



***Orora Investor  
Briefing***

*November 2013*

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- **About Orora Limited**
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***The demerger of  
Orora Limited  
The steps to the demerger***

**ORORA**

# *Demerger to be completed this calendar year*



Event	Date
Announced intention to demerge	1 August 2013
Scheme Booklet lodged with ASX	1 November 2013
Scheme and General Meeting (SGM)	9 December 2013
Demerger effective date (last date Amcor shares will trade cum-entitlement)	17 December 2013
Orora shares commence trading (deferred settlement basis)	18 December 2013
Scheme record date	24 December 2013
Demerger implemented	31 December 2013
Orora shares commence trading (normal settlement basis)	3 January 2014

Process is “on track”



# ***About Orora Limited***

*The newest global  
packaging brand*

ORORA

# *Orora is set up for success*

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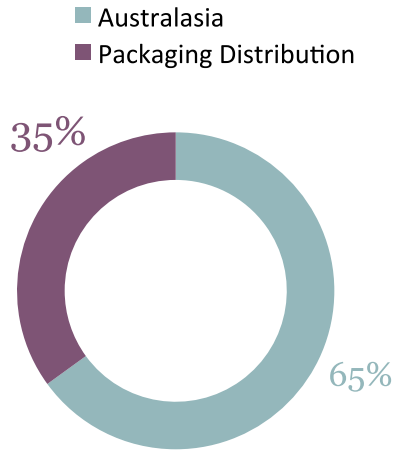


- Strong, well-positioned core business
  - Focused portfolio & good industry structures
  - Stable, defensive earnings streams
- Experienced Board & Executive Team with track record of performance
  - Cost reduction opportunities a key factor in expected near term earnings growth
- Strong financial profile/metrics
  - Strong balance sheet
  - Well-capitalised businesses
  - Near-term earnings growth in company's direct control
  - Strong cash flows
  - Proposed dividend payout 60 – 70% - dividends to be franked to the extent practicable
  - Disciplined approach to future growth
  - Capital management optionality

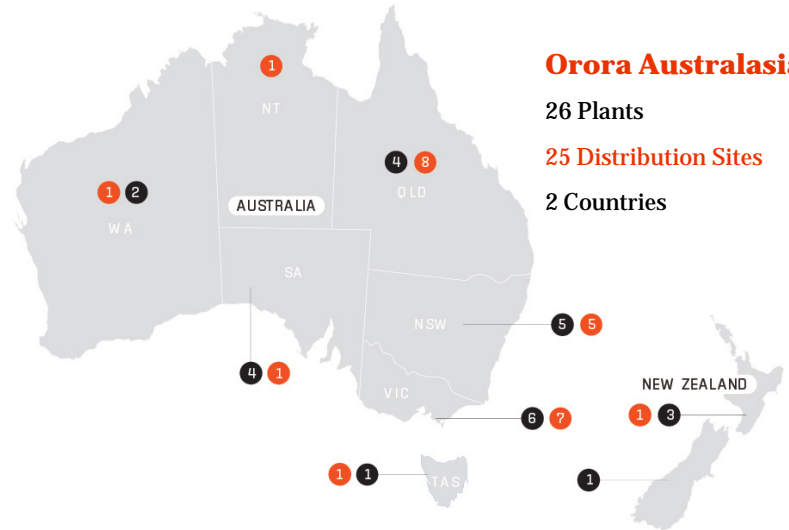
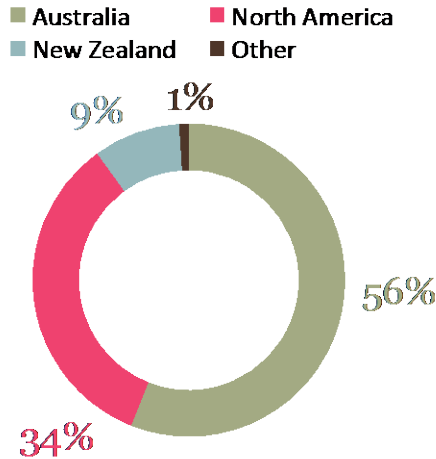
# The Orora Limited Group – A focused company



## FY13 Sales by Division



## FY13 Sales by Region



**FY13 Revenues**

**\$2,895 million**

**Employees**

**5,700**

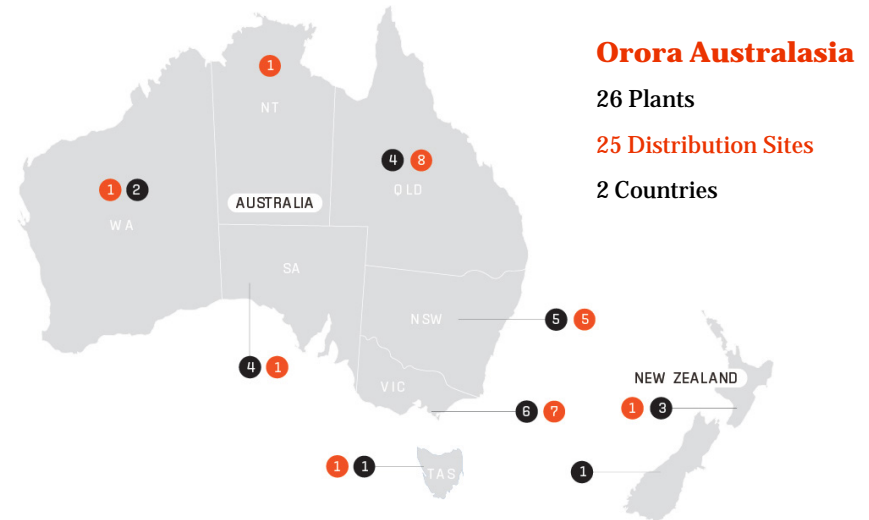
**Countries**

**7**

# A market leader across Australasia



Segment	Position	Scale Plants	Market Position
Beverage	Cans	6	#1
	Glass	1	#2
	Wine Closures	1	#2
Paper	Recycled Paper	1	#2
Fibre Packaging	Corrugated	12	#2
Cartons & Sacks	Folding Cartons	4	#1
	Sacks	1	#1

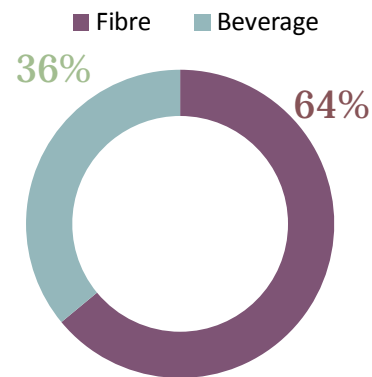


## FY13 Revenues

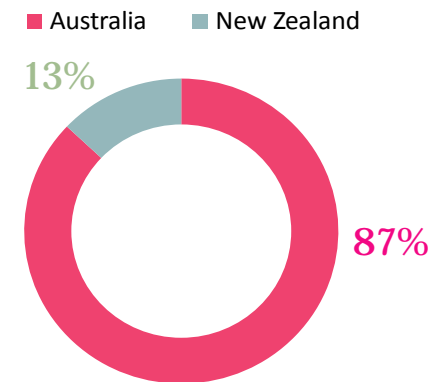
**\$1,888million**

Employees	3,800
Countries	2

## FY13 Sales by Division



## FY13 Sales by Region





# An emerging leader in North America



Segment	Sites
Distribution	54
Manufacturing (Corrugators & box plants)	10

FY13 Revenues	\$1,007 million
Employees	1,900
Countries	5

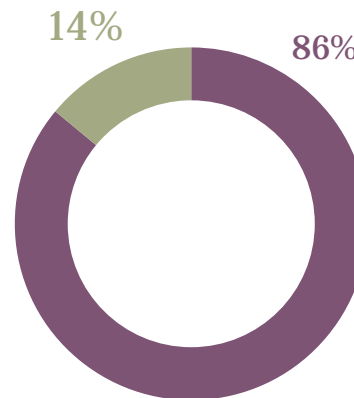


## Orora Packaging Distribution

10 Plants  
54 Distribution Sites  
5 Countries

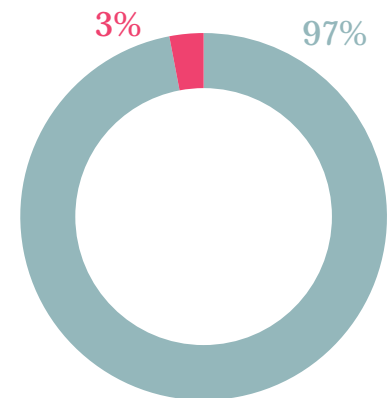
### FY13 Sales by Division

■ Distribution ■ Manufacturing



### FY13 Sales by Region

■ North America ■ Other





## ***Orora's Strategic Direction***

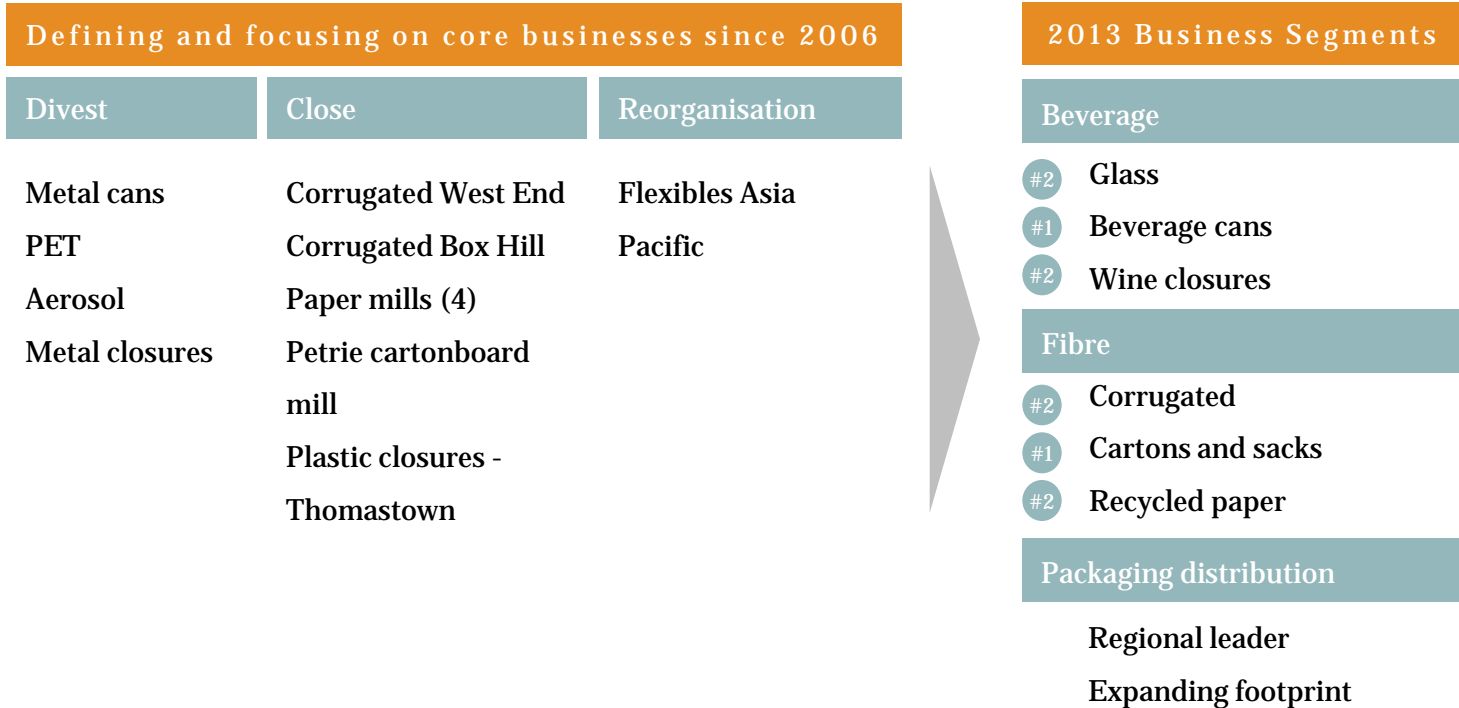
*Continued commitment  
to a proven, value-creating  
strategy*

**OR****RA**

# Focused portfolio & market leading positions



- Orora has a focused portfolio with a strategy of targeting business segments where it has a leading position
- Since 2006, Orora's Australian footprint has been reduced from 65 to 26 scale plants



# Well invested businesses



## Organic Growth

- Third glass furnace (commissioned FY11)
- NZ can line (commissioned FY12)

## World class recycled paper mill

- >\$500 million investment
- \$50 million cost reduction opportunity over next few years

## Strategic Acquisitions – close to the core “bolt-ons”

- Smithfield cartons plant
- Wayne Richardson Sales
- Joe’s Cartons
- Marfred Industries (USA)



**Strategic investments have enabled growth and drive cost improvement**

# Significant “self help” earnings growth potential



Short to medium term priority is to deliver on the substantial cost reduction benefits over the next few years

<b>A\$ million</b>	<b>Total cost reduction benefit</b>	<b>Cost reduction benefit achieved in FY13</b>	<b>Remaining cost reduction benefits expected to be realised</b>	<b>Net cash spend remaining (FY14/15)</b>
Recycled paper mill	50.0	0.0	50.0	0.0
Portfolio exits / plant closures	18.0	8.0	10.0	10.2
Cost improvement	25.0	4.0	21.0	22.5
<b>Total cost reduction benefit</b>	<b>93.0</b>	<b>12.0</b>	<b>81.0</b>	<b>32.7</b>

Realisation of cost benefits a key priority

\$30 - \$40 million of total cost reduction benefits expected to be realised in 2013/14

Balance over the next few years

Extent of increased earnings from potential cost reduction benefits a function of a number of factors<sup>(1)</sup>

(1) Subject to general market conditions, competitor pricing strategies and ability of Orora to pass on or offset any cost increases

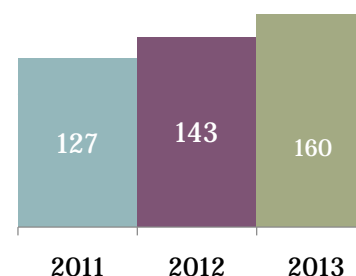
# Strong Operating Cash Flow



Operating cash flow to enhance shareholder value:

- Stable earnings streams with exposure to defensive end markets
- Significant capital invested in recent years
- Proposed 60% - 70% dividend payout policy (franked as practicable)
- Base capex expected to be \$80 - \$90 million per annum – scale plants will require continued maintenance capital
- Continued disciplined approach to expenditure and acquisitions (maintain 20% ROI hurdle)
- Conservative leverage/gearing
- Significant headroom in covenants & capacity

Base Operating Cash Flow (A\$m) <sup>(1)</sup>



<sup>(1)</sup> Defined as PBITDA less non-cash items, changes in working capital and capital expenditure (excluding B9)

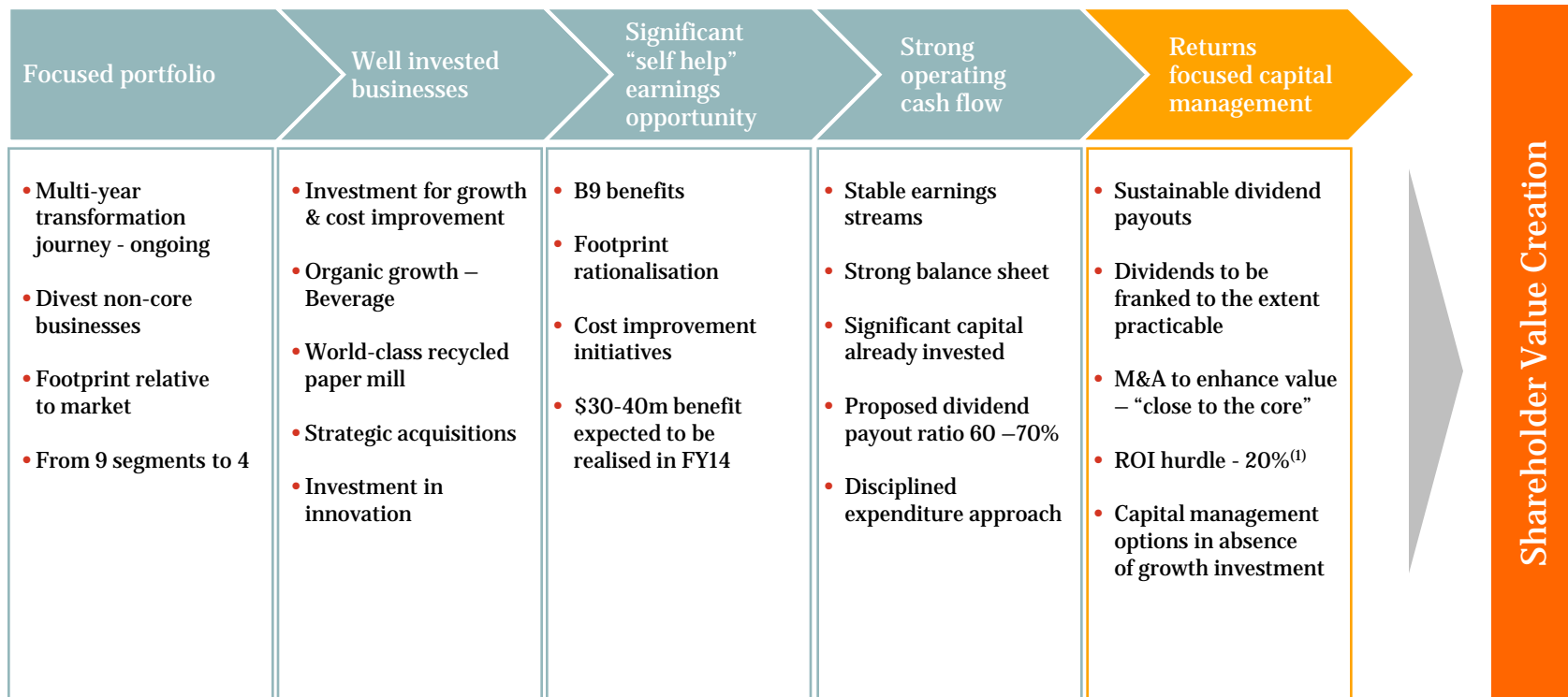
# Returns focused capital management



- Orora established with a strong balance sheet
  - Pro forma FY13 leverage – 2.9x EBITDA
  - Pro forma FY13 gearing - approx. 35%
- Focus on sensible debt levels
  - Target investment grade credit metrics
  - Medium term – consider diversifying funding options outside of bank debt
- Appropriate use of free cash flow to augment longer term growth
  - Proposed sustainable dividend payout of 60% to 70%
  - Targeted bolt on M&A focused on enhancing core operations and/or improving industry structure
  - Growth investment hurdle rate - 20% ROI by year 3
  - Capital management opportunities in absence of suitable growth investments

Total Debt Facility	\$1,100 million
Net debt on demerger	\$700 million
Drawn debt on demerger	\$725 million
Undrawn Capacity	\$375 million
Pro-forma FY13 leverage	2.9x EBITDA

# Continued commitment to a proven strategy



## Disciplined operating framework & culture of Outperformance



Safety



Customer Focus



Talent



Capital Discipline



Low Cost

## Leverage Amcor DNA to create “Orora Way” & drive future success





***Orora Leadership***  
*Board & Management*  
*Teams*

ORORA

# Experienced Board led by Chris Roberts



**Chris Roberts**  
Independent Non-Executive Director & Chairman

- Current Chairman of Amcor Limited
- Substantial knowledge of fast moving consumer products, gained through executive roles in Australia, New Zealand, the United Kingdom & Indonesia
- Former positions include Chairman & MD of Arnotts Limited, Chairman of Email Ltd & Winifred West Schools Ltd, MD of Orlando Wyndham Wines Ltd, Director of Telstra Corporation Ltd, MLC Life Ltd & Petaluma Wines



**John Pizzey**  
Independent Non-Executive Director

- A vast knowledge of the international resources industry & general management
- Former positions include Executive Vice President & Group President Primary Products for Alcoa Inc. & Chairman of London Metal Exchange
- A Director of Amcor Limited since September 2003.
- Other Directorships: Chairman & Director of Alumina Ltd, & Chairman & Director of Iluka Resources Ltd



**Jeremy Sutcliffe**  
Independent Non-Executive Director

- Broad international corporate experience as CEO of two ASX Top 100 companies, extensive experience in North America & Europe, & diverse trading relationships in Asia.
- A qualified lawyer in Australia & the UK
- Former positions include with Baker & McKenzie Solicitors (London & Sydney), Group CEO Sims Metal Management Limited & associated companies, & Interim Managing Director & CEO of CSR Limited



**Nigel Garrard**  
Managing Director & Chief Executive Officer

- Joined Amcor as Managing Director of Amcor Australasia in May 2009 after an extensive career in the consumer goods industry. Appointed President Amcor Australasia & Packaging Distribution in 2010
- A qualified Chartered Accountant
- Former positions include Managing Director of Chiquita Brands South Pacific Ltd, Managing Director of the publicly listed SPC Ardmona, & Managing Director of Coca-Cola Amatil's Food & Services Division

# Continue to be led by strong Executive Team





# *Summary*

ORORA

# *Orora is set up for success*

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  - Strong balance sheet – conservative leverage/gearing
  - Well-capitalised businesses
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  - Proposed dividend payout 60-70% - dividends to be franked to the extent practicable
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# *Appendix*

ORORA

# Overview of Orora Limited businesses



## Australasia

Pro Forma Revenue	A\$1,888m
Pro Forma PBITDA	A\$193m <sup>1</sup>
Pro Forma PBIT	A\$106m <sup>1,2</sup>
Manufacturing plants	26
Countries	2
Employees	3,800

## Packaging Distribution

Pro Forma Revenue	A\$1,007m
Pro Forma PBITDA	A\$52m
Pro Forma PBIT	A\$44m
Manufacturing plants	10
Countries	5
Employees	1,900

## Fibre



- The Fibre operating division produces corrugated boxes, cartons and sacks and manufactures recycled paper.
- The business has the number one position in cartons and sacks, and the number two position in corrugated and recycled paper in Australia.

## Beverage



- The Beverage operating division produces aluminium beverage cans, glass bottles and wine closures.
- The business has the number one position in beverage cans, and the number two position in glass bottles and wine closures in Australia.

## Packaging Distribution



- The Packaging Distribution business group purchases, warehouses, sells and delivers a wide range of packaging and other related materials.
- The business has integrated corrugated sheet and box manufacturing and equipment sales capabilities.

1. Includes approximately \$17 million in additional corporate costs associated with operating Orora as a standalone entity

2. Includes a reduction of approximately \$21 million in depreciation associated with an estimated reduction in the carrying value of Orora's assets



## Overview

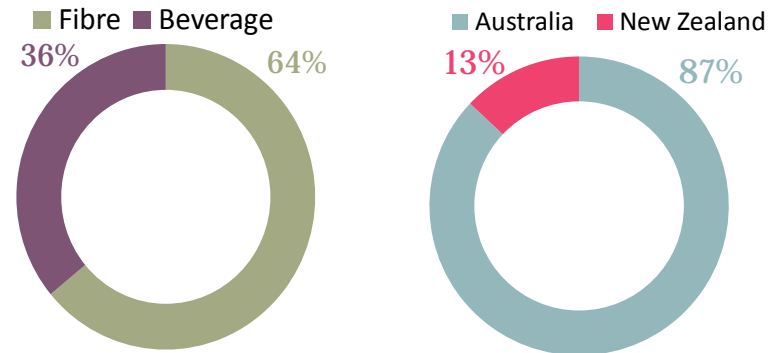
- A portfolio of scale businesses with leading positions in their respective markets
- Predominantly services the defensive food and beverage segments
- 3,800 employees across 26 plants and 25 distribution centres
- Focused on fibre (recycled paper, corrugated boxes, cartons and sacks and distribution of packaging materials) and beverage (glass bottles, beverage cans and wine closures) packaging within Australia and New Zealand

## Fibre business

- The Fibre operating division produces corrugated boxes, cartons and sacks and manufactures recycled paper
- The business has the number one position in cartons and sacks, and the number two position in corrugated and recycled paper in Australia
- Integrated operations with recycled paper (annual capacity of 400,000 tonnes) manufactured for use in the corrugated box operations
- Predominantly supplies products to the Australian and New Zealand markets with more than 65% of sales to the defensive food and beverage segments



## Sales breakdown



## Beverage business

- The Beverage operating division produces aluminium beverage cans, glass bottles and wine closures
- The business has the number one position in beverage cans, and the number two position in glass bottles and wine closures in Australia
- Manufacturing footprint covering Eastern Australia, Western Australia and New Zealand with 6 beverage can plants as well as glass and wine closure operations





# Orora Packaging Distribution



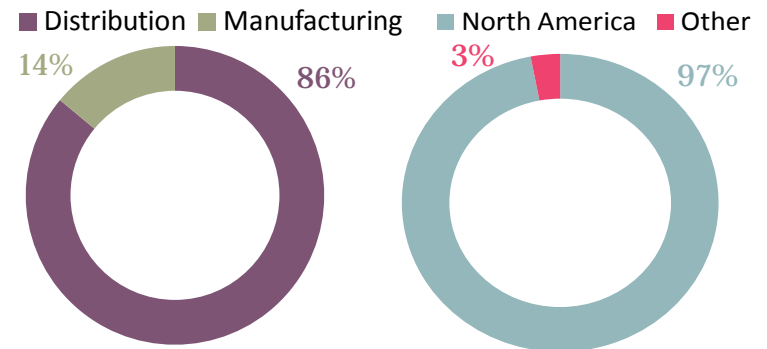
## Overview

- Packaging Distribution is a large North American packaging distributor, headquartered in Buena Park, California
- Comprises 10 manufacturing plants and 54 distribution sites and 1,900 employees across five countries
- Packaging Distribution has two operating divisions – Distribution (under the Landsberg brand) and Manufacturing (under the Manufactured Packaging Products (MPP) and Corru-Kraft (CK) brands)

## Distribution (Landsberg)

- Large distributor of corrugated boxes, shipping materials, label supplies, janitorial products and packaging equipment predominantly in North America
- Purchases, warehouses, sells and delivers over 7,000 packaging products and other related materials sourced from a variety of manufacturers
- Offers customers business solutions including just-in-time inventory logistics, fulfilment services and electronic ordering capabilities
- Also sells packaging equipment and supplies technical assistance through Landsberg Engineered Packaging
- Sales are principally generated by a commission-based sales force comprising approximately 300 sales representatives

## Sales breakdown



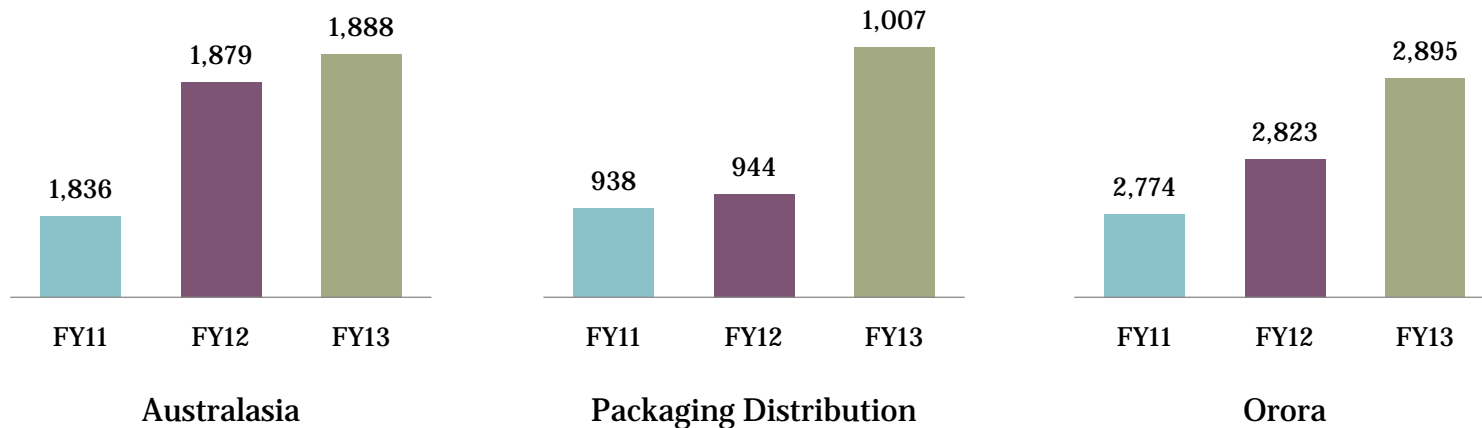
## Manufacturing (MPP and CK)

- Manufacturing operating division provides Packaging Distribution with an integrated value chain in corrugated products
- CK produces corrugated sheets that are sold to external customers and MPP
- MPP is a converter of corrugated sheets, producing custom and stock corrugated boxes, point-of-purchase displays, merchandising packaging, die cuts and other specialty packaging products for sale to a range of distributors and brokers, including Landsberg

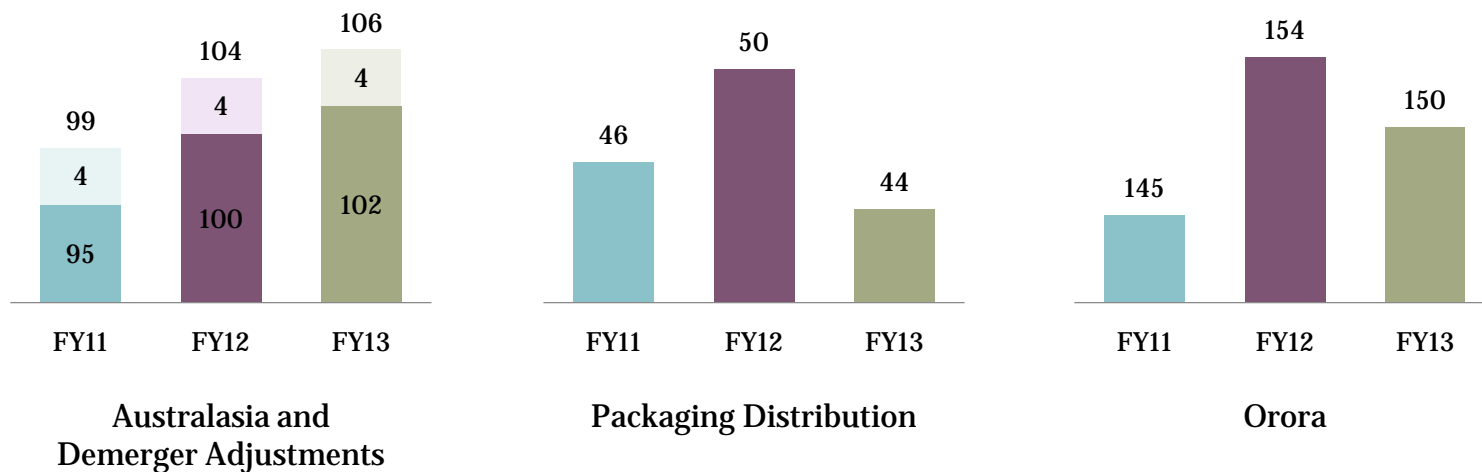
# Historical financials



## Pro Forma Revenue (A\$m)



## Pro Forma PBIT (A\$m)



# Historical Income Statement



\$m	Year ended 30 June 2011	Year ended 30 June 2012	Year ended 30 June 2013
<b>Pro forma revenue<sup>1,2</sup></b>			
Australasia	1,836	1,879	1,888
Packaging Distribution	938	944	1,007
Demerger Adjustments <sup>3</sup>	-	-	-
<b>Total</b>	<b>2,774</b>	<b>2,823</b>	<b>2,895</b>
<b>Pro forma PBITDA<sup>1,2</sup></b>			
Australasia	196	209	210
Packaging Distribution	57	60	52
Demerger Adjustments <sup>3</sup>	(17)	(17)	(17)
<b>Total</b>	<b>236</b>	<b>252</b>	<b>245</b>
<b>Pro forma depreciation and amortisation<sup>1,2</sup></b>			
Australasia	(102)	(109)	(108)
Packaging Distribution	(10)	(10)	(8)
Demerger Adjustments	21	21	21
<b>Total</b>	<b>(91)</b>	<b>(98)</b>	<b>(95)</b>
<b>Pro forma PBIT<sup>1,2</sup></b>			
Australasia	95	100	102
Packaging Distribution	46	50	44
Demerger Adjustments <sup>3</sup>	4	4	4
<b>Total</b>	<b>145</b>	<b>154</b>	<b>150</b>
Pro forma net financing costs <sup>4</sup>			(44)
Pro forma tax expense <sup>4</sup>			(33)
<b>Pro forma net profit</b>			<b>(73)</b>

- To present the continuing business to be demerged, the historical results of the Orora Business have been adjusted to exclude the results of Discontinued Operations from 1 July 2010.
- Pro forma financial information for the continuing business to be demerged is presented excluding the impact of Significant Items and Other Material Items
- The following adjustments have been made to show the effect of the Demerger as if the Demerger was effective from 1 July 2010:
  - additional corporate costs and operating costs associated with operating Orora as a standalone entity; and
  - the depreciation impact from the estimated impairment of the carrying value of the Orora Business
- The pro forma net financing cost has been calculated based on \$725 million of pro forma drawn debt. The pro forma tax expense has been calculated using an effective tax rate of 30.8%, which is based on a historical blended tax rate for the Australasia and Packaging Distribution business units.

# Historical operating cash flows



\$m	Year ended 30 June 2011	Year ended 30 June 2012	Year ended 30 June 2013
<b>Pro forma PBITDA</b>	<b>236</b>	<b>252</b>	<b>245</b>
Other non-cash items included in Pro Forma PBITDA	22	2	15
Change in working capital and other	(36)	(33)	(47)
Capital expenditure excluding B9	(95)	(78)	(53)
<b>Base operating cash flows</b>	<b>127</b>	<b>143</b>	<b>160</b>
B9 expansion capital expenditure	(183)	(265)	(92)
<b>Pro forma net operating cash flows before net financing costs and tax expense but after capital expenditure</b>	<b>(56)</b>	<b>(122)</b>	<b>68</b>

This presentation has been prepared by Amcor Limited (**Amcor**) in connection with the proposed demerger of Orora Limited (**Orora**) from Amcor (**Demerger**). It should be read in conjunction with the Demerger Booklet that was released to ASX on 1 November 2013 and which can be found on the Amcor website ([www.amcor.com](http://www.amcor.com)). The information contained in this presentation is for informational purposes only. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. This presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person, and you should consult your financial, legal, taxation or other professional adviser before making any such investment decision.

## **Forward looking statements**

Certain statements in this presentation relate to the future. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Orora to be materially different from future results, performance or achievements expressed or implied by such statements. Such forward looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which Orora will operate in the future. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward looking statements include, among other things, the risk factors described in the Demerger Booklet, and other unknown risks and uncertainties. Forward looking statements should, therefore, be construed in light of such risk factors and reliance should not be placed on forward looking statements.

Other than as required by law, neither Amcor or Orora, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this presentation will actually occur and other than as required by law or the ASX Listing Rules, both Amcor, Orora and their respective directors disclaim any obligation or undertaking to disseminate any updates or revisions to any forward looking statements made in this presentation. The forward looking statements in this presentation reflect views held only at the date of this presentation. Additionally, statements of the intentions of the board of Orora reflect the present intentions of its directors as at the date of this presentation and may be subject to change as the composition of the Orora Board alters, or as circumstances require.

## **Financial Information**

This presentation contains historical financial information of Amcor after applying pro forma adjustments that were considered appropriate to reflect the indicative effect of the Demerger as described in the Demerger Booklet.

The financial information in this presentation:

- has been prepared for illustrative purposes, to assist investors to understand the financial position and financial performance of Orora;
- is historical, and investors should note that past financial performance is not necessarily a guide to future financial performance; and
- has been prepared and presented in accordance with Amcor's accounting policies as disclosed in its 30 June 2011, 30 June 2012 and 30 June 2013 financial statements which are contained in Amcor's 2011, 2012 and 2013 Annual Reports which can be found on the Amcor website.