

**ASX RELEASE
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21 April 2017

**UPDATE ON PROPOSED TRANSACTION TO SIMPLIFY SPICERS CAPITAL
STRUCTURE**

Spicers Limited ("Spicers") refers to its announcement dated 20 December 2016 in relation to entering a binding Implementation Agreement ("Agreement") with The Trust Company (RE Services) Limited (the "RE"), the Responsible Entity of the PaperlinX SPS Trust ("SPS"). Under this Agreement a scheme of arrangement (the "Trust Scheme") will be proposed by the RE to eligible SPS unitholders for all PaperlinX Step-Up Preference Securities not held by Spicers ("SPS Units") to be transferred to Spicers in exchange for 545 Spicers ordinary shares per SPS Unit. Spicers will also seek ordinary shareholder approval to issue the ordinary Shares to SPS unitholders under the terms of the Trust Scheme. These two key steps under the Agreement are collectively referred to as the "Proposed Transaction". The Proposed Transaction is on the same terms as announced on 20 December 2016.

Spicers is pleased to announce that the drafting and regulatory reviews of the Shareholder and Trust Scheme meeting materials are now substantially complete and a NSW Supreme Court hearing date of 3rd May 2017 has been allocated for judicial advice in relation to the Trust Scheme. Copies of Shareholder and Trust Scheme meeting materials will be announced on the ASX by Spicers and the RE respectively shortly after this date, and then subsequently despatched to Spicers shareholders and SPS unitholders. The respective Shareholder and Trust Scheme Meetings are now scheduled to be held on 14 June 2017. Assuming the necessary approvals are obtained, the implementation date for the Trust Scheme is anticipated to be 27 June 2017. An updated timetable for the Proposed Transaction is included in the Appendix to this announcement.

For further information contact:

Investor queries:

Wayne Johnston, Finance Director & CFO, Spicers Limited
Tel: +61 3 9768 8393

Media queries:

Tim Duncan, Hintons
Tel: +61 3 9600 1979

About Spicers Limited (SRS)

Spicers Limited is a merchant group with market leading positions in Australia, New Zealand and Asia. Spicers offers a full suite of products and services to the printing, signage, visual display and graphics industries – incorporating commercial print, packaging, digital media, sign & display, hardware, pressure sensitive labels and industrial packaging offerings.

APPENDIX – UPDATED TIMETABLE FOR THE PROPOSED TRANSACTION

The updated timetable for the Proposed Transaction is set out below.

Timetable Event	Expected Date
First Court date (for first Judicial Advice in relation the Trust Scheme)	3 May 2017
Shareholder and Trust Scheme Meeting Materials released on ASX and lodged with ASIC	4 May 2017
Despatch of Shareholder and Trust Scheme Meeting Materials	17 May 2017
Shareholder Meeting and Trust Scheme Meeting	14 June 2017
Second Court date (for second Judicial Advice in relation to the Trust Scheme)	20 June 2017
Effective Date (the day of the second Court date)	20 June 2017
Record Date (the date for determining entitlements to the Trust Scheme consideration)	22 June 2017
Implementation Date (the date on which PaperlinX SPS Trust units will be transferred to Spicers and the Trust Scheme consideration, being New Spicers Shares, will be issued)	27 June 2017
Trading of New Spicers Shares commences on a normal settlement basis	28 June 2017

Note: This expected timetable may be subject to change, including in relation to regulatory consultation and as may be required by the Court. Further information on any material development relating to the Proposed Transaction will be lodged with the ASX.