



## ASX Announcement

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13 October 2016

**ORORA LIMITED – ANNUAL GENERAL MEETING  
10:30 THURSDAY 13 OCTOBER 2016**

**CHAIRMAN'S ADDRESS**

Ladies and gentlemen, before addressing the formal items of business as outlined in the Notice of Meeting, I will provide an overview of Orora's 2016 financial year results and address a number of governance matters.

The Managing Director and CEO, Nigel Garrard, will then provide an overview of the Company strategy and take you through the operational performance of the business divisions.

### **Financial highlights**

I am pleased to report that 2016 has been a successful period for the Company, further demonstrating its customer-focus, embedding its culture of outperformance, delivering on its business objectives and generating strong earnings growth, strong cashflow and increased financial returns.

Excluding the profit on the land sale at Petrie in Queensland, Orora reported underlying earnings per share of 13.6 cents, an increase of 24.8 per cent.

Operationally, the Group grew underlying earnings before interest and tax (**EBIT**) by 20.9 per cent despite subdued economic conditions and some cost headwinds in Australia.

Higher earnings were driven by benefits from Group-wide business improvement and cost control programs, organic volume growth and initial contributions from acquisitions made in North America during the year.

Orora Australasia EBIT increased 10.4 per cent to \$200.4 million – with both the Fibre Packaging and Beverage business groups performing well during the period.

The B9 recycled paper mill at Botany in New South Wales delivered on-target incremental cost reduction and innovation benefits and, in line with guidance, the mill finished the 2016 financial year at a run rate equal to design production capacity of 400,000 tonnes.

Orora North America grew local currency EBIT by 20.2 per cent to US\$72.0 million, driven by organic sales growth, margin expansion initiatives and benefits from recent acquisitions.



Through continued financial discipline, Orora converted the increased earnings into strong underlying operating cash flow, which grew 20.3 per cent to \$313.8 million.

This helped strengthen the balance sheet and leverage reduced to 1.7 times, down from 1.9 times in the prior year. This is well within internal targets and ensures that Orora's balance sheet is suitably positioned to execute on its growth strategy.

A final ordinary dividend of five cents per share has been declared, franked to 30 per cent.

Total dividends for the year were 9.5 cents – an increase of 26.7 per cent on the prior year, representing a payout ratio of approximately 67 per cent, which is again at the top end of the Company's indicative range and highlights the confidence the Board continues to have in the business.

Investing for the future growth of Orora remains a key priority and Nigel will talk more about this shortly.

## **Governance**

Before concluding and handing over to Nigel, it is important that I address Orora's approach to corporate governance and citizenship.

Orora's corporate governance practices are set out in its Corporate Governance Statement, which is published on the Company's website. The Board continues to refine and enhance these practices to ensure that the Orora Group operates to the highest standards of corporate governance.

The Board also takes seriously Orora's commitment to support and be a positive contributor to the communities in which it operates and Orora adheres to all relevant regulations and industry standards and has sound risk management frameworks in place.

These strong corporate governance practices are designed to meet the interests of Orora's stakeholders and build a solid foundation for the Company's performance.

## **Conclusion**

Ladies and gentlemen, the 2016 financial year has been another successful period for Orora. The Company's approach to executing against a proven, value-creating strategy has positioned it well.

I wish to thank Orora's senior executive team, each of its 6,200 team members and my fellow non-executive colleagues for their commitment and efforts over the last year. I also particularly thank Orora's shareholders for your continued support.



I would now like to ask Nigel to take you through the operational highlights for the 2016 financial year and the Company's strategy for the future. Nigel will also provide an update on the trading performance for the first quarter of the current financial year.

Thank you.

**-ends-**