Appendix 4D *Rule 4.2A.3*

Half year report

ORORA LIMITED
ABN 55 004 275 165

1. Details of the reporting period and the previous corresponding period

Reporting Period:	Half-Year Ended 31 December 2015
Previous Corresponding Period:	Half-Year Ended 31 December 2014

2. Results for announcement to the market

Key information	**31 Dec 2015 A$ million**				**31 Dec 2014 A$ million**
Statutory results					
2.1 Revenue from ordinary activities					
• From Continuing Operations	1,898.5	Up	13.9%	from	1,666.6
• From Discontinued Operations	-	-	-	-	-
2.2 Net profit/(loss) from ordinary activities after tax attributable to members	87.9	Up	27.2%	From	69.1
2.3 Net profit/(loss) for the period attributable to members	87.9	Up	27.2%	From	69.1

Dividends	**Amount per security**	**Franked amount per security**
Current period		
2.4 Interim dividend payable 6 April 2016	4.5 cents	30.0%
2.4 Final dividend (in respect of prior year) paid 13 October 2015	4.0 cents	30.0%
Previous corresponding period		
2.4 Interim dividend paid 9 April 2015	3.5 cents	Nil

2.5 Record date for determining entitlements to the dividend	Interim dividend – 2 March 2016

2.6 Brief explanation of figures in 2.1 to 2.4 –:

i) Interim dividend in the current period is 30.0% franked whilst the previous corresponding period the interim dividend was unfranked.

ii) 70% of the current period dividend is sourced from the Conduit Foreign Income Account. Dividends to foreign holders are not subject to withholding tax.

iii) Refer to attached Interim Financial Report and the Investor Results Release for further details relating to 2.1 to 2.4.

iv) Net profit from ordinary activities after tax includes a gain of $5.9 million ($8.4 million before tax) relating to the sale of the former cartonboard mill site in Petrie, Queensland, Australia to Moreton Bay Regional Council on 20 July 2015.

3. Net tangible assets

	31 December 2015	30 June 2015	31 December 2014
Net tangible asset backing per ordinary security	$0.96	$0.96	$0.95

4. Control gained or lost over entities during the period having a material effect

Not applicable

5. Details of individual dividends and payment dates

Refer the attached Interim Financial Report, Note 5 Dividends.

6. Details of dividend reinvestment plan

The Dividend Reinvestment Plan (DRP) is in operation. No discount is available under the DRP in respect of the interim dividend. The issue price for the interim dividend will be calculated based on the arithmetic average of the weighted average market price for the ten ASX trading days from 8 to 21 March 2016, inclusive. The last date for receipt of election notices for the DRP is 3 March 2016. Shares allotted under the DRP rank equally with existing fully paid ordinary shares of Orora Limited.

7. Details of associates and joint venture entities

Not applicable

8. For foreign entities, which set of accounting standards is used in compiling the report

International Financial Reporting Standards

9. The Interim Financial Report is not subject to a review report that is subject to a modified opinion, emphasis of matter or other matter paragraph (a copy of the review report is included in the attached Interim Financial Report).

A Stubbings

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Ann Stubbings
Company Secretary

Dated: 16 February 2016

ORORA LIMITED

ABN: 55 004 275 165

INTERIM FINANCIAL REPORT

31 DECEMBER 2015

16 February 2016

Contents

This condensed consolidated Interim Financial Report was approved by the Directors on 16 February 2016. The Directors have the power to amend and reissue the condensed consolidated Interim Financial Report.

Orora Limited and its controlled entities

Directors' Report

The Directors present their report on the Group consisting of Orora Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2015.

Directors

The following persons were Directors of Orora Limited during, or since the end of, the half year:

Name
Non-executive
C I (Chris) Roberts - Chairman
G J (John) Pizzey
J L (Jeremy) Sutcliffe
A P (Abi) Cleland
S L (Samantha) Lewis

Executive
N D (Nigel) Garrard

Review and Results of Operations

The Groups consolidated statutory profit, after tax, for the half year ended 31 December 2015 was $87.9 million, an increase of 27.2% compared with $69.1 million in the comparative period, whilst the Group's earnings (profit from operations) increased from $118.4 million to $145.3 million. The profit from operations result of $145.3 million includes $8.4 million of profit on sale of land at the former cartonboard mill site in Petrie, Queensland.

Profit from operations from the Australasia business increased to $105.5 million from $101.0 million reflecting delivery of B9 Recycled Paper Mill cost reduction and innovation benefits and manufacturing efficiencies and operating cost control across the Beverage division. These benefits were offset by higher gas costs in the Glass business and higher depreciation charges following the rebuild of the G1 glass furnace.

Profit from operations from the North America business increased from $33.6 million to $46.0 million driven by increased sales and benefits from procurement and cost efficiency and earnings derived from the acquisition of the Jakait business on 1 September 2015. The North America results also include a foreign currency translational benefit of $7.8 million, on the comparable period, from its US dollar denominated earnings.

Business acquisition
On 1 September 2015 the Group acquired the assets and business of Jakait, a supplier of packaging, logistics and label products to the greenhouse produce sector based in Ontario, Canada. The initial consideration was CAD16.5 million ($17.7 million) with an additional returns based consideration, of up to CAD5.5 million ($5.9 million), payable over the next five years and resulted in the recognition of $15.7 million goodwill. The results of the Jakait operations are included in the North America business from the date of acquisition.

Australian land sale
On 20 July 2015 the Group reached an agreement to sell the former cartonboard mill site in Petrie, Queensland, Australia, to Moreton Bay Regional Council for total consideration of $50.5 million. The Group received $20.0 million on the exchange of contracts and the balance of the proceeds will be paid as decommissioning of the site progresses over the next two years. The profit before tax on the sale of $8.4 million (profit after tax $5.9 million) has been recognised in the period to 31 December 2015, and is included in the Other segment result.

Additional analysis of operations of the Group for the half year ended 31 December 2015 is contained in Orora Limited's Statement to the Australian Stock Exchange and Investor Results Release dated 16 February 2016.

Dividend

Since 31 December 2015 the Directors have determined an interim dividend on ordinary shares, expected to be paid on 6 April 2016 of approximately $53.6 million. This represents a dividend of 4.5 cents per share 30.0% franked, of which 70% will be sourced from the Conduit Foreign Income Account. The financial effect of this dividend has not been brought into account in the consolidated interim financial statements for the half year ended 31 December 2015 and will be recognised in subsequent financial reports.

Orora Limited and its controlled entities

Directors' Report (continued)

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under Section 307C of the *Corporations Act 2001,* is set out on page 3

Rounding Off

The Group is of a kind referred to in the Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial report and Directors' report have been rounded off to the nearest $100,000 or, where the amount is $50,000 or less, zero, unless specifically otherwise stated.

Signed in accordance with a resolution of the Directors, dated at Melbourne, this 16th day of February 2016.

C I Roberts
Chairman

Auditor's Independence Declaration

As lead auditor for the review of Orora Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Orora Limited and the entities it controlled during the period.

Lisa Harker

Lisa Harker
Partner
PricewaterhouseCoopers

Melbourne
16 February 2016

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Orora Limited and its controlled entities

Consolidated Income Statement
For the six months ended 31 December 2015

$ million	Note	Dec 2015	Dec 2014
Sales revenue	3	**1,898.5**	1,666.6
Cost of sales		**(1,546.3)**	(1,361.0)
Gross profit		**352.2**	305.6
Other income	3	**18.9**	8.8
Sales and marketing expenses		**(94.6)**	(77.5)
General and administration expenses		**(131.2)**	(118.5)
Profit from operations	3	**145.3**	118.4
Finance income	3	**0.2**	0.2
Finance expenses	3	**(20.4)**	(19.8)
Net finance costs		**(20.2)**	(19.6)
Profit before related income tax expense	3	**125.1**	98.8
Income tax expense		**(37.2)**	(29.7)
Profit for the financial period attributable to the owners of Orora Limited		**87.9**	69.1

	Cents	Cents
Profit per share attributable to the ordinary equity holders of Orora Limited		
Basic earnings per share	**7.3**	5.7
Diluted earnings per share	**7.2**	5.7

The above consolidated income statement should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Orora Limited and its controlled entities

Consolidated Statement of Comprehensive Income
For the six months ended 31 December 2015

$ million	Dec 2015	Dec 2014
Profit for the financial period	**87.9**	69.1
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
Net change in fair value of available-for-sale financial assets	**-**	1.4
Tax on available-for-sale financial assets	**-**	(1.3)
Cash flow hedges		
Effective portion of changes in fair value of cash flow hedges	**(6.9)**	(7.1)
Tax on cash flow hedges	**2.1**	2.1
Foreign exchange translation		
Exchange differences on translation of foreign operations	**6.0**	18.8
Net investment hedge of foreign operations	**6.2**	4.8
Tax on exchange differences on translating foreign operations	**0.4**	-
Items subsequently reclassified to profit or loss:		
Cash flow hedges		
Net change in fair value of cash flow hedge reclassified to profit or loss, net of tax	**(1.8)**	-
Other comprehensive income for the financial period, net of tax	**6.0**	18.7
Total comprehensive income for the financial period attributable to the owners of Orora Limited	**93.9**	87.8

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Orora Limited and its controlled entities

Consolidated Statement of Financial Position
As at 31 December 2015

$ million	Dec 2015	June 2015
Current assets		
Cash and cash equivalents	**32.2**	67.3
Trade and other receivables	**465.9**	427.7
Inventories	**462.9**	451.1
Other financial assets	**2.1**	7.5
Other current assets	**47.1**	44.8
Total current assets	**1,010.2**	998.4
Non-current assets		
Other financial assets	**8.0**	3.5
Property, plant and equipment	**1,536.3**	1,547.4
Deferred tax assets	**-**	0.7
Intangible assets	**315.0**	287.9
Other non-current assets	**96.2**	99.1
Total non-current assets	**1,955.5**	1,938.6
Total assets	**2,965.7**	2,937.0
Current liabilities		
Trade and other payables	**637.5**	636.0
Other financial liabilities	**6.5**	3.9
Current tax liabilities	**14.5**	2.7
Provisions	**122.2**	110.3
Total current liabilities	**780.7**	752.9
Non-current liabilities		
Other payables	**24.2**	19.7
Interest-bearing liabilities	**625.3**	674.2
Other non-current financial liabilities	**11.8**	8.4
Deferred tax liabilities	**17.8**	14.2
Provisions	**32.8**	25.6
Total non-current liabilities	**711.9**	742.1
Total liabilities	**1,492.6**	1,495.0
NET ASSETS	**1,473.1**	1,442.0
Equity		
Contributed equity	**483.7**	502.7
Reserves	**137.4**	127.2
Retained earnings	**852.0**	812.1
TOTAL EQUITY	**1,473.1**	1,442.0

The above consolidated statement of financial position should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Orora Limited and its controlled entities

Consolidated Statement of Changes in Equity
For the six months ended 31 December 2015

	Attributable to owners of Orora Limited			
$ million	**Contributed equity**	**Reserves**	**Retained earnings**	**Total equity**
Balance at 1 July 2015	**502.7**	**127.2**	**812.1**	**1,442.0**
Profit for the financial period	**-**	**-**	**87.9**	**87.9**
Total other comprehensive income	**-**	**6.0**	**-**	**6.0**
Total comprehensive income for the financial period	**-**	**6.0**	**87.9**	**93.9**
Transactions with owners in their capacity as owners:				
Purchase of treasury shares	**(19.4)**	**-**	**-**	**(19.4)**
Dividends paid	**-**	**-**	**(48.0)**	**(48.0)**
Settlement of options and performance rights	**0.4**	**(0.4)**	**-**	**-**
Share-based payment expense	**-**	**4.6**	**-**	**4.6**
Balance at 31 December 2015	**483.7**	**137.4**	**852.0**	**1,473.1**
Balance at 1 July 2014	513.4	109.2	759.1	1,381.7
Profit for the financial period	-	-	69.1	69.1
Total other comprehensive income	-	18.7	-	18.7
Total comprehensive income for the financial period	-	18.7	69.1	87.8
Transactions with owners in their capacity as owners:				
Purchase of treasury shares	(8.1)	-	-	(8.1)
Dividends paid	-	-	(36.2)	(36.2)
Share-based payments expense	-	3.3	-	3.3
Balance at 31 December 2014	505.3	131.2	792.0	1,428.5

The above consolidated statement of changes in equity should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Orora Limited and its controlled entities

Consolidated Cash Flow Statement
For the six months ended 31 December 2015

$ million	**Dec 2015**	Dec 2014
Cash flows from operating activities		
Profit for the financial period	**87.9**	69.1
Depreciation	**49.4**	45.6
Amortisation of intangible assets	**3.0**	2.7
Net impairment losses on property, plant and equipment, intangibles, receivables and inventory	**0.3**	0.4
Net finance costs	**20.2**	19.6
Net gain on disposal of non-current assets	**(8.4)**	(1.1)
Fair value loss/(gain) on financial assets at fair value through income statement	**0.7**	(0.3)
Dividends from other entities	**(0.1)**	(0.3)
Share-based payment expense	**4.6**	3.3
Other sundry items	**7.3**	11.6
Income tax expense	**37.2**	29.7
Operating cash flows before changes in working capital and provisions	**202.1**	180.3
- Increase in prepayments and other operating assets	**(8.4)**	(18.5)
- Increase/(Decrease) in provisions	**1.1**	(10.9)
- Increase in trade and other receivables	**(9.8)**	(9.8)
- Increase in inventories	**(3.5)**	(61.6)
- (Decrease)/Increase in trade and other payables	**(22.7)**	66.2
	158.8	145.7
Dividends received	**0.1**	0.3
Interest received	**0.2**	0.1
Borrowing costs	**(14.4)**	(18.0)
Income tax paid	**(18.6)**	(20.8)
Net cash flows from operating activities	**126.1**	107.3
Cash flows from investing activities		
Granting of loans to associated companies and other persons	**(0.5)**	(0.6)
Payments for acquisition of controlled entities and businesses, net of cash acquired	**(16.7)**	(10.0)
Payments for property, plant and equipment and intangible assets	**(36.0)**	(46.0)
Proceeds on disposal of property, plant and equipment	**20.3**	7.5
Net cash flows from investing activities	**(32.9)**	(49.1)
Cash flows from financing activities		
Payments for treasury shares	**(19.4)**	(8.1)
Proceeds from borrowings	**1,290.5**	961.1
Repayment of borrowings	**(1,352.7)**	(990.0)
Dividends and other equity distributions paid	**(48.0)**	(36.2)
Net cash flows from financing activities	**(129.6)**	(73.2)
Net decrease in cash held	**(36.4)**	(15.0)
Cash and cash equivalents at the beginning of the financial period	**67.3**	30.5
Effects of exchange rate changes on cash and cash equivalents	**1.3**	2.5
Cash and cash equivalents at the end of the financial period	**32.2**	18.0

The above consolidated cash flow statement should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Orora Limited and its controlled entities

Consolidated Cash Flow Statement (continued)
For the six months ended 31 December 2015

Reconciliation of cash and cash equivalents

For purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and at bank and short-term money market investments, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the financial period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

Cash assets and cash equivalents	**32.2**	26.1
Bank overdrafts	**-**	(8.1)
Cash and cash equivalents at the end of the financial period	**32.2**	18.0

The above consolidated cash flow statement should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

Condensed Notes to the Consolidated Interim Financial Report
For the six months ended 31 December 2015

1. Corporate information

Orora Limited (the 'Company') is a company domiciled in Australia. These condensed consolidated interim financial statements ('interim financial report') as at and for the six months ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in the manufacture and supply of packaging products and services to the grocery, fast moving consumer goods and industrial markets.

The Annual Report of the Group as at and for the year ended 30 June 2015 is available upon request from the Company's registered office at 109 Burwood Road, Hawthorn 3122, Victoria, Australia or at www.ororagroup.com.

These interim financial statements were approved by the Company's Board of Directors on 16 February 2016.

2. Basis of preparation and accounting policies

(a) Basis of preparation

The Group is a for-profit entity for the purposes of preparing financial statements. This interim financial report has been prepared in accordance with the requirements of Accounting Standard AASB 134 *Interim Financial Reporting* (AASB 134) and the *Corporations Act 2001.*

This interim financial report does not include all of the information required for a full financial report, and should be read in conjunction with the Annual Report of the Group as at and for the year ended 30 June 2015 and any public announcements made by Orora Limited and its controlled entities during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

This interim financial report is presented in Australian dollars and the Group is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in this interim financial report have been rounded off to the nearest $100,000 or, where the amount is $50,000 or less, zero, unless otherwise specifically stated.

(b) Significant accounting policies

Except as noted below, the accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its Annual Report as at and for the year ended 30 June 2015 and the corresponding interim reporting period.

New and revised Accounting Standards and Interpretations

All new and amended Australian Accounting Standards and Interpretations mandatory as at 1 July 2015 to the Group have been adopted, including:

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

The amendments made by the above standard removes Australian specific guidance on materiality within AASB 1031 and removes references to AASB 1031 in all Australian Accounting Standards and Interpretations.

The adoption of the amending standard has not resulted in a change to the financial performance or position of the Group. However, it has resulted in some changes to the Group's presentation of, or disclosure in, this interim financial report.

AASB 9 *Financial Instruments* (2013)

The Group has early adopted and applied all of the requirements of AASB 9 *Financial Instruments* on 1 July 2015, including consequential amendments to other standards. The adoption of AASB 9 results in the following key changes to the Group's hedge accounting:

- allowing an option's intrinsic value to be designated as the hedging instrument, with the change in time value recognised in other comprehensive income rather than profit and loss. This is then recycled to profit or loss either over the period of the hedge, if the hedge is time-related, or when the hedged transaction affects profit or loss; and
- effectiveness measurement testing will only be performed on a prospective basis with no defined numerical range of effectiveness applied in this testing.

Whilst AASB 9 does not need to be applied by the Group until the financial year beginning on 1 July 2018, the Group has decided to early adopt the standard because the new accounting policies are considered to provide more reliable and relevant information.

Early adoption of AASB 9 has not impacted the classification and measurement or hedge accounting of those financial instruments held by the Group on 1 July 2015, therefore no restatement of comparative information is required on transition.

(c) New and amended standards and interpretations issued but not yet effective

AASB 15 Revenue from Contracts with Customers

AASB 15, issued by the Australian Accounting Standards Board (AASB), is relevant to the current operations, and may impact, the Group in the period of initial application. The standard is available for early adoption but it has not been applied in preparing this interim financial report.

AASB 15 replaces existing revenue recognition guidance, including AASB 118 *Revenue*, AASB 111 *Construction Contracts* and Interpretation 13 *Customer Loyalty Programmes*. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The notion of control under AASB 15 replaces the existing notion of risks and rewards under current accounting standards. The standard is applicable from 1 January 2018 with early adoption permitted.

The Group is currently assessing the potential impact of the new standard upon the Group's revenue recognition policy and at this stage are unable to estimate the financial impact on adoption the standard.

2. Basis of preparation and accounting policies (continued)

(c) New and amended standards and interpretations issued but not yet effective (continued)

IFRS 16 *Leases*

On 13 January 2016 the International Accounting Standards Board (IASB) issued IFRS 16 *Leases.* This standard has not yet been issued by the AASB.

IFRS 16 replaces IAS 17 *Leases* and eliminates the classification between operating and finance leases and introduces a single lessee accounting model. The new model requires the recognition:

- of a leased asset, and its corresponding lease liability, for all leases that have a term of more than 12 months, unless the underlying asset is of low value; and
- the separate recognition of the depreciation charge on the leased asset from the interest expense on the lease liability.

The standard is applicable from 1 January 2019 with early adoption permitted if, and only if, IFRS 15 *Revenue* is also early adopted.

The application of IFRS 16 will impact the financial results and position of the Group to the extent that leases currently classified as operating leases will need to be brought on balance sheet. In addition, the current operating lease expense recognised in the income statement will be replaced with a depreciation and finance charge. The Group is currently assessing the impact of the new standard and at this stage are unable to estimate the financial impact upon adoption.

3. Segment Information

(a) Understanding the segment results

The Group's operating segments are organised and managed according to their geographical location. Each segment represents a strategic business that offers different products and operates in different industries and markets. The Corporate Executive Team (the chief operating decision-makers) monitors the operating results of the business separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on earnings before interest and related income tax expense (EBIT). This measure excludes the effects of individually significant non-recurring gains/losses whilst including items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

Interest income and expenditure and other finance costs are not allocated to the segments, as this type of activity is managed on a Group basis. Transfer prices between segments are priced on an 'arms-length' basis, in a manner similar to transactions with third parties, and are eliminated on consolidation.

The following summary describes the operations of each reportable segment.

Orora Australasia

This segment focuses on the manufacture and distribution of fibre and beverage packaging products within Australia and New Zealand. The products manufactured by this segment include glass bottles, beverage cans, wine closures, corrugated boxes, cartons and sacks and the manufacture of recycled paper.

Orora North America

This segment, predominantly located in North America, purchases, warehouses, sells and delivers a wide range of packaging, other related materials and services.

Other

This segment includes the corporate function of the Group.

3. Segment Information (continued)

(b) Segment information provided to the CET

The following segment information was provided to the CET for the reportable segments for the half year ended 31 December 2015 and 31 December 2014:

	Australasia		North America		Other		Total Reported	
$ million	**2015**	2014	**2015**	2014	**2015[1]**	2014	**2015**	2014
Reportable segment revenue								
Revenue from external customers	**992.8**	982.1	**905.7**	684.5	**-**	-	**1,898.5**	1,666.6
Inter-segment revenue	**18.3**	12.7	**-**	-	**-**	-	**18.3**	12.7
Total reportable segment revenue	**1,011.1**	994.8	**905.7**	684.5	**-**	-	**1,916.8**	1,679.3
Reconciliation to total revenue								
Elimination of inter-segment revenue							**(18.3)**	(12.7)
Other income							**18.9**	8.8
Finance income							**0.2**	0.2
Consolidated revenue and other income							**1,917.6**	1,675.6
Reportable segment profit/(loss)								
Earnings before depreciation, amortisation, interest and related income tax expense	**147.8**	140.9	**53.6**	39.4	**(3.7)**	(13.6)	**197.7**	166.7
Depreciation and amortisation	**(42.3)**	(39.9)	**(7.6)**	(5.8)	**(2.5)**	(2.6)	**(52.4)**	(48.3)
Earnings before interest and related income tax expense	**105.5**	101.0	**46.0**	33.6	**(6.2)**	(16.2)	**145.3**	118.4
Reconciliation to profit/(loss)								
Finance income							**0.2**	0.2
Finance expense							**(20.4)**	(19.8)
Consolidated profit before income tax expense							**125.1**	98.8
Operating free cash flow[2]	**109.9**	96.8	**24.9**	14.5	**9.8**	(4.5)	**144.6**	106.8
Reconciliation to cash flow from operating activities								
Add back investing cash outflow activities included in segment operating free cash flow							**14.3**	39.2
Add operating cash outflow activities excluded from segment operating free cash flow							**(32.8)**	(38.7)
Net cash flow from operating activities							**126.1**	107.3

(1) The Other segment includes the financial impact of the sale of the former cartonboard mill site in Petrie, Queensland, Australia to Moreton Bay Regional Council on 20 July 2015. As a result, the earnings for the segment includes a profit on sale of $8.4 million whilst the operating free cash flow includes a $20.0 million cash inflow being the proceeds received on the exchange of contracts.

(2) Operating free cash flow represents the cash flow generated from Orora's operating and investing activities, before interest, tax and dividends.

4. Contributed Equity

$ million	Dec 2015	June 2015
Issued and paid-up[1]		
1,206,684,923 ordinary shares with no par value (June 2015: 1,206,684,923)	**514.0**	513.8
Treasury shares[2]		
15,005,374 ordinary shares with no par value (June 2015: 6,460,678)	**(30.3)**	(11.1)
Total contributed equity	**483.7**	502.7

[1] All issued shares are fully paid, all shares rank equally with regards to the Company's residual assets. Ordinary shares entitle the holder to participate in dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

[2] Treasury shares are shares in the Company that are held by the Orora Employee Share Trust for the purpose of issuing shares to employees under the Group's Employee Share Plans.

(a) Reconciliation of fully paid ordinary shares

	Six months 31 December 2015		Twelve months 30 June 2015	
	No. '000	**$ million**	No. '000	$ million
Balance at beginning of period	**1,206,685**	**513.8**	1,206,685	513.4
Restriction lifted on shares issued under the CEO Grant (note 6)	**-**	**0.4**	-	0.6
Exercise of options under the Short Term Incentive Plan (note 6)	**-**	**-**	53	0.1
Treasury shares used to satisfy issue of CEO Grant (note 6)	**-**	**(0.2)**	-	(0.2)
Treasury shares used to satisfy exercise of rights under the Short Term Incentive Plan (note 6)	**-**	**-**	(53)	(0.1)
Balance at end of period	**1,206,685**	**514.0**	1,206,685	513.8

(b) Reconciliation of treasury shares

	Six months 31 December 2015		Twelve months 30 June 2015	
	No. '000	**$ million**	No. '000	$ million
Balance at beginning of period	**6,461**	**11.1**	-	-
Acquisition of shares by the Orora Employee Share Trust	**8,677**	**19.4**	6,614	11.4
Allocation of treasury shares to satisfy issue of CEO Grant	**(133)**	**(0.2)**	(100)	(0.2)
Treasury shares used to satisfy exercise of rights under Employee Share Plans	**-**	**-**	(53)	(0.1)
Balance at end of period	**15,005**	**30.3**	6,461	11.1

Orora Employee Share Trust

The Group holds shares in itself as a result of shares purchased by the Orora Employee Share Trust (the 'Trust'). The Trust was established to manage and administer the Company's responsibilities under the Group's Employee Share Plans through acquiring, holding and transferring of shares, in the Company to participating employees. In respect of these transactions, at any point in time the Trust may hold 'allocated' and 'unallocated' shares.

Allocated shares represent those shares that have been purchased and awarded to employees under the CEO Grant. These shares are restricted in that the employee is unable to dispose of the shares for a period of up to five years (or otherwise determined by the Board). The Trust holds these shares on behalf of the employee until the restriction period is lifted at which time the Trust releases the shares to the employee. As the CEO Grant shares are allocated they are treated as ordinary shares.

Unallocated shares represent those shares that have been purchased by the Trust on-market to satisfy the potential future vesting of awards granted under the Groups Employee Share Plans, other than the CEO Grant. As the shares are unallocated they are identified and accounted for as treasury shares.

5. Dividends

	Six months 31 December 2015		Six months 31 December 2014	
	Cents per share	**Total $m**	Cents per share	Total $m
Dividends provided for or paid during the period				
Final dividend paid on 13 October 2015, 30.0% franked (2014: 8 October 2014, unfranked)	**4.0**	**48.0**	3.0	36.2
Dividends not recognised at period end[1]				
The directors have determined an interim dividend, expected to be paid on 6 April 2016 30.0% franked (2014: 9 April 2015 unfranked)	**4.5**	**53.6**	3.5	42.2

[1] Estimated final dividend payable, subject to variations in the number of shares up to record date.

Franking Account
Franking credits available to shareholders of the Company are nil (2015: nil) at the 30.0% (2015: 30.0%) corporate tax rate. The interim dividend for 2016 is 30.0% franked (2015: final dividend 30.0% franked, interim dividend unfranked). The Company is of the opinion that sufficient franking credits will arise from tax instalments expected to be paid in the year ending 30 June 2016.

Conduit Foreign Income Account
For Australian tax purposes non-resident shareholder dividends will not be subject to Australian withholding tax to the extent that they are franked or sourced from the parent entity's Conduit Foreign Income Account. For the 2016 interim dividend, 70.0% of the dividend is sourced from the parent entity's Conduit Foreign Income Account (2015: final dividend 70.0%, interim dividend 100%). As a result, 100.00% of the 2016 interim dividend paid to a non-resident will not be subject to Australian withholding tax.

Dividend Reinvestment Plan
The Group operates a dividend reinvestment plan which allows eligible shareholders to elect to invest dividends in ordinary shares. All holders of Orora Limited ordinary shares with Australian or New Zealand addresses registered with the share registry are eligible to participate in the plan. The allocation price for shares is based on the average of the daily volume weighted average price of Orora Limited ordinary shares sold on the Australian Securities Exchange, calculated with reference to a period of not less than ten consecutive trading days as determined by the Directors.

6. Share-based compensation

The following table details the total movement in share options, performance rights or performance shares issued by the Group:

			Long Term Incentive Plans				Short Term Incentive Plan	
	CEO Grant		Options		Performance Rights and Share Rights		Deferred Equity	
	No.	$[1]	No.	$[1]	No.	$[1]	No.	$[1]
Six months to 31 December 2015								
Outstanding at beginning of period	**932,132**	**0.97**	**16,035,000**	**0.30**	**7,909,000**	**1.07**	**831,228**	**1.53**
Granted during the period	**132,500**	**2.21**	**4,716,500**	**0.43**	**2,354,500**	**1.68**	**1,407,670**	**2.22**
Exercised during the period	**(441,066)**	**0.89**	**-**	**-**	**-**	**-**	**-**	**-**
Outstanding at end of period	**623,566**	**1.29**	**20,751,500**	**0.33**	**10,263,500**	**1.21**	**2,238,898**	**1.96**
Exercisable at end of period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Twelve months to 30 June 2015								
Outstanding at beginning of period	2,083,312	0.60	12,485,000	0.24	5,226,000	0.87	-	-
Granted during the period	100,000	2.19	5,250,000	0.42	3,453,500	1.32	928,864	1.53
Exercised during the period	(1,251,180)	0.46	-	-	-	-	(52,808)	1.53
Forfeited during the period	-	-	(1,700,000)	0.24	(770,500)	0.89	(44,828)	1.53
Outstanding at end of period	932,132	0.97	16,035,000	0.30	7,909,000	1.07	831,228	1.53
Exercisable at end of period	-	-	-	-	-	-	-	-

[1] Weighted average fair value.

6. Share-based compensation (continued)

During the period the Group recognised a share-based payment expense of $4.6 million (2015: $3.3 million) of which $1.1 million (2015: $0.5 million) relates to options and $3.5 million (2015: $2.8 million) relates to performance rights and other compensation plans.

7. Financial instruments

Carrying amounts versus fair values

The carrying amounts and fair values of the Group's financial assets and financial liabilities recognised in the financial statements are materially the same, with the exception of the following:

$ million	**Dec 2015**	Jun 2015
US Private Placement Notes		
Carrying value	**343.6**	-
Fair value	**361.0**	-

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

Cash

The carrying amount is fair value due to the liquid nature of these assets.

Trade and other receivables/payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are considered reasonable approximations of their fair values.

Other financial assets/liabilities

The fair value of derivative financial instruments are recognised and measured at fair value in the financial statements. The specific valuation techniques used to value the derivative financial instruments include:

- Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date; and
- The fair value of the commodity forward contracts is determined using the commodity price at the balance sheet date.

The fair value of loan receivables are calculated using market interest rates.

Interest-bearing liabilities

For interest bearing liabilities fair value is based on discounting expected future cash flows at market rates.

Valuation of financial instruments

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into three levels as prescribed under the accounting standards, with each of these levels indicating the reliability of the inputs used in determining fair value. The levels in the hierarchy are:

Level 1: fair value identified from quoted market price traded in an active market for an identical asset or liability at the end of the reporting period. The quoted market price used for assets is the last bid price;

Level 2: fair value determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. All significant inputs used in the valuation method are observable;

Level 3: one or more of the significant inputs in determining fair value for the asset or liability is not based on observable market data (unobservable input).

All of the Group's financial instruments carried at fair value were valued using market observable inputs (Level 2). For financial instruments that are carried at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between level 1 and 2 for recurring fair value measurements during the period. The Group does not hold any Level 3 financial instruments (June 2015: nil).

8. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's financing policy is to fund itself for the long term by using debt instruments with a range of maturities and to ensure access to appropriate short term facilities. Orora Group Treasury aims to maintain flexibility within the funding structure through the use of bank overdrafts and bank loans.

Management monitors liquidity risk through maintaining minimum undrawn committed liquidity of at least A$175.0 million that can be drawn upon at short notice and regularly monitoring rolling forecasts of cash inflows and outflows in relation to the Group's activities. This monitoring includes financial ratios to assess possible future credit ratings and headroom and takes into account the accessibility of cash and cash equivalents.

Financing arrangements

The committed and uncommitted standby arrangements and unused facilities of the Group are set out below:

	31 December 2015			30 June 2015		
$ million	**Committed**	**Uncommitted**	**Total**	Committed	Uncommitted	Total
Financing facilities available:						
Bank overdrafts	**-**	**6.3**	**6.3**	-	6.1	6.1
US Private Placement Notes	**343.6**	**-**	**343.6**	-	-	-
Loan facilities and term debt	**750.0**	**85.0**	**835.0**	1,000.0	82.4	1,082.4
	1,093.6	**91.3**	**1,184.9**	1,000.0	88.5	1,088.5
Facilities utilised:						
Bank overdrafts	**-**	**-**	**-**	-	-	-
US Private Placement Notes	**343.6**	**-**	**343.6**	-	-	-
Loan facilities and term debt	**285.0**	**-**	**285.0**	676.6	-	676.6
	628.6	**-**	**628.6**	676.6	-	676.6
Facilities not utilised:						
Bank overdrafts	**-**	**6.3**	**6.3**	-	6.1	6.1
US Private Placement Notes	**-**	**-**	**-**	-	-	-
Loan facilities and term debt	**465.0**	**85.0**	**550.0**	323.4	82.4	405.8
	465.0	**91.3**	**556.3**	323.4	88.5	411.9

At 30 June 2015, the Group had access to a $1,000.0 million revolving multicurrency facility through a syndicate of domestic and international financial institutions, made up of two tranches with Tranche A being a $500.0 million facility maturing in December 2016 and Tranche B a $500.0 million facility maturing in December 2018. This facility is unsecured and can be extended.

During the period the Group successfully completed a US Private Placement of notes issued by its wholly-owned US subsidiary, raising USD250.0 million through the issuance of notes of which USD100.0 million matures in July 2023 and USD150.0 million which matures in July 2025. As a result, the Group reduced the revolving multicurrency facility to $750.0 million. Tranche A of the revolving multicurrency facility, maturing in December 2016, has been reduced to $350.0 million whilst Tranche B, maturing in December 2018, was reduced to $400.0 million.

9. Contingent liabilities

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

Various entities in the Group are party to legal actions which have arisen in the ordinary course of business. The actions are being defended and the Directors are of the opinion that provisions are not required as no material losses are expected to arise.

Orora Limited and its controlled entities

Directors' Declaration

For the half year ended 31 December 2015, in the opinion of the Directors of Orora Limited (the 'Company'):

1. the financial statements and notes are in accordance with the *Corporations Act 2001* including:
    a. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
    b. giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the half year ended on that date; and

2. there are reasonable grounds to believe that Orora Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors, dated at Melbourne, this 16th day of February 2016.

C I Roberts
Chairman

Independent auditor's review report to the members of Orora Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Orora Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, selected explanatory notes and the directors' declaration for Orora Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Orora Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Orora Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date;

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the reviewed interim financial report

This review report relates to the interim financial report of the company for the half-year ended 31 December 2015 included on Orora Limited's web site. The company's directors are responsible for the integrity of the Orora Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed interim financial report to confirm the information included in the reviewed interim financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Lisa Harker

Lisa Harker
Partner

Melbourne
16 February 2016