

**CROSS RELEASE PXUPA
ASX RELEASE**

16 November 2016

GERMANY OBLIGATIONS SETTLED

Spicers Limited ('Spicers') advises that, following detailed negotiations, it has now reached a 'tripartite' settlement agreement with the bankruptcy trustee of Spicers' former German operations and the landlord of the central warehouse that these operations used.

This settlement agreement covers obligations under a long-standing lease guarantee given to the German landlord by an Australian subsidiary of Spicers. It also extinguishes the possibility of residual legal claims being brought against Spicers by the bankruptcy trustee.

A settlement amount of €1.65 million (A\$2.4 million), to be paid by Spicers, has been agreed between the parties. This settlement amount is significantly less than the nominal value of lease rental guarantee obligations previously disclosed in Spicers' financial reports and the related provision value held to cover this obligation. Settlement of this matter will thus contribute approximately \$2 million to Spicers 'discontinued operations' profit result for the half-year to 31 December 2016.

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About Spicers Limited (SRS)

Spicers (formerly PaperlinX 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, digital media, sign & display, hardware, labels and industrial packaging offerings.