



PaperlinX Limited

ABN 70 005 146 350

Prospectus

for the 2 for 5 non-renounceable Entitlement Offer of up to approximately 120.0–181.2 million New Shares at an Offer Price of \$1.25 per Share to raise approximately \$150 million via an Institutional Entitlement Offer, with the potential for approximately an additional \$77 million to be raised via the Retail Entitlement Offer.

This is an important document and requires your immediate attention.

If you are an Eligible Retail Shareholder you should read this Prospectus in its entirety before deciding whether to accept the offer of New Shares.

Your Entitlement may have value and you should therefore consider whether to take up your Entitlement rather than allow it to lapse.

If you do not understand any part of this Prospectus, or are in any doubt as to how to deal with it or your Entitlement, you should consult your stockbroker, accountant or other professional adviser.

This Prospectus may not be distributed in the United States, to any US Person or to any person acting for the account or benefit of a US Person, as defined in Regulation S under the Securities Act of 1933, as amended (the 'US Securities Act'), except accompanied by the US private placement memorandum and to existing PaperlinX Shareholders who are Qualified Institutional Buyers, as defined in Rule 144A under the US Securities Act, as part of the US Private Placement.

Joint Lead Managers

Deutsche Bank 



Important information

This prospectus is dated 7 October 2008 (Prospectus) and was lodged with ASIC on that date by PaperlinX Limited (PaperlinX). ASIC takes no responsibility for the contents of this Prospectus.

This Prospectus expires on 5 November 2009. No New Shares will be issued on the basis of this Prospectus after that expiry date.

This Prospectus is important and requires your immediate attention.

You should read this Prospectus carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors that could affect the performance of PaperlinX or the value of an investment in PaperlinX, some of which are outlined in Section 6 of this Prospectus. The information contained in this Prospectus is not investment advice and does not take into account the investment objectives, financial situation, tax position or particular needs of individual investors.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading this Prospectus, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

The potential tax effects of the Retail Entitlement Offer will vary between investors. A summary of potential Australian tax implications is contained in Section 8 of this Prospectus. However, you should satisfy yourself of any possible tax consequences by consulting your professional tax adviser.

Investors should note that the past share price performance of PaperlinX provides no guidance as to its future share price performance.

PaperlinX will, within 7 days of the date of this Prospectus, apply for the grant by ASX of official quotation of the New Shares. ASX takes no responsibility for the contents of this Prospectus.

Prospectus availability

Eligible Retail Shareholders will be mailed a copy of this Prospectus, together with a personalised Entitlement and Acceptance Form.

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Prospectus during the Offer Period on the PaperlinX website at www.paperlinx.com or by calling the PaperlinX Shareholder Information Line on the numbers listed below under the heading 'Enquiries'. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The electronic version of this Prospectus on the PaperlinX website will not include an Entitlement and Acceptance Form.

You will only be entitled to exercise your Entitlement in relation to New Shares or subscribe for New Shares in excess of your Entitlement by completing the Entitlement and Acceptance Form which accompanies this Prospectus or paying by BPAY®.

Any references to documents included on PaperlinX's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference in this Prospectus.

Neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be sent to investors outside Australia or New Zealand, including to investors who are in the US or who are, or are acting on behalf of or for the account or benefit of, a US Person, or otherwise distributed in the US.

Future performance and forward looking statements

Except as required by law, and then only to the extent required, neither PaperlinX nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to this Prospectus.

The pro forma historical financial information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of PaperlinX's view on its future financial condition and/or performance.

The forward looking statements in this Prospectus are based on PaperlinX's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of PaperlinX and its Directors, that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus.

This Prospectus details some important factors and risks that could cause PaperlinX's actual results to differ from the forward looking statements in the Prospectus.

Australia and New Zealand

This Prospectus contains an offer to Eligible Retail Shareholders in Australia or New Zealand of continuously quoted securities (as defined in the Corporations Act) of PaperlinX, and has been prepared in accordance with section 713 of the Corporations Act.

The New Shares being offered under this Prospectus are also being offered to Eligible Retail Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Foreign jurisdictions

This Prospectus has been prepared to comply with the requirements of the securities laws of Australia. No action has been taken to register or qualify the Entitlement Offer (including the Retail Entitlement Offer), the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand. The Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand, other than to Eligible Institutional Shareholders as part of the Institutional Entitlement Offer. This Prospectus does not constitute an offer in the US or to a US Person (or to any person acting for the account or benefit of a US Person), or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Prospectus, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws. Neither this Prospectus, nor the accompanying Entitlement and Acceptance Form may be distributed to, or relied upon, by persons in the United States or who are, or are acting for the account or benefit of, US Persons unless such persons are Shareholders and QIBs and the Prospectus is accompanied by the US private placement memorandum as part of the US Private Placement.

Neither the Entitlements under the Entitlement Offer nor the New Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a US Person, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a US Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws. Accordingly, the New Shares will constitute 'restricted securities' within the meaning of Rule 144(a)(3) under the Securities Act and, for so long as the New Shares remain restricted securities, the New Shares may not be deposited in any unrestricted American Depository Receipt facility with respect to the ordinary shares of PaperlinX that PaperlinX may establish.

The return of a duly completed Entitlement and Acceptance Form or payment of the Application Monies for New Shares by BPAY® will be taken by PaperlinX to constitute a representation and warranty made by the applicant to PaperlinX that there has been no breach of such laws.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Prospectus.

Any information or representation that is not in this Prospectus may not be relied on as having been authorised by PaperlinX, the Joint Lead Managers or their respective related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of PaperlinX, or any other person, warrants or guarantees the future performance of PaperlinX or any return on any investment made pursuant to this Prospectus.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings, which are explained in the glossary in Section 10, as are certain rules of interpretation that apply to this Prospectus.

A reference to time in this Prospectus is to the local time in Melbourne, Australia (Melbourne time), unless otherwise stated. All financial amounts in this Prospectus are expressed in Australian currency, unless otherwise stated.

Enquiries

If you have any questions in relation to the Entitlement Offer, please contact your stockbroker, accountant or other professional adviser.

If you have questions in relation to the Existing Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form or take up your Entitlement, please call the PaperlinX Shareholder Information Line as set out below:

- Within Australia 1300 662 058 (local call cost)
- Outside Australia +61 3 9415 4021

The PaperlinX Shareholder Information Line is open from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period.

Privacy

Please read the privacy statement located in Section 9.13. It is important you understand that by submitting an Entitlement and Acceptance Form in or accompanying this Prospectus, you consent to the matters outlined in that statement.

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Chairman's letter



David E Meiklejohn
Chairman

7 October 2008

Dear Shareholder,

On behalf of the Directors of PaperlinX, I am pleased to invite you to participate in the Entitlement Offer announced on 1 October 2008.

This Offer provides you with the opportunity to subscribe for 2 New Shares for every 5 Existing Shares you held in PaperlinX on the Record Date, at the Offer Price of \$1.25 per New Share – a discount of 29% to the last closing price of PaperlinX shares on ASX as at 26 September 2008, and a 22% discount to the theoretical ex-rights price (TERP).

The Entitlement Offer comprises an institutional component of approximately \$150 million, and a retail component of approximately \$77 million.

PaperlinX is one of the world's largest international fine paper merchants and distributors, and a unique Australian manufacturer of high performance communication and packaging paper.

The net proceeds will be used to repay debt, including the committed \$150 million reduction in PaperlinX's multi-currency debt facility by May 2009. This will strengthen PaperlinX's financial platform and support the continuation of its strategy of building on the key competitive advantages in its two business streams of global paper merchandising and paper manufacturing in Australia.

PaperlinX is currently undertaking a strategic review of its Australian paper manufacturing business, Australian Paper. The net proceeds of the Entitlement Offer will reduce debt and provide PaperlinX with the flexibility to ensure that optimal value is realised for shareholders from this review, which may or may not lead to the sale of all or part of Australian Paper.

It is important that you read this Prospectus carefully and consider in particular the risk factors set out in Section 6 before making your investment decision.

If you have any questions in respect of the Entitlement Offer, please call the PaperlinX Shareholder Information Line on 1300 662 058 (within Australia) or on +61 3 9415 4021 (from outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period, or alternatively consult your stockbroker, accountant or other professional adviser.

On behalf of the Directors, I thank you for your continued support as a PaperlinX shareholder and I commend the Entitlement Offer to you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Meiklejohn'. The signature is written in a cursive style and is positioned above the printed name and title.

David E Meiklejohn
Chairman

Key Entitlement Offer statistics

Offer Price	\$1.25 per New Share
Entitlement	2 New Shares for every 5 Existing Shares held on the Record Date
Number of New Shares to be issued under the Entitlement Offer¹	120.0–181.2 million ² comprising: – approximately 120.0 million under the Institutional Entitlement Offer (already completed ³); and – up to approximately 61.2 million under the Retail Entitlement Offer ⁴
Gross Entitlement Offer proceeds	\$150–227 million comprising: – approximately \$150 million under the Institutional Entitlement Offer (already completed ³); and – up to approximately \$77 million under the Retail Entitlement Offer ⁴

1 Due to rounding of Entitlements and reconciliation of Entitlements under the Institutional Entitlement Offer to shareholdings on the Record Date, the exact number of New Shares to be issued, and the number of New Shares to be issued under each part of the Entitlement Offer, will not be known until completion of the Entitlement Offer.

2 The minimum number is calculated on the basis that no subscriptions are received under the Retail Entitlement Offer. The maximum number is calculated on the basis that the Retail Entitlement Offer is fully subscribed.

3 The Institutional Entitlement Offer was conducted from Wednesday, 1 October to Friday, 3 October 2008.

4 The Retail Entitlement Offer is not underwritten. The final number of New Shares and the amount raised under the Retail Entitlement Offer may be less than the amount shown.

Key dates

Event	Date
Institutional Entitlement Offer (already conducted)	Wednesday, 1 October 2008 to Friday, 3 October 2008
Record Date for the Entitlement Offer	7.00pm (Melbourne time) on Friday, 3 October 2008
Lodgement of this Prospectus with ASIC	Tuesday, 7 October 2008
Retail Entitlement Offer opens	Tuesday, 7 October 2008
Settlement of the Institutional Entitlement Offer	Tuesday, 14 October 2008
Issue of New Shares under the Institutional Entitlement Offer	Wednesday, 15 October 2008
Normal trading of New Shares issued under the Institutional Entitlement Offer expected to commence on ASX	
Retail Entitlement Offer closes	5.00pm (Melbourne time) on Friday, 24 October 2008
Settlement of the Retail Entitlement Offer	Friday, 31 October 2008
Issue of New Shares under the Retail Entitlement Offer	Monday, 3 November 2008
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Wednesday, 5 November 2008
Dispatch of confirmation of allotment statements	Friday, 7 November 2008

The above timetable is indicative only and subject to change. The commencement of quotation of New Shares is subject to confirmation from ASX. PaperlinX, in conjunction with the Joint Lead Managers and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. In particular, PaperlinX reserves the right to extend the Closing Date for the Retail Entitlement Offer, to accept late Applications either generally or, in particular cases, to withdraw the Entitlement Offer without prior notice.

What should you do?

This Prospectus contains important information in relation to the Entitlement Offer.

You should read it carefully and in its entirety, including Section 6 which identifies the major risks associated with an investment in PaperlinX.

If you are in doubt as to the course you should follow, you should seek advice from your stockbroker, accountant or other professional adviser before making an investment decision.

If you are an Eligible Retail Shareholder, you may either take up all, some or none of your Entitlement or subscribe for New Shares in excess of your Entitlement (see Section 3.2 for further details).

Entitlements cannot be traded on the ASX or any other exchange or privately transferred.

How to apply for New Shares

If you decide to take up all or part of your Entitlement or subscribe for New Shares in excess of your Entitlement, then either:

- complete and return the personalised Entitlement and Acceptance Form accompanying this Prospectus with the applicable Application Monies so that it is received by the Share Registry by no later than 5.00pm (Melbourne time) on Friday, 24 October 2008; or
- make your payment of the Application Monies by BPAY[®] ensuring that the Application Monies are received by the Share Registry by no later than 5.00pm (Melbourne time) on Friday, 24 October 2008. If you pay by BPAY[®], you do not need to return the Entitlement and Acceptance Form.

Additional details on how to take up Entitlements, including return address details, are set out on the Entitlement and Acceptance Form and in Section 3 of this Prospectus.

Investment highlights

PAPERLINX IS

One of the world's largest fine paper merchants.

Distributing nearly four million tonnes of high quality fine paper, sign and display and graphics products, and industrial packaging to printers, stationers, office suppliers and other customers in five continents.

Australia's only manufacturer of printing, writing and office papers and a leading Australian manufacturer of packaging papers.

Manufacturing and distributing around 500,000 tonnes per annum of high quality communications papers at four Australian mills, primarily for Australian customers, but also exported around the world.

Manufacturing around 300,000 tonnes per annum of linerboard and sack bag papers for customers in Australia and throughout the Asian region.

Strategic direction

- Focusing on PaperlinX's competitive advantages
- Investing for future growth
- Diversification of earnings

PaperlinX is following a strategy of building on its key competitive advantages in its two business streams and has focused its investments to maximise the benefits of these. For merchanting they include leading market positions, ability to build in-market scale, areas of global best practice, unique and strong brands and a growing portfolio of non-paper distribution activities at margins superior to PaperlinX's traditional business. For manufacturing they include strong and well developed brands, a high quality local fibre supply, local supply advantage and a strong environmental position.

Global scale

- Relevance to suppliers and customers
- Best practice sharing
- Superior customer solutions

PaperlinX is a leading global paper merchant selling 3.7 million tonnes of paper per annum through a network of local customer focused businesses in 27 countries. This provides both scale benefits to suppliers while retaining the local touch. Best practice sharing among PaperlinX's global operations ensures superior customer solutions and continuous productivity gains.

Industry consolidation

- Tightening global supply
- Leveraged to paper selling prices
- Cyclical low point

PaperlinX is highly leveraged to any improvements that may be seen in the external economic environment as it affects the paper industry, including any tightening of supply that may boost paper selling prices. This tightening of supply is most likely to be facilitated by industry consolidation and meaningful capacity closures, particularly in Europe.

Environmental leadership

- Continuous improvement
- Unique customer propositions
- Sustainable, renewable, recyclable

PaperlinX is committed to continuously improving its environmental footprint and to providing its customers with unique environmental solutions. Paper is made from sustainable raw materials which are renewable, while the products themselves are recyclable. PaperlinX has gained increasing levels of independent environmental accreditations for its products and processes.

Unlocking value

- Sale of non-core assets
- A strategic review of Australian Paper
- Disciplined ongoing working capital reductions

PaperlinX is pursuing a range of activities to unlock value from its existing base, including: completing a range of previously announced major business initiatives to deliver up to \$125 million incremental EBIT benefit in FY2009 (over FY2005); a profit protection plan in FY2009 to mitigate current weak market conditions; the ongoing sale of non-core property assets; a strategic review of Australian Paper; and the ongoing reduction in the funds tied up in the business through working capital reduction.

Please read this Prospectus carefully and consider in particular the risk factors set out in Section 6 before making your investment decision.

Summary of key risks

In addition to normal risks affecting any listed equity investment, an investment in New Shares is subject to risks associated with PaperlinX's businesses, which include those set out in Section 6, some of which are summarised below. The list below is not exhaustive and you should read Section 6 in detail before deciding whether or not to invest in New Shares.

Operational risks

Risk area	Summary of risk	More information
Currency exchange rates	Fluctuations in currency exchange rates affect the selling price of paper products that compete with PaperlinX's products and revenues and expenses denominated in currencies other than Australian dollars.	Section 6.2.1
Increasing costs	PaperlinX is exposed to fluctuations in commodity prices (including the pulp price) and other input costs (including oil prices and transport costs).	Section 6.2.2
Paper pricing and competition	PaperlinX is subject to a number of pricing, competition and associated risks including movement in global paper prices, competition from other suppliers, advances in technology which affect the use of paper or competing products, and changes in relationships with suppliers and customers.	Section 6.2.3
Maryvale Mill capacity upgrade	PaperlinX is currently investing in the upgrade of the Maryvale Mill pulp capacity. Completion and commissioning of this upgrade may take longer than expected and defer the realisation of operational and cost benefits, and/or cost more than currently anticipated.	Section 6.2.4
Amcor contract renewal	PaperlinX has a material contract with Amcor for the supply of linerboard produced at the Maryvale Mill, which expires in 2010. There is no certainty that the contract will be renewed, or regarding the terms on which a renewal may occur.	Section 6.2.5
Acquisition and divestment activities	PaperlinX regularly examines acquisition and growth opportunities and divestment strategies. Acquisitions and divestments may change the mix of PaperlinX's future earnings. PaperlinX has previously announced a programme of disposals of a number of its European properties. The anticipated profit from the sale of these properties forms a significant proportion of PaperlinX's budgeted earnings for the first half of FY2009. PaperlinX expects European asset sales will occur as planned with major assets currently in due diligence proceedings. In the event that the anticipated profit is not realised on the sale of the European properties in the first half of FY2009, it is likely that PaperlinX will breach its interest cover covenant for the 12 months to 31 December 2008.	Section 6.2.6
Strategic review of Australian Paper	PaperlinX's strategy is to maximise return/value in Australian Paper, its Australian manufacturing division, through investment in infrastructure and its brands. PaperlinX is currently undertaking a strategic review of Australian Paper. This could result in a number of different outcomes, including a sale of some or all of Australian Paper (see Section 4.3.3). While a process is underway (as announced on 21 August 2008), no decision has been made about the outcome of the strategic review.	Section 6.2.7

Operational risks continued

Risk area	Summary of risk	More information
Strategic review of Australian Paper <small>continued</small>	<p>However, if a decision is made to sell some or all of Australian Paper, it is probable that the long term carrying value of the assets (\$1,112 million as at 30 June 2008) will not be achieved at this low point in the industry cycle, resulting in a material one-off loss. A material loss will affect PaperlinX's earnings in the period any decision to sell is made, its retained earnings and its ability to pay a dividend on ordinary shares for the year in which the sale occurs. It will also reduce the assets on its balance sheet.</p> <p>If Australian Paper is sold, PaperlinX's earnings profile will be less diverse, with all of its revenues coming from its merchanting business.</p>	Section 6.2.7
Environmental regulation and carbon trading	<p>PaperlinX's manufacturing activities involve energy intensive processes and the emission of greenhouse gases. The Australian Federal Government is proposing a national emissions trading scheme to be implemented in July 2010. Until the scheme's terms are finalised, its impact on PaperlinX's earnings is unclear. However, the proposed scheme may impose additional costs which may have a material adverse impact on PaperlinX's future financial performance.</p>	Section 6.2.8
Funding risk	<p>PaperlinX's debt facilities, and its ability to refinance those facilities on favourable terms and to raise further finance, will depend on market conditions and some factors beyond PaperlinX's control.</p> <p>PaperlinX expects European asset sales will occur as planned with major assets currently in due diligence proceedings. In the event that the anticipated profit is not realised on the sale of the European properties in the first half of FY2009, it is likely that PaperlinX will breach its interest cover covenant for the 12 months to 31 December 2008.</p> <p>In the event of a breach of covenant, the timing of scheduled repayment/maturity of part or all of PaperlinX's debt facilities may be accelerated. The impact of the proceeds of the Entitlement Offer will only modestly improve the interest cover ratio for the 12 months to 31 December 2008.</p>	Section 6.2.9
Other operating risks	<p>Other operating risks for PaperlinX include the occurrence of an event of default, ability to attract and retain employees, adverse movements in interest rates, unforeseen capital expenditure requirements and changes to laws and regulations in the countries in which PaperlinX operates. Any of these may adversely impact PaperlinX's financial position and performance in the future.</p>	Section 6.2.10

Other risks

Risk area	Summary of risk	More information
Economic downturn	<p>PaperlinX is operating in a challenging global economic environment. In particular, slowing demand for paper is having a negative effect on PaperlinX's volumes and therefore earnings. Any further deterioration in economic conditions may decrease demand for PaperlinX's products and adversely impact PaperlinX's financial performance and position.</p>	Section 6.3.1
Equity market risks	<p>There are risks associated with any investment listed on ASX. The market price of PaperlinX's shares may fluctuate depending on the financial condition and operating performance of PaperlinX as well as factors beyond the control of PaperlinX. There is no guarantee that the New Shares will trade at or above the Offer Price.</p>	Section 6.3.2

1

Questions and answers

1.1 The Entitlement Offer

Question	Answer	More information
What is the Entitlement Offer?	<p>The Entitlement Offer is a pro rata non-renounceable entitlement offer made to Eligible Institutional Shareholders and Eligible Retail Shareholders. The Entitlement Offer comprises two parts:</p> <ul style="list-style-type: none"> • the Institutional Entitlement Offer (already completed); and • the Retail Entitlement Offer. 	Section 2.1
How much will be raised from the Entitlement Offer?	<p>Under the Entitlement Offer, PaperlinX is seeking to raise approximately \$150–227 million before transaction costs. The actual amount raised depends on the level of subscriptions received from the Retail Entitlement Offer.</p> <p>The Institutional Entitlement Offer was conducted between Wednesday, 1 October to Friday, 3 October 2008. At the Offer Price, the Institutional Entitlement Offer will raise gross proceeds of approximately \$150 million through the issue of approximately 120.0 million New Shares. The Institutional Entitlement Offer is Settlement Underwritten.</p> <p>PaperlinX is seeking to raise gross proceeds of up to approximately \$77 million under the Retail Entitlement Offer. This money will be raised, if fully subscribed, through the issue of approximately 61.2 million New Shares at an Offer Price of \$1.25 per New Share.</p> <p>The Retail Entitlement Offer is not underwritten, so there is no certainty as to the amount (if any) that will be raised under the Retail Entitlement Offer.</p>	Section 2.2
What is the purpose of the Entitlement Offer?	<p>The net proceeds of the Entitlement Offer will be used to repay debt, including the committed \$150 million reduction in PaperlinX's multi-currency debt facility by May 2009. This repayment will strengthen PaperlinX's financial platform and support the continuation of its strategy of building on the key competitive advantages in its two business streams of global paper merchanting and paper manufacturing in Australia.</p> <p>The financial effect of the Entitlement Offer on PaperlinX is shown in the pro forma historical balance sheets in Section 5.1.</p>	Sections 2.2 and 5
What is my Entitlement?	<p>Each Eligible Retail Shareholder is entitled to subscribe for 2 New Shares for every 5 Existing Shares held on the Record Date, subject to the terms of this Prospectus.</p> <p>Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.</p> <p>Eligible Retail Shareholders can also subscribe for New Shares in excess of their Entitlement. However, no Eligible Retail Shareholder is assured of being allocated any New Shares in excess of their Entitlement. If you are an Eligible Retail Shareholder, your Entitlement is set out in the personalised Entitlement and Acceptance Form which accompanies this Prospectus.</p>	Entitlement and Acceptance Form
What is the Offer Price?	<p>The Offer Price is \$1.25 per New Share.</p> <p>This represents a discount of:</p> <ul style="list-style-type: none"> • 29% to \$1.75, the last closing price as at 26 September 2008; and • 22% to the theoretical ex-rights price (TERP) of \$1.61, calculated using \$1.75 as the pre-issue price of Existing Shares (and assuming the Retail Entitlement Offer is fully subscribed). 	Section 2.1

1.1 The Entitlement Offer continued

Question	Answer	More information
<p>What are the terms of issue of New Shares under the Entitlement Offer?</p>	<p>New Shares issued under the Entitlement Offer will be issued fully paid and will rank equally with Existing Shares, however will not qualify for the final dividend for the period ended 30 June 2008, as they were not on issue as at the dividend record date.</p>	<p>Section 9.5</p>
<p>What are the key risks associated with an investment in New Shares?</p>	<p>The key risks associated with an investment in New Shares are described in Section 6. Before making an investment decision you should read the entire Prospectus and carefully consider these risk factors.</p>	<p>Section 6</p>
<p>Is the Entitlement Offer underwritten?</p>	<p>The Institutional Entitlement Offer has already been conducted on Wednesday, 1 October to Friday, 3 October 2008 and raised gross proceeds of approximately \$150 million. The Institutional Entitlement Offer is Settlement Underwritten. The Retail Entitlement Offer, which is the subject of this Prospectus, is not underwritten, so there is no certainty as to the amount (if any) that will be raised under the Retail Entitlement Offer.</p>	<p>Section 9.4</p>
<p>What happens if not all Shareholders subscribe for their Entitlements under the Retail Entitlement Offer?</p>	<p>The number of New Shares equal to the number of New Shares not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer, together with New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer, will be offered for subscription to Eligible Retail Shareholders who subscribe for New Shares in excess of their Entitlement. If there is not sufficient demand for New Shares from Eligible Retail Shareholders who applied for New Shares in excess of their Entitlement, the Retail Entitlement Offer will lapse in respect of those New Shares for which there is no demand. The Retail Entitlement Offer is not underwritten.</p>	<p>Section 2.3</p>

1.2 Participation in the Retail Entitlement Offer

Question	Answer	More information
Who is an Eligible Retail Shareholder?	<p>An Eligible Retail Shareholder is a person who is registered as the holder of Existing Shares at the Record Date, and who:</p> <ul style="list-style-type: none"> • has a registered address in Australia or New Zealand; • is not in the United States and is not a US Person or acting for the account or benefit of a US Person; • is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer; • is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder; and • does not hold Existing Shares as a result of post ex-date transactions which are disregarded as described in Section 9.10. 	<p>Section 2.6</p>
How do Eligible Retail Shareholders find out what their Entitlement is?	<p>Your Entitlement is set out on the personalised Entitlement and Acceptance Form accompanying this Prospectus.</p> <p>If you did not receive your personalised Entitlement and Acceptance Form, you should call the PaperlinX Shareholder Information Line on 1300 662 058 (local call cost within Australia) or on +61 3 9415 4021 (from outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period to find out your Entitlement and request your personalised Entitlement and Acceptance Form.</p>	<p>Entitlement and Acceptance Form</p>
What can I do with my Entitlement?	<p>You can do one of the following:</p> <ul style="list-style-type: none"> • take up all of your Entitlement; or • take up part of your Entitlement; or • subscribe for New Shares in excess of your Entitlement; or • not take up any of your Entitlement. 	<p>Section 3</p>
Can I trade my Entitlement?	<p>No. Entitlements cannot be traded on ASX or any other exchange, nor can they be otherwise transferred.</p>	<p>Section 2.8</p>
What happens if I do not accept my Entitlement, or accept only part of my Entitlement?	<p>If you are an Eligible Retail Shareholder and you do not take up some or all of your Entitlement, or do nothing, then a number of New Shares equal to the number of New Shares not taken up under your Entitlement will be offered for subscription to Eligible Retail Shareholders who subscribe for New Shares in excess of their Entitlement. If there is not sufficient demand for New Shares from Eligible Retail Shareholders who applied for New Shares in excess of their Entitlement, the Retail Entitlement Offer will lapse in respect of those New Shares for which there is no demand.</p> <p>If you do not apply for your full Entitlement, your percentage shareholding in PaperlinX will be diluted (i.e. it will reduce). See also Section 5.3 for a detailed discussion of the impact on earnings attributable to a Shareholder's interest in PaperlinX as a result of the Offer.</p>	<p>Section 2.6</p>
Can I apply for additional New Shares above my Entitlement?	<p>Yes. Eligible Retail Shareholders may subscribe for New Shares in excess of their Entitlement. However, you are not guaranteed to be issued any New Shares in excess of your Entitlement. The number, if any, of New Shares you will be issued in excess of your Entitlement will depend on demand for New Shares from other Eligible Retail Shareholders.</p>	<p>Section 3.2</p>

1.2 Participation in the Retail Entitlement Offer continued

Question	Answer	More information
<p>How do I accept the Retail Entitlement Offer?</p>	<p>If you wish to take up all or part of your Entitlement or subscribe for New Shares in excess of your Entitlement you must either:</p> <ul style="list-style-type: none"> • complete and return to the Share Registry the personalised Entitlement and Acceptance Form in accordance with the instructions on that form along with a cheque, bank draft or money order for the Application Monies in respect of the New Shares you wish to subscribe for; or • pay the full Application Monies via BPAY[®] payment in respect of the New Shares you wish to subscribe for, in which case you do not need to complete and return your Entitlement and Acceptance Form. <p>You must either:</p> <ul style="list-style-type: none"> • complete and return your Entitlement and Acceptance Form and Application Monies; or • complete the BPAY[®] payment process, <p>so that they are received by the Share Registry by no later than 5.00pm (Melbourne time) on Friday, 24 October 2008. You should check the processing cut-off time for BPAY[®] transactions with your bank, credit union or building society as it may be earlier than 5.00pm (Melbourne time) on Friday, 24 October 2008.</p>	<p>Section 3</p>
<p>Who is the Share Registry?</p>	<p>The Share Registry is Computershare Investor Services Pty Limited GPO Box 505 Melbourne Victoria 8060 Australia</p>	<p>N/A</p>
<p>What happens if I am a Shareholder on the Record Date but not an Eligible Retail Shareholder?</p>	<p>You will not be entitled to acquire New Shares under the Entitlement Offer. New Shares equal in number to the New Shares that would have been offered to you if you had been entitled to participate in the Entitlement Offer will be offered to Eligible Retail Shareholders who subscribe for New Shares in excess of their Entitlement.</p> <p>If there is not sufficient demand for New Shares from Eligible Retail Shareholders who applied for New Shares in excess of their Entitlement, the Retail Entitlement Offer will lapse in respect of those New Shares for which there is no demand. The Retail Entitlement Offer is not underwritten.</p>	<p>Sections 2.6.2 and 2.7.2</p>
<p>What is my Entitlement if I become a Shareholder after the Record Date?</p>	<p>You have no Entitlements if you become a Shareholder after the Record Date.</p>	<p>Sections 2.6.1 and 9.10</p>

1.3 Tax implications

Question	Answer	More information
What are the tax implications of the Entitlement Offer?	A summary of the general tax implications for Australian resident Eligible Retail Shareholders is set out in Section 8. The discussion is in general terms and is not intended to provide specific advice in relation to circumstances of any particular Shareholder. Eligible Retail Shareholders should seek their own tax advice before deciding how to deal with their Entitlements.	Section 8

1.4 Fees and costs of Entitlement Offer

Question	Answer	More information
What are the fees and costs of the Entitlement Offer?	Fees and costs associated with the Entitlement Offer total approximately \$10.8 million (assuming the Retail Entitlement Offer is fully subscribed) and will be paid out of the proceeds of the Entitlement Offer.	Section 9.7

1.5 Further information

Question	Answer	More information
How can further information be obtained?	If you would like further information you can: <ul style="list-style-type: none">• contact your stockbroker, accountant or other professional adviser; or• call the PaperlinX Shareholder Information Line on 1300 662 058 (local call cost within Australia) or on +61 3 9415 4021 (from outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period.	N/A

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Details of the Entitlement Offer

2.1 Overview

PaperlinX is seeking to raise gross proceeds of approximately \$227 million through an offer to Eligible Shareholders. PaperlinX is offering Eligible Shareholders the opportunity to subscribe for 2 New Shares for every 5 Existing Shares held at the Record Date.

The Offer Price per New Share is \$1.25. It is expected that approximately 120.0–181.2 million New Shares will be issued under the Entitlement Offer, depending on the level of subscriptions received from the Retail Entitlement Offer.

The Entitlement Offer is non-renounceable, which means that the Entitlements are non-transferable and cannot be sold or traded.

The Entitlement Offer comprises two parts:

- 1. The Institutional Entitlement Offer** – Eligible Institutional Shareholders were invited to take up all or part of their Entitlement, or apply for New Shares in excess of their Entitlement. In addition, under the Institutional Entitlement Offer, New Shares equivalent to the number not taken up by Eligible Institutional Shareholders, together with any New Shares that would have been offered to Ineligible Institutional Shareholders if they had been eligible to participate in the Institutional Entitlement Offer, were offered to Eligible Institutional Shareholders who applied for New Shares in excess of their Entitlements, and to certain other Institutional Investors. The Institutional Entitlement Offer was conducted via a bookbuild process managed by the Joint Lead Managers from Wednesday, 1 October to Friday, 3 October 2008. The Offer Ratio and Offer Price were set by the bookbuild.
- 2. The Retail Entitlement Offer** – Eligible Retail Shareholders are sent this Prospectus together with a personalised Entitlement and Acceptance Form and are required to decide whether to take up all or part of their Entitlement. In addition, Eligible Retail Shareholders can also subscribe for New Shares in excess of their Entitlement. The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Friday, 24 October 2008.

As noted above, the Institutional Entitlement Offer has already been completed. New Shares to be issued under the Institutional Entitlement Offer are expected to be issued and commence trading on Wednesday, 15 October 2008.

2.2 Use of proceeds

Under the Entitlement Offer, PaperlinX expects to raise approximately \$150–227 million before transaction costs, depending on the level of subscriptions received from the Retail Entitlement Offer.

The Institutional Entitlement Offer will raise gross proceeds of approximately \$150 million, through the issue of approximately 120.0 million New Shares. PaperlinX is seeking to raise gross proceeds of up to approximately \$77 million from the Retail Entitlement Offer. Fees and costs related to the Entitlement Offer are expected to be approximately \$10.8 million, assuming the Retail Entitlement Offer is fully subscribed. The net proceeds of the Entitlement Offer, expected to be approximately \$216 million assuming the Retail Entitlement Offer is fully subscribed, will be used to repay debt, including the committed \$150 million reduction in PaperlinX's multi-currency debt facility by May 2009.

This repayment will strengthen PaperlinX's financial platform and support the continuation of its strategy of building on the key competitive advantages in its two business streams of global paper merchanting and paper manufacturing in Australia.

2.3 No underwriting of the Retail Entitlement Offer

The Retail Entitlement Offer is not underwritten. The number of New Shares equal to the number of New Shares not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer will be offered for subscription to Eligible Retail Shareholders who subscribe for New Shares in excess of their Entitlement. If there is not sufficient demand for New Shares from Eligible Retail Shareholders who applied for New Shares in excess of their Entitlement, the Retail Entitlement Offer will lapse in respect of those New Shares for which there is no demand.

2.4 Issued capital

The effect of the Entitlement Offer on the issued capital of PaperlinX is set out in the table below:¹

	Number of Shares ²
Before the Entitlement Offer (as at Tuesday, 30 September 2008)	453.1 million
Institutional Entitlement Offer	120.0 million
Retail Entitlement Offer	0.0–61.2 million ³
Total (post completion of the Entitlement Offer)	573.1–634.3 million

¹ Figures have been rounded to one decimal place.

² Due to rounding of Entitlements and reconciliation of Entitlements under the Institutional Entitlement Offer to shareholdings on the Record Date, the exact number of New Shares to be issued, and the number of New Shares to be issued under each part of the Entitlement Offer will not be known until completion of the Entitlement Offer.

³ The minimum number is calculated on the basis that no subscriptions are received under the Retail Entitlement Offer. The maximum number is calculated on the basis that the Retail Entitlement Offer is fully subscribed.

2.5 Reasons for using the Entitlement Offer to raise capital

The structure of the Entitlement Offer is expected to provide a number of benefits to PaperlinX and Shareholders as a whole, including:

- Shareholders do not have to pay any brokerage or other transaction costs to participate in the Offer;
- Shareholders' percentage shareholding in PaperlinX will not be reduced if they participate fully in the Entitlement Offer;
- Eligible Retail Shareholders have the benefit of knowing the outcome of the Institutional Entitlement Offer, and can observe PaperlinX's performance in the market, before deciding whether or not to take up their Entitlement by the Closing Date;
- Eligible Retail Shareholders can subscribe for New Shares in excess of their Entitlement. However, whether an Eligible Retail Shareholder receives New Shares in excess of their Entitlement will depend on demand from other Eligible Retail Shareholders. No Eligible Retail Shareholder is assured of receiving any New Shares in excess of their Entitlement; and
- As the Institutional Entitlement Offer was conducted at the beginning of the Entitlement Offer, PaperlinX will receive gross proceeds of approximately \$150 million from the Institutional Entitlement Offer, several weeks before the Retail Entitlement Offer is finalised.

2.6 Retail Entitlement Offer

Overview

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to take up their Entitlement at a price of \$1.25 per New Share.

Who can participate in the Retail Entitlement Offer?

The Retail Entitlement Offer is only open to Eligible Retail Shareholders (defined in Section 10.1).

PaperlinX reserves the right to reject any Application that it believes comes from a person who is not an Eligible Retail Shareholder.

What can Eligible Retail Shareholders apply for under the Retail Entitlement Offer?

Under the Retail Entitlement Offer, Eligible Retail Shareholders are entitled to apply for 2 New Shares for every 5 Existing Shares held at the Record Date. This is called your Entitlement.

This ratio is equal to the ratio offered to Eligible Institutional Shareholders. The Record Date is also the record date that applied to Eligible Institutional Shareholders for the Institutional Entitlement Offer.

The number of New Shares for which an Eligible Retail Shareholder is entitled to apply is shown on the personalised Entitlement and Acceptance Form that accompanies the copy of this Prospectus sent to each Eligible Retail Shareholder. Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.

Eligible Retail Shareholders may also subscribe for New Shares in excess of their Entitlement. However, New Shares in excess of Entitlements will only be allocated to Eligible Retail Shareholders if there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer.

Offer Price

The Offer Price is \$1.25 per New Share. This is payable on taking up your Entitlement and is the same price to be paid for New Shares by Eligible Institutional Shareholders under the Institutional Entitlement Offer.

Taking up your Entitlement

Eligible Retail Shareholders can take up their Entitlement in full or in part or subscribe for New Shares in excess of their Entitlements by returning their Entitlement and Acceptance Form to the Share Registry, or by BPAY[®] payment instruction, by no later than 5.00pm (Melbourne time) on Friday, 24 October 2008 (the **Closing Date**). Payment may be made via cheque, bank draft, money order or BPAY[®] payment by following the instructions as set out on the Entitlement and Acceptance Form.

Returning a completed Entitlement and Acceptance Form or paying the Offer Price for New Shares by BPAY[®] will be taken to constitute a representation by the Eligible Retail Shareholder that they:

- have received a copy of this Prospectus accompanying the Entitlement and Acceptance Form and read it in full;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY[®] payment instruction is given, the Application may not be varied or withdrawn except as required by law;
- agree to being issued the number of New Shares they applied or paid for; and
- authorise PaperlinX and the Joint Lead Managers and their officers or agents to do anything on their behalf necessary for New Shares to be issued to them, including to act on instructions received by the Share Registry using the contact details in the form.

Eligible Retail Shareholders may elect to apply for all, some or none of the New Shares offered to them under the Retail Entitlement Offer. Eligible Retail Shareholders can also subscribe for New Shares in excess of their Entitlement.

The Entitlements are personal and cannot be traded, transferred, assigned or otherwise dealt with.

Entitlements not taken up

New Shares of an equivalent number to the New Shares not taken up by Eligible Retail Shareholders, together with New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer, will be allocated to other Eligible Retail Shareholders that applied for New Shares in excess of their Entitlement.

If there is not sufficient demand for New Shares from Eligible Retail Shareholders who applied for New Shares in excess of their Entitlements, the Retail Entitlement Offer will lapse in respect of those New Shares for which there is no demand.

In these circumstances, the Retail Entitlement Offer will close undersubscribed and an amount less than the total amount sought under the Retail Entitlement Offer will be raised.

The Retail Entitlement Offer is not underwritten.

2.7 Institutional Entitlement Offer

The Institutional Entitlement Offer was conducted between (and including) Wednesday, 1 October and Friday, 3 October 2008.

The Institutional Entitlement Offer will raise approximately \$150 million before transaction costs for PaperlinX through the issue of approximately 120.0 million New Shares. The Institutional Entitlement Offer is Settlement Underwritten. Settlement of the Institutional Entitlement Offer is expected to occur on Tuesday, 14 October 2008. Those New Shares are then expected to be issued and commence trading on ASX on Wednesday, 15 October 2008.

2.7.1 Institutional Entitlement Offer

Under the Institutional Entitlement Offer, Eligible Institutional Shareholders were invited to subscribe for 2 New Shares at the Offer Price for every 5 Existing Shares held at the Record Date.

Under the Institutional Entitlement Offer, PaperlinX offered Eligible Institutional Shareholders an Entitlement to subscribe for New Shares on the same 2 for 5 basis as the Retail Entitlement Offer and at the same Offer Price of \$1.25. New Shares not taken up by Eligible Institutional Shareholders and New Shares that would have been offered to Ineligible Institutional Shareholders (who had been entitled to participate in the Institutional Entitlement Offer), were offered to Eligible Institutional Shareholders who subscribed for New Shares in excess of their Entitlement and to certain other Institutional Investors.

2.7.2 No offer under the Retail Entitlement Offer to Eligible Institutional Shareholders or Ineligible Institutional Shareholders

The Retail Entitlement Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder, including:

- any Eligible Institutional Shareholder (whether or not it accepted the Institutional Entitlement Offer);
- any Ineligible Institutional Shareholder; or
- a nominee for such a person, in respect of Existing Shares held for such a Shareholder.

2.7.3 No offer under the Retail Entitlement Offer to holders of New Shares

Any person allocated New Shares under the Institutional Entitlement Offer does not have any entitlement to participate in the Retail Entitlement Offer in respect of those New Shares.

2.8 No trading of Entitlements

Entitlements cannot be traded on ASX or any other exchange or privately transferred.

2.9 Reconciliation

The Entitlement Offer is a complex structure and in some instances investors may believe that they will own more PaperlinX Shares than they ultimately did on the Record Date. This results in a need for reconciliation.

If reconciliation is required, it is possible that PaperlinX may need to issue a small quantity of additional New Shares (Top-Up Shares) to ensure all Eligible Institutional Shareholders and Eligible Retail Shareholders receive their full Entitlement. The price at which these Top-Up Shares will be issued is not known but will be no lower than the Offer Price.

PaperlinX also reserves the right to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information requested to substantiate their claims. Any Top-Up Shares will be issued under this Prospectus and accordingly (without limiting other provisions of this Prospectus permitting variation of dates or acceptance of late Applications), the offers in this Prospectus remain open for acceptance in respect of such shares until the date of issue of any Top-Up Shares.

2.10 Ranking of New Shares

New Shares will be issued fully paid and will rank equally with Existing Shares, however will not qualify for the final dividend for the period ending 30 June 2008, as they were not on issue as at the dividend record date.

A summary of the rights and liabilities attaching to the New Shares is set out in Section 9.5.

2.11 ASX quotation and trading of New Shares

PaperlinX will apply within 7 days of the date of this Prospectus for the official quotation of the New Shares. Subject to approval being granted, it is expected that normal trading of New Shares issued under the Institutional Entitlement Offer will commence on Wednesday, 15 October 2008.

It is expected that normal trading will commence in relation to New Shares issued under the Retail Entitlement Offer on Wednesday, 5 November 2008.

Confirmation of allotment statements are expected to be dispatched to Eligible Retail Shareholders on Friday, 7 November 2008. It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of their confirmation of allotment statement will do so at their own risk. PaperlinX and the Joint Lead Managers disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Shares before receiving their confirmation of allotment statements, whether on the basis of confirmation of the allocation provided by PaperlinX, the Share Registry or the Joint Lead Managers.

2.12 CHESS

The New Shares will participate from the date of commencement of quotation in CHESS, operated by ASX Settlement and Transfer Corporation Pty Limited. They must be held in uncertificated form (i.e. no share certificate will be issued) on the CHESS sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored sub-register.

Arrangements can be made at any subsequent time to convert your holding from the issuer-sponsored sub-register to the CHESS sub-register under sponsorship of a sponsoring participant or vice versa, by contacting your sponsoring participant.

2.13 Application Monies

All Application Monies will be held by PaperlinX in a bank account on trust for applicants until the New Shares are issued or, if the New Shares are not issued, until the Application Monies are returned to the applicants. The bank account will be established and maintained by PaperlinX solely for the purpose of depositing Application Monies and retaining those funds for as long as required under the Corporations Act.

Interest earned on the Application Monies will be for the benefit of, and will remain the property of, PaperlinX and will be retained by PaperlinX whether or not the allotment and issue of New Shares takes place.

If the New Shares are not issued or you subscribe for New Shares in excess of your Entitlement, and you are not allocated some or all of the New Shares in excess of your Entitlement, relevant Application Monies will be refunded by PaperlinX as soon as practicable, without interest.

2.14 Market prices of PaperlinX Shares on ASX

The closing price on ASX on Friday, 26 September 2008 (the last day of trading on ASX in PaperlinX Shares before announcement of the Entitlement Offer) was \$1.75.

The volume weighted average price of PaperlinX Shares on ASX during the relevant periods up to and including Friday, 26 September 2008, that date being the last day of trading on ASX in PaperlinX Shares before announcement of the Entitlement Offer, are set out below:

Volume weighted average price of Existing Shares	
1 month	\$2.12
3 months	\$1.98
6 months	\$2.23

2.15 Treatment of foreign Shareholders

Neither this Prospectus nor the Entitlement and Acceptance Form constitutes an offer in the United States (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

Eligible Retail Shareholders resident outside Australia and New Zealand should consult their professional advisers as to whether, in order to enable them to take up their Entitlement, any governmental or other consents are required or other formalities need to be observed.

Eligible Retail Shareholders holding PaperlinX Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that taking up their Entitlement does not breach the laws and regulations in the relevant overseas jurisdiction. The making of an Application (whether by the return of a duly completed Entitlement and Acceptance Form or by the making of a BPAY[®] payment) will constitute a representation that there has been no breach of such laws or regulations. Shareholders who are nominees are therefore advised to seek independent advice as to how they should proceed.

The Retail Entitlement Offer is not being made in the US or to, or for the account or benefit of, US Persons. Accordingly, Eligible Retail Shareholders who hold PaperlinX Shares on behalf of persons in the US or that are US Persons may not take up their Entitlements or subscribe for New Shares on behalf of such persons, and may not send to such persons this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer.

Each subscriber of New Shares under the Retail Entitlement Offer will be deemed to have represented, warranted and agreed that:

- neither the Entitlements nor the New Shares have been, or will be, registered under the Securities Act or any US state or other securities laws, and may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
- it is not in the US, and is not a US Person or acting for the account or benefit of a US Person;
- it will not send this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the US or that is a US Person; and
- if in the future it decides to sell or otherwise transfer its New Shares, it will only do so in standard transactions on ASX where neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the US.

New Zealand

The New Shares offered under this Prospectus are offered to Eligible Retail Shareholders in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Ineligible Retail Shareholders

PaperlinX is of the view that it is not reasonable or practicable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders (defined on page 71), having regard to:

- the number of Ineligible Retail Shareholders;
- the number and value of the New Shares which would be offered to Ineligible Retail Shareholders if they were Eligible Retail Shareholders; and
- the cost of complying with the legal requirements, and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Retail Entitlement Offer is not being extended to any Shareholders outside Australia and New Zealand. PaperlinX will notify all Ineligible Retail Shareholders of the Retail Entitlement Offer and advise that PaperlinX is not extending the Retail Entitlement Offer to Ineligible Retail Shareholders.

New Shares equivalent to the number that Ineligible Retail Shareholders would have been able to subscribe for had they been entitled to participate in the Retail Entitlement Offer will be allocated to Eligible Retail Shareholders who subscribe for New Shares in excess of their Entitlement, as described in Section 2.6.

2.16 Taxation implications

The taxation implications will vary depending upon the particular circumstances of each Shareholder. Accordingly, all investors should obtain their own professional advice before concluding on the particular taxation treatment that will apply to them, whether or not those investors participate in the Retail Entitlement Offer and acquire New Shares.

General tax implications in Australia for Eligible Retail Shareholders are discussed in further detail in Section 8.

2.17 Broker stamping fees

A stamping fee equal to 1.0% of Application Monies (exclusive of GST) on New Shares issued will be paid to stockbrokers (being those entities named as full service (advisory) brokers or non-advisory brokers on the ASX website) who submit a valid claim for a broker stamping fee on successful applications, subject to a limit of \$1,500 (exclusive of GST) per Application.

2.18 Withdrawal of the Entitlement Offer

PaperlinX and the Directors reserve the right to withdraw the Entitlement Offer and this Prospectus at any time, in which case PaperlinX will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without any adjustment for interest.

3 **Actions required of Eligible Retail Shareholders**

3 Actions required of Eligible Retail Shareholders

Before taking any action in relation to the Entitlement Offer, you should read this Prospectus in its entirety, including the risk factors in Section 6.

3.1 What you may do – choices available

Eligible Retail Shareholders may do any of the following:

- take up all of their Entitlement (refer to Section 3.2); or
- take up part of their Entitlement (refer to Section 3.2); or
- subscribe for New Shares in excess of their Entitlement (refer to Section 3.2); or
- not take up any of their Entitlement (refer to Section 3.3).

The Retail Entitlement Offer is a pro rata offer to Eligible Retail Shareholders. Eligible Retail Shareholders who take up their Entitlements in full will not have their percentage shareholding in PaperlinX diluted by the Entitlement Offer. The percentage shareholding of Eligible Retail Shareholders who do not take up all of their Entitlements will be diluted (i.e. it will reduce).

3.2 If you wish to take up all, part or in excess of your Entitlement

3.2.1 What you need to do

If you are an Eligible Retail Shareholder and you wish to take up **all or part** of your Entitlement or subscribe for New Shares in excess of your Entitlement, you have two options.

Option 1: Submit your completed Entitlement and Acceptance Form together with cheque, bank draft or money order

To follow this **Option 1**, you should:

- complete the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set out on that form, and indicate the number of New Shares you wish to subscribe for; and
- return the form to the Share Registry (address details below) together with a cheque, bank draft or money order which must be:
 - in respect of the full Application Monies (being \$1.25 multiplied by the number of New Shares you wish to subscribe for); and
 - in Australian currency drawn on an Australian branch of a financial institution; and
 - made payable to 'PaperlinX Limited Entitlement Offer' and crossed 'Not Negotiable'.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected.

Cash payments will **not** be accepted. Receipts for payment will not be issued.

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order reaches the Share Registry at the following address by no later than 5.00pm (Melbourne time) on Friday, 24 October 2008 (subject to variation):

Computershare Investor Services Pty Limited
GPO Box 505 Melbourne
Victoria 8060 Australia

For the convenience of Eligible Retail Shareholders, a reply paid envelope addressed to the Share Registry has been enclosed with this Prospectus. If mailed in Australia, no postage stamp is required.

Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted if received after the Closing Date and will not be accepted at PaperlinX's registered or corporate offices.

Option 2: Pay via BPAY® payment

To follow this **Option 2**, you should pay the full Application Monies (being \$1.25 multiplied by the number of New Shares you wish to subscribe for) via BPAY® payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution.

Please note that should you choose to pay by BPAY® payment:

- you do **not** need to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form; and
- you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

You need to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Melbourne time) on Friday, 24 October 2008 (subject to variation).

Applicants should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by 5.00pm (Melbourne time) on Friday, 24 October 2008 (subject to variation).

3.2.2 Shareholders taking up less than their full Entitlement

If you do not take up your full Entitlement, you should note that the New Shares representing the part of your Entitlement that you do not take up will be offered to Eligible Retail Shareholders who subscribe for New Shares in excess of their Entitlement. You should also note that, if you do not take up all of your Entitlement, then – although you will continue to own the same number of Shares and may acquire some New Shares – your percentage shareholding in PaperlinX will be diluted (i.e. it will reduce).

3.2.3 Shareholders who subscribe for New Shares in excess of their Entitlement

You are not guaranteed to be issued the New Shares in excess of your Entitlement. The number, if any, of New Shares you will be issued in excess of your Entitlement will depend on demand for New Shares from other Eligible Retail Shareholders. If you subscribe for New Shares in excess of your Entitlement and you are not allocated some or all the New Shares in excess of your Entitlement, you will receive a refund for the relevant amount of Application Monies (without interest) not applied towards the issue of New Shares, as soon as practicable after the Closing Date.

3.3 Do nothing

If you are an Eligible Retail Shareholder and you do nothing, then New Shares representing your Entitlement will be offered to Eligible Retail Shareholders who subscribe for New Shares in excess of their Entitlement. If there is not sufficient demand for New Shares from Eligible Retail Shareholders who applied for New Shares in excess of their Entitlement, the Retail Entitlement Offer will lapse in respect of those Shares.

You should also note that, if you do not take up your Entitlement, then – although you will continue to own the same number of Existing Shares – your percentage shareholding in PaperlinX will be diluted (i.e. it will reduce) (see also Section 5.3).

3.4 Enquiries

This Prospectus is important and requires your immediate attention. You should read it in its entirety. If you are in doubt as to the course you should follow you should consult your stockbroker, accountant or other professional adviser. If you:

- have questions in relation to the Existing Shares upon which your Entitlement has been calculated; or
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- you have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the PaperlinX Shareholder Information Line on 1300 662 058 (local call cost within Australia) or on +61 3 9415 4021 (from outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period.

4 Information on **PaperlinX and its business**

4.1 Overview

PAPERLINX

IS

One of the world's largest fine paper merchants.

Distributing nearly four million tonnes per annum of high quality fine paper, sign and display and graphics products, and industrial packaging to printers, stationers, office suppliers and other customers in five continents.

Australia's only manufacturer of printing, writing and office papers and a leading Australian manufacturer of packaging papers.

Manufacturing and distributing around 500,000 tonnes per annum of high quality communications papers at four Australian mills, primarily for Australian customers, but also exported around the world.

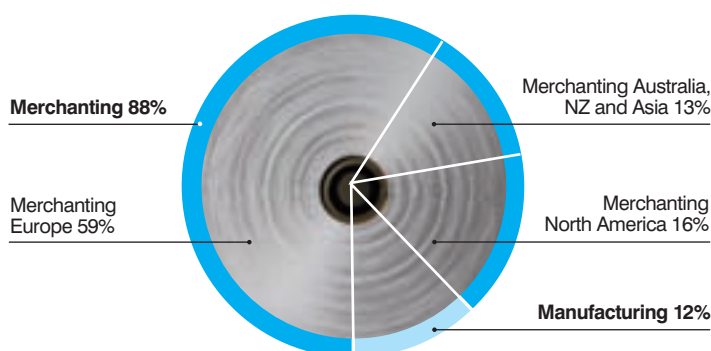
Manufacturing around 300,000 tonnes per annum of linerboard and sack bag papers for customers in Australia and throughout the Asian region.

PaperlinX was listed on the ASX in April 2000 under the ticker symbol 'PPX'. Since that time, PaperlinX has undergone significant growth in its paper merchandising business.

PaperlinX employs over 9,300 people in 27 countries in 49 businesses, speaking over 18 languages.

Sales Revenue – \$7,485 million

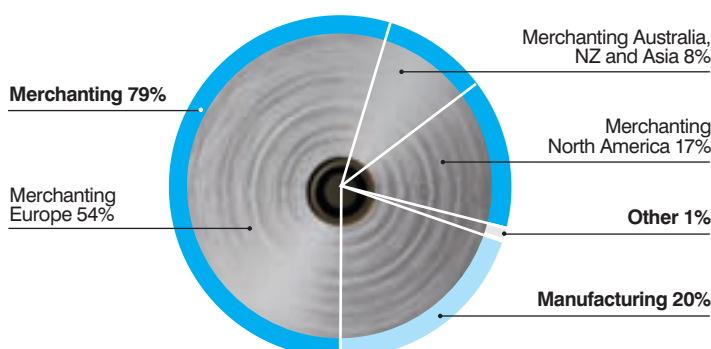
FY2008



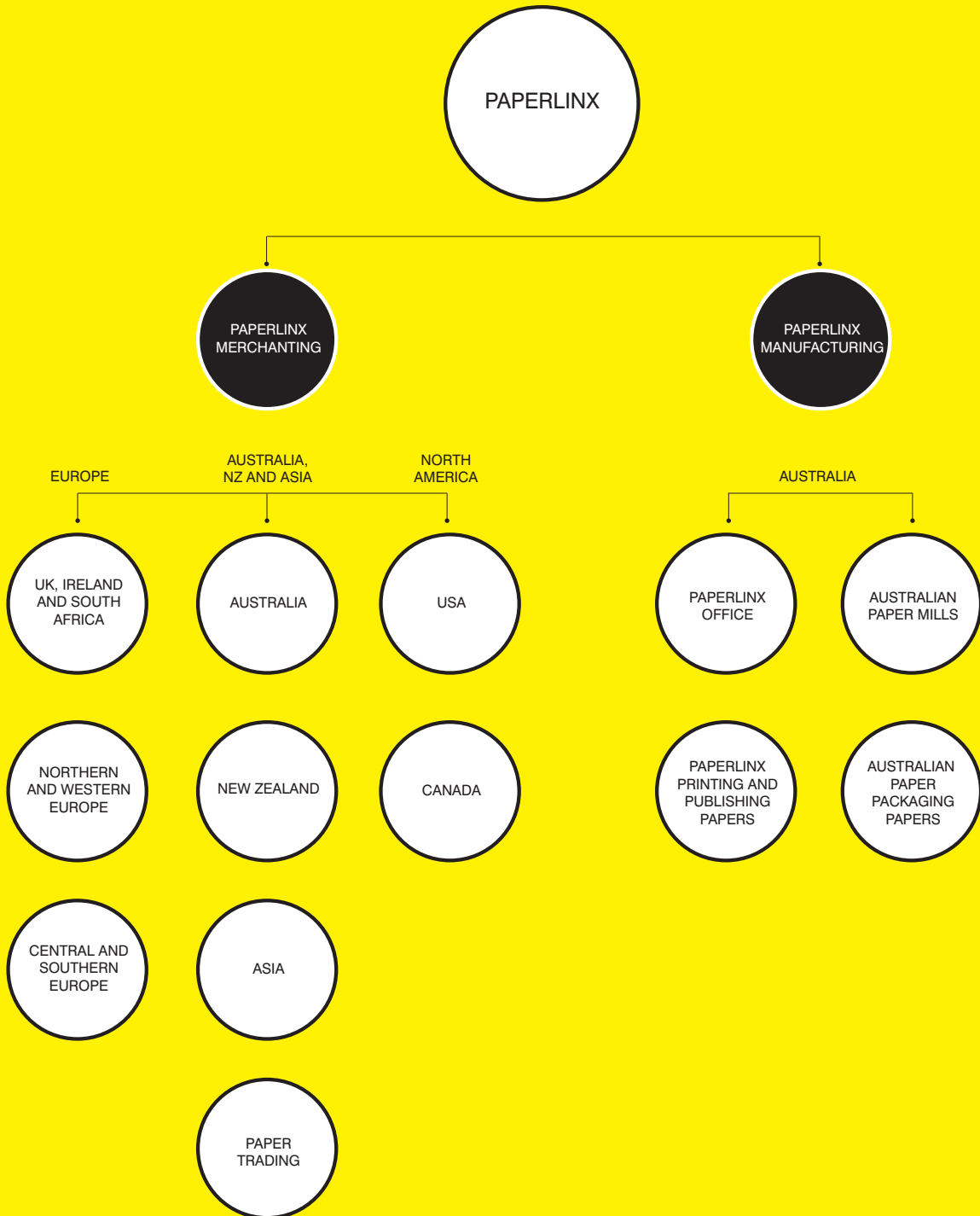
Note: percentages calculated before elimination of intercompany sales

Employees – 9,365

At 30 June 2008



Group structure





Our locations



Merchating Europe

- 1 Denmark
- 2 Ireland
- 3 United Kingdom
- 4 Netherlands
- 5 Belgium
- 6 Germany
- 7 Poland
- 8 Czech Republic
- 9 Austria
- 10 Slovakia
- 11 Hungary
- 12 Croatia
- 13 Slovenia
- 14 Italy
- 15 Spain
- 16 Serbia
- 17 South Africa

Merchating Australia, NZ and Asia

- 1 Darwin
- 2 Townsville
- 3 Brisbane
- 4 Sydney
- 5 Canberra
- 6 Melbourne
- 7 Hobart
- 8 Adelaide
- 9 Perth
- 10 Auckland
- 11 Wellington
- 12 Christchurch
- 13 Dunedin
- 14 Singapore
- 15 Malaysia
- 16 Vietnam
- 17 Hong Kong
- 18 Japan
- 19 Taiwan

Paper Manufacturing

- 1 Melbourne
- 2 Maryvale Mill
- 3 Shoalhaven Mill
- 4 Burnie Mill
- 5 Wesley Vale Mill



**Merchanting
North America**

- 1 Edmonton
- 2 Calgary
- 3 Saskatoon
- 4 Vancouver
- 5 Regina
- 6 Winnipeg
- 7 Sudbury
- 8 Toronto
- 9 Kitchener
- 10 Belleville
- 11 Ottawa
- 12 Montreal
- 13 Quebec City
- 14 Dartmouth
- 15 St John's
- 16 Seattle
- 17 Portland
- 18 Minneapolis
- 19 Sacramento
- 20 Denver
- 21 Kansas City
- 22 St Louis
- 23 San Francisco
- 24 Las Vegas
- 25 Los Angeles
- 26 San Diego
- 27 Phoenix
- 28 Tucson
- 29 Hawaii

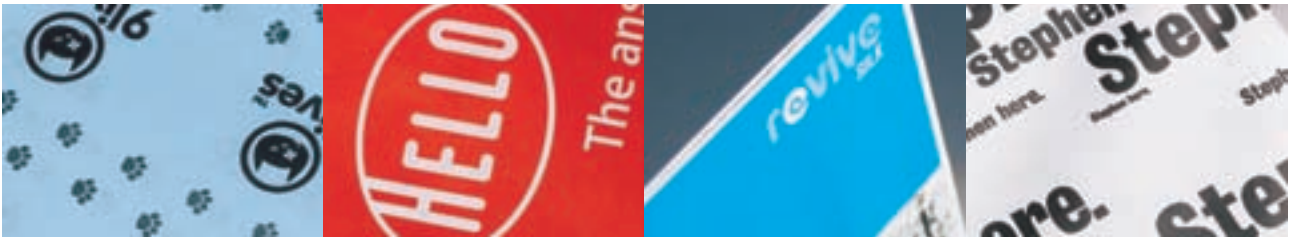
4.2 Business divisions

PAPERLINX

IS

One of the world's largest fine paper merchants.

Distributing nearly four million tonnes per annum of high quality fine paper, sign and display and graphics products, and industrial packaging to printers, stationers, office suppliers and other customers in five continents.



Paper Merchants Europe

PaperlinX is one of Europe's leading independent merchants of paper and related products for the commercial print, office, packaging and display markets. PaperlinX's European network of paper merchants across 16 countries provides over two million tonnes of paper products to its 80,000 customers. The customer base comprises printers, publishers, sign makers and advertisers, who produce high added value, time-sensitive publications. PaperlinX also serves resellers, retailers, offices and businesses with paper and packaging material.

Paper Merchants Australia, NZ and Asia

PaperlinX is the leading merchandising group in Australia and New Zealand, and also has specialist merchandising operations in Asia and an extensive global paper trading business, Paper Product Marketing. The primary focus is on commercial print, packaging, web and office segments, with a growing level of activity in graphics supplies. PaperlinX's network of locally based merchants offers compelling benefits to the local market in the way of product range, quality, and availability, supported by its global scale.

Paper Merchants North America

PaperlinX has a leading US West Coast and Canadian fine paper and graphic arts merchant distribution network serving printers and graphic customers across North America with a unique offering of products from domestic and international suppliers. Custom sheet converting facilities offer a fast turnaround to provide sheeting to meet customers' exact size dimensions, eliminating waste and increasing customers' productivity. As well as offering a wide variety of paper options, many of PaperlinX's operations also provide graphic systems solutions.

PAPERLINX

IS

Australia's only manufacturer of printing, writing and office papers and a leading Australian manufacturer of packaging papers.

Manufacturing and distributing around 500,000 tonnes per annum of high quality communications papers at four Australian mills, primarily for Australian customers, but also exported around the world.

Manufacturing around 300,000 tonnes per annum of linerboard and sack bag papers for customers in Australia and throughout the Asian region.



4.3 Major business initiatives

4.3.1 Update on existing initiatives

Many of the strategic initiatives committed to previously are now complete or well progressed and adding value to the business.

PaperlinX's completed and ongoing strategic initiatives delivered \$81 million of net incremental benefits to EBIT in FY2008 (over FY2005) and are on target to return up to \$125 million of net incremental EBIT benefit in FY2009 (over FY2005), which represents an increase of up to \$40 million (over FY2008). The incremental expected benefit of up to \$40 million in FY2009 (over FY2008) arises from further benefit from completed strategies and the realisation of ongoing strategies below. The majority of this improvement is expected from the Maryvale Mill pulp capacity upgrade.

Completed

The upgrade of the number one paper machine at Maryvale Mill to produce semi-extensible sack-kraft paper	Upgrade completed in 2006
Closure of the number one and number two paper machines at Shoalhaven Mill and shift reductions at Wesley Vale Mill to reduce unprofitable production	Shoalhaven Mill closures completed in 2006 Wesley Vale Mill completed in 2008
Acquisition of Spicers Canada, a Canadian paper merchant, to build on PaperlinX's existing Canadian platform	Acquisition made in 2006, with returns exceeding expectations
Establishment of PaperlinX Office bringing together three businesses supplying the Australian office products and stationery markets	Completed in 2007 with domestic copy paper share growth
Changes to the European paper merchanting portfolio to exit unsustainable market positions and build on existing strong positions	Exited France, Sweden, Portugal, and Finland Acquisition in Italy
Warehouse integrations have occurred in a number of businesses to improve productivity and remove duplication	Integrations completed in Toronto, Barcelona, and Australia
The wood yard supplying the Maryvale Mill has been upgraded and outsourced to a specialist operator	Completed and transferred to operator in August 2008

Ongoing

Creation of The Delivery Company, an integrated logistics provider across PaperlinX's three UK businesses and simplification of the Howard Smith Paper Group	The roll-out is on track with 12 sites now operational and Howard Smith changes complete. Expected benefits include reduction in fleet size
Restructuring activities in the Netherlands include the integration of business units	Benefits are exceeding expectations, with the Living Office now operational, a number of sites exited and back office integration in progress
Roll-out of a common European IT platform	Progress is on track, with three Units completed, and two Units in progress
Maryvale Mill pulp capacity upgrade	EBIT benefits expected from: improved efficiency resulting in lower manufacturing costs per tonne; reduction of external pulp purchases and reduced exposure to currency fluctuations; and improved product quality See also Section 6.2.4 for risks associated with the Maryvale Mill upgrade
Growth of own brands and development of unique propositions	Continues to see good progress in all markets
Strategic sourcing alignment	Ongoing activity in conjunction with strategic suppliers

4.3.2 Additional initiatives

To proactively address the impacts of the current weak markets and the delayed Maryvale Mill pulp capacity upgrade benefits, the following additional initiatives are in place for FY2009.

Continue to expand the contribution of non-paper activities at superior margins

- yoyo™, a closed loop office paper recycling system, was recently launched in the UK and is rolling out in continental Europe
- Expand PaperlinX's Sign and Display platform
- Industrial Packaging acquisitions in the UK have exceeded plan
- Non-paper activities delivered 17% of gross profit in 2008

Complete the remaining European property sales to fund restructuring charges

- PaperlinX expects over \$20 million EBIT from European property sales in FY2009 with a bias to the first half of the year (refer to Section 6.2.6 for risks associated with PaperlinX's acquisition and divestment strategies).

A Profit Protection Plan has commenced, to deliver a \$30 million expense saving and fuel surcharge benefit in FY2009 to mitigate increased fuel costs and market softness

- There is a focus on shared services and fuel surcharges and a hold on headcount and discretionary spend

These initiatives touch all parts of PaperlinX's business and show the benefits that can be achieved by following its clear and simple values and core operating principles described in Section 4.5.

4.3.3 Strategic review process

PaperlinX's strategy is to maximise return/value in Australian Paper, its Australian manufacturing division, through investment in infrastructure and its brands.

PaperlinX is currently undertaking a strategic review of Australian Paper. This could result in a number of different outcomes, including a sale of some or all of Australian Paper. To ensure that the strategic advantages of PaperlinX's businesses are fully valued, a process is underway with potential investors for some or all of Australian Paper.

- A due diligence process is underway for potential investors, though the Directors have made no decision to sell as at the date of this Prospectus.
- In the event that a decision is made to sell some or all of Australian Paper, it is probable that the long term carrying value of the business will not be achieved at this low point in the industry cycle, though 'through the cycle' valuations support the carrying value (\$1,112 million as at 30 June 2008).
- The decision to sell some or all of Australian Paper will be assessed in light of the overall value of any offer, the value of PaperlinX retaining Australian Paper and, if a sale proceeds, the alternative uses of funds in the near and medium term, which may include further growth of the merchanting platform (covering in-market scale and non-paper distribution) and/or appropriate capital management initiatives to address the possibility that PaperlinX has less debt than optimal.

4.4 Sustainability

As a manufacturer and distributor of paper, PaperlinX has certain responsibilities.

Building PaperlinX's business upon paper – a sustainable product made from a renewable natural resource that is completely recyclable – has many implications. These unique product features have become increasingly relevant to environmentally conscious consumers the world over.

To maintain its growth, PaperlinX must focus its sustainability strategy on these three areas:

- Economic sustainability – the successful performance of PaperlinX's business model
- Social sustainability – meeting society's expectations of PaperlinX's responsibilities to its employees and the communities in which it operates
- Environmental sustainability – managing natural resources wisely to continually improve PaperlinX's environmental performance

SUSTAIN ABILITY

PaperlinX has developed some innovative products with environmental credentials... These are proving to be popular options for customers who are adapting their supply chains to address environmental concerns.

Sustainability highlights for the period ended 30 June 2008

- For the fourth consecutive year, PaperlinX has satisfied the requirements of the FTSE4Good Index Series by meeting global standards of corporate responsibility for social, ethical and environmental performance. Further, PaperlinX participated in the Carbon Disclosure Project Survey in Australia.
- Over the past seven years, PaperlinX successfully reduced its overall Lost Time Injury Frequency Rate (LTIFR) by 50%, and its Medically Treated Injury Frequency Rate (MTIFR) by 55%.
- The PaperlinX Values (see Section 4.5) were launched in every business to enhance PaperlinX's organisational culture and business performance.
- HealthLinX, PaperlinX's global health and wellbeing programme, was launched by offering all employees a free workplace health check.
- Compared to the prior financial year, carbon emissions per tonne of paper produced were reduced by 11% in PaperlinX's Australian manufacturing business. PaperlinX also achieved a 6.7% reduction in raw water used per tonne of paper produced in Australia.
- PaperlinX developed the first Australian-made range of carbon-neutral papers, called ENVI™ and launched yoyo™, a unique combined office paper delivery and waste collection service in the UK.
- Australian Paper qualified as a member of the World Wildlife Fund's Australia Forest and Trade Network, an initiative to promote responsible forest management and credible forest certification.
- Australian Paper received dual chain-of-custody certification for its paper products under the Programme for Endorsement of Forest Certification schemes (PEFC) and Forest Stewardship Council (FSC).
- PaperlinX continued to significantly drive up the number of chain-of-custody certifications in PaperlinX's merchant operations in Australia, Asia, Europe and North America, confirming its ability to trace paper back to an approved sustainable source of fibre.
- The upgrade of the pulp capacity at the Maryvale Mill is progressing, including the new bleach plant that will provide further improvements in environmental performance.

SHARING OUR VALUES

4.5 Organisational values

In 2007, PaperlinX launched a set of organisational values to employees to provide a common thread across the organisation and to drive business performance. These values define the qualities PaperlinX expects all of its employees to embrace. They were developed during an 18-month consultation period with all its operating companies to reflect a company-wide view.

The PaperlinX Values reinforce PaperlinX's commitment to developing a culture that allows people to work to the best of their abilities and to achieve a high point of their working life.

The PaperlinX Values are:

- Success through ideas and partnerships.
- Courage to lean forward.
- Trust and respect.
- Sustainability.
- Respect local and add value with global.
- Passion, success and pride.
- Leadership.

4.6 Outlook

The market weakness evident in May and June of FY2008 has continued into FY2009 and this has depressed the first quarter results. PaperlinX expects weaker demand to continue to prevail in the first half. PaperlinX's financial performance will continue to be affected by, among other factors, demand, paper prices, input costs and currency relativities.

However, PaperlinX is observing positive trends in relation to:

- pricing, due to tightening in overseas fine paper manufacturing capacity, and ongoing input cost increases. September paper selling price increases have been announced in Europe by manufacturers to try and recover major cost increases, although the sustainability of these price rises is yet to be proven. Pricing increases have been announced in Australia to take effect from October for Australian Paper and PaperlinX's Australian merchants. In addition, industry consolidation and/or further capacity closures could lead to further pricing announcements;
- levels of the Australian dollar against key currencies (US dollar, euro, UK pound sterling and the Canadian dollar) relative to last year; and
- proactive cost management and fuel cost recovery programmes now largely in place across PaperlinX (as part of the profit protection plan). The profit protection plan is on track and will provide further benefits as the first half progresses.

PaperlinX has previously announced a programme of disposals of a number of its European properties with a targeted profit on sale and therefore EBIT contribution of over \$20 million, substantially biased towards the first half of FY2009. The anticipated profit from the sale of these properties makes a significant contribution towards PaperlinX's earnings for the first half of FY2009.

In the context of weaker paper demand, if PaperlinX is unable to realise benefits from improved pricing, favourable currency, the profit protection plan and, specifically, the European property sales, there could be a material adverse impact on PaperlinX's financial performance and its performance against financial covenants including in the first half of FY2009. (Refer Section 6.2.6 for discussion of the risks associated with the acquisition and divestment activities).

The primary contribution to future PaperlinX earnings growth outside of improvements in external conditions remains the successful delivery of the strategic initiatives expected to realise up to \$125 million incremental EBIT in FY2009 (versus FY2005) following, among other things, successful completion of the Maryvale Mill pulp capacity upgrade. Delays to the upgrade works mean that there will be less than a full year's contribution in FY2009, though the anticipated \$40 to \$50 million EBIT benefit on an annualised basis remains. (Refer Sections 6.2.4 and 6.2.7 for a discussion of the risks associated with the Maryvale Mill pulp capacity upgrade and the strategic review of Australian Paper, respectively.)

In September 2008, PaperlinX secured the early roll-over of the one year tranche of its multi-currency debt facility to provide funding security. The syndicated facility of US\$589 million was established in February 2008, and consists of a US\$251 million one year tranche, a US\$263 million three year tranche and a US\$75 million five year tranche. The one year tranche now comes up for review in December 2009, with review dates for the other tranches unchanged.

PaperlinX will benefit from increased flexibility under the new terms of the facility in the near-term. As part of the roll-over, PaperlinX has committed to a reduction in the total facility of \$150 million by May 2009 (which will be funded by the net proceeds of the Entitlement Offer), the inclusion of a net debt to EBITDA covenant, and an incremental tightening in certain covenant thresholds at June 2010.

The recently completed debt refinancing, together with the Entitlement Offer will strengthen PaperlinX's financial platform and provide further flexibility in pursuing its strategy.

Internal momentum continues to be positive as reflected in the launch of the PaperlinX Values to employees, successful acquisition integrations, broad-based delivery of strategic initiatives, improved mill efficiency and run rates, strengthening brand propositions, improving working capital to sales ratios, successful roll-out of common IT systems, an improving environmental footprint and continued reductions in injury frequency rates.

PaperlinX's expectations about its future performance are based on current economic and market conditions and the absence of unforeseen circumstances. See Section 6 for a description of the risks associated with PaperlinX's business and an investment in New Shares.

5 **Financial effect of the Entitlement Offer on PaperlinX**

This Section contains selected information in relation to the financial effect of the Entitlement Offer on PaperlinX, including:

- historical and pro forma historical balance sheets for PaperlinX as at 30 June 2008;
- the pro forma impact of the Entitlement Offer on PaperlinX's debt maturity profile as at 30 June 2008; and
- a statement regarding the impact of the Entitlement Offer on PaperlinX's earnings per share.

This Section should also be read in conjunction with the risks as set out in Section 6.

5.1 Historical and pro forma historical balance sheets

The pro forma historical balance sheets have been prepared for illustrative purposes under two scenarios:

- assuming that the Institutional Entitlement Offer was fully subscribed and completed by PaperlinX on 30 June 2008; and
- assuming that the Institutional Entitlement Offer and the Retail Entitlement Offer were fully subscribed and completed by PaperlinX on 30 June 2008.

The pro forma historical balance sheets have not been adjusted for any impact resulting from the refinancing of PaperlinX's multi-currency debt facility, which was announced by PaperlinX on 24 September 2008.

Under both scenarios, the net proceeds are assumed to be applied to repay existing PaperlinX loans and borrowings. The pro forma historical balance sheets provide an indication of the impact of the Entitlement Offer on PaperlinX in these circumstances and do not state the actual financial position that would have occurred had the Entitlement Offer been effected at that time, nor are they represented as being indicative of PaperlinX's views on its future financial position and/or performance.

The PaperlinX consolidated historical balance sheet has been extracted from, and the pro forma historical balance sheets have been derived from, the PaperlinX annual financial report for the year ended 30 June 2008. A copy of the PaperlinX annual financial report for the year ended 30 June 2008 can be found at PaperlinX's website www.paperlinx.com or the ASX website, www.asx.com.au.

The historical and pro forma historical balance sheets have been prepared in accordance with the recognition and measurement principles prescribed in AASBs (including Australian Interpretations) adopted by the Australian Accounting Standards Board, which comply with the recognition and measurement principles of IFRS and interpretations adopted by the International Accounting Standards Board. The accounting policies upon which the historical and pro forma historical balance sheets have been prepared are set out in PaperlinX's annual financial report for the year ended 30 June 2008.

IFRS do not currently include circulated standards for the preparation and reporting of pro forma financial information, and effective guidance as of the date of this report is limited to the preparation of historical financial statements. Consequently, the pro forma historical balance sheets have been directly derived from balances and amounts included in PaperlinX's annual financial report for the year ended 30 June 2008, as prepared in accordance with IFRS.

The PaperlinX annual financial report for the year ended 30 June 2008 has been audited in accordance with Australian Auditing Standards and the audit opinion issued to the members of PaperlinX relating to that financial report was unqualified.

The historical and pro forma historical balance sheets are presented in abbreviated form and do not contain all the disclosures that are required by the AASBs usually found in an annual financial report prepared in accordance with the Corporations Act.

KPMG Transaction Services (Australia) Pty Limited has reported on the pro forma historical balance sheets in an Investigating Accountant's Report that has been included in Section 7. Shareholders should note the comments made in relation to the scope and limitations of their report.

5 Financial effect of the Entitlement Offer on PaperlinX

Figure 5.1 – Historical and Pro Forma Historical Balance Sheets as at 30 June 2008

As at 30 June 2008 (\$m)	PaperlinX historical	Pro forma adjustments for Institutional Entitlement Offer (assuming full subscription)	PaperlinX pro forma (post Institutional Entitlement Offer assuming full Institutional Entitlement Offer subscription)	Pro forma adjustments for Retail Entitlement Offer (assuming full subscription)	PaperlinX pro forma (post Entitlement Offer assuming full Retail Entitlement Offer subscription)
Current assets					
Cash and cash equivalents	240.7		240.7		240.7
Trade and other receivables	1,522.8		1,522.8		1,522.8
Inventories	822.0		822.0		822.0
Assets held for sale	92.2		92.2		92.2
Total current assets	2,677.7		2,677.7		2,677.7
Non-current assets					
Receivables	54.4		54.4		54.4
Investments	13.6		13.6		13.6
Property, plant and equipment	1,155.3		1,155.3		1,155.3
Intangible assets	409.0		409.0		409.0
Deferred tax assets	67.7		67.7		67.7
Total non-current assets	1,700.0		1,700.0		1,700.0
Total assets	4,377.7		4,377.7		4,377.7
Current liabilities					
Trade and other payables	1,182.6		1,182.6		1,182.6
Loans and borrowings ¹	293.1		293.1	(73.7)	219.4
Income tax payable	0.4		0.4		0.4
Employee benefits	50.8		50.8		50.8
Provisions	9.1		9.1		9.1
Total current liabilities	1,536.0		1,536.0	(73.7)	1,462.3
Non-current liabilities					
Payables	96.4		96.4		96.4
Loans and borrowings ¹	723.6	(142.7)	580.9		580.9
Deferred tax liabilities	50.8		50.8		50.8
Employee benefits	39.0		39.0		39.0
Provisions	5.7		5.7		5.7
Deferred income	1.6		1.6		1.6
Total non-current liabilities	917.1	(142.7)	774.4		774.4
Total liabilities	2,453.1	(142.7)	2,310.4	(73.7)	2,236.7
Net assets	1,924.6	142.7	2,067.3	73.7	2,141.0
Equity					
Issued capital	1,713.4	142.7	1,856.1	73.7	1,929.8
Reserves	(46.4)		(46.4)		(46.4)
(Accumulated losses)/retained profits	(19.0)		(19.0)		(19.0)
Total equity attributable to holders of ordinary shares of PaperlinX Limited	1,648.0	142.7	1,790.7	73.7	1,864.4
PaperlinX step-up preference securities	276.5		276.5		276.5
Minority interest	0.1		0.1		0.1
Total equity	1,924.6	142.7	2,067.3	73.7	2,141.0

¹ The pro forma historical balance sheets have not been adjusted for any impact resulting from the refinancing of PaperlinX's multi-currency debt facility, which was announced by PaperlinX on 24 September 2008.

The Institutional Entitlement Offer was conducted between 1 October and 3 October 2008. The total number of New Shares offered under the Institutional Entitlement Offer is approximately 120.0 million New Shares, resulting in assumed net proceeds from the Institutional Entitlement Offer of approximately \$142.7 million after transaction costs of \$7.3 million. The final Institutional Entitlement Offer amounts will be based on the Institutional Shareholders' holdings on the Record Date which is 3 October 2008.

Up to approximately 61.2 million New Shares could be issued under the Retail Entitlement Offer and the maximum proceeds of the Retail Entitlement Offer are approximately \$77 million less transaction costs of \$3.5 million. The Retail Entitlement Offer is not underwritten. Should the Retail Entitlement Offer be undersubscribed, the maximum impact on the pro forma historical balance sheet would be to reduce shareholders' equity by approximately \$77 million less transaction costs based on a percentage of the Retail Entitlement Offer proceeds (approximately \$3.4 million) with a corresponding increase in loans and borrowings.

5.2 Pro forma impact of the Entitlement Offer on PaperlinX's debt maturity profile

Following completion of the Entitlement Offer, PaperlinX will use the net proceeds to repay existing unsecured bank loans, including the committed \$150 million reduction in PaperlinX's multi-currency debt facility.

Repayment of the \$150 million reduction will be on a pro rata basis across all financiers under the multi-currency debt facility. The excess proceeds from the Entitlement Offer (after transaction costs) will be used to repay other amounts under PaperlinX's debt facilities. The tranches of debt for which the excess amounts will be applied will be determined at PaperlinX's discretion having regard to the cost and term of each tranche within its multi-currency debt facility, as well as the extent to which the Retail Entitlement Offer is subscribed.

The table below illustrates the estimated impact on PaperlinX's debt maturities profile as if the transactions had occurred on 30 June 2008. The table has not been adjusted for the refinancing of PaperlinX's multi-currency debt facility, which was announced by PaperlinX on 24 September 2008. As part of this refinancing, the one year tranche of US\$251 million previously due for repayment in February 2009 is now due for repayment in December 2009.

The pro forma impact on PaperlinX's debt profile illustrates the tranches of debt that would have most likely been repaid on 30 June 2008 if the Offer had occurred at that time, based on PaperlinX's debt portfolio structure at that date.

Figure 5.2 – Debt Maturity Profile

As at 30 June 2008 (\$m)	PaperlinX actual	Pro forma adjustments for Institutional Entitlement Offer (assuming full subscription)	PaperlinX pro forma (post Institutional Entitlement Offer assuming full Institutional Entitlement Offer subscription)	Pro forma adjustments for Retail Entitlement Offer (assuming full subscription)	PaperlinX pro forma (post Entitlement Offer assuming full Retail Entitlement Offer subscription)
Drawn facilities					
Less than 12 months	293.1		293.1	(73.7)	219.4
1 year to 2 years	3.6		3.6		3.6
2 years to 3 years	257.7	(59.7)	198.0		198.0
More than 3 years	462.3	(83.0)	379.3		379.3
Total drawn facilities	1,016.7	(142.7)	874.0	(73.7)	800.3

5.3 Impact of the Entitlement Offer on PaperlinX's earnings per share

Basic earnings per share (EPS) is calculated by dividing profit attributable to ordinary shareholders by the weighted average number of Shares on issue during the year. Diluted EPS is calculated after adjusting for those Shares not yet exercised under option contracts. As the Offer involves the issue of additional Shares, for a given level of profit, the Offer will reduce both EPS and diluted EPS, relative to the EPS and diluted EPS had the Offer not proceeded.

Eligible Retail Shareholders who take up their full Entitlement under the Offer will not have their percentage shareholding in PaperlinX diluted as a result of the Offer and therefore earnings attributable to their interest in PaperlinX will not be affected. Eligible Retail Shareholders who decide not to take up their Entitlement, or to take up less than their full Entitlement, will have a reduction in their percentage shareholding in PaperlinX following completion of the Offer, and therefore the earnings attributable to their interest will be reduced accordingly.

The holding of any Ineligible Retail Shareholder will be diluted.

6

Key risk factors

6.1 Introduction

A number of risks, which are both specific to PaperlinX and of a more general nature, may affect the future operating and financial performance of PaperlinX and the value of PaperlinX Shares. These risks include, but are not limited to, the risks set out in this section.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors as at the date of this Prospectus and there is no guarantee or assurance that the probability or importance of different risks will not change or that other risks will not emerge.

You should carefully consider the following risk factors, as well as the other information in this Prospectus, and consult your stockbroker, accountant or other professional adviser before deciding whether to invest in the New Shares.

6.2 Operational risk

6.2.1 Currency exchange rates

PaperlinX is exposed to fluctuations in currency exchange rates in several ways:

- Australian Paper competes against imported paper products. The selling price of these products in Australia may rise or fall according to fluctuations in the Australian dollar against the currency in the country of origin. This may make Australian Paper's products more or less price competitive against those imported products;
- PaperlinX currently imports pulp which is a key manufacturing input at Australian Paper. It also imports paper products (which are sold by PaperlinX's paper merchants). The purchase price of pulp and these paper products may be influenced by fluctuations in the Australian dollar against the currency in the country of origin; and
- some of PaperlinX's revenue and expenses are denominated in currencies other than Australian dollars, including sales by PaperlinX's international trading business. Fluctuations in the Australian dollar relative to those currencies could impact the reported amount of revenue and expenses in Australian dollar terms.

6.2.2 Increasing costs

PaperlinX is exposed to the risk of fluctuations in international commodity prices (including movements in the pulp price) and increases in other input costs (including oil prices and transport and shipping costs). To the extent that increases in pulp prices and other costs cannot be passed through to customers in a timely manner, the profitability of PaperlinX could be adversely impacted.

6.2.3 Paper pricing and competition risks

PaperlinX is subject to a number of pricing, competition and associated risks including the following:

- global paper prices fluctuate, based on economic cycles, changes in global supply, currency relativities and other factors;
- PaperlinX faces competition from other paper manufacturers or merchants which may adversely affect PaperlinX's market share;
- subsidies which are given to foreign producers may affect the competitive position of Australian outputs;
- advances in technology relating to the use of paper or competitive products, including the continuing increase in electronic communication and storage of information, could impact on PaperlinX's financial performance in the future; and
- an adverse change to the existing relationship with PaperlinX's suppliers and/or major customers could have a material impact on the operating and financial performance of PaperlinX.

Any of these above factors may have an effect on PaperlinX's financial performance in the future.

6.2.4 Maryvale Mill pulp capacity upgrade

PaperlinX is currently undergoing a major upgrade to the pulp capacity at the Maryvale Mill, which is expected to be completed and commissioned in late 2008.

The capacity upgrade required modifications to almost all sections of the Maryvale Mill, made more difficult by the complexity of the mill and the considerable age of some areas. All sections will be affected by the changes, which are being undertaken as the mill continues to operate. As a result, the upgrade has been particularly complex.

The majority of the upgrade work has now been completed, and the sections where work has been completed have already restarted. The main areas of work remaining are the completion of the new bleach plant, the final shut-down to change over the wood supplies to each pulp mill, and finally, the commissioning period.

The critical issue for completion of the bleach plant is the piping installation. While this installation was very slow until August 2008, reorganisation of the contracting strategy by Australian Paper has resulted in increased productivity in this area, with much improvement made in the length of pipe installed recently. Further improvements in productivity are still required to achieve the target completion date.

The anticipated annualised EBIT benefit of \$40 to \$50 million (see Section 4.3.1) is expected to be achieved in full from FY2010, with partial benefit expected in FY2009. The anticipated EBIT benefit is primarily based on the equipment selected and its design, lifting the capacity of bleached eucalypt kraft pulp by in excess of 90,000 tonnes per annum, and improved brightness and quality of the pulp. Until full commissioning occurs, achievement of this actual performance to the design capacity remains uncertain.

It is possible that completion and commissioning of all parts of the Maryvale Mill pulp capacity upgrade may take longer and may cost more than currently anticipated, due to industrial action affecting the project, adverse weather conditions or other factors beyond PaperlinX's control. Any delay to the completion and commissioning of the upgrade may negatively affect PaperlinX's financial performance through additional costs and deferring the realisation to PaperlinX of the operational and cost benefits of the upgrade.

6.2.5 Amcor contract renewal

PaperlinX has a material contract with Amcor for the supply of linerboard produced at the Maryvale Mill, which expires in 2010. There is no certainty that the contract will be renewed, or regarding the terms on which a renewal may occur.

6.2.6 Acquisition and divestment activities

PaperlinX regularly examines acquisition and growth opportunities and divestment strategies. Acquisitions and divestments may change the mix of PaperlinX's future earnings.

These activities could expose PaperlinX to additional and unforeseen costs, including regulatory and other costs associated with operations in industries in which it previously has not operated, and may strain financial and management resources.

PaperlinX has previously announced a programme of disposals of a number of its European properties. The anticipated profit from the sale of these properties forms a significant proportion of PaperlinX's budgeted earnings for the first half of FY2009. The European property market is currently experiencing a period of weakness. To the extent that completion of the property sales is delayed, or realises less proceeds than expected by PaperlinX, the ability of PaperlinX to employ the funds realised in other parts of its business may be adversely impacted. In addition, the profit on sale of these assets may be reduced or may not eventuate which could have a material negative impact on PaperlinX's results for the first half of FY2009. PaperlinX expects European asset sales will occur as planned with major assets currently in due diligence proceedings. In the event that the anticipated profit is not realised on the sale of the European properties in the first half of FY2009, it is likely that PaperlinX will breach its interest cover covenant for the 12 months to 31 December 2008.

As announced on 21 August 2008, PaperlinX is currently undertaking a strategic review of Australian Paper. One potential result of the review is a sale of all or part of Australian Paper. Further details are set out in Sections 4.3.3 and 6.2.7.

6.2.7 Strategic review of Australian Paper

As noted in Section 4.3.3, if the strategic review of Australian Paper results in a sale of the division, it is probable that the long term carrying value of the assets (\$1,112 million as at 30 June 2008) will not be achieved at this low point in the industry cycle, though the current 'through the cycle' valuations support the carrying value.

Ultimately, the Directors will evaluate a decision in light of the overall value of any offer, the value of PaperlinX retaining Australian Paper and, if a sale proceeds, the alternative uses of funds in the near and the medium term, which may include further growth of the merchandising platform (covering in-market scale and non-paper distribution) and/or appropriate capital management initiatives to address the possibility that PaperlinX has less debt than optimal.

As a sale of Australian Paper has a number of uncertainties (and taking into account that no decision has been made to sell some or all of Australian Paper), no assumption should be made that a sale will occur, the timing of any sale or the amount of any proceeds of sale.

If PaperlinX decides to sell Australian Paper at less than its current carrying value it may incur a material one-off loss on sale which will adversely affect PaperlinX's earnings in the period any decision to sell is made, and its retained earnings. PaperlinX's ability to declare and pay a dividend depends on the availability of current year profits and retained earnings. To the extent that any loss on sale exceeds PaperlinX's current year profits and retained earnings, PaperlinX will not be able to declare or pay a dividend on ordinary shares for the year in which the sale occurs.

If Australian Paper is sold, PaperlinX's earnings profile will be less diverse, with all of its revenue coming from its merchandising businesses.

After the Offer, if PaperlinX disposes of some or all of Australian Paper, there is a risk that PaperlinX may have less debt than optimal.

6.2.8 Environmental regulation and carbon trading

PaperlinX's operations are subject to environmental laws and regulations with specific operating licences in each of the jurisdictions in which it operates. Any adverse environmental issues, laws or regulations, including with respect to packaging, may affect demand for PaperlinX's products and its operating costs.

PaperlinX's manufacturing activities involve energy intensive processes and, as such, PaperlinX is an emitter of greenhouse gases. As part of the Australian Federal Government's environmental strategy, an Australian national emissions trading scheme is proposed to be implemented in July 2010, which may require emitters to purchase permits that are equivalent to their emissions volume, at a price that has not been determined.

The Australian Federal Government's green paper on the Carbon Pollution Reduction Scheme, released on 16 July 2008, provides further information on the proposed national emissions trading scheme, but until this is finalised, the impact on PaperlinX's financial performance and position will remain unclear. Any charges on greenhouse gas emissions imposed on PaperlinX by the Australian Federal Government may or may not be recoverable from customers in a timely manner (or at all). Until the terms of this scheme are finalised, its impact on PaperlinX's earnings will remain unclear. However, it may have a material adverse effect on PaperlinX's future financial performance and position.

6.2.9 Funding risk

PaperlinX's ability to refinance its various existing debt facilities on favourable terms, its ability to raise further finance on favourable terms, and its borrowing costs, will depend upon market conditions and its operating performance.

As previously announced, PaperlinX recently agreed a refinancing of its multi-currency debt facility with its bank group. As part of this, PaperlinX has committed to pay down \$150 million of its multi-currency debt facility by May 2009, which will be funded by the net proceeds of the Entitlement Offer. In addition, PaperlinX has agreed to the inclusion of a net debt to EBITDA covenant, and an incremental tightening in certain covenant thresholds at June 2010.

However, sustained weakness in the global paper industry, if not sufficiently offset by the anticipated benefits from improved pricing, favourable currency and/or the profit protection plan, may put the interest cover covenant for the 12 months to 31 December 2008 at risk.

PaperlinX expects European asset sales will occur as planned with major assets currently in due diligence proceedings. In the event that the anticipated profit is not realised on the sale of the European properties in the first half of FY2009, it is likely that PaperlinX will breach its interest cover covenant for the 12 months to 31 December 2008.

The impact of the proceeds of the Entitlement Offer will only modestly improve the interest cover ratio for the 12 months to 31 December 2008. In the event of a breach of covenant, the timing of scheduled repayments/maturity of part or all of PaperlinX's debt facilities may be accelerated. In the event of acceleration of repayment, this may include repayment of facilities upon demand.

Refinancing over the next several years may be at a higher debt cost than existing arrangements.

6.2.10 Other operating risks

Other risks that may arise in relation to PaperlinX include, but are not limited to:

- the occurrence of an event of default (such as a breach of an obligation) under PaperlinX's funding facilities, which may result in the acceleration of the scheduled time for payment under those facilities;
- ability to attract and retain highly skilled and qualified management and personnel. At this time PaperlinX is undertaking a search for a new Chief Financial Officer following the previously announced resignation of the incumbent;
- shortage of relevant raw materials (as a result of adverse climatic conditions or exposure to other natural events (for example flood, drought and fire), as well as the risks of delays in availability of transport);
- adverse movements in interest rates, which could impact demand for PaperlinX's products by influencing the level of business activity, as well as the interest expense on PaperlinX's borrowings;
- unforeseen capital expenditure requirements that would increase PaperlinX's funding costs;
- changes to laws and regulations in the countries in which PaperlinX operates;
- adverse changes in taxation laws or tax rates in countries in which PaperlinX operates; and
- unforeseen trade regulations that may adversely impact PaperlinX's exports markets.

Any of the above risks may have an effect on PaperlinX's financial performance in the future.

6.3 General risks

6.3.1 Economic downturn

PaperlinX's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and exchange rates, government fiscal, monetary and regulatory policies, the level of household disposable income and global commodity markets.

At present, the global economy is experiencing a range of adverse effects (including high energy costs and slowing demand). In particular, slowing demand for paper is having a negative effect on PaperlinX's volumes and therefore earnings. Any further deterioration in economic conditions may decrease the demand for PaperlinX's products which would result in an adverse effect on PaperlinX's future financial performance and position. These effects may occur over a short or a long period.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand as well as increases in defaults by customers, could potentially have an adverse impact on PaperlinX's earnings and financial performance and therefore the attractiveness of an investment in PaperlinX.

6.3.2 Equity market risks

There are risks associated with any investment listed on ASX and in equities, generally. The market prices for many listed entities have, in recent times, been subject to wide fluctuations.

The market price of PaperlinX Shares may fluctuate depending on the financial condition and operating performance of PaperlinX as well as other external factors over which PaperlinX and its Directors have no control. These external factors include:

- economic conditions in Australia and overseas;
- investor sentiment in the local and international stock markets;
- changes in fiscal, monetary, regulatory and other government policies; and
- geo-political conditions such as acts or threats of terrorism or military conflicts.

No assurance can be given that PaperlinX's market performance will not be adversely affected by any such market fluctuations or factors.

There may be relatively few, or many, potential buyers or sellers of PaperlinX Shares on the ASX at any time. This may increase the volatility of the market price of those Shares. It may also affect the prevailing market price at which Shareholders are able to sell their PaperlinX Shares. Furthermore, no prediction can be made as to the effect, if any, that future sales of Shares or the availability of Shares for future sales, will have on the market price for the Shares from time to time. Sales of substantial numbers of Shares, or the perception that such sales may occur, may adversely affect prevailing market prices for the Shares.

Investors should note that the past share price performance of PaperlinX provides no guidance as to its future share price performance. There is no guarantee that the New Shares will trade at or above the Offer Price.

6.4 Other risks

The above risks are not exhaustive of the risks faced by potential investors in PaperlinX. The risks outlined above and other risks may materially affect the future value and performance of PaperlinX. Accordingly, no assurances or guarantees of future performance, profitability, distributions or return of capital are given by PaperlinX in respect of the New Shares.



7 Investigating Accountant's Report



KPMG Transaction Services (Australia) Pty Limited

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The Directors
PaperlinX Limited
307 Ferntree Gully Road
Mt Waverley VIC 3149

7 October 2008

Dear Directors

Investigating Accountant's Report and Financial Services Guide

Investigating Accountant's Report

Introduction

KPMG Transaction Services (Australia) Pty Limited ("KPMG Transaction Services") has been engaged by PaperlinX Limited ("PaperlinX") to prepare this report for inclusion in the Prospectus to be dated 7 October 2008 and to be issued by PaperlinX, in respect of the proposed entitlement offer of approximately 181 million Shares in PaperlinX at \$1.25 per share.

Expressions defined in the Prospectus have the same meaning in this report.

Financial information

KPMG Transaction Services has been requested to prepare a report covering the pro forma historical financial information described below and disclosed in Section 5.1 of the Prospectus. This report relates only to PaperlinX's pro forma historical financial information (described below) and does not, and should not be read to, cover any forecast financial information or forward-looking statements included in the Prospectus.

Pro forma historical financial information

The pro forma historical financial information, as set out in Section 5.1 of the Prospectus, comprises the pro forma, unaudited balance sheets of PaperlinX as at 30 June 2008.

The pro forma historical financial information has been derived from the financial statements of PaperlinX for the year ended 30 June 2008, after adjusting for the pro forma transactions and/or adjustments described in Section 5.1 of the Prospectus.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.



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The financial statements of PaperlinX for the year ended 30 June 2008 were audited by KPMG, an Australian partnership and member firm of the KPMG network affiliated with KPMG International, in accordance with Australian Auditing Standards. The audit opinion issued to the members of PaperlinX relating to those financial statements was unqualified.

The directors of PaperlinX are responsible for the preparation and presentation of the pro forma historical financial information, including the determination of the pro forma transactions and/or adjustments.

The pro forma historical financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

Scope

Review of pro forma historical financial information

We have reviewed the pro forma historical financial information in order to report whether anything has come to our attention which causes us to believe that the pro forma historical financial information, as set out in Section 5.1 of the Prospectus, does not present fairly the pro forma historical financial position of PaperlinX as at 30 June 2008 on the basis of the pro forma transactions and/or adjustments described in Section 5.1 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (including Australian Interpretations), which comply with the recognition and measurement principles of the International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board, and accounting policies adopted by PaperlinX disclosed in PaperlinX's annual financial report for the year ended 30 June 2008.

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- a review of the extraction of the historical balance sheet of PaperlinX as at 30 June 2008 (the "historical financial information") from the audited financial statements of PaperlinX for the year ended 30 June 2008;
- analytical procedures on the pro forma historical financial information of PaperlinX as at 30 June 2008;
- a review of PaperlinX's work papers, accounting records and other documents;
- a review of the assumptions used to compile the pro forma historical financial information;
- a review of the pro forma transactions and/or adjustments made to the historical financial information;

- enquire about events subsequent to 30 June 2008 that may require adjustment of or disclosure in the pro forma historical financial information;
- a comparison of consistency in application of the recognition and measurement principles in Australian Accounting Standards (including Australian Interpretations), and the accounting policies adopted by PaperlinX disclosed in PaperlinX's annual financial report for the year ended 30 June 2008; and
- enquiry of directors, management and others in relation to the pro forma historical financial information.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our review has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions other than Australia (such as the United States of America), and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices other than Australian Auditing Standard AUS 902 "Review of Financial Reports".

Review statements

Review statement on the pro forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma historical financial information, as set out in Section 5.1 of the Prospectus, does not present fairly the pro forma historical financial position of PaperlinX as at 30 June 2008 on the basis of the pro forma transactions and/or adjustments described in Section 5.1 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (including Australian Interpretations), which comply with the recognition and measurement principles of the International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board, and accounting policies adopted by PaperlinX disclosed in PaperlinX's annual financial report for the year ended 30 June 2008.

Independence

KPMG Transaction Services does not have any interest in the outcome of this entitlement offer, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of PaperlinX and from time to time, KPMG also provides PaperlinX with certain other professional services for which normal professional fees are received.



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Responsibility

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus. The term 'consent' is used solely in the context of the Australian offering and as that term is used in Australia. It is different from, and therefore not to be used as that term is or would be used in the United States of America, including as defined under securities law in the United States of America, in particular the Securities Act.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Yours faithfully

Angus Reynolds
Director



KPMG Transaction Services (Australia) Pty Limited

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Financial Services Guide

Dated 7 October 2008

KPMG Transaction Services

KPMG Transaction Services (Australia) Pty Limited ABN 65 003 891 718 (“**KPMG Transaction Services**” or “**we**” or “**us**” or “**ours**” as appropriate) holds an Australian Financial Services Licence (“**AFSL**”) issued by the Australian Securities and Investment Commission on 11 March 2004. Our AFSL number is 245402.

We have been engaged by PaperlinX Limited (“**PaperlinX**”) to issue general financial product advice, about PaperlinX’s financial products, in the form of an Investigating Accountant’s Report to be provided to you. We are required to include this FSG in our Report because we have authorised the product issuer to include our Investigating Accountant’s Report in the Prospectus for PaperlinX’s financial products.

Purpose of the FSG

The purpose of this FSG is to:

- **help you decide whether to consider the Investigating Accountant's Report;**
- **contain information about remuneration to be paid to us in relation to the Investigating Accountant's Report;**
- **contain information on the financial services we are authorised to provide under our AFSL; and**
- **contain information on how you can complain against us.**

Financial services we are licensed to provide

Our AFSL authorises us to provide financial product advice in relation to interests in managed investment schemes (excluding investor directed portfolio services) and securities (such as shares and debentures) to wholesale and retail clients.

General Financial Product Advice

In the Investigating Accountant's Report, we provide general financial product advice, not personal financial product advice. It has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on any advice contained in the Investigating Accountant's Report.



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Fees, commissions and other benefits

We charge fees for providing reports. These fees are agreed with, and paid by, the product issuer. Fees are agreed on either a fixed fee or a time cost basis.

Except for the fees referred to above, neither KPMG Transaction Services, nor its representative, or any of its employees, involved in the provision of the report, receive any pecuniary or other benefits, directly or indirectly, for or in connection with, the provision of the Investigating Accountant's Report.

All our employees receive a salary and our directors or employees may receive partnership distributions from KPMG or bonuses based on overall productivity, but not directly in connection with any engagement for the provision of a report.

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

Through a variety of corporate and trust structures, KPMG Transaction Services is ultimately wholly owned by, and operates as part of, KPMG's Australian professional advisory and accounting practice. Our directors may be partners in KPMG's Australian partnership. From time to time KPMG Transaction Services or KPMG and/or KPMG related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints

If you have a complaint, please raise it with us. All complaints must be in writing, addressed to The Complaints Officer, KPMG Transaction Services, PO Box H67, Australia Square, Sydney NSW 1213. When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

If you are not satisfied with the outcome of the above process, or our determination, you have the right to refer the matter to the Financial Industry Complaints Service Limited ("FICS"). FICS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry. Further details about FICS are available at the FICS website: www.fics.asn.au. FICS can also be contacted by telephone on 1300 78 08 08.

Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

8

Tax implications

8.1 Australian Taxation Implications for Eligible Retail Shareholders

Set out below is a summary of the Australian tax implications, in particular the application of Australian Capital Gains Tax (CGT), of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for tax purposes and who hold their PaperlinX Shares as capital assets. The summary below does not necessarily apply to Eligible Retail Shareholders who hold their PaperlinX Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment. The summary below does not necessarily apply to Eligible Retail Shareholders whose PaperlinX Shares are held through an employee share plan. The summary below also does not take account of any individual circumstances of any particular Eligible Retail Shareholder; Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in effect as at the date of this Prospectus, including Tax Laws Amendment (2008 Measures No.3) Act 2008 (the Amending Act), which received Royal Assent on 20 September 2008 (Act 91 of 2008).

The summary does not take into account any further changes in income tax law or future judicial interpretations of law, nor does it take into account the application of tax legislation in foreign jurisdictions.

8.2 Granting of Entitlements

Following the decision of the High Court in *Commissioner of Taxation v McNeil* (2007) 229 CLR 656, there was a risk that where a company issues to its shareholders rights to subscribe for new shares at a discount, the value of the rights could be included in the assessable income of the shareholders as ordinary income when the rights are granted, whether or not the rights are exercised. In these circumstances, the amount included in the shareholders' assessable income would not form part of the cost base of new shares acquired by the shareholders.

Whilst it is arguable that the decision in *McNeil's* case does not effect the tax treatment of the Retail Entitlement Offer, the Amending Act amends the Income Tax Assessment Act 1997 (Cth) (the ITAA 1997) such that, for shares held on capital account, no amount should be included in the assessable income of a shareholder in a company as a result of being issued, by the company, entitlements to acquire shares in that company. The amendments will apply to any Entitlements acquired on or after 1 July 2001.

These amendments should accordingly ensure that the value of the Entitlements is not included in the assessable income of Eligible Retail Shareholders at the time they are granted.

8.3 Exercise of Entitlements

Where Eligible Retail Shareholders exercise their Entitlements and subscribe for New Shares:

- the Entitlements will cease to exist and a CGT event will occur. Any capital gain or loss made on the exercise of the Entitlements should, however, be disregarded for income tax purposes;
- the New Shares acquired as a result of exercising the Entitlements will be treated for CGT purposes as having been acquired on the day on which Eligible Retail Shareholders exercise their Entitlements; and
- the New Shares will have a cost base for CGT purposes equal to the Offer Price paid for the acquisition of the New Shares, plus any non-deductible incidental costs incurred in acquiring the New Shares.

8.4 Allowing Entitlements to lapse

Under the Entitlement Offer, the Entitlements of Eligible Shareholders to subscribe for New Shares is not tradeable and may not be assigned. An Eligible Shareholder's Entitlements may lapse by the Eligible Shareholder not taking them up through inaction, but Eligible Shareholders may otherwise not dispose of their Entitlements. In circumstances where the Entitlements lapse, the Eligible Shareholders will not acquire any New Shares under the Offer and will not have any taxation consequences as a result of the Entitlements they receive.

8.5 New Shares

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances (note that the actual date of acquisition of the New Shares will be relevant for the application of certain integrity rules that are based on ownership periods such as the '45 day holding period' rule).

On any future disposal of New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares. The cost base of those shares is described in Section 8.3 above.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those shares, they must have been held for at least 12 months after the date of exercise before the disposal occurs.

8.6 Other Australian taxes

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the entitlements or the acquisition of New Shares.



9

**Additional
information**

9.1 Nature of this Prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to offers of securities in a class which has been continuously quoted by ASX for the three months prior to the date of the prospectus.

9.2 Reporting and disclosure obligations

PaperlinX is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require ASX to be continuously notified of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by ASX.

In particular, PaperlinX has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning PaperlinX, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Company's securities. PaperlinX is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

9.3 Availability of other documents

ASIC maintains records in respect of documents lodged with it by PaperlinX, and these may be obtained from or inspected at any office of ASIC.

PaperlinX will provide a copy of any of the following documents, free of charge, to any person who requests a copy during the Offer Period in relation to this Prospectus:

- the annual financial report lodged with ASIC by PaperlinX for the year ended 30 June 2008;
- the half-year financial report lodged with ASIC by PaperlinX for the half-year to 31 December 2007; and
- any other document used to notify ASX of information relating to PaperlinX under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act after the date of lodgement with ASIC of the annual financial report referred to above and before lodgement with ASIC of this Prospectus.

9.4 Offer Management Agreement

This section contains a summary of the fee, indemnity and termination provisions of the Offer Management Agreement.

PaperlinX and the Joint Lead Managers have entered into the Offer Management Agreement where the Joint Lead Managers have agreed to manage the Entitlement Offer and to provide settlement support for the Institutional Entitlement Offer, where valid applications are received.

9.4.1 Fees and expenses

In consideration of the Joint Lead Managers performing their obligations under the Offer Management Agreement, PaperlinX has agreed to pay the Joint Lead Managers a management and selling fee of 2.0% of the gross proceeds of the Institutional Entitlement Offer, a structuring fee of 0.5% of the gross proceeds of the Institutional Entitlement Offer, an underwriting fee of 0.5% of the gross proceeds of the Institutional Entitlement Offer, a management and selling fee of 2.5% of the gross proceeds of the Retail Entitlement Offer and a structuring fee of 0.5% of the gross proceeds of the Retail Entitlement Offer, in addition to various incidental and out-of-pocket services.

PaperlinX may also pay the Joint Lead Managers, at its discretion, an incentive fee of up to 0.75% of the gross proceeds of the Entitlement Offer.

9.4.2 Indemnity

PaperlinX indemnifies the Joint Lead Managers (and their respective related bodies corporate, officers, employees and advisers) in respect of loss incurred from:

- any statement in this Prospectus or certain related offer documents being misleading or deceptive or containing an omission;
- PaperlinX failing to perform or observe any of its obligations under the Offer Management Agreement or any of the representations and warranties by PaperlinX in the Offer Management Agreement not being true or correct;
- the distribution of the Prospectus or certain related offer documents and the making of the Entitlement Offer;
- any advertising or publicity of the Entitlement Offer issued with the knowledge and consent of PaperlinX;
- any regulatory review, inquiry or investigation in relation to the Entitlement Offer or the related offer documents, other than in the event of fraud, recklessness, wilful misconduct or negligence; any breach of the Offer Management Agreement by the Joint Lead Managers (other than breach caused or induced by PaperlinX); any amount in respect of which the indemnity would be illegal, void or unenforceable under applicable law; or any penalty or fine for any contravention of the Corporations Act (except where caused or induced by PaperlinX).

9.4.3 Termination Events

The Joint Lead Managers may terminate the Offer Management Agreement if any of the following specified events occur before the New Shares have been issued:

- (a) a statement contained in this Prospectus is misleading or deceptive, or required information is omitted;
- (b) PaperlinX fails to lodge a supplementary prospectus in a form acceptable to a Joint Lead Manager where it reasonably believes that PaperlinX is prohibited by section 728(1) of the Corporations Act from offering New Shares under this Prospectus, or PaperlinX lodges a supplementary prospectus which is not in a form acceptable to that Joint Lead Manager;
- (c) any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of PaperlinX;
- (d) a general moratorium on commercial banking activities in Australia, the United Kingdom, Hong Kong or the United States is declared or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries, or if trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for more than one day;
- (e) the S&P/ASX 200 Index is, at the close of trading for two consecutive business days or as at 12 noon on the Institutional Settlement Date, 10% or more below the level as at the close of trading on the business day prior to the announcement of the Entitlement Offer;
- (f) a Director is charged with an indictable offence, or is disqualified from managing a corporation or PaperlinX or any of its Directors engage in any fraudulent activity;
- (g) approval is refused or approval is not granted which is unconditional (or conditional only on customary listing conditions which would not, in the reasonable opinion of a Joint Lead Manager, have a material adverse effect on the success of the Entitlement Offer) to the quotation of all New Shares on ASX, or if granted the approval is subsequently withdrawn, qualified or withheld, or ASX removes PaperlinX from the official list of ASX or suspends or ceases trading in its Shares;
- (h) ASIC issues an order under section 739 of the Corporations Act and the order is not withdrawn within 24 hours of the Company becoming aware of the order without the order becoming public, an application is made by ASIC for an order under Part 9.5 of the Corporations Act or an investigation or hearing is commenced in relation to this Prospectus, any person gives a notice under section 733(3) of the Corporations Act or a person who has consented to be named in this Prospectus withdraws that consent, or any person give a notice under section 730 of the Corporations Act in relation to this Prospectus;

- (i) PaperlinX withdraws the Prospectus or the Entitlement Offer;
- (j) approval for any ASX waiver or ASIC modification is subsequently withdrawn, or is varied in a way that in the reasonable opinion of a Joint Lead Manager would have a material adverse effect on the success of the Entitlement Offer;
- (k) an event of default or breach by PaperlinX occurs under any material debt or financing arrangement which PaperlinX has entered into, and such event or breach is not remedied or waived by that financier on the business day on which such event or breach is notified or becomes known to that financier;
- (l) any PaperlinX group entity becomes insolvent;
- (m) before lodgement of the Prospectus with ASIC, a new circumstance arises since the pathfinder version of the Prospectus was first distributed as part of the Institutional Entitlement Offer (assuming the disclosure requirements of Chapter 6D of the Corporations Act applied to the pathfinder) that would have been required to be included in the pathfinder if it has arisen before the pathfinder was first distributed, within the meaning of section 719 of the Corporations Act, or following lodgement of the Prospectus, a new circumstance arises that would have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged in relation to PaperlinX or any PaperlinX group entity, within the meaning of section 719 of the Corporations Act;
- (n) hostilities not presently existing commence (whether war has been declared or not) or a major act of terrorism or escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, China, any country in the European Union, United States or the United Kingdom or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world;
- (o) there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy announced before the date of the Offer Management Agreement) which does or is likely to prohibit or regulate the Entitlement Offer, capital issues or stock markets or materially adversely affect the taxation treatment of the New Shares);
- (p) a change in selected senior management or the board of Directors occurs before completion of the Entitlement Offer without the prior written consent of the Joint Lead Managers (except for the retirement and replacement of specified officers);
- (q) PaperlinX varies its capital structure or its Constitution before completion of the Entitlement Offer without the prior written consent of the Joint Lead Managers;
- (r) a contravention by PaperlinX or any PaperlinX group entity of the Corporations Act, the Constitution or any ASX Listing Rule;
- (s) the pathfinder prospectus or the Prospectus or any aspect of the Entitlement Offer does not comply with the Corporations Act, the ASX Listing Rules, any ASIC modifications or ASX waivers or any other applicable law or regulation;
- (t) the due diligence report or any other information supplied by or on behalf of PaperlinX to the Joint Lead Managers in relation to the PaperlinX group or the Entitlement Offer is misleading, deceptive or materially incomplete;
- (u) a default by PaperlinX in the performance of any of its obligations under the Offer Management Agreement occurs;
- (v) a PaperlinX warranty contained in the Offer Management Agreement is not true or correct; or
- (w) any regulatory body commences any public action against a Director in his or her capacity as a Director or announces that it intends to take any such action.

If an event listed in paragraphs (m) to (w) occurs a Joint Lead Manager may not terminate the Offer Management Agreement unless it has reasonable grounds to believe and does believe that the event has or is likely to have a materially adverse effect on the outcome or settlement of the Entitlement Offer, or a materially adverse effect on secondary market trading in Shares, or could give rise to a material liability of that Joint Lead Manager under any law or regulation.

9.5 Rights and liabilities attaching to Shares

The New Shares will be issued fully paid and will rank equally with Existing Shares, however will not qualify for the final dividend for the period ended 30 June 2008, as they were not on issue as at the dividend record date.

The rights and restrictions attaching to the Shares are set out in PaperlinX's Constitution and in the Corporations Act and are subject to statutory, common law and ASX Listing Rules requirements. A summary of the main rights and liabilities attaching to ownership of Shares is set out below.

- **Share capital:** Subject to the PaperlinX Constitution, the ASX Listing Rules and the Corporations Act, the Directors may issue, grant options over or otherwise deal with or dispose of shares in PaperlinX to such persons, on such terms and conditions and at such times and with such preferred, deferred or other special rights, obligations or restrictions, whether in regard to dividends, voting, return of share capital, payment of calls or otherwise as the Directors think fit.
- **General meetings:** All Shareholders are entitled to receive notification of the general meetings of PaperlinX. Each Shareholder entitled to vote at a general meeting may appoint an attorney, representative or proxy to attend and vote for the Shareholder. No business may be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. A quorum is at least three Shareholders being present in person, or by attorney, representative or proxy.
- **Voting:** At a general meeting of PaperlinX, each Shareholder (as at the record time) has one vote on a show of hands irrespective of the number of Shares held and, on a poll, one vote for each Share held at the record time. If the PaperlinX Shareholder attends the meeting in person and in the capacity as a proxy, attorney or representative, the PaperlinX Shareholder is only entitled to one vote on a show of hands even though he / she represents more than one Shareholder.
- **Dividends:** The Directors may determine that a dividend or interim dividend is payable to Shareholders and fix the amount, time for payment and method of payment, subject to any restrictions on paying dividends contained in the terms of the PaperlinX Step-up Preference Securities issued by Permanent Investment Management Limited as responsible entity for the PaperlinX SPS Trust. Subject to any special rights attached to any class of security, any dividend or interim dividend is payable on each Share on the basis of the proportion which the amount paid or agreed to be considered to be paid bears to the amount of the total issue price for the time being paid or agreed to be considered as paid or payable in respect of the Share. PaperlinX currently offers a dividend reinvestment plan. New Shares issued under the Entitlement Offer will not qualify for the final dividend for the period ending 30 June 2008, as they were not on issue as at the dividend record date.
- **Transfer of Existing Shares:** A transfer may be effected by either a written transfer in the usual way or in any form that the Directors may prescribe, properly stamped (if necessary) and delivered to PaperlinX, a proper ASTC transfer or by any other electronic system established or recognised by the ASX Listing Rules.

The Directors may refuse to register any transfer of Shares, including in circumstances where the registration of the transfer would contravene or fail to observe any applicable law or ASX Listing Rule or if PaperlinX has a lien over the Shares or if permitted to do so under the ASX Listing Rules.

A transferor of Shares remains the registered holder of the Shares until the name of the transferee is entered in the register.

The PaperlinX Constitution allows the PaperlinX Directors (subject to the Corporations Act and the ASX Listing Rules) to invoke provisions relating to holdings of less than a marketable parcel of Shares.

- **Variation of class rights:** Unless otherwise provided by the PaperlinX Constitution or by the terms of issue of a class of shares, the rights attaching to any class may be varied:
 - with the consent in writing of the holders of three-quarters of the votes in the class; or
 - by a special resolution passed at a meeting of the holders of the shares of the class.
- **Winding up:** Subject to the PaperlinX Constitution and the rights and restrictions attached to any Shares or class of shares on a winding up of PaperlinX, Shareholders will be entitled to participate in any surplus assets of PaperlinX in proportion to the number of Shares held by them.

9.6 PaperlinX Share and Option Plans

An Eligible Retail Shareholder who is a participant in a PaperlinX employee or director share plan will receive an Entitlement in respect of any Shares they hold under the plan. A participant may elect to apply for all, some or none of the New Shares offered to them under the Retail Entitlement Offer in respect of the share plan Shares they hold. A participant can also apply for New Shares in excess of their Entitlements.

Employees who hold PaperlinX performance rights or options are not eligible to participate in the Entitlement Offer in respect of the rights and options they hold.

9.7 Expenses of the Entitlement Offer

The total expenses of the Entitlement Offer, including underwriting, legal, accounting, tax, marketing and administrative fees as well as printing, advertising and other expense related to this Prospectus and the Entitlement Offer, are expected to be approximately \$10.8 million assuming the Retail Entitlement Offer is fully subscribed. These expenses will be paid by PaperlinX.

9.8 Interests of Directors

9.8.1 Interests

Except as set out in this Prospectus, no Director or proposed director of PaperlinX holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of PaperlinX;
- the Entitlement Offer; or
- any property acquired or proposed to be acquired by PaperlinX, respectively, in connection with its formation or promotion or the Entitlement Offer,

other than in their capacity as a Shareholder. Except as set out in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed director of PaperlinX:

- to induce that person to become, or qualify as, a Director; or
- for services provided by that person in connection with the formation or promotion of PaperlinX or the Entitlement Offer.

9.8.2 Holdings of PaperlinX Shares

As at 7 October 2008, the Directors held relevant interests in PaperlinX Shares as follows:

	Relevant interests in Existing Shares
David Meiklejohn – Non-executive Chairman	117,612
Thomas Park – Managing Director	300,000
Andrew Guy – Non-executive Director	83,180
James Hall – Non-executive Director	7,000
Barry Jackson – Non-executive Director	40,980
Nora Scheinkestel – Non-executive Director	40,191
Lindsay Yelland – Non-executive Director	52,262
Harry Boon – Non-executive Director	15,000

Each Director will be entitled to participate in the Retail Entitlement Offer to the extent that the Director held PaperlinX Shares on the Record Date. It is the current intention of each Director to participate in the Retail Entitlement Offer to the full extent of their direct Entitlement.

9.8.3 Remuneration

As remuneration for services as a Director, each non-executive Director is paid an amount determined by the Directors as a whole on the recommendation of the Nomination and Governance Committee. The Directors' aggregate fees are within the maximum sums approved by shareholders.

PaperlinX has agreements with each of the Directors indemnifying them against liabilities incurred as a Director, to the extent permitted by law.

9.9 Interests of experts and advisers

Except as set out in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of PaperlinX; or
- broker to the Entitlement Offer,

(each a **relevant person**) holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of PaperlinX;
- the Entitlement Offer; or
- any property acquired or proposed to be acquired by PaperlinX in connection with the formation or promotion of PaperlinX or the Entitlement Offer.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit for services provided by a relevant person in connection with the formation or promotion of PaperlinX or the Entitlement Offer.

Deutsche Bank AG, Sydney Branch and Macquarie Capital Advisers Limited are acting as Joint Lead Managers to the Entitlement Offer, in respect of which they will receive fees (see Section 9.4.1). Related bodies corporate of the Joint Lead Managers who hold PaperlinX Shares may be entitled to participate in the Entitlement Offer by virtue of their shareholdings.

Deutsche Bank AG is one of the financiers of PaperlinX's multi-currency debt facility. Part of the proceeds of the Entitlement Offer will be paid to Deutsche Bank AG when PaperlinX repays amounts owing under the multi-currency debt facility.

Blake Dawson has acted as Australian legal adviser to PaperlinX in connection with the Entitlement Offer. In aggregate, PaperlinX has paid or agreed to pay Blake Dawson approximately \$350,000 (excluding disbursements and GST) for these services to the date of this Prospectus. Further amounts may be paid to Blake Dawson in accordance with its normal time-based charges.

KPMG Transaction Services (Australia) Pty Limited has acted as Investigating Accountant in relation to the pro forma historical balance sheets presented in Section 5.1 of this Prospectus. PaperlinX has paid or agreed to pay KPMG Transaction Services (Australia) Pty Limited approximately \$350,000 (excluding disbursements and GST) for services provided in relation to the Entitlement Offer. Further amounts may be paid to KPMG Transaction Services (Australia) Pty Limited in accordance with its normal time-based charges.

9.10 Regulatory matters

In connection with the Entitlement Offer, ASX has granted to PaperlinX waivers from ASX Listing Rules 7.1 and 10.11 to the extent necessary to:

- permit PaperlinX to make the Entitlement Offer in the manner described in this Prospectus without the requirement to obtain Shareholder approval; and
- permit related parties of PaperlinX to participate in the Entitlement Offer up to the extent of their Entitlements on the same terms as other Shareholders without the requirement to obtain Shareholder approval.

The ASX Listing Rule 7.1 waiver is subject to conditions. The effect of these conditions is to permit PaperlinX to offer New Shares pro rata to Eligible Institutional Shareholders on or before the Record Date under the Institutional Entitlement Offer prior to offering New Shares to Eligible Retail Shareholders under the Retail Entitlement Offer, as long as:

- Eligible Institutional Shareholders and Ineligible Institutional Shareholders who sell down their holding of PaperlinX Shares before the Record Date have their pro rata allocations reduced accordingly; and
- New Shares are issued under the Institutional Entitlement Offer and the Retail Entitlement Offer at the same price and on the same ratio.

The ASX Listing Rule 10.11 waiver permits related parties of PaperlinX to participate in the Retail Entitlement Offer on the same terms as other Eligible Retail Shareholders without a requirement to obtain Shareholder approval. The waiver is subject to the same conditions imposed in relation to the waiver from ASX Listing Rule 7.1. Additionally, it is a condition of this waiver that the related parties only participate in the Retail Entitlement Offer up to the extent of their pro rata entitlement unless they do so pursuant to bona fide underwriting arrangements and the terms of the underwriting are included in the offer documents to be sent to all security holders.

The waivers set out the arrangements for dealing with holdings registered in the names of nominees. In particular, a nominee Shareholder is treated as a separate holder in respect of securities held for each of one or more Eligible Retail Shareholders and Eligible Institutional Shareholders (and, accordingly, may receive offers under both the Institutional Entitlement Offer and the Retail Entitlement Offer in respect of PaperlinX Shares held as nominee for other persons). Offers under the Institutional Entitlement Offer will be treated as being made to the nominee, and therefore to an Eligible Institutional Shareholder, even where made directly to the Eligible Institutional Shareholder for whom the nominee holds.

The waivers also allow PaperlinX to ignore, for the purposes of determining those entitled to receive Entitlements (both under the Institutional Entitlement Offer and the Retail Entitlement Offer) transactions occurring after the announcement of the trading halt in PaperlinX Shares (other than registrations of ITS (Integrated Trading System) transactions which were effected before the announcement) (**post ex-date transactions**). Transactions ignored under this provision are to be ignored in determining holders and registered holders, and holdings and registered holdings, of PaperlinX Shares as at the Record Date, and references to such holders, registered holders, holdings and registered holdings are to be read accordingly. Therefore, if you have acquired PaperlinX Shares in a post ex-date transaction you will not be entitled to receive an Entitlement in respect of those PaperlinX Shares.

ASX has also granted waivers of ASX Listing Rules 3.20 and 7.40 to the extent necessary to permit the Entitlement Offer to proceed on the timetable described in this Prospectus on condition that the Entitlement Offer timetable is acceptable to ASX.

9.11 Withdrawal of Entitlement Offer

The Directors reserve the right to withdraw all or part of the Entitlement Offer and this Prospectus at any time prior to the issue of New Shares, in which case PaperlinX will refund Application Monies in accordance with the Corporations Act and without payment of interest.

9.12 Consents

Each of the parties referred to as consenting parties who are named below:

- (a) has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based;
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for part of this Prospectus or any statements in or omissions from this Prospectus;
- (c) has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
- (d) in the case of KPMG Transaction Services (Australia) Pty Limited, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its consent for the inclusion of the Investigating Accountant's Report in the form and context in which it appears in Section 7 of this Prospectus. The term 'consent', as used in the Prospectus, is used solely in the context of the Australian offering and as that term is used in Australia. It is different from, and therefore not to be used as that term is or would be used in the United States, including as defined under securities law in the United States, in particular the Securities Act; and
- (e) in the case of KPMG, an Australian partnership and member firm of the KPMG network affiliated with KPMG International, has consented to be named as auditor. The term 'consent', as used in the Prospectus, is used solely in the context of the Australian offering and as that term is used in Australia. It is different from, and therefore not to be used as that term is or would be used in the United States, including as defined under securities law in the United States, in particular the Securities Act.

Role	Consenting parties
Joint Lead Managers	Deutsche Bank AG, Sydney Branch and Macquarie Capital Advisers Limited
Share Registry	Computershare Investor Services Pty Limited
Australian Legal Adviser	Blake Dawson
Investigating Accountant	KPMG Transaction Services (Australia) Pty Limited
Auditor	KPMG Australia

9.13 Privacy

As a Shareholder, PaperlinX and the Share Registry have already collected certain personal information from you. If you apply for New Shares, PaperlinX and the Share Registry may update that personal information or collect additional personal information. Such information will be used to assess your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Company and tax law requires some of the information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, if at all.

PaperlinX and the Share Registry may disclose your personal information for purposes related to your shareholding to their agents and service providers, including those listed below or otherwise authorised under the Privacy Act:

- the Joint Lead Managers in order to assess your Application;
- the Share Registry for administration of the Entitlement Offer and ongoing administration of the PaperlinX share register; and
- printers and mailing houses for the purposes of preparation and distribution of Shareholder statements and for handling of mail.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) PaperlinX or the Share Registry. You can request access to your personal information by contacting the Share Registry as follows:

Computershare Investor Services Pty Limited
GPO Box 505, Melbourne
Victoria, 8060 Australia

If PaperlinX or the Share Registry's record of your personal information is incorrect or out of date, it is important that you contact the Share Registry so that your records can be corrected.

9.14 Consents to lodgement

Each Director of PaperlinX has given, and has not withdrawn, their consent to the issue of this Prospectus and to its lodgement with ASIC under the Corporations Act.

9.15 Governing law

This Prospectus, the Retail Entitlement Offer and the contracts formed on acceptance of Applications are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

10 Glossary

10.1 Glossary

In this Prospectus and the accompanying Entitlement and Acceptance Form, terms and abbreviations have the following meanings unless the context otherwise requires.

Terms & abbreviations	Meaning
\$ or A\$ or dollars	Australian dollars
AASBs	Australian Accounting Standards adopted by the Australian Accounting Standards Board
Application	An application to subscribe for New Shares pursuant to the Retail Entitlement Offer
Application Monies	Monies received from the applicants in respect of their Applications
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by that entity known as the Australian Securities Exchange
ASX Listing Rules	The official listing rules of ASX, as amended or replaced from time to time except to the extent of any written waiver granted by ASX
Australian Interpretations	AASB and UIG Interpretations issued by the Australian Accounting Standards Board
Australian Paper	The Australian manufacturing division of PaperlinX, with mills in Maryvale in Victoria, Shoalhaven in New South Wales and Burnie and Wesley Vale in Tasmania
Closing Date	5.00pm (Melbourne time) on Friday, 24 October 2008, being the latest time and day by which completed Entitlement and Acceptance Forms and BPAY® payments of Application Monies will be accepted (subject to variation)
Corporations Act	Corporations Act 2001 (Cth)
Director	A director of PaperlinX
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Eligible Institutional Shareholder	An Institutional Shareholder to whom the Joint Lead Managers make an offer on behalf of PaperlinX under the Institutional Entitlement Offer, and who the Joint Lead Managers determine has successfully received that offer
Eligible Retail Shareholder	A Shareholder on the Record Date who: <ul style="list-style-type: none"> • has a registered address in Australia or New Zealand; • is not in the United States and is not a US Person or acting for the account or benefit of a US Person; • is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder; • does not hold PaperlinX Shares as a result of post ex-date transactions which are disregarded as described in Section 9.10; and • is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer
Eligible Shareholder	A person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder
Entitlement	The number of New Shares for which an: <ul style="list-style-type: none"> • Eligible Retail Shareholder is entitled to subscribe under the Retail Entitlement Offer; and • Eligible Institutional Shareholder is entitled to subscribe under the Institutional Entitlement Offer, in each case being 2 New Shares for every 5 Existing Shares held on the Record Date
Entitlement and Acceptance Form	Each Entitlement and Acceptance Form accompanying this Prospectus upon which an Application may be made
Entitlement Offer or Offer	The offer of approximately 181.2 million New Shares to Eligible Shareholders in the proportion of 2 New Shares for every 5 Existing Shares held on the Record Date. The Entitlement Offer comprises two parts: Institutional Entitlement Offer and Retail Entitlement Offer

Terms & abbreviations	Meaning
Existing Share	A Share on issue on or before the Record Date
FY2005, FY2008 and FY2009	The financial year ending, respectively, on 30 June 2005, 30 June 2008 and 30 June 2009
IFRS	International Financial Reporting Standards adopted by the International Accounting Standards Board
Ineligible Institutional Shareholder	A Shareholder (or a beneficial owner of PaperlinX Shares) on the Record Date who is not an Eligible Institutional Shareholder and who PaperlinX and the Joint Lead Managers agree: <ul style="list-style-type: none"> • although an Institutional Investor, should not receive an offer under the Institutional Entitlement Offer in accordance with ASX Listing Rule 7.7.1(a); or • although not an Institutional Investor, is a person to whom offers and issues of New Shares could lawfully be made in Australia without the need for disclosure under Chapter 6D of the Corporations Act if that Shareholder had received the offer in Australia, and who should be treated as an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer
Ineligible Retail Shareholder	A Shareholder on the Record Date who is not an Eligible Institutional Shareholder, an Ineligible Institutional Shareholder or an Eligible Retail Shareholder
Institutional Entitlement Offer	The offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer as described in Section 2.7.1
Institutional Investor	A person: <ul style="list-style-type: none"> • in Australia: <ul style="list-style-type: none"> – to whom an offer of New Shares may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is exempt from the disclosure requirements of Part 6D.2 in accordance with sections 708(8) or 708(11) of the Corporations Act; or – a retail broker who is licensed to deal in New Shares, provided that any persons on whose behalf or account it is acting are persons who satisfy the requirements in the sub-paragraph above; and who is not a US Person or acting on account of or for the benefit of a US Person; or • to whom an offer of New Shares may be made outside Australia without registration, lodgement of a formal disclosure document or other filing in accordance with the laws of that foreign jurisdiction (except to the extent to which PaperlinX is willing to comply with such requirements), provided that if such an investor is in the United States or is, or acting for the benefit of, a US Person (and, if applicable, the person on behalf of whom such investor is acting) it must be a Shareholder that is, or is acting on behalf of, a QIB (as defined in Rule 144A of the Securities Act)
Institutional Shareholder	A Shareholder on the Record Date who is an Institutional Investor
Joint Lead Managers	Deutsche Bank AG, Sydney Branch and Macquarie Capital Advisers Limited
New Shares	The Shares offered under the Entitlement Offer
Offer Management Agreement	The Offer Management Agreement dated 1 October 2008 between PaperlinX and the Joint Lead Managers, as described in Section 9.4
Offer Period	The period commencing on the opening date of the Retail Entitlement Offer, as specified in the 'Key Dates' section of this Prospectus, and ending on the Closing Date
Offer Price	The price payable for each New Share under the Entitlement Offer, being \$1.25
PaperlinX	PaperlinX Limited (ABN 70 005 146 350)
PaperlinX Share or Share	A fully paid ordinary share in the capital of PaperlinX
PaperlinX Values	The meaning given in Section 4.5
Prospectus	This prospectus dated 7 October 2008 and lodged with ASIC on that date
QIB	Qualified Institutional Buyers as defined in Rule 144A under the Securities Act

Terms & abbreviations	Meaning
Record Date	The time and date for determining which Shareholders are entitled to the Entitlement, being 7.00pm (Melbourne time) on Friday, 3 October 2008
Retail Entitlement Offer	The offer under this Prospectus of New Shares to Eligible Retail Shareholders under the Entitlement Offer as described in Section 2.6.1
Securities Act	The US Securities Act of 1933, as amended
Settlement Underwritten	The settlement support provided by the Joint Lead Managers for the Institutional Entitlement Offer, where valid applications are received
Share Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277)
Shareholder	The registered holder of an Existing Share
TERP	The theoretical ex-rights price, the theoretical price at which PaperlinX Shares should trade immediately after the ex-date for the Entitlement Offer. The calculation assumes that the Retail Entitlement Offer is fully subscribed. TERP is a theoretical calculation and the actual price at which PaperlinX Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may differ from the TERP
Top-up shares	The meaning given in Section 2.9
UK	United Kingdom
US or United States	United States of America, its territories and possessions, any state of the United States and the District of Columbia
US Person	The meaning given in Rule 902(k) of Regulation S under the Securities Act
US Private Placement	The offer and issue of New Shares in the Institutional Entitlement Offer to Eligible Institutional Shareholders located in the United States or that are US Persons, or acting for the account or benefit of US Persons, in each case that are QIBs, pursuant to an exemption from the registration requirements of the Securities Act

10.2 Interpretation

In this Prospectus, unless the context requires otherwise:

- (a) the singular includes the plural, and vice versa;
- (b) words importing one gender include the other gender;
- (c) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances or by-laws issued under that statute;
- (d) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (e) a reference to a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (f) a reference to a body (including an institute, association or authority), whether statutory or not:
 - (i) that ceases to exist; or
 - (ii) the powers or function of which are transferred to another body, is a reference to the body that replaces it or substantially succeeds to its powers or functions;
- (g) other grammatical forms of a word or phrase defined in this Prospectus have a corresponding meaning; and
- (h) a reference to a Section is a reference to a Section of this Prospectus.

Corporate directory

Non-executive Directors

David Meiklejohn, Chairman
Harry Boon
Andrew Guy
James Hall
Barry Jackson
Nora Scheinkestel
Lindsay Yelland

Executive Director

Tom Park
Managing Director and Chief Executive Officer

Company Secretary and General Counsel

James Orr

Registered Office and Head Office

PaperlinX Limited
307 Ferntree Gully Road
Mt Waverley Victoria 3149
Australia

Website

www.paperlinx.com

PaperlinX Shareholder Information Line

Within Australia: 1300 662 058 (local call cost)
Outside Australia: +61 3 9415 4021
Open from 8.30am to 5.00pm (Melbourne time)
Monday to Friday during the Offer Period

Joint Lead Managers

Deutsche Bank AG, Sydney Branch
Level 16, Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney New South Wales 2000

Macquarie Capital Advisers Limited
Level 23, 101 Collins Street
Melbourne Victoria 3000

Investigating Accountant

KPMG Transaction Services (Australia) Pty Limited
147 Collins Street
Melbourne Victoria 3000

Australian Legal Adviser

Blake Dawson
Level 39
101 Collins Street
Melbourne Victoria 3000

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

PaperlinX

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