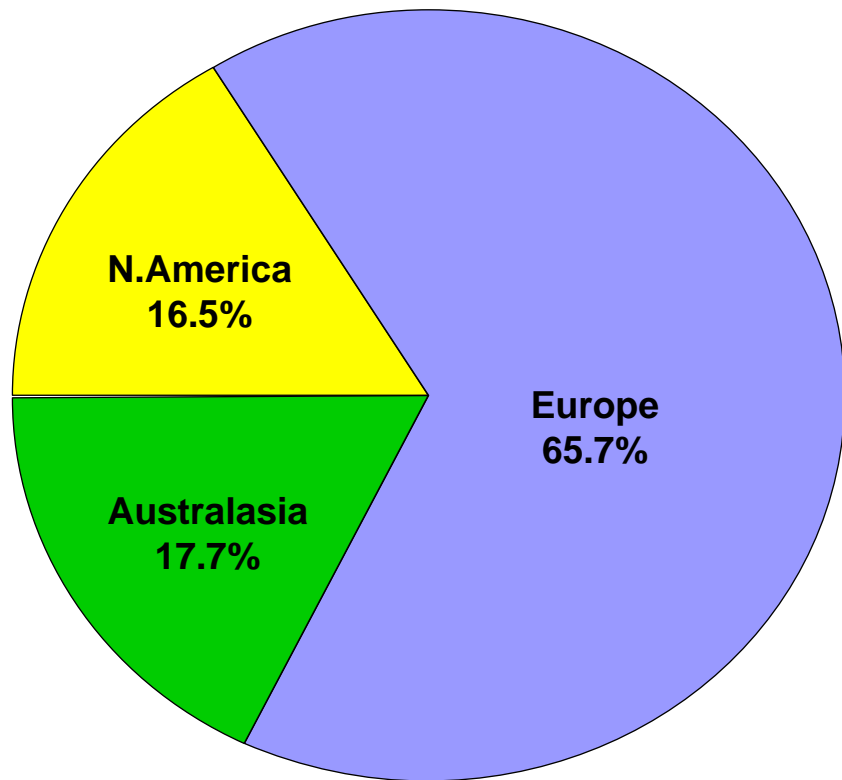
PaperlinX North America
Spicers Canada

Core Operating Principles

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

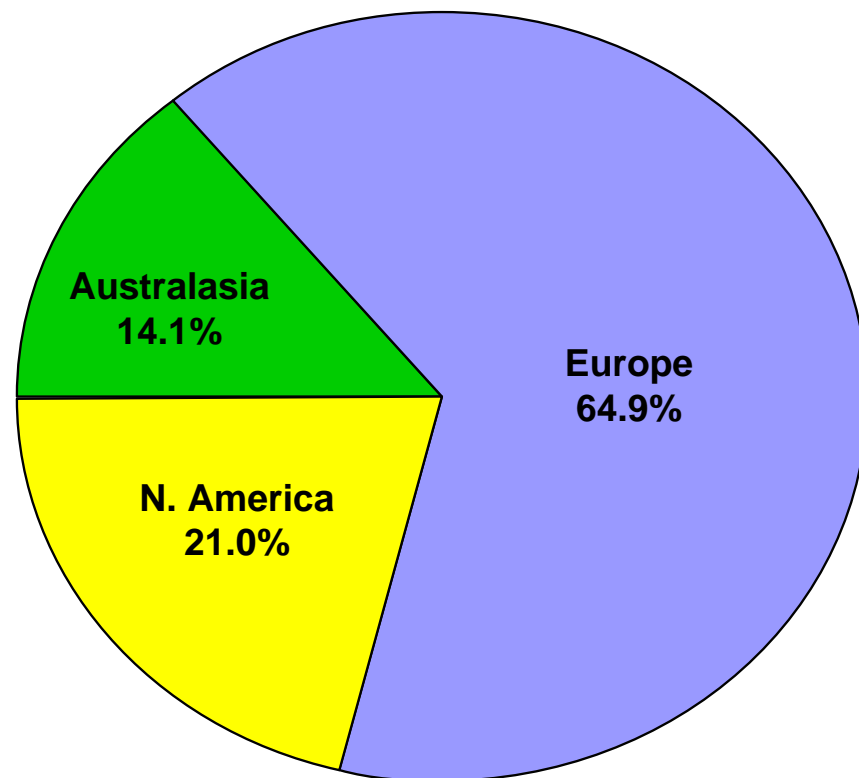
- Strengthen then build off existing business platforms
- Productivity to provide funds to improve sustainability and growth
- Simplification
- Actively prioritise activities based on value creation for our customers, suppliers and for PaperlinX
- Fully leverage our global opportunities
- Invest in our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

Merchant Revenue Split



Total merchant revenue A\$6.9 billion (2006)

Merchant EBIT Split

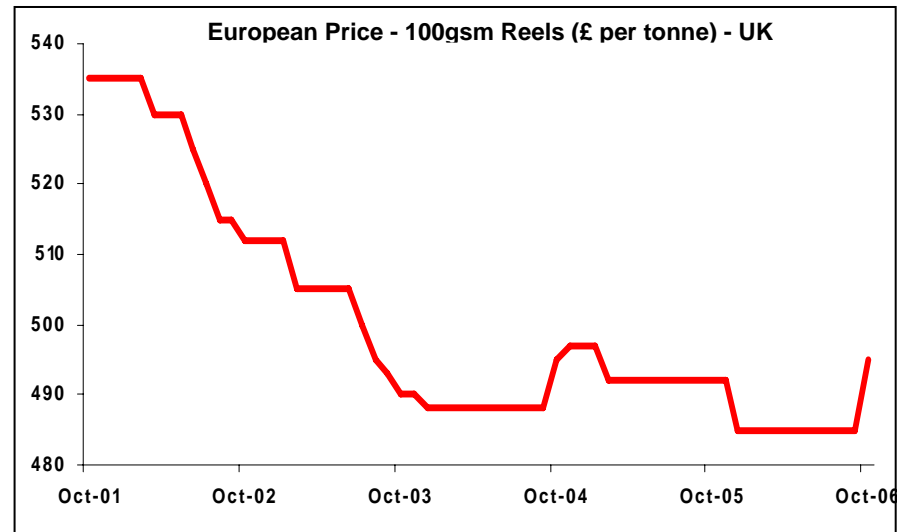
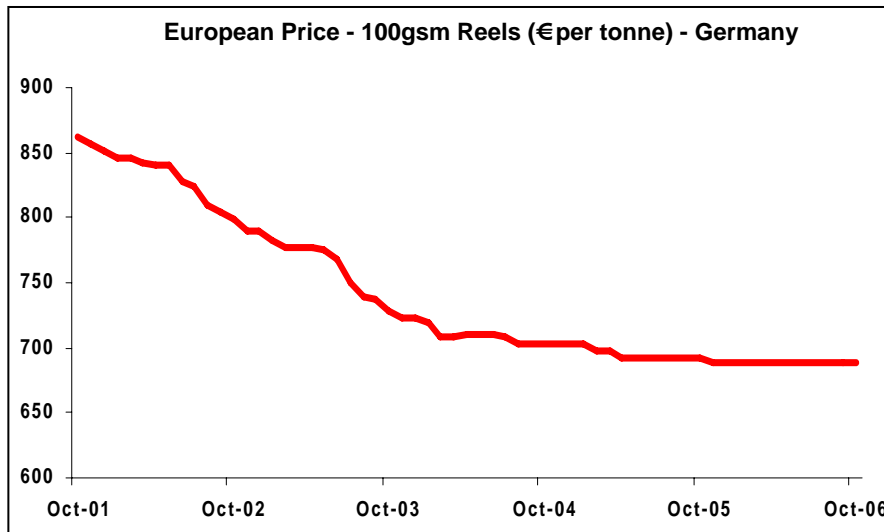
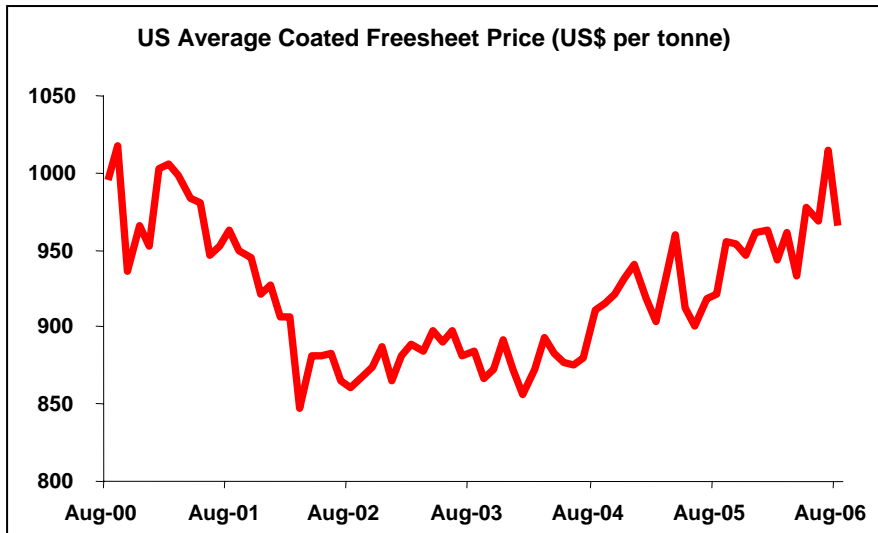


Total merchant EBIT A\$190.4 million (2006)

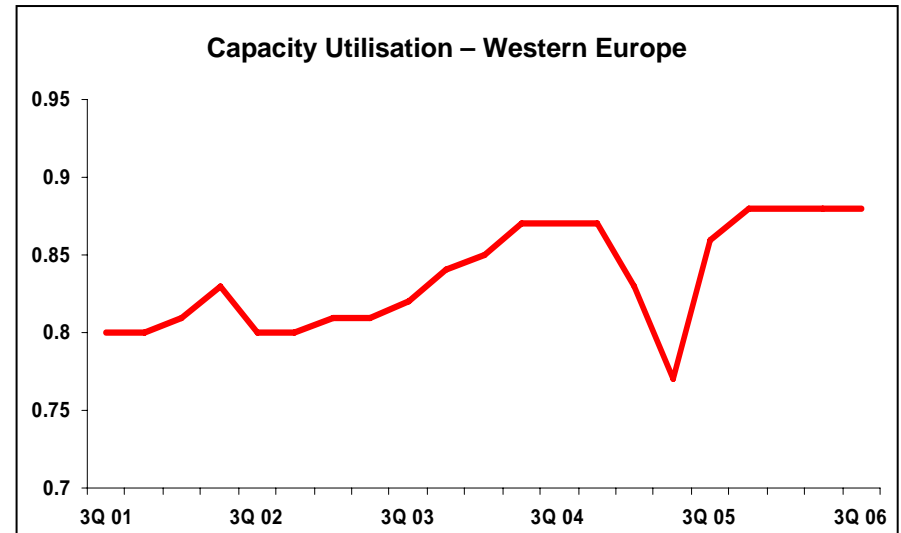
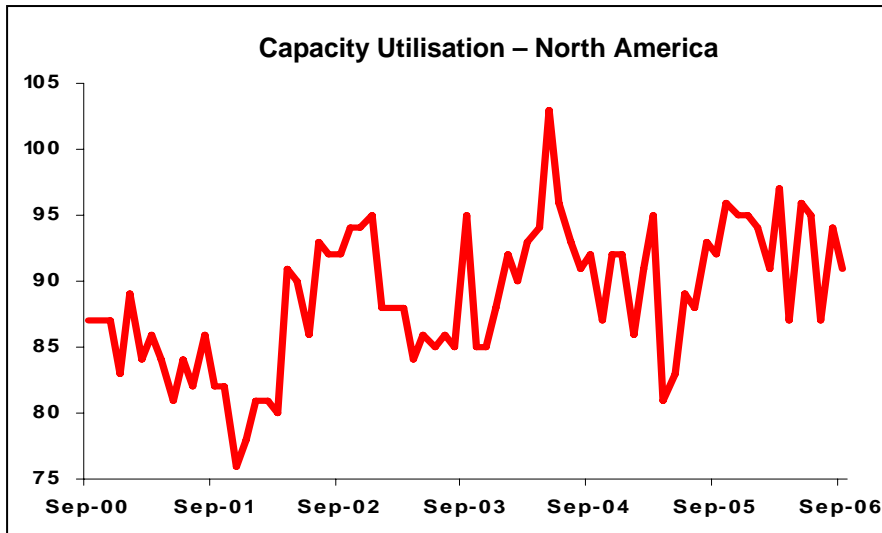
Current Market – what we have said

- Negative impacts continue from
 - excess global capacity
 - higher input costs
 - currency impacts on pricing
- Despite positive announcements from paper manufacturers that may ultimately benefit global capacity utilisations, we believe it is too early to predict any sustained improvement in pricing

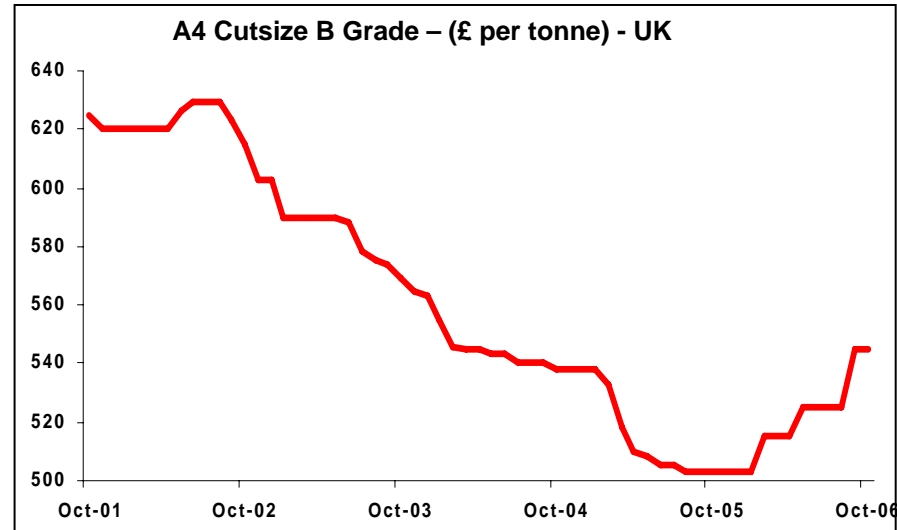
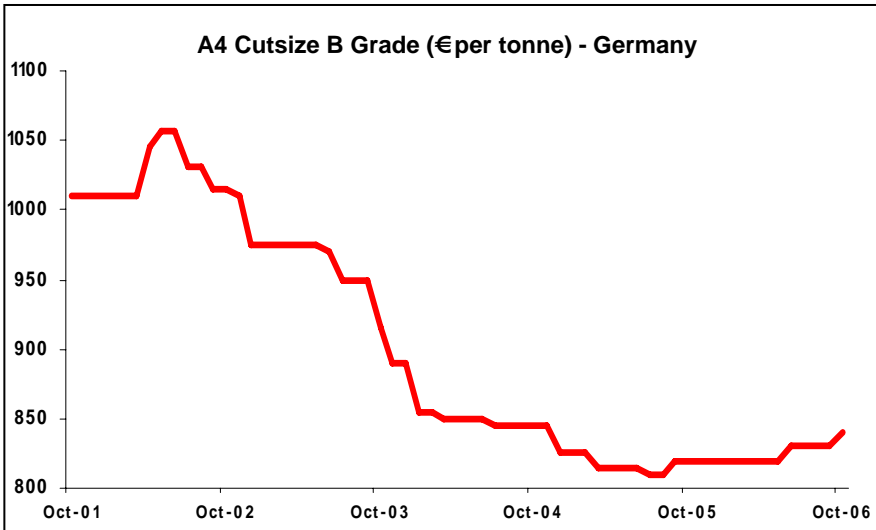
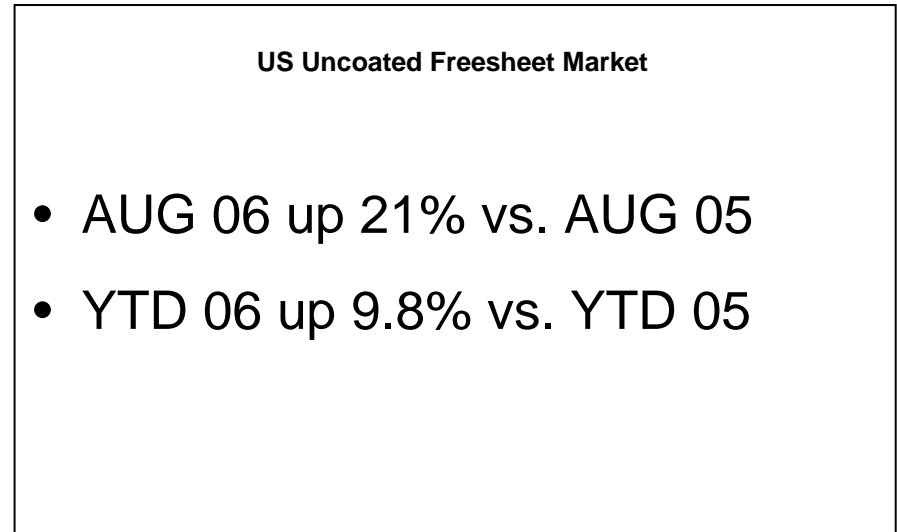
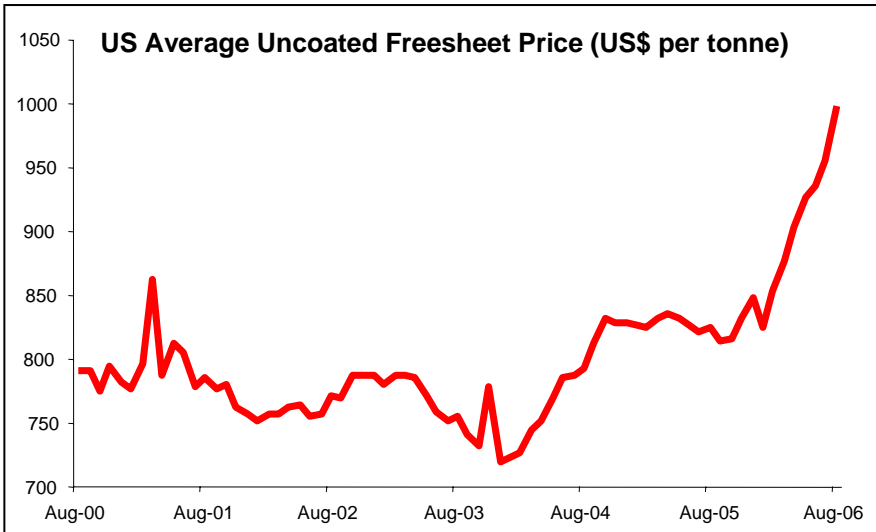
Coated Woodfree Paper



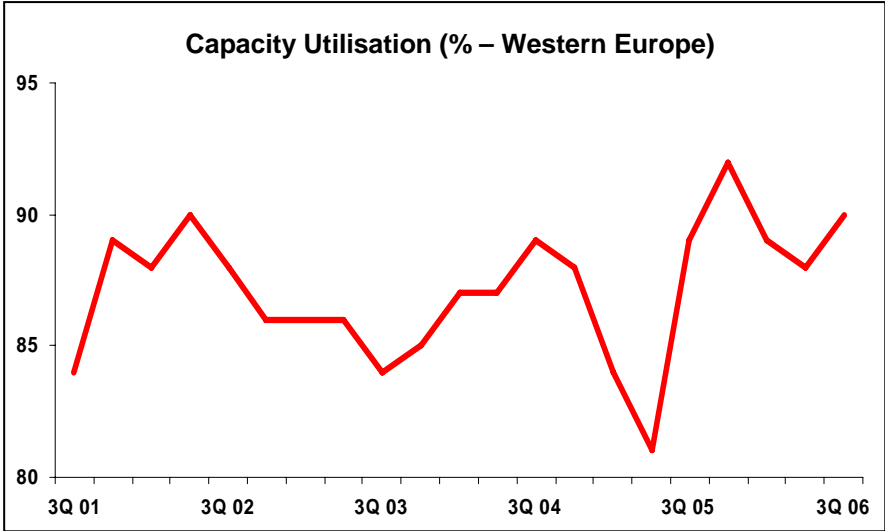
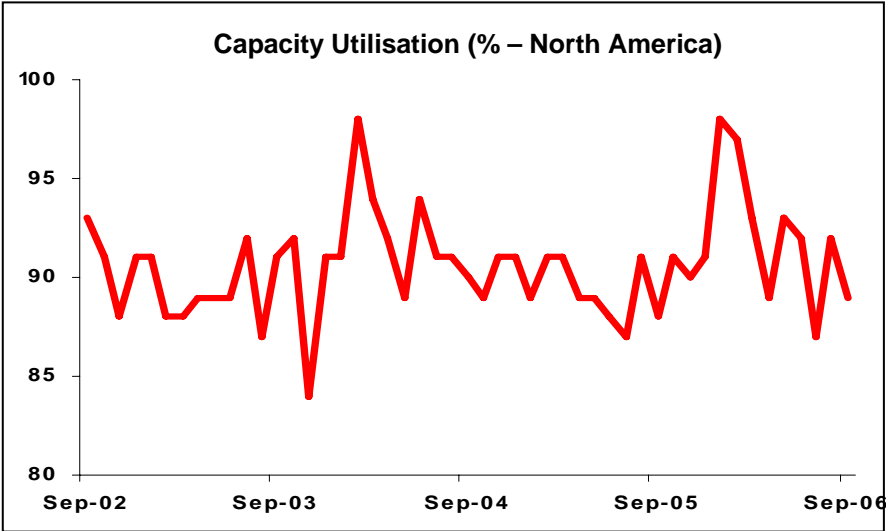
Coated Woodfree Paper continued



Uncoated Woodfree Paper



Uncoated Woodfree Paper continued



Paper Prices Summary

- There are a number of industry paper price rise announcements currently in the market in continental Europe which will be tested over coming months
- Should these be successful, they will not substantially benefit the first half of the Company's fiscal year
- Market conditions remain difficult for both our manufacturing and global merchanting businesses as previously indicated. We reiterate our view that it is too early to call a turn and have not changed our internal expectations
- There have been a number of capacity closures announced by European paper manufacturers over the past year. These are due to be completed during calendar 2007 and should ultimately result in improved capacity utilisation that will support a more robust pricing environment after that period
- The announced European industry structural changes should result in an improved supply/demand balance in that region in the medium term. This combined with the cost pressures continuing to impact global paper manufacturers should ultimately lead to improved paper prices in Europe as has been seen in North America

Major Business Initiatives to be reviewed

All initiatives remain on track

INITIATIVE

STATUS

The Delivery Co (UK)

Initial sites operational, roll-out on-plan

Netherlands integration

Management appointed, packaging integrated, Driem integrated successfully

Cascades acquisition in Canada

Complete, 15% ROFE achieved, small divestments completed

European IT platform

1st implementations successful (Ireland), on-track

Growth of own brands

17% YTD growth in European merchant brands

Expansion into complementary categories

Sign and Display / Industrial Packaging growth

Benefits from Strategic Initiatives

- Significant benefits to operating earnings from strategic initiatives highlighted during fiscal 2006
 - +\$35 million in 2007
 - +\$100 million in 2009
 - These initiatives on track for expected benefits
- Two new strategic initiatives announced in August 2006
 - PaperlinX Office
 - Maryvale woodyard outsourcing
 - Complements Maryvale pulp upgrade
 - Includes redundancies and redundant asset write-offs
 - Net \$12 million one-off costs from these in 2007 (mainly in first half)
 - Returns above target levels

Impact on Tax Rate

- The group tax rate is likely to be at the high end of expectations with a full year effective tax rate in the low to mid 30's a likely result
- The one-off restructuring cost of \$12 million relating to the new initiatives (Maryvale wood yard and PaperlinX Office) announced in August will largely be incurred in the first half and will result in a continuation of income tax losses in Australia which are currently not being booked
- This increases the effective tax rate, particularly in the first half

Summary

- We reiterate our previous statements:
 - difficult industry conditions continue
 - too early to call a turn
- There have been no changes to our internal expectations as above
- Market forecasts appear to include a more positive set of assumptions than our base case position
- It is not yet clear how the continental European pricing scenario will unfold but it is unlikely to benefit the first half to any meaningful amount
- Higher tax rate will be driven by changing geographic split of earnings and Australian tax losses
- European paper industry announcements should support the supply/demand balance in the medium to long term and support pricing, but will not impact in the short term
- Our key strategic initiatives all remain on track and in line with our expected benefits

Disclaimer

Forward looking Statements:

Certain statements in this release relate to the future, including forward looking statements relating to PaperlinX's financial position and strategy. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of PaperlinX to be materially different from the future results, performance or achievements expressed or implied by such statements. Neither PaperlinX nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur and you are cautioned not to place undue reliance on such forward looking statements.

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