

## CROSS RELEASE PXUPA ASX RELEASE

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## PAPERLINX TO CLOSE BURNIE MILL

PaperlinX Ltd (the Company) has today announced that the Burnie Mill in Tasmania will be closed.

The closure of the remaining operations at the Burnie Mill is the final stage of PaperlinX's exit from its Tasmanian paper manufacturing operations with the balance of operations already closed. On completion of this closure, PaperlinX will be solely a merchanting company, with businesses distributing paper, sign and display, graphics solutions and industrial packaging to a wide range of customers in Australia, New Zealand and Asia, Europe and North America.

The overall total net cash cost of PaperlinX's exit from Tasmania is still expected to be around A\$(10-20) million, while PaperlinX is expected to include after tax significant items in its 2010 full year results of around A\$(170) million including non-cash accounting items as a result of the closure, in line with previous guidance. A\$(134) million of the total after tax significant items was already included in the first half results released in February 2010 and Tas Paper results will be reported under "Discontinued Operations" for the 2010 financial year.

Commenting on this decision, PaperlinX Managing Director, Tom Park said, "This has been a long and complex process and while it is disappointing that we have not been able to find a sustainable outcome for the Burnie operations we do believe that we have reached an outcome that is in the best interests of PaperlinX and its shareholders."

"I would like to thank the employees in Tasmania for their patience whilst we have worked through all the options and would like to assure them that we will meet all of our obligations, as we have for all employees of Tas Paper who have lost their jobs as a result of our exit. Thank you also to our customers, suppliers and all levels of Government who have worked closely with our team over the past 12 months."



"From a PaperlinX perspective, we are pleased that we expect to complete our exit from paper manufacturing at a lower cost than initially thought, while continuing to meet all of our obligations," added Mr Park. "We are now focussed on completing our refinancing programme, which is progressing well, and on ensuring that our competitive position is as robust as it can be in these uncertain economic times."

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