

**Chairman's Address
Annual General Meeting
28th October 2011**

The year ended 30th June 2011 was a very successful year for Colorpak. The financial results were strong and the acquisition of Carter Holt Harvey's folding carton businesses in Australia and New Zealand created an important step change in the scale of Colorpak's operations.

The company's turnover was about \$50 million in 2004 when listed and in succeeding years a combination of generic growth and "bolt-on" acquisitions enabled steady increases so that turnover had risen to more than \$80 million by 2010. However, the folding carton market was still a crowded and competitive setting. The Carter Holt Harvey decision to exit this market provided a rare opportunity for Colorpak to both grow in our own right and emerge as a leader in this market. Colorpak had readied itself for such a move over a number of years of prudent financial management, enabling the acquisition to be financed from the existing balance sheet strength and the quality of the cash flows from the combined business. We have had a busy year in 2011 and there is still another half year of rationalisation activities to bed down but we are convinced that this was a strategically important move which has enhanced our market position and set the company up for future growth.

Whilst those businesses were officially acquired on 1st March 2011, and only four months of trading is included in the 2011 results, the detailed work to effect the integration dominated management and Board time throughout the year. I am pleased to report that this attention to detail has certainly paid-off as our Managing Director, Alex Commins, will set out for you later in this meeting.

The 2011 Annual Report has as its theme "One Team Working Together" and most appropriate it is too. This philosophy has been central to the integration work of the past year. Working together has been evident in all our fields of endeavour, whether it be the Board and management workshopping the integration plans, the senior management on the factory floors emphasising Colorpak's customer focus or at a safety meeting where best practices across the expanded group are being shared. I think we are all very pleased to be part of the "One Team Working Together". In this spirit the Company issued 500 shares to each employee in June 2011 to welcome new members of the team and to consolidate employee participation throughout the business, testament to the importance we place on a having a high level of staff engagement.

Further, you will note that the Annual Report unveils the Company's new branding to shareholders. The Company is using this modern and vibrant imagery as vehicle to unify objectives and goals across the organisation and to stand out in the perceptions of our customers.

Financial Highlights

Now turning to the highlights for the 2011 year:

The Director's Report for 2011 provides extensive coverage of the acquisition and, in particular, the acquisition accounting. In so doing we sought to make clear the underlying result and also explain the very unusual situation whereby the acquisition transactions in 2011 amounted to a net gain of \$8.8million. It will be important to bear this gain in mind as we will face the impacts on plant closure and redundancy costs in subsequent years. Overall, we have no doubt that the acquisition will stand as a great success for both the Company and our customers.

Moving to the underlying business result, I am pleased to report that 2011 was another record year:

- profit after tax was up 10.1% to a record \$7.06 million;
- earnings per share was up to a record 8.70 cents per share;
- sales for 2011 reached a new record level of \$126 million, with only four months trading post acquisition;
- ordinary dividend in respect of 2011 was maintained at 3.25 cents per share, fully franked, and representing a payout of 37% of the underlying result.

Certainly a very pleasing financial outcome and one achieved against the backdrop of extreme stress for our customer base in Australia's manufacturing sector.

Financial Position

The Company's prudent approach of paying down debt in the years leading up to 2011 afforded the opportunity to extend borrowings at the time it was needed for the acquisition. The resultant gearing at 30th June 2011 of 31.8%, on a debt to debt plus equity basis, shows that the Company was in a sound financial position at that date. Further contingencies will be met and integration activities undertaken in 2011/12 and adequate lines of finance have been arranged to meet these needs. The cash flow from the business remains strong and as some

high quality assets were acquired the Company's capital program can be curtailed for the next few years.

Executive Remuneration

Later in the meeting I will call for a vote to adopt the Remuneration Report for the year ended 30th June 2011. That report sets out the philosophy, scale and structure of remuneration for directors and senior executives. In advance, I would like to provide some introductory remarks on executive remuneration.

Colorpak, like all soundly managed companies, seeks to develop and retain key executives through an appropriate reward system. The Board's Nomination and Remuneration Committee considers and assesses that reward system with the aim of designing a system which will deliver enhanced shareholder value. In 2011 that Committee carefully reviewed the scale and responsibilities in all the senior management roles to ensure that base remuneration was well aligned within the new organisation structure. Further, the Committee reviewed the 2012 short term incentive plan and on the recommendation of the Managing Director increased its coverage and tailored the performance measures. The Board considers that this mix of base remuneration and short term incentives is one which will continue to deliver improved shareholder returns.

Corporate Governance

I am pleased to inform that, as set out on pages 14 to 19 of the Annual Report, the Company has fully adopted the Corporate Governance principles set out by the ASX Corporate Governance Council.

The work of the Board has been considerable in the past year and I thank the directors for their considerable contribution. We have all welcomed the advice and contribution from our new director Bronwyn Constance, who joined the Board in May with considerable experience in the matters which have been before us since that time.

A close collaboration exists between the Board and the senior management and this was exemplified last year with the formation of a special ad hoc Integration Committee of the Board to oversee the strategic issues associated with the major acquisition. The Integration Committee was ably supported by a management integration team which was dedicated to the integration planning and implementation. The Integration Committee met mid month between Board meetings thereby ensuring that all directors were closely involved and decisions

could be taken quickly and effectively. I am pleased to say that we have reached the stage where the strategic elements of the integration work are now complete and we have confidence that the execution of the plans can be a management function with the Board reviewing progress at its regular meetings.

On this note, it is my pleasure to invite Mr Alex Commins, Managing Director of Colorpak Limited, to address the meeting.



AGM

The Westin
October 2011

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foilmasters 

brandpack
AUSTRALASIA | the packaging architects

pharmakit 

Australasia's stand out
packaging partner



2011 Year Highlights



Highlights

Sales Revenues

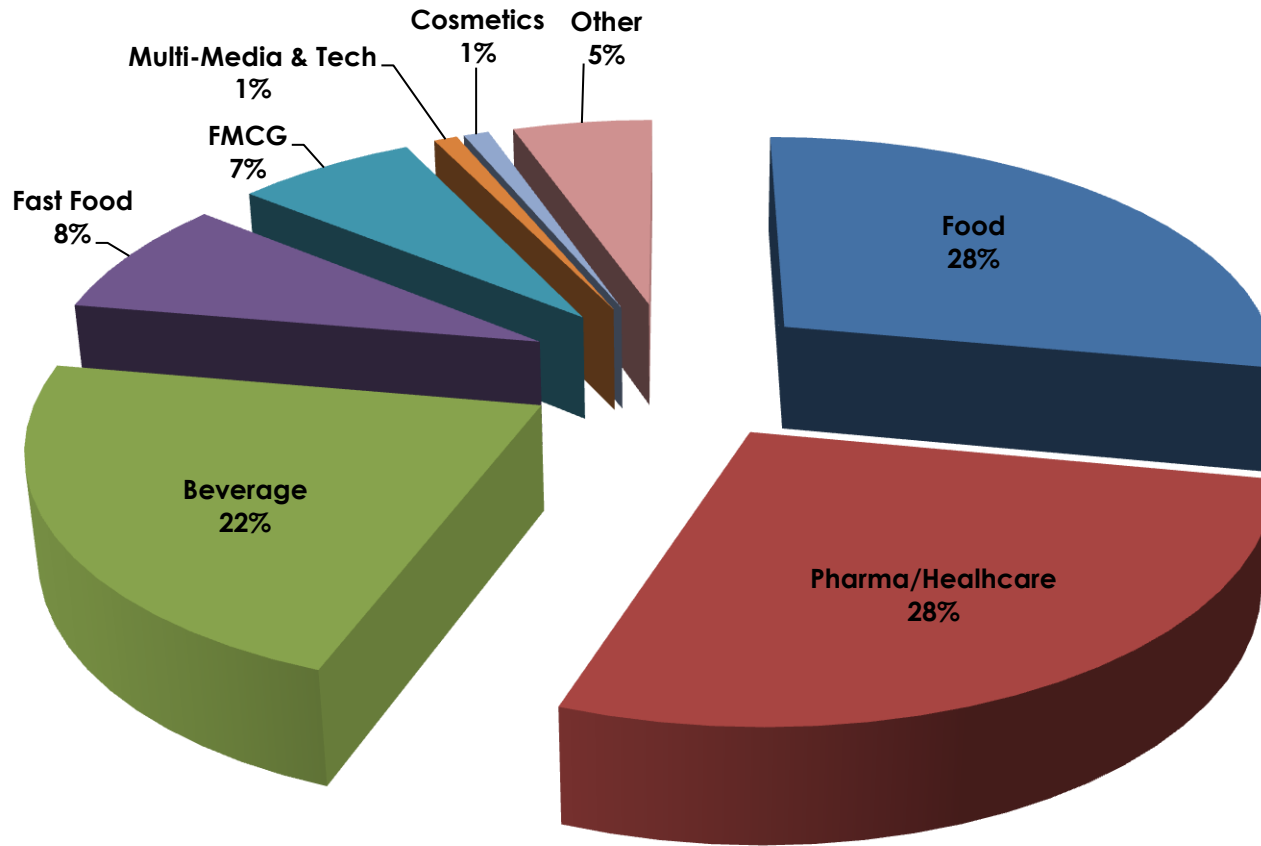
- 56.6% sales growth.
- Greater diversification of customer base.
- New product capability in paper cup and lids.

Highlights

Sales Revenues

- Initial revenues forecast to be around \$4 million per annum from the paper cup division.
- Our annual sales run rate now stands at approximately \$200 mil per annum.
- Our customer base across Australia and NZ is broad.
- We have substantially strengthened our risk profile with less dependency on any one customer.

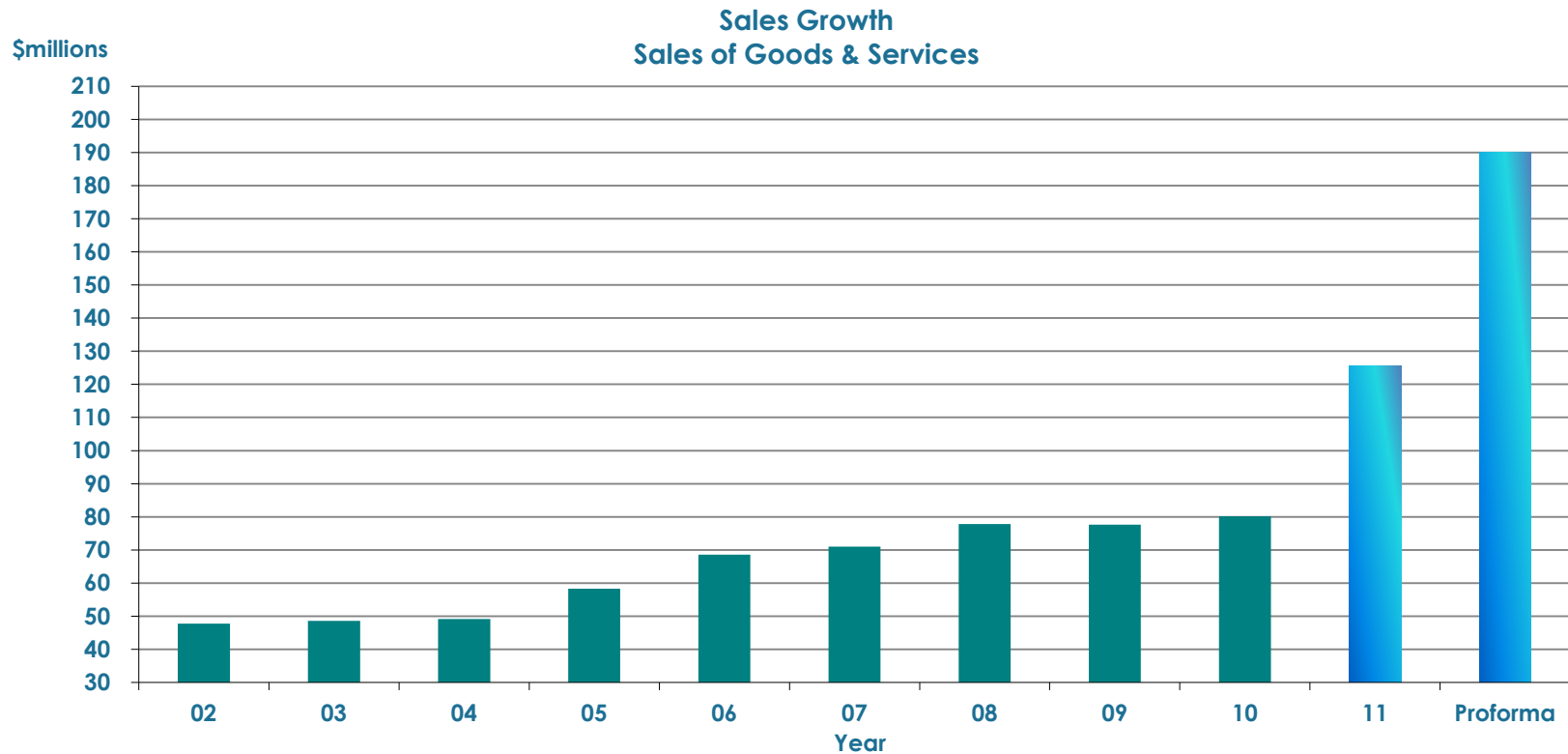
Market Segment



■ Food ■ Pharma/Healthcare ■ Beverage ■ Fast Food ■ FMCG ■ Multi-Media & Tech ■ Cosmetics ■ Other



Sales Growth



The proforma sales number reflects the seasonally adjusted sales had the acquired CHH businesses been held for the full 12 months.

Highlights

Profit

- EBITDA(*) margin 12.58% reflecting changes following acquisition.
- EBITDA (*) 8.5% up on last year.
- NPAT (*) 10.1% up on last year.

(*) Excludes impact of acquisition, transaction and integration costs as well as gain on acquisition



Highlights

Dividends

- Final Dividend of 1.75 cents fully franked, and paid on 4 October 2011.

Balance Sheet

- Net debt at June 30th 2011 of \$34.2 million
- Increase in gearing (debt/debt + equity), from 26.8% in June 2010 to 31.8%.

Share capital

- 382,000 ordinary shares issued to all employees in June 2011 following acquisition of CHH (500 free shares to each employee).

Highlights Operations

Capex program:

- Net Capex of \$5.6 mill invested in year – main items:
- Computer equipment and systems for acquired businesses.



Highlights Operations

Capex program:

- In May 2011 Colorpak launched a new division to form high quality paper cups and lids.
- Equipment is operating from a purpose built clean room facility.
- Our expectation is to generate growth from segments beyond ice-cream.





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CHH Acquisition Update

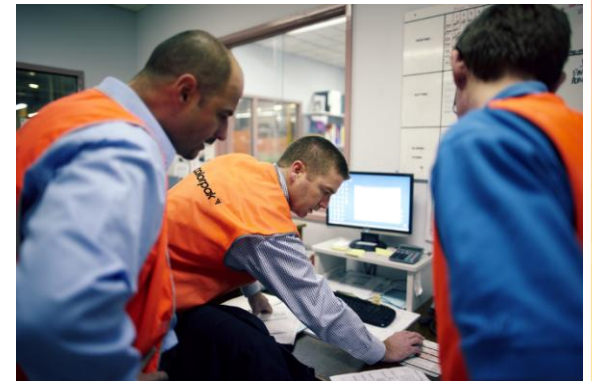
CHH Acquisition Update

- All major acquired customers have been met and updated with the new Colorpak direction.
- Staff at all sites have been introduced to the senior Colorpak management team.
- Internal and external brand launches have been completed and the new brand collateral is working its way through all sites.



CHH Acquisition Update

- Our new website has been launched.
- Our IT program has progressed well with the first of three sites already live from September 1st 2011.
- Our banking facilities and working capital settlement are complete.



CHH Acquisition Update

- A thorough review of all acquired equipment has taken place.
- Equipment excess to requirements has been sold offshore netting proceeds of approximately A\$1 million.



CHH Acquisition Update

- Cost synergies are being identified and delivered in a timely manner.
- Revenue synergies are also progressing well. Most customers are eager to see a sustainable local supply model.



CHH Acquisition Update

- Three sites in Victoria being rationalised into two.
- Overhead reduction being achieved with thirty six less heads for the same output.
- Rent obligations at the Reservoir site to collapse in mid 2013.
- We are actively working to enter a sub-lease arrangement for the remaining term.



CHH Acquisition Update

- Our Braeside and My Waverley teams are coping well with the new influx of work.
- Additional manufacturing and storage space secured at Braeside.
- Four EBA's have been negotiated and ratified since March 1st this year.



Colorpak Site Overview



Outlook

Financial

- Underlying results of business continue to track well;
- 2012 reported results will be impacted by further integration costs.

CAPEX

- 2012 approximately \$4 million.
- Directed towards homogenisation of IT systems and various productivity enhancing small add on's.

Outlook

Growth Opportunities

- Product expansion beyond ice cream for paper cup division.
- Expansion of existing product capabilities into the acquired customer base.
- Use the breadth, scale and expertise of the group to prevail in competitive tender situations.



Colorpak has been actively acquiring and integrating packaging businesses for the past 12 years.....

- 1998 Foilmasters (Victoria)
- 2000 Hale Foldpack (New South Wales)
- 2001 Pemara Packaging (Victoria)
- 2004 Castle Graphics (New South Wales)
- 2010 Remedies printing business (New South Wales)
- 2011 Carter Holt Harvey Cartons including Montage Graphics
(New South Wales, Victoria, New Zealand)





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Thank you.