

ASX Announcement

ORORA LIMITED – EXTRAORDINARY GENERAL MEETING

10.30AM TUESDAY 16 JUNE 2020

CHAIRMAN AND MANAGING DIRECTOR & CEO'S ADDRESS

[ROB SINDEL]

Ladies and gentleman, before addressing the formal items of business, I would like to invite our Managing Director and CEO, Brian Lowe, to make some comments on completion of the sale of the Australasian Fibre and our strategy review. I will then provide an overview of the proposed capital return and address the formal items of business for this General Meeting.

Board Changes – 31 May 2020

Before we proceed further, I would like to acknowledge and pay tribute to John Pizzey for his contribution to Orora as Non-Executive Director and Chair of the Human Resources Committee since Orora's listing on the ASX in 2013. John retired from Orora at the end of May with the Company's best wishes for his retirement. Tom Gorman, who was appointed Non-Executive Director in September last year, has been appointed as John's successor as Chairman of the Human Resources Committee. Tom has relevant experience in this capacity.

Brian, over to you to make a few comments.

[BRIAN LOWE]

Completion and Strategy Review

Thank you Chairman. Good morning and thank you for joining this audiocast.

As shareholders will be aware, on 30 April 2020, Orora completed the sale of its Australasian Fibre business to a wholly owned subsidiary of Nippon Paper Industries Co., Limited for \$1.72 billion, with net proceeds after tax and costs of approximately \$1.55 billion.

Completion of the sale:

- represents compelling value for shareholders; and
- enhances Orora's strong balance sheet to deliver value creation through growth investment or long term capital management from surplus sale proceeds and operating cash flows.

As referenced in the half year announcements in February, the sale of the Australasian Fibre Business also provided an important opportunity to assess and shape the strategic path ahead for Orora, so that the Company can both optimise and grow. In line with this, Orora appointed a new Head of Strategy in February this year and commenced a strategy review of the continuing businesses, including assessing growth options. The strategy review is progressing well, and I look forward to providing a further update to shareholders later in the calendar year.

Orora's Continuing Businesses

The Company now has a more streamlined group of businesses, comprising the Australasian Beverage business and our North American businesses.

- The Beverage business is a leading supplier of cans, glass and wine closures in Australia and New Zealand. It occupies the number one market position in cans and glass wine bottles and is number two in glass beer bottles and wine closures. The Beverage business is well positioned for further growth, particularly as consumers move towards more sustainable beverage packaging formats.
- The North American businesses, comprising Orora Packaging Solutions and Orora Visual, are likewise well positioned. OPS is a top 5 participant in the highly fragmented US\$50.0 billion North American packaging distribution segment. OV is a top 5 participant in the US\$10.0 billion point of purchase and displays segment.

Our teams have performed extraordinarily well responding to the impacts of covid-19. Throughout the past few months we have continued to operate our manufacturing and distribution facilities to support the supply of essential products and services and put a range of measures in place to protect the health and safety of our site teams and also those working from home.

I would like to pay tribute to the Orora team members and thank them for their commitment and passion, as they rapidly adapted to new ways of working safely during this challenging time. It is their continued efforts that deliver both for the Company and shareholders.

I'll now hand you back to the Chairman to discuss the capital return to shareholders and address the formal items of business for this General Meeting.

[ROB SINDEL]

Cash Return and Share Consolidation

Thank you Brian.

As a result of the sale of the Australasian Fibre Business, your Directors consider that Orora has surplus capital which they believe should be returned to shareholders.

In determining the timing and quantity of funds to return to shareholders, your Directors had regard to a variety of factors, including COVID-19 related uncertainty, tightening liquidity in debt markets and the terms of Orora's debt facilities, while retaining Orora's strong balance sheet and preserving flexibility to pursue potential growth opportunities.

In light of these factors, Directors have determined to return \$600 million to shareholders on the following basis:

- A special dividend of \$450 million (37.3 cents per share) to be partially franked at a rate of 50%. As this dividend does not require shareholder approval, it is not part of the resolutions for this General Meeting. To ensure the timely return of proceeds of the sale of the Australasian Fibre business to shareholders whilst utilising the available franking credits, your Directors have already approved the special dividend.
- A capital return of \$150 million to shareholders by way of cash payment of 12.4 cents per share. Shareholder approval will be sought today for this capital return.



Entitlements to the special dividend and capital return will be determined on a pre-share consolidation basis. Payment of the special dividend and capital return (if approved by shareholders today) will be made to shareholders on 29 June 2020.

Your Directors believe that the efficient return of this \$600 million amount is in the best interests of shareholders.

The Company is now operating with little or no debt due to the additional proceeds from the Fibre sale, giving the company a very strong position in these unprecedented times. The preference of your Directors is to pursue potential growth investment opportunities should the right opportunity present itself. In the absence of such an opportunity, Directors will of course consider additional return of excess capital to shareholders.

Shareholder approval will also be sought today for an additional resolution – a consolidation of Orora shares by converting every one share to 0.80 shares (5 shares would become 4), to adjust Orora's number of shares for the quantum of the cash return.

-ENDS-

Authorised for release to the ASX by Orora's Company Secretary, Ann Stubbings.