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Announcing a game-changing new partnership

Dear Valued Customer,

With the print and paper industry rapidly re-shaping, we have been on the front foot, exploring ways to prepare for the future and offer greater value to our customers.

We would therefore like to share with you that we are close to finalising a plan which will drive greater supply efficiencies, offer improved value and give you access to a much wider, world-class range of products.

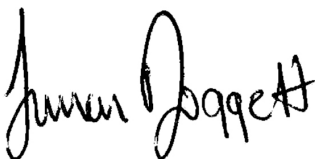
Effective today, we are announcing our intent to join forces with highly respected operator BJ Ball. In addition, leading Japanese pulp and paper company JP (Japan Pulp and Paper) will acquire a 51% stake in the newly formed company.

This decision to merge with BJ Ball is the result of careful planning and consideration by the Doggett family. The move will allow Ken and John to step back from day-to-day activities and enable the next generation (along with the management team), to grow and develop the business for the long-term.

Introducing JP (Japan Pulp and Paper)

A global heavyweight and one of Japan's leading pulp and paper trading companies, JP offer a wealth of global connections and resources with 50 offices worldwide. Once the ACCC review is complete, JP will acquire a 51% stake in the newly combined business, allowing them to build a stronger presence in our part of the world. JP state: "We look forward to the ongoing benefit this will bring to the market and customers and becoming a long-term partner to the ANZ market."

As a valued customer, we understand you may have some questions and we hope the following Q&A addresses any key concerns you may have. As the deal gets closer to completion, we will be in touch with more details.



Simon Doggett
Managing Director

Merger announcement Q&A:

Q. Why merge?

A. With the print and paper industry changing globally, this new entity is our way of meeting the future head-on. In combining the two strong businesses of BJ Ball and K.W. Doggett Fine Paper, we aim to create the most efficient and customer-focused merchant in Australia and New Zealand. Pooling resources and driving new efficiencies to deliver better value for you, our customer. As a business, we believe this move provides long-term strength and viability not only as a supplier but as an employer. Partnering with JPP opens up global access to new ranges and will allow us to expand our product offer to meet the rapidly changing graphic communications industry.

Q. What will this mean to the existing business?

A. The immediate future will see a 'business as usual approach'. There will be no changes to product, staff, credit or distribution until the ACCC process is completed. Both businesses have a high focus on customer service and we remain committed to servicing your needs.

Q. How will I be kept updated?

A. Please bear with us during this period of transition. There are still a number of details we are working through and we will keep you updated as details of the deal and new structure are finalised. Your Account Manager will be kept up-to-date on progress and of course you are welcome to get in touch at any point if you have a specific enquiry.

Q. What happens next?

A. We are seeking approval from the Australian Competition and Consumer Commission. This takes time and we will keep you informed as things progress.

Q. Who is BJ Ball?

A. BJ Ball is market leader across a wide range of industry sectors in Australia and New Zealand. It consists of a number of specialised business units servicing the print and packaging industries. The business was established 90 years ago and has successfully innovated and evolved to remain a strong force in the fast-moving paper industry.

Q. Who is JP (Japan Pulp and Paper)?

A. JP was founded in 1845 and has the largest paper and paperboard distribution business in Japan. It has a global network spanning 22 countries and 50 cities with strengths in procuring from domestic and overseas pulp and paper manufacturers. The JP business has a long-standing passion for paper and today, is focused on the evolving and changing role of paper in the lives of people and society.

