Colorpak Limited

Chairman's Address
Annual General Meeting
20th October 2006

The year ended 30th June 2006 was one of the most important in Colorpak's long history of successful expansion. The Company is now better equipped and more capable than ever before. We can confidently say that the entire New South Wales operation has been completely overhauled and is now brought together in new purpose built facilities at Regents Park. Concurrently the Victorian operation was expanded and upgraded to incorporate modern equipment and a new logistics and warehousing building. Within the space of a year we have substantially lifted Colorpak's output potential and aligned it to the growing customer needs reflected in our sales growth.

Such important changes take considerable financial and management commitment. These are major management tasks and I am pleased to report that they have been executed skilfully. Managing Director Alex Commins will provide more detail on the way we expect the benefits to flow from these investments later in the meeting, whilst I will comment further on the financial performance, financial strength and the governance framework being meticulously followed by the Company.

However before I focus on these aspects of the Company's performance I would like to comment on the importance of developments like those undertaken by Colorpak in keeping Australia's manufacturing industry relevant for the national good. Unlike most of the Australian manufacturing industry, the Pharmaceuticals sector is holding up well to international competition. This is a credit to our customers and we consider that Colorpak has, and will continue to, contribute to this sector's resilience by investing in a manner that provides our customers with world-class quality, service and efficiency.

Financial Performance

It is pleasing to report that net profit for the 2005/06 year amounted to $4.5 million, which is equivalent to 5.59 cents per share. The net profit was struck in accordance with the AIFRS accounting standards and accordingly the net profit for the 2004/05 year needed to be restated for comparison. On the restated basis net profit for 2005/06 was below that recorded in the previous year. The difference is mainly attributable to the one-off charges and impairment losses associated with the important operational moves in New South Wales. We have taken a very transparent approach and detailed these matters fully on pages 20 to 22 of the Annual Report.

Now turning to the net profit itself, the earnings per share of 5.59 cents was sufficiently strong to enable your Directors to increase dividends per share from 2.5 cents in respect of 2004/05 to 2.75 cents per share in respect of 2005/06. The payout ratio being close to but not quite 50% allowing a substantial portion of the profit to be available to fund future growth. Once again the dividends are all fully franked.

It is early in the year to know precisely what will be achieved for 2006/07 but we can report that we have traded successfully throughout the first quarter and we have plans in place to deliver improved earnings and cashflow for the full year.

Financial Strength

The financial strength of the Company as measured by the gearing of debt to debt plus equity was 40% as at 30th June 2006. The Directors regard this as an appropriate level at this point in the Company's investment cycle. The debt level is expected to rise during the first half of the 2006/07 year as known commitments are finalised and then it is expected to re-establish a similar level to this year by the 30th June 2007. Adequate lines of finance are available to meet the Company's expected funding requirements.

Executive Remuneration

As was the case for the first time last year shareholders in listed companies are asked for an informal vote on the Remuneration Report which sets out the scale and structure of remuneration for the senior executives of the Company. Later in the meeting I will invite that vote.

In advance of that process I will provide some introductory remarks.

Colorpak, like all soundly managed companies, seeks to develop and retain key executives through an appropriate reward system. The Board has a Nomination and Remuneration Committee, which David Heaney chairs, to consider and assess the reward system with the aim of designing a system which will deliver increased shareholder value.

This company is run by a senior executive team, each of whom carries discrete and substantial responsibility. The base salaries appropriately reflect these responsibilities. Additionally, each can be rewarded with a short-term incentive should the Company reach pre-determined targets set by the Board to deliver improved shareholder returns. As the Company did not achieve the targets set for the 2006 year there are no short-term incentives payable in respect of that year.

I am very pleased to note that during the course of the year Mr Alex Commins, Mr Paul Commins and Mr Harry Commins each entered into renewed contracts with the Company ensuring continuity of the existing management team.

Corporate Governance

The work of the Board and its connection with the management team is soundly anchored by the full adoption of the Corporate Governance principles. The company fully complies with the guidelines set out by the ASX Corporate Governance Council.

In a business environment where the demands of the supply chain management is driving customers and suppliers closer and closer together, the need for trust and co-operation is higher than ever before. The Company considers that its commitment to ethical practices and strict adherence to corporate governance guidelines is an attribute which builds that trust and strengthens customer relationships. This was one of the significant attributes of the founder of the Company Mr Walter Commins who leaves this legacy upon his retirement from active involvement in the Company. We sincerely wish Walter a long and happy retirement.

On this note it is my pleasure to invite Mr Alex Commins, Managing Director of Colorpak Limited, to address the meeting.

Colorpak Limited

CEO'S ADDRESS – ANNUAL GENERAL MEETING – 20 OCTOBER 2006

Ladies & Gentlemen,

It gives me great pleasure to present to you today.

SLIDE 1
Another very solid year of organic sales growth has put our annual turnover at $68.5 million per annum. The graph before you indicates quite clearly that our strong service model and brand have again made it possible to continue our consistently high revenue growth rate which has stood at a compound rate of 20% p.a. for just over twenty years.

SLIDE 2
The Australian folding carton market is estimated to be worth approximately $600 million p.a. Colorpak stands as the third largest player now in this segment and growing with a 10% share. Despite the overall industry experiencing flat growth, our increase of 14% in carton sales for the year reflects our growing market share up from 9% last year.

SLIDES 3 & 4
Our strategic direction is still focused on the high value added niche of the market. To that end we direct much of our efforts and resources to the pharmaceutical and healthcare industries from which over 50% of our revenues are derived. The last 12 months has seen solid growth in the branded and beverage sectors with revenues from those sectors representing some 17.7% and 2.7% respectively of our total group turnover.

SLIDE 5
A strong blue chip portfolio of household brand names remains the cornerstone of the Colorpak customer base.

SLIDE 6

BIS Shrapnel conducts an annual survey into the performance of suppliers in the folding carton industry. The carton buying public ranks each participant according to their performance. The key measures that customers assess us on in order of importance to them are:-

1. Reliable delivery
2. Response to customers' needs
3. Consistent quality/machineability
4. General print and carton quality
5. Response time for urgent orders

Colorpak has been consistently ranked at the top of the industry for the past seven years.

As these are the mission critical objectives of our customers, so too do they become the drivers of our daily performance.

SLIDE 7

From an operational perspective:

- Our Regents Park (NSW) facility was completed in June 2006 and we have successfully made a full transition from our old site at Erskineville.
- Both of our new Roland 700 6 colour twin coater and Bobst 106 LER die-cutter have been commissioned at our Regents Park facility.
- In Braeside, we took occupancy in February 2006 of a new 2,500 square metre storage facility, immediately adjacent to the current operations.
- The purchase of a new Mark Andy UV Flexo press has increased the speed and quality of our output at our Sydney flexibles division (formerly Castle Graphics).
- We have implemented an MIS system in our Sydney flexibles division that enables greater transparency on operating costs.
- We finalized integration plans to move the flexibles division into clean room production facilities at our Regents Park site and have since completed that move.
- We introduced a 3rd shift at our Braeside site.
- We obtained IRC ratification of 3 year EBA renewals in both the Melbourne and Sydney carton divisions.

SLIDE 8

Now to some of the financial highlights:

- It was very satisfying to achieve a 17.7% increase in revenues over last year. Since 1985 the Colorpak business has been able to maintain a compound growth rate of 20%, and over the past 10 years the CAGR has been 17% per annum.
- As we saw on slide 5, we have a strong client base of blue chip names emanating from industries including pharmaceutical, food, beverage, confectionery, multimedia and telecommunications.
- Some strong cross selling opportunities have been realised as a result of the Castle Graphics acquisition.

2007 NPAT was 15.4% down on last year and was adversely impacted by:

- Under performance in the Seven Hills business that impacted NPAT by around $1.0 mill, which included $0.5 mill restructure costs and equipment impairment charges.
- One-off relocation costs of the Sydney carton business move together with costs relating to the transfer of work to Braeside to ensure smooth transition. In aggregate, NPAT was impacted by approximately $0.7 mill.
- As product segment mix has marginally changed with growth into new segments, this has reflected into slightly lower average margins overall.

A final fully franked dividend of 1.75 cents per share was declared and paid on 5 October. This brings our total annual dividend to 2.75 cents fully franked for 2006, up 10% on last year.

Our gearing, in terms of debt vs debt to equity, increased during the 2006 year from 37.7% to 40.1% to finance our CAPEX program. Gearing at June was well down on June '04 of 42.4% and on listing of 46.4%.

A strong performance was put in by the senior management team. New team members have been added in operations and sales roles to further strengthen the business. Management has done an outstanding job in making a relatively seamless transition from the Erskineville to Regents Park site.

SLIDE 9

The major activities that we can expect to see in the coming 12 months include:

- Management and the Board remain conscious of the fact that we have a relatively hard working balance sheet. Capital expenditures for 2006 and proposed for 2007 are completely necessary to capitalise on unique organic growth opportunities. Expected gearing level at June 2007 is anticipated to be lower than at June 2006. Beyond the current year no major CAPEX is planned in the short term and gearing is expected to reduce significantly as a consequence.

- We are continuing to experience strong demand for our products and expect to achieve modest top line growth for this financial year. Revenues between $71 and $73 mill and NPAT between $5.1 and $5.4 million are expected for the full year. With growth coming progressively from a major customer across the year, it is expected that revenues for the first half will be lower than the second, being in the range of $34 and $36 mill. Profit is expected to be earned fairly evenly across the two halves.

And finally, growth opportunities remain firmly on our agenda. Organic growth opportunities are part of our modus operandi and our sales team is committed to identifying, negotiating and executing new deals. Consolidation remains a feature of this industry as we have seen recently with CHH's purchase of Wadepack and the subsequent purchase of CHH by Rank Investments. We remain alert for any bolt-ons that would create value for our shareholders and bolster our strategic position.

Ladies and gentlemen, thank you for your attendance today. Last year I left you with an artist's impression of our Regents Park facility. Today I will leave you with a picture of the finished product.

THANK YOU

PACKAGING BRINGS YOUR BRAND TO LIFE.

Colorpak Limited

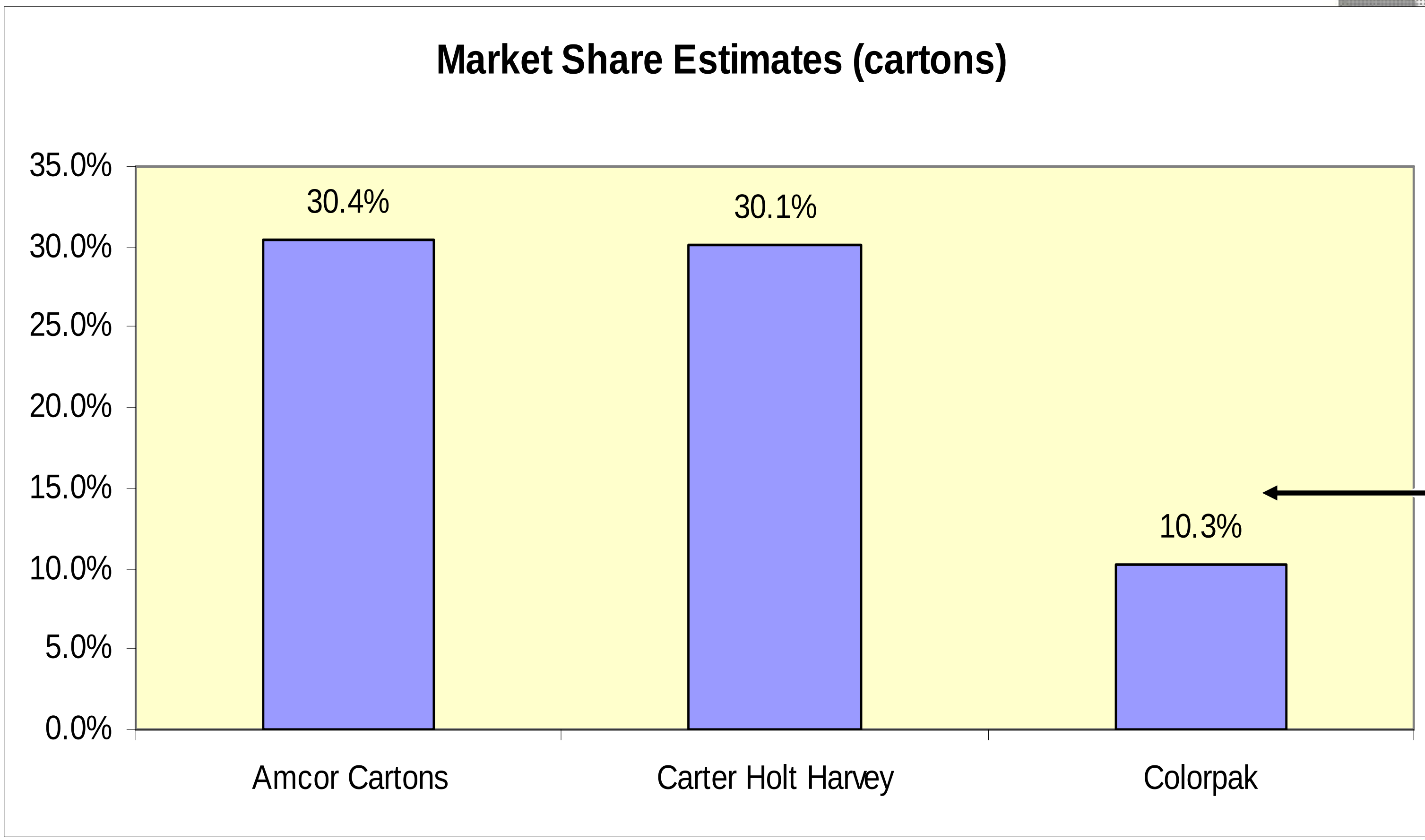
AGM Presentation
October 2006

Colorpak Packaging Pty Ltd

Highlights

Colorpak Limited

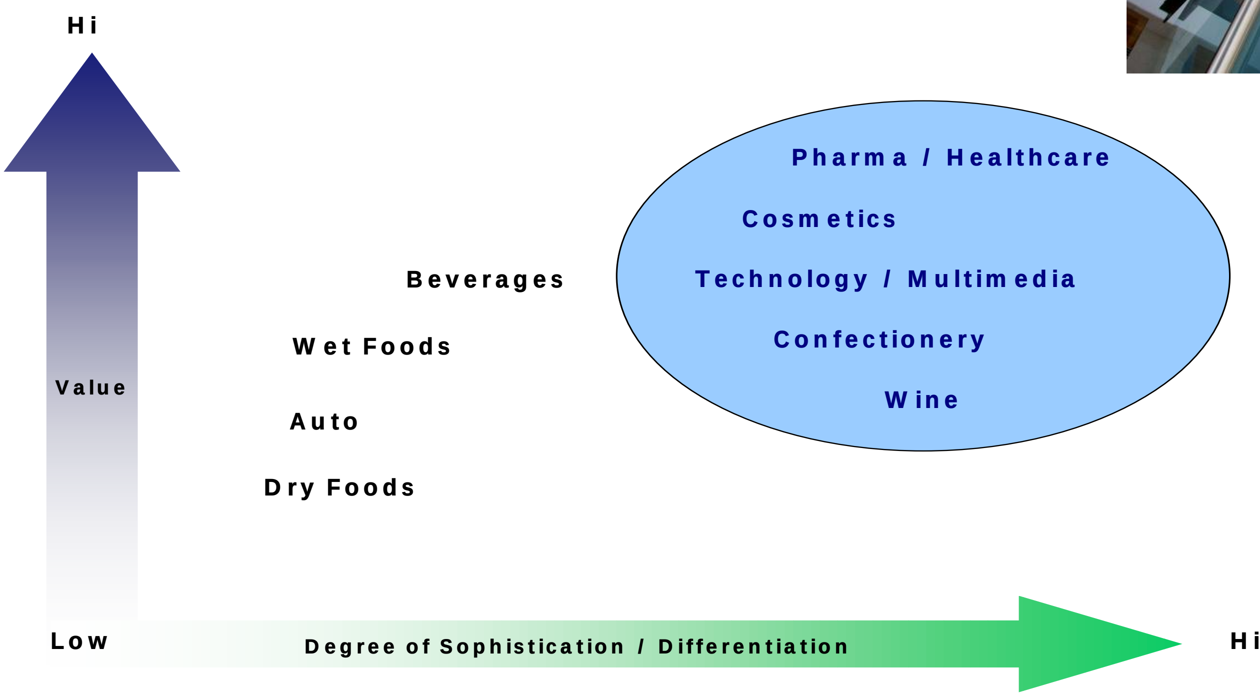
Business Operations



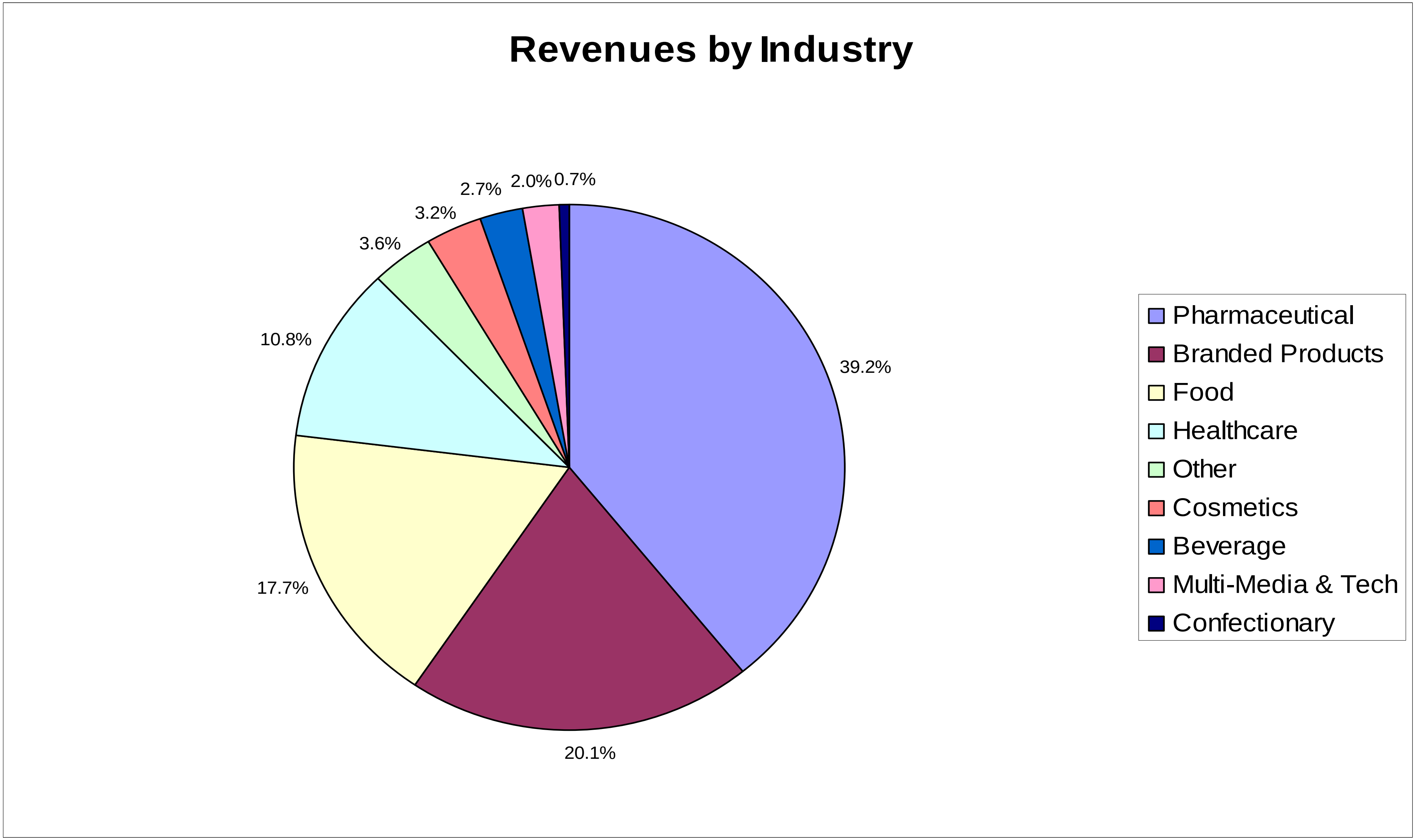
Revenue growth of 14% in 2006 in cartons.

Business Operations

Industry



Business Operations



Business Operations
Customers

- **Pharmaceuticals and healthcare**
  - Sigma
  - Astra Zeneca
  - Pfizer
  - Roche
  - CSL
  - Cardinal Health
  - Ensign Laboratories
  - MSD
  - GSK
  - Alphapharm
  - Carlson Health

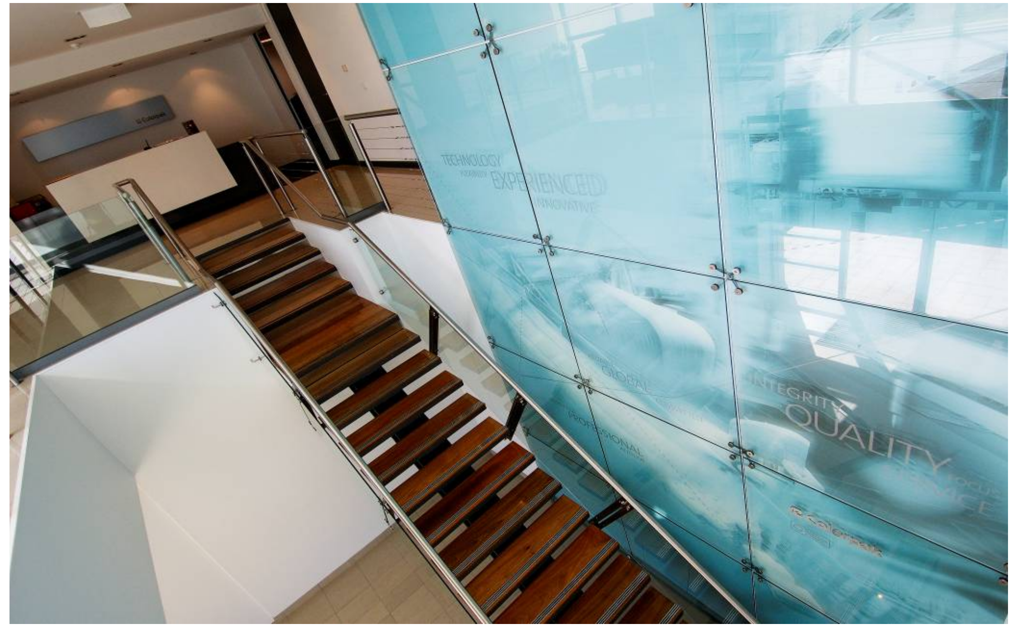
- **Premium branded products**
  - Cussons
  - L'Oreal
  - Gillette (Procter & Gamble)
  - Wella (Procter & Gamble)
  - Fonterra
  - Lindt
  - Nestle
  - Patties
  - Huhtamaki
  - Telstra
  - Graphic Packaging International

Business Operations

Market Reputation

- Consistently ranked at the top of table by BIS Shrapnel for the past **seven years** for:
  - Reliable delivery;
  - Ability to respond to customer needs;
  - Consistent Quality and Machineability;
  - General Print and Carton Quality; and
  - Response Time For Urgent Orders.

  - *source BIS Shrapnel Paper and Board Packaging - 31th edition 05/06



Highlights

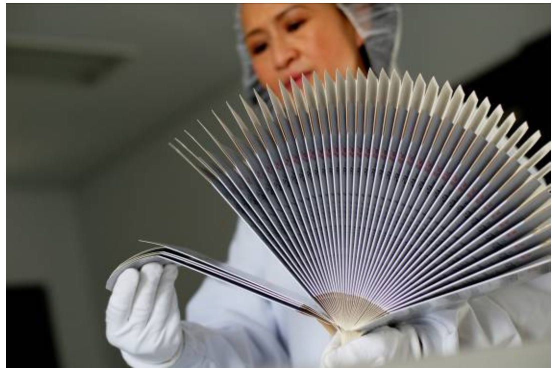
Operations:

- Regents Park facility completed in June 2006;
- New Roland 6 and Bobst 106 LER die-cutter.
- 2,500 square metre Braeside storage facility.
- Mark Andy UV Flexo press for flexibles.
- Implementation of an MIS System in flexibles.
- Integration plans to move the flexibles.
- Introduction of a 3rd shift at Braeside.
- IRC ratification of 3 year EBA renewals.

Highlights

Sales Revenues

- 17.7% up on last year, with cartons being 13.9%.
- Strong growth from Pharmaceutical, FMCG, and beverage sectors.
- PharmaKit model has enabled good cross selling opportunities.



Margins

- Under performed Seven Hills business.
- One-off impact of relocation and transfer of work.
- Lower average margins due to product segment mix changes.

Dividends:

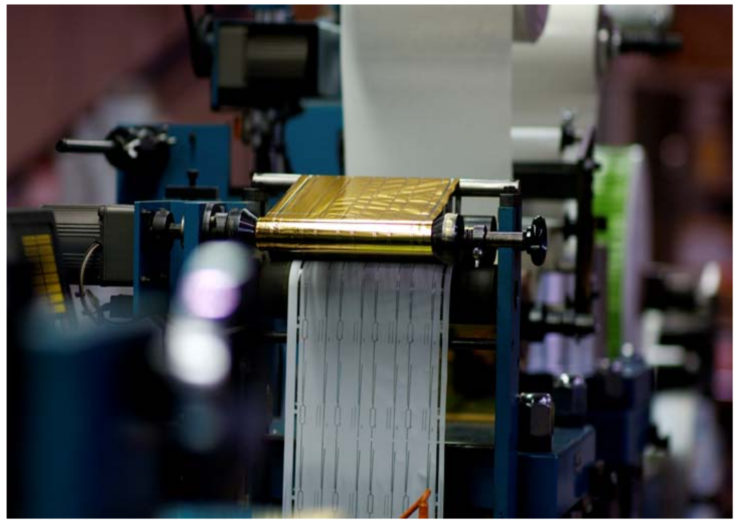
- Final Dividend of 1.75 cents, up on last year;
- Full year Dividend of 2.75 cents.

Balance Sheet:

- Increase in gearing to finance Capex.
- Gearing remains well below listing level at 46.4%.

Outlook

- Revenues between $71 and $73 mill;
- NPAT between $5.1 & $5.4 mill (EPS 6.33 - 6.71 cents);
- CAPEX approx $7.4 mill ($3.7 mill carry-over);
- Gearing expected to be around 39% by end 2007.



Colorpak Limited

PACKAGING BRINGS
YOUR BRAND
TO LIFE.

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