INVESTOR RESULTS RELEASE

FINANCIAL HIGHLIGHTS

- Statutory net profit after tax (NPAT) was $171.1M and earnings per share (EPS) was 14.3 cents per share (cps);
- NPAT before significant items was $186.2M up 14.4% on the prior corresponding period (pcp);
- Significant item of $15.1M after tax related to additional expected costs associated with decommissioning of the Petrie Mill site;
- EPS, excluding significant items was 15.6 cents, up 14.6% on pcp;
- Sales revenue was up 4.9% to $4,039.1M;
- EBIT was $302.3M, up 11.1% on pcp;
- Operating cash flow was $331.5M, up from $313.8M in pcp; Cash conversion was 74%, down from 76% in the pcp but in excess of the long term target of 70%;
- Final ordinary dividend is 6.0 cps – 30.0% franked and 70.0% sourced from the conduit foreign income account. This takes the total dividend to 11.0 cps, up 15.8% on pcp and represents a pay-out ratio of approximately 70%. The ex-dividend date is 11 September 2017, the record date is 12 September 2017 and the payment date is 16 October 2017;
- Net debt at 30 June was $674M, up from $630M at pcp mainly due to completion of Orora Visual acquisitions in 2H17;
- Leverage was 1.6 times, down from 1.7 times at June 2016 and in line with December 2016;
- RoAFE was 13.6%, up from 12.7% at pcp reflecting delivery of increased earnings and ongoing solid balance sheet management; and
- With the acquisitions in Orora Visual and organic sales growth in Orora Packaging Solutions (OPS), North America now accounts for over 50% of sales in FY17 at current exchange rates.

SEGMENT HIGHLIGHTS

- Australasia EBIT up 6.6% to $213.6M
    - Fibre earnings were higher than pcp driven by further cost reduction and innovation benefits from the B9 Recycled Paper Mill ("B9") and steady sales growth in targeted market segments which more than offset input cost headwinds; and
    - Beverage earnings were higher than pcp. Higher Glass volumes and improved operating efficiencies across all businesses were offset by input cost headwinds in the Glass division and slightly lower volumes in Beverage Cans.

- North American EBIT up 18.8% to $117.5M. In local currency, EBIT was up 23.1% to US$88.6M
    - OPS grew sales and increased margins by continuing to leverage its national footprint, product breadth and standardised service offering, with the focus on growing volumes with existing corporate accounts and new customer wins;
    - The integration of Orora Visual Dallas (formerly IntegraColor) continues on track and the business is delivering financial results and synergies in line with expectations;
    - Earnings from Orora Visual acquisitions completed in 2H17 are in line with expectations; and
    - The adverse FX translation impact on US dollar denominated earnings was $4.1M on pcp.
- In general, economic and manufacturing market conditions across Australasia and North America remain flat.

FINANCIAL SUMMARY (refer footnote 1)

(A$ mil)	FY16[1]	FY17[1]	Change %
Sales Revenue	3,849.8	4,039.1	4.9%
EBITDA[2]	379.6	418.4	10.2%
EBIT	272.1	302.3	11.1%
NPAT	162.7	186.2	14.4%
EPS (cents)[3]	13.6	15.6	14.6%
Return on Sales[4]	7.1%	7.5%	
Operating Cash Flow[5]	313.8	331.5	5.6%
Cash Conversion[6]	76%	74%	
Dividend per share (cents)	9.5	11.0	15.8%
Net Debt	630	674	
Leverage[7]	1.7x	1.6x	
Gearing	30%	30%	
RoAFE[8]	12.7%	13.6%	

EVENTS SUBSEQUENT

In July 2017, Orora Fibre Division announced the closure of the manufacturing site at Smithfield, NSW. The operations will be consolidated onto the nearby Revesby facility with the site to be closed by no later than the end of FY18. The Smithfield site will be marketed for sale. The net financial impact will be reported in FY18.

OUTLOOK

Orora expects to continue to drive organic growth and invest in innovation and growth during FY18, with constant currency earnings expected to be higher than reported in FY17, subject to global economic conditions.

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 and significant items. Certain prior year amounts have been reclassified for consistency with the current period presentation.

The following notes apply to the entire document.

[1] A surplus parcel of land at Petrie, Queensland was sold in 1H16. Unless otherwise stated, the one off benefit realised in the period ended 30 June 2016 relating to the sale (representing $8.4M EBIT, $5.9M NPAT, $20.0M operating cash flow) has been excluded to assist in making appropriate comparisons with the current period and to assess the operating performance of the business. Likewise in FY17, an after tax significant item expense relating to additional expected costs associated with decommissioning the Petrie Mill site (representing EBIT of $21.6M and NPAT of $15.1 M) has been excluded to assist in making appropriate comparisons with the current period and to assess the operating performance of the business

[2] Earnings before interest, tax, depreciation and amortisation

[3] Calculated as NPAT / weighted average ordinary shares (net of Treasury Shares)

[4] Calculated as underlying EBIT / Sales

[5] 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.

[6] Calculated as underlying operating cash flow / cash EBITDA

[7] Calculated as Net Debt / trailing 12 month EBITDA

[8] Calculated as EBIT / average funds employed

REVENUE

- Sales revenue of $4,039.1M was up 4.9% on pcp, driven by:
    - OPS increasing revenue by approximately 4.2% through higher sales to existing customers and new customer wins;
    - Incremental revenues from the Orora Visual acquisitions completed in both FY16 and FY17; and
    - Higher volumes in Glass driven by increased demand in both the wine and beer segments.
- Revenue gains were partially offset by:
    - Pass through of lower aluminium prices and slightly lower volumes in Beverage Cans; and
    - Adverse FX impact on US dollar denominated North America sales ($71.6M on pcp) – local currency sales increased by 11.4%.
- Underlying sales in Australasia increased approximately 2.7% after taking into account the pass through of lower aluminium prices.

Revenue Summary (A$ mil)	FY16	FY17	Change %
Australasia	1,956.6	2,001.6	2.3%
North America	1,893.2	2,037.5	7.6%
Total sales revenue	**3,849.8**	**4,039.1**	**4.9%**

Earnings Summary (EBIT) (A$ mil)	FY16	FY17	Change %
Australasia	200.4	213.6	6.6%
North America	98.9	117.5	18.8%
Underlying Corporate	(27.2)	(28.8)	(5.9%)
Underlying EBIT	**272.1**	**302.3**	**11.1%**

EARNINGS BEFORE INTEREST AND TAX

- Underlying EBIT increased by 11.1% to $302.3M, with the gain attributable to:
    - Fibre Packaging benefits revenue and margin gains in targeted market segments;
    - Full delivery of the expected cost reduction and innovation benefits from B9;
    - Continued focus on improving manufacturing and operating efficiency across the Australasian business;
    - Sales growth and ongoing improvements in the operating model within OPS; and
    - Initial earnings contributions from the recently completed acquisitions in Orora Visual including annualisation and synergy benefits from the FY16 Orora Visual Dallas acquisition.
- Earnings gains were partially offset by:
    - Higher input costs at both Glass and B9; and
    - Adverse translational FX impact from US dollar denominated earnings ($4.1M on pcp) with US dollar earnings translated at AUD/USD 0.754 in FY17, compared to 0.728 in pcp.
- Going forward, foreign exchange translation sensitivity on EBIT and NPAT to a 1 cent move in the AUD/USD on an annualised basis is approximately $2.2M and $1.2M respectively.

INNOVATION UPDATE

- The Orora Global Innovation Initiative was established in July 2015 to enhance innovation, modernisation and productivity across the business. The strategy was to invest approximately $45.0M into new initiatives over 3 years.
- To June 2017, approximately $29.0M has been committed to projects focused on delivering new-customer led product solutions (estimated 70%) and enhancing productivity (estimated 30%).
- Approximately $14.9M was invested during FY17. The cumulative spend since inception is approximately $23.0M.
- A number of projects are now completed / commissioned and are delivering to expectation. These projects are an important part of offsetting ongoing headwinds, especially in Australasia.
- To help drive and cultivate innovative thinking, a crowd sourcing initiative was completed in the 1H17. A number of ideas emanated from this process and are receiving funding support.

BALANCE SHEET –

- Key balance sheet movements since June 2016 were:
  - Increase in other current assets is primarily in North America, with increases in inventory and receivables balances related to higher sales in OPS and the Orora Visual acquisitions (+$28M) partially offset by the favourable impact of foreign exchange translation on North American receivables and inventories;
  - Net property, plant and equipment (PP&E) was higher with additions relating to several capex projects and the Orora Visual acquisitions (+$44M) more than offsetting depreciation. Capex for FY17 included spend on the following major items: plant and equipment relating to the Glass capacity expansion, corrugated printing and converting equipment upgrades in Fibre Packaging, initial spend on a secondary waste water treatment plant at Botany and projects approved under the Orora Global Innovation Initiative. Depreciation and amortisation for the period was $116.1M;
  - Increase in intangible assets primarily reflects the goodwill and other intangibles relating to Orora Visual acquisitions;
  - Net debt increased by $44.0M during the period with acquisitions in Orora Visual, investments in capital, and dividends offsetting increased operating cash flows. The favourable foreign exchange translation impact on USD denominated net debt was $15.1M; and
  - Increase in payables was driven by continued improvement in vendor trading terms across the business, addition of Orora Visual acquisitions payables (+$17M), offset by the favourable foreign exchange translation effect of North American payables.

Balance Sheet (A$ mil)	30/06/16	30/06/17	Change %
Cash	66	59	(10.6%)
Other Current Assets	1,017	1,111	9.2%
Property, Plant & Equipment	1,564	1,649	5.4%
Intangible Assets	378	447	18.3%
Investments & Other Assets	105	98	(6.7%)
Total Assets	**3,130**	**3,363**	**7.4%**
Interest-bearing Liabilities	696	733	5.3%
Payables & Provisions	936	1,083	15.7%
Total Equity	1,498	1,547	3.3%
Total Liabilities & Equity	**3,130**	**3,363**	**7.4%**
Net Debt	630	674	
Leverage	1.7x	1.6x	
Gearing	30%	30%	

CASH FLOW

- Increased earnings were successfully converted into cash with operating cash flow increasing by $17.7M to $331.5M.
- Cash conversion was 74%, slightly lower than pcp, but in line with Management's indicated cash conversion target of 70%, and after investing more than $100M in net capex in the period.
- Main movements included:
  - Increase in EBITDA of $38.8M;
  - Working capital continues to be efficiently managed and benefited from strong collections and capital discipline in creditor terms and overall inventory management, despite a delay in the rundown of inventories associated with the Glass capacity expansion;
  - Reflective of the ongoing investment in the business, total net capex was $137.1M which includes $14.9M and $34.2M on innovation and growth projects respectively;
  - Net capex includes proceeds from the sale of three parcels of surplus land: Petrie ($12.0M), OPS California ($4.1M) and compulsorily acquired land in Queensland ($2.8M);
  - Growth capex includes spend on the Glass capacity expansion (project is on track) and remaining amounts on the dairy sack line at Keon Park (Victoria) (commissioning commenced in FY17);
  - With ongoing investment in base capital, the balance of the growth spend on the Glass capacity expansion and other projects, Orora Global Innovation Initiative investments and a high point in the timing of cash flows associated with the asset refresh in Fibre Packaging, net total capex in FY18 is expected to be approximately 110% of depreciation. Expenditure will be more weighted to the first half of FY18.

Cash Flow (A$ mil)	FY16[1]	FY17	Change %
EBITDA	379.6	418.4	10.2%
Non-cash Items	34.9	32.5	
Movement in Total Working Capital	(23.5)	(14.7)	
Net Capex	(77.2)	(104.6)	
Operating Cash Flow	**313.8**	**331.5**	**5.6%**
Cash Significant Items	(4.7)	(1.2)	
Operating Free Cash Flow	**309.1**	**330.2**	
Interest	(29.2)	(34.3)	
Tax	(52.5)	(49.1)	
Growth capex	(21.8)	(32.5)	
Free Cash Available to Shareholders	**205.6**	**214.3**	
Cash Conversion	*76%*	*74%*	

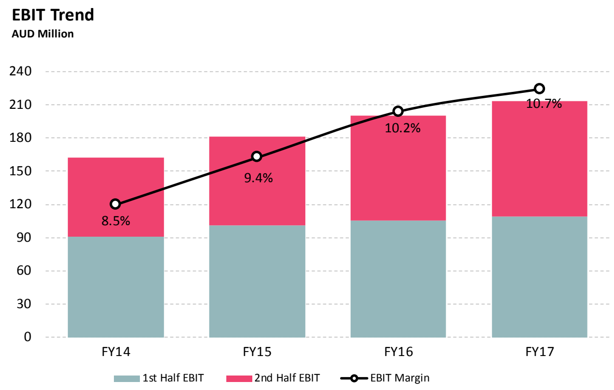
WORKING CAPITAL

- Average total working capital to sales was 8.4% (versus 9.6% in pcp) reflecting a continued emphasis on working capital optimisation across the Group.
- The Management target for average total working capital to sales is less than 10.0% in the medium term and remains an area of focus across the business.

AUSTRALASIA

(A$ mil)	FY16	FY17	Change %
Sales Revenue	1,956.6	2,001.6	2.3%
EBIT	200.4	213.6	6.6%
EBIT Margin %	10.2%	10.7%	
RoAFE	11.6%	12.4%	

Segment Cash Flow (A$ mil)	FY16	FY17	Change %
EBITDA	286.1	301.9	5.5%
Non-cash Items	29.6	26.3	
Movement in Total Working Capital	(26.9)	1.9	
Net Capex	(60.3)	(99.2)	
Operating Cash Flow	**228.5**	**230.9**	**1.1%**
Cash Significant Items	(4.3)	(1.2)	
Operating Free Cash Flow	**224.2**	**229.7**	
Cash Conversion	72%	70%	



FY14 Pro Forma sourced from the 2014 Full year Investor Results Release

KEY POINTS

- Overall, Australasia increased EBIT by $13.2M to $213.6M, 6.6% higher than pcp.
- The PBIT growth reflected ongoing delivery of self-help programs which more than offset input cost headwinds. The return on sales increased by 50 bps from 10.2% to 10.7%.
- Underlying sales in Australasia increased approximately 2.7% after taking into account the pass through of lower aluminium prices.
- Economic conditions in Australia remain flat with organic volume growth muted and broadly in line with GDP.
- RoAFE improved by a further 80 bps to 12.4%, up from 11.6% in pcp.

FIBRE BUSINESS GROUP

- Fibre earnings were higher than pcp driven by successful revenue growth in targeted market segments, continued cost reduction and innovation benefits from B9 and manufacturing and operating efficiencies in Fibre Packaging.

Fibre Packaging:

- Sales were higher than pcp, while a continued focus on efficiency and cost improvement drove higher earnings and improved margins.
- The Fibre Packaging business continues to perform well and is seeing benefits from focusing on specific market segments.
- Higher volumes in the Australian industrial sector were offset by market softness in meat and certain fruit and produce segments (mainly weather related).
- New Zealand volumes were in line with pcp, kiwifruit volumes overall were marginally lower due to adverse weather conditions.

Packaging and Distribution:

- Higher sales in the quick service restaurant and dairy segments (market share) offset ongoing general softness in the grocery sector.
- The state of the art dairy sack line at Keon Park (VIC) was commissioned and commercial sales, primarily to export markets, have commenced.
  - Export sales associated with the new dairy sack line offset underlying weakness within the Australian domestic dairy market.
- Reorganisation of the New Zealand Cartons operation was successfully completed, with benefits delivered in line with expectations.

Botany Recycled Paper Mill (B9):

- The remaining $7M of B9 cost reduction and innovation benefits were successfully delivered in FY17. The drive for productivity continues with the focus remaining on optimising production efficiency and the number of paper grades produced.
- The Mill produced 373,000 tonnes of recycled paper during FY17 (382,000 tonnes in pcp). Additional maintenance shut periods as well as some reliability issues encountered throughout the year impacted volumes. The causes of these reliability issues have largely been identified and progressively addressed. Mill reliability and production performance has subsequently improved and in the last quarter of FY17, production was approximately at nameplate.
- B9 exported 73,500 tonnes of recycled paper to OPS and other third party US based customers during FY17 (79,500 in pcp), the slight reduction on pcp due to restricted B9 output however this did not cause any disruption to the OPS business.
- In January 2016, B9 transitioned to paying higher gas prices which had an incremental adverse EBIT impact in 1H17 of approximately $3.0M.
- A number of initiatives are being implemented to further offset rising energy costs. This includes the approval of a $23M investment in a waste water treatment plant that not only reduces the impact on the environment by reducing regulated discharges in effluent from the site but will also generate renewable energy by converting biogas to electricity.
- Old Corrugated Cardboard (OCC) is a primary feedstock for B9 and 90% of the mills requirements are sourced from a range of vendors with a mix of terms and contract tenure. Orora collects the remaining approximately 10% of mill requirements directly. Some supply contracts are linked to OCC commodity prices, which have been volatile and have risen in 2H17. There was minimal impact in FY17 as the increased costs for OCC were largely offset by rising paper export prices to North America and Asia.

BEVERAGE BUSINESS GROUP

- Beverage sales revenues and earnings were ahead of pcp driven by higher sales volumes in Glass and Closures as well as improved cost control and efficiency across the Business Group, which offset slightly lower sales volumes in Cans and input cost headwinds in Glass.

Beverage Cans:

- Despite steady growth in beer and energy drinks, volumes were below pcp, impacted by general market contraction in the carbonated soft drink sector and the impact of market share loss (occurred in FY16).
- Earnings were higher reflecting the ongoing focus on operating cost control and manufacturing efficiencies.

Glass:

- Volumes were ahead of pcp driven by continued industry growth in wine and higher beer volumes. Imported finished bottle supply was used to ensure customers' requirements were not affected during the final stages of commissioning for the $42M forming line investment.
- The benefit of sales volume growth more than offset higher input/energy costs and downtime associated with both the capacity expansion and the electricity blackout in South Australia.

AUSTRALASIA (continued)

INNOVATION & GROWTH UPDATE

- The $42.0M investment to increase the manufacturing output of the Glass furnaces was completed on time and on budget. Three forming lines were successfully expanded with commercial production commenced during the period, increasing capacity by approximately 60 million bottles and reducing the import need for finished bottles. The upgrade investment is expected to drive improved earnings and is expected to exit FY18 meeting Orora's investment return hurdle rates.
- At B9, construction has commenced on a new $23M secondary water treatment plant. The plant will reduce the mill's impact on the environment by reducing the volume of regulated discharges produced in the paper making process. The waste water treatment process will also generate bio-gas which will be converted into electricity for consumption on-site, thus reducing electricity usage. The bio gas engine technology solution is well proven internationally and is expected to be commissioned in early calendar 2018. In terms of financial impact, the project is expected to meet investment hurdle rates in FY19.
- Orora's partnership with Xsense® to introduce wireless monitoring for its cold chain customers has continued to gain market acceptance with customers. The technology monitors temperature and relative humidity along the entire supply chain, helping guard against spoilage and minimising waste.
- To support Fibre Packaging's "go direct" channel strategy, a new depot was opened in Innisfail (QLD) in January 2017 and the Bundaberg (QLD) distribution facility will be expanded over the next 6 months to support business growth in that region.
- As part of the ongoing asset upgrade program in Fibre Packaging, approximately $25M has been committed to upgrade the plant and machinery at Revesby, NSW. This upgrade will be completed progressively in FY18 and will improve quality and reliability and provide sufficient capacity and capability to meet foreseeable future demand. As a result of these investments, as announced in July 2017, the nearby Smithfield site will be closed by no later than the end of FY18. The site will be marketed for sale. The net financial impact of the Smithfield closure will be accounted for in FY18.
- Consistent with Fibre's SME customer strategy, which focuses on value add customised packaging, effective 1 December 2016, the business acquired a small Sydney-based specialist corrugated box converter and distributor of consumable packaging. The integration of this acquisition is on track.
- The Australasian businesses continue to actively utilise the Orora Global Innovation Initiative to enhance innovation, modernisation and productivity. Approximately $20.0M of projects have been approved since inception. As an example in Glass, a sleeving line was commissioned and is delivering ahead of expectation. The sleeving capability has been well received by customers seeking shorter run and/or promotional solutions.
- At Fibre Packaging's Scoresby (Victoria) site, commissioning of a large format digital printer was completed in FY17. Fibre's digital printing offering has also been well received by customers increasingly seeking short-run campaigns and promotions where quality and speed to market are fundamental.

PERSPECTIVES FOR 2018

- The $42M Glass upgrade project has been completed successfully and the investment is expected to exit FY18 generating PBIT benefits at return hurdle rates. With $33.9M spent to date, the remaining spend in 1H18 is anticipated to be approximately $8.1M for residual final commissioning payments.
- Related to the Glass capacity upgrade, Orora has made positive progress in relation to securing warehouses nearby the Gawler facility. Further investment in warehouse automation will be assessed once the warehouse position is concluded.
- A high degree of volatility and uncertainty remains in the Australian electricity market. This is expected to continue for the foreseeable future and presents further potential downside risk to EBIT. As an example, the estimated adverse impact at B9 in FY18 is $6M-$8M due to the legacy electricity contract expiring in December 2017. This will be partially offset by expected EBIT benefits from the secondary water treatment plant once it is successfully commissioned. Further additional energy efficiency projects and supply options will continue to be assessed.
- OCC commodity prices increased in 2H17 and, while volatile, if they remain at the current higher levels will adversely impact earnings in FY18. OCC is the primary input for B9 and the business is exposed on approximately 400,000 tonnes of OCC. As a guide to sensitivity to EBIT, on an annualised basis, for FY18 a $10 per m/t movement in OCC commodity price represents an impact of approximately $2.0-2.5M. It should be noted that there are some offsetting EBIT benefits coming from higher export prices to both the US (approx. A$130 / tonne) and Asia (approximately A$50 /tonne).
- The Orora Global Innovation Initiative will continue to be accessed by the Australasian business to enhance the value proposition and/or improve productivity and drive earnings growth.
- As it has done consistently over recent years, to offset ongoing headwinds, in addition to pursuing organic growth, the Australasian business will continue to identify and implement cost reduction opportunities.

NORTH AMERICA

KEY POINTS

- North America's reported EBIT grew 18.8% to $117.5M. This is after a $4.1M adverse translation impact.
- In local currency terms, EBIT increased 23.1% to US$88.6M and sales grew 11.4% to US$1,536.1M. EBIT includes the earnings contributions from the Orora Visual acquisitions completed in FY16 and FY17. In FY17 acquisition and integration costs of approximately US$1.5M were expensed.
- EBIT margin improved to 5.8% (versus 5.2% pcp) reflecting the positive impact from the acquisition of the higher margin Orora Visual businesses as well as OPS's continued focus on a customised packaging value proposition and improving cost management through supply chain and procurement.
- Cash flow increased 22.1% to $110.1M and cash conversion improved to 80% (76% in pcp). The improvement was driven by higher earnings and cash received from the sale of surplus land in California ($4.1M) which was partially offset by an increase in working capital requirements on increased sales activity for corporate accounts in OPS.
- RoAFE declined by 100 bps to 23.7% with higher earnings and improving balance sheet management, being offset by Orora Visual acquisitions that are below historical OPS RoAFE.

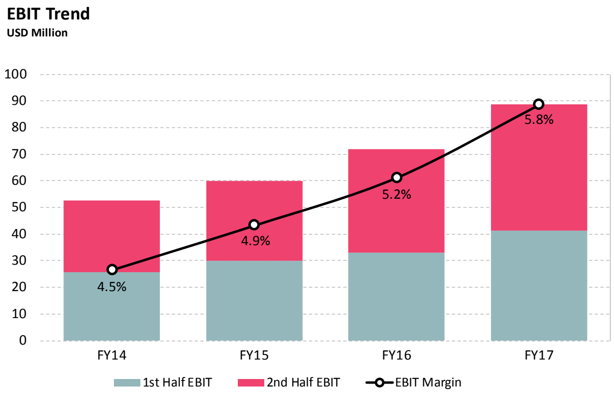
ORORA PACKAGING SOLUTIONS

- OPS continued to deliver strong organic sales growth with revenues increasing approximately 4.2% in USD terms despite economic and market conditions remaining flat.
- EBIT margins increased to 5.4% from 5.1% in pcp. This was slightly above expectations and driven by a sustained emphasis on moving toward higher value, customised offerings in the targeted growth segments of food, IT, auto and pharmaceutical/health and a continued focus on procurement and supply chain efficiencies.
- Landsberg has continued to leverage its national footprint, product breadth and standardised service offering, to deliver sales growth from both existing corporate accounts and new customer wins. As an example, within the food and healthcare segments, Orora has been investing in expanding its service offerings and service infrastructure which has helped drive growth in these sectors at a higher rate than the group average.
- The Manufacturing division increased earnings with the benefits of improved efficiencies and operating cost control offsetting ongoing margin pressure and easing volumes as new capacity comes on-stream. The business has also recently reorganised its sales team to focus on custom products to direct customers.
- Landsberg's Californian warehouse consolidation and reorganisation project is now complete and stabilised. Benefits of the project are expected to be realised from FY18 onwards. The transition costs and inefficiencies incurred in 1H17 were offset by the sale of a surplus parcel of land during the period.
- US linerboard price increases of US$40/tonne from 1 November 2016, have been fully recovered and a further increase of US$50/tonne on 1 May 2017 is expected to be fully recovered in the market over the coming months.
- OPS continues to benefit through importing B9 paper which enables the business to market an integrated fibre offering.
- As advised with the December 2016 Half Year results, the ERP system rollout plan was revised early in 2017. The project has since progressed in line with expectations with a further 14 sites going live since January 2017, bringing the total live sites to 29. There has been minimal adverse impact on customer experience and service levels reported and benefits at the site level are starting to materialise. The rollout to the remaining sites will progress over the next 12-15 months. The estimated total project cost remains at approximately US$30M. Spend to date is approximately US$22M.

(A$ mil)	**FY16**	**FY17**	**Change %**
Sales Revenue	1,893.2	2,037.5	7.6%
EBIT	98.9	117.5	18.8%
EBIT Margin %	5.2%	5.8%	
RoAFE	24.7%	23.7%	

(US$ mil)	**FY16**	**FY17**	**Change %**
Sales Revenue	1,378.8	1,536.1	11.4%
EBIT	72.0	88.6	23.1%

Segment Cash Flow (A$ mil)	**FY16**	**FY17**	**Change %**
EBITDA	115.6	139.8	20.9%
Non-cash Items	2.7	(2.8)	
Movement in Total Working Capital	(1.4)	(9.0)	
Net Capex	(26.7)	(17.9)	
Operating Free Cash Flow	**90.2**	**110.1**	**22.1%**
Cash Conversion	*76%*	*80%*	



FY14 Pro Forma sourced from the 2014 Full year Investor Results Release

ORORA VISUAL

- Having now completed its first full financial year, Orora Visual Dallas (formerly IntegraColor) continues to perform in line with expectations for the period. The integration is on track and synergies are flowing through as expected.
- During the period, Orora Visual expanded its national footprint with three further acquisitions of full service point of purchase (POP) and visual display providers:
  - Orora Visual New Jersey (formerly Register) based in New Jersey was acquired in January 2017 for US$42.0M;
  - Orora Visual Chicago and Los Angeles (formerly Garvey and Graphic Tech) were acquired in March 2017 for US$54.0M;
  - The integration and performance of these businesses is on track. The feedback from customers (including some recent first time orders) and employees has been very positive;
  - The near term focus is on harmonising the IT platform (expect to complete by December 2017) and identifying and executing cost synergies. As an example of the latter, in the first quarter of FY18 an underperforming site in Wisconsin will be closed and consolidated to other sites; and
  - The refinement of the Orora Visual value proposition has recently been launched which highlights the benefit of establishing a national footprint.
- Orora Visual's financial results in FY17 were adversely impacted by total transaction costs of approximately US$1.1M.

NORTH AMERICA (continued)

GROWTH AGENDA

- On the back of the successful acquisition of Jakait in 2015, in November 2016, a new facility was established in Central Mexico to provide packaging solutions to the fresh produce sector. The new facility was supported by a number of Jakait's existing customer relationships and delivered a positive EBIT contribution.
- Landsberg remains focused on executing its organic market growth strategy by leveraging its national footprint, extensive product breadth, continually expanding the service offering and customising the value proposition to secure new larger multi-site corporate accounts as well as increase sales with existing customers.
- Thus far, approximately US$6.0M has been committed from the Orora Global Innovation Initiative to projects focused on enhancing Orora North America's customer value offering and broadening market segments serviced.
- Orora Visual has now created a unique national POP, visual communications and fulfilment business able to serve corporate customers across multiple locations. Customer reaction to Orora Visual's national footprint and speed to market offering has been positive and this is already beginning to translate into new orders. Orora Visual's creative design capability is also appealing to customers and in response, two design hubs have been created – in Los Angeles on the west coast and New Jersey on the east coast.
- While the following priorities would not preclude Orora executing on M&A transactions, the focus within Orora Visual is appropriately on the integration of recent acquisitions and OPS on organic growth while implementing the new ERP system (which ultimately will be a key enabler for acquisition growth).
- Consistent with Orora's growth by acquisition strategy, a healthy pipeline of acquisition targets continues to be developed for both OPS and Orora Visual. Subject to the opportunities meeting hurdle rates and being strategically compelling, acquisitions will continue to be pursued and executed as appropriate.

PERSPECTIVES FOR 2018

- The integration of Orora Visual acquisitions is expected to remain on track. Several key management roles have been filled and are supporting the integration of the four Orora Visual locations. Future revenue growth is expected to be enhanced by marketing the fully integrated national footprint value proposition.
- OPS will pursue further customer supported organic geographic expansion opportunities and continue to enhance, roll out and integrate the new ERP system. The majority of the remaining capital spend of approximately US$8.0M on the ERP system will be spent during FY18 as the rollout progresses.
- The North American businesses will continue to utilise the Orora Global Innovation Initiative to drive innovation, modernisation and productivity. As an example, a new digital printer (same technology as Australasia) has been approved to enhance the value proposition including print quality and speed to market.

CORPORATE

- Corporate costs of $28.8M were slightly ahead of underlying costs in the pcp of $27.2M mainly due to ongoing restructuring costs in Australasia and costs associated with assessing the feasibility of growth options in North America.
- Corporate costs in FY18 are expected to be broadly in line with underlying costs in FY17.
- An after tax significant item expense of $15.1M relating to additional expected decommissioning costs at the Petrie Mill site has been recognised in FY17. This followed an interim project review and a reassessment of the estimated costs to complete. The increase in expected decommissioning costs is due to a range of factors including delays in the commencement of some works, the scope and complexity of remediation works required and increases in costs.

CONFERENCE CALL

- Orora is hosting a conference call for investors and analysts at 10:00am today. The audio cast will be available on the Orora website, www.ororagroup.com, within 24 hours.