Orora Half Year Results

Half Year Ended 31 December 2015

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Important Information

Forward Looking Statements

This presentation contains forward-looking statements that involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to Orora. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “seeks”, “estimate”, “anticipate”, “believe”. “continue”, or similar words.

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- Changes in behaviour of Orora’s major customers;
- Changes in behaviour of Orora’s major competitors;
- The impact of foreign currency exchange rates; and
- General changes in the economic conditions of the major markets in which Orora operates.

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Non-IFRS information

Throughout this presentation, Orora has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Orora uses these measures to assess the performance of the business and believes that the information is useful to investors. All other non-IFRS information unless otherwise stated, have not been extracted from Orora’s financial statements.

Underlying Earnings – excludes profit on sale of land at Petrie, Queensland

Throughout this presentation, all references to ‘underlying earnings’ (‘underlying EBITDA’, ‘underlying EBIT’, ‘underlying NPAT’, ‘underlying EPS’) excludes the 1H16 profit on sale of land at Petrie, Queensland. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Please see Appendix 1 for a reconciliation between ‘reported earnings’ and ‘underlying earnings’.

Orora Business Highlights

Reported Earnings Summary

A$ Million	1H15	1H16	Δ%
Reported NPAT	69.1	87.9	**27.2**
Reported EPS (cents) [1]	5.7	7.3	**28.1**

Underlying Earnings Summary[2]

A$ Million	1H15	1H16	Δ%
Underlying NPAT[2]	69.1	82.0	**18.7**
Underlying EPS (cents)[1],[2]	5.7	6.8	**19.3**
Segment EBIT			
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[2]	**118.4**	**136.9**	**15.6**

Strong underlying EPS growth – up 19.3%

- Solid double digit EBIT growth despite subdued economic conditions in all regions
- B9 production ramp up on track and translating into earnings benefits – Australasian earnings up 4.5%
- North American constant currency earnings growth of 11.0%
- Conversion of EBIT growth into strong operating cash flow – up 24%
- Interim dividend of 4.5 cents per share (30% franked) – up 29%. Payout ratio approx. 62% of NPAT – in line with indicated payout range
- Leverage reduced to 1.7x, down from 1.9x at June 2015

Positioning Orora for future success

- Successful launch of the $45.0M Orora Global Innovation Initiative – approx. $12.0M committed during 1H16 to projects focused on enhancing productivity and delivering new innovative customer led product solutions
- Key business projects & integration of recent acquisitions remain on track

(1) Calculated as NPAT / weighted average ordinary shares (net of Treasury Shares)
(2) Refer slide 2. Excludes gain from sale of land at Petrie, Queensland (representing $8.4M EBIT and $5.9M NPAT). See Appendix 1 for reconciliation

Orora safety performance

	Jun 2014	Dec 2014	Jun 2015	Dec 2015
RCFR	6.6	6.2	5.9	6.6
LTIFR	1.8	2.3	1.9	1.4

Safety of our employees is essential – goal is zero harm

Safety improvement remains a priority – an ongoing journey

- Dissatisfied with the uptick in RCFR - subject area of focus for all Business Groups
- Pleasing reduction in LTIFR
  - Reflects focus on reducing incidents that represent the highest severity
  - Benefits of implementing corrective actions from root cause analysis of serious incidents and near misses
- Development of comprehensive risk profiles and mitigation plans for each site
- Focus on ensuring tools and processes reflect industry best standard

Note: Safety calculations based on a rolling 12 month performance

Half Year results

Half Year Underlying Financial Highlights

A$ million	1H15	1H16	Δ%
Sales	1,666.6	1,898.5	13.9
Underlying EBITDA(1)	166.7	189.3	13.6
Underlying EBIT(1)	118.4	136.9	15.6
Underlying NPAT(1)	69.1	82.0	18.7
Underlying EPS (cents) (1), (2)	5.7	6.8	19.3
ETR %	30.1	29.8	
Operating Cash Flow(3)	117.6	146.1	24.2
RoAFE (%) (1)	11.2	13.0	
Dividend (cents)	3.5	4.5	28.6

Solid performance in line with expectations

Increased sales and earnings growth

- Underlying sales growth in Australasia was 1.8%
- Constant currency sales growth in North America of 7.5%; Landsberg Packaging Solutions sales up 6.6%
- Increased earnings despite muted economic conditions in Australasia/North America and headwinds in Glass (gas costs) and Fibre Australia (transition to “go direct” channel in fruit & produce)
- Delivered incremental $5.4M of B9 recycled paper mill benefits – cost reduction and innovation benefits being realised
- Underlying EBIT grew 15.6%, underlying EPS up 19.3%
- Favourable FX impact – sales $158.2M, EBIT $7.8M
- Effective tax rate 29.8%
- Increased earnings and continued sound balance sheet management drove RoAFE up 180bps to 13.0%

Ongoing conversion of earnings growth into cash and increasing dividend

- Strong operating cash flow - up 24%
- Cash conversion 72%, in excess of 70% management target
- Interim dividend of 4.5 cents declared - up 29%. Payout ratio 62%, within indicated range

(1) Excludes gain from sale of land at Petrie, Queensland (representing $8.4M EBIT and $5.9M NPAT). See Appendix 1 for reconciliation
(2) Calculated as underlying NPAT / weighted average ordinary shares (net of Treasury Shares)
(3) Operating cash flow excludes significant items that are considered outside the ordinary course of operations and non-recurring in nature. Includes Net Capital Expenditure

Orora Australasia

Earnings Summary (EBIT)

A$ Million	1H15	1H16	Δ%
Sales Revenue	982.1	992.8	1.1[1]
EBIT	101.0	105.5	4.5[1]
EBIT Margin %	10.3	10.6	
Operating Cash Flow	104.5	111.1	6.3[1]
RoAFE %	11.2	12.2	

Operational efficiencies and B9 benefits driving higher earnings

Underlying sales growth of 1.8%[1] despite flat market conditions

- Positive Fibre volumes
  - Steady organic growth & increased market share in selected segments
  - New business won in the "go direct" channel in fruit & produce partially offset the impact from the terminated distribution agreement (May 2015)
  - Higher NZ sales driven by increased volumes to the agriculture sector
- Beverage volumes generally steady
  - Positive forward demand outlook for Glass driven by impact of lower AUD on wine customer export volumes & offshore bottling repatriation
  - Assessment of options to potentially increase glass bottle forming capacity is in final phase

Earnings up 4.5% - both Fibre and Beverage Business Groups contributing

- Manufacturing efficiency, cost reduction & B9 benefits offsetting previously disclosed headwinds in Glass (higher gas costs) & Fibre Packaging (timing of "go direct" channel transition in fruit & produce)
- Realised incremental $5.4M of cost reduction & innovation benefits from B9
- EBIT margin increased by 30 bps to 10.6% - efficiency & productivity continues to improve

Earnings growth being converted into strong cash flow and higher returns

- Strong operating cash flow despite one off working capital timing impact from the transition to an import sourcing model for aluminium – expected to neutralise by June 2016
- RoAFE increased 100 bps to 12.2% - driven by higher earnings with benefits from previous large scale investments materialising

(1) Underlying sales up 1.8% after adjusting for the impact of lower recycling sales due to the progressive exit of surplus tonnes and the pass through of lower aluminium prices.

Realisation of targeted B9 'self help' benefits remain a focus

	A$ Million
Net B9 'self help' target	42.5
Cumulative B9 'self help' achieved in FY15	21.4
Incremental B9 'self help' target FY16	**15.0**

Production ramp up on target - further B9 cost reduction and innovation/sales synergy benefits realised

B9 production ramp up remains on track

- Production stability progressively improved during the period following an extended planned maintenance shut – produced 95,000 tonnes in Dec '15 quarter
- Exited 1H16 on a quarterly production run rate averaging 95.0% of designed output capacity (93.5% in pcp)
- Produced 181,000 tonnes during the period (185,000 tonnes in pcp) - extended shut affecting volumes
- Good performance in Jan '16
- Exported 29,000 tonnes to North America (20,000 tonnes in pcp)

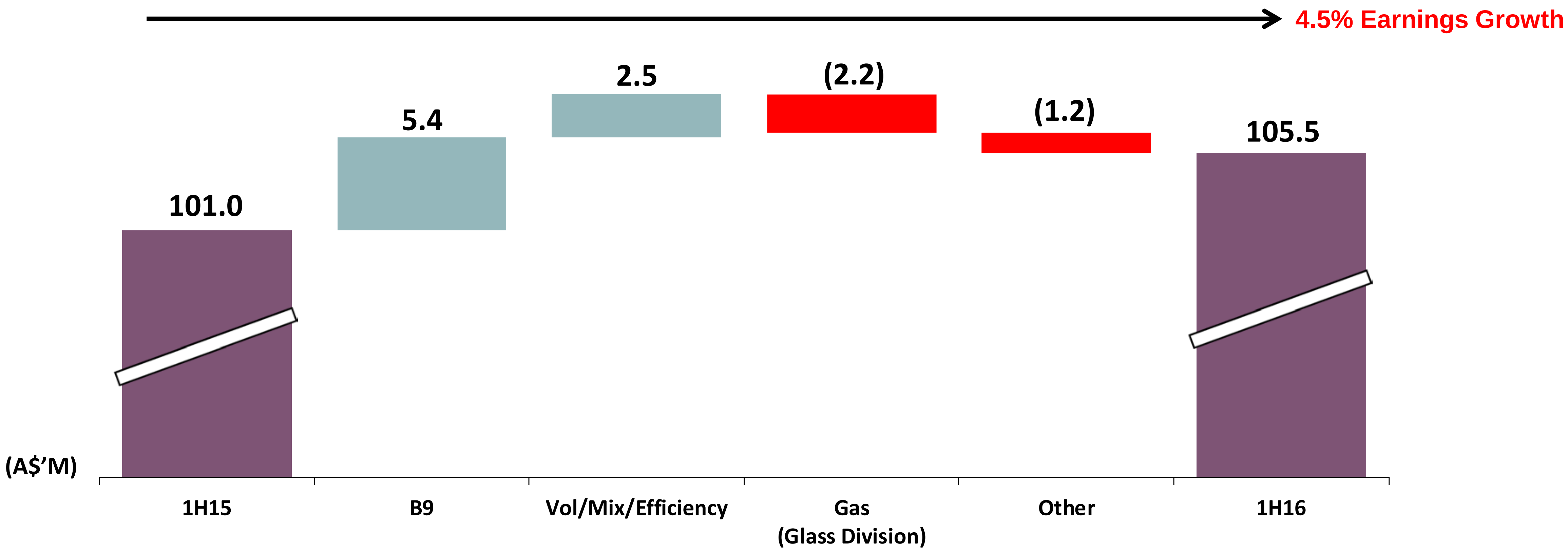
Delivered further B9 'self help' earnings benefits – incremental $5.4M in 1H16 (compared to 1H15)

- Incremental $4.4M from cost reduction
- Incremental $1.0M from innovation/R&D

Reiterate B9 ramp up guidance

- Expect to exit FY16 on a quarterly production run rate close to designed output capacity of 400,000 tonnes
- Expect to deliver approximately $15.0M of incremental B9 benefits in FY16, with the remainder of approximately $6.0m expected in FY17

Australasia EBIT growth



Further benefits from B9 and positive vol/mix/efficiency driving earnings growth

Solid result despite headwinds faced by the business[(1)]

(1) E.g. Higher gas costs within the Glass Division, timing impact from the transition to a "go direct" sales channel within the fruit and produce sector in Fibre Packaging Australia

Orora North America

Earnings Summary (EBIT)

US$ Million	1H15	1H16	Δ%
Sales Revenue	608.9	654.5	7.5
EBIT	29.9	33.2	11.0
EBIT Margin %	4.9	5.1	
RoAFE %	22.3	24.4	

A$ Million	1H15	1H16	Δ%
Sales Revenue	684.5	905.7	32.3
EBIT	33.6	46.0	36.9
Operating Cash Flow	14.5	24.9	71.7

Strong sales growth, recent M&A and sound operating cost control driving higher earnings & margins

Strong top line growth – sales up 7.5%

- Landsberg Packaging Solutions sales up 6.6%
- Increased organic sales, market share gains and benefits from the September '15 acquisition of Jakait
- Continued success in winning large corporate accounts within targeted markets of food, pharma/health, IT and automotive
- Manufacturing volume growth, notwithstanding tighter margins

Earnings growth of 11.0% driven by sales growth and margin improvement initiatives

- Increased Landsberg Packaging Solutions sales contributing to earnings growth
- EBIT margin expansion from efficiency benefits, sound operating cost control and continued procurement improvements
- RoAFE increased 210 bps to 24.4% - reflecting higher earnings & disciplined balance sheet management
- Strong operating cash flow despite capex spend on new ERP system

Continued transition to a "Total Packaging Solutions Supplier"

- Acquired a small Californian based supplier of flexible packaging – provides Orora North America with sourcing lines for flexible packaging from Asia
- Committed to an investment in an innovative B2C online chilled fresh food offering. Existing customer of Landsberg Packaging Solutions

Integration of recent acquisitions is on target

- Integration of Jakait is on track
- Integration of World Wide Plastics remains ahead of schedule - expected to deliver 20% RoAFE in FY16, a full year ahead of expected return criteria

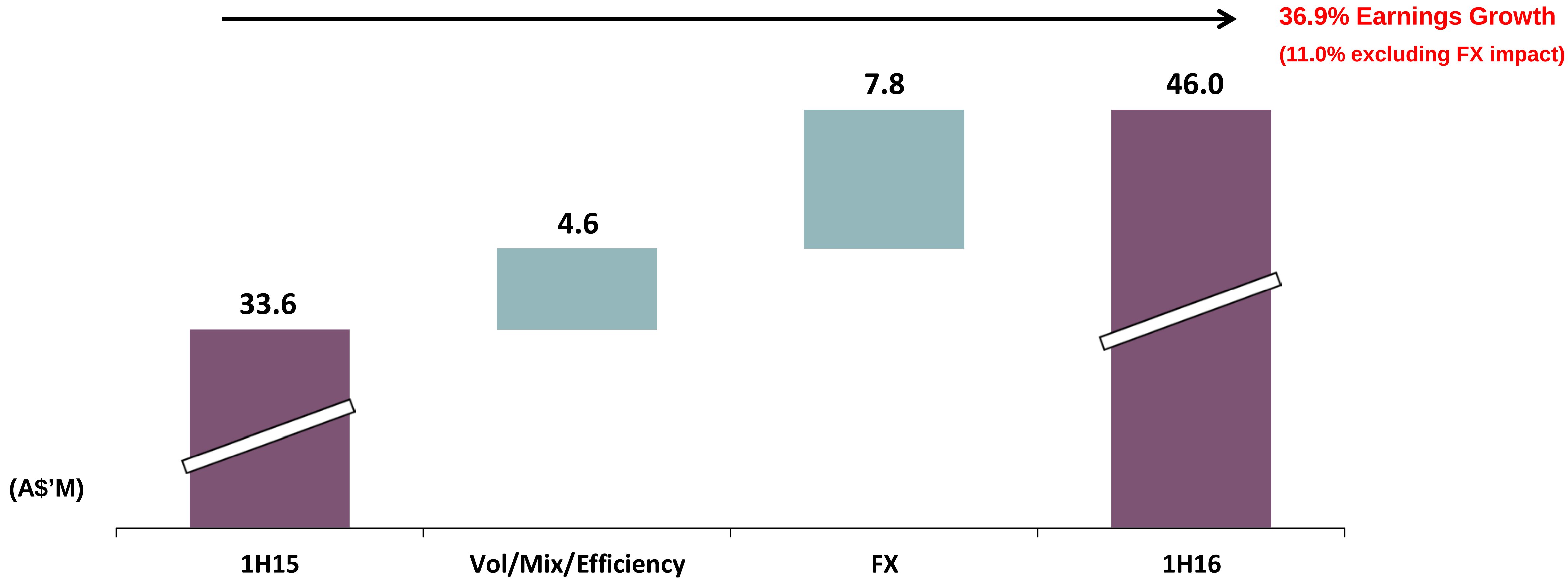
Implementation of new ERP system

- Rollout successfully commenced at 5 sites in January 2016 after implementation was delayed 6 months due to issues uncovered during testing
- Overall capital costs expected to be US$5.0M higher than original estimates. Cumulative spend to date US$16.0M

FX benefit

- Translational benefit on North America sales and earnings $158.2M and $7.8M on pcp, respectively

North America EBIT growth



Increased organic sales, winning market share & margin improvement initiatives driving improved earnings
Favourable FX benefit

Orora Corporate

Earnings Summary (EBIT)

A$ Million	1H15	1H16	Δ%
Reported Corporate	(16.2)	(6.2)	61.7
Petrie Land Sale	0.0	8.4	N/A
Underlying Corporate	**(16.2)**	**(14.6)**	**9.9**

Underlying Corporate costs lower than prior year

- Underlying Corporate costs were $14.6M and included restructuring costs associated with the new dairy sack line and New Zealand Cartons reorganisation
- Reiterate guidance that underlying Corporate costs in FY16 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. A gain of $8.4M EBIT, $5.9M NPAT was recognised during 1H16 – this has been excluded from the underlying Corporate result (see Appendix 1 for reconciliation)

Strong operating cash flow

A$ Million	1H15	1H16
EBITDA	166.7	197.7
Non Cash Items	11.0	5.7
Cash EBITDA	**177.7**	**203.4**
Movement in Working Capital	(21.6)	(43.5)
Net Capex	(38.5)	(13.8)
Operating Cash Flow	**117.6**	**146.1**
Cash Significant Items	(10.8)	(1.5)
Operating Free Cash Flow	**106.8**	**144.6**
Growth Capex	-	1.9
Average Working Capital to Sales[1] (%)	10.7	9.5

Continued conversion of earnings growth into cash

(1) Average net working capital for the period/annualised sales
(2) Cash conversion measured as operating cash flow divided by cash EBITDA

Strong conversion of increased earnings into cash

- Operating cash flow up 24.2% to $146.1M – reflecting earnings growth and sound balance sheet management
- Cash conversion of 72% (target is approximately 70%)[2]

Average working capital to sales ratio improved to 9.5% (target is <10.0% in medium term)

- Well managed across the Group
- Glass inventory at a lower than normal level - inventories are being rebuilt post the G1 glass furnace rebuild completed late in FY15
- Increased working capital cash outflow reflects one off timing impact from transition to an import sourcing model for aluminium. Expected to neutralise by June '16

Capex / Growth Capex includes spend on key business projects & initial Petrie land sale proceeds

- Capex includes NZ Cartons reorganisation (on track) and new ERP system in North America (6 months delayed). Net capex includes initial proceeds ($20M) from the sale of land at Petrie (QLD)
- Growth capex relates to the new dairy sack line (project ahead of schedule).
- FY16 net capex guidance, including initial investments under the Orora Global Innovation Initiative and Petrie land sale proceeds, is expected to be in line with the indicated range of 80-90% depreciation

Cash significant item projects remain on track

- Represents spend on onerous recycling contracts
- Approximately $4.5M of spend remaining on onerous recycling contracts – expected to run down over the next 2-3 years

Balance Sheet and Debt

Balance Sheet

A$ Million	June 15	Dec 15
Funds Employed (period end)	2,049	2,066
Net Debt	607	593
Equity	1,442	1,473
Leverage (x)(1)	1.9	1.7
RoAFE (%)(2),(3)	10.6	13.0

Healthy balance sheet providing platform for future shareholder value creation

Robust balance sheet – well positioned to invest for growth

- Reduced leverage through conversion of earnings into cash
  - Leverage of 1.7x - down from 1.9x at June 2015 (2.1x at December 2014)
  - Adverse FX impact on net debt of $11.8M
  - Underlying reduction in net debt of $25.8M
- Gearing is 29% - down from 30% at June 2015 (31% at December 2014)
- EBITDA interest cover is 9.2x – up from 7.9x in pcp
- Substantial capacity and headroom in facilities and covenants
- Maintain disciplined approach to expenditure and acquisitions
- Increased earnings and disciplined financial management driving improved returns

(1) Calculated as Net Debt / trailing 12 month EBITDA
(2) RoAFE is calculated as EBIT / average funds employed
(3) Dec 15 excludes gain from the 1H16 sale of land at Petrie, Queensland (representing $8.4M EBIT). See Appendix 1 for reconciliation

Returns focused capital allocation

Total Debt Facility – Dec 2015	$1,090 million
Net debt	$593 million
Cash on hand	$32 million
Drawn Debt	$625 million
Undrawn Capacity	$465 million
Leverage(1)	1.7x EBITDA

Committed to maintaining sensible debt levels

- Targeting to maintain investment grade credit metrics
- Refinancing of $350M due in December 2016 – Management has commenced the process
- Average tenor of drawn debt is 6.1 years

Disciplined financial management to provide capacity for future growth

- Declared dividend within the indicated 60 – 70% payout range
- Continue to actively pursue targeted M&A opportunities focused on enhancing core operations and/or improving industry structure
- Investment of growth capital to further develop current operations will be considered if substantially underpinned by a customer contract
- Targeted investment returns - 20% RoAFE by year 3 for “bolt on” close to the core acquisitions and by year 5 for “adjacencies”
- Capital management opportunities in absence of suitable growth investments to be considered in time

(1) Equal to Net Debt / trailing 12 months EBITDA

Our Orora – culture of driving outperformance

WHAT WE BELIEVE

At Orora we believe packaging touches lives.
Together we deliver on the promise of what's inside.

WHAT WE VALUE

TEAMWORK	PASSION	RESPECT	INTEGRITY
We are one Orora, without silos.	*Be courageous.*	*For each other.*	*Do what is right.*
We keep each other safe.	*Be curious and innovate.*	*For the community.*	*Be true to what we stand for.*
We are in it together – or not at all.	*Be responsible and deliver.*	*For our customers.*	*Be true to the promise we make.*

WHAT WE DELIVER

Outperformance: through customer focus, safety, financial discipline and our people.

Customer led culture to drive sustainable outperformance

Shareholder value creation blue print

- **Sustainable Dividend**
  - 60-70% Pay Out Ratio
    - ~30% Franked
- **Organic Growth**
  - **Orora <u>Australasia</u>** GDP Sales Growth
    - GDP based growth, enhanced by innovation
  - **Orora North <u>America</u>** GDP+ Sales Growth
    - GDP based growth supplemented by market share gains & ↑ share of wallet
- **Returns Focused Growth Capital Allocation**
  - Organic Growth Capital
    - Customer backed growth investments
    - 20% RoAFE by Year 3
  - Bolt-on M&A (North America Focused)
    - ONA footprint expansion/ ↑ product capability
    - Most deals <$50M
    - Targeted 20% RoAFE by Year 3
  - Adjacent M&A
    - Parallel packaging substrates/ markets
    - Targeted 20% RoAFE by minimum Year 5

Committed to creating shareholder value

What we said we would do

1. Progressive realisation of B9 'self help' benefits over the next 2 years
2. Organic growth & profitable market share
3. Bolt on M&A – focused on ONA footprint expansion and/or increase product capability
4. Invest in innovation to enhance customer value proposition
5. Customer driven growth investments
6. Sustainable dividend payouts
7. Disciplined expenditure approach

What we have done in 1H16

1. $5.4M of incremental B9 benefits delivered in 1H16 over 1H15 – cost reduction & innovation/sales synergy benefits being realised
2. 7.5% sales growth in North America, Landsberg Packaging Solutions sales up 6.6%, new sites to be opened in Orlando & Charlotte. Underlying sales growth of 1.8% in Australasia
3. Acquired Jakait in Sept '15 – expands ONA footprint & increases product capability. World Wide Plastics integration remains ahead of schedule
4. Orora Global Innovation Initiative committed approx. $12M to new projects during 1H16. Successfully commissioned Orora's second High Quality Printer (Auckland). Named in BRW most innovative companies list for 2nd consecutive year
5. Installation of new dairy sack line running ahead of schedule.
6. Interim dividend up 29% on pcp – within indicated 60-70% payout range
7. Cash conversion 72% - up from 66% in pcp

Shareholder value creation

- Total shareholder return in excess of 15% in the 12 months since 31 December 2014[1]
- 4.5 cent dividend – approximately 62% payout
- RoAFE improved to 13.0% from 11.2% in pcp
- **Orora remains committed to generating further shareholder value through delivery of identified B9 'self help' benefits and the disciplined allocation of free cash flow to growth projects that are expected to meet targeted returns**

(1) Dividends reinvested in security. Reflecting period 1 Jan 2015 to 31 Dec 2015

Perspectives for balance of 2016

Orora Australasia

- Anticipate B9 will exit FY16 on a quarterly production run rate approaching name plate capacity of 400,000 tonnes
- Expect to deliver approximately $15.0M of incremental B9 'self help' benefits – will take cumulative benefits at the end of FY16 to approx. $37.0M
- Export of B9 paper to North America is expected to increase to approximately 70,000 tonnes in FY16
- Finalise assessment of investment options to increase existing glass bottle forming capacity
- Continue to utilise the Orora Global Innovation Initiative to drive innovation, modernisation and productivity across the segment
- Reorganisation of the New Zealand Cartons operations expected to be completed in CY16
- Progress the establishment of the "state of the art" dairy sack line at Keon Park – expected commissioning early FY17
- Reversal of majority of G1 rebuild impact from FY15
- B9 & Glass divisions to incur adverse impact from rising input costs (gas, soda ash & electricity)

Orora North America

- Continued push for market share and cost efficiencies
- Continue to utilise the Orora Global Innovation Initiative to drive innovation, modernisation and productivity across the business segment
- With integration of the July 2014 acquisition of World Wide Plastics ahead of schedule (return criteria expected to be met in year 2), the business is well placed to deliver benefits from cross selling of rigid plastic packaging
- Continue to integrate the acquisition of Jakait and actively pursue further M&A opportunities
- New distribution sites in Orlando (Florida) & Charlotte (North Carolina) have been secured and will be operational in Q3 FY16
- Progressive roll out and integration of the new ERP system – approximately further US$10M spend - spread evenly over remainder of FY16 & FY17

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

Reconciliation:
Profit on Sale of Petrie Land

Appendix 1

Appendix 1: Reconciliation of Profit on Sale of Petrie Land

A$ Million – EBIT, NPAT A$ Cents – EPS	EBIT	NPAT	EPS
Reported	145.3	87.9	7.3
Petrie land sale impact	8.4	5.9	0.5
Underlying	**136.9**	**82.0**	**6.8**