



Investor Presentation
First Half Results -2015

Our Vision: Australasia's stand out
packaging partner

colorpak 

foilmasters 

brandpack
AUSTRALASIA the packaging architects

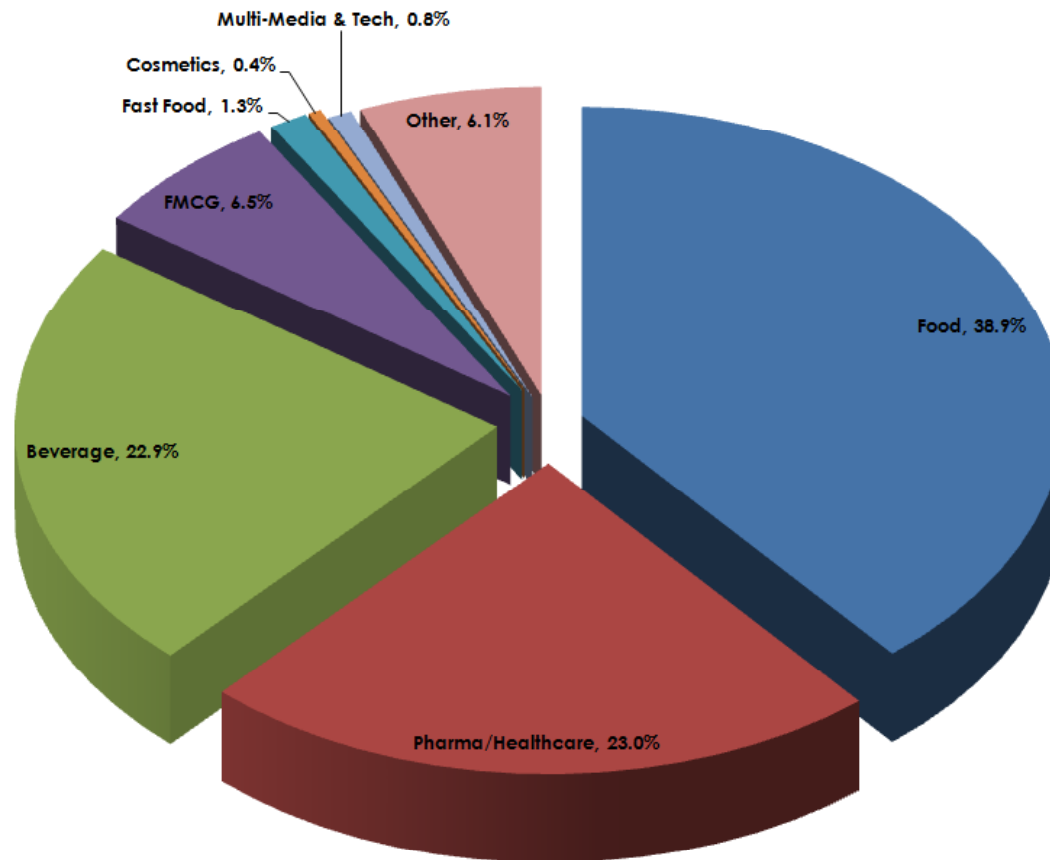
pharmakit 

Who We Are

- Manufacturer of folding cartons, paper cups and lids, printed leaflets, printed blister and lidding foils, printed self-adhesive labels, sachets and point-of-sale displays.
- Market leader, as evidenced by consistent ranking as one of the industry's top suppliers by BIS Shrapnel for reliable delivery, competitive price/value for money, ability to respond to customer needs, consistent quality and machineability and response time for urgent orders.
- Operate in most market segments, with the more significant segments being pharmaceutical / healthcare, beverage, confectionery, fast food and FMCG.
- Our Brandpack business – the packaging architects – the “go to” professionals for design creation and innovation in material, construction, graphic, finishing and pre-press.
- 628 employees (down from 668 in 12 months), operating from 2 sites in Australia ,and 1 site in New Zealand.



Market Segments



1HFY15 Results Summary

6 months to December

Results Summary	1HFY15	1HFY14		Change
	Reported	Underlying (*)	Reported	Underlying
Sales (goods/services) (\$000)	84,151	82,560		2.0%
EBITDA (\$000)	6,493 ⁽²⁾	7,371 ⁽¹⁾	5,332	-11.9%
EBITDA %	7.7%	8.9%	6.5%	
NPAT (\$000)	1,645	2,653	1,226	
NPAT %	2.0%	3.2%	1.5%	
EPS (cps)	2.00	3.25	1.50	
Interim dividend (cps) ⁽³⁾ , (payable 1 April 2015)	1.25	1.75		

(*) Excludes impact of restructuring the Victorian operations

(1) Includes \$1.399mill of one-off premises benefits, with normalised EBITDA from operations being \$5.972mill.

(2) Includes redundancy costs of \$0.231mil.

(3) The Company's Dividend Reinvestment Plan will be offered to shareholders for this dividend and will be fully underwritten.

1H FY15 Financial Highlights

- Sales to the PCP whilst 2% ahead were not captured at the same sites, nor with the same volume/margin mix which partially contributed to shortfall in profit expectation.
- Financial performance in the first half has not gone to expectations. Underlying NPBT increasing on pcg by \$242,000, although falling short of expectations, in part driven by slower than expected achievement of the benefits of the Victorian rationalisation.
- Action is underway to rectify the factory inefficiencies that have now become evident at the Braeside facility.
- EPS increased by 0.5 cents on the pcg on a reported basis.
- Reduced net debt by \$2.950mill since June 2014 to \$36.423mill at December 2014.
- Bank facilities extended to January 2017, with Westpac facilities picked up by National Australia Bank who is now the company's sole banker.

1HFY15 Operational Highlights

- Strong group safety record continues. Regents Park at 1,768 Long Term Injury free days at December 2014.
- Launched new 2.5 litre paper cup capability for the frozen to oven chicken market.
- Plant inefficiencies resulting in higher manufacturing costs due to delayed standardisation of factory processes in Victoria.
- Substantial investment made into training of factory staff in Victoria and NSW operations.



1HFY15 Operational Highlights

- EBA negotiations completed within the group, with wage restraint (employees, management and Directors) for 12 months agreed.
- EBA negotiations will commence in Victoria in March with an outcome expected by June 30, 2015.
- Spoilage and waste which had increased significantly during the Victorian integration is back in line with pre-integration levels.



Cash Flow and Debt Management

6 months to December

(\$000)	1HFY15	1HFY14		Change
	Reported	Underlying *	Reported	Underlying
Operating cash flow	3,587	5,327	3,915	-32.7%
Capex (net)	(634)	(4,785)	(4,785)	
Free cash flow	2,953	542	(870)	444.8%
Dividends	(1,427)	(1,427)	(1,427)	
DRP (Underwritten)	1,421	-	-	
Reduction / (increase) in debt	2,947	(885)	(2,297)	

** Excludes impact of restructuring the Victorian operations*

Free Cash Flow

(\$000)	1HFY15	1HFY14	
		Underlying (*)	Change
EBITDA	6,493	7,371	(878)
Capex	(634)	(4,785)	4,151
Taxation	(388)	418	(806)
Interest	(1,388)	(1,358)	(30)
Change in working capital	(1,130)	(1,104)	(26)
Free cash flow	2,953	542	2,411

* Excludes impact of restructuring the Victorian operations

Balance Sheet Metrics

(\$000)	December 2014	June 2014
Net Debt	36,423	39,373
Interest Cover (EBITDA) (times)	4.68	4.69
Gearing (Debt/Debt + Equity, %)	38.8%	41.3%
Net Equity	57,569	55,926
Net Tangible Assets	26,435	24,792
Net assets per share (cents)	70.6	68.6
Working capital */ Sales (%)	18.4%	18.5%
Debtor Days	54	54
Inventory Days	125	135
* Trade and other receivables + Inventories – Trade and other payables.		

Debt Facilities

Debt

Conservatively Managed

Debt Facilities

- Existing debt agreed until January 2017;
- \$47.9 mill committed bill, cash advance & trade finance facilities + \$3.1 mill OD;
- No bill facilities mature within next 12 months;

Debt Covenants

- Financial ratios well within bank covenants:
 - Fixed Charges Ratio;
 - Gearing Ratio;
 - Leverage Ratio;
 - Dividend Payout;

Debt Capacity

- Capacity to finance both growth & integration activities.
- Net Debt / (Net Debt + Book Equity) 38.8%;

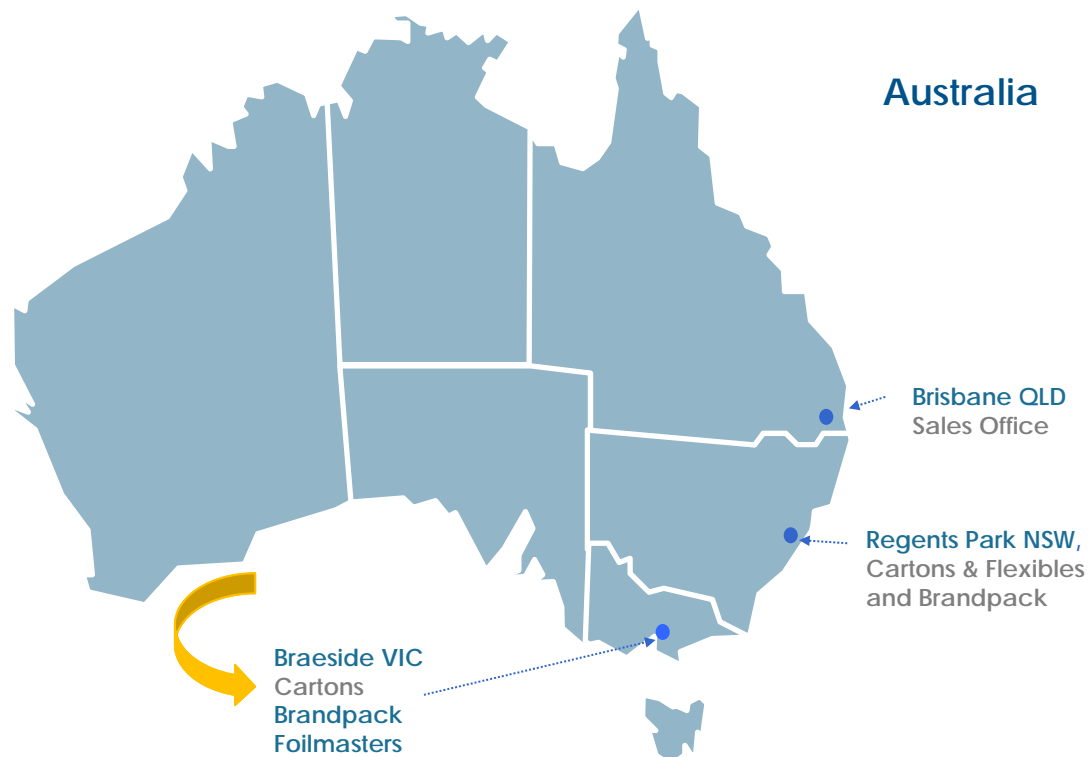
Interest Rates

- 74.1% of debt swapped to fixed rates maturing between 2015 and 2018.

History of growth & industry consolidation

- 1996 Purposed-built folding carton facility developed in Braeside (Victoria).
- 1998 Acquired Foilmasters (Victoria).
- 2000 Acquired Hale Foldpack (NSW).
- 2001 Acquired Pemara Packaging (Victoria).
- 2004 Listed on ASX.
- 2004 Acquired Castle Graphics (NSW).
- 2006 Purpose-built folding carton and flexibles facility in developed in Regents Park(NSW).
- 2010 Acquired Remedies printing business (NSW).
- 2011 Acquired Carter Holt Harvey Cartons (CHH).
- 2011 Brandpack launched virtual supermarket technology.
- 2011 Purpose-built paper cup facility added to Braeside (Victoria).
- 2011 Closed CHH Reservoir site (Victoria). Integrated into Braeside and Mt Waverley sites (Victoria).
- 2012 Closed Villawood site (NSW). Integrated into expanded Regents Park (NSW).
- 2013 Closed Mt Waverley site (Victoria). Integrated into expanded Braeside (Victoria).
- 2013 Installation of digital press into Regents Park Flexibles division.
- 2014 Commissioned new Roland 700 6 colour into Braeside (Victoria).

Colorpak Locations



Australia

New Zealand

Auckland NZ
Cartons & Brandpack



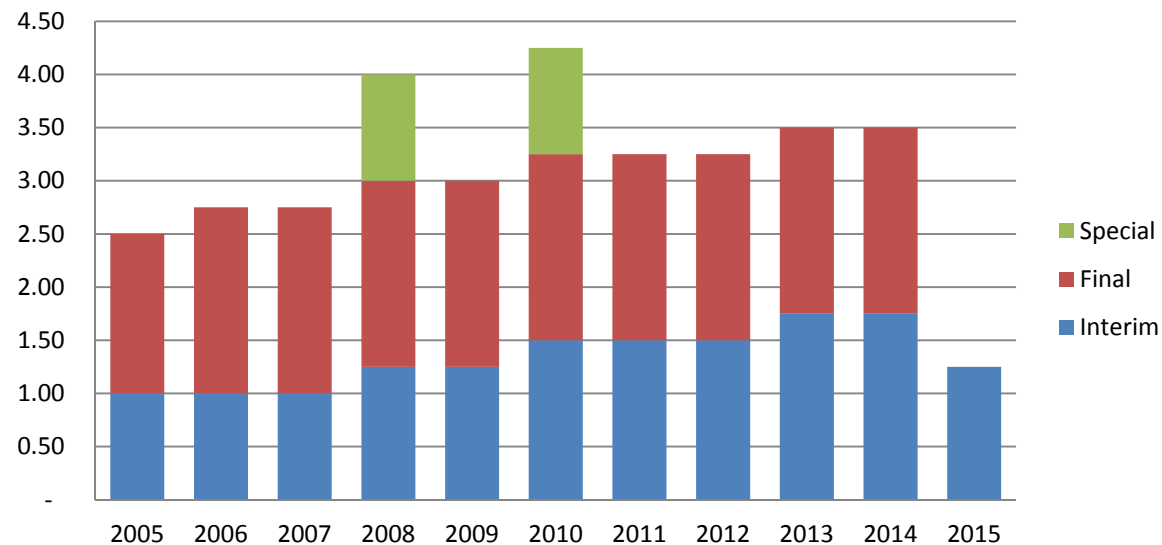
Client Endorsements

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Returns to Shareholders (since Listing)

Dividend Cents per Share (all fully franked)



- **34 cents per share returned since listing**
- **Shares listed at 50 cents per share = 68.0%**
- **At 66 cents share price = 32% capital growth or 100.0% return on funds invested**

Market Trends

- Raw material board supply chain, whilst now totally international, is well settled.
- A new supply agreement has been negotiated with WML (Whakatane Mill) on more favorable terms.
- WML has been sold by the Rank group to a Canadian PE firm. At this point its business as usual.
- Expectation of more modest wage outcomes in FY15 and beyond.
- A\$ weakening helpful.
- Continued supermarket pricing power.
- Industry rationalisation expected to continue.



Outlook

Financial

- Both EBITDA and NPAT are still expected to be marginally above last year reported EBITDA and NPAT (where goodwill impairment is eliminated for these purposes).
- This outlook reflects the impact of the market factors and the delayed improvements to the company's costs structure.
- We have repeatedly observed the need for further industry rationalization, and the company monitors all possible options in this regard.
- This dividend has been reduced to reflect delayed profit benefit and challenging market conditions.



Outlook

CAPEX

- 2015 full year net capex expected to be around \$1.2 mill;
- Auckland division lease expires mid 2016. Last of the inherited over market rent positions.
- Greenfield site and developer for a new long lease agreement indentified at significantly more favourable rates. Currently under Board consideration.
- Group suite of equipment in good age order and well maintained.
- No major capex needed in FY16.

Growth Initiatives

- First non ice-cream paper cup launched in December 2014.
- The new 2.5 litre format has scope for use across many product categories.
- Paper cup ice cream market expanding well within private label sector of major retailers.
- Brandpack are the first in the southern hemisphere to be full high definition (HD) certified for flexo imaging.
- Launched new "Imagine" video showcasing unique capability to engage early in customer new product development process to efficiently deliver their products with leading edge innovation to the market at speed with minimum cost.
- <http://www.colorpak.com.au/imagine>



Strategies & Priorities

Continued commitment to margin improvement, free cash flow, and debt retirement by :

- Capturing all of the synergies of the Victorian integration.
- Strong focus on streamlining systems and processes of combined Victorian operations to return to maximum productive capability.
- Keep strong management of working capital stock holdings.
- Work with customers to improve commercial terms on contracts as they roll over.
- Maintain our excellence in service and quality culture.
- Remain vigilant to new technologies and opportunities that will underpin future productivity improvements.
- Continue to drive our success in paper cup manufacture.
- Seek to be an active participant in much needed industry consolidation.

Shareholder Information

Substantial Shareholders	No. of Shares	%	6 Month Movement
Carton Services Pty Ltd (Commins Family)	21,411,974	25.5	Increase 597,147 under DRP
Bennamon Pty Ltd	13,115,469	15.6	Acquired 15 September 2014.
Blue Drive Pty Ltd	5,947,583	7.1	Increase 165,869 under DRP
Investors Mutual Limited	5,537,849	6.6	
Argo Investments Limited	4,540,825	5.4	Substantial shareholder following acquisition of shares under DRP.
Total for substantial shareholders	42,073,546	60.3	
All other shareholders	33,322,632	39.7	
Total Shares on issue	83,876,332	100.0	2,339,181 shares issued 8 October 2014 under DRP

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Thank you.