



Annual General Meeting

Chairman – David Meiklejohn

Introduction

- Difficult and disappointing year
- Global recession impacted volume
- Last quarter particularly impacted

Agenda

- 2009 results
- Group funding
- Sale of Australian Paper and review of Tas Paper
- Board and management
- Outlook

Year in Review

- Earnings before interest, tax and significant items of \$16.4 million
- Merchant EBIT of \$82.4 million
- Manufacturing EBIT of \$27.8 million
- Structural cost and working capital reductions

Group Funding

- Breach of covenants and consequent waivers
- Impact on distributions
- Agreement reached for ongoing facilities
- Pursuing opportunities to further reduce debt levels and funding costs

Paper Manufacturing

- Sale of Australian Paper:
 - Significant debt reduction
 - Strategic step
 - Underpinned by pulp mill upgrade
 - Potential earn-out
- Review of Tas Paper:
 - Results impacted by strong Australian dollar
 - Alternative outcomes reviewed
 - Looking for quick resolution

Board and Management

- Corporate governance and risk management remain a focus
- No STI payment for 2008/09
- Freeze on salaries and fees
- 2009/10 incentives based solely on financial targets
- Retirement of Andrew Guy in December 2008
- Mark Hooper joined as CFO

Outlook

- Weak January / June 2009 carried into 2010
- Improved sentiment yet to translate into demand
- Benefits from ongoing cost reductions
- Increased demand and prices needed to boost profitability



Annual General Meeting

CEO & Managing Director – Tom Park

Review of 2009

- Unprecedented falls in demand:
 - North America CWF ↓31% (2nd half)
 - Europe CWF ↓18% (2nd half)
- Exacerbated by inventory reductions
- Internal actions:
 - Reduce costs
 - Strengthen balance sheet
 - Strategic focus

Sale of Australian Paper

- Reduced debt
- Increased strategic business focus
- Net asset adjustment
- Potential earn-out

Funding

- Funding structure appropriate to operating model
- Increased flexibility
- Lower interest costs
- Reduced cash balance
- Natural currency hedge

Strategic Development

- Optimise core merchandising activities
- Grow higher margin segments:
 - Sign and display
 - Graphics supplies
 - Industrial packaging
 - Converting
- Review of Tas Paper

People

- Reduced head count
- Reduced spending and investment
- Values
- Safety performance
- Sustainability

Disclaimer

Forward looking Statements:

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

Subject to any continuing obligations under applicable law or any relevant listing rules of the ASX, PaperlinX disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements made in this presentation to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.