

22 January 2013

Mr Kobe Li
Senior Adviser Listings (Melbourne)
ASX Limited Compliance Pty Limited
Level 45 South Tower,
525 Collins Street
Melbourne VIC 3000

(Via email zheng.li@asx.com.au)

Dear Kobe,

PRICE QUERY

We refer to your letter 21 January 2013 and respond as follows.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

No.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Not applicable.

3. Is there any reason to think that there may be a change in the operating result before abnormal items and income tax so that the figure for the half year ending 31 December 2012 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.

The process for preparing the financial statements (including determining the financial performance) for the period ended 31 December 2012 is incomplete, ongoing and remains subject to further confirmation and review. However, based on the work to date, the Company expects the operating result before significant items for the period ended 31 December 2012 to be a loss, in an amount that does not vary from the previous corresponding period by more than 15%. In accordance with listing rule requirements, the Company will notify ASX should it become aware of a material variation to its results for the period ended 31 December 2012 when compared to the previous corresponding period during the course of finalising its half year accounts.

4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ending 31 December 2012? If so, please provide details.

Yes, as announced to the ASX on 15 November 2012, the Company approved further restructuring and cost reduction initiatives in the UK and was taking similar action in Continental Europe. These restructuring costs and other smaller or ad-hoc

restructuring initiatives at other parts of the business will be included in the results for the period ended 31 December 2012. In addition, the Company has not completed the review of its non-current asset carrying values and any impact of additional impairment charges. As noted above, the process for preparing the financial statements for the period ended 31 December 2012 is incomplete, ongoing and remains subject to further confirmation and review.

5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

No.

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company is in compliance with the listing rules, including rule 3.1.

For and on behalf of PaperlinX Limited,

A handwritten signature in black ink, appearing to be 'Michelle Wong', written over a horizontal line.

Michelle Wong
Company Secretary



ASX Compliance Pty Ltd
ABN 26 087 780 489
Level 4
North Tower
525 Collins Street
Melbourne VIC 3000

GPO Box 1784
Melbourne VIC 3001

Telephone 61 3 9617 8711
Facsimile 61 3 9614 0303
www.asx.com.au

21 January 2013

Ms Michelle Wong
Company Secretary
PaperlinX Limited

By email only

Dear Michelle,

PaperlinX Limited (the “Company”) - Price Query

We have noted a change in the price of the Company’s securities from a close of \$0.072 on 14 January 2013 to an intra-day high of \$0.095 today. We have also noted an increase in the volume of securities traded during this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company’s securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating result before abnormal items and income tax so that the figure for the half year ending 31 December 2012 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.

4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ending 31 December 2012? If so, please provide details.

5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me at Zheng.Li@asx.com.au. It should not be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 9:30am AEDT tomorrow, 22 January 2013.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts and Voluntary Suspensions, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

[Sent electronically without signature]

Kobe Li

Senior Adviser Listings (Melbourne)