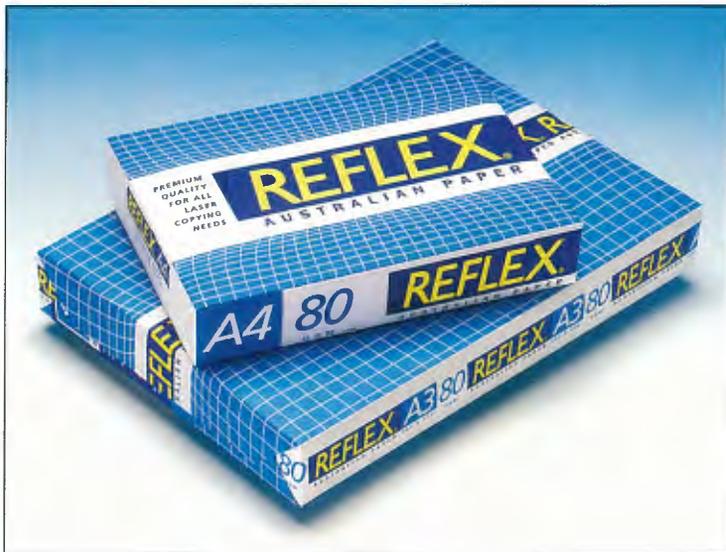


ALWAYS RELY ON REFLEX



consumer needs. Within a year of its launch, a new range of Reflex Colours was released. This spirit of constant evolution also saw the release of Reflex Laser for high-speed equipment in 1991, Reflex UniJet for inkjet printers in 2001, and new lines including Reflex 35 per cent Recycled in 2002.

HISTORY

Invented in ancient China, paper is a natural product, which is recyclable, biodegradable, and manufactured

from renewable resources. Over 1800 years, it has been refined into one of the world's most useful tools for generating and communicating ideas.

Reflex began life as '127N Copy Paper' made by APPM at the Burnie Mill in Tasmania in the early 1980s. In 1984, APPM relaunched 127N Copy Paper as Reflex.

From the beginning, the company was faced with significant challenges, as copy paper was generally considered to be a commodity product. For APPM, this meant communicating Reflex's benefits to a market that had previously seldom differentiated between papers.

The answer was a powerful integrated marketing campaign and for the first time in Australian history, the office paper industry had a product that customers were asking for by name.

In 1993, APPM became known as Australian Paper and is now a subsidiary of the PaperlinX group. Since 1994 Reflex has been made at the Maryvale Paper Mill in Victoria which is Australia's largest paper-making complex.

With a turnover in the 2002/3 financial year of \$1.1 billion, Australian Paper and its suppliers employ more than 1700 full time workers, and a significant number of others.



THE MARKET

Rapid advances in technology and the consequent growth of office and home printers have consistently enhanced the role of paper in business. Today, paper is more relevant to consumers than at any time in its history: Australia alone uses more than 200,000 tonnes of office paper annually – the equivalent of 80 million individual reams.

Paper has also successfully built on its flexible support role in businesses and homes. The unique physical properties of paper allow people to use it in highly individual ways making it a very human technology.

With so many benefits, paper may seem an obvious product to brand, but when Reflex was released in 1984, the market was almost undifferentiated in the minds of consumers.

Reflex changed this thinking with the brand proposition that papers weren't all the same and that consistent performance was relative to quality.

Reflex now leads the office papers market in Australia in terms of both market share and awareness (close to 100 per cent across business and home segments).

ACHIEVEMENTS

On the back of an aggressive marketing campaign, which included the world's first television commercials for paper, Reflex was an almost overnight success. Within two months of its launch, sales at Associated Pulp and Paper Mills (APPM) had lifted 172 per cent against the same quarter in the previous year, with the Reflex brand a driving influence.

The early years also saw the beginning of Reflex's commitment to meeting changing

THE PRODUCT

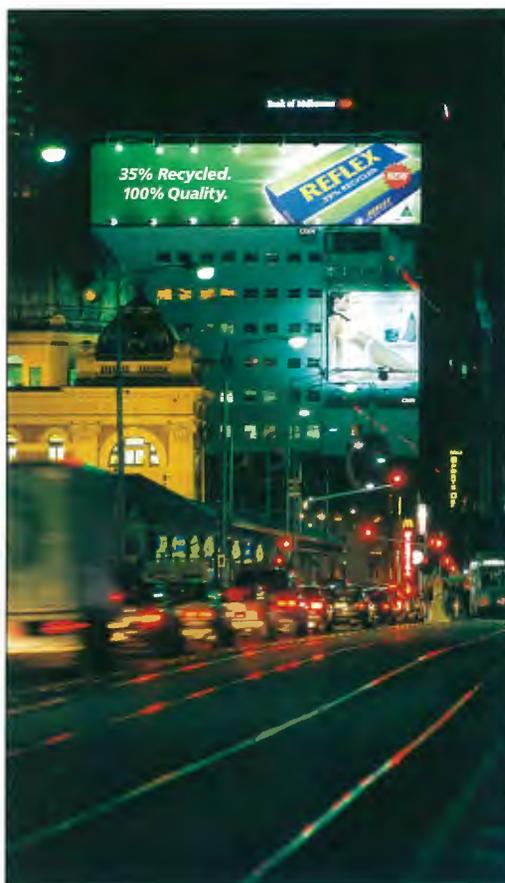
Reflex's success wasn't simply the culmination of a clever marketing campaign. It lived up to its advertising claims.

Reflex has always been extremely reliable – a feature that has since formed the basis of its personality. It was a reliable performer, widely available, and it offered a good level of whiteness and excellent consistency from ream to ream.

Reflex has always placed a strong emphasis on quality control, demonstrated in Reflex's 100 per cent guarantee. The stringent testing begins when Reflex is in the paper machine. A processing scanner automatically measures paper grammage, thickness, moisture, and colour, and feeds the information to a central computer. Samples from each finished batch are then tested on latest technology printers and copiers to ensure performance to the required standards.

Another key to the brand's success has been Reflex's commitment to change. Early in its brand life, Reflex recognized that different papers were required for different tasks. During the technology boom, when people began printing and copying more documents at home and in the office, Reflex continued to create new products to satisfy consumer needs.

By 1991, Reflex was available in three different weights, a range of six colours, and specialist variations for high- and medium-speed laser printing,



presentation and archival use.

Customer service also remains an important part of the company ethic through the Reflex consumer hotline and branded website.

RECENT DEVELOPMENTS

Reflex continues to be proactive in identifying customer needs, and tailoring products to meet them.

In 2002, extensive market and consumer research into paper usage patterns and attitudes culminated in the trial and subsequent release of six new Reflex lines.

Among other things, the research found that many consumers preferred to print drafts and make corrections on hard copy. This led to the introduction of Reflex Draft – an economical, lighter weight paper ideal for draft documents.

Similarly, research indicated that many customers were concerned about waste, yet unwilling to compromise on paper quality. This resulted in the creation of Reflex 35 per cent Recycled.

Other new products include Reflex A5 (ideal for memos and notes), Reflex 300-Sheet Handy Pack (for low volume users), Reflex 700-Sheet Bulk Pack (for high volume users), and Reflex Presentation 100gsm (ideal for proposals, school projects and other important documents).

New products flow from the evolution of technology as well as market research. Reflex Inkjet paper is produced in partnership with a leading Japanese inkjet paper manufacturer and is designed to give customers superior results with colour inkjet printers.

The Reflex pack has also evolved. Protection from moisture is an essential function of the Reflex wrapper, and an on-line video monitoring system automatically rejects any packs which fail to meet the strict tolerances.

In mid 2002, the Reflex packaging design was reviewed. Shaped by broad consumer research, the new design is simpler and more streamlined, yet still instantly recognisable as Reflex. On-pack information has been carefully selected and arranged to convey the pack's contents as well as the Reflex guarantee, consumer hotline and Australian origin.

To keep the brand at the forefront of quality, Reflex has invested more than \$300 million in world-class technology in the M5 paper machine at Maryvale Mill.

Reflex also recently upgraded its website into a knowledge centre. Awarded the prestigious Melbourne Advertising and Design Club Bronze Prize for Best Consumer Website in May 2003, the website offers



extensive tips on creating impressive documents, printing photographs at home, and other ways to make the most of Reflex paper.

PROMOTION

Since its launch, innovative television advertisements have been an important part of the Reflex marketing

strategy. Reflex was the first brand in the world to advertise office paper through television, and by promoting the Reflex message – 'always rely on Reflex' – directly to the public, the advertisements helped win the hearts and minds of Australian consumers.

By necessity, the first television commercials were extremely low budget. The Chairman, which was designed to be quirky and idiosyncratic to the point of self-parody. Because Reflex was a new brand, the aim was to create a highly memorable, branded campaign, and The Chairman achieved this – attracting a genuine cult following.

Also extremely successful were the 1986 Reflex Action television commercials – the genesis of Reflex's famous 'always rely on Reflex' tagline. Shot before the

advent of digital special effects, the set of four commercials (including the 'spinning chair' and 'falling ladder') were visually stunning, and created a great deal of awareness of the Reflex brand.

In 1996, Reflex first broadcast the famous bungee jump advertisement, in which an office worker soars through the central well of an office building to lift a pack of Reflex from a deliveryman's trolley. It was one of the most popular Reflex campaigns, and was brought back for an encore in 2001 when it once again achieved excellent results.

More recently, Reflex televised a series of commercials based around the premise that people in 'offices might be unreliable, but it is possible to 'always rely on Reflex'. Created by M&C Saatchi, these advertisements featuring Jason, Zena and Adam have won several awards, including the 2002 Young Guns award for Best Direction, two ATV 2003 trophies including Best Humour

and a further ATV commendation for Commercial of the Year.

BRAND VALUES

Reflex understands that paper is an essentially human and practical technology, and Australian Paper has created products designed to match people's changing needs. The Reflex brand is focused on providing customers with the optimum range of Reflex products to achieve their business and personal goals.

As an employer of many Australians, Reflex strives to be a brand that customers and the wider community can truly rely on – not just for its high quality products, but for community support through projects such as the Australian Paper Making Tracks Program, developed in partnership with the Conservation Volunteers of Australia. As the home of Reflex, the Maryvale paper mill operates according to strict EPA and community guidelines and internationally recognised ISO accreditation.



THINGS YOU DIDN'T KNOW ABOUT REFLEX

- More than 20 billion sheets of Reflex are made every year. That's about 6 million kilometres, or enough to circle the world 7 times. Over the life of the mill, Reflex will produce enough paper to go to the sun and back!
- Reflex ranks with Vegemite, Qantas and other Australian icons in terms of brand awareness.
- Most Reflex is made on a \$300 million paper machine at the Maryvale Mill near Traralgon in East Gippsland in Victoria.
- One reel of Reflex paper at the end of the machine takes about an hour to make, is 7 metres wide, 45 kilometres long and can be cut into almost 10,000 reams of Reflex.
- The M5 machine at the Maryvale Mill has a maximum speed of 900 metres per minute.
- Reflex is continually tested in many makes of new copiers, printers and other office equipment to ensure it meets its high performance standards.