

NEWS RELEASE

Orora announces results for the half-year ended 31 December 2014

24 February 2015

Highlights*

- Net profit after tax (NPAT) up 23% to \$69.1 million
- Earnings per share (EPS) up 23% to 5.7 cents
- Sales revenue up 3.4% to \$1.7 billion
- Earnings before interest and tax (EBIT) up 14.6% to \$118.4 million
- Operating cash flow was \$117.6 million, up from \$108.5 million
- Final ordinary dividend (unfranked) of 3.5 cents per share, up 16.7% - representing a payout ratio of 61.4%
- Net debt \$645 million, down from \$694 million at 31 December 2013
- Leverage was 2.1 times net debt to EBITDA, down from 2.4 times at 31 December 2013 and interest cover was 7.9x, up from 6.3x.

Orora Group Limited (ASX:ORA) today announced a strong result for the half-year ended 31 December 2014. Commenting on the Group's performance, Orora's Managing Director and CEO, Mr Nigel Garrard, said "Operationally we have delivered strong EBIT growth of approximately 15% by increasing sales revenue, driving manufacturing efficiencies and continuing to successfully deliver on our business improvement programs in relatively subdued market conditions."

"We have continued to focus on financial discipline and have successfully converted the earnings growth into cash which further strengthened our balance sheet, lowered our debt servicing costs and enabled the Group to deliver a 23% increase in NPAT and EPS."

"An interim dividend of 3.5 cents per share has been declared, which is up 16.7% on the 3.0 cents per share declared in the prior half. This represents a payout ratio of approximately 61%".

Operational performance

Orora Australasia delivered a 10.7% increase in EBIT to A\$101 million in flat market conditions. Underlying volume growth was 2.1% which is in line with GDP.

The Beverage business delivered increased earnings driven by market share gains in the wine segment and improved manufacturing efficiencies. Beverage Can volumes were in line with the prior period while underlying Glass volumes were marginally down.

The Fibre Group reported higher earnings, largely driven by the benefits of cost-improvement initiatives and the ongoing ramp-up of the B9 recycled paper mill ("B9"). Incremental cost reduction

and innovation benefits of \$9.1 million were delivered at B9 in the period and the mill produced 185,000 tonnes of recycled paper, a 10% increase over the 167,000 tonnes produced in the first half last year. The improved strength, quality and printability characteristics of B9 paper continue to be well received by customers. During the period, 19,000 tonnes of B9 paper were exported to Orora North America (nil in same period last year).

On a constant currency basis, Orora North America ("ONA") delivered a 16.3% increase in EBIT to USD29.9 million, on the back of a 5.2% increase in revenue and improved cost efficiency. Landsberg Packaging Solutions increased sales by 7% and successfully continued its transition towards being a provider of customised packaging solutions rather than a distributor of commodity product. The Manufacturing division delivered higher earnings through productivity gains and strong cost control despite a slight decline in sales revenues.

Innovation and growth

"Greater focus on being customer led and driving innovation will continue to underpin our future growth," said Mr Garrard.

"As an example, Orora is proposing to invest approximately \$20 million in a state of the art dairy sack line to service growing global demand. If this investment proceeds, it is expected to be in production in the second half of calendar 2016. "

"There are several key projects underway which are all on target, including; the rebuild of our first glass furnace at Gawler in South Australia at a cost of approximately \$30 million, the transition to a full import aluminium sourcing model for beverage cans in Australasia, ONA's development of the new enterprise resource planning system and the integration of its acquisition completed in July last year."

"In conjunction with pursuing organic and market share growth, we continue to actively pursue acquisition opportunities in our preferred markets to enhance our geographic footprint, extend our value proposition and achieve greater economies of scale."

Outlook

"It is expected the Group will continue to drive organic growth and deliver on the cost-reduction initiatives in FY15, with earnings to be higher than that reported on a pro forma basis in 2014, subject to global economic conditions," said Mr Garrard.

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* All amounts in Australian dollars (AUD) unless expressly stated otherwise. Comparative financial information for the six month period ended 31 December 2013 has been presented on a pro forma basis, providing the most relevant view of the performance of the Orora Group as it is currently structured, prior to the demerger from Amcor effective 17 December 2013. For more information, please refer to the Investor Results Release lodged with the Australian Securities Exchange or available at www.ororagroup.com.