

25 February 2016

Orora announces \$42M investment to increase glass bottle capacity

Orora Limited (ASX:ORA) announces it has committed to invest \$42 million in additional glass bottle forming lines at its Gawler, South Australia, glass plant. In addition, Orora is assessing a potential investment of a further \$10 - \$15 million in an automated warehouse at Gawler to optimise the existing warehousing and supply chain infrastructure.

Orora's Glass business is experiencing increased demand within the wine segment driven by the repatriation of wine currently bottled offshore for bottling in Australia, and the positive impact of the lower Australian dollar on customer volumes (both domestically and export).

"The Glass business is already in an oversold position, and this investment will further enhance Orora's ability to service the increased demand from customers" said Nigel Garrard, Orora's Managing Director and CEO.

"We were very pleased to receive financial and investment assistance from the South Australian Government, who have worked pro-actively with us as we have assessed this investment opportunity", Mr Garrard added.

The increase in output will be approximately 60 million bottles per annum.

So as to maintain production, commissioning will be progressive and is expected to commence in the second half of calendar 2016, with completion expected in the first half of calendar 2017. In terms of cash flow, approximately 35% will be invested in FY16 with the balance in FY17. The financial benefits of the investment are being driven by import replacement and are expected to commence in early calendar 2017 with full benefits expected in FY18.

"This represents Orora's single largest capital investment and helps underpin the long term future of our business as well as delivering quality and supply benefits to our customers" said Mr Garrard.

"This investment further highlights Orora's promise to be an innovative and customer-led provider of total packaging solutions."

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Conference call - Orora is hosting a conference call for investors and analysts at 9:30am today. The audio cast will be available on the Orora website, www.ororagroup.com, within 24 hours.

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About Orora Limited

Orora Limited is a leader in innovative packaging solutions, employing 5,700 people across 124 sites in seven countries. Orora supplies a broad range of fibre, metal and glass packaging solutions, as well as packaging-related services including distribution and recycling. The team at Orora prides itself on innovation, working closely with its customers to deliver design and engineering services that ultimately improve the way people consume products in everyday life. Orora is headquartered in Melbourne, Australia and is listed on the Australian Securities Exchange. Please visit www.ororagroup.com