

# Colorpak continues on growth track

In the context of a folding carton market showing at best modest growth in 2009, award-winning printed carton specialist Colorpak has had a successful year. **Lindy Hughson** caught up with MD Alex Commins shortly after the company's results were released to market.

**C**olorpak currently holds third place in the \$613 million per annum folded carton sector, with around 12 per cent market share and behind close rivals Amcor (25 per cent) and Carter Holt Harvey (26 per cent), who jostle for top spot.



In recent years Colorpak has consistently trained its focus on the high-value niche market of pharmaceutical and healthcare packaging, and invested in technology to support the sophisticated printing demands of this sector. The focus has paid dividends, and has strengthened the company's profile in this area of specialty. Pharma and healthcare packaging combined contribute 43 per cent of the company's turnover, with food and beverage the next biggest contributor at 35 per cent.

"We have enjoyed steady growth despite consolidation and shrinkage in some of our key markets – for example, over the last two years Procter & Gamble has purchased two of our customers (Wella, Somersby and Gillette, Scoresby) and moved production offshore, yet we've successfully replaced the roughly \$3 million in lost business," says Alex Commins.

"Beverage has been a growth area for us, and this despite the impact of the government's imposition of alcopops tax," he adds. Indeed, Colorpak and its Foilmasters division were among the winning suppliers



responsible for Graphic Packaging's gold award-winning multipack for Ruski, a vodka-based alcopop drink, at the 2009 Australian Packaging Awards (see page 18).

When it comes to environmental sustainability, Commins says Colorpak, a long-time NPC signatory, is walking the talk.

Over the past financial year, Colorpak has achieved some important certifications – the environmental management standard ISO 14001 as well as FSC and PEFC accreditation which means that Colorpak can offer its customers the option of buying raw materials from forest sources that are certified as sustainable.

Recently the company's customer MYOB explored this opportunity in partnership with Colorpak, looking at ways to improve the efficiency of the design and production of its packaging for the Mac Software range. The result was a new box design at half the size of the original and using PEFC-sourced stock, and a bronze award for both

parties in the sustainability category at the Australian Packaging Awards.

Keeping technology updated remains a focus for Colorpak.

"We invested \$5.5 million in our capex program, with main items being an additional press and die-cutter for the Regents Park facility, as well as Bobst Cartonpack units for both Braeside and Regents Park," says Commins, noting that the company can comfortably hold back on major expenditure in the short term, having established a strong platform with excess capacity. Any additional equipment, he says, will be add-on devices like robotics to further enhance production efficiency.

Looking ahead, Commins is confident that the next financial year will deliver positive results, with the company already ahead of budget after the first quarter.

He says that Colorpak's focus remains on organic sales growth, although it will stay vigilant to capitalise on any bolt-on acquisitions that would create immediate shareholder value.

