NEWS RELEASE

ORORA ANNOUNCES PRO FORMA RESULTS FOR HALF YEAR ENDED 31 DECEMBER 2013

Important note: *The financial information in this announcement has been prepared on a pro-forma basis and has not been audited. Orora will not lodge a half-year financial report and directors' report for the half year ended 31 December 2013. Orora is also not required to release and appendix 4D and other documents under Listing Rule 4.2A.*

FINANCIAL HIGHLIGHTS

- Reported sales revenue was up 8.0% to $1.6B
- Reported earnings before interest and tax (EBIT) up 15.9% to $97.3M;
- Underlying EBIT was up 24.0% on prior corresponding period (pcp);
- Underlying operating cash flow was $114.3M, up from $102.1M in pcp;
- Reported EBIT before depreciation and amortisation (EBITDA) increased 11.3% to $158.6M;
- Interim ordinary dividend is 3 cents per share (cps) – unfranked and zero sourced from the conduit foreign income account. The ex-dividend date will be 25 February 2014, the record date will be 3 March 2014 and the payment date 2 April 2014;
- Net debt at the half was $694M – in line with the Scheme Booklet; and
- RoAFE was 9.0%, down from 10.7% in pcp reflecting inclusion of B9 asset in funds employed in FY14 (nil in pcp) while benefits are to be delivered in the future

(A$ mil)	1H13	1H14	Change %
Sales Revenue	1,491.0	1,609.8	8.0%
EBITDA[1]	142.5	158.6	11.3%
EBIT[2]	84.0	97.3	15.9%
EBIT (underlying)[2,3]	78.5	97.3	24.0%
Underlying Operating Cash Flow[4]	102.1	114.3	11.9%
Dividend per share (cents)	N/A	3.0	
Net Debt	N/A	694	
Leverage[5]	N/A	2.4x	
Gearing[6]	N/A	33%	
RoAFE[7]	10.7%	9.0%	

BUSINESS HIGHLIGHTS

- Underlying EBIT of $97.3M up 24.0% on pcp. Improvement predominantly driven by steady business performance and on track delivery of cost reduction benefits within Australasia, improved North American distribution and manufacturing sales and earnings driven by increased market share and FX translational benefits of North American earnings.
- Australasia underlying EBIT up 20.9% to $69.4M
  - The Fibre division generated increased earnings on pcp resulting from footprint rationalisation and cost improvement initiatives;
  - Within the Beverage division, increased Glass earnings offset weaker Beverage Can volumes and earnings;
  - Strategic "self-help" cost reduction benefit programs targeting $30-40M of savings in FY14 on track – approximately $16M realised in 1H14.
- North American EBIT up 32.2%
  - EBIT was driven higher by improved organic sales growth in the manufacturing business and new business won within the distribution business unit;
  - The manufacturing division delivered improved earnings from additional sales volumes primarily to third parties;
  - FX translation benefit on US dollar denominated earnings was $3.1M on pcp.

DEMERGER UPDATE

- Demerger successfully completed on schedule, Orora listed on ASX on 18 December 2013;
- As part of the Demerger, as outlined in the Scheme Booklet, an impairment charge of $209m was booked in the Fibre division. This will be treated as a significant item for statutory purposes for the year ending 30 June 2014. The depreciation impact has not been reflected in the above pro forma results.
- Announced the appointment of two new Non-Executive Directors to the Orora Board; Ms Abi Cleland and Ms Samantha Lewis.

OUTLOOK – 2014

- We expect the Group to continue to deliver on the cost improvement initiatives in 2014 with pro forma operating earnings (measured as EBIT) to be higher than that reported in 2013, subject to global economic conditions.

The financial information included in this release has been prepared on a pro forma basis and has not been audited.
Orora relies on the exemption available under the Australian Securities and Investment Class Order 08/15 which provides that a listed disclosing entity is relieved from the requirement to prepare and lodge a half year financial report and directors' report during the first financial year of the entity where the financial year lasts for 8 months or less.
The non-IFRS information included in this report is considered by Management in assessing the operating performance of the business and has not been reviewed by the Group's external auditor. These measures are defined in the footnotes to this report. References to earnings throughout this report are references to earnings before significant items.

[1] Earnings before interest, tax, depreciation and amortisation and significant items
[2] EBIT before Significant Items
[3] Excludes one-off items: gains on sale and lease back agreements $30M and pension curtailment benefit $15M offset by Botany paper mill non-capitalised delay costs of ($24M) and cost reduction programs ($15M)
[4] Excludes cash significants items that are considered to be outside the ordinary course of operations and non-recurring in nature. Includes Net Capital Expenditure.
[5] Equal to trailing 12 month EBITDA / Net Debt. Excludes anticipated incremental corporate costs of $17M
[6] Net debt / (net debt + equity)
[7] Annualised 1HFY14 EBIT / average funds employed. 1HFY13 funds employed does not include the B9 Botany paper mill.

REVENUE

- Reported sales revenue of $1,609.8M was up 8.0% on pcp (up 3.2% excluding FX), primarily driven by:
  - Improved sales in North America – both to existing customers and from new business won;
  - Higher glass volumes within the Beverage division;
  - Contribution from prior acquisitions within the Fibre division (Joe's Cartons and Wayne Richardson Sales);
  - FX benefit on US dollar denominated North America sales ($70.4M on pcp).

  Revenue gains were partially offset by:
  - Reduced beverage can sales primarily resulting from the pass through of lower aluminium prices coupled with slightly lower volumes;
  - Sales lower as a result of plant rationalisation (Petrie cartonboard mill and the Thomastown beverage closures site ceased operations during the half).

EARNINGS BEFORE INTEREST AND TAX (EBIT)

- Pro forma underlying EBIT increased by 24.0% to $97.3M. Increased earnings attributable to:
  - Cost improvement, efficiency and sales margin improvement initiatives within the Corrugated division;
  - Footprint rationalisation benefits from the closure of Petrie and Thomastown;
  - Higher glass earnings from increased wine sales;
  - Increased sales in the North America distribution business;
  - Translational FX benefit from US dollar denominated earnings ($3.1M on pcp).

  Earnings gains were partially offset by:
  - Increased depreciation from the Botany recycled paper mill of $7.7M;
  - Reduced beverage can earnings as a result of lower sales to major customers; and
  - Additional rent on sale and leaseback property transactions completed in pcp of $2.7M.

COST REDUCTION UPDATE

- Earnings growth potential over next few years strengthened by strategic focus on cost reduction program including portfolio exits/plant closures, cost improvement/productivity initiatives and cost benefits of B9 Paper Mill
  - Targeted delivery of $30-40M of total savings (since inception) in FY14 on track – approximately $16M realised in 1H14
  - Site rationalisation program executed and large proportion of these benefits being realised
  - Productivity and cost reduction programs on track
  - B9 Paper Mill targeted benefits expected to be progressively realised over the next two to three years.

Revenue Summary

(A$ mil)	1H13	1H14	Change %
Australasia	1,004.3	983.4	(2.1%)
North America	486.7	626.4	28.7%
Total sales revenue	**1,491.0**	**1,609.8**	**8.0%**

Pro Forma Underlying Earnings Summary (EBIT)

(A$ mil)	1H13	1H14	Change %
Australasia	57.4	69.4	20.9%
North America	21.1	27.9	32.2%
Total EBIT	**78.5**	**97.3**	**24.0%**

Cost Reduction Update

A$ million	Total cost reduction target	Cost reduction achieved in FY13	Cost reduction achieved in H1FY14	Remaining cost reduction target
Recycled Paper Mill	50.0	-	-	50.0
Portfolio exits/plant closures	18.0	8.0	8.2	1.8
Cost improvement	25.0	4.0	8.1	12.9
Total cost reduction target	**93.0**	**12.0**	**16.3**	**64.7**

BALANCE SHEET

- Key balance sheet movements since June 2013 were:
  - Increase in other current assets is a result of high season impacts on receivables and a demerger related receivable (settled in January);
  - Net property, plant and equipment (PP&E) increased mainly due to spend on maintenance capital and the final phases of the Botany paper mill project during the half which included settlement of disputes with the lead contractors (these were settled in December);
  - Net debt at the half was in line with the pro forma Scheme Booklet at $694M; and
  - Decrease in payables and provisions reflect the utilisation of cost reduction and restructuring provisions (refer to cash flow below), closure of the Australian defined benefit superannuation fund offset by seasonal increases in trade payables.

Pro Forma Balance Sheet

(A$ mil)	Pro forma[8] 30/06/13	Actual 31/12/13	Change %
Cash	25	68	172.0%
Other Current Assets	809	892	10.3%
Property, Plant & Equipment	1,521	1,556	2.3%
Intangible Assets	248	240	(3.2%)
Investments & Other Assets	216	203	(6.0%)
Total Assets	**2,819**	**2,959**	**5.0%**
Interest-bearing Liabilities	721	762	5.7%
Payables & Provisions	816	799	(2.1%)
Total Equity	1,282	1,398	9.0%
Total Liabilities & Equity	**2,819**	**2,959**	**5.0%**
Net Debt	**696**	**694**	
Leverage	2.7x	2.4x	
Gearing	35%	33%	

CASH FLOW

- Underlying operating pro forma cash flow increased by $12.2M to $114.3M compared with pcp. Main movements included:
  - Lower non-cash items versus pcp (predominantly the profit on sale of properties in Scoresby, Victoria and Auckland, New Zealand in 1H13).
  - Reduced cash inflow from working capital with pcp reflecting benefit of unwinding of stock build ahead of the commissioning of B9. Working capital continues to be a focus for the Group;
  - Base capex is trending to a more normalised level and will continue to increase towards guidance of between 80-90% of depreciation. The settlement with the B9 lead contractors referred to above was funded by Amcor Limited as part of the demerger process;
  - Cash significant items in 1H14 mostly relate to spend on the cost reduction and footprint rationalisation initiatives which are largely completed. In relation to the cost reduction programs, the net cash spend remaining is approximately $20M, which is expected to be spent in the second half of FY14 with any remaining cash outflow in FY15.

Pro Forma Cash Flow

(A$ mil)	Pro Forma 1H13	Pro Forma 1H14	Change % F/(U)
EBITDA	142.5	158.6	11.3%
Non Cash Items	(45.3)	(6.7)	
Movement in Working Capital	30.9	(4.9)	
Base Capex	(26.0)	(32.7)	
Underlying Operating Cash Flow	**102.1**	**114.3**	**11.9%**
Cash Significant Items	(10.6)	(42.8)	
Operating Free Cash Flow	**91.5**	**71.5**	

WORKING CAPITAL

- Average total working capital to sales decreased to 10.8% (versus 11.2% in pcp), as a result of improved working capital management within the Corrugated division and stock reduction occurring as part of the footprint rationalisation initiatives.

[8] For comparison purposes, the pro forma June 2013 Balance Sheet includes the assets and liabilities of the Petrie cartonboard mill. These assets and liabilities were excluded from the pro forma balance sheet in the Scheme Booklet.

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AUSTRALASIA

KEY POINTS

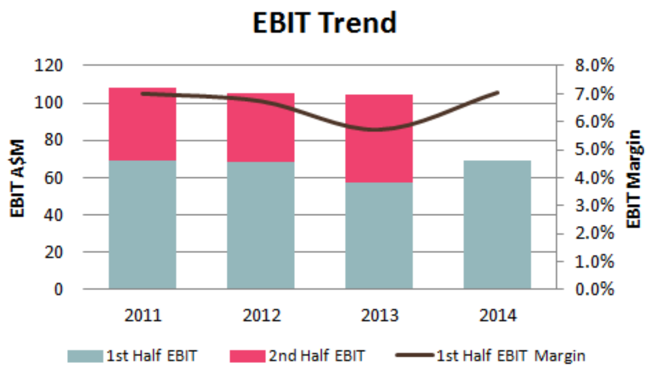
- Overall, Australasia delivered an underlying EBIT of $69.4M, 20.9% higher than pcp.
- Fibre earnings for the half were higher than pcp, driven by benefits of footprint rationalisation and cost improvement initiatives.

  Corrugated & Paper:
  - Sales in New Zealand were higher than pcp. Sales in most end markets within Australia were in line with pcp, however not offsetting softness in the beverage and grocery segments;
  - Recent footprint rationalisation, cost improvement initiatives and sales margin initiatives contributed to better margins in the half;
  - Recent acquisitions (Joe's Cartons and Wayne Richardson Sales) are on track;
  - Additional rent costs of $2.7m were incurred from sale and leaseback transactions completed in pcp;
  - A fire occurred at the Botany, NSW site on 19 December 2013 near the building of a previously decommissioned paper mill. Production at B9 Botany Mill was suspended for 23 hours after which production returned to normal over the following few days. There was no damage to the B9 mill and no personnel were injured. Provision has been made at 31 December for costs not covered by insurance.

  Cartons & Sacks:
  - Higher earnings versus pcp reflecting the benefits of prior period footprint rationalisation and cost improvement initiatives;
  - The Petrie cartonboard mill ceased operating in September 2013. The closure was well executed with costs in line with expectations. Following the closure, Cartons are importing 100% of its cartonboard requirements.

- Beverage earnings were higher than pcp, reflecting stronger glass earnings and improved manufacturing efficiencies.
  - Beverage cans: earnings were lower than pcp driven by reduced sales to major customers, mainly resulting from their lower promotional activity;
  - Glass: continued to experience higher sales to contracted customers and increased efficiencies in operations on pcp. Wine volumes were up on pcp, offsetting weaker beer volumes;
  - Closures: saw lower sales and higher earnings as a result of prior footprint rationalisation. Stelvin wine closure volumes were up on pcp.

(A$ mil)	1H13	1H14	Change %
Sales Revenue	1,004.3	983.4	(2.1%)
EBIT (underlying)	57.4	69.4	20.9%
EBIT Margin %	5.7%	7.1%	1.4%
Underlying Cash Flow	85.8	89.8	4.7%



Botany Recycled Paper Mill (B9)

- The new recycled paper mill started being commissioned in October 2012. The expected ramp up period is between 2-3 years.
- The focus to date has been on ramp up to full production, in terms of running speeds and paper grades, and resolving early commissioning issues typical of a machine of this scale and technical capability.
- In the past 6 months the ramp up has continued with production currently on track with the projected learning curve in relation to volume and quality across the full range of paper grades.
- The Botany mill began to export recycled paper to Orora North America in January 2014.
- With B9 production stabilising and reliability improving, the emphasis has now moved to realising the cost reduction and innovation benefits, with the targeted $50M of benefits expected to be realised over the next two to three years.

Strike Gas Option Agreement

- On 15 January 2014, Orora entered into a Gas Supply Option Agreement with Strike Energy Limited;
- Strike has granted an option to Orora for supply of 30PJ of gas for use at the Glass division in Gawler, South Australia, to be delivered over a 10 year term from 2017 (the currently expected start date).

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NORTH AMERICA

KEY POINTS

- The North America business had a strong half year with sales up 14.2% on a constant currency basis.
- The Landsberg distribution division experienced higher organic sales growth and new business won with a gain in market share in most regions. The division saw benefits from a focus on securing large corporate accounts and then leveraging this expanded market reach by introducing additional sales representatives to win business.
- The Manufacturing division delivered improved earnings from additional sales volumes to existing third parties as well as gaining market share.
- On a constant currency basis, earnings for the half were up 17.4% on pcp at $25.7M, driven by the increased sales volume and productivity gains.
- Reported earnings were up 32.2% with FX translation benefits of $3.1M over pcp.
- Strong overall operating cost control with benefits from cost reduction initiatives realised in the manufacturing division.
- EBIT margin for the half improved to 4.5% (versus 4.3% pcp) primarily on the back of leveraging manufacturing capacity. The division successfully passed through higher paper prices that impacted the business in February and May 2013.
- Underlying market conditions remain flat but are stable. Overall, the business is yet to witness any material benefits from improving economic conditions within the region.
- FX benefit on North America sales and earnings was $70.4M and $3.1M on pcp, respectively.

(A$ mil)	1H13	1H14	Change %
Sales Revenue	486.7	626.4	28.7%
EBIT	21.1	27.9	32.2%
EBIT Margin %	4.3%	4.5%	0.2%
Underlying Cash Flow	16.3	24.5	50.3%

(US$ mil)	1H13	1H14	Change %
Sales Revenue	505.4	577.3	14.2%
EBIT	21.9	25.7	17.4%