INVESTOR RESULTS RELEASE

Orora announces results for the half year ended 31 December 2015

FINANCIAL HIGHLIGHTS

- Net profit after tax (NPAT) was $87.9M, up 27.2% on the prior corresponding period (pcp);
- Excluding NPAT on Petrie land sale of $5.9M, underlying NPAT was up 18.7% on pcp;
- Earnings per share (EPS) was 7.3 cents, up 28.1% on pcp;
- Sales revenue was up 13.9% to $1.9B;
- Reported EBIT up 22.7% to $145.3M. Excluding EBIT on Petrie sale of $8.4M, underlying EBIT up 15.6%;
- Operating cash flow was $146.1M, up from $117.6M in pcp; Cash conversion was 72% up from 66% in pcp and in excess of 70% target;
- Interim ordinary dividend is 4.5 cents per share (cps) – 30.0% franked and 70% sourced from the conduit foreign income account. Dividend is up 28.6% on pcp and represents a payout ratio of 61.6%. The ex-dividend date will be 29 February 2016, the record date will be 2 March 2016 and the payment date 6 April 2016;
- Net debt at 31 December 2015 was $593M, down from $645M at pcp. Net Debt at 30 June 2015 was $607M. Adverse FX impact on net debt at December was $11.8M.
- Leverage was 1.7 times, down from 2.1 times at pcp. Leverage at June 2015 was 1.9 times;
- RoAFE was 13.0%, up from 11.2% at pcp reflecting delivery of increased earnings and solid balance sheet management;
- Foreign exchange translation sensitivity on EBIT and NPAT to a 1 cent move in the AUD/USD on an annualised basis is approximately $1.2M and $0.8M respectively.

(A$ mil)	1H15	1H16	Change %
Sales Revenue	1,666.6	1,898.5	13.9%
EBITDA[1]	166.7	197.7	18.6%
EBIT	118.4	145.3	22.7%
NPAT	69.1	87.9	27.2%
EPS (cents)[2]	5.7	7.3	28.1%
Return on Sales[3]	7.1%	7.7%	
Operating Cash Flow[4]	117.6	146.1	24.2%
Cash Conversion[5]	66%	72%	
Dividend per share (cents)	3.5	4.5	28.6%
Net Debt	645	593	
Leverage[6]	2.1x	1.7x	
Gearing	31%	29%	
RoAFE[7]	11.2%	13.0%	

BUSINESS HIGHLIGHTS

- Australasia EBIT up 4.5% to $105.5M
  - Fibre earnings were higher than pcp driven by cost reduction and innovation benefits from the B9 Recycled Paper Mill ("B9") and improved sales in Fibre Packaging;
  - B9 delivered incremental cost reduction and innovation benefits of $5.4M over pcp;
  - Beverage sales and earnings were in line with pcp. Improved operating cost control across the Business Group was offset by the impact of higher gas costs at Glass;
- North American EBIT up 36.9% to $46.0M. In constant currency, EBIT is up 11.0% to US$33.2M
  - Landsberg Packaging Solutions delivered improved EBIT through organic sales growth, market share gains, a continued strategic emphasis on securing larger corporate accounts and an ongoing focus on procurement & cost efficiency;
  - Integration of the World Wide Plastics acquisition, completed in July 2014, is progressing well with hurdle rates expected to be met in FY16. The integration of the Jakait acquisition, effective from 1 September 2015, is on track;
  - The Manufacturing division generated higher sales and earnings despite ongoing margin pressures;
  - FX translation benefit on US dollar denominated earnings was $7.8M on pcp.
- Economic conditions in Australia and New Zealand remain flat while the macro environment in the US is subdued albeit with a slightly positive bias.

OUTLOOK

- Orora expects to continue to drive organic growth, deliver on the B9 'self help' initiatives and invest in innovation and growth during the remainder of FY16, with earnings expected to be higher than reported in 2015, subject to global economic conditions.

CONFERENCE CALL

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

This report includes certain non-IFRS financial information operating cash flow, average funds employed, EBIT and EBITDA. 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 and tax.

The following notes apply to the entire document.

[1] Earnings before interest, tax, depreciation and amortisation
[2] Calculated as NPAT / weighted average ordinary shares (net of Treasury Shares)
[3] Calculated as EBIT / Sales
[4] Excludes cash significant items that are considered to be outside the ordinary course of operations and non-recurring in nature and includes Capital Expenditure net of sale proceeds.
[5] Calculated as underlying operating cash flow / cash EBITDA
[6] Calculated as Net Debt / trailing 12 month EBITDA
[7] Calculated as EBIT / average funds employed. 1H16 EBIT excludes gain on sale of Petrie land

CORPORATE UPDATE

- The proprietary Orora Way operating model, launched in July 2014, continues to drive competitive advantage through a customer led culture of outperformance. As part of entrenching this framework and with funding aided by the disposal of the Petrie land, the Orora Global Innovation Initiative was established in July 2015. The strategy is to invest approximately $45.0M over 3 years on innovation, modernisation and productivity. During the six months since inception, the Orora Global Innovation Initiative has committed approximately $12.0M to projects focused on delivering new innovative customer led product solutions (40% of spend) and enhancing productivity (60% of spend).

REVENUE

- Sales revenue of $1,898.5M was up 13.9% on pcp, driven by:
    - Higher sales in North America – from increased sales to existing customers, market share gains and benefits from the 1 September 2015 acquisition of Jakait;
    - Increased sales in Fibre Packaging from improved volumes across most major segments net of the transition to the "go direct" channel to market in fruit and produce; and
    - FX benefit on US dollar denominated North America sales ($158.2M on pcp).
- Revenue gains were partially offset by:
    - Exit of export sales of surplus Old Corrugated Cardboard (OCC) from ongoing OCC collection footprint rationalisation;
    - Pass through of lower aluminium prices within Beverage Cans; and
    - Tighter margins in the North American Manufacturing business.
- Taking into account several of the above factors, underlying sales in Australasia increased by 1.8%.
- Constant currency sales in North America grew by 7.5%.

Revenue Summary (A$ mil)	1H15	1H16	Change %
Australasia	982.1	992.8	1.1%
North America	684.5	905.7	32.3%
Total sales revenue	**1,666.6**	**1,898.5**	**13.9%**

Earnings Summary (EBIT) (A$ mil)	1H15	1H16	Change %
Australasia	101.0	105.5	4.5%
North America	33.6	46.0	36.9%
Underlying Corporate	(16.2)	(14.6)	9.9%
Underlying EBIT	**118.4**	**136.9**	**15.6%**
Petrie Land Sale	0.0	8.4	N/A
Reported EBIT	**118.4**	**145.3**	**22.7%**

EARNINGS BEFORE INTEREST AND TAX

- EBIT increased by 22.7% to $145.3M. Excluding Petrie, underlying EBIT increased by 15.6% to $136.9M. Improved underlying earnings attributable to:
    - Delivery of incremental cost reduction and innovation benefits in B9 and Fibre;
    - Increased manufacturing efficiencies and sound operating cost control across the Beverage division;
    - Increased sales and benefits from procurement and cost efficiency within the North American business;
    - Benefits from the North American acquisition of Jakait (effective 1 September 2015); and
    - Translational FX benefit from US dollar denominated earnings ($7.8M on pcp).
- Earnings gains were partially offset by:
    - Higher gas costs within the Glass division;
    - Higher depreciation within the Glass division following the rebuild of the G1 glass furnace in 2H15;
    - Timing impact from the transition to the "go direct" channel in the fruit and produce sector in Fibre Australia; and
    - Tighter margins in the North American Manufacturing business.

(A$ mil)	Net "self-help" target	Cumulative "self-help" achieved in FY15	Incremental "self-help" target FY16
B9 Recycled Paper Mill	42.5	21.4	15.0

COST REDUCTION UPDATE

- Delivered $5.4M of incremental cost reduction and innovation benefits from the B9 Recycled Paper Mill in 1H16 (compared with 1H15).
- Incremental B9 benefits reflect $4.4M from cost reduction and $1.0M from innovation/sales synergy benefits.
- The B9 EBIT benefit program remains on track. Reiterate guidance, that approximately $15.0M of incremental B9 EBIT benefits are expected to be delivered in FY16, with the remainder of approximately $6.0m expected in FY17.

BALANCE SHEET

- Key balance sheet movements since June 2015 were:
  - Increase in other current assets is mainly a result of an increase in capital receivables relating to the sale of land at Petrie (QLD), seasonal stock build in the Fibre Packaging division ahead of the New Zealand kiwi fruit season, foreign exchange translation effect on North American receivables and inventories and the impact of the recent North American acquisition of Jakait. This was offset by lower inventory in most Australasian divisions and normalisation of raw material aluminium stock holdings post inventory build conducted in the prior year to support the transition to an import sourcing model;
  - Net property, plant and equipment (PP&E) was lower with the sale of land at Petrie (QLD) largely offsetting the foreign exchange translation impact on Orora North America PP&E and additions relating to the Jakait acquisition. Capex for 1H16 included spend on the following major items: plant and equipment for the new dairy sack line at Keon Park (Victoria), corrugated converting equipment upgrades, beverage can manufacturing equipment improvements, construction of the new Auckland Cartons site and initial deposits for projects approved under the Orora Global Innovation Initiative, including the Glass business's investment in a label sleever. Depreciation and amortisation for the period was $52.4M;
  - Increase in intangible assets reflects movement within the North American business associated with the foreign exchange translation effect on intangible assets, goodwill relating to the Jakait acquisition and costs associated with the ONA ERP system;
  - Net debt decreased by $13.8M during the period as a result of converting increased earnings into cash and the receipt of initial proceeds from the sale of Petrie land. This is despite the adverse foreign exchange translation impact on USD denominated net debt of $11.8M. On a constant currency basis, net debt would have been $25.8M lower than June 2015; and
  - Increase in payables reflect higher creditors mainly as a result of improved trading terms with vendors, impact of the Jakait acquisition in September 2015 and the foreign exchange translation effect of North American payables. An increase in provisions was attributable to the establishment of a provision for decommissioning costs following the sale of land at Petrie.

Balance Sheet (A$ mil)	**30/06/15**	**31/12/15**	**Change %**
Cash	67	32	(52.2%)
Other Current Assets	931	978	5.0%
Property, Plant & Equipment	1,547	1,536	(0.7%)
Intangible Assets	288	315	9.4%
Investments & Other Assets	104	105	1.0%
Total Assets	**2,937**	**2,966**	**1.0%**
Interest-bearing Liabilities	674	625	(7.3%)
Payables & Provisions	821	868	5.7%
Total Equity	1,442	1,473	2.1%
Total Liabilities & Equity	**2,937**	**2,966**	**1.0%**
Net Debt	607	593	
Leverage	1.9x	1.7x	
Gearing	30%	29%	

Cash Flow (A$ mil)	**1H15**	**1H16**	**Change %**
EBITDA	166.7	197.7	18.6%
Non-cash Items	11.0	5.7	
Movement in Total Working Capital	(21.6)	(43.5)	
Net Capex	(38.5)	(13.8)	
Operating Cash Flow	**117.6**	**146.1**	**24.2%**
Cash Significant Items	(10.8)	(1.5)	
Operating Free Cash Flow	**106.8**	**144.6**	
Cash Conversion	*66%*	*72%*	

CASH FLOW

- Earnings growth was successfully converted into cash with operating cash flow increasing by $28.5M to $146.1M. Cash conversion increased to 72% (66% in pcp) which is slightly ahead of management's indicated cash conversion target of 70%.
- Main movements included:
  - Increase in EBITDA of $31.0M;
  - Sound underlying management of working capital across the Group. Increased cash outflow mainly reflects the one off timing impact from the transition to an import sourcing model for aluminium. This is expected to be neutralised by June 2016;
  - Gross capex totalled $34.1M and included expenditure on the new ERP system in North America;
  - Net capex of $13.8M includes the initial proceeds from the sale of Petrie of $20.0M;
  - Net capex in FY16, including initial investments under the Orora Innovation Initiative and the proceeds from the sale of Petrie, is expected to be in line with the medium term average of 80-90% of depreciation;
  - Cash significant items in 1H16 relate to spend on onerous recycling contracts. There is approximately $4.5M of spend remaining on the onerous recycling contracts, which are expected to run down over the next 2-3 years.

WORKING CAPITAL

- Average total working capital to sales decreased to 9.5% (versus 10.7% in pcp) due to improved working capital management across the Group. Glass inventory is at a lower than normal level as inventories are being rebuilt post the G1 glass furnace rebuild completed late in FY15. The management target for average total working capital to sales is less than 10.0% in the medium term.
- Working capital management remains an on-going focus across the Group.

CORPORATE

- Corporate costs of $6.2M include an $8.4M gain from the sale of surplus land in Petrie (QLD) and costs associated with both the new dairy sack line and New Zealand Cartons reorganisation.
- Underlying Corporate costs of $14.6M were slightly lower than pcp ($16.2M). Full year underlying Corporate costs are expected to be in line with FY15.
- The Petrie site was sold for $50.5M. Consideration of $20.0M was received during 1H16. The balance of the proceeds will be received as decommissioning of the site progresses over the next two years.

AUSTRALASIA

(A$ mil)	1H15	1H16	Change %
Sales Revenue	982.1	992.8	1.1%
EBIT	101.0	105.5	4.5%
EBIT Margin %	10.3%	10.6%	
RoAFE	11.2%	12.2%	

Segment Cash Flow (A$ mil)	1H15	1H16	Change %
EBITDA	140.9	147.8	4.9%
Non Cash Items	12.5	10.8	
Movement in Total Working Capital	(9.1)	(24.1)	
Net Capex	(39.8)	(23.4)	
Operating Cash Flow	**104.5**	**111.1**	**6.3%**
Cash Significant Items	(7.7)	(1.2)	
Operating Free Cash Flow	**96.8**	**109.9**	
Cash Conversion	68%	70%	

KEY POINTS

- Overall, Australasia delivered an increased EBIT of $4.5M to $105.5M, 4.5% higher than pcp.
- RoAFE improved by 100 bps to 12.2%, up from 11.2% in pcp.
- Economic conditions in Australia were flat and are expected to remain so. In general, organic growth remains muted and broadly in line with GDP.

FIBRE BUSINESS GROUP

- Fibre earnings were higher than pcp driven by cost reduction and innovation benefits from the B9 Recycled Paper Mill and improved sales in Fibre Packaging.

Fibre Packaging:

- Sales in Australia were higher than pcp driven by steady organic growth and increased share in selected segments. New business won in the "go direct" channel in the fruit and produce sector partially offset lost revenues from the terminated distribution agreement (May 2015). The "go direct" channel transition is on track.
- The business has continued to expand and refine its "go direct" channel to market. In addition to approving the establishment of new depots in Bundaberg, Innisfail and Mareeba in Queensland during October 2015, Orora entered a strategic partnership with Australia's largest refrigerated transport company, AHG Refrigerated Logistics. Orora Fibre Packaging's provision of corrugated cartons is now complemented by AHG's refrigerated logistics service offering, thereby providing fruit and produce customers with an end-to-end packaging solution.
- Sales in New Zealand were higher than pcp driven by stronger volumes in the agriculture sector. During the period, the business enhanced its customer value proposition through successfully commissioning Orora's second high quality printer (based in Auckland).
- Cost improvement and sales margin initiatives contributed to better margins.

Packaging and Distribution:

- Improved sales in the dairy and quick service restaurant sectors were offset by softness in the grocery and industrial segments. Earnings were slightly higher than pcp.

Botany Recycled Paper Mill (B9):

- Production ramp up remains on track.
- While B9 continued to encounter typical ramp up issues, in order to address many of the root causes, management extended the planned September 2015 shut by 3 days (to a total of 5 days). Since the restart, production stability has progressively improved with production of 95,000 tonnes in the December 2015 quarter.
- B9 exited 1H16 on a quarterly production run rate averaging 95.0% of designed output capacity (93.5% in pcp).
- During the six months to 31 December 2015, 181,000 tonnes of recycled paper were produced (185,000 tonnes in pcp), with the extended September maintenance shut affecting volumes. The period on period shortfall was made up in January 2016.
- B9 exported 29,000 tonnes of recycled paper to Orora North America & US based customers during 1H16 (20,000 in pcp).

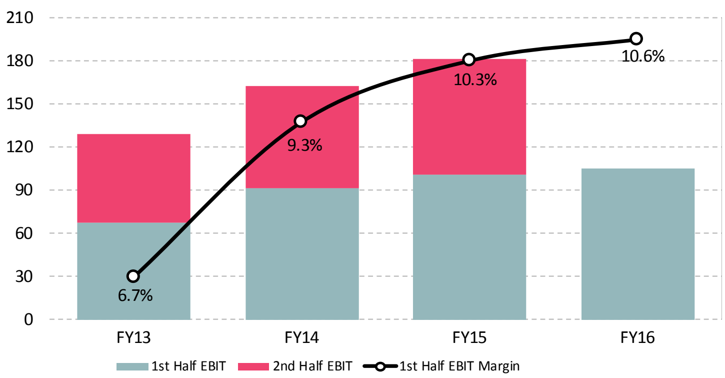
BEVERAGE BUSINESS GROUP

- Beverage sales and earnings were in line with pcp. Improved operating cost control across the Business Group was partially offset by the impact of higher gas costs at Glass.

Beverage Cans:

- Volumes were stable whilst earnings were higher driven by improved operating cost control and manufacturing efficiencies.

EBIT Trend
AUD Million



Glass:

- Volumes were generally stable with the prior year, whilst improved manufacturing efficiency and solid operating cost control were offset by higher gas costs and increased depreciation from the G1 rebuild in 2H15.
- The Glass business is seeing increased future demand from the impact of a lower Australian dollar on wine customer volumes, both from export demand and repatriation of offshore bottling.
- With the furnaces already in an oversold position and Orora importing bottles to meet demand, management is in the final phase of assessing investment options to increase the bottle forming capacity for the G1 and G2 glass furnaces.
- On 1 January 2015, the Glass business commenced paying higher gas prices following the expiry of the legacy long term supply agreement. The impact on EBIT in 1H16 was approximately $2.0M, which is net of any costs passed through to customers.
- Imported soda ash prices are rising due to both commodity and FX. The expected adverse impact in FY16 will be approximately $3.0M, despite pass through mechanisms taking effect.

AUSTRALASIA (continued)

INNOVATION & GROWTH

- Construction of the new state of the art dairy sack line at the existing Keon Park (Victoria) facility is ahead of schedule. The $20.0M investment is expected to be commissioned in early FY17.
- The Australasian business has been active in submitting proposals to the Orora Global Innovation Initiative. Projects totalling approximately $11.0M have already been approved. These are designed to enhance innovation, modernisation and productivity.
- Orora was named in the 2015 BRW Most Innovative Companies – the second consecutive year that Orora has been credited among the 50 most innovative companies in Australia. In recognition of Orora's customer focused culture of innovation, it was also awarded "Best Process Innovation" for the value adding technology developed to enable cost-effective randomised printing of beverage cans to support consumer promotions.

PERSPECTIVES FOR 2016

- Reiterate guidance that as part of assisting the delivery of the remaining B9 cost reduction benefits and in line with ramp up expectations, it is anticipated B9 will exit FY16 on a quarterly production run rate approaching designed output capacity of 400,000 tonnes.
- Reiterate guidance that export of B9 paper to North America is expected to increase to approximately 70,000 tonnes in FY16.
- From January 2016, B9 commenced paying higher gas prices due to the expiry of the legacy long term supply agreement. Expected 2H16 EBIT impact is approximately $2.0M-$3.0M.
- South Australian electricity prices have increased as a consequence of higher local gas prices. Orora's South Australian electricity contract expired on 31 December 2015. Despite pass through mechanisms for approximately 50% of customer volume, the adverse impact in 2H16 is expected to be $1.0M-$2.0M.
- The Packaging and Distribution division's reorganisation of its New Zealand Cartons operations is on track. This involves the consolidation of 3 existing NZ sites into 2, with the Wellington site to be closed and production capability at the remaining NZ sites to be upgraded. The business currently serviced from Wellington will be transferred to the remaining NZ sites and Orora's Australian Cartons business. This project is expected to be completed in calendar year 2016.

NORTH AMERICA

KEY POINTS - REVENUES

- The North America business had a strong six months with sales up 7.5% on a constant currency basis despite ongoing subdued underlying economic and market conditions.
- Landsberg Packaging Solutions increased revenue by 6.6% through continued higher sales to existing customers, winning further market share and the benefit of the acquisition of Jakait, effective from 1 September 2015.
- Higher revenue was driven by an ongoing focus on securing corporate accounts within the targeted markets of food, pharmaceutical/health, IT and auto and by continued commission-only sales growth.
- To further enhance the ongoing evolution to a "Total Packaging Solutions Supplier", the business acquired a small Californian based supplier of flexible packaging. The acquisition augments Orora North America's customer value proposition through providing sourcing lines for flexible packaging from Asia.
- Two new distribution sites in Orlando (Florida) and Charlotte (North Carolina) have been secured and will be operational in Q3 FY16.
- Integration of the 1 September 2015 acquisition of Jakait, a supplier of packaging, logistics services and label products to the greenhouse produce sector based in Ontario (Canada), is on track.
- Integration of the July 2014 acquisition of World Wide Plastics remains ahead of schedule to deliver 20% ROAFE in FY16, a full year ahead of return criteria.
- The Manufacturing division increased earnings through higher volumes, improved manufacturing efficiency and solid operating cost control, despite continued margin pressure.
- The North American business imported 25,000 tonnes of B9 paper (19,000 tonnes in pcp) which enables the business to market an integrated fibre offering.
- FX benefit on North America sales was $158.2M.

EBIT, RETURNS and CASH FLOW

- EBIT margin improved to 5.1% (versus 4.9% pcp) reflecting efficiency benefits, sound overall operating cost control and ongoing procurement improvements.
- Reported earnings were up 36.9% with FX translation benefits of $7.8M over pcp.
- On a constant currency basis, earnings for the year were up 11.0% on pcp at US$33.2M.
- RoAFE grew 210 bps to 24.4% due to higher earnings and improving balance sheet management.
- Earnings growth and sound working capital management drove operating cash flow up 71.7% to $24.9M, with cash conversion improving to 46% (37% in pcp) despite higher capex led by expenditure on the new ERP system.
- Having uncovered some issues during testing of the technical and practical elements of the new ERP system, the implementation was delayed approximately 6 months. Roll out of the new system successfully commenced at 5 sites in January 2016. Overall capital costs for the project are currently estimated to be approximately US$5.0M higher than original estimates. Total cumulative spend to date is approximately US$16.0M.

PERSPECTIVES FOR 2016

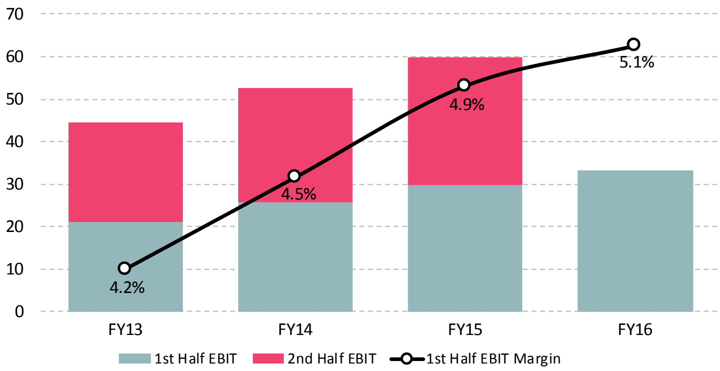
- Ongoing roll out and integration of the new ERP system. Remaining capital to be spent in FY16 and FY17.

(A$ mil)	1H15	1H16	Change %
Sales Revenue	684.5	905.7	32.3%
EBIT	33.6	46.0	36.9%
EBIT Margin %	4.9%	5.1%	
RoAFE	22.3%	24.4%	

(US$ mil)	1H15	1H16	Change %
Sales Revenue	608.9	654.5	7.5%
EBIT	29.9	33.2	11.0%

Segment Cash Flow (A$ mil)	1H15	1H16	Change %
EBITDA	39.4	53.6	36.0%
Non-cash Items	0.2	0.3	
Movement in Total Working Capital	(19.2)	(18.7)	
Net Capex	(5.9)	(10.3)	
Operating Free Cash Flow	**14.5**	**24.9**	**71.7%**
Cash Conversion	*37%*	*46%*	

EBIT Trend
USD Million



GROWTH AGENDA

- Whilst the bias is slightly positive, the business is yet to witness any tangible improvement in economic conditions within the region.
- The focus remains on securing large corporate accounts and increasing share of wallet with current customers. This growth will be driven organically through leveraging the national footprint, extensive product breadth and customised packaging solution value proposition.
- The business will continue to seek to capitalise on the benefits of an integrated fibre operation through selling the enhanced performance characteristics of B9 paper.
- A pipeline of acquisition targets within the preferred market segments is being actively managed. These will either complement/extend the geographic footprint and/or enhance the business's customised product capability.
- Thus far, projects of approximately US$1.0M have been approved under the Orora Global Innovation Initiative.
- The business has also committed to an investment in a B2C offering to which Landsberg Packaging Solutions is already supplying packaging and fulfilment services. The innovative online business provides chilled fresh food to the customer's home.