



ASX Announcement

16 October 2014

ORORA LIMITED – ANNUAL GENERAL MEETING

11.00AM, THURSDAY 16 OCTOBER 2014

CHAIRMAN'S ADDRESS

Ladies and Gentlemen, as indicated earlier, I will present a review of the 2014 financial year results, a very brief update regarding the demerger of Orora from Amcor and an overview of certain governance matters.

Nigel Garrard will then take you through the operational performance of the business divisions, an update on the trading performance for the first quarter of the 2015 financial year and importantly, the work undertaken since listing to define the business and how it operates.

I'm very pleased to report that Orora commenced its journey as a separate listed entity with minimal impact to the underlying business. The results, to which I will turn in just a moment, reflect the benefits of delivering on programs that were already in place, which are aimed at reducing the cost of doing business and, most importantly, improving Orora's products and services to customers.

The internal rebranding project changing overall signage, uniforms and stationery to the new brand is complete and the business is now embedding its own unique organisational belief, values and culture program - which Nigel will touch on shortly.

From time to time, we are asked about the rationale for the demerger from Amcor. We have consistently stated that the key driver was that of focus. Establishing an independent Company has already enabled a greater focus on the core business and a refinement of plans for growth and improvement across key areas of operation. Orora's people are also invigorated by the new challenges and opportunities that being an independent listed company provides.

Turning to the 2014 financial year, I am pleased to report that the inaugural result delivered on expectations.

The Company increased pro forma net profit after tax by 44.8% on a full year underlying basis to AUD 104.4 million, driven by both sales growth and the benefits of cost improvement programs.

Sales revenue increased by 7.9% on the previous corresponding period to AUD 3.17 billion, with strong growth in the North American business a key driver of this performance and higher glass volumes in the wine segment.



These results, achieved despite flat market conditions both in Australia and the USA, are the result of on-target delivery of 'self-help' cost reduction programs, market share gains and manufacturing efficiencies.

Furthermore, by maintaining strong financial discipline, the Company converted earnings growth into cash and strengthened its balance sheet. Operating cash flow for the year was a strong AUD 224 million and this helped drive an encouraging reduction in overall debt levels. Leverage, a commonly used financial measure, reduced to 2.2 over the year and at these levels is well within internal targets.

The Company has recently announced a final ordinary dividend of 3 cents per share, taking the total dividend to 6 cents per share for the year. This represents a payout ratio of approximately 70% of Net Profit After Tax before significant items which is at the top end of the range indicated in the Demerger Scheme Booklet.

Both of these dividends were unfranked. The Company expects it will be able to pay partly franked dividends in the future.

Orora's focus is very much on its core areas of business, on product development, delivery of cost savings mainly through self-help measures, and financial discipline across the business in capital allocation and the drive for improved returns. This focus will continue in 2015, with particular attention on the operations of the new paper mill at Botany in NSW, which we call B9. This will help deliver further earnings momentum in the year ahead.

At the time of the demerger and listing, the Board of Orora comprised Jeremy Sutcliffe, John Pizzey and myself as independent non-executive directors, and Nigel Garrard as the managing director. It was contemplated at that time and referred to in the Scheme Booklet, that the Board might appoint additional directors.

The Board subsequently determined that the qualifications, skills, experience and diversity that Abi and Sam would bring to the Board complemented those of the existing directors.

Abi Cleland, whom I introduced earlier, was appointed as a non-executive director effective 1 February 2014. Abi has more than 15 years of experience in global senior leadership roles with a focus on strategy, mergers and acquisitions, and managing businesses in the industrial, retail, transport, agriculture and financial services sectors.

Sam Lewis, also introduced earlier, was appointed as a non-executive director and Chairman of the Audit & Compliance Committee effective 1 March 2014. Sam, formerly a partner of Deloitte, brings extensive financial expertise to the Board, including experience as a lead auditor and advisor of a number of major Australian listed companies across a range of industries.

On behalf of the directors and shareholders I welcome Abi and Sam and thank them for their contribution to the Board so far.



In August this year Orora announced the establishment of two share sale facilities to assist holders of small parcels of shares to realise their investments in a cost-effective way, and to reduce the high cost to the company of servicing holders of small parcels. These facilities enable holders of small or unmarketable parcels to sell their shares without paying brokerage.

The facilities closed two days ago, and I am pleased to report that they enjoyed solid support from eligible shareholders.

Before I hand over to Nigel, it is important that I address Orora's approach to corporate citizenship and corporate governance. The Board is committed to the highest standards of corporate governance and promoting these standards rigorously throughout the Group. The Board also strives to ensure that the Company is a positive contributor to the communities in which it operates, and adheres to all relevant regulations and industry standards.

We regularly review the Company's corporate governance framework and practices to ensure that they continue to meet the interests of all stakeholders. Details of the Company's key corporate governance policies, including the Shareholder Communications Policy which governs communications with shareholders, are published on the Company's website. I urge you to take the time to have a look at these if you have not already done so.

In conclusion, 2014 was a landmark year for the Company. Led by a strong, talented, senior executive team, Orora embarked on its own journey as a separate listed entity, delivered solid financial results and positioned itself for sustained growth and continued improvement in shareholder returns.

We look forward to continuing that journey in the years ahead with you, our valued shareholders.

With that, I would now like to hand over to Nigel Garrard who will take you through the operational highlights for the year, provide an update about the work done to develop and define the unique Orora Way of doing business, as well as an update on how the business is tracking in the new financial year.

Thank you.

I will now ask Nigel Garrard, your Managing Director and CEO, to address you.

ENDS