Orora announces results for full year ended 30 June 2014

25 August 2014

IMPORTANT - PLEASE READ

Effective 17 December 2013, Orora Limited (the Company) and its controlled entities (collectively referred to as the Orora Group) demerged from Amcor Limited. The Company was listed as a separate standalone entity on the Australian Securities Exchange on 18 December 2013 and the demerger was implemented on 31 December 2013.

Prior to the demerger, the Company and Amcor Limited were required to undertake an internal corporate restructure (Corporate Restructure). The Corporate Restructure took place as at 31 October 2013. As required for statutory reporting purposes, the statutory financial information for the Orora Group has been presented for the financial year ended 30 June 2014 and for the comparative financial year ended 30 June 2013. However, as a result of the Corporate Restructure, the statutory financial information does not give a relevant view of the performance of the Orora Group as it is currently structured.

In particular, the statutory financial information includes the results of various Amcor Limited flexible packaging entities, assets and businesses for the period 1 July 2012 to 31 October 2013, being the date that they ceased to be part of the Orora Group under the Corporate Restructure, as well as internal and external borrowings of the Company in the period from 1 July 2013 and up to immediately prior to the demerger, that were retained by Amcor Limited post the demerger. The statutory financial information only includes the results of the Orora Group's current businesses in North America and certain beverage closures and fibre activities in the Australia and New Zealand region for the period from 1 November 2013, the date at which these operations became part of the Orora Group under the Corporate Restructure.

Given the above, this presentation largely includes pro forma financial information for the years ended 30 June 2013 and 2014. This pro forma information is prepared on the basis that the business, as it is now structured, was in effect for the period 1 July 2012 to 30 June 2014. A reconciliation between the pro forma financial information and Orora Group's segment financial information sourced from the statutory accounts is also included within this presentation.

ORORA

Orora announces results for full year ended 30 June 2014

Pro Forma (A$ mil)	FY13	FY14	Change %
Sales Revenue	2,942.8	3,176.1	7.9%
EBITDA[1,2]	245.6	290.8	18.4%
Pro forma EBIT[2]	148.2	192.1	29.6%
NPAT	72.1	104.4	44.8%
EPS[3] (cents)	6.0	8.7	44.8%
Operating Cash Flow[4]	168.9	224.1	32.7%
Dividend per share (cents)	N/A	6.0	
Net Debt	696	636	
Leverage[5]	2.9x	2.2x	
Gearing[6]	35%	31%	
Pro forma RoAFE[7]	7.2%	9.3%	

FINANCIAL HIGHLIGHTS

Statutory Results (do not reflect a complete 12 months of operating results)

- Statutory net loss after tax (NPAT) was $106.5M for continuing operations;
- Net profit after tax before significant items was $75.1M for continuing operations;
- Significant items after tax were an expense of $181.6M[8] for continuing operations, largely demerger related items.

Pro forma Results (reflect 12 months of operating results)

- Pro forma NPAT before significant items was $104.4 million, up 44.8% on pro forma FY2013;
- Sales revenue was up 7.9% to $3.2B;
- Pro forma EBIT up 29.6% to $192.1M;
- Operating cash flow was $224.1M, up from $168.9M in pcp;
- Final ordinary dividend is 3.0 cents per share (cps) – unfranked and zero sourced from the conduit foreign income account. (Total dividends 6.0 cps, approximately 70.0% payout ratio). The ex-dividend date will be 8 September 2014, the record date will be 10 September 2014 and the payment date 8 October 2014;
- Net debt at year end was $636M – down from $696M at June 2013. Leverage was 2.2 times (2.9 in pcp);
- Pro forma RoAFE was 9.3%, up from 7.2% in pcp reflecting delivery of increased earnings.

BUSINESS HIGHLIGHTS (PRO FORMA)

- Pro forma EBIT of $192.1M up 29.6% on pcp. Increase largely driven by stable underlying volumes and on target delivery of cost reduction benefit programs within Australasia and improved North American earnings driven by market share gains, manufacturing efficiencies and FX translational benefits.
- Australasia EBIT up 25.7% to $162.5M
  - The Fibre division generated increased earnings on pcp driven by successful delivery of cost reduction and footprint rationalisation initiatives. Losses on onerous recycling contracts have been classified as a significant item;
  - Within the Beverage division, increased volumes drove higher Glass earnings while bad debts (from customer receiverships) adversely impacted both Glass and Cans. Underlying earnings for Cans were in line with pcp;
  - Cumulative strategic "self-help" cost reduction benefits of $39.1M were delivered; representing $27.1M of incremental benefits during the year.
- North American EBIT up 31.3% to $57.1M
  - EBIT was driven higher by organic sales growth and new business won;
  - Earnings in the manufacturing division also benefited from cost reduction initiatives and strong overall operating cost control;
  - FX translation benefit on US dollar denominated earnings was $6.1M on pcp.

CORPORATE UPDATE

- Demerger successfully completed with minimal impact to the underlying business.
- Two Non-Executive directors were appointed to the Orora Board, Ms Abi Cleland and Ms Samantha Lewis.
- The Orora culture program has been launched to communicate our belief and core values as a standalone entity and to begin embedding the Orora Way operating model.
- Investor matters;
  - A Dividend Reinvestment Plan (DRP) was announced in June, effective for the final dividend for FY14.
  - Two share sale facilities to be implemented for shareholdings of less than $3,000 value. Eligible shareholders will be notified in September 2014.

OUTLOOK – 2015

- We expect the Group to continue to deliver on the cost reduction initiatives in 2015 with earnings to be higher than that reported (on a pro forma basis) in 2014, subject to global economic conditions.

The financial information included in this release has largely been prepared on a pro forma basis. The pro forma information has not been audited.

This report includes certain non-IFRS financial information, including earnings after tax and before significant items, operating cash flow, EBIT and EBITDA before significant items. This information is considered by Management in assessing the operating performance of the business and has been included for the benefit of investors. References to earnings throughout this report are references to earnings before interest, tax and significant items.

[1] Earnings before interest, tax, depreciation and amortisation and significant items

[2] FY2013 excludes one-off items as per page 47 of the Demerger Scheme Book: gains on sale and lease back agreements $32M and pension curtailment benefit $15M offset by Botany paper mill non-capitalised delay costs of $25M, restructuring costs $14M and glass inventory write down of $6M.

[3] FY2013 and F2014 calculated as pro forma NPAT divided by number of shares on issue at 30 June 2014

[4] Excludes cash significants items that are considered to be outside the ordinary course of operations and non-recurring in nature. Includes Net Capital Expenditure.

[5] Equal to trailing 12 month pro forma EBITDA / Net Debt. Includes pro forma incremental corporate costs of $17M for FY2013 and $8.5M for FY2014

[6] Net debt / (net debt + equity)

[7] Calculated as pro forma EBIT / average funds employed. Average funds employed for pro forma RoAFE calculations for FY2013 & FY2014 are inclusive of the following two items as though they were part of average funds employed from the beginning of FY2013: a) the impact of the Fibre Division impairment ($209M) booked in December 2013, b) the B9 recycled paper mill at Botany, New South Wales (B9 was commissioned part way through FY2013).

[8] Refer page 7 for a summary of significant items

REVENUE

- Sales revenue of $3,176M was up 7.9% on pcp (up 3.5% excluding FX), driven by:
  - Increased sales in North America – both to existing customers and from new business won;
  - Higher Glass volumes in the wine segment;
  - Higher sales in the NZ Fibre operations;
  - Contribution from Joe's Cartons acquisition completed in July 2013;
  - FX benefit on US dollar denominated North America sales ($134.2M on pcp).
- Revenue gains were partially offset by:
  - Reduced Beverage Can revenue resulting from the pass through of lower aluminium prices (underlying volumes were in line with pcp);
  - Lower sales as a result of recent footprint rationalisation in the Fibre Cartons and Beverage Closures divisions.

Revenue Summary (A$ mil)	FY13	FY14	Change %
Australasia	1,935.7	1,912.9	(1.2%)
North America	1,007.1	1,263.2	25.4%
Total sales revenue	**2,942.8**	**3,176.1**	**7.9%**

PRO FORMA EARNINGS BEFORE INTEREST AND TAX (EBIT)

- Pro forma EBIT increased by 29.6% to $192.1M. Improved earnings attributable to:
  - Cost reduction, efficiency and sales margin improvement initiatives within the Corrugated division;
  - Footprint rationalisation benefits in Fibre (Petrie) and Beverage (Thomastown);
  - Higher Glass earnings from increased wine volumes and improving efficiency;
  - As part of closing the old F6/B7/B8 paper and Petrie cartonboard mills and commissioning the new B9 recycled paper mill, a review of the recycled waste collection requirements and contracts was undertaken. As a result, a number of these recycling collection contracts have been assessed as onerous and losses in the current year totalling $7.9 million have been classified as a significant item;
  - Increased sales volumes and manufacturing efficiency benefits in the North American business;
  - Translational FX benefit from US dollar denominated earnings ($6.1M on pcp).

- Earnings gains were partially offset by:
  - Bad debts (mainly in Beverage) of $4.2M; and
  - Additional rent on sale and leaseback property transactions completed in pcp of $4.1M.

Pro Forma Earnings Summary (EBIT) (A$ mil)	FY13	FY14	Change %
Australasia	129.3	162.5	25.7%
North America	43.5	57.1	31.3%
Corporate	(24.6)	(27.5)	(11.8%)
Total EBIT	**148.2**	**192.1**	**29.6%**

COST REDUCTION UPDATE

- On target delivery of $39.1M of cumulative total cost reduction savings during the year; $27.1M of incremental benefits delivered in FY2014.
- Cost reduction benefits from portfolio exits/plant closures are completed and delivering as expected.
- Cost improvement and productivity initiatives have been successfully implemented with benefits being realised as anticipated. Expect remaining savings to be delivered in FY2015.
- Delivered $3.0M of cost reduction benefits from the B9 paper mill.

(A$ mil)	Total cost reduction target	Cumulative cost reduction achieved in FY13	Cumulative cost reduction achieved in FY14
Recycled Paper Mill	50.0	-	3.0
Portfolio exits/plant closures	18.0	8.0	16.9
Cost improvement	25.0	4.0	19.2
Total cost reduction target	93.0	12.0	39.1

- Maintain guidance that target cost reduction and innovation benefits from the B9 recycled paper mill are expected to be progressively realised over the next two to three years. As previously conveyed, the extent of increased earnings remains a function of general market conditions, competitor pricing strategies and ability of Orora to pass on or offset any cost increases.

BALANCE SHEET

- Key balance sheet movements since June 2013 were:
  - Increase in other current assets is a result of higher receivables in Orora North America in line with sales uplift. Lower inventory in most divisions offset by stock build in Glass ahead of the forthcoming furnace rebuild and commencement of a new customer contract;
  - Net property, plant and equipment (PP&E) increased due to spend on the final phases of the Botany paper mill project which included settlement of disputes with the lead contractors (these were settled in December 2013). Capex for FY2014 included spend on the following major items; Beverage embossing capability, investment in corrugated equipment upgrades in Australasia and North America, spend on glass furnaces with repairs to G2 and long lead items for G1. Depreciation for the year was $98.7M;
  - Net debt reduced by $60M during the year as a result of converting increased earnings into cash; and
  - Decrease in payables and provisions reflect the utilisation of cost reduction and restructuring provisions (refer to cash flow below), closure of the Australian defined benefit superannuation fund (converted to an accumulation fund) offset by improved trading terms with vendors.

Pro Forma Balance Sheet			
(A$ mil)	**Pro Forma[9,10] 30/06/13**	**Actual 30/06/14**	**Change %**
Cash	25	31	24.0%
Other Current Assets	809	824	1.9%
Property, Plant & Equipment	1,534	1,544	0.7%
Intangible Assets	235	232	(1.3%)
Investments & Other Assets	118	123	4.2%
Total Assets	**2,721**	**2,754**	**1.2%**
Interest-bearing Liabilities	721	666	(7.6%)
Payables & Provisions	718	706	(1.7%)
Total Equity	1,282	1,382	7.8%
Total Liabilities & Equity	**2,721**	**2,754**	**1.2%**
Net Debt	696	636	
Leverage	2.9x	2.2x	
Gearing	35%	31%	

CASH FLOW

- Underlying operating pro forma cash flow increased by $55.2M to $224.1M compared with pcp. Main movements included:
  - Increase in EBITDA of $45.2M;
  - Sound management of working capital across the business;
  - Base capex within guidance range of between 80-90% of pro forma depreciation. Expect capex in FY2015 to be at the upper end of guidance due to expenditure on the Glass furnace rebuild and new ERP system in Orora North America. The settlement with the B9 lead contractors referred to above was funded by Amcor Limited as part of the demerger process;
  - Cash significant items in FY2014 mostly relate to spend on the cost reduction and footprint rationalisation initiatives and the SI taken for onerous recycling contracts. In relation to the cost reduction programs, the net cash spend remaining is approximately $10M, which will be spent in FY2015.

Pro Forma Cash Flow			
(A$ mil)	**Pro Forma[11] FY13**	**Pro Forma FY14**	**Change % F/(U)**
EBITDA	245.6	290.8	18.4%
Non Cash Items	14.0	19.5	
Movement in Total Working Capital	(37.2)	(4.7)	
Net Capex	(53.5)	(81.5)	
Underlying Operating Cash Flow	**168.9**	**224.1**	**32.7%**
Cash Significant Items	(55.6)	(57.3)	
Operating Free Cash Flow	**113.3**	**166.8**	

WORKING CAPITAL

- Average total working capital to sales decreased to 10.6% (versus 11.0% in pcp), primarily as a result of improved working capital management in the Fibre division with inventory reduction occurring as part of the footprint rationalisation initiatives.

[9] For comparison purposes, the pro forma June 2013 Balance Sheet includes the assets and liabilities of the Petrie cartonboard mill. These assets and liabilities were excluded from the pro forma balance sheet in the Scheme Booklet.

[10] The June 2013 balance sheet disclosed in the 1HFY2014 result has been amended to reflect the actual allocation of the fibre asset impairment between PP&E and Intangibles. Additionally, deferred tax assets and deferred tax liabilities have been correctly offset thereby creating a change in Total Assets and Total Liabilities. This offset was not done in the Scheme Book or 1H14 result.

[11] FY2013 cash flow equal to page 50 of the Demerger Scheme Booklet with the two differences being, a) pension top ups have been excluded as they are deemed non-recurring in nature following the move to an accumulation fund, b) the Petrie cartonboard mill has been included.

AUSTRALASIA

KEY POINTS

- Overall, Australasia delivered an increased EBIT of $162.5M, 25.7% higher than pcp.

FIBRE DIVISION

- Fibre earnings for the year were higher than pcp, driven by benefits of footprint rationalisation and cost improvement initiatives.

Corrugated:

- Sales in New Zealand were higher than pcp, aided by a strong kiwi fruit season and generally improving economic conditions;
- Australia saw improved volumes in most end markets however these did not offset weakness in the beverage and grocery segments;
- Recent footprint rationalisation, cost improvement initiatives and sales margin initiatives contributed to better margins;
- Additional rent costs of $4.1m were incurred from sale and leaseback transactions completed in pcp.

Packaging and Distribution:

- Higher earnings versus pcp reflecting the benefits of prior period footprint rationalisation and cost improvement initiatives;
- The Petrie, QLD Cartonboard Mill ceased operating in September 2013. The closure was well executed with costs in line with expectations. The business has successfully transitioned to a fully imported cartonboard sourcing model.
- A small subscale industrial Sacks site in Kewdale, WA was closed in early calendar 2014. The customers are now being supplied from remaining facilities.

Botany Recycled Paper Mill (B9)

- The new B9 recycled paper mill started being commissioned in October 2012. We are now 18 months into a ramp up period that is expected to take between 2-3 years. The expected earnings benefits will be progressively delivered during the ramp up period, as stability improves.
- Production is on track with the projected learning curve in relation to volume and quality. The paper's increased strength and improved printability is better than expected and is being well received by customers (in Australasia and North America).
- During the year, 335,000 tonnes of recycled paper was produced.
- Despite ongoing ramp up issues, production is continuing to stabilise, allowing the emphasis to progressively move toward realising the cost reduction and innovation benefits.
- $3M of net incremental benefits was delivered in FY14 (this includes treating onerous recycling contracts as a significant item). The remaining benefits are expected to be realised over the next 2-3 years.
- The Botany Mill began to export recycled paper to Orora North America in January 2014. During the year, 8,500 tonnes of recycled paper was exported. It is estimated that up to 40,000 tonnes will be exported in FY2015.
- With the retirement of Sonny Coleiro on 31 March 2014, Peter de Hennin has joined Orora as the Group General Manager of Paper Division.
- The clean-up following the December 2013 fire at the Botany site which damaged the previously decommissioned paper mills and buildings is ongoing and, pending approvals, is expected to be substantially completed by early calendar 2015. The related insurance claim is continuing to progress.

BEVERAGE DIVISION

- Beverage earnings were higher than pcp, reflecting stronger Glass volumes and earnings and improved manufacturing efficiencies.

Beverage Cans:

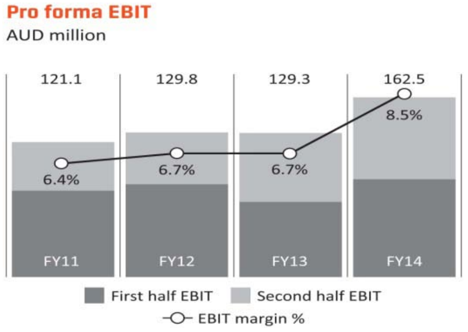
- Underlying volumes were in line with pcp;
- Earnings were lower than pcp as a result of a co-packing customer related debt write-off;

Glass:

- Delivered higher sales to existing contracted customers on pcp and also increased market share in the wine segment.
- Wine volumes were up on pcp, offsetting weaker beer volumes.

Pro Forma (A$ mil)	FY13	FY14	Change %
Sales Revenue	1,935.7	1,912.9	(1.2%)
EBIT	129.3	162.5	25.7%
EBIT Margin %	6.7%	8.5%	1.8%

Pro Forma Segment Cash Flow			
(A$ mil)	Pro Forma FY13	Pro Forma FY14	Change % F/(U)
EBITDA	212.8	245.4	15.3%
Non Cash Items	16.4	19.8	
Movement in Total Working Capital	(28.5)	10.5	
Net Capex	(43.5)	(69.2)	
Underlying Operating Cash Flow	**157.2**	**206.5**	**31.4%**
Cash Significant Items	(28.4)	(33.6)	
Operating Free Cash Flow	**128.8**	**172.9**	



- Operating performance continued to improve aided by the repair to the second glass furnace (G2) which was successfully completed in March 2014.

Closures:

- Underlying sales were higher than pcp offset by reductions from the closure of Thomastown.
- Stelvin wine closure volumes were up on pcp.
- A subscale metal decoration facility in Laverton, VIC was closed in June. This material is now being purchased from a third party under a long term agreement.

GAS SUPPLY UPDATE

- Orora entered into a Gas Supply Option Agreement with Strike Energy Limited (Strike) for the supply of 45PJ of gas for use at the Glass division in Gawler (30PJ) and the B9 recycled paper mill in Botany (15PJ). Subject to Strike achieving commercial production, gas is expected to be delivered over a 10 year term from January 2017 and 2018 respectively.

PERSPECTIVES FOR 2015

- The Glass division has recently secured additional market share in both wine and beer segments commencing July 2014 and July 2015 respectively.
- Orora's first glass furnace (G1) is to undergo a scheduled rebuild during the second half of FY2015. The furnace will be out of operation for approximately three months while the rebuild is completed. Costs of the rebuild are estimated at approximately $30M.
- As a result of Alcoa's announced exit from aluminium production in Australia by the end of calendar 2014, the Beverage Can division will move to a full import sourcing model. The business is in the process of qualifying alternative suppliers and managing any operational and working capital impacts.
- Following the closure of the Petrie cartonboard mill in September, a manufacturing footprint review of the Australian Cartons business was completed which resulted in a decision to close the small subscale converting plant in Zillmere, QLD. This facility will close in September 2014 with production to be reallocated to the remaining cartonboard facilities in Botany (NSW), Heidelberg (VIC) and Regency Park (SA).
- The Australian businesses are working through the implications of the repeal of the Carbon Tax by the Australian Government in July 2014.

NORTH AMERICA

KEY POINTS

- The North America business had a strong year with sales up 12.1% on a constant currency basis.
- Despite flat market conditions, the Landsberg Distribution division delivered organic sales growth and won new business with a gain in market share in most regions. A continued strategic focus on securing large corporate accounts aided sales growth during the year.
- The Manufacturing division delivered improved earnings from additional sales volumes to third parties and manufacturing efficiency benefits driven by cost reduction initiatives and strong overall operating cost control.
- On a constant currency basis, earnings for the year were up 17.4% on pcp at US$52.5M, driven by the improved sales volume and productivity gains.
- Reported earnings were up 31.3% with FX translation benefits of $6.1M over pcp.
- EBIT margin improved to 4.5% (versus 4.3% pcp) primarily on the back of leveraging excess manufacturing capacity and a focus on improving procurement capability. In the first half, the division successfully passed through higher paper prices that impacted the business in the pcp.
- Underlying market conditions remain flat but are stable. Overall, the business is yet to witness any sustained improvement in economic conditions within the region.
- FX benefit on North America sales was $134.2M.

PERSPECTIVES FOR 2015

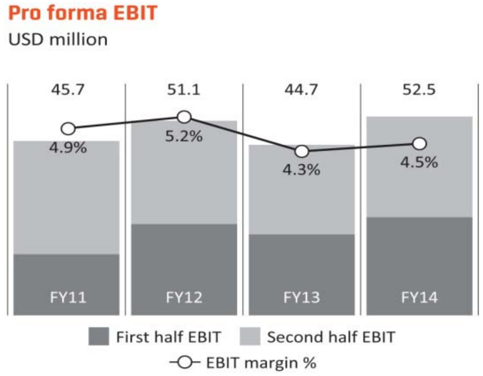
- On 1 July 2014, Orora North America completed a small bolt on acquisition of a Texas, USA based distributor of plastic packaging products to the food and produce sector. The business services customers in USA, Mexico and Canada.
- Expenditure for a new ERP system, totalling approximately A$22M, has been approved to replace the existing legacy system. The estimated cash spend will occur evenly over the next two financial years.

(A$ mil)	FY13	FY14	Change %
Sales Revenue	1,007.1	1,263.2	25.4%
EBIT	43.5	57.1	31.3%
EBIT Margin %	4.3%	4.5%	0.2%

(US$ mil)	FY13	FY14	Change %
Sales Revenue	1,034.5	1,159.7	12.1%
EBIT	44.7	52.5	17.4%

Pro Forma Segment Cash Flow

(A$ mil)	Pro Forma FY13	Pro Forma FY14	Change % F/(U)
EBITDA	51.3	67.5	31.6%
Non Cash Items	1.4	1.9	
Movement in Total Working Capital	(5.9)	(9.8)	
Net Capex	(8.5)	(13.9)	
Underlying Operating Cash Flow	**38.3**	**45.7**	**19.3%**
Cash Significant Items	0.0	0.0	
Operating Free Cash Flow	**38.3**	**45.7**	



CORPORATE

Key Points

- Underlying pro forma corporate costs of $27.5M, up from $24.6M in pcp.
- Prior to demerger, the business already had a number of corporate and shared service functions. From a historical reporting point of view, given the majority of these functions and costs were primarily for the benefit of the Australasian businesses, the costs were included within the Australasia Operating Segment result.
- Following the demerger, any unallocated costs are now included and form part of Corporate Costs.
- As outlined in the Scheme Booklet, an estimated additional $17M (annualised) of corporate costs were expected to be added to the business. These costs represented costs associated with becoming a standalone entity and include Board, Company Secretarial, listing and ongoing fees, added corporate functions such as tax, treasury, internal audit, legal, external reporting, etc.
- Actual additional costs incurred in the first 6 months as a standalone entity are in line with the Scheme Booklet guidance.

Conference Call

- Orora is hosting a conference call for investors and analysts at 11:00am today. The audiocast will be available on our website, www.ororagroup.com, within 24 hours.

Appendix

Significant Items[1]

(A$ million)	2013		2014	
	P&L	Cash	P&L	Cash
Costs incurred on demerger	-	-	19.2	13.5
Asset impairments recognised on demerger	-	-	209.8	-
Australasia restructuring	171.7	55.6	22.4	57.4
Gain arising on disposal of Fairfield property	(57.3)	-	-	-
Significant Items before related income tax expense	**114.4**	**55.6**	**251.4**	**70.9**
Income tax benefit on significant items	(39.1)		(69.8)	
Significant items after related tax expense	**75.3**		**181.6**	

[1] Significant items are items of income or expense which are considered outside the ordinary course of operations, are non-recurring in nature and are material. Management excludes these items when explaining the financial performance of the Orora Group, to ensure that the underlying operating results of the Group are not distorted and to enable appropriate comparison across periods.

Reconciliation between Segment Result and Pro Forma Financial Information

In preparation of the pro forma financial information, adjustments have been made to the Orora Group's segment results (as included in the statutory accounts) to present a view of performance as if the internal corporate restructure associated with the demerger had been effective from 1 July 2012. Additionally, adjustments have been made in the pro forma presentation to include the additional corporate costs and the depreciation reduction from the asset impairment as if they had been applicable from 1 July 2012.

The pro forma adjustments referred to above have been made on a basis consistent with those contemplated on page 46 of the Amcor Limited Demerger Scheme Booklet. The following reconciliations and the pro forma financial information have not been audited.

Australasia Segment

EARNINGS

	As reported [5]		One-off items		Pro-Forma adjustments		Pro-Forma	
AUD million	**2014**	2013	**2014**	2013 [2]	**2014**	2013 [3]	**2014**	2013
Sales revenue	1,912.9	1,935.7					**1,912.9**	1,935.7
EBIT[1]	152.0	102.6		5.7	10.5	21.0	**162.5**	129.3
EBIT margin (%)	7.9	5.3					**8.5**	6.7
Average Funds Employed	1,895.6	1,461.0			(72.7)	426.2	**1,822.9**	1,887.2
EBIT[1]/AFE (%)	8.0	7.0					**8.9**	6.9

CASH FLOW	As reported		One-off items		Pro-Forma adjustments		Pro-Forma	
AUD million	**2014**	2013	**2014**	2013 [2]	**2014**	2013 [3]	**2014**	2013
EBITDA[4]	245.4	207.1		5.7			**245.4**	212.8
Non-cash items	19.8	16.4					**19.8**	16.4
Movement in total working capital	10.5	(28.5)					**10.5**	(28.5)
Net capital expenditure	(69.2)	(43.5)					**(69.2)**	(43.5)
Operating Cash Flow	206.5	151.5	-	5.7	-	-	**206.5**	157.2
Cash significant items	(33.6)	(28.4)					**(33.6)**	(28.4)
Operating Free Cash Flow	172.9 [5]	123.1 [5]	-	5.7	-	-	**172.9**	128.8
Growth capital expenditure - Recycled paper mill, Botany		(92.1)						(92.1)

(1) Earnings before interest, related income tax expense and significant items

(2) Adjusts for inventory write off in Glass of $5.7 million (as per the Demerger Scheme Book)

(3) Pro forma adjustment impact to PBIT represents a reduction in the depreciation charge of $21.0 million from accounting for the asset impairment included in the Demerger Scheme Book being applicable from 1 July 2012 (as per the Demerger Scheme Book). Pro forma adjustment to Average Funds Employed represents the asset impairment included in the Demerger Scheme Book and the inclusion of B9 capital, which was included in reported funds employed from May 2013, from 1 July 2012.

(4) Earnings before depreciation, amortisation, interest, related income tax expense and significant items

(5) As reported in the Segment Note contained within the Financial Statements (refer note 3.1.1)

North America Segment

EARNINGS

	As reported [3]		One-off items		Pro-Forma adjustments		Pro-Forma	
AUD million	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Sales revenue	1,263.2	1,007.1					**1,263.2**	1,007.1
Reported EBIT[1]	57.1	43.5					**57.1**	43.5
EBIT margin (%)	4.5	4.3					**4.5**	4.3
Average Funds Employed	263.8	203.1					**263.8**	203.1
EBIT[1]/AFE (%)	21.6	21.4					**21.6**	21.4

CASH FLOW	As reported		One-off items		Pro-Forma adjustments		Pro-Forma	
AUD million	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
EBITDA[2]	67.5	51.3					**67.5**	51.3
Non-cash items	1.9	1.4					**1.9**	1.4
Movement in total working capital	(9.8)	(5.9)					**(9.8)**	(5.9)
Net capital expenditure	(13.9)	(8.5)					**(13.9)**	(8.5)
Operating Cash Flow	45.7	38.3	-	-	-	-	**45.7**	38.3
Cash significant items	-	-					**-**	-
Operating Free Cash Flow	45.7 [3]	38.3 [3]	-	-	-	-	**45.7**	38.3

(1) Earnings before interest, related income tax expense and significant items

(2) Earnings before depreciation, amortisation, interest, related income tax expense and significant items

(3) As reported in the Segment Note contained within the Financial Statements (refer note 3.1.1)

Consolidated Income Statement for the year ended 30 June 2014

Year ended 30 June 2014 AUD million	As reported[1]	One-Off items[2]	Pro Forma Adjustments[3]	Pro Forma
Sales revenue	3,176.1			**3,176.1**
Earnings before depreciation, amortisation, interest, related income tax expense and significant items	299.3		(8.5)	**290.8**
Depreciation and amortisation	(109.2)		10.5	**(98.7)**
Earnings before interest, related income tax expense and significant items	190.1	-	2.0	**192.1**
Significant items before tax	(251.4)	251.4		-
Earnings before interest and related income tax expense	(61.3)	251.4	2.0	**192.1**
Net financing costs	(38.1)		(3.2)	**(41.3)**
Income tax (expense)/benefit	23.8	(69.8)	(0.4)	**(46.4)**
Profit for the financial period from continuing operations	(75.6)	181.6	(1.6)	**104.4**

Consolidated Income Statement for the year ended 30 June 2013

Year ended 30 June 2013 AUD million	As reported[1]	One-Off items[2]	Pro Forma Adjustments[3]	Pro Forma
Sales revenue	2,942.8			**2,942.8**
Earnings before depreciation, amortisation, interest, related income tax expense and significant items	264.6	(2.0)	(17.0)	**245.6**
Depreciation and amortisation	(118.4)		21.0	**(97.4)**
Earnings before interest, related income tax expense and significant items	146.2	(2.0)	4.0	**148.2**
Significant items before tax	(114.4)	114.4		-
Earnings before interest and related income tax expense	31.8	112.4	4.0	**148.2**
Net financing costs	(44.5)		0.5	**(44.0)**
Income tax expense	20.6	(39.1)	(13.6)	**(32.1)**
Profit for the financial period from continuing operations	7.8	73.3	(9.0)	**72.1**

(1) As reported per the Segment Note in the Financial Statements (refer note 3.1.1), with exception of net financing costs and income tax expense which is not included in the Segment Note

(2) One-off adjustments include Significant items and other material items adjusted for in FY 2013 in the Demerger Scheme Book

(3) Proforma adjustments to earnings include a reduction in the depreciation charge of $21.0 million and an increase in corporate costs of $17 million from accounting for the asset impairment and the additional standalone costs from 1 July 2012, respectively. Pro forma adjustment to financing costs for FY13 and H1 FY14 is based on the effective funding cost applied in the Demerger Scheme Book (H2 FY14 financing costs is actual). Pro forma tax expense for FY13 and H1 FY14 has been calculated using an effective tax rate of 30.8%, which is based on a blended tax rate for the Orora business' and was the rate used in the Demerger Scheme Book (H2 FY14 tax expense is actual)

Consolidated Cash Flow for the year ended 30 June 2014

Year ended 30 June 2014 AUD million	As reported	One-Off Adjustments[2]	Pro Forma Adjustments[2]	Pro-Forma
Earnings before depreciation, amortisation, interest, related income tax expense and significant items	299.3		(8.5)	**290.8**
Non-cash items	19.5			**19.5**
Movement in total w orking capital	(16.2)	11.5		**(4.7)**
Net capital expenditure	(81.5)			**(81.5)**
Underlying Operating Cash Flow from continuing operations	221.1	11.5	(8.5)	**224.1**
Cash significant items	(70.9)	13.6		**(57.3)**
Operating Free Cash Flow from continuing operations	150.2 [1]	25.1	(8.5)	**166.8**

Consolidated Cash Flow for the year ended 30 June 2013

Year ended 30 June 2013 AUD million	As reported	One-Off Adjustments[2]	Pro Forma Adjustments[3]	Pro-Forma
Profit before depreciation, amortisation, interest, related income tax expense and significant items	264.6	(2.0)	(17.0)	**245.6**
Non-cash items	(27.0)	41.0		**14.0**
Movement in total w orking capital	(49.2)	12.0		**(37.2)**
Net capital expenditure	6.5	(60.0)		**(53.5)**
Underlying Operating Cash Flow from continuing operations	194.9	(9.0)	(17.0)	**168.9**
Cash significant items	(55.6)			**(55.6)**
Operating Free Cash Flow from continuing operations	139.3 [1]	(9.0)	(17.0)	**113.3**

[1] As reported per the Segment Note in the Financial Statements (refer note 3.1.1)

[2] FY 2013 cash flow equal to Page 50 of the Demerger Scheme Book with the two differences being a) defined benefit pension top ups have been excluded as they are deemed non-recurring in nature following the move to an accumulation fund, b) the Petrie Cartonboard mill has been included. FY14 total working capital cash flows are adjusted to exclude the defined benefit pension top up consistent with FY13 and cash significant items to exclude a demerger related payment

[3] Pro forma adjustments include additional standalone costs from 1 July 2012

Consolidated Balance Sheet as at 30 June 2013

As at 30 June 2013 AUD million	Financial Report	Internal restructure [1]	Pro Forma Adjustments[2]	Pro-Forma
Cash	14.9	10.6	-	**25.4**
Other current assets	568.7	240.1	-	**808.8**
Property, plant and equipment	1,625.8	104.1	(195.7)	**1,534.2**
Intangible assets	138.5	109.3	(13.3)	**234.5**
Investments and other assets	82.9	35.2	-	**118.1**
Total assets	**2,430.8**	**499.3**	(209.0)	**2,721.1**
Interest-bearing liabilities	767.8	(46.8)		**721.0**
Payables and provisions	578.7	202.1	(63.0)	**717.8**
Total equity	1,084.3	344.0	(146.0)	**1,282.3**
Total liabilities and equity	**2,430.8**	**499.3**	(209.0)	**2,721.1**

[1] Internal restructuring steps undertaken before the demerger, including the disposal and the drawdown of external borrowing and settlement of intercompany loans with Amcor. Additionally, deferred tax assets and deferred tax liabilities have been offset. This offset was not done in the Scheme book. In the Scheme Book the assets and liabilities of the Petrie Cartonboard mill were excluded, for comparison purposes the 2013 Pro forma balance sheet includes those assets and liabilities

[2] The pro forma adjustment accounts for the asset impairment from 1 July 2012 and amends the Scheme Book presentation to reflect the actual allocation between PP&E and Intangibles