

colorpak 

August 2011



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Investor  
Presentation  
Full Year  
Results  
2010 / 2011



Australasia's Stand out  
Packaging Partner



# A New Vision

In the first few months since acquiring the folding carton assets of CHH we have been busy working on an appropriate creative expression of who we are, and who we aspire to be.

After much consultation with the key stakeholders of the combined Colorpak / Carter Holt Harvey business we are proud to launch our new corporate look.

Our vision to be “Australasia’s stand out packaging partner” will be the foundation of our next growth chapter as we help our customers to “stand out and stay ahead”.

Brandpack is the new name for our division formerly known as Montage Graphics.

Brandpack are our packaging architects, covering all dimensions of packaging design: from Material, Construction, Graphics, Pre-Press and Finishing.



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# Company Overview

# Shareholder Information

Substantial Shareholders	No. of Shares	%	6 Month Movement
Carton Services Pty Ltd (Commins Family)	26,018,534	31.9	No Change
Hunter Hall Limited	8,887,018	11.0	No Change
Perpetual Limited	6,044,951	7.4	6.6% reduction in the last six months
Argo Investments Limited	4,149,000	5.1	No Change
Total for substantial shareholders	45,099,503	55.3	
All other shareholders	36,437,648	44.7	
Total Shares on issue	81,537,151	100.0	Increased by 382,000 in June 2011 with employee share issue

# Market Reputation

Consistently ranked 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;
- Response time for urgent orders

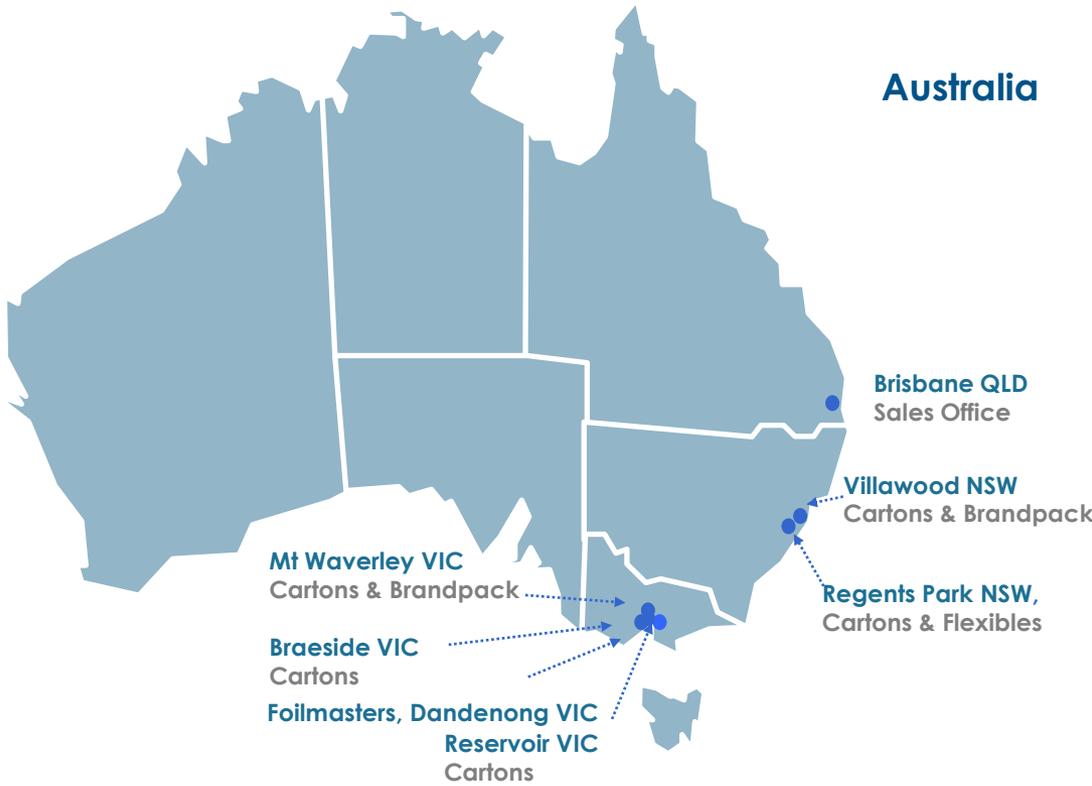




Colorpak has been actively acquiring and integrating packaging businesses for the past 12 years.....

- 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)

# Colorpak Overview



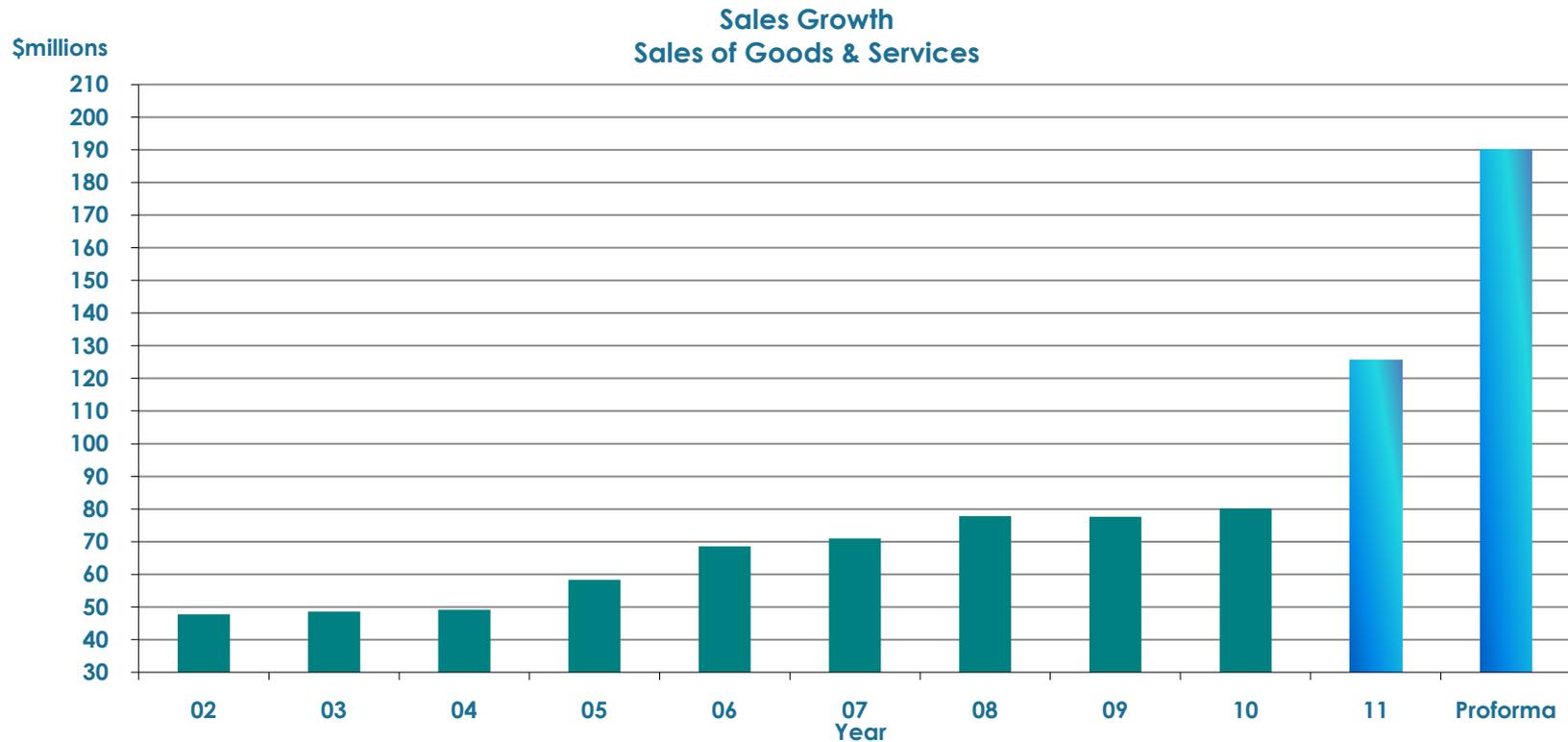
## Australia

## New Zealand

Auckland NZ  
Cartons & Brandpack

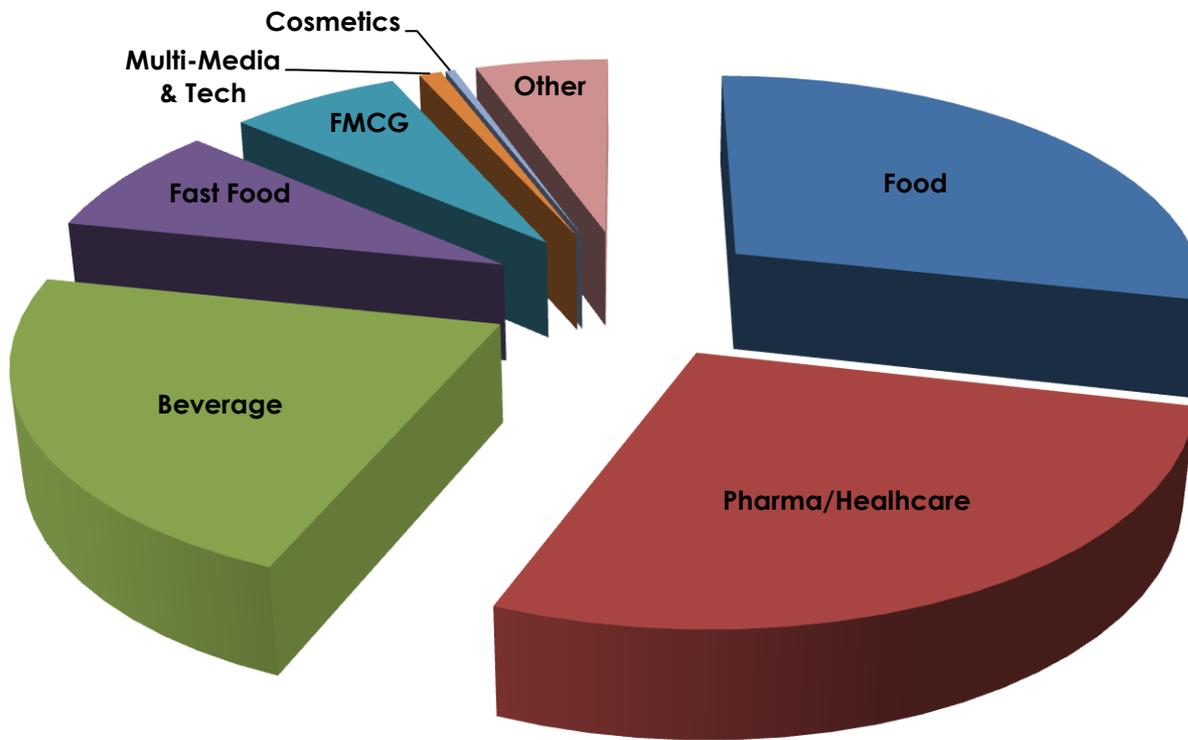


# Sales Growth



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

# Market Segment



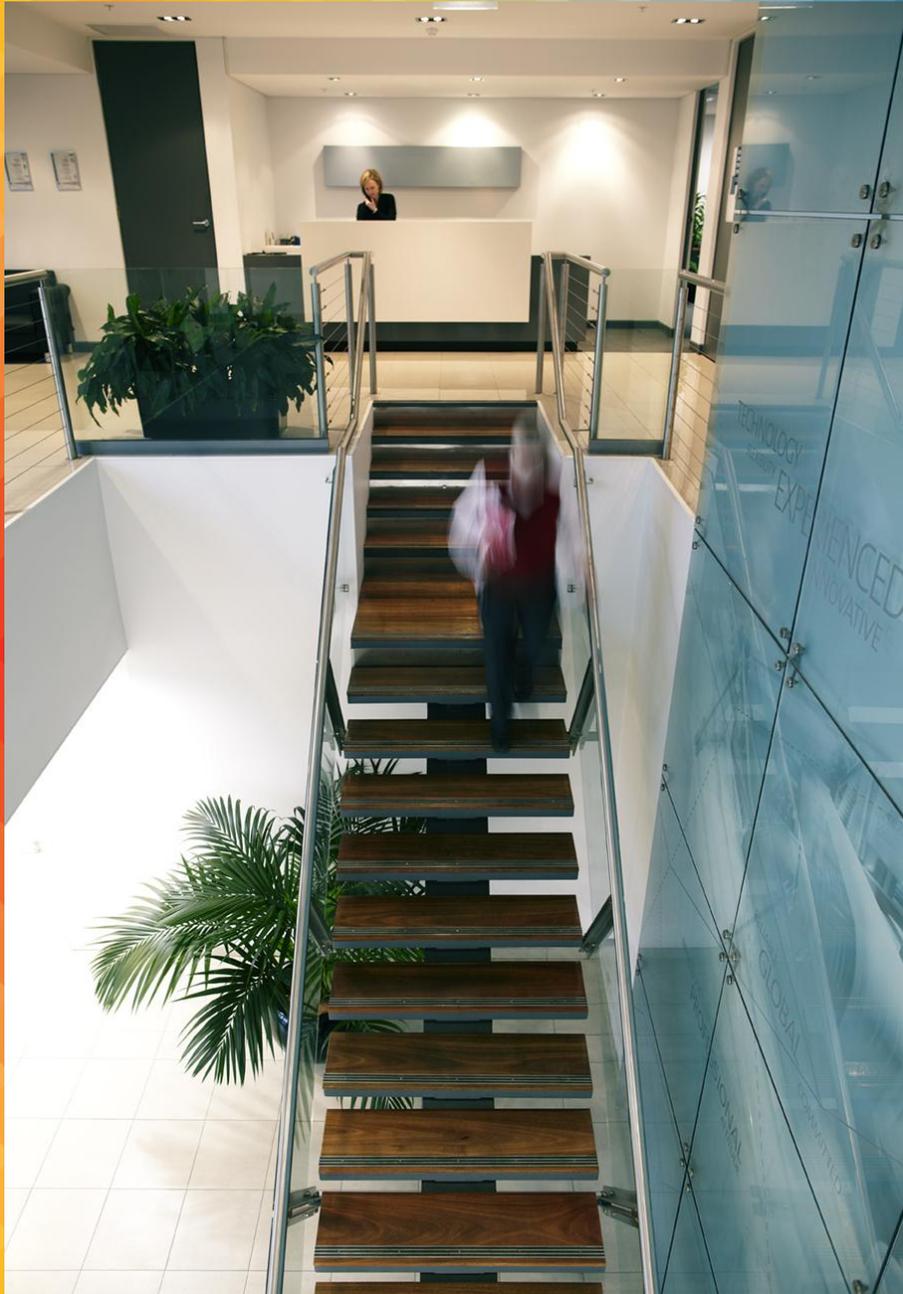
■ Food ■ Pharma/Healthcare ■ Beverage ■ Fast Food ■ FMCG ■ Multi-Media & Tech ■ Cosmetics ■ Other

# United Nations Global Compact

Colorpak is a recent signatory to United National Global Compact and adheres to the ten principals developed by that organisation. The principles relate to four main areas including: -

- Human Rights
- Labour
- Environment
- Anti-corruption





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# Financial Overview



# Financial Overview

Results Summary – Full Year

(\$000')	2011	2010	2009	2008	2007
Sales (goods / services)	125,549	80,164	77,664	77,806	71,034
EBITDA(*)	15,802	14,562	13,478	14,373	12,868
EBITDA %	12.58%	18.17%	17.35%	18.47%	18.10%
Underlying NPAT(*)	7,060	6,413	5,620	6,210	5,051
Reported NPAT	15,875	As above	As above	As above	As above
NPAT % (*)	5.6%	8.0%	7.2%	8.0%	7.1%

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



# Financial Overview

Results Summary – Full Year

Cash Management (\$000s)	2011	2010	2009	2008	2007
Operating cash flow	6,199	8,977	10,075	7,615	9,084
Acquisition, transaction & integration costs	3,636	-	-	-	-
Purchase of business	5,000	-	-	-	-
Capex (net)	5,580	1,237	5,548	1,634	7,876
Free cash flow	(8,017)	7,740	4,527	5,981	1,208
Dividends	3,449	2,638	2,875	2,414	2,313
Reduction / (increase) in debt	(11,466)	5,102	1,552	3,567	(1,005)

# Financial Overview

	2011	2010	2009	2008	2007
<b>Earnings</b>					
EPS (cents)	8.70(*)	7.90	6.94	7.72	6.28
Interest Cover (EBIT) (times)	5.12	4.72	4.24	4.44	3.75
<b>Dividend</b>					
Interim (fully franked) (cents)	1.50	1.50	1.25	1.25	1.00
Final (fully franked) (cents)	1.75	1.75	1.75	1.75	1.75
Special (fully franked) (cents)	-	1.00	-	1.00	-
Total for year	3.25	4.25	3.00	4.00	2.75
<b>Balance Sheet</b>					
Gearing (Debt/Debt + Equity)	31.8%	27.3%	33.0%	34.9%	39.3%
Net Equity (\$000's)	73,275	60,449	56,347	54,958	50,948
Net assets per share (cents)	90.26	74.5	69.4	68.3	63.3
<b>Multiples (at 30 June)</b>					
PE Ratio	8.0(*)	5.8	5.7	6.1	8.6
EV / EBITDA	5.77(*)	4.1	4.5	4.7	6.3

(\*) Excludes impact of acquisition, transaction and integration costs as well as gain on acquisition. Reported EPS was 19.56 cents per share.

# Balance Sheet

Conservatively Managed

<b>Debt Facilities</b>	<ul style="list-style-type: none"> <li>Existing debt agreed until September 2013;</li> <li>\$50.0 mill committed bill, cash advance &amp; trade finance facilities + \$2.9 mill OD;</li> <li>No bill facilities mature within next 12 months;</li> </ul>
<b>Debt Covenants</b>	<ul style="list-style-type: none"> <li>Financial ratios well within bank covenants;</li> </ul>
<b>Debt Capacity</b>	<ul style="list-style-type: none"> <li>Capacity to finance both growth &amp; integration activities.</li> <li>Net Debt / (Net Debt + Book Equity) 31.8%;</li> </ul>
<b>Interest Rates</b>	<ul style="list-style-type: none"> <li>61% of debt swapped to fixed rates maturing between 2012 and 2014.</li> </ul>



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# Highlights



# Proudly launched our Paper Cup Forming Division in May 2011

- In May 2011 Colorpak launched a new division to form high quality paper cups and lids initially for the super premium ice cream segment of the market.
- This new addition to the suite of Colorpak product has application in other industries including confectionary, biscuits and many other fast moving consumer good categories.



# Highlights

## Sales Revenues

- 56.6% sales growth which includes 4 months of trading of acquired businesses.
- Greater diversification of customer base.
- New product capability in paper cup and lids will drive growth in new market segments, and/or existing market segments using the innovative packaging format.
- Initial revenues forecast to be around \$4 million per annum from the paper cup division.
- Strong cross selling opportunities to acquired customers from Colorpak legacy business capabilities like flexibles and hot foil stamping / embossing.

## 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

## Operations

Capex program:

- Net Capex of \$5.6 mill invested in year – main items:
  - Commissioned brand new European paper cup and lid forming equipment in our Braeside operation.
  - Equipment is operating from a purpose built clean room facility.
  - Computer equipment and systems for acquired businesses.

# Highlights

## **Dividends**

- Final Dividend of 1.75 cents fully franked, payable 4 October 2011.

## **Balance Sheet**

- Net debt at June 30<sup>th</sup> 2011 of \$34.2 million
- Increase in gearing (debt/debt + equity), from 26.8% in June 2010 to 31.8% as a consequence of CHH acquisition in June 2011.

## **Share capital**

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



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# Outlook & CHH Acquisition Update

# Outlook

## Financial

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

## CAPEX

- 2012 approximately \$6 million.
- Capital expenditure will be directed towards upgrading IT systems and modernisation of some print capability.

## Growth Opportunities

- Looking to capitalise on product expansion beyond ice cream for paper cup division.
- Will seek to expand existing product capabilities into the acquired customer base.
- Use the scale and expertise of the expanded group to prevail in competitive tender situations for new business opportunities.



# 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.
- A cross section of Colorpak / CHH stakeholders were consulted in the process to help us develop and position our new brand.
- Internal and external brand launches have been completed and the new brand collateral is working its way through all sites.
- Our IT program has progressed well with the first of four sites ready to go live with the Colorpak legacy MIS system on September 1<sup>st</sup> 2011.
- Our banking facilities are all complete as is our final working capital settlement with the Rank Group.



# CHH Acquisition Update

- Cost synergies are being identified by the Integration Team and being delivered in a timely manner.
- Revenue synergies are also progressing well given that most customers are eager to see a sustainable local supply model.
- Our IR team has strong focus on our industrial harmony and has made good progress in achieving sensible commercial outcomes on EBA negotiations of the expanded organisation.





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Thank you.