

22 October 2010

PaperlinX Limited
ABN 70 005 146 350
307 Ferntree Gully Road
Mt Waverley Victoria 3149
Australia

Tel: +61 3 8540 2211 Fax: +61 3 8540 2255

PAPERLINX: AGM VOTE

The Board of PaperlinX notes the vote by shareholders against the 2010 Remuneration Report at today's Annual General Meeting which represents dissatisfaction with prior remuneration arrangements.

David Meiklejohn, Chairman of PaperlinX commented "We hear our shareholders and their views on last year's Remuneration Report and have been taking action. On a pro-forma basis, annualised Group Office labour costs have now been reduced by around \$10 million or over 50% as jobs have been removed or combined and pay scales adjusted."

"During 2010 the effects of a rising Australian dollar and the negative impact of the Global Financial Crisis meant that major strategic initiatives were required for the company to survive. Management worked tirelessly to manage cash to achieve a \$1.2 billion reduction in debt and to achieve a substantial reduction in costs and working capital. The effort required to achieve these targets and the importance to the Company cannot be overstated."

"The Short Term Incentive Payments paid to the CEO and his team reflect the strong performance with respect to cash management. Many of the accomplishments this year reflect two years of work on asset sales, reduction in working capital and overall cash management."

For further information, please contact:

James Orr Executive General Manager Corporate Affairs PaperlinX Limited Ph: +61 3 8540 2244