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 2021
Previous Corresponding Period:	Half-Year Ended 31 December 2020

2. Results for announcement to the market

Key information	**31 Dec 2021 A$ million**				**31 Dec 2020 A$ million**
Statutory results					
2.1 Revenue from ordinary activities					
• From Continuing Operations	1,988.6	Up	9.6%	from	1,814.1
• From Discontinued Operations	-				-
2.2 Net profit/(loss) from ordinary activities after tax but before significant items, attributable to members					
• From Continuing Operations	102.7	up	12.9%	from	91.0
• From Discontinued Operations	-				-
2.3 Net profit/(loss) for the period, after significant items, attributable to members					
• From Continuing Operations	102.7	up	21.5%	from	84.5
• From Discontinued Operations	(2.4)	down	118.8%	from	12.8

Dividends	**Amount per security**	**Franked amount per security**
Current period		
2.4 Interim dividend payable 30 March 2022	8.0 cents	Unfranked
2.4 Final dividend (in respect of prior year) paid 11 October 2021	7.5 cents	Unfranked
Previous corresponding period		
2.4 Interim dividend paid 1 April 2021	6.5 cents	Unfranked

2.5 Record date for determining entitlements to the dividend	Interim dividend – 2 March 2022

2.6 Brief explanation of figures in 2.1 to 2.4 –:

i) The interim dividend in the current period is unfranked, the prior period interim dividend was also unfranked.

ii) 100.0% of the current period dividend is sourced from the Conduit Foreign Income Account. Dividends to foreign holders are not subject to withholding tax.

iii) Profit for the prior period, for continuing operations, included a significant expense item relating to expected additional costs associated with the decommissioning of the Petrie site. Refer the attached Interim Financial Report, Note 2 – Significant items.

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

3. Net tangible assets

	31 December 2021	30 June 2021	31 December 2020
Net tangible asset backing per ordinary security[1]	$0.40	$0.37	$0.52

[1] The net tangible asset backing per ordinary share of $0.40 (June 2021: $0.37, December 2020: $0.52) presented above is inclusive of right-of-use assets and liabilities. The net tangible asset backing per ordinary share, as at 31 December 2021, would reduce to $0.18 (June 2021: $0.15, December 2020: $0.31) if right-of-use assets were excluded, and right-of-use liabilities were included, in the calculation.

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

Refer to the attached Interim Financial Report, Note 7 – Business divestment and discontinued operation.

5. Details of individual dividends and payment dates

Refer the attached Interim Financial Report, Note 4 - Dividends.

6. Details of dividend reinvestment plan

The Board has determined that the dividend reinvestment plan will be suspended and will not apply to the FY22 interim dividend. The dividend will be paid to each shareholder in cash.

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 attached Interim Financial Report includes a copy of the review report. The review report is not subject to a modified opinion, emphasis of matter or other matter paragraph.

A Stubbings

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Ann Stubbings
Company Secretary

Dated: 16 February 2022

ORORA LIMITED
ABN: 55 004 275 165

INTERIM FINANCIAL REPORT

31 DECEMBER 2021

16 February 2022

Contents

This condensed consolidated interim financial report was approved by the Directors on 16 February 2022. 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 2021.

Directors

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

Non-executive
A R H (Rob) Sindel – Chairman
A P (Abi) Cleland
T J (Tom) Gorman
S L (Sam) Lewis
J L (Jeremy) Sutcliffe

Executive
B P (Brian) Lowe

Review and Results of Operations

The Group's consolidated statutory profit, after tax, for the half year ended 31 December 2021 was $100.3 million, compared with $97.3 million in the comparative period. The Group's continuing statutory profit, after tax, increased to $102.7 million from $84.5 million, an increase of 21.5%.

Continuing operations
The continuing consolidated profit of the Group, after tax but before significant items, for the half year ended 31 December 2021 was $102.7 million, an increase of 12.9% compared with $91.0 million in the comparative period, whilst the Group's earnings (profit from operations before significant items) increased by 10.4% from $139.9 million to $154.5 million.

Australasia Segment
Earnings before significant items, interest and tax of the Australasia segment decreased to $84.0 million from $86.0 million reflecting the disruptions within the short-term supply chain and production volumes of the can operations late in the half as a result of the impact of COVID-19 upon key customers. The segment also experienced an expected reduction in glass volumes on prior period reflecting the impact of lower exports to China after the introduction of wine tariffs. In response to the lower wine volumes the business finalised a shift in the mix in glass products to other beverage categories.

North America Segment
Earnings before interest and tax of the North America segment increased to $70.5 million from $53.9 million. In local currency, earnings for the North America segment increased by 32.1% to US$51.5 million from US$39.0 million, reflecting improvements in both operating and financial performance, with strong earnings growth from both the manufacturing and distribution OPS businesses. This improvement in financial performance has been achieved through a sustained and disciplined approach, increased sales force effectiveness by leveraging data insights to improve customer account profitability, pricing discipline in a higher inflation operating environment and an ongoing focus on cost control measures.

Orora Visual improved their financial performance compared to the prior period. The improvement in earnings was driven by an improvement in retail activity and stronger packaging sales, reflecting a continued focus on cost reduction and a strength in horticulture and fabric segments.

Coronavirus (COVID-19) pandemic
The Group's response to the COVID-19 pandemic continues to be guided by local government and health advice across each jurisdiction in which Orora operates. The Group has implemented a number of measures to mitigate the effects of COVID-19 and continues to monitor key focus areas including: safety, health and wellbeing of our people; ensuring continuity and quality of supply with customers and preserving ongoing supply chains, and the financial performance of operating units.

Orora Limited and its controlled entities

Directors' Report (continued)

Review and Results of Operations (continued)

Refinancing

During the six months to 31 December 2021, the Group refinanced its $35.0 million bilateral facility that was due to mature in January 2022. The facility term was extended to April 2023. The Group has no other facilities maturing before 30 June 2022.

Additional analysis of the operations of the Group for the half year ended 31 December 2021 is contained in Orora Limited's Statement to the Australian Securities Exchange and Investor Results Release dated 16 February 2022.

Share Buy-Back

On 21 October 2021, the Group announced a $150.0 million on-market share buy-back of issued share capital. The Dividend Reinvestment Plan has been suspended while this on-market buy-back is undertaken.

The buy-back commenced in November 2021 and during the period to 31 December 2021, ordinary shares totalling 9,322,542 were purchased on-market through the share buy-back for a total value of $31.5 million. Refer note 3.

Dividend

Since 31 December 2021 the Directors have determined an interim dividend on ordinary shares, expected to be paid on 30 March 2022, of approximately $69.3 million. This represents a dividend of 8.0 cents per share unfranked, of which 100.0% will be sourced from the Conduit Foreign Income Account. The exact amount of the dividend is subject to the number of shares on issue, post cancellation of shares bought back, up to Record Date. The financial effect of this dividend has not been brought into account in the consolidated interim financial report for the half year ended 31 December 2021 and will be recognised in subsequent financial reports.

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 (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that Instrument, amounts in the consolidated 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.

A R H Sindel
Chair

16 February 2022

B P Lowe
Managing Director and Chief Executive Officer

16 February 2022

pwc

Auditor's Independence Declaration

As lead auditor for the review of Orora Limited for the half-year ended 31 December 2021, 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.

Anton Linschoten
Partner
PricewaterhouseCoopers

Melbourne
16 February 2022

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, 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 2021

$ million	Note	Dec 2021	Dec 2020[1]
Continuing Operations			
Sales revenue	1	**1,988.6**	1,814.1
Cost of sales		**(1,608.0)**	(1,471.1)
Gross profit		**380.6**	343.0
Other income		**3.0**	1.9
Sales and marketing expenses		**(109.1)**	(100.5)
General and administration expenses		**(120.0)**	(113.8)
Profit from operations		**154.5**	130.6
Finance income	1	**0.2**	0.2
Finance expenses	1	**(13.3)**	(14.6)
Net finance costs		**(13.1)**	(14.4)
Profit before related income tax expense	1	**141.4**	116.2
Income tax expense		**(38.7)**	(31.7)
Profit from continuing operations[2]		**102.7**	84.5
Discontinued Operations			
(Loss)/profit from discontinued operations, net of tax	7	**(2.4)**	12.8
Profit for the financial period attributable to the owners of Orora Limited		**100.3**	97.3

Cents		
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of Orora Limited		
Basic earnings per share	**11.8**	8.9
Diluted earnings per share	**11.7**	8.8
Earnings per share for profit attributable to the ordinary equity holders of Orora Limited		
Basic earnings per share	**11.5**	10.2
Diluted earnings per share	**11.4**	10.2

[1] In response to the International Financial Reporting Interpretation Committee (IFRIC) agenda decisions regarding the accounting of upfront configuration and customisation costs incurred in implementing Systems-as-a-Service (SaaS) arrangements the Group has revised its accounting policy in respect of the treatment of these costs. The change in these accounting policies has been applied retrospectively and the historical information restated to account for the impact of the change, refer note 8 for further information.

[2] Profit from continuing operations for the comparative period includes significant expense item of $9.3 million (after tax $6.5 million) relating to additional expected costs associated with the decommissioning of the Petrie site. Refer note 2 for further information.

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 2021

$ million	Note	Dec 2021	Dec 2020
Profit for the financial period		**100.3**	97.3
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss:			
Cash flow hedge reserve			
Unrealised gains/(losses) on cash flow hedges		**3.1**	(9.6)
Realised (gains)/losses transferred to profit or loss		**(1.8)**	4.2
Realised gains transferred to non-financial assets		**(0.1)**	-
Income tax relating to these items		**(0.3)**	1.6
Exchange fluctuation reserve			
Exchange differences on translation of foreign operations		**16.4**	(52.3)
Net investment hedge of foreign operations		**(3.7)**	7.7
Other comprehensive income/(expense) for the financial period, net of tax		**13.6**	(48.4)
Total comprehensive income for the financial period attributable to the owners of Orora Limited		**113.9**	48.9
Total comprehensive income for the financial period attributable to the owners of Orora Limited arises from:			
Continuing operations		**116.3**	36.1
Discontinued operations	7	**(2.4)**	12.8
		113.9	48.9

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 2021

$ million	Note	Dec 2021	June 2021
Current assets			
Cash and cash equivalents		**21.9**	50.6
Trade and other receivables		**560.3**	498.4
Inventories		**489.3**	399.1
Derivatives		**5.7**	4.2
Other current assets		**32.2**	28.5
Total current assets		**1,109.4**	980.8
Non-current assets			
Property, plant and equipment		**640.4**	627.5
Right-of-use assets		**186.2**	200.5
Deferred tax assets		**21.4**	26.2
Goodwill and intangible assets		**421.9**	411.2
Derivatives		**0.2**	0.5
Other non-current assets		**99.9**	77.9
Total non-current assets		**1,370.0**	1,343.8
Total assets		**2,479.4**	2,324.6
Current liabilities			
Trade and other payables		**782.7**	650.8
Borrowings		**5.0**	-
Lease liabilities		**49.0**	48.0
Derivatives		**2.0**	2.3
Current tax liabilities		**6.6**	16.9
Provisions		**101.0**	88.3
Total current liabilities		**946.3**	806.3
Non-current liabilities			
Other payables		**3.9**	1.8
Borrowings		**529.1**	503.5
Lease liabilities		**192.3**	204.8
Derivatives		**0.2**	0.4
Deferred tax liabilities		**7.7**	6.8
Provisions		**13.7**	32.4
Total non-current liabilities		**746.9**	749.7
Total liabilities		**1,693.2**	1,556.0
NET ASSETS		**786.2**	768.6
Equity			
Contributed equity	3	**53.1**	127.4
Treasury shares	3	**(1.9)**	(46.6)
Reserves		**120.2**	107.6
Retained earnings		**614.8**	580.2
TOTAL EQUITY		**786.2**	768.6

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 2021

		Attributable to owners of Orora Limited			
$ million	**Note**	**Contributed equity**	**Reserves**	**Retained earnings**	**Total equity**
Balance at 1 July 2021		**80.8**	**107.6**	**580.2**	**768.6**
Net profit for the financial period		**-**	**-**	**100.3**	**100.3**
Other comprehensive income/(loss):					
Unrealised gains on cash flow hedges		**-**	**3.1**	**-**	**3.1**
Realised gains transferred to profit or loss		**-**	**(1.8)**	**-**	**(1.8)**
Realised gains transferred to non-financial assets		**-**	**(0.1)**	**-**	**(0.1)**
Exchange differences on translation of foreign operations		**-**	**12.7**	**-**	**12.7**
Deferred tax		**-**	**(0.3)**	**-**	**(0.3)**
Total other comprehensive income		**-**	**13.6**	**-**	**13.6**
Transactions with owners in their capacity as owners:					
Share buy-back	3	**(31.5)**	**-**	**-**	**(31.5)**
Purchase of treasury shares	3	**(1.7)**	**-**	**-**	**(1.7)**
Dividends paid	4	**-**	**-**	**(65.7)**	**(65.7)**
Settlement of options and performance rights	3	**3.6**	**(3.6)**	**-**	**-**
Share-based payment expense		**-**	**2.6**	**-**	**2.6**
Balance at 31 December 2021		**51.2**	**120.2**	**614.8**	**786.2**
Balance at 1 July 2020		333.6	139.2	559.2	1,032.0
Impact of change in accounting policies[1]	8	-	-	(1.8)	(1.8)
Restated balance at 1 July 2020		333.6	139.2	557.4	1,030.2
Net profit for the financial period		-	-	97.3	97.3
Other comprehensive income/(loss):					
Unrealised losses on cash flow hedges		-	(9.6)	-	(9.6)
Realised losses transferred to profit or loss		-	4.2	-	4.2
Exchange differences on translation of foreign operations		-	(44.6)	-	(44.6)
Deferred tax		-	1.6	-	1.6
Total other comprehensive expense		-	(48.4)	-	(48.4)
Transactions with owners in their capacity as owners:					
Share buy-back		(110.7)	-	-	(110.7)
Purchase of treasury shares		(1.7)	-	-	(1.7)
Dividends paid	4	-	-	(53.1)	(53.1)
Settlement of options and performance rights		1.2	(1.2)	-	-
Share-based payment expense		-	(0.3)	-	(0.3)
Balance at 31 December 2020		222.4	89.3	601.6	913.3

(1) In response to the International Financial Reporting Interpretation Committee (IFRIC) agenda decisions regarding the accounting of upfront configuration and customisation costs incurred in implementing Systems-as-a-Service (SaaS) arrangements the Group has revised its accounting policy in respect of the treatment of these costs. The change in these accounting policies has been applied retrospectively and the historical information restated to account for the impact of the change, refer note 8 for further information.

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 2021

$ million	Note	Dec 2021	Dec 2020
Cash flows from/(used in) operating activities			
Profit for the financial period from continuing operations		**102.7**	84.5
Depreciation		**54.1**	55.4
Amortisation of intangible assets		**4.3**	4.0
Net finance costs		**13.1**	14.4
Net gain on disposal of non-current assets		**(1.1)**	-
Fair value (gain)/loss on financial instruments at fair value through income statement		**(0.1)**	0.2
Share-based payment expense		**2.6**	1.5
Net impairment losses and other sundry items		**9.6**	12.7
Restructuring and decommissioning expense		**-**	9.3
Income tax expense		**38.7**	31.7
Operating cash inflow before changes in working capital and provisions		**223.9**	213.7
- (Increase)/Decrease in prepayments and other operating assets		**(9.1)**	(6.5)
- (Decrease)/Increase in provisions		**(3.9)**	(18.1)
- (Increase)/Decrease in trade and other receivables		**(54.2)**	15.5
- (Increase)/Decrease in inventories		**(86.0)**	2.8
- Increase/(Decrease) in trade and other payables		**110.1**	(28.6)
		180.8	178.8
Interest received		**-**	0.2
Interest and borrowing costs paid		**(13.9)**	(14.9)
Income tax (paid)/received		**(45.5)**	18.9
Net cash inflow from continuing operating activities		**121.4**	183.0
Net cash flow of discontinued operating activities	7	**-**	-
Net cash inflow from operating activities		**121.4**	183.0
Cash flows (used in)/from investing activities			
Granting of loans to associated companies and other persons		**(3.8)**	(0.2)
Receipt of government grant		**2.0**	-
Payments for acquisition of controlled entities and businesses, net of cash acquired		**-**	(0.9)
Payments for property, plant and equipment and intangible assets		**(42.9)**	(26.2)
Proceeds on disposal of non-current assets		**0.3**	-
Net cash flows used in continuing investing activities		**(44.4)**	(27.3)
Net cash flows (used in)/from discontinued investing activities	7	**(3.1)**	19.7
Net cash flows used in investing activities		**(47.5)**	(7.6)
Cash flows (used in)/from financing activities			
Share buy-back	3	**(30.4)**	(110.7)
Payments for treasury shares	3	**(2.8)**	(1.7)
Proceeds from borrowings		**469.2**	500.7
Repayment of borrowings		**(449.2)**	(503.3)
Principal lease repayments		**(24.6)**	(24.8)
Dividends paid and other equity distributions	4	**(65.7)**	(53.1)
Net cash flows used in continuing financing activities		**(103.5)**	(192.9)
Net cash flow of discontinued financing activities	7	**-**	-
Net cash flows used in financing activities		**(103.5)**	(192.9)
Net (decrease)/increase in cash held		**(29.6)**	(17.5)
Cash and cash equivalents at the beginning of the financial period		**50.6**	107.3
Effects of exchange rate changes on cash and cash equivalents		**0.9**	(6.4)
Cash and cash equivalents at the end of the financial period		**21.9**	83.4

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

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2021

About this report

Orora Limited (the Company) is a for-profit entity for the purposes of preparing this financial report and is domiciled in Australia. These condensed consolidated interim financial statements ('interim financial report') as at and for the six months ended 31 December 2021 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.

These interim financial statements for the Group for the six months ended 31 December 2021 were approved by the Company's Board of Directors on 16 February 2022. The Directors have the power to amend and reissue the interim financial report.

The Annual Report of the Group as at and for the year ended 30 June 2021 is available upon request from the Company's registered office at 109 Burwood Road, Hawthorn 3122, Victoria, Australia or at www.ororagroup.com.

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;*
- 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 2021 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*;
- has been prepared under historical cost basis except for financial instruments which have been measured at fair value. Non-derivative financial instruments are measured at fair value through the income statement;
- is presented in Australian dollars with values rounded to the nearest $100,000 unless otherwise stated, in accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191;
- presents reclassified comparative information where required for consistency with the current period presentation;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2021, refer note 8;
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective; and
- has applied the Group accounting policies consistently to all periods presented.

Judgements and estimates

The preparation of the interim financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

The judgement, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty are the same as those applied in the Group's last Annual Report for the year ended 30 June 2021.

Asset restoration and decommissioning liability

Asset decommissioning

In the twelve month period to 30 June 2021, refer to note 1.2 of the 30 June 2021 Annual Report, the Group recognised a significant item expense of $38.6 million (after tax $27.0 million) relating to additional costs associated with the decommissioning of the former Petrie Mill site of which $9.3 million (after tax $6.5 million) was recognised in the six month period to 31 December 2020, refer note 2.

The decommissioning of the Petrie site is a significant and complex exercise involving multiple government agencies. At the date of this consolidated interim financial report, decommissioning work continues on site with the estimated costs to complete the decommissioning contingent on final remediation requirements which require significant judgement in respect of determining a reliable estimate.

The provision recognised as at 31 December 2021 represents management's best estimate using all currently available information and considering applicable legislative and environmental regulations.

Environmental indemnity

The Australasian Fibre sale agreement includes an indemnity with regards to potential pre-existing environmental contamination that may exist at the Australasian Fibre sites at the date of sale, 30 April 2020. The indemnity is in relation to the future requirement to either: a) remediate a site as directed by a regulatory agency; or b) the site is subject to regulatory enforcement action.

During the year ended 30 June 2020, the Group recognised a provision for potential future costs that may be incurred in relation to any identified environmental contamination as part of the gain on sale of the divestment.

The provision recognised at 31 December 2021 is unchanged from the provision at 30 June 2021 and represents management's best estimate of the potential liability under the indemnity, using all currently available information and considering the scope of the indemnity.

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report
For the six months ended 31 December 2021

1. Segment information

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 (CODM), monitor 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 significant items, interest and related income tax expense (EBIT). This measure excludes discontinued operations and the effects of individually significant non-recurring gains/losses which may have an impact on the quality of earnings, 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, excluding interest expense related to lease liabilities, 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 of beverage packaging products within Australia and New Zealand. The products manufactured by this segment include glass bottles, beverage cans and wine closures.

Orora North America
This segment, predominately located in North America, purchases, warehouses, sells and delivers a wide range of packaging and other related materials. The business also includes integrated corrugated sheet and box manufacturing and equipment sales capabilities and point of purchase retail display solutions and other visual communication services.

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report
For the six months ended 31 December 2021

1. Segment information (continued)

The following segment information was provided to the Corporate Executive Team for the reportable segments for the half year ended 31 December 2021.

		Australasia		North America		Total Reported	
$ million	**Note**	**2021**	2020	**2021**	2020	**2021**	2020
Reportable segment revenue							
Total reportable segment revenue from continuing operations[(1)]		**443.2**	441.2	**1,545.4**	1,372.9	**1,988.6**	1,814.1
Reportable segment earnings							
Earnings before significant items, interest, tax, depreciation and amortisation		**106.0**	109.8	**106.9**	89.5	**212.9**	199.3
Depreciation and amortisation		**(22.0)**	(23.8)	**(36.4)**	(35.6)	**(58.4)**	(59.4)
Earnings before significant items, interest and tax		**84.0**	86.0	**70.5**	53.9	**154.5**	139.9
Allocated finance expense - lease liabilities interest		**(0.3)**	(0.4)	**(4.7)**	(5.3)	**(5.0)**	(5.7)
Earnings before significant items, unallocated interest and tax for continuing operations		**83.7**	85.6	**65.8**	48.6	**149.5**	134.2
Reconciliation to profit before tax							
Significant items before tax	2					**-**	(9.3)
Earnings before interest and tax						**149.5**	124.9
Unallocated finance income						**0.2**	0.2
Unallocated finance expense						**(8.3)**	(8.9)
Consolidated profit before income tax expense from continuing operations						**141.4**	116.2
Operating free cash flow from continuing operations[(2)]		**71.7**	77.9	**61.6**	48.8	**133.3**	126.7
Reconciliation to cash flow from operating activities							
Add back investing cash outflow activities included in segment operating free cash flow						**17.9**	21.6
Add back principal lease repayments included in segment operating free cash flow						**29.6**	30.5
Add interest and tax operating cash outflow activities excluded from segment operating free cash flow						**(59.4)**	4.2
Net cash flow from continuing operating activities						**121.4**	183.0

(1) Represents total revenue from external customers. Across all segments, in accordance with AASB 15 *Revenue from Contracts with Customers,* the timing of revenue recognition materially occurs at a point in time.
(2) Operating free cash flow represents the cash flow generated from the Group's operating and investment activities, including lease payments but before interest, tax and dividends.

2. Significant items

Significant items are typically gains or losses arising from events that are not considered part of the core operations of the business.

$ million	Before tax	Tax (expense)/ benefit	Net of tax
31 December 2021			
Discontinuing operations			
Net profit on sale of Australasian Fibre business	-	**(2.4)**	**(2.4)**
Total significant item expense	-	**(2.4)**	**(2.4)**
31 December 2020			
Continuing operations			
Decommissioning costs	(9.3)	2.8	(6.5)
	(9.3)	2.8	(6.5)
Discontinuing operations			
Net profit on sale of Australasian Fibre business	11.3	1.5	12.8
	11.3	1.5	12.8
Total significant item income	2.0	4.3	6.3

Net profit on sale of Australasian Fibre Business
During the period a tax expense of $2.4 million was recognised upon finalisation of the tax position of the Australasian Fibre business and the filing of associated tax returns with tax authorities. In the comparative period an incremental net gain on disposal of $11.3 million (after tax $12.8 million) was recognised upon the finalisation of the post-close completion accounts, which occurred on 29 September 2020. Refer to note 7 for further details of the divestment.

Decommissioning costs
In the comparative period, following ongoing project review and reassessment of remediation requirements additional costs associated with the decommissioning of the former Petrie mill site of $9.3 million ($6.5 million after tax) were recognised in respect of estimated costs to complete. This expense was recognised as a significant item and was presented in 'general and administration' expense.

3. Contributed equity

$ million	Dec 2021	June 2021
Issued and fully paid ordinary shares:(1)		
867,014,360 ordinary shares with no par value (June 2021: 890,240,011)	**53.1**	127.4
Treasury shares:(2)		
574,246 ordinary shares with no par value (June 2021: 14,440,795)	**(1.9)**	(46.6)
Total contributed equity	**51.2**	80.8

(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. Treasury shares include 311,119 shares ($1.1 million) purchased under the share buy-back program that were cancelled subsequent to 31 December 2021. In the comparative period treasury shares include 14,214,228 shares ($46.1 million) purchased under the share buy-back that were cancelled subsequent to 30 June 2021.

Orora Limited and its controlled entities

Condensed Notes to the Consolidated Interim Financial Report
For the six months ended 31 December 2021

3. Contributed equity (continued)

Reconciliation of fully paid ordinary shares and treasury shares

	Ordinary shares		Treasury shares	
	No. '000	$ million	No. '000	$ million
At 1 July 2020	965,363	335.2	(655)	(1.6)
Share buyback	(75,123)	(210.1)	-	-
Acquisition of shares under share buyback program[1]	-	-	(14,214)	(46.1)
Acquisition of shares by the Orora Employee Share Trust	-	-	(412)	(0.9)
Proceeds received from employees on exercise of options	-	1.0	-	-
Restriction lifted on shares issued under the RSU Grant	-	0.2	-	-
Exercise of vested grants under Employee Share Plans	841	3.1	-	-
Treasury shares used to satisfy exercise of vested grants under Employee Share Plans	(841)	(2.0)	841	2.0
At 30 June 2021	**890,240**	**127.4**	**(14,440)**	**(46.6)**
Share buyback[1]	**(23,226)**	**(76.5)**	**14,214**	**46.1**
Acquisition of shares under share buyback program[1]	**-**	**-**	**(311)**	**(1.1)**
Acquisition of shares by the Orora Employee Share Trust	**-**	**-**	**(496)**	**(1.7)**
Treasury shares used to satisfy issue of RSU Grant	**-**	**(0.4)**	**102**	**0.4**
Exercise of vested grants under Employee Share Plans	**357**	**3.6**	**-**	**-**
Treasury shares used to satisfy exercise of vested grants under Employee Share Plans	**(357)**	**(1.0)**	**357**	**1.0**
At 31 December 2021	**867,014**	**53.1**	**(574)**	**(1.9)**

(1) During the six months to 31 December 2021 311,119 ($1.1 million) shares (June 2021: 14,214,288 ($46.1 million) shares) purchased under the share-buyback program were cancelled subsequent to balance date. These shares are presented within treasury shares.

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 Restricted Share Unit (RSU) Grant, options that have vested under Orora's Long Term Incentive Plan but have not yet been exercised, and grants under Orora's Long Term Incentive Plan that contain an addition one-year holding lock before vesting. Shares granted to an employee under the RSU Grant are restricted in that the employee is unable to dispose of the shares during the restriction period which can be up to five years (or as 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. Allocated shares are not identified or accounted for as treasury shares.

Unallocated shares represent those shares that have been purchased by the Trust on-market to satisfy the potential future allocation or vesting of awards granted under the Group's Employee Share Plans. As the shares are unallocated, they are identified and accounted for as treasury shares.

4. Dividends

	Cents per share	Total $ million
Declared and paid during the period		
Six months ended 31 December 2021		
Final dividend for 2021 (unfranked)	**7.5**	**65.7**
Six months ended 31 December 2020		
Final dividend for 2020 (unfranked)	5.5	53.1
Proposed and unrecognised at period end(1)		
Six months ended 31 December 2021		
Interim dividend for 2022 (unfranked)	**8.0**	**69.3**
Six months ended 31 December 2020		
Interim dividend for 2021 (unfranked)	6.5	59.5

(1) Estimated interim dividend payable, subject to variations in the number of shares up to record date.

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 share 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.

On 21 October 2021, the Group announced a $150.0 million on-market share buy-back of issued share capital. The Dividend Reinvestment Plan has been suspended while the on-market buy-back is undertaken.

Franking Account

Franking credits available to shareholders of the Company at 31 December 2021 are nil (June 2021: nil). The declared 2022 interim dividend will be 100% unfranked (2021: interim and financial dividend unfranked).

Conduit Foreign Income Account

For Australian tax purposes, dividends paid to non-resident shareholders are not subject to Australian withholding tax to the extent that they are franked or sourced from the parent entity's conduit foreign income (CFI) account. For the 2022 interim dividend, 100% of the dividend is sourced from the CFI account (2021: interim and final dividend 100% CFI). As a result, 100% of the 2022 interim dividend paid to non-residents will not be subject to Australian withholding tax.

5. 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, except for the following:

$ million	Dec 2021	June 2021
US Private Placement Notes		
Carrying value	**334.7**	324.1
Fair value	**351.4**	347.6

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 loan receivables are calculated using market interest rates.

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 – ie the amounts that the Group would receive or pay to terminate the swap at reporting date, based on observable yield curves;
- The fair value of forward foreign exchange contracts and currency options is determined using the difference between the contract exchange rate and the quoted exchange rate at the balance sheet date;
- The fair value of the aluminium commodity forward contracts is determined using the difference between the contract commodity price and the quoted market price at the balance sheet date; and
- The fair value of electricity commodity forward contracts is calculated as the present value of the estimated future cash flows using market observable quoted prices and risk adjusted forecast prices at the balance sheet date.

Interest-bearing liabilities

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

5. Financial instruments (continued)

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: Financial instruments traded in an active market (such as publicly traded derivatives and traded securities). Fair value is from a quoted price, for an identical asset or liability at the end of the reporting period, traded in an active market. The quoted market price used for assets is the last bid price;

Level 2: Financial instruments that are not traded in an active market (for example over-the-counter derivatives). Fair value is 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: Financial instruments for which no market exists in which the instrument can be traded. Where 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), the instrument is included in level 3.

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 material Level 3 financial instruments.

6. Commitments and contingent liabilities

Capital expenditure commitments
At 31 December 2021, the Group has capital commitments contracted but not provided for in respect of the acquisition of property, plant and equipment of $48.7 million (June 2021: $20.7 million).

Other expenditure commitments
At 31 December 2021, the Group has other expenditure commitments of $38.8 million (June 2021: $37 1 million) in respect of other supplies and services yet to be provided.

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.

Legal proceedings
The outcome of currently pending and future legal, judicial, regulatory and other proceedings of a litigious nature cannot be predicted with certainty. Legal proceedings can raise difficult and complex issues and are subject to many uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each proceeding is brought and differences in applicable law.

An adverse decision in a legal proceeding could result in additional costs that are not covered, either wholly or partially, under insurance policies, which could significantly impact the business and results of the operations of the Group.

Each legal proceeding is evaluated on a case-by-case basis considering all available information, including that from legal counsel, to assess potential outcomes. Where it is considered probable that a future obligation will result in an outflow of resources, a provision is recognised in the amount of the present value of the expected cash outflows, if these are deemed reliably measurable.

7. Business divestment and discontinued operation

Sale of Australasian Fibre business
On 30 April 2020, the Group completed the sale of the Australasia Fibre business (Fibre), recording net proceeds after tax and costs of approximately $1,550.0 million. Due to the size and complexity of the sale, the agreement included customary post-close completion processes, indemnities and warranties.

The cumulative net gain recognised by the Group on disposal, before tax, is $165.5 million (after tax $175.4 million) which includes the $2.4 million tax expense recognised in the current period upon finalisation of the tax position of the sale and the filing of associated tax returns with tax authorities (refer note 2). In the comparative period an incremental net gain on disposal of $11.3 million (after tax $12.8 million) was recognised upon the finalisation of the post-close completion accounts, which occurred on 29 September 2020.

The divestment of the Fibre business is presented as a discontinued operation within the consolidated interim financial report. Financial information relating to the discontinued operation is set out below.

Orora Limited and its controlled entities

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For the six months ended 31 December 2021

7. Business divestment and discontinued operation (continued)

Results of discontinued operation

$ million	Dec 2021	Dec 2020
Gain on sale of discontinued operation	-	11.3
Income tax (expense)/benefit on gain on sale of discontinued operation	**(2.4)**	1.5
(Loss)/profit from discontinued operations, net of tax[(1)]	**(2.4)**	12.8
Total comprehensive (expense)/income from discontinued operations[(1)]	**(2.4)**	12.8
Basic earnings per share	**(0.3)**	1.4
Diluted earnings per share	**(0.3)**	1.3

(1) The profit from discontinued operations, net of tax, and total comprehensive income from discontinued operations is entirely attributable to the owners of the Orora Limited.

Cash flows from/(used in) discontinued operation

The net cash flows relating to sale of the Australasian Fibre business are as follows:

$ million	Dec 2021	Dec 2020
Net cash flows of operating activities	-	-
Net cash flows (used in)/from investing activities[(1)]	**(3.1)**	19.7
Net cash flows of financing activities	-	-
Net cash (outflow)/inflow for the period	**(3.1)**	19.7

(1) Net cash flows relating to investment activities include a net cash outflow of $3.1 million (Dec 2020: inflow of $19.7 million) from the post-close completion process of the Fibre sale.

8. New and amended accounting standards and interpretations

All new and amended Australian Accounting Standards and Interpretations mandatory from 1 July 2021 to the Group have been adopted*,* including:

- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- AASB 2021-3 *Amendments to Australian Accounting Standards – COVID-19 Related Rent Concession beyond 30 June 2021*
- Implementation of IFRIC Agenda Decision – *Costs Necessary to Sell Inventories*

The Group has no transactions that are affected by the newly effective standards and interpretations or the Group's accounting policies are already consistent with the new requirements. As such the adoption of the amending standards has not resulted in a change to the financial performance or position of the Group.

Implementation of IFRIC Agenda Decision – Configuration or Customisation Costs in a Cloud Computing Arrangement

The comparative period has been restated to reflect the revision of the Groups accounting policy in respect of the accounting of upfront configuration and customisation costs incurred in implementing Systems-as-a-Service (SaaS) arrangements following IFRS Interpretations Committee (IFRIC) agenda decision on the matter.

Refer to note 7.8.1 in the Annual Report of the Group as at and for the year ended 30 June 2021 for further information regarding the policy change.

The change in accounting policy has been applied retrospectively and comparative information has been restated.

The consolidated statement of changes in equity reflects the following impact recognised in the opening balance sheet presented in this report:

$ million	Increase/(decrease) 30 June 2020
Statement of financial position (extract)	
Goodwill and intangible assets	(1.8)
Net deferred tax liability	(0.2)
Current tax payable	0.2
Retained earnings	(1.8)

The consolidated income statement and consolidated cash flow statement for the six months to 31 December 2020 were restated as follows:

$ million	Increase/(decrease) 31 December 2020
Statement of comprehensive income (extract)	
General and administrative expenses	0.1
Profit after tax	**(0.1)**
Cash flow statement (extract)	
Profit for the financial period from continuing operations	(0.1)
Cash flow from operating activities	**(0.1)**
Payments for property, plant and equipment and intangible assets	0.1
Cash flows from investing activities	**0.1**

Basic and diluted earnings per share for the comparative period were restated upon applicable of the new accounting standard, this did not result from a change from amounts previously presented.

8. New and amended accounting standards and interpretations (continued)

Issued but not yet effective

There are several new or amended accounting standards issued by the AASB that are relevant to current operations and may impact the Group in the period of initial application. They are available for early adoption but have not been applied in preparing this interim financial report. The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- AASB 2020-1 and AASB 2020-6 Amendments to *Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Directors' Declaration

For the half year ended 31 December 2021, 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 2021 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.

A R H Sindel
Chair

16 February 2022

B P Lowe
Managing Director and Chief Executive Officer

16 February 2022

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

Report on the interim financial report

Conclusion

We have reviewed the interim financial report of Orora Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and the consolidated cash flow statement the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date

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

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors 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 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 gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2021 and of 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*.

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.

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 2021 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 a conclusion 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

A Linschoten

Anton Linschoten
Partner

Melbourne
16 February 2022