Rule 4.2A.3

Appendix 4D

Half Yearly Report

Name of entity	ABN
Colorpak Limited	**56 107 485 898**

Current reporting period:	Previous corresponding period:
Period ended 31 December 2006	**Period ended 31 December 2005**

Results for announcement to the market					**AUD'000s**
Revenues from ordinary activities	up / ~~down~~	0.2	%	to	35,307
Profit from ordinary activities after tax attributable to members	~~up /~~ down	23.0	%	to	2,328
Net profit for the period attributable to members	~~up /~~ down	23.0	%	to	2,328

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

The information in the Half Yearly Report should be read in conjunction with the most recent annual financial report (30 June 2006).

	Amount per security	Franked amount per security
Final dividend	Nil cents	Nil cents
Interim dividend	1.0 cents	1.0 cents
Record date for determining entitlements to the dividend	2 March 2007	
Dividend reinvestment plan	not applicable	
	2006	2005
Net tangible assets per security	3.5 cents	1.2 cents

Commentary on Results:

Financial Performance

Colorpak's six months to 31 December 2006 produced revenues from sale of goods and services of $34.9 million, broadly in line with the corresponding prior comparable period ("pcp") of $35.1 million. Growth has been evident in much of the retained customer base although in excess of $0.9 million in revenues have been lost due to:

- an important long term customer having moved its operations offshore in the first part of calendar 2006; and
- a customer in the pcp that was a one-off promotional job.

Anticipated revenues flowing from the company's capital re-equipment program have been slower than expected. Trading was also notably softer than expected in the October / December 2006 quarter, largely as a result of customer de-stocking programs.

Despite a very competitive marketplace the company re-signed its 3 largest customers to new supply agreements and volume increases are expected to flow from this. The business was also successful in winning two new tranches of business from existing blue chip pharmaceutical customers. This work will begin to flow shortly in the next half. Industry competition continues to be tight but the company is responding to this challenge through innovation and an expanded product range.

Net profit after tax decreased for the 6 months from $3.0 million in the prior year to $2.3 million. Increased depreciation and interest flowing from the company's recent capital investments, accounted for $0.3 million of this reduction. At this stage the full efficiency and capacity benefits of these investments have yet to be realised. Additionally, profit for the half-year was adversely impacted by an impairment loss of $0.1 million as the result of a failure of part of a pre-press machine. The results for the half year were also impacted by higher factory overheads, with operating costs being materially above the long term full efficiency cost structure. Selling and administration costs remain under tight control and below last year.

The outcome of the company's restructure plans for the Flexibles business has been very pleasing with that business unit ahead of budget for the half year and well ahead of pcp. The Foilmasters business continues to perform well and is also well ahead of budget and last year.

Cash Flow and Debt

Cash generation from operations for the half year was very strong with an inflow of $4.0 million compared with an outflow of $0.4 million last year. This arose because of increased receipts and reduced tax payments, with payments to suppliers and employees contained to last year's level. Cash generation in the 2nd half of the year is expected to continue to be strong.

The company has now completed its capital re-equipment program. Net capital expenditure in the first half totalled $7.5 million, of which $3.7 million was a carry over from last year, having been acquired but unpaid at 30 June 2006. Capital expenditure in the second half of the year is expected to be around $0.9 million and for the immediate years thereafter, around $1.0 mill or less annually, with no major items of plant anticipated.

Debt at 31 December 2006 totalled $37.0 million, in line with expectations. As forecast, debt was up $4.9 million on the June 2006 position as a result of the net capital investments of $7.5 million and debt is expected to reduce by year end.

The company maintains adequate cash reserves and undrawn bank credit facilities to meet its expected working capital and capex requirements for the foreseeable future.

Commentary on Results (cont'd):

Operating Activities

The physical move of the Sydney carton and flexible operations into the new Regents Park site, in June and September 2006 respectively for those business units, went well and to plan. The new factory provides the opportunity for a far more efficient plant as we are now able to align systems and procedures with Braeside best practice. However these best practice improvements are taking some time to bed down and this has had a negative impact on financial performance in the first half. A skills shortage in NSW has increased the current challenges to the Sydney business.

The capital program was successfully implemented, including:

- a Roland 700 six colour twin coating press and a Bobst 106LER die-cutter were successfully commissioned at Regents Park in June / July 2006, substantially increasing production capacity at that site; and
- lost productive capacity at Braeside, which followed the destruction of a Bobst die-cutter by fire in March 2006, was restored in December 2006 following commissioning of a new Bobst 106LER die-cutter.

The properties rented by the company are now owned by Abacus Diversified Income Fund II , having been formerly owned by interests associated with the Commins family.

Outlook

Taking into account the first half results, expected customer activity and management plans to reach full production efficiencies in the new Sydney plant, the outlook for the full year is for sales of between $71 million and $73 million, with an NPAT marginally ahead of last year.

Dividend

The company plans to maintain its interim dividend of 1.0 cent per share, fully franked, which will be paid on 5 April 2007 and expects to announce its fully franked final dividend later in the year. On the basis of the forecast NPAT, the company expects to maintain its full year dividend.

Audit Statement:

This report is based on the 2007 Half-Year Report of Colorpak Limited which is in the process of being reviewed by the Company's auditor. An unqualified review report is expected.

Entities over which control has been gained during the half year	Nil
Entities over which control has been lost during the half year	Nil
Details of associates	Nil
Details of joint venture entities	Nil

Income Statement
for the half-year ended 31 December 2006

	Notes	2006 $000	2005 $000
Revenue	3	35,307	35,222
Non-operating income		129	-
Changes in inventories of finished goods and work in progress		529	1,067
Raw materials and consumables used		(14,837)	(15,388)
Employee benefits expense		(10,599)	(10,586)
Depreciation and amortisation		(1,324)	(1,116)
Impairment of plant and equipment		(165)	-
Occupancy costs		(1,157)	(952)
Other expenses		(3,271)	(2,888)
Profit before tax and finance costs		**4,612**	**5,359**
Finance costs	3	(1,308)	(1,019)
Profit before income tax		3,304	4,340
Income tax expense		(976)	(1,317)
Net profit for the period attributable to members of Colorpak Limited		**2,328**	**3,023**
Earnings per share (cents per share)			
- basic and diluted for profit for the period attributable to ordinary equity holders of the company		2.89	3.76
Dividends per share (cents per share)	4	1.75	1.50

Balance Sheet as at 31 December 2006

	As at 31 December 2006 $000	As at 30 June 2006 $000
ASSETS		
Current Assets		
Cash and cash equivalents	2	2
Trade and other receivables	11,911	13,772
Inventories	8,230	7,202
Income tax receivable	-	167
Prepayments	672	889
Total Current Assets	20,815	22,032
Non-current Assets		
Property, plant and equipment	29,411	25,083
Intangible assets	46,134	46,134
Deferred income tax assets	-	269
Total Non-current Assets	75,545	71,486
TOTAL ASSETS	96,360	93,518
LIABILITIES		
Current Liabilities		
Trade and other payables	7,618	10,830
Interest-bearing loans and borrowings	1,366	3,147
Income tax payable	114	-
Provisions	1,492	1,773
Total Current Liabilities	10,590	15,750
Non-Current Liabilities		
Interest-bearing loans and borrowings	35,589	28,885
Deferred income tax liabilities	195	-
Provisions	1,069	963
Total Non-Current Liabilities	36,853	29,848
TOTAL LIABILITIES	47,443	45,598
NET ASSETS	48,917	47,920
EQUITY		
Issued capital	38,861	38,861
Retained earnings	9,913	8,993
Reserves	143	66
TOTAL EQUITY	48,917	47,920

Cash Flow Statement
for the half-year ended 31 December 2006

	Notes	2006 $000 Inflows/(Outflows)	2005 $000 Inflows/(Outflows)
Cash flows from operating activities			
Receipts from customers		39,203	36,349
Payments to suppliers and employees		(33,685)	(33,704)
Interest received		21	6
Income taxes paid		(264)	(1,976)
Finance costs		(1,292)	(1,070)
Net cash flows from (used in) operating activities		**3,983**	**(395)**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,792	115
Purchase of property, plant and equipment (*)		(9,290)	(4,959)
Net cash flows used in investing activities		**(7,498)**	**(4,844)**
Cash flows from financing activities			
Proceeds from borrowings		7,500	8,000
Repayment of finance lease principal		(272)	(267)
Repayment of borrowings		(1,500)	(1,200)
Payment of dividends	4	(1,408)	(1,207)
Net cash flows from financing activities		**4,320**	**5,326**
Net increase/(decrease) in cash and cash equivalents		805	87
Cash and cash equivalents at beginning of period		(889)	(809)
Cash and cash equivalents at end of period		(84)	(723)

(*) Purchase of property, plant and equipment in 2007:

- includes $3.748 million paid in July 2006, being the final payment for a printing press that commenced operations in late June 2006, such amount being included in Other Payables at 30 June 2006; and
- excludes $0.345 million of prepayments at 30 June 2006.

Statement of Changes in Equity
for the half-year ended 31 December 2006

	Attributable to equity holders of the Company			
	Issued capital $000	Retained earnings $000	Cash flow hedge reserve $000	Total equity $000
At 1 July 2005	38,861	6,592	-	45,453
Unrealised loss on held for trading financial instruments on transition to AASB 139	-	(88)	-	(88)
Cash flow hedges:				
Gains / (losses) taken to equity	-	-	(74)	(74)
Deferred tax on gains / (losses)	-	-	22	22
Total income and expense for the period recognised directly in equity	-	(88)	(52)	(140)
Profit for the period	-	3,023	-	3,023
Total income / expense for the period	-	2,935	(52)	2,883
Equity dividends	-	(1,207)	-	(1,207)
At 31 December 2005	**38,861**	**8,320**	**(52)**	**47,129**
At 1 July 2006	38,861	8,993	66	47,920
Cash flow hedges:				
Gains / (losses) taken to equity	-	-	110	110
Deferred tax on gains / (losses)	-	-	(33)	(33)
Total income and expense for the period recognised directly in equity	-	-	77	77
Profit for the period	-	2,328	-	2,328
Total income / expense for the period	-	2,328	77	2,405
Equity dividends	-	(1,408)	-	(1,408)
At 31 December 2006	**38,861**	**9,913**	**143**	**48,917**

Notes to the half-year ended 31 December 2006 Financial Statements

1. Summary of significant accounting policies

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the company as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Colorpak Limited as at 30 June 2006. It is also recommended that the half-year financial report be considered together with any public announcements made by Colorpak Limited during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards including AASB 134 “Interim Financial Reporting” and other mandatory financial reporting requirements.

The half-year financial report has been prepared in accordance with the historical cost basis except for derivative financial instruments that have been measured at fair value. The carrying values of recognised liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Significant accounting policies

The half-year financial report has been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2006, except for adoption of amending standards mandatory for the annual periods beginning on or after 1 July 2006, as described on note 1(c).

Notes to the half-year ended 31 December 2006 Financial Statements

1. Summary of significant accounting policies (continued)

(c) Changes in accounting policies

Australian Accounting Standards and UIG Interpretations that have recently been amended and are effective from 1 July 2006 are outlined in the table below.

Reference	Title	Summary	Application date of standard*	Impact on company accounting policies
2005-1	Amendments to Australian Accounting Standard	Amendment to AASB 139 to allow the foreign currency risk of a highly probable intra-group forecast transaction to qualify as the hedged item in certain circumstances.	For annual reporting periods beginning on or after 1 January 2006	These requirements are consistent with the company's existing accounting policies or relate to transactions that the company has not entered into and therefore has no impact.
2005-5	Amendments to Australian Accounting Standards [AASB 1 & AASB 139]	Consequential amendments made to AASB 1 due to the issue of UIG Interpretations 4 *determining whether an Arrangement contains a Lease*. Consequential amendments made to AASB 139 due to the issue of UIG Interpretations 5 *Rights to interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.*	For annual reporting periods beginning on or after 1 January 2006	These requirements are consistent with the company's existing accounting policies or relate to transactions that the company has not entered into and therefore has no impact.
2005-6	Amendments to Australian Accounting Standard [AASB 3]	The definition of "contribution by owners" is removed and the AASB 3 scope exclusion for business combinations involving entities or businesses under common control is adopted.	For annual reporting periods beginning on or after 1 January 2006	These requirements are consistent with the company's existing accounting policies or relate to transactions that the company has not entered into and therefore has no impact.
UIG 4	Determining whether an arrangement contains a Lease.	Specifies criteria for determining whether an arrangement is, or contains, a lease.	For annual reporting periods beginning on or after 1 January 2006	These requirements are consistent with the company's existing accounting policies or relate to transactions that the company has not entered into and therefore has no impact.

The following amendments are not applicable to the company and therefore have no impact.

Amendment	Affected Standard(s)
2005-4	AASB 139: *Financial Instruments: Recognition and Measurement;* AASB 132: *Financial Instruments: Disclosure and Presentation*; AASB 1: *First-time adoption of AIFRS*, AASB 1023: *General Insurance Contracts* and AASB 1028: *Life Insurance Contracts.*
2005-9	AASB 4: *Insurance Contracts;* AASB 1023: *General Insurance Contracts;* AASB 139: *Financial Instruments: Recognition and Measurement* and AASB 132: *Financial Instruments: Disclosure and Presentation*
2006-1	AASB 121 *The Effects of Change in Foreign Currency Rates*

Notes to the half-year ended 31 December 2006 Financial Statements

2. Segment Information

The major product/services from which the company derived revenue during the half-year was the structural design and production of folding cartons, printed leaflets, blister and lidding foils, self-adhesive labels and laminates, point of sale displays and other paperboard packaging products.

The company operates entirely in Australia.

3. Revenue and Expenses

(a) Specific Items

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the company:

	2006 $000	2005 $000
(i) Revenue		
Sale of goods and services	34,948	35,064
Interest from unrelated persons	21	6
Other revenue	338	152
	35,307	35,222
(ii) Expenses		
Finance costs		
Interest paid or payable to unrelated persons	1,233	1,049
Finance charges payable under finance leases and hire purchase contracts	92	18
Total finance costs (on historical cost basis)	**1,325**	**1,067**
Fair value change on interest rate swaps	(17)	(48)
Total finance costs expensed	**1,308**	**1,019**
Cost of sales	**26,806**	**26,665**

(b) Seasonality of Operations

The Company does not typically experience seasonality in relation to demand for its product. Subject to revenue growth attributable to new customers, revenues tend to average out on a productive day basis throughout the year, with a similar number of productive days in both halves of the year.

Notes to the half-year ended 31 December 2006 Financial Statements

4. Dividends Paid and Proposed

Equity dividends on ordinary shares:

	2006 $000	2005 $000
(a) Dividends declared and paid during the half-year		
Final franked dividend for financial year 30 June 2006: 1.75 cents (2005: 1.5 cents)	1,408	1,207
(b) Dividends proposed and not yet recognised as a liability		
Interim franked dividend for financial year 30 June 2007: 1.0 cent (2006: 1.0 cent)	805	805
	2,213	2,012

5. Expenditure Commitments

	2006 $000	2005 $000
Estimated capital expenditure contracted for at reporting date, but not provided for:	330	3,777