

Appendix 4D Rule 4.2A.3

Half year report

ORORA LIMITED ABN 55 004 275 165

1. Details of the reporting period and the previous corresponding period

Reporting Period: Half-Year Ended 31 December 2017
Previous Corresponding Period: Half-Year Ended 31 December 2016

2. Results for announcement to the market

Key information	31 Dec 2017				31 Dec 2016
	A\$ million				A\$ million
Statutory results					
2.1 Revenue from ordinary activities					
• From Continuing Operations	2,097.8	up	6.2%	from	1,975.4
• From Discontinued Operations	-	-	-	-	-
2.2 Net profit/(loss) from ordinary activities after tax but before significant items, attributable to members	105.7	up	14.8%	from	92.1
2.3 Net profit/(loss) for the period, after significant items, attributable to members	103.8	up	12.7%	from	92.1

Dividends	Amount per security	Franked amount per security
<i>Current period</i>		
2.4 Interim dividend payable 16 April 2018	6.0 cents	30.0%
2.4 Final dividend (in respect of prior year) paid 16 October 2017	6.0 cents	30.0%
<i>Previous corresponding period</i>		
2.4 Interim dividend paid 10 April 2017	5.0 cents	30.0%

2.5 Record date for determining entitlements to the dividend	Interim dividend – 1 March 2018
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2.6 Brief explanation of figures in 2.1 to 2.4 –:

- The interim dividend in both the current and prior period are 30.0% franked.
- 70% of the current period dividend is sourced from the Conduit Foreign Income Account. Dividends to foreign holders are not subject to withholding tax.
- The significant item included in the current period includes significant item income representing the gain recognised in respect of the sale of the Smithfield New South Wales site and significant item expenses recognised in respect of the restructure of the Fibre Packaging New South Wales business, which included redundancies, transition costs and asset impairment charges related to the closure of the Smithfield site, and potential additional costs associated with decommissioning the Petrie site. Refer note 3 in the attached Interim Financial Report for further details.
- Refer to attached Interim Financial Report and the Investor Results Release for further details relating to 2.1 to 2.4.

3. Net tangible assets

	31 December 2017	30 June 2017	31 December 2016
Net tangible asset backing per ordinary security	\$0.94	\$0.91	\$0.95

4. Control gained or lost over entities during the period having a material effect

Refer to the attached Interim Financial Report, Note 1 – Business Acquisitions

5. Details of individual dividends and payment dates

Refer the attached Interim Financial Report, Note 5 - Dividends.

6. Details of dividend reinvestment plan

The Dividend Reinvestment Plan (DRP) is in operation. No discount is available under the DRP in respect of the interim dividend. The price of shares issued under the Company's DRP for the interim dividend will be the average market price, based on the arithmetic average of the daily volume weighted average share price, of all Orora shares sold on the ASX for the ten trading days from 13 to 26 March 2018, inclusive. The issue price of the shares will be rounded to four decimal places. The last date for receipt of election notices for the DRP is 2 March 2018. Shares allotted under the DRP rank equally with existing fully paid ordinary shares of Orora Limited.

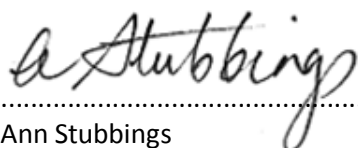
7. Details of associates and joint venture entities

Not applicable

8. For foreign entities, which set of accounting standards is used in compiling the report

International Financial Reporting Standards

9. The Interim Financial Report is not subject to a review report that is subject to a modified opinion, emphasis of matter or other matter paragraph (a copy of the review report is included in the attached Interim Financial Report).



Ann Stubbings
Company Secretary

Dated: 14 February 2018

ORORA LIMITED
ABN: 55 004 275 165

INTERIM FINANCIAL REPORT

31 DECEMBER 2017

14 February 2018

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This condensed consolidated Interim Financial Report was approved by the Directors on 14 February 2018. The Directors have the power to amend and reissue the condensed consolidated Interim Financial Report.

Orora Limited and its controlled entities

Directors' Report

The Directors present their report on the Group consisting of Orora Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2017.

Directors

The following persons were Directors of Orora Limited during, or since the end of, the half year:

Non-executive

C I (Chris) Roberts - Chairman

A P (Abi) Cleland

S L (Samantha) Lewis

G J (John) Pizzey

J L (Jeremy) Sutcliffe

Executive

N D (Nigel) Garrard

Review and Results of Operations

The Group's consolidated statutory profit, after tax, for the half year ended 31 December 2017 was \$103.8 million, an increase of 12.7% compared with \$92.1 million in the comparative period, whilst the Group's earnings (profit from operations) increased from \$149.6 million to \$162.6 million. The current period profit from operations of \$162.6 million and the statutory profit after tax result of \$103.8 million includes one-off net significant item expense items of \$2.7 million and \$1.9 million respectively. This net significant item expense is made up of a \$32.4 million (\$22.7 million after tax) gain in respect of the sale of the Fibre Packaging Smithfield site and a \$35.1 million (\$24.6 million after tax) expense relating to the restructure of Fibre Packaging New South Wales, including the closure of the Smithfield site, and potential additional costs associated with decommissioning the Petrie Mill site.

Australasia Segment

Earnings before interest and tax, and before one-off items, of the Australasia segment increased to \$121.1 million from \$109.0 million derived from increased volumes and manufacturing and operating efficiencies achieved by both the Fibre and Beverage businesses. The Fibre business delivered higher earnings driven by successful revenue growth in targeted market segments, higher production volumes at the B9 Recycled Paper Mill and benefits from recent capital investment projects. Earnings from the Beverage business were also higher due to increased volumes in the Glass business, particularly the wine segment, and continued improvement in operating efficiencies across the business.

North America Segment

Earnings before interest and tax of the North America segment increased to \$60.3 million from \$55.1 million. The Packaging Solutions business grew earnings and increased margins as it continued to leverage its national footprint, product breadth and ongoing success in driving value add solutions, delivering growth in volumes with existing customers and new customer wins. The earnings of the Orora Visual business continue to improve. Resources have been employed to add the capability required to help drive the business forward to meet targeted return hurdles. Orora Visual's earnings were also adversely impacted by a doubtful debt provision of US\$1.0 million. The results of the North America segment include an adverse foreign currency translational impact of \$2.1 million from its US dollar denominated earnings, on the comparable period.

Sale of Smithfield site

In August 2017, the Group announced a number of plans in respect of a reorganisation of the Fibre Packaging New South Wales business including the closure of the fibre converting and distribution site in Smithfield along with the Group's commitment to upgrade the plant and machinery of the nearby Revesby facility, into which the operations of the Smithfield site are to be consolidated.

During the period the Smithfield site was closed and transfer of the site's operations into the nearby Revesby facility has commenced. In September 2017 the Group reached an agreement to sell the Smithfield site for total consideration of \$45.5 million, which has been received. A significant item gain of \$32.4 million (\$22.7 million after tax) has been recognised, representing the net profit on sale of the Smithfield site, refer note 3.

Orora Limited and its controlled entities

Directors' Report (continued)

Review and Results of Operations (continued)

Restructuring and decommissioning costs

During the period a significant item expense of \$35.1 million (\$24.6 million after tax) has been recognised in respect of the restructure of the Fibre Packaging New South Wales business, which included redundancies, transition costs and asset impairment charges related to the closure of the Smithfield site, and potential additional costs associated with decommissioning the Petrie site, refer note 3.

Additional analysis of operations of the Group for the half year ended 31 December 2017 is contained in Orora Limited's Statement to the Australian Securities Exchange and Investor Results Release dated 14 February 2018.

Dividend

Since 31 December 2017 the Directors have determined an interim dividend on ordinary shares, expected to be paid on 16 April 2018, of approximately \$72.1 million. This represents a dividend of 6.0 cents per share 30.0% franked, of which 70.0% will be sourced from the Conduit Foreign Income Account. The financial effect of this dividend has not been brought into account in the consolidated interim financial statements for the half year ended 31 December 2017 and will be recognised in subsequent financial reports.

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under Section 307C of the *Corporations Act 2001*, is set out on page 3.

Rounding Off

The Group is of a kind referred to in the Australian Securities and Investments Commission (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that Instrument, amounts in the interim financial report and Directors' Report have been rounded off to the nearest \$100,000 or, where the amount is \$50,000 or less, zero, unless specifically otherwise stated.

Signed in accordance with a resolution of the Directors, dated at Melbourne, this 14th day of February 2018.



C I Roberts
Chairman



Auditor's Independence Declaration

As lead auditor for the review of Orora Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Orora Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Lisa Harker'.

Lisa Harker
Partner
PricewaterhouseCoopers

Melbourne
14 February 2018

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Liability limited by a scheme approved under Professional Standards Legislation.

Orora Limited and its controlled entities

Consolidated Income Statement

For the six months ended 31 December 2017

\$ million	Note	Dec 2017	Dec 2016
Sales revenue	2	2,097.8	1,975.4
Cost of sales		(1,693.3)	(1,605.6)
Gross profit		404.5	369.8
Other income	2	39.7	14.8
Sales and marketing expenses		(103.5)	(95.9)
General and administration expenses		(178.1)	(139.1)
Profit from operations		162.6	149.6
Finance income	2	-	0.1
Finance expenses	2	(17.7)	(19.0)
Net finance costs		(17.7)	(18.9)
Profit before related income tax expense	2	144.9	130.7
Income tax expense	3	(41.1)	(38.6)
Profit for the financial period attributable to the owners of Orora Limited		103.8	92.1
Cents			
Profit per share attributable to the ordinary equity holders of Orora Limited			
Basic earnings per share		8.7	7.7
Diluted earnings per share		8.5	7.6

The above consolidated income statement should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Orora Limited and its controlled entities

Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2017

\$ million	Dec 2017	Dec 2016
Profit for the financial period	103.8	92.1
Other comprehensive income/(expense)		
Items that may be reclassified to profit or loss:		
<i>Cash flow hedge reserve</i>		
Unrealised gains on cash flow hedges	2.5	3.7
Realised losses transferred to profit or loss	3.4	8.1
Realised losses transferred to non-financial assets	0.3	0.9
Income tax relating to these items	(1.7)	(3.8)
<i>Exchange fluctuation reserve</i>		
Exchange differences on translation of foreign operations	(4.1)	5.1
Net investment hedge of foreign operations	(5.8)	1.3
Other comprehensive (expense)/income for the financial period, net of tax	(5.4)	15.3
Total comprehensive income for the financial period attributable to the owners of Orora Limited	98.4	107.4

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Orora Limited and its controlled entities

Consolidated Statement of Financial Position

As at 31 December 2017

\$ million	Note	Dec 2017	June 2017
Current assets			
Cash and cash equivalents		80.0	58.5
Trade and other receivables		585.9	571.6
Inventories		536.7	492.6
Derivatives		3.1	1.3
Other current assets		57.6	46.1
Total current assets		1,263.3	1,170.1
Non-current assets			
Property, plant and equipment		1,664.9	1,648.6
Goodwill and intangible assets		451.2	446.5
Derivatives		0.3	0.2
Other non-current assets		102.4	97.8
Total non-current assets		2,218.8	2,193.1
Total assets		3,482.1	3,363.2
Current liabilities			
Trade and other payables		873.2	826.9
Interest-bearing liabilities		31.2	21.1
Derivatives		4.5	7.8
Current tax liabilities		18.2	2.8
Provisions		152.2	126.8
Total current liabilities		1,079.3	985.4
Non-current liabilities			
Other payables		26.9	40.5
Interest-bearing liabilities		706.0	711.4
Derivatives		3.7	5.8
Deferred tax liabilities		57.3	49.1
Provisions		24.8	24.2
Total non-current liabilities		818.7	831.0
Total liabilities		1,898.0	1,816.4
NET ASSETS		1,584.1	1,546.8
Equity			
Contributed equity	4	498.9	508.7
Treasury shares	4	(12.3)	(36.4)
Reserves		135.3	144.0
Retained earnings		962.2	930.5
TOTAL EQUITY		1,584.1	1,546.8

The above consolidated statement of financial position should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Orora Limited and its controlled entities

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2017

\$ million	Note	Attributable to owners of Orora Limited			Total equity
		Contributed equity	Reserves	Retained earnings	
Balance at 1 July 2017		472.3	144.0	930.5	1,546.8
Net profit for the financial period		-	-	103.8	103.8
<i>Other comprehensive income/(loss):</i>					
Unrealised gains on cash flow hedges		-	2.5	-	2.5
Realised losses transferred to profit or loss		-	3.4	-	3.4
Realised losses transferred to non-financial assets		-	0.3	-	0.3
Exchange differences on translation of foreign operations		-	(9.9)	-	(9.9)
Deferred tax		-	(1.7)	-	(1.7)
Total other comprehensive expense		-	(5.4)	-	(5.4)
Transactions with owners in their capacity as owners:					
Proceeds received from employees on exercise of options		6.3	-	-	6.3
Dividends paid	5	-	-	(72.1)	(72.1)
Settlement of options and performance rights		8.0	(8.0)	-	-
Share-based payment expense	6	-	4.7	-	4.7
Balance at 31 December 2017		486.6	135.3	962.2	1,584.1
Balance at 1 July 2016		481.8	136.8	879.0	1,497.6
Net profit for the financial period		-	-	92.1	92.1
<i>Other comprehensive income/(loss):</i>					
Unrealised gains on cash flow hedges		-	3.7	-	3.7
Realised losses transferred to profit or loss		-	8.1	-	8.1
Realised losses transferred to non-financial assets		-	0.9	-	0.9
Exchange differences on translation of foreign operations		-	6.4	-	6.4
Deferred tax		-	(3.8)	-	(3.8)
Total other comprehensive income		-	15.3	-	15.3
Transactions with owners in their capacity as owners:					
Proceeds received from employees on exercise of options		6.2	-	-	6.2
Shares granted on business acquisition transaction		2.1	-	-	2.1
Purchase of treasury shares		(22.4)	-	-	(22.4)
Dividends paid	5	-	-	(60.0)	(60.0)
Settlement of options and performance rights		6.0	(6.0)	-	-
Share-based payment expense	6	-	4.7	-	4.7
Balance at 31 December 2016		473.7	150.8	911.1	1,535.6

The above consolidated statement of changes in equity should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Orora Limited and its controlled entities

Consolidated Cash Flow Statement

For the six months ended 31 December 2017

\$ million	Dec 2017	Dec 2016
Cash flows from/(used in) operating activities		
Profit for the financial period	103.8	92.1
Depreciation	58.4	51.8
Amortisation of intangible assets	3.6	3.9
Net impairment losses on property, plant and equipment, intangibles, receivables and inventory	3.8	3.7
Net finance costs	17.7	18.9
Net gain on disposal of non-current assets	(32.1)	(6.0)
Fair value gain on financial instruments at fair value through income statement	(0.9)	(1.3)
Share-based payment expense	4.7	4.7
Restructuring and decommissioning expense	35.1	-
Other sundry items	10.7	11.3
Income tax expense	41.1	38.6
Operating cash inflow before changes in working capital and provisions	245.9	217.7
- (Increase)/Decrease in prepayments and other operating assets	(22.6)	(17.3)
- (Decrease)/Increase in provisions	(12.6)	(11.9)
- (Increase)/Decrease in trade and other receivables	(21.3)	2.8
- (Increase)/Decrease in inventories	(53.4)	(51.9)
- Increase/(Decrease) in trade and other payables	37.3	55.2
	173.3	194.6
Interest received	-	0.1
Interest and borrowing costs paid	(16.4)	(17.8)
Income tax paid	(18.7)	(22.4)
Net cash inflow from operating activities	138.2	154.5
Cash flows from/(used in) investing activities		
Granting of loans to associated companies and other persons	(1.1)	(0.5)
Payments for acquisition of controlled entities and businesses, net of cash acquired	(12.5)	(7.7)
Payments for property, plant and equipment and intangible assets	(93.0)	(75.9)
Proceeds on disposal of non-current assets	46.7	15.2
Net cash flows used in investing activities	(59.9)	(68.9)
Cash flows from/(used in) financing activities		
Proceeds from exercise of employee share options	6.4	6.2
Payments for treasury shares	-	(22.4)
Proceeds from borrowings	774.3	697.3
Repayment of borrowings	(759.3)	(640.5)
Dividends paid and other equity distributions	(72.1)	(60.0)
Net cash flows used in financing activities	(50.7)	(19.4)
Net increase in cash held	27.6	66.2
Cash and cash equivalents at the beginning of the financial period	53.4	66.1
Effects of exchange rate changes on cash and cash equivalents	(1.0)	3.6
Cash and cash equivalents at the end of the financial period	80.0	135.9 ⁽¹⁾

⁽¹⁾The cash and cash equivalents balance at 31 December 2016 reflects the draw-down of debt during the month of December to fund the acquisition of The Register Print Group which was completed in early January 2017.

The above consolidated cash flow statement should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2017

About this report

Orora Limited (the Company) is a for-profit entity for the purposes of preparing this financial report and is domiciled in Australia. These condensed consolidated interim financial statements ('interim financial report') as at and for the six months ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in the manufacture and supply of packaging products and services to the grocery, fast moving consumer goods and industrial markets.

These interim financial statements for the Group for the six months ended 31 December 2017 were approved by the Company's Board of Directors on 14 February 2018. The Directors have the power to amend and reissue the interim financial report.

The Annual Report of the Group as at and for the year ended 30 June 2017 is available upon request from the Company's registered office at 109 Burwood Road, Hawthorn 3122, Victoria, Australia or at www.ororagroup.com.

This interim financial report:

- has been prepared in accordance with the requirements of Accounting Standard AASB 134 *Interim Financial Reporting* (AASB 134) and the *Corporations Act 2001*;
- does not include all of the information required for a full financial report, and should be read in conjunction with the Annual Report of the Group as at and for the year ended 30 June 2017 and any public announcements made by Orora Limited and its controlled entities during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*;
- has been prepared under historical cost basis except for financial instruments which have been measured at fair value. Non-derivative financial instruments are measured at fair through the income statement;
- is presented in Australian dollars with values rounded to the nearest \$100,000 unless otherwise stated, in accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191;
- presents reclassified comparative information where required for consistency with the current period presentation;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2017;
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective, with the exception of AASB 9 *Financial Instruments* (December 2014), which was adopted on 1 July 2015; and
- has applied the Group accounting policies consistently to all periods presented.



Judgements and estimates

The preparation of the financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

The judgement, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty are the same as those applied in the Group's last Annual Report for the year ended 30 June 2017.

New and amended accounting standards and interpretations

All new and amended Australian Accounting Standards and Interpretations mandatory as at 1 July 2017 to the Group have been adopted, including:

- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*

The adoption of the amending standards has not resulted in a change to the financial performance or position of the Group.

Issued but not yet effective

The following new or amended accounting standards issued by the AASB are relevant to current operations and may impact the Group in the period of initial application. They are available for early adoption but have not been applied in preparing this interim financial report.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces existing revenue recognition guidance, including AASB 118 *Revenue*, AASB 111 *Construction Contracts*, Interpretation 13 *Customer Loyalty Programmes*, Interpretation 15 *Agreements for the Construction of Real Estate*, Interpretation 18 *Transfers of Assets from Customers* and Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*.

The new standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The framework is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The notion of control under AASB 15 replaces the existing notion of risk and rewards under the current accounting standards. AASB 15 will require the Group to identify distinct promises in contracts with customers that qualify as 'performance obligations'. The price receivable from customers must then be allocated between the performance obligations identified.

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2017

Issued but not yet effective (continued)

AASB 15 Revenue from Contracts with Customers (continued)

The initial assessment of the impact of AASB 15 identified a number of areas where further detailed analysis was required to assess the potential impact, if any, upon the Group's revenue recognition practices; these included:

- trading terms with customers that include bill and hold arrangements;
- pricing adjustment structures including volume rebates and discounts and payment of upfront contract incentives; and
- consignment arrangements with customers and provisioning of other services

The assessment of the impact of AASB 15 upon the Group's material revenue streams has been substantially completed and the results of this have not identified any material impact upon the Group's current revenue recognition practice or policies and therefore it is not anticipated that there will be any material impact upon the Group's financial results for the comparative period, being the financial year ending 30 June 2018, upon adoption of this standard on 1 July 2018.

Revenue recognition is one of the areas where management is required to exercise judgement in applying the Group's accounting policies particularly in respect of identifying the appropriate timing and amount of revenue that is recognised.

AASB 16 Leases

AASB 16 replaces the current dual operating/finance lease accounting model for lessees under AASB 117 *Leases* and the guidance contained in Interpretation 4 *Determining whether an Arrangement contains a Lease*.

The new standard introduces a single, on-balance sheet accounting model, similar to the current finance lease accounting. Under the new standard Orora will be required to recognise a 'right-of-use' asset and a lease liability for all identified leased assets which will result in a grossing up of the assets and liabilities of the Group balance sheet. The current operating lease expense will be replaced with a depreciation charge as the right-of-use asset recognised is depreciated over the lease term and a finance charge representing the unwinding on the discounted future lease payments. Operating cash flow will be higher as repayment of the principal portion of the lease liability will be classified as a financing activity.

The standard is applicable from 1 January 2019 with early adoption permitted with some targeted relief from the application of the lease accounting model where a lease is for a term of 12 months or less and for low value items.

As at 31 December 2017 the Group has non-cancellable undiscounted operating lease commitments of \$443.5 million (June 2017: \$471.8 million). The adoption of AASB 16 is expected to materially gross up the financial position of the Group and impact key financial ratios however the extent to which the lease commitments will impact the financial position and results of the Group has yet to be determined as the detailed assessment of the impact of AASB 16 is ongoing.

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions

AASB 2016-5 amends the accounting for cash-settled share-based payments and equity-settled awards that include a 'net settlement' feature in respect of withholding taxes.

The amendment clarifies that the fair value of a cash-settled award is determined on a basis consistent with that used for equity-settled awards with any modification to a cash-settled award reflected immediately in the measurement of fair value. Any incremental value added to an equity-settled award is to be recognised over the remaining vesting period, any reduction in value is ignored.

In respect of net settlement features relating to withholding taxes the amendments require the entity to disclose an estimate of the amount that it expects to pay to the tax authority in respect of the withholding tax obligations.

The amendments are applicable from 1 January 2018, with early adoption permitted. At the date of this report the assessment of the amendments made to AASB 2 by AASB 2016-5 indicate that there will be no impact upon the financial performance or position of Orora. The Group has not granted any cash-settlement arrangements nor are there any net settlement features relating to tax obligations. All current awards are accounted for as equity settled share based payments.

1. Prior period business acquisitions

Register Print Group, the Garvey Group and Graphic Tech

In January 2017, the Group acquired the Register Print Group, followed closely by the acquisition of The Garvey Group and Graphic Tech in March 2017. The acquired businesses provide point-of-purchase (POP) retail display solutions to blue-chip retailers and brand owners in the USA and have expanded the Group's POP capabilities. The result of these businesses are included in the North American segment from the date of acquisition.

As at 31 December 2017, the accounting for these acquisitions has been provisionally determined as the post-close adjustment process remains in progress. Management is continuing to assess the fair value of the opening balance sheets which may result in adjustments to the fair value attributable to the net assets acquired as reported below.

Purchase consideration

\$ million

Initial cash consideration paid ⁽¹⁾	121.6
Deferred consideration	14.4
Total purchase consideration	136.0

⁽¹⁾ Paid during the financial year ended 30 June 2017

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2017

1. Prior period business acquisitions (continued)

Deferred consideration

Of the total \$14.4 million deferred consideration, \$5.4 million attracts interest of 2.0% per annum and is payable in July 2018. Of the remaining balance payable, \$2.0 million is due in March 2018, \$5.7 million in September 2018 and \$1.3 million is payable in March 2019.

Fair value of net assets acquired and goodwill

\$ million	Fair Value
Trade and other receivables	28.0
Inventories	5.1
Property, plant and equipment	46.7
Intangible assets	0.1
Trade and other payables	(16.7)
Fair value of net identifiable assets acquired	63.2
Add goodwill	72.8
Fair value of net assets acquired	136.0

Goodwill

The acquired goodwill is mainly attributable to the synergies expected to be achieved from integrating the businesses purchased into the Group's existing North American operations and the skills and talent of the workforce of the newly acquired businesses.

Acquired trade receivables

The fair value of the acquired trade receivables is \$25.6 million. The gross contractual amount for trade receivables due is \$25.8 million, of which \$0.2 million is expected to be uncollectable.

Purchase consideration and acquisition-related costs

During the period from acquisition date to 30 June 2017 the Group reported the following cash flows:

\$ million	
Cash consideration paid	121.6
Less: cash acquired	-
Outflow of cash	121.6

In the six months to 31 December 2017 no cash payments relating to the purchase consideration due nor any acquisition-related costs were paid (June 2017: \$1.5 million acquisition costs were recognised in general and administrative expenses).

2. Segment information

Understanding the segment results

The Group's operating segments are organised and managed according to their geographical location. Each segment represents a strategic business that offers different products and operates in different industries and markets. The Corporate Executive Team (the chief operating decision-makers) monitor the operating results of the business separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on earnings before significant items, interest and related income tax expense (EBIT). This measure excludes the effects of individually significant non-recurring gains/losses whilst including items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

Interest income and expenditure and other finance costs are not allocated to the segments, as this type of activity is managed on a Group basis. Transfer prices between segments are priced on an 'arms-length' basis, in a manner similar to transactions with third parties, and are eliminated on consolidation.

The following summary describes the operations of each reportable segment.

Orora Australasia

This segment focuses on the manufacture of fibre and beverage packaging products within Australia and New Zealand. The products manufactured by this segment include glass bottles, beverage cans, wine closures, corrugated boxes, cartons and sacks, and the manufacture of recycled paper.

Orora North America

This segment, predominately located in North America, purchases, warehouses, sells and delivers a wide range of packaging and other related materials. The business also includes integrated corrugated sheet and box manufacturing and equipment sales capabilities and point of purchase retail display solutions and other visual communication services.

Other

This segment includes the corporate function of the Group.

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2017

2. Segment Information (continued)

The following segment information was provided to the Corporate Executive Team for the reportable segments for the half year ended 31 December 2017 and 31 December 2016:

\$ million	Australasia		North America		Other		Total Reported	
	2017 ⁽¹⁾	2016	2017 ⁽²⁾	2016	2017	2016	2017	2016
Reportable segment revenue								
Revenue from external customers	1,042.4	993.0	1,055.4	982.4	-	-	2,097.8	1,975.4
Inter-segment revenue	20.0	19.2	-	-	-	-	20.0	19.2
Total reportable segment revenue	1,062.4	1,012.2	1,055.4	982.4	-	-	2,117.8	1,994.6
<i>Reconciliation to total revenue</i>								
Elimination of inter-segment revenue							(20.0)	(19.2)
Other income							39.7	14.8
Finance income							-	0.1
Consolidated revenue and other income							2,137.5	1,990.3
Reportable segment earnings								
Earnings before significant items, interest, tax, depreciation and amortisation	167.2	152.1	73.7	65.1	(13.6)	(11.9)	227.3	205.3
Depreciation and amortisation	(46.1)	(43.1)	(13.4)	(10.0)	(2.5)	(2.6)	(62.0)	(55.7)
Earnings before significant items, interest and tax	121.1	109.0	60.3	55.1	(16.1)	(14.5)	165.3	149.6
<i>Reconciliation to profit/(loss)</i>								
Significant items (refer note 3)							(2.7)	-
Finance income							-	0.1
Finance expense							(17.7)	(19.0)
Consolidated profit before income tax expense							144.9	130.7
Operating free cash flow⁽³⁾	131.0	129.6	16.5	31.6	(2.8)	(4.5)	144.7	156.7
<i>Reconciliation to cash flow from operating activities</i>								
Add back investing cash outflow activities included in segment operating free cash flow							28.7	37.9
Less operating cash outflow activities excluded from segment operating free cash flow							(35.2)	(40.1)
Net cash flow from operating activities							138.2	154.5

⁽¹⁾ The operating free cash flow of the Australasia segment, for the period to 31 December 2017, includes an inflow of \$45.5 million representing the proceeds received from the sale of the fibre converting and distribution site in Smithfield, New South Wales (refer note 3).

⁽²⁾ For the period to 31 December 2017 the North America segment includes the results of the Register Print Group, Garvey Group and Graphic Tech which were acquired in January and March of 2017 (refer note 1).

⁽³⁾ Operating free cash flow represents the cash flow generated from Orora's operating and investing activities, before interest, tax and dividends.

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2017

3. Results for the year

Significant items

Significant items are typically gains or losses arising from events that are not considered part of the core operations of the business.

No significant items were recognised in the comparative period, the following table details significant items that have been recognised in the six months to 31 December 2017.

\$ million	31 December 2017		
	Before tax	Tax (expense)/ benefit	Net of tax
<i>Other income</i>			
Profit on sale of Smithfield site	32.4	(9.7)	22.7
Total significant item income	32.4	(9.7)	22.7
<i>General and administrative expense</i>			
Restructuring and decommissioning costs	(35.1)	10.5	(24.6)
Total significant item expense	(35.1)	10.5	(24.6)
Net significant item expense	(2.7)	0.8	(1.9)

Sale of Smithfield site

In August 2017, the Group announced a number of plans in respect of a reorganisation of the Fibre Packaging New South Wales business including the closure of the fibre converting and distribution site in Smithfield along with the Group's commitment to upgrade the plant and machinery of the nearby Revesby facility, into which the operations of the Smithfield site are to be consolidated.

During the period the Smithfield site was closed and transfer of the site's operations into the nearby Revesby facility has commenced. In September 2017 the Group reached an agreement to sell the Smithfield site for total consideration of \$45.5 million, which has been received. A significant item gain of \$32.4 million (\$22.7 million after tax), representing the net profit on sale of the Smithfield site, has been recognised and is presented in 'other income'.

Restructuring and decommissioning costs

During the period a significant item expense of \$35.1 million (\$24.6 million after tax) has been recognised in respect of the restructure of the Fibre Packaging New South Wales business, which included redundancies, transition costs and asset impairment charges related to the closure of the Smithfield site, and potential additional costs associated with decommissioning the Petrie site. This significant item expense is presented in 'general and administration' expense.

Decommissioning and restructuring provisions are evaluated on an ongoing basis and are based on historical experience and other factors, including expectation of future events that are believed reasonable under the circumstances and management's best estimates using currently available information, legislation and environmental laws and regulations.

Taxation - US Tax Reform

On 22 December 2017 the US Government enacted tax reform with a broad range of provisions impacting businesses, including a change in the US federal corporate tax rate from 35% to 21% (not including state taxes) effective from 1 January 2018 and a reduction or alteration to existing business deductions, amongst others. Accordingly, tax expense of the Group recognised for the six months to 31 December 2017 of \$41.1 million includes a net benefit of \$2.8 million arising from the tax reform changes relating to its US operations.

The ongoing impact of the change to the US corporate tax rate, and other impacts from the tax reforms, will be reflected in the calculation of tax expense for the year ending 30 June 2018 and beyond.

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2017

4. Contributed equity

\$ million	Dec 2017	June 2017
Issued and fully paid ordinary shares:⁽¹⁾		
1,206,684,923 ordinary shares with no par value (June 2017: 1,206,684,923)	498.9	508.7
Treasury shares:⁽²⁾		
4,400,861 ordinary shares with no par value (June 2017: 13,864,381)	(12.3)	(36.4)
Total contributed equity	486.6	472.3

⁽¹⁾ All issued shares are fully paid, all shares rank equally with regards to the Company's residual assets. Ordinary shares entitle the holder to participate in dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

⁽²⁾ Treasury shares are shares in the Company that are held by the Orora Employee Share Trust for the purpose of issuing shares to employees under the Group's Employee Share Plans.

Reconciliation of fully paid ordinary shares and treasury shares

	Ordinary shares		Treasury shares	
	No. '000	\$ million	No. '000	\$ million
At 1 July 2016	1,206,685	513.1	(15,180)	(31.3)
Acquisition of shares by the Orora Employee Share Trust	-	-	(8,269)	(23.9)
Restriction lifted on shares issued under the CEO Grant	-	0.6	-	-
Treasury shares used to satisfy issue of CEO Grant	-	(0.7)	290	0.7
Exercise of vested grants under Employee Share Plans	8,432	11.7	-	-
Treasury shares used to satisfy exercise of vested grants under Employee Share Plans	(8,432)	(16.7)	8,432	16.7
Treasury shares used to satisfy shares granted in business acquisition transaction	-	0.7	863	1.4
At 30 June 2017	1,206,685	508.7	(13,864)	(36.4)
Restriction lifted on shares issued under the CEO Grant	-	0.1	-	-
Cancellation of CEO Grant	-	0.2	(144)	(0.2)
Exercise of vested grants under Employee Share Plans	9,607	14.2	-	-
Treasury shares used to satisfy exercise of vested grants under Employee Share Plans	(9,607)	(24.3)	9,607	24.3
At 31 December 2017	1,206,685	498.9	(4,401)	(12.3)

Orora Employee Share Trust

The Group holds shares in itself as a result of shares purchased by the Orora Employee Share Trust (the 'Trust'). The Trust was established to manage and administer the Company's responsibilities under the Group's Employee Share Plans through acquiring, holding and transferring of shares in the Company to participating employees. In respect of these transactions, at any point in time the Trust may hold 'allocated' and 'unallocated' shares.

Allocated shares represent those shares that have been purchased and awarded to employees under the CEO Grant. These shares are restricted in that the employee is unable to dispose of the shares for a period of up to five years (or as otherwise determined by the Board). The Trust holds these shares on behalf of the employee until the restriction period is lifted at which time the Trust releases the shares to the employee. As the CEO Grant shares are allocated they are treated as ordinary shares.

Unallocated shares represent those shares that have been purchased by the Trust on-market to satisfy the potential future vesting of awards granted under the Group's Employee Share Plans, other than the CEO Grant. As the shares are unallocated they are identified and accounted for as treasury shares.

Orora Limited and its controlled entities

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For the six months ended 31 December 2017

5. Dividends

	Cents per share	Total \$ million
Declared and paid during the period		
<i>Six months ended 31 December 2017</i>		
Final dividend for 2017 (30% franked)	6.0	72.1
<i>Six months ended 31 December 2016</i>		
Final dividend for 2016 (30% franked)	5.0	60.0
Proposed and unrecognised at period end⁽¹⁾		
<i>Six months ended 31 December 2017</i>		
Interim dividend for 2018 (30% franked)	6.0	72.1
<i>Six months ended 31 December 2016</i>		
Interim dividend for 2017 (30% franked)	5.0	60.0

⁽¹⁾ Estimated interim dividend payable, subject to variations in the number of shares up to record date.

Dividend Reinvestment Plan

The Group operates a dividend reinvestment plan which allows eligible shareholders to elect to invest dividends in ordinary shares. All holders of Orora Limited ordinary shares with Australian or New Zealand addresses registered with the share registry are eligible to participate in the plan. The allocation price for shares is based on the average of the daily

volume weighted average share price of Orora Limited ordinary shares sold on the Australian Securities Exchange, calculated with reference to a period of not less than ten consecutive trading days as determined by the Directors.

Franking Account

Franking credits available to shareholders of the Company at 31 December 2017 are nil (June 2017: \$2.4 million) at the 30.0% (June 2017: 30.0%) corporate tax rate after payment of the 2017 final dividend. The interim dividend for 2018 is 30.0% franked (2017: final and interim dividends 30.0% franked). The Company is of the opinion that sufficient franking credits will arise from tax instalments expected to be paid in the balance of the year ending 30 June 2018.

Conduit Foreign Income Account

For Australian tax purposes non-resident shareholder dividends will not be subject to Australian withholding tax to the extent that they are franked or sourced from the parent entity's Conduit Foreign Income Account. For the 2018 interim dividend, 70.0% of the dividend is sourced from the parent entity's Conduit Foreign Income Account (2017: interim and final dividend 70.0%). As a result, 100.0% of the 2018 interim dividend paid to a non-resident will not be subject to Australian withholding tax.

6. Share-based compensation

The following table details the total movement in share options, performance rights or performance shares issued by the Group:

	Long Term Incentive Plans				Short Term Incentive Plan			
	CEO Grant		Share Options		Performance Rights and Performance Shares		Deferred Equity	
	No.	\$ ⁽¹⁾	No.	\$ ⁽¹⁾	No.	\$ ⁽¹⁾	No.	\$ ⁽¹⁾
Six months to 31 December 2017								
Outstanding at beginning of period	1,808,109	2.41	19,551,561	0.39	9,275,000	1.42	2,402,246	2.46
Granted during the period	-	-	3,946,000	0.63	1,941,000	2.39	948,754	2.98
Exercised during the period	(890,945)	2.32	(5,215,000)	0.30	(3,035,500)	1.11	(1,356,926)	2.23
Forfeited during the period	(143,906)	2.31	-	-	(90,000)	1.26	(31,049)	2.56
Outstanding at end of period	773,258	2.53	18,282,561	0.47	8,090,500	1.77	1,963,025	2.87
Exercisable at end of period	-	-	199,561	0.23	-	-	-	-
Twelve months to 30 June 2017								
Outstanding at beginning of period	1,199,190	1.78	20,751,500	0.33	10,263,500	1.21	2,238,898	1.96
Granted during the period	1,152,485	2.47	5,058,500	0.55	1,835,500	2.05	1,107,411	2.77
Exercised during the period	(543,566)	1.16	(5,156,075)	0.29	(2,368,196)	1.05	(908,142)	1.61
Forfeited during the period	-	-	(1,102,364)	0.29	(455,804)	0.99	(35,921)	2.41
Outstanding at end of period	1,808,109	2.41	19,551,561	0.39	9,275,000	1.42	2,402,246	2.46
Exercisable at end of period	-	-	519,561	0.23	-	-	-	-

⁽¹⁾ Weighted average fair value.

During the period the Group recognised a share-based payment expense of \$4.7 million (December 2016: \$4.7 million) of which \$1.1 million (December 2016: \$0.9 million) relates to options and \$3.6 million (December 2016: \$3.8 million) relates to performance rights and other compensation plans.

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2017

7. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's financing policy is to fund itself for the long term by using debt instruments with a range of maturities and to ensure access to appropriate short term facilities. Orora Group Treasury aims to maintain flexibility within the funding structure through the use of bank overdrafts and bank loans. Management monitors liquidity risk through maintaining minimum undrawn committed liquidity of at least AUD175.0 million that can be drawn upon at short notice and regularly monitoring rolling forecasts of cash inflows and outflows in relation to the Group's activities. This monitoring includes financial ratios to assess possible future credit ratings and headroom and takes into account the accessibility of cash and cash equivalents.

Financing arrangements

The committed and uncommitted standby arrangements and unused facilities of the Group are set out below:

\$ million	Dec 2017			June 2017		
	Committed	Uncommitted	Total	Committed	Uncommitted	Total
<i>Financing facilities available:</i>						
Bank overdrafts	-	6.2	6.2	-	6.3	6.3
US Private placement	320.4	-	320.4	324.6	-	324.6
Loan facilities and term debt	756.3	81.2	837.5	759.7	81.9	841.6
	1,076.7	87.4	1,164.1	1,084.3	88.2	1,172.5
<i>Facilities utilised:</i>						
Bank overdrafts	-	-	-	-	5.1	5.1
US Private placement	320.4	-	320.4	324.6	-	324.6
Loan facilities and term debt	415.8	-	415.8	403.4	-	403.4
	736.2	-	736.2	728.0	5.1	733.1
<i>Facilities not utilised:</i>						
Bank overdrafts	-	6.2	6.2	-	1.2	1.2
US Private placement	-	-	-	-	-	-
Loan facilities and term debt	340.5	81.2	421.7	356.3	81.9	438.2
	340.5	87.4	427.9	356.3	83.1	439.4

At 31 December 2017, the Group had access to:

- AUD400.0 million revolving multicurrency facility through a syndicate of domestic and international financial institutions maturing in December 2019. This facility is unsecured and can be extended (June 2017: \$400.0 million maturing December 2019)
- US Private Placement of notes USD250.0 million, of which USD100.0 million matures in July 2023 and USD150.0 million matures in July 2025 (June 2017: USD250.0 million notes, USD100.0 million maturing July 2023 and USD150.0 million maturing July 2025)
- A USD200.0 million five-year USD revolving facility, through a syndicate of domestic and international financial institutions, maturing in April 2021 (June 2017: USD200.0 million, maturing April 2021)
- Two bilateral agreements for \$50.0 million each with separate domestic institutions, maturing in April 2018 (June 2017: two \$50.0 million finance arrangements maturing in April 2018)

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2017

8. Financial instruments

Carrying amounts versus fair values

The carrying amounts and fair values of the Group's financial assets and financial liabilities recognised in the financial statements are materially the same, with the exception of the following:

\$ million	Dec 2017	June 2017
US Private Placement Notes		
Carrying value	320.4	324.6
Fair value	331.1	340.3

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

Cash

The carrying amount is fair value due to the liquid nature of these assets.

Trade and other receivables/payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are considered reasonable approximations of their fair values.

Other financial assets/liabilities

The fair value of derivative financial instruments are recognised and measured at fair value in the financial statements. The specific valuation techniques used to value the derivative financial instruments include:

- Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date; and
- The fair value of the commodity forward contracts is determined using the commodity price at the balance sheet date.

The fair value of loan receivables are calculated using market interest rates.

Interest-bearing liabilities

For interest bearing liabilities fair value is based on discounting expected future cash flows at market rates.

Valuation of financial instruments

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into three levels as prescribed under the accounting standards, with each of these levels indicating the reliability of the inputs used in determining fair value. The levels in the hierarchy are:

Level 1: fair value identified from quoted market price traded in an active market for an identical asset or liability at the end of the reporting period. The quoted market price used for assets is the last bid price;

Level 2: fair value determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. All significant inputs used in the valuation method are observable;

Level 3: one or more of the significant inputs in determining fair value for the asset or liability is not based on observable market data (unobservable input).

All of the Group's financial instruments carried at fair value were valued using market observable inputs (Level 2). For financial instruments that are carried at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between level 1 and 2 for recurring fair value measurements during the period. The Group does not hold any Level 3 financial instruments (June 2017: nil).

9. Contingent liabilities

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

Various entities in the Group are party to legal actions which have arisen in the ordinary course of business. The actions are being defended and the Directors are of the opinion that provisions are not required as no material losses are expected to arise.

Orora Limited and its controlled entities

Directors' Declaration

For the half year ended 31 December 2017, in the opinion of the Directors of Orora Limited (the 'Company'):

1. the financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - a. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date; and
2. there are reasonable grounds to believe that Orora Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors, dated at Melbourne, this 14th day of February 2018.



C I Roberts
Chairman



Independent auditor's review report to the members of Orora Limited

Report on the interim financial report

We have reviewed the accompanying interim financial report of Orora Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, selected explanatory notes and the directors' declaration for Orora Limited. The consolidated entity comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Orora Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Orora Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the reviewed interim financial report

This review report relates to the interim financial report of the Company for the half-year ended 31 December 2017 included on Orora Limited's web site. The Company's directors are responsible for the integrity of the Orora Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed interim financial report to confirm the information included in the reviewed interim financial report presented on this web site.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Lisa Harker'.

Lisa Harker
Partner

Melbourne
14 February 2018