Australia’s stand out packaging partner

‘The Next Growth Chapter’

Investor Presentation

December 2011

Contents

"Colorpak is entering its next growth chapter and a stronger, more competitive business is emerging"

Strategic Vision

- Australasia's 'stand out packaging partner'
- Ranked as a preferred supplier for:
  - reliable delivery
  - competitive price/value for money
  - able to respond to customer needs
  - consistent quality and machineability
  - response time for urgent orders
- Focus on high margin, value add markets
- Industry consolidator through considered acquisitions and careful integration of complimentary packaging businesses
- Recognised for delivering industry leading profit margins, growth in earnings and dividends with a conservative capital structure

Company Overview

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- Dominant market leader in high barrier to entry pharmaceutical packaging
- Market leader (c.31% share) in folding carton markets with scale in beverage and FMCG packaging
- New (May 2011) paper cup forming and lid division for super premium ice cream, confectionary and FMCG (c.$4m incremental revenue)
- Cover all dimensions of packaging design from material, construction, graphics, pre-press and finishing
- Solution driven culture with strong innovation and design capabilities
- Low cost, flexible production facilities (5 manufacturing sites in Victoria, New South Wales, New Zealand plus sales office in Brisbane). c. 770 FTE
- Broad customer spread. Average contract 1-3 years. High retention rate. c.$190m revenue p.a. run rate
- Stable raw material prices - contracts typically allow for pass thru of raw material price increases. Minimal FX exposure
- Disciplined focus on margins , rather than volume growth. Top tier industry margins

Financial History

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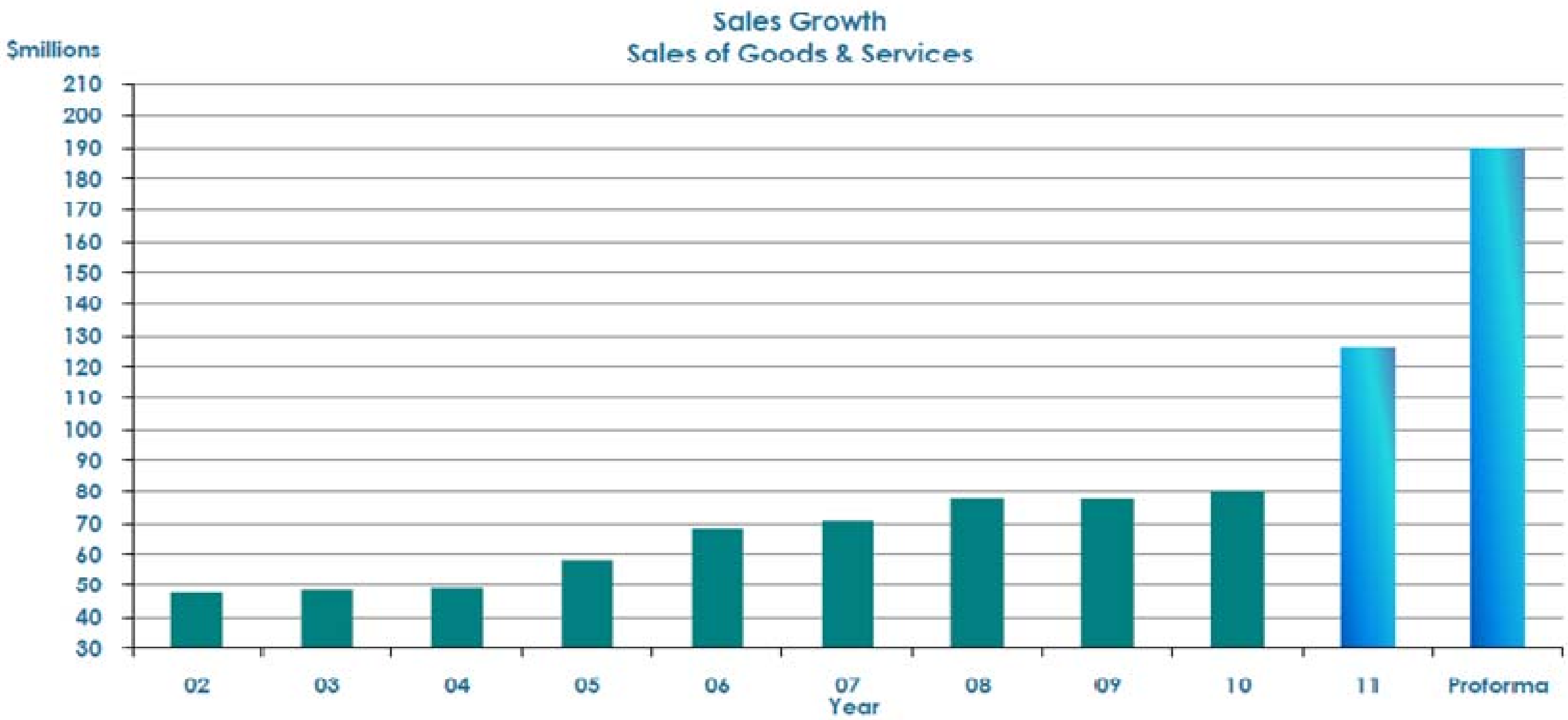
$'000	2007	2008	2009	2010	2011
Sales	71,034	77,806	77,664	80,164	125,549
EBITDA [(1)]	12,868	14,373	13,478	14,562	15,802
EBITDA margin (%)	18.10%	18.47%	17.35%	18.17%	12.58%
Underlying NPAT	5,051	6,210	5,620	6,413	7,060
Reported NPAT	As above	As above	As above	As above	15,875
Underlying Basic EPS (cps) [(1)]	6.28	7.72	6.94	7.90	8.70
Dividends per share [(2)] (cps)	2.75	4.00	3.00	4.25	3.25
Franking (%)	100%	100%	100%	100%	100%
Tangible ROE [(3)] (%)	228%	111%	65%	57%	48%
Free Cash Flow [(4)]	1,208	5,981	4,527	7,740	619
Gearing [(5)] (%)	39.3%	34.9%	33.0%	27.3%	31.8%

Notes: (1) excludes impact of acquisition, transaction and integration costs as well as gain on acquisitions; **(2)** includes 1.0 cps special dividends in 2008 and 2010; **(3)** Underlying NPAT / Net Tangible Assets (average of H1 & H2 using NTA at bop); **(4)** Operating Cashflow less Capex; **(5)** Debt/(Debt + Equity)

Historical Revenue Growth



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

Consistent track record of delivering growth: 12% p.a.10 year revenue CAGR

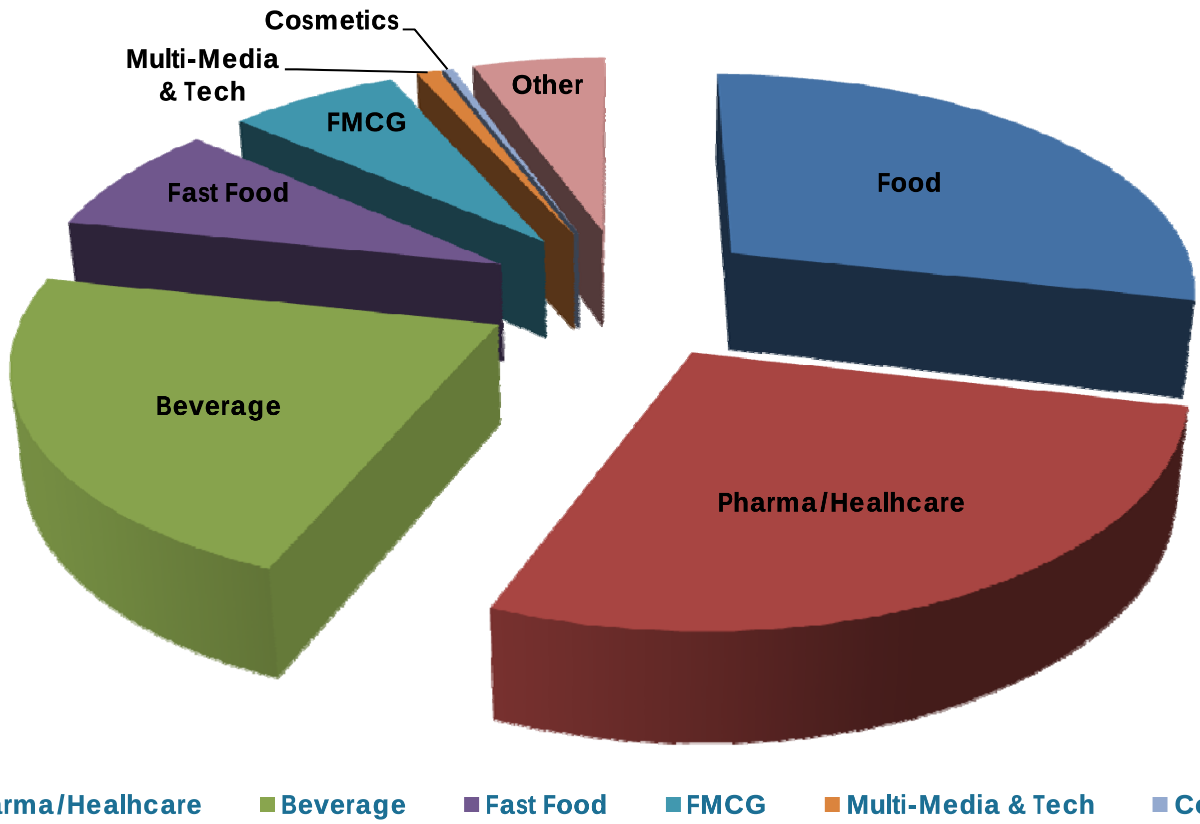
Packaging Market Dynamics colorpak

Market Segments	CKL FY11a Revenue $m	Comments
Pharmaceutical /Healthcare	35	Premium product, high barriers to entry, growth driven by new product launches, an aging population and legislation.
Beverage	28	Lower margin but has been growing.
Food	35	Commoditised with some low margin volumes moving offshore.
Fast Food	10	Has been achieving good growth since GFC due to consumers looking for more affordable and convenient options.
FMCG	9	Commoditised with some low margin volumes moving offshore.
Cosmetics	1	Premium product.
Other	8	
Total	**126**	

- Colorpak’s available local market is estimated to be $620m p.a. *
- Competitors include Amcor, Hannapak, ANZPAC, Visy, Abaris & smaller regional players

* Source: BIS Shrapnel Pty Ltd

Colorpak Market Segments



Focus on building scale in high margin market segments

Client Endorsements

AstraZeneca AUSTRALIA

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GRAPHIC PACKAGING HOLDING COMPANY

gsk GlaxoSmithKline

Pernod Ricard New Zealand

kraft foods make today delicious

Norco QUALITY SINCE 1895

aspen AUSTRALIA

INDEPENDENT Liquor

SEALORD

inova pharmaceuticals

Coca-Cola

Fonterra Dairy for life

Steggles

ego the science of healthy skin

Nestlé Good Food, Good Life

Love'em INGHAM

SCA

Hospira

KFC

McCain

Pfizer

PZ Cussons

MARS

Bell TEA COMPANY

Packaging Market Trends

- Customers increasingly require:
  - Low cost and high quality production
  - Value add design, press and printing integrated solutions
  - Quick response times, reliable delivery
  - A sustainable local supply model
  - Innovation, new product design

- Packaging companies increasingly need to:
  - Generate sufficient margins to allow capital reinvestments
  - Have flexible low cost asset bases to respond to short run, price sensitive high quality customer demand
  - Avoid commoditisation by offering an integrated end to end service and add value through the packaging process
  - Price work according to their cost structure and need for reinvestment to remain relevant

Industry Rationalisation

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Why?

- Develop pricing power to combat margin pressure
- Rational pricing allows reinvestment and customer relevancy
- Increase volumes to reduce unit costs and drive efficiencies
- Need scale to service national/ international accounts
- Instant utilisation gains and returns on buying customers
- Solution to address overcapacity and market inbalances
- Expect further industry rationalisation between – and within company's own production sites

CHH Folding Cartons Acquisition Overview

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- Acquired c. $125m of revenues for $5m:
  - Excludes Smithfield (sold to Amcor)
  - $7m of sales repositioned into Brandpack (pre press & design, profitable)
- EBITDA breakeven – margins previously priced away
- July 2011 paid c. $4.3m working capital adjustment
- Mix of FMCG, beverage and pharmaceutical clients
- Purchase included a fixed price board contract from the vendor through to March 2013
- Unfavorable leases assumed from vendors, adds $5m to cash flow over 5 years – some scope to sublet to reduce liability

CHH Integration Well Progressed

- Three production sites in Victoria rationalised into two. Extra shifts, expanding Braeside
- Four EBA's negotiated and ratified since March 1st 2011
- Align and incentivise employees through free share grant(382,000 shares/500each)
- Overhead reduction being achieved with 36 less heads for same output
- Rent obligations at Reservoir cease in December 2013. Actively looking to sub lease for remaining term
- All acquired equipment reviewed – surplus sold offshore for c. $1m
- Major customer engagement process – all major accounts met and updated with new Colorpak direction

CHH Integration Well Progressed

- Internal and external brand launches completed with formal internal/ external events with strong customer engagement. New brand collateral working way through all sites
- New web site launched. New IT program progressing well – first of three sites live 1st September 2011
- Transition to appropriate contract pricing levels – most customers eager to see a sustainable local supply model
- Cost synergies identified and being delivered in a timely manner
- Focus on margin improvement- not low margin volume growth
- Banking facilities and working capital settlement are complete
- Integration progressing ahead of expectations

New Competitive Strengths

- Fully integrated offering with end to end capabilities
- Reciprocal manufacturing capabilities – multi site capabilities
- Scale and low cost structure
- Strong market positions
- Ability to reinvest in capital equipment and systems ($5.6m capex in FY11: computer equipment, systems, and new paper cup lid forming equipment, $6m estimate in FY12 mainly on homogenisation of IT systems and productivity improving add ons)
- Reputation for quality, reliability, innovation and service

Multiple Growth and Profit Drivers

- Organic volume growth in existing customer base
- Expand product capabilities into the acquired customer base
- Product expansion beyond ice cream for paper cup and lid division – purpose built clean room
- Increased market share based on integration capabilities and competitive strengths
- Restore rational pricing in an improved market structure
- Operational gearing, productivity gains and margin expansion in acquired business.
- Complimentary acquisitions

Acquisition Track Record

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)

Key Priorities – Focus on Execution

- Complete CHH integration
- Deliver full benefit of revenue and cost synergies
- Focus on margin growth in acquired business
- Product expansion and profitable organic growth across the customer base
- Increase market share through new contract wins at sustainable prices
- Disciplined approach to complimentary acquisitions
- Deliver growth in earnings and dividends for shareholders

Sensitivities

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- Volume losses to offshore producers – more at commodity end of FMCG market
- Board prices – variable beyond March 2013
- AUD exchange rate – import foil/ resins – stable prices
- Impact of carbon pricing
- Labour costs – IR team focused on harmonious employee relations
- Benefit from subletting onerous leases
- Ongoing capex required to remain relevant to customers
- Pricing to enable reinvestment and shareholder returns

Outlook & Conclusions

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- Colorpak is starting its next growth chapter and a stronger, more competitive business is emerging
- Resilient demand for pharma and beverage packaging
- Integration of acquired business is progressing well
- Revenue and cost synergies identified and being delivered in a timely manner
- FY12 result will include one off integration costs of c.$8m + leave entitlement payouts of c.$2m.
- Disciplined focus on margin improvement in acquired business – assisted by improvement in industry structure and return to rational pricing
- Stable input costs, overhead reductions, productivity gains and higher utilisation rates underpin underlying profit growth

Outlook & Conclusions

- Multiple growth opportunities – organic, product extensions, new customers, acquisitions
- Strong growth(12% p.a. 10 year revenue CAGR) and execution track record
- Conservative balance sheet – well within banking covenants
- Commitment to improving profit margins in acquired CHH business and delivering earnings growth for shareholders

Appendix

Income Statement	FY10	FY11 (1)	Chg	Comments
Revenue (sale of goods and services)	80.2	125.5	57%	Revenues from traditional CKL business grew 5.5%
Expenses	-65.6	-109.7	67%	
EBITDA	**14.6**	**15.8**	**9%**	EBITDA from traditional CKL business grew 5.5%. CHH added $0.4m EBITDA.
D&A	-3.0	-3.1	5%	
EBIT	**11.6**	**12.7**	**9%**	
Net Interest inc./(exp.)	-2.5	-2.5	1%	
Pre-tax Profit	**9.1**	**10.2**	**12%**	
Tax	-2.7	-3.2	16%	
Adj NPAT	**6.4**	**7.1**	**10%**	
add/(less): sig. items (a/tax)	0.0	8.8		Gain on acquisition (+$12.2m b/tax), integration costs(-$2.2m b/tax), transaction costs(-$1.4m b/tax), impairment of intangibles (-$0.5m b/tax)
Rep NPAT	**6.4**	**16.0**	**137%**	
EPS Normalised	**7.9**	**8.7**	**10%**	

Note: (1) includes 4 months contribution from acquired Carter Holt Harvey Cartons businesses

Appendix

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Cashflow	FY10	FY11	Comments
Operating cashflows	**9.0**	**6.2**	**Impacted by the delay of a single payment of $2.1m which was received on 1st July 2011**
Capex	-1.2	-5.7	Main item of expenditure was a cup and lid forming machine. Also investment in IT systems.
Other	0.0	-8.5	$5.0m base payment for CHH + $3.6m acquisition, transaction & integration costs
Investing cashflows	**-1.2**	**-14.2**	
Equity	0.0	0.0	
Debt	-4.8	8.3	Loan facilities provided by NAB and BNZ increased to $46.8m at 30/6/11, from $31.85m at 30/6/10
Dividends	-2.6	-3.4	
Financing cashflows	**-7.4**	**4.8**	
Change in cash	**0.4**	**-3.2**	
Free Cash Flow	**7.7**	**0.5**	**Operating cashflows less capex**

Appendix

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Balance Sheet ($m)	FY10	FY11	Comments
Current assets	**23.5**	**70.5**	
Intangibles	46.1	46.1	A result of the accounting treatment and structure adopted at the time of listing in 2004. Does not relate to an acquisition since listing.
Other non current assets	27.9	44.4	
Non current assets	**74.0**	**90.6**	
Total assets	**97.5**	**161.1**	
Debt	0.0	3.2	Overdraft facility
Other current liabilities	2.5	13.6	$3.4m relates to an increase in provisions for unfavourable contracts and leases acquired with CHH.
Current liabilities	**11.1**	**42.2**	
Debt	22.8	31.0	
Other non current liabilities	3.1	14.6	$11.7m relates to an increase in provisions for unfavourable contracts & leases + a 'make good' property provision relating to CHH acquisition.
Non current liabilities	**25.9**	**45.6**	
Total liabilities	**37.0**	**87.8**	
Net Tangible Assets	**14.3**	**27.1**	
NTA p.s. (cps)	**17.6**	**33.4**	
Debt / (Debt + Equity)	**27%**	**32%**	Remains conservative

Company Details

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Directors

Geoff Willis
Chairman and Non-executive Director

Alex Commins
Managing Director

Paul Commins
Executive Director

Bronwyn Constance
Non-executive Director

David Heaney
Non-executive Director

Ian Wightwick
Non-executive Director

Company Secretary

Stephen Nicholls

Registered Office

63 – 73 Woodlands Drive
Braeside Vic 3195
Telephone: 61 3 9586 4700
Facsimile: 61 3 9587 8162

Banks
National Australia Bank Limited
Bank of New Zealand

Share Register

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Telephone: 1300 554 474

Substantial Shareholders

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Investor	Shares	% on issue
Carton Services Limited	26,018,534	32%
Hunter Hall Limited	8,887,018	11%
Perpetual Limited	6,044,951	7%
Argo Investments Limited	4,149,000	5%