

13 August 2008

Dear Shareholder

Colorpak Limited Dividend Reinvestment Plan (Plan)

Colorpak Limited announced on 6 August 2008 the introduction of a Plan, to be available to ordinary shareholders in respect of both the 1.75 cents per share final dividend for the 2007/8 financial year and the 1.00 cent per share special dividend. The Record Date for these dividends is 8 September 2008 and the dividends will be paid on 6 October 2008. Shares allocated under the DRP will be issued at the weighted average market price of ordinary shares of the company sold on the ASX on the first day on which those shares are quoted ex dividend in relation to the above dividends and the following four business days.

The Board has determined that holders of Colorpak Limited ordinary shares who have a registered address in Australia or New Zealand are eligible to participate in the Plan.

Colorpak Limited invites all eligible shareholders to participate in the Plan subject to the Plan Rules. Enclosed with this letter are:

- a summary of the Plan Rules;
- a Plan election form; and
- a business reply envelope.

The Plan election form should be returned to the company's share registry prior to the Record Date.

A full copy of the Plan Rules is available from the Company's website at <http://www.colorpak.com.au> or by contacting the company's share registry on 1300 554 474 or (02) 8280 7111.

Shareholders considering participation in the Plan should consider their own personal circumstances, including seeking advice from their financial or other adviser and read the summary of the Plan Rules enclosed with this invitation. The summary contains information on the Plan, including:

- how shareholders can access the Plan; and
- the effect of sales and purchases on Plan participation.

We note this new feature of your investment in Colorpak shares provides additional flexibility in regard to your holding.

Yours sincerely



Geoff Willis
Chairman

CARTONS and HEAD OFFICE
BRAESIDE VIC
PO Box 648 Braeside
63-73 Woodlands Drive, Braeside, Victoria, Australia 3195
Telephone: +61 3 9587 8333 Facsimile: +61 3 9587 8162
email: colorpak@colorpak.com.au

CARTONS/FOILS / LABELS / LAMINATES
REGENTS PARK NSW
PO Box 700 Regents Park
2-6 George Young Street, Regents Park, NSW, Australia 2143
Telephone: +61 2 9722 3000 Facsimile: +61 2 9738 8667
email: office@colorpak.com.au



ISO9001 Certification



Colorpak Limited (ABN 56 107 485 898)
Dividend Reinvestment Plan (Plan)

Summary of Plan rules

Purpose: The purpose of the Plan is to provide shareholders with the option of applying dividends declared by the company as a subscription for fully paid ordinary shares rather than receiving those dividends directly in cash.

Eligibility: All holders of ordinary shares whose address in the company's share register is in Australia or a jurisdiction in which the company is satisfied that the offer and issue of shares under the DRP is lawful and practicable are eligible to participate in the Plan. The Directors may determine that a shareholder or class of shareholders are not eligible to participate if they are, or hold shares on behalf of other persons who are, resident outside of Australia or such other jurisdiction as may be determined by the Directors.

Participation: Eligible shareholders may elect to participate in the Plan in respect of a proportion of their holding and, subject to the terms of the Plan, may vary the level of participation or withdraw from the Plan at any time. Any shareholder who elects partial participation must nominate a proportion of shares registered in their name from time to time (including shares issued pursuant to the Plan or otherwise acquired after commencement of participation) to participate in the Plan. The Directors may at any time with written notice to participating shareholders limit the number of shares that may participate.

Applications to participate: To participate in the Plan eligible shareholders must complete the Reinvestment Plan Application or Variation and return it to the company's share registry. A separate notice must be lodged for each shareholding account. Participation in the Plan will commence with the first dividend payment after receipt by the company of the Reinvestment Plan Application or Variation, provided it is received before the record date for that dividend. The Reinvestment Plan Application or Variation will also operate for all future Dividends in respect of which the Plan operates, unless superseded by a Reinvestment Plan Application or Variation or the participant has ceased to participate in the Plan.

Variation of level of participation or withdrawal from the Plan: Participating shareholders may vary the level of participation or withdraw from the Plan at any time by completing a Reinvestment Plan Application or Variation and returning it to the share registry. The variation or withdrawal will be effective for the next dividend, provided the Reinvestment Plan Application or Variation is received before the record date for that dividend.

Entitlement: Participating shareholders will be entitled on each dividend payment to be issued the nearest whole number of ordinary shares (rounding up or down to the nearest whole number) which the cash dividend on Plan Shares in the relevant shareholding account would acquire at the issue price. Participating shareholders will not be entitled to any fractional entitlement to any shares nor to receive payment of any residual cash balance in respect of any amount rounded down.

Issue price of Plan Shares: Shares allotted under the Plan will be issued at the weighted average market price of ordinary shares of the company sold on the ASX during a period determined by the company of not less than 5 trading days commencing before or after the relevant record date.

Costs: The issue of shares under the Plan will not be subject to brokerage, commissions, stamp duty or other transaction costs. All administrative costs will be met by the company.

Ranking of Plan Shares: Shares issued under the Plan will rank equally in every respect with the company's existing issued fully paid ordinary shares and will participate in all dividends subsequently declared or paid.

Plan records: Shareholders participating in the Plan will receive a statement for each shareholding account at the time of each dividend payment showing full details of the amount of dividend entitlement, the issue price and the number of shares issued.

Sale of shares: Shareholders participating in the Plan may sell any of their shares, including shares participating in the Plan or issued under the Plan, at any time. Participating shareholders who have elected partial participation will continue to participate on the same proportionate basis following the sale of such shares.

Stock Exchange listing: Application will be made for all shares allotted under the Plan to be quoted on the Australian Securities Exchange (ASX).

Taxation: The following comments are an overview only of some of the possible tax consequences of participating in the Plan and only apply to shareholders who hold their shares on capital account and who are Australian residents for tax purposes.

It does not purport to be a complete analysis and does not apply to shareholders who hold their shares on income account. Nor does it apply to shareholders that may be subject to special tax rules such as banks, insurance companies, tax exempt organisations, superannuation funds or dealers in securities. Shareholders should seek their own tax advice, which takes into account their personal circumstances.

Taxation of Dividends

Cash dividends applied to acquire shares under the Plan normally form part of a shareholder's assessable income in the same manner as if paid to the shareholder.

Under the dividend imputation system, if the dividend is fully franked or partly franked, the shareholder may be entitled to a tax offset (or refund of tax). In this case, the shareholder will generally need to include in their assessable income the amount of any franking credits in addition to the cash dividend paid. Generally, the tax offset will be equal to the amount of the franking credits included in their assessable income.

There are circumstances where a shareholder may not be entitled to the benefit of franking credits. The application of these rules depends on the shareholder's own circumstances including the period for which the shares are held and the extent to which the shareholder is "at risk" in relation to their shareholding.

If the tax offset to which an Australian resident individual shareholder or certain other entities is entitled exceeds their tax liability for the year the dividend is paid, these "excess credits" may be refunded to the shareholder by the Australian Taxation Office.

Shares: capital gains tax on later sale

Shares issued under the Plan are likely to be subject to Australia's capital gains provisions when sold by the shareholder.

For capital gains tax purposes, the cost base of a share issued under the Plan to the shareholder will include the amount of the cash dividend applied on their behalf to acquire the share under the Plan.

The time of acquisition of the shares by the shareholder will be the time the shares are issued. This is relevant to whether the shareholder qualifies for a discount capital gain exemption for a gain made on a subsequent sale of the shares.

That is, if the shareholder is an individual (or, in some cases, a trustee) or a complying superannuation entity and realises a capital gain on the disposal, the shareholder may qualify for the discount capital gains tax exemption. A 50% exemption may apply for individuals and some trustees; a one-third exemption may apply for a complying superannuation entity. The exemption will generally only apply if the shareholder has held their shares for at least 12 months prior to the disposal for capital gains tax purposes.

Modification and termination of the Plan: The Plan may be varied, suspended or terminated by the Directors of the company at any time by giving participants written notice on the Company's website and to the ASX as provided in the Plan Rules.

