



Pro-Pac Packaging Limited

ACN: 112 971 874

Chairman's Address Annual General Meeting

Good morning and welcome to Pro-Pac's 2011 Annual General Meeting. Thank you for your attendance. My name is Elliott Kaplan and I am a Director of Pro-Pac and your Chairman. I would like to introduce the other members of the Board, our CEO Brandon Penn and Hadrian Morrall and our CFO and Company Secretary, Mark Saus. Also present is our auditor, Frank Giannuzzi from UHY Haines Norton.

As I previously stated, the subdued consumer spending and sentiment and the challenging non-resource related economic environment resulted in difficult trading conditions particularly in the last quarter of the financial year and continuing on into the first quarter of the 2012 financial year. Despite this, we were able to grow revenue by 27% to \$115 million and EBITDA by 8% to \$10.8 million. What is even more pleasing is that in this climate we have been able to continue the growth in both the top and bottom lines with sales for the first four months of FY 2012 increasing by 11.5% to \$42.6 million and EBITDA increasing by 23.5% to \$4.7 million when compared to the previous corresponding period.

In addition to the pleasing organic growth, we have continued with our acquisition growth strategy and have completed three strategic acquisitions since the end of the 2011 financial year - Sydney-based personal protection equipment and safety product distributor, Medirite, void fill manufacturer and distributor, Space Pac and Perth-based Heron, a distributor of packaging and safety products primarily to the food and agri-industries. We also have a strong pipeline of both large and small acquisition and growth opportunities and management is currently in discussion with and is investigating a number of these opportunities.

At the beginning of October, shareholders approved the acquisition by Bennamon of an additional 42 million shares taking that company's holding in Pro-Pac to approximately 48% of the issued capital. Bennamon is a company controlled by Mr Raphael Geminder who also controls the PACT Group, one of Australia's largest manufacturers and distributors of rigid packaging. I am pleased to advise that some of the potential benefits identified by your Board resulting from Bennamon's increased shareholding and which were set out in the Explanatory Memorandum of the October general meeting have already started to come to fruition. We are both excited and confident that the stronger relationship with Mr Geminder's companies will result in beneficial outcomes for Pro-Pac's shareholders going forward.

We are continuing with our site consolidation plans for the industrial packaging division and following the successful consolidation of the operations in both Victoria and in New South Wales, we will be consolidating our Queensland operations into a single larger site in Q1 of calendar 2012. This will provide the necessary infrastructure for further future growth in our

strongly performing Brisbane businesses. We will also be expanding our South Australian operations and consolidating our Adelaide-based businesses into a new site.

I firmly believe that the key to success of any business is its people and in this regard, we are fortunate in having a strong and capable management team and dedicated and loyal staff. I would like to acknowledge our executive directors, Brandon Penn and Hadrian Morrall, our divisional managing director, Wendy Penn and our CFO, Mark Saus for their leadership and contribution and on behalf of the Board, I thank all of our managers and staff for their ongoing commitment and dedication to the continuing growth and success of our company.

ENDS

For further information please contact Mr Brandon Penn, CEO, on Tel 02 87810500 or Mr Elliott Kaplan, Chairman, on Tel 02 90878022.

About PPG

Pro-Pac Packaging Limited is a diversified manufacturing and distribution company, providing innovative, flexible and rigid packaging solutions for a broad group of customers. PPG is headquartered in Sydney with operations in Adelaide, Brisbane, Melbourne and Perth. PPG's securities are listed and quoted on the ASX.

For further information on PPG visit www.ppgaust.com.au