Amcor News Release

For immediate release: **Thursday, August 21, 2008**

RESULTS FOR 12 MONTHS ENDED JUNE 30, 2008

- Amcor announces profit after tax and before significant items of $369.1 million, down 7%.
- Translation impact from the higher Australian dollar on profit after tax and before significant items was negative $32 million.
- Profit before interest and tax for the continuing businesses increased 9.4%, in constant currency terms.
- The final dividend remains steady at 17 cents per share giving a full year dividend of 34 cents per share.
- Free cash flow of $112.4 million, after the dividend payment.
- Significant items, primarily relating to planned restructuring, was a loss of $110.3 million, compared to a profit of $136.7 million in the 2006/07 year.

AU$ (mill) – All Operations	2007	2008	% Change
Sales	10,875.2	9,316.8	(14.3)
PBITDA	1,198.9	1,070.1	(10.7)
PBIT	731.9	657.0	(10.2)
PAT[(2)]	**397.0**	**369.1**	**(7.0)**
Significant items[(1)]	136.7	(110.3)	(180.7)
PAT after significant items	533.7	258.8	(51.5)
EPS[(2)] (cents)	44.2	42.9	(2.9)
Operating cash flow[(3)]	643.9	418.2	(35.1)
Dividend (cents)	34.0	34.0	-

(1) Significant items for the current year relate mainly to the Fibre Packaging Australasia recovery plan, the Flexible market sector rationalisation and asset impairments.
(2) Before significant items
(3) After significant items

Key Ratios (All Operations)	2007	2008
PBIT/Average funds employed (%)[(1)]	11.3	11.8
Return on average equity (%)[(1)]	11.2	12.3
Net debt / (Net debt plus equity) (%)	44.6	42.9
Net PBITDA interest cover (times) [(1)]	5.6	6.0
NTA per share (AU$)	2.29	1.86

(1) Before significant items

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Segmental Analysis (Before Significant Items)						
	2007			2008		
	Sales AU$ (mill)	PBIT AU$ (mill)	ROAFE (%)	Sales AU$ (mill)	PBIT AU$ (mill)	ROAFE (%)
Amcor PET Packaging	3,064.5	195.4	9.6	2,932.5	221.1	12.0
Amcor Australasia	2,274.6	193.7	11.2	2,215.0	188.5	10.8
Amcor Flexibles	3,008.8	198.5	13.2	2,872.2	189.9	13.2
Amcor Sunclipse	1,250.6	63.3	20.7	1,106.7	61.2	26.9
Amcor Asia	121.9	35.0	9.9	117.6	36.6	10.4
Investments / other	-	(48.2)	-	-	(47.8)	-
Intersegmental	(9.9)	-	-	(9.1)	-	-
Continuing operations	**9,710.5**	**637.7**	**10.7**	**9234.9**	**649.5**	**11.7**
Discontinued operations(1)	1,164.7	94.2	19.0	81.9	7.5	15.4
TOTAL	**10,875.2**	**731.9**	**11.3**	**9,316.8**	**657.0**	**11.8**

(1) European PET Packaging for the 2006/2007 year and Australasian Food Can and Aerosols in 2006/07 and until October 31 in 2007/2008.

The full year profit was 7% lower at $369.1 million. Earnings were negatively impacted by a combination of a higher Australian dollar, the effect of divestments over the past 12 months and higher interest charges due to the $350 million share buy-back.

- Amcor PET Packaging achieved a 29.3% increase in PBIT, for the continuing businesses, expressed in local currency terms. This was primarily due to the benefits from the new custom container plant located in Wytheville, Virginia and ongoing improvements in the Mexican operations. Returns, measured as PBIT on average funds employed, for this business increased substantially from 9.6% to 12.0%.

- The Amcor Flexibles result was mixed with an improved performance for the food and healthcare operations, expressed in local currency terms and substantially lower earnings in tobacco packaging.

- Amcor Australasia had a mixed year with solid performances in the glass and flexibles businesses, offset by lower earnings in the fibre and beverage cans operations.

- Amcor Sunclipse, the North American distribution business increased PBIT by 10.4% in local currency terms.

- Amcor Asia had a solid year with earnings up 10.8% in local currency terms.

For the 2007/08 year, the sensitivity of profit after tax to the movement in the Australian dollar, due to the translation of overseas earnings into Australian dollars for reporting purposes, was approximately $3 million for every one cent movement against the US dollar and approximately $2 million for every one cent movement against the Euro.

The US dollar to Australian dollar exchange rate in the 2006/07 year averaged 79 cents and for the 2007/08 year averaged 90 cents. The average Euro to Australian dollar exchange rate in the 2006/07 year was 60 cents and for the 2007/08 year was 61 cents. The total impact of the higher Australian dollar on the translation of profit after tax into Australian dollars for reporting purposes for the 2007/08 year was $32 million.

‘The Way Forward’ Agenda

A key component of ‘The Way Forward’ Agenda announced in August 2005, was a review of the businesses to identify growth opportunities and create a more focused portfolio. Progress over the past year included:

Grow

The targeted growth segments are the custom PET business in North America, flexibles and tobacco packaging in emerging and attractive markets and some select segments in Australasia.

Specific projects included:

- A new $150 million glass furnace at the wine bottle glass plant at Gawler, South Australia. The new furnace will support the ongoing growth for wine bottles in the Australasian market and is expected to be completed in the first half of the 2010 calendar year;
- A new €30 million flexibles packaging plant in Poland, dedicated to PepsiCo for the production of snack food packaging, commenced operations in May 2008;
- A new €12 million tobacco packaging plant in the Ukraine commenced operations in February 2008;
- The tobacco packaging business invested €22 million at the plants in Russia and Poland to increase capacity and enable additional value-add production at those sites. In Russia, a new printing press and hot foil stamping machine has been installed and, in Poland, new offset capacity and additional cutting and creasing equipment has been installed;
- A second press at the flexibles plant in Russia commenced operations in August 2007;
- AMVIG, the Hong Kong publicly-listed company, in which Amcor has a 40.2% shareholding, completed the acquisition of Brilliant Circle in October. It also announced the acquisition of Hangzhou in June 2008. AMVIG is now the largest tobacco packaging manufacturer in China, with approximately 20% market share; and
- Amcor invested HK$878 million to increase its investment in AMVIG, since December 2007 from 33.5% to 40.2%.

Fix / Sell / Close

- The sale of the European PET business was completed in October 2007. The reduction in PBIT for the 2007/08 year from this sale was $66 million. The Australasian Food Can and Aerosol operations were sold in October 2007 and, for the 2007/08 year, the reduction in PBIT from this business was $20.7 million.
- The second phase of the restructuring of the Amcor Flexibles business in Europe continues with the announcement of:
  - The closure of a flexographic plant in the UK and the relocation of its volumes to a nearby facility;
  - The relocation of the extrusion operations at the plant at Ledbury in the UK to a nearby facility;
  - The closure of a film extrusion plant in Denmark; and
  - The sale of two plants, one in Sweden and one in the United Kingdom. Both plants predominately produced commodity unprinted film for the meat and fish markets.
  - Closure of the film extrusion operations at the plant in Barcelona and relocation of its volumes to other facilities within the group.
- The turnaround program in the Mexican PET operations has delivered the expected benefits of a US$16 million improvement in PBIT over the two year timeframe;
- The fibre business in Australasia has undertaken a comprehensive turnaround program. The converting operations footprint changes have been completed and the focus for the current year is to improve operating efficiency; and
- A new recycled paper mill will be constructed at Botany, NSW for a net cost of $230 million. The new mill will be a low cost manufacturer of lightweight recycled paper in the Australasian market and reduce the carbon footprint for the paper manufacturing operations by 35%. The new mill is expected to commence production in October 2010.

Consolidated Income Statement		
AU$ (mill)	**2007**	**2008**
Net sales	**10,875.2**	**9,316.8**
PBITDA	1,198.9	1,070.1
- Depreciation and amortisation	(467.0)	(413.1)
Profit before interest and tax	731.9	657.0
- Net interest (ex PACRS)	(197.7)	(179.4)
- PACRS interest	(17.2)	-
Profit before tax	517.0	477.6
- Income tax	(108.6)	(100.8)
- Minority interests	(11.4)	(7.7)
Profit after tax and before significant items	**397.0**	**369.1**

Consolidated Cash Flow Statement		
AU$ (mill)	**2007**	**2008**
PBITDA	1,198.9	1070.1
Interest	(203.5)	(192.4)
Tax	(80.1)	(62.8)
Cash significant items	(106.2)	(136.6)
Base capital expenditure	(300.6)	(243.5)
Movement in working capital (1)	256.7	44.6
Other	(121.3)	(61.2)
Operating cash flow	**643.9**	**418.2**
Dividends	(319.2)	(305.8)
Free cash flow	**324.7**	**112.4**
Divestments	79.6	973.3
Growth capital / acquisitions	(165.7)	(192.5)
Proceeds from share issues	-	11.0
Payment for shares bought back	(310.7)	(350.0)
Proceeds on capital contribution from minority interest	-	9.0
Foreign exchange rate changes	(5.7)	(22.9)
Movement in net debt	**(77.8)**	**540.3**

(1) Movement in working capital relates to continuing operations

Consolidated Balance Sheet		
AU$ (mill)	**2007**	**2008**
Current assets	3,394.5	2,618.3
Property, plant and equipment	3,835.4	3,624.4
Intangibles	1,458.7	1,309.2
Investments and other assets	453.7	518.0
Total assets	**9,142.3**	**8,069.9**
Short term debt	1,378.6	677.5
Long term debt	1,620.5	1,833.2
Creditors and provisions	2,561.9	2,555.9
Shareholders' equity	3,581.3	3,003.3
Total liabilities and shareholders' equity	**9,142.3**	**8,069.9**

Final Dividend

The Directors declared an unfranked final dividend of 17 cents per share. 100% of the dividend is sourced from the Conduit Foreign Income Account. This compares with a final dividend of 17 cents per share, for the 2006/07 year. The record date for the final dividend is September 10, 2008 and payment date will be October 3, 2008.

Significant Items

Significant items after tax for the year ending June 30, 2008, was a net expense of $110.3 million, compared to a net gain of $136.7 million in the 2006/07 year.

Significant items after tax for the year included the profit on the sale of the Australasian Food Can and Aerosols business of $4.3 million, a gain arising from AMVIG's equity issue of $3.7 million, a net gain of $18.8 million related to prior year disposed businesses, an expense of $28.7 million relating to the Fibre turnaround, the Flexibles market sector rationalisation expense of $85.3 million, the PET Packaging integration and restructure expense of $1.6 million, asset impairments relating to the above restructuring of $18.1 million and an expense of $3.4 million relating to legal costs.

Segmentals

During the year, the consolidated entity did not change its reportable business segments. However, the comparative information for the years ending June 30, 2007 and June 30, 2008, has been restated to report discontinued operations for the divestments of the Australasian Food Can and Aerosols business.

During the year, a detailed review of the corporate costs of the consolidated entity was undertaken and it was identified that $31.6 million (2007: $34.7 million) of the total of $79.3 million (2007: $82.4 million) was properly attributable to the results of the operating segments and as such, has been allocated based on relevant cost and service drivers.

Profit (All Operations)	2007 AU$ (mill)	2008 AU$ (mill)	% Change	2007 US$ (mill)	2008 US$ (mill)	% Change
Net sales (mill)	**3,980**	**2,933**	**(26.3)**	**3,131**	**2,636**	**(15.8)**
PBIT (mill)	**261.4**	**221.1**	**(15.4)**	**205.6**	**198.8**	**(3.3)**
Operating Margin (%)	6.6	7.5		6.6	7.5	
Average funds employed (mill)	2,404	1,837		1,892	1,651	
PBIT/AFE (%)	**10.9**	**12.0**		**10.9**	**12.0**	
Average exchange rate	0.79	0.90				
Profit (Continuing Businesses)	**2007 AU$ (mill)**	**2008 AU$ (mill)**	**% Change**	**2007 US$ (mill)**	**2008 US$ (mill)**	**% Change**
Net sales (mill)	**3,065**	**2,933**	**(4.3)**	**2,411**	**2,636**	**9.3**
PBIT (mill)	**195.4**	**221.1**	**13.2**	**153.7**	**198.8**	**29.3**
Operating Margin (%)	6.4	7.5		6.4	7.5	
Average funds employed (mill)	2,035	1,837		1,601	1,651	
PBIT/AFE (%)	**9.6**	**12.0**		**9.6**	**12.0**	
Average exchange rate	0.79	0.90				
Cash Flow (All Operations)	**2007 AU$ (mill)**	**2008 AU$ (mill)**	**% Change**	**2007 US$ (mill)**	**2008 US$ (mill)**	**% Change**
PBITDA	**465.9**	**376.9**	**(19.1)**	**366.5**	**338.8**	**(7.6)**
Base Capital Expenditure	(152.7)	(115.6)		(120.2)	(104.0)	
Movement in Working Capital	177.3	(4.3)		139.5	(3.8)	
Significant items	(3.7)	(0.7)		(2.9)	(0.6)	
Operating Cash Flow	**486.8**	**256.3**	**(47.4)**	**382.9**	**230.4**	**(39.8)**
Growth Capital Expenditure	(128.9)	(69.2)		(101.4)	(62.2)	

PET Packaging Group

Amcor PET Packaging had an outstanding year in terms of earnings and returns. Profit before interest and tax (PBIT), on a continuing business basis and expressed in local currency terms, was up 29.3% to US$198.8 million. The business benefited from higher volumes and a favourable product mix with the operations in both North America and Latin America improving on the 2006/07 year.

Returns, measured as PBIT over average funds employed, increased from 9.6% to 12.0%.

Capital expenditure was US$166.2 million, comprising US$104.0 million for base capital spending, net of disposals, and US$62.2 million for growth capital to expand capacity in the custom container market.

Working capital continues to be well managed. Average working capital to sales improved from 6.7% in 2006/07 to 5.3% for the 2007/08 year.

In June 2007, the European PET business was sold. For the 2006/07 year, this business had earnings of US$51.9 million.

Volumes for the year, on a continuing business basis, were up 3.7% to 28.7 billion units. Custom container volumes, which represent 32% of the overall product mix, were up 23.7% over the prior year due largely to volumes associated with the new Wytheville plant in the United States. Carbonated soft drink (CSD) and water volumes were down 3.6%, with volumes in this segment slightly higher this year in Latin America and lower in North America.

North America

The North American business had a strong year with an improved product mix and excellent operating performance. Volumes were up slightly at 1.3%, with custom containers increasing 26%. Custom containers represented 39% of the total volumes for the year. Volumes in the carbonated soft drink (CSD) and water categories were 10% lower reflecting the strategic decision to increase the focus on custom containers and be more selective in the CSD and water categories.

There has been substantial progress in growing the custom hot-fill category including:

- The new US$80 million facility in Wytheville, Virginia (USA), which supplies Gatorade containers, had its first full year of operation. This plant is located adjacent to a new PepsiCo filling facility, and has a capacity of over 1 billion units annually; and

- The new panel-less heat set container, PowerFlex™, continues to gain momentum in the market place. More than 20 brands of premium beverages have been introduced in PowerFlex™ , including two national brands. Capacity is now in place to supply the package on both the East and West coasts and the business is continuing to install capacity to meet the growing demand.

During the past three years, the business in North America has undertaken a significant footprint rationalisation, together with improvements in manufacturing performance. This has positioned the North American business with an excellent value proposition based on an efficient manufacturing platform, excellent quality, consistent service performance and industry leading innovation. The results in the 2007/08 year reflect the benefits from this three year program.

The business historically has offset inflationary cost increases with productivity improvements and operating cost reductions. While there will be continuous improvement in these areas, higher inflationary costs are no longer able to be fully absorbed and need to be recovered through higher selling prices.

Resin cost movements, which are the largest input to the cost of manufacturing, are passed onto customers via established contract mechanisms. For the 2007/08 year, there was a benefit from inventory timing gains due to rising resin costs. If resin prices fall in 2008/09, there will be some losses incurred on inventory valuations. In the area of energy cost increases, the business has made substantial progress in recovering these increases via contractual pass throughs.

Latin America

The business in Latin America also had a strong year. Volumes were up 6.8%, with CSD and water up 5.0% and custom containers up 15.5%. Custom container volumes now comprise 18.1% of the product mix, up from 16.7% for the 2006/07 year. The region has favourable demographics, increasing per capita income and ongoing replacement of glass with PET that continues to support overall growth.

The operations in Mexico have successfully undertaken a two year turnaround program that has delivered the expected earnings improvement of US$16 million. The business has closed four sites, substantially improved operating efficiencies and undertaken a comprehensive program to improve the quality of its people. The business is now well positioned for future growth.

Across Central and South America, earnings were up on the same period last year with strong year over year performances in Argentina, Brazil and Venezuela. In Brazil the footprint changes to move on-site with a large customer have been successfully completed and in Venezuela there was a favourable mix shift to custom containers.

All other countries met or exceeded last year’s performance, except for Colombia where the business experienced operational performance issues as it transitioned from a CSD and water to custom product mix.

Bericap

The majority-owned joint venture in Bericap North America is managed and reported within the PET Packaging segment. This business has one plant in Ontario, Canada and one in California in the USA. A third plant in Spartanburg, South Carolina commenced operations in March 2008.

The sales and margins from the plant in Canada were adversely impacted by the high Canadian dollar against the US dollar. The business also expensed startup costs for the new plant. As a result of these issues earnings were lower. With the startup of the new plant, the expectation is for improved performance in 2008/09.

Outlook

Earnings are anticipated to improve in the current year, however growth will be substantially lower than the 29.3% achieved in 2007/08 and is dependent on the impact a slowing US economy may have on volume growth.

Profit (All Operations)	2007 AU$ (mill)	2008 AU$ (mill)	% Change
Net sales (mill)	**2,524**	**2,297**	**(9.0)**
PBIT (mill)	**221.9**	**196.0**	**(11.7)**
Operating Margin (%)	8.8	8.5	
Average funds employed (mill)	1,859	1,793	
PBIT/AFE (%)	**11.9**	**10.9**	
Profit (Continuing businesses)	**2007 AU$ (mill)**	**2008 AU$ (mill)**	**% Change**
Net sales (mill)	**2,275**	**2,215**	**(2.6)**
PBIT (mill)	**193.7**	**188.5**	**(2.7)**
Operating Margin (%)	8.5	8.5	
Average funds employed (mill)	1,734	1,744	
PBIT/AFE (%)	**11.2**	**10.8**	
Cash Flow (All Operations)	**2007 AU$ (mill)**	**2008 AU$ (mill)**	**% Change**
PBITDA	**361.6**	**332.2**	**(8.1)**
Base Capital Expenditure	(54.9)	(20.8)	
Movement in Working Capital	9.1	(2.9)	
Significant items	(60.3)	(56.9)	
Operating Cash Flow	**255.5**	**251.6**	**(1.5)**
Growth Capital Expenditure	-	(21.7)	

Australasia Group

Amcor Australasia had a mixed year with solid improvement in earnings in the glass and flexibles operations offset by lower earnings in the beverage can and fibre businesses. Profit before interest and tax (PBIT), on a continuing business basis, decreased 2.7% to $188.5 million.

The Food Can and Aerosols business was sold on 31 October, 2007. For the 2006/07 year, these businesses contributed $28.2 million and for the four months to October 2007 contributed $7.5 million in PBIT.

Returns for the continuing operations, measured as PBIT over average funds employed, decreased from 11.2% to 10.8%.

Cash significant items were $56.9 million and predominately related to the turnaround plan in the fibre packaging business.

Base capital expenditure was $20.8 million. This comprised gross expenditure of $117.4 million and proceeds from disposals, excluding the sale of the Food Can and Aerosol business, of $96.6 million. There was growth capital expenditure of $21.7 million.

Working capital movement, on a continuing business basis was a $16.8 million reduction from June 2007 to June 2008.

The operating cash flow for the year was $251.6 million.

Corrugated

The corrugated business experienced a challenging year with earnings negatively impacted by higher input costs and operating inefficiencies at the corrugated plants.

Operational Performance

The corrugated business has undertaken a substantial turnaround program, which commenced in August 2006 and was completed during the second half of 2007/08.

The program included the closure of four plants, headcount reduction of 450 people, the implementation of a new SAP IT system and the relocation of equipment to other sites. During the first half of the 2007/08 year, the impact of machinery and volume relocations resulted in reduced service performance and lower operating efficiencies at some of the plants.

The business also experienced additional overtime costs, increased transportation costs and outside warehousing expenses.

Reduced service levels resulted in delivery in full and on time (DIFOT) falling to unacceptable levels with a consequent loss of volume predominately with smaller customers. In late 2007, the decision was taken to focus, as a priority, on improving DIFOT. Since that time there has been steady improvement with the average DIFOT increasing from 81% for the October to December period to an average for the last three months of 95%.

To achieve these improved DIFOT levels, the operations initially incurred additional expenses and higher levels of working capital. As the plants improved their manufacturing efficiencies through the second half of the year, they have begun to reduce overtime and lower operating costs. The current year has commenced with this improving trend continuing.

Price Increases

Over the past three years, there have been significant input cost increases in the corrugated operations, including wastepaper which is up by more than 50%, and for starch, energy and freight which are all up by between 15% and 20%. In aggregate, these increases, total more than $70 million.

Increasing input costs need to be offset by either value engineering initiatives to reduce operating costs, price increases or a combination of the two. The magnitude of the cost increases to be recovered represents a 12% increase in selling prices.

The business is announcing today that unless specific value engineering opportunities can be identified such as light weighting, SKU rationalisation or improved logistics, selling prices will increase by 12% to all customers. This increase will be adjusted for those customers where there have been previous price increases by way of general price increases to uncontracted customers or CPI type clauses to contracted customers.

These selling price increases will be implemented as soon as possible after individual customers are notified.

Across Amcor, the recovery of input cost increases has been an important principle in ensuring margins and returns are maintained in a more inflationary environment. It is critical that this approach is applied to the corrugated operations including a willingness to forego unprofitable volumes.

Without this increase, earnings for the corrugated business in 2008/09 would be substantially lower. The exact timing of the selling price increases or the benefits of the value engineering initiatives across the customer base will determine the earnings outcome for the 2008/09 year.

Volumes

Volumes in the corrugated operations were 4% lower. This was due to a number of factors:

- Weaker demand in the produce sector due to adverse crops;
- Manufacturing relocating offshore;
- Retailers sourcing offshore;
- Market share loss with small customers; and
- Generally weaker overall demand.

The business lost market share with smaller customers in the first half of the year, during a period of unacceptable delivery performance. However, as delivery and service improved, volumes and market share stabilised. The New Zealand business had stronger volumes in the second half with an improved kiwifruit season and new contracts in the meat sector.

New recycled paper mill

In February this year, Amcor announced it was investing a net $230 million in a new recycled paper mill to be located at Botany, NSW.

This machine will have a capacity of 345,000 tonnes per annum and be capable of producing paper grades from 80gsm to 200gsm. The ability to offer the lightest weight recycled papers in the Australian market will substantially enhance the value proposition to customers.

The paper machine will be supplied by Metso. The machine has an 18 month delivery lead time, including shipping, and is expected to arrive in Australia in December 2009. The engineering component of the project has been awarded to

Poyry, the global leader in consulting and design engineering for the paper industry. A substantial component of the overall project costs has now been fixed and the expected net cost, after allowing for the sale of excess land at Fairfield in Victoria and Botany in New South Wales, remains at $230 million.

Construction of the new mill is expected to be completed by June 2010. Commissioning will take approximately three months enabling commercial production in October 2010.

Cartons

Amcor has an integrated carton business with recycled cartonboard manufactured at Petrie Mill in Queensland and five carton converting plants across Australasia.

The mill competes directly with foreign imports and the rising Australian dollar continues to negatively impact the cartonboard business. Input costs increased substantially during the year and, in June 2008, selling prices were increased 8%, in line with global trends.

The carton conversion business had a difficult year. Although volumes were strong, there was an adverse change to product mix and selling prices remained unacceptably low. The business passed on the 8% cost increase in cartonboard via price increases for finished cartons. This increase was for the small percentage of volumes that are non-contracted and, similar to the corrugated business, further price increases will be necessary to fully recover cost increases, particularly for contracted customers.

Flexibles

The flexibles business, which consists of four operating units: polyethylene, laminations, barrier films and multiwall sacks, had higher earnings with the benefits of recent capital expenditure contributing to improved operating performance. Sales were modestly lower due to reduced sales in industrial commodity films, as well as a softer market for lamination products.

In the polyethylene business, there was good performance at the plants in Queensland and Victoria supported by ongoing growth in a number of the key market segments. A new press is being installed at the plant in Moorabbin to meet this growing demand.

In the laminations business there has been considerable restructuring and capital investment over the past few years. The benefits from this program are expected to be realised via improved operating performance in the current year.

The business in New Zealand had a stronger year, due mainly to growth in exports and the closure of the loss making site at East Tamaki. The majority of the sales from this site have been successfully transferred to plants in Australia. The barrier film business had a difficult year with the drought in Australia and New Zealand having a negative impact on volumes to the dairy industry.

On June 2, 2008, the commodity film business located in Perth, Western Australia was sold for $35 million, resulting in a profit on sale of $7.4 million, net of transaction costs. This business contributed $5 million in PBIT for the 2007/08 year. The sale is effective June 30, 2008.

Rigids

The beverage can business had a disappointing year with lower earnings for the year. Improved earnings in the first half were offset by considerably lower earnings in the second half. Volumes in beverage cans for the year were flat with 2.5% growth in the first half offset by a 3% reduction in the second half. Lower volumes in the second half of the year were due to reduced volumes in multipak soft drinks and alcoholic ready to drink products.

The business has invested $30 million upgrading the end making capacity at Ballarat and installing additional capacity in Brisbane to produce new can sizes and designs, including slim line cans. The significant upgrade at the Brisbane facility has taken longer to complete than anticipated and the plant experienced operating inefficiencies during the second half. The business has now completed the upgrade and earnings are expected to recover in the current year.

The glass wine bottle business had another strong year primarily due to continued productivity improvement. There continued to be good growth in the premium bottle segment, underpinned by product innovation and new product launches.

In May 2008, it was announced that a new $150 million glass furnace will be built at the existing Gawler (South Australia) facility, with a completion date during the first half of calendar 2010. This furnace will support the ongoing growth in the wine bottle market and the returns are underpinned by long term customer supply arrangements. Upon completion, the Gawler plant will have three furnaces and production capacity of 600 million wine bottles per year.

Since commencing operations in 2002, the wine glass plant has consistently delivered high levels of quality, service and innovation.

Outlook

The outlook for the Australasian operations varies across each of the divisions:

- For the fibre business, the full year result will be dependent on the successful implementation of the announced 12% price increase to recover substantial cost increases. Given there will be year on year cost increases in 2008/09 it is unlikely the benefits from the price increase will be sufficient to offset the higher costs in the current year;
- The glass operations is expected to have another strong year. Given that the business was operating at full capacity in 2007/08, earnings are not expected to increase until the new furnace is commissioned in 2010;
- The beverage can business should achieve an increase in earnings underpinned by improved operating efficiency and the benefits from capital spending; and
- The outlook for the flexibles business in Australasia is for stable earnings with improved operating performance offset by the lag in cost recovery.

Profit (All Operations)	2007 AU$ (mill)	2008 AU$ (mill)	% Change	2007 €(mill)	2008 €(mill)	% Change
Net sales (mill)	**3,009**	**2,872**	**(4.6)**	**1,809**	**1,753**	**(3.1)**
PBIT (mill)	**198.5**	**189.9**	**(4.3)**	**119.3**	**115.9**	**(2.8)**
Operating Margin (%)	6.6	6.6		6.6	6.6	
Average funds employed (mill)	1,501	1,439		902	878	
PBIT/AFE (%)	**13.2**	**13.2**		**13.2**	**13.2**	
Average exchange rate	0.60	0.61				
Cash Flow (All Operations)	**2007 AU$ (mill)**	**2008 AU$ (mill)**	**% Change**	**2007 €(mill)**	**2008 €(mill)**	**% Change**
PBITDA	**301.6**	**291.5**	**(3.3)**	**181.3**	**177.9**	**(1.9)**
Base Capital Expenditure	(76.4)	(127.5)		(45.9)	(77.8)	
Movement in Working Capital	45.6	34.8		27.3	21.2	
Significant items	(41.0)	(74.2)		(24.6)	(45.3)	
Operating Cash Flow	**229.8**	**124.6**	**(45.8)**	**138.1**	**76.0**	**(45.0)**
Growth Capital Expenditure	(10.4)	(59.8)		(6.3)	(36.5)	

Flexibles Group

Amcor Flexibles had a mixed year, with profit before interest and tax (PBIT) down 2.8% to €115.9 million. Both the Food and Healthcare businesses had solid earnings improvements, however earnings for the tobacco packaging operations were substantially lower.

Returns, measured as PBIT over average funds employed, remained at 13.2%.

The business made substantial improvement in the management of working capital, particularly in the Food Flexibles business. Working capital for the year reduced by €21.2 million. Average working capital to sales decreased from 13.2% in 2006/07 to 11.1% in 2007/08.

Base capital expenditure was €77.8 million. Growth capital spending was €36.5 million and included components of the €12 million investment in the new tobacco packaging plant in the Ukraine, €22 million for capacity expansions at the tobacco packaging plants in Russia and Poland and €30 million for the flexibles packaging plant in Poland.

Significant items were €68.5 million of which €45.3 million was cash. The operating cash flow was €76.0 million.

Food

Amcor Flexibles Food is a pan European business consisting of 23 plants in 12 countries serving all major food market segments. The business also coordinates the wider strategy for flexible food packaging across other geographical regions.

Earnings for the year were up strongly as the business continued to lower its cost base, improve product mix and recover raw material cost increases in a timely manner. Volumes were 4.8% lower, due to a combination of the closure of two plants during the second half of 2006/07, the selective forgoing of unprofitable business and softer economic conditions in the second half. Margins and returns were higher benefiting from restructuring, increased selling prices, improved product mix and better plant operating efficiencies.

The working capital performance for the year was excellent with the average working capital to sales ratio reducing from 14.8% to 12.1%. A further reduction is anticipated in the current year that will contribute to improving the cash flow and increasing the returns.

During the year the business has actively recovered cost increases, commencing with a comprehensive program of price increases in January for raw materials and other inflationary costs. These increases were well accepted and, for the 2007/08 year, there was only a modest impact on earnings due to lags in obtaining full recovery of raw material costs.

Resin prices continued to increase through the second half of the year and further price increases were announced in July to recover these costs.

The short term outlook for raw material input costs is for stability at the current high levels. In the medium term, lower cost polymer capacity is scheduled to commence production and it is likely resin supplier margins will reduce at that time.

A key initiative for ongoing improvement is an extensive repositioning program being undertaken by the business, named "Flex 1". The first phase of this program was the successful closure of two plants, one in the United Kingdom and one in Germany, during the 2006/07 year. These closures were achieved ahead of schedule with costs substantially below budget with more than 75% of the volumes retained and transferred to other sites.

In April 2007, the remaining components of the program were outlined with the main objectives being to:

- Strengthen market positions through better leverage of technology and manufacturing capabilities;
- Increase weighting in lower cost regions, particularly in Southern and Eastern Europe;
- Improve alignment to customer needs and market trends; and
- Create a strong platform for innovation and continued growth.

The project will impact both the Food and Healthcare businesses and will deliver an estimated PBIT benefit of €30 million per annum, from the 2009/10 year, for an estimated net cash cost of €60 million. The overall headcount reduction, excluding divested sites, will be approximately 900 out of a total workforce of 7,600. The program will reduce the number of manufacturing facilities in Europe by approximately 25% with sites either closed or sold. The remaining plants will have greater scale and be more technologically focused.

During the 2007/08 year there was substantial progress in this program. In the United Kingdom (UK), the consolidation of two flexographic printing sites was completed with the closure of the site in Ilkeston and relocation of the volume to a nearby site at Evesham. The Evesham plant has doubled in size, delivering improved operating efficiencies and a lower cost base.

In film extrusion, the number of sites will be reduced from nine to three with new investment of €28 million to upgrade the remaining facilities, including a new nine layer extruder at the plant in Belgium. This will deliver substantial improvement to operating costs and result in a 40% decrease in the number of extrusion lines without reducing the overall manufacturing capacity. The business is also undertaking extensive resin rationalisation trials that will reduce complexity, increase run lengths and increase resin procurement leverage.

The first step in this program is the closure of the film extrusion operations at Lyngby in Denmark. The volumes from this plant have been transferred to other extrusion locations. The UK extrusion activities are being rationalised with the Ledbury extrusion operations being relocated to the extrusion plant at Ilkeston. The extrusion facilities at the plant in Barcelona will be closed and volumes relocated to the other sites.

In June 2008, the plants in Lund, Sweden and Somerset, United Kingdom were sold. These plants, with combined sales of €87 million, were primarily involved in the production of unprinted films for the meat and fish segments. These are commodity segments and the plants were located in high cost regions.

The business continues to expand its operations in Central and Eastern Europe to support the increasing number of multinational customers building capacity in the region. The plants in Russia and Poland continue to make solid progress with the Russian operations benefiting from the start up of the second press in the second half of the year.

As part of this ongoing expansion in Eastern Europe the Polish Flexibles plant, which is currently co-located with the tobacco packaging plant, will be relocated to a new site at Lodz and the manufacturing capabilities substantially increased. The investment in this relocation and expansion is €25 million, with the new plant expected to be operational in April 2009. This relocation enables the tobacco packaging plant to continue to expand using the floor space previously occupied by the flexibles operations.

The new €30 million plant in Poland, dedicated to PepsiCo for snack food products commenced commercial production in May 2008. This plant will be a global leader in extrusion lamination technology and is well located in a high growth, low cost region.

The outlook for the food flexibles business is for solid improvement in earnings driven predominately by the benefits from the restructuring program, ongoing cost reduction in SG&A and further cost reductions linked to the manufacturing excellence program. There is some evidence of reduced volumes in certain market segments and, should this continue for the balance of the year, it could dampen the expected strong improvement in earnings.

Healthcare

Amcor Flexibles Healthcare comprises flexible packaging activities in the Americas and Europe. Amcor Flexibles Healthcare is a global leader in flexible packaging for the medical, personal care and pharmaceutical markets. Headquartered in Chicago, USA, it employs over 2,200 co-workers at 16 manufacturing facilities in ten countries. In addition, the group coordinates strategy and commercial activity with Amcor's healthcare flexible packaging activities in Asia.

The Healthcare business had a solid increase in earnings, despite being adversely effected by the weakening of the US dollar in relation to the Euro. This weakening resulted in a lowering of the US dollar earnings when translated into Euros and the reduction in margins for business exported from Europe into dollar-denominated buying regions.

In the Americas sales increased by 7%, expressed in US dollars. The business continues to improve the product mix, moving to more technically demanding structures focusing on enhanced protection, ease of use and high-quality graphics. The utilisation of the new gravure press continues to improve with substantial opportunities for additional volumes in the coming year.

In Europe, earnings were higher. Sales volumes however were lower, due primarily to exiting low margin standard products at an underperforming site. In addition, the region was adversely affected by sales made into dollar-denominated buying regions. Similar to the Americas, the on-going focus on high-performance product growth and operational excellence resulted in improved earnings.

Although raw material costs increased during the year, they were successfully recovered with minimal impact on earnings. The business has comprehensive plans to recover increases in both raw materials and other inflationary costs in the 2008/09 year.

As part of the European footprint project jointly undertaken with Amcor Flexibles Food, the business is making significant investments at key extrusion sites. These investments will lead to more efficient plants with lower overhead costs and stronger technical capabilities. The benefits of these investments will begin to accrue in the 2008/09 financial year.

The earnings outlook for the flexibles Healthcare business is for continuing improvement in the 2008/09 year due to the benefits from the flexibles restructuring in Europe, improved capacity utilisation of capital investments in the Americas and ongoing improvement in the product mix.

Tobacco Packaging

Amcor Rentsch has strategic leadership of Amcor's global tobacco packaging business and operational responsibility for the plants in Europe. The business has seven plants focused on tobacco cartons.

Sales for the year were flat at €304.7 million, however this figure includes the impact of closing the specialty carton plant in Switzerland in November 2007. On a continuing business basis, sales in tobacco cartons were 4.3% higher.

The business had a difficult year with a number of adverse factors negatively impacting the operations. Earnings were €8 million lower, comprising operational inefficiencies of €5 million and plant startup costs of €3 million. In the second half of the year, the business returned to more normal trading conditions and earnings improved.

During the year, there was a significant shift in the business mix to more value-add products, especially in Russia and Eastern Europe. The key drivers for this were:

- Consumer preference moving to higher value brands with more value adding features, including embossing and hot foil stamping;
- Introduction of Graphical Health Warnings (GHW); and
- Shorter run lengths due to an increased number of SKU's.

This mix shift to higher value add products is a long term positive for the business as it is well positioned to manage this complexity and has been successful in securing new business. In the short term however there was a mismatch between appropriate manufacturing capacity and customer demand, resulting in overtrading for the first nine months of the 2007/08 year.

This was particularly acute in Eastern Europe and Russia and, during the first half of the year, the business outsourced production to third parties in Western Europe. Amcor Rentsch absorbed most of the additional costs for this manufacturing including substantial transportation costs.

At the same time cigarette production in Western Europe increased, with a major customer transferring volumes from the US to Europe. The business was successful in obtaining a proportion of this increased volume.

Finally, demand in Eastern Europe and Russia continued to expand and Amcor Rentsch was contracted for 100% supply for a product that experienced considerably stronger growth than anticipated.

In summary:

- The available machine hours across the tobacco packaging industry reduced due to increased complexity and there were additional cigarettes being manufactured in Western Europe;
- The business experienced strong growth in demand for more value-add products in Eastern Europe and Russia; and
- There was higher than anticipated overall growth in Russia.

To address the capacity constraints in Eastern Europe and Russia, €22 million has been invested at the plants in Russia and Poland to increase capacity and enable additional value-add production.

In Russia, a new printing press and hot foil stamping machine have been installed. The new press will add capacity to meet the growing market demand, as well as improve the operating efficiency. The hot foil stamping machine has enabled production of more complex and innovative products.

In Poland, new offset capacity has been installed to meet growing demands for the value-add short run volumes and additional cutting and creasing equipment installed to improve manufacturing efficiency.

The new plant in the Ukraine commenced production in February 2008 and is supplying the local market.

The outlook for 2008/09 is for a substantial improvement in earnings and returns. The new capital investment at the plants in Poland and Russia will ensure volumes will not be outsourced to third parties. Production will be better balanced across the manufacturing footprint, reducing the number of changeovers and lowering transportation costs. The business will also be better equipped for the higher value-add products, particularly in Russia and Eastern Europe. The new plant in the Ukraine will make a positive contribution for the year. Finally there will not be the €3 million expense for plant startups.

Strategically, tobacco packaging is an attractive market segment that has developed an excellent manufacturing footprint, focusing on value-add products.

Outlook

The outlook for the Flexibles business is for substantial improvement in the 2008/09 year, expressed in local currency terms.

The key drivers of this improvement are:

- Benefits from the European restructuring program;
- Recovery in the tobacco packaging earnings following a difficult 2007/08 year;
- Benefits from the new flexibles plant in Poland and the tobacco packaging plant in the Ukraine; and
- Continued product mix improvements, particularly in the Healthcare business.

Economic conditions in some countries are softening and this could impact demand in certain product segments or regions, particularly in the food flexibles business. Should this continue for the balance of the year, it could reduce the anticipated rate of improvement.

Profit (All Operations)	2007 AU$ (mill)	2008 AU$ (mill)	% Change	2007 US$ (mill)	2008 US$ (mill)	% Change
Net sales (mill)	**1,251**	**1,107**	**(11.5)**	**984**	**995**	**1.1**
PBIT (mill)	**63.3**	**61.2**	**(3.3)**	**49.8**	**55.0**	**10.4**
Operating Margin (%)	5.1	5.5		5.1	5.5	
Average funds employed (mill)	306	227		240	204	
PBIT/AFE (%)	**20.7**	**26.9**		**20.7**	**26.9**	
Average exchange rate	0.79	0.90				
Cash Flow (All Operations)	**2007 AU$ (mill)**	**2008 AU$ (mill)**	**% Change**	**2007 US$ (mill)**	**2008 US$ (mill)**	**% Change**
PBITDA	**76.6**	**74.6**	**(2.6)**	**60.3**	**67.0**	**11.1**
Base Capital Expenditure	(5.4)	24.1		(4.2)	21.7	
Movement in Working Capital	21.6	3.2		17.0	2.9	
Significant items	-	-		-	-	
Operating Cash Flow	**92.8**	**101.9**	**9.8**	**73.1**	**91.6**	**25.3**
Growth Capital Expenditure	-	-		-	-	

Sunclipse Group

Amcor Sunclipse had a solid year with profit before interest and tax (PBIT) up 10.4% to US$55.0 million.

Returns, measured as PBIT over average funds employed, increased from 20.7% to 26.9%.

The PBIT result included a positive impact from the sale and lease back of the Amcor Sunclipse head office, partly offset by write downs and other one-off expenses. After adjusting for these items, underlying earnings were slightly lower than the US$49.8 million achieved in 2006/07.

Gross base capital expenditure was US$21.7 million. This included the proceeds from the sale of land of and building of US$26.2 million. Working capital reduced by US$2.9 million.

The full year result was a solid performance in difficult trading conditions. There was flat underlying performance in the first half of the year and lower earnings in the second half compared to the previous year. The reduction in earnings for the second half of the year was a result of slowing economic conditions and rising input costs.

The distribution division had a solid year with sales in line with last year. Gross margins were modestly higher as the business undertook comprehensive programs to recover cost increases, including new tools for the field sales force to optimise selling prices, the introduction of freight surcharges to recover higher fuel costs and the ongoing development of new sales channels for low volume customers.

The manufactured products business had a difficult year with flat sales and a reduction in gross margins. There was an adverse change in product mix to lower margin ‘stock boxes’ and higher input costs were not fully recovered in selling prices.

The corrugated business had another good year with sound manufacturing efficiencies and excellent management of operating costs. Gross margins were maintained and the business successfully managed increased linerboard prices. A continued high level of quality and service were the key drivers in retaining volumes.

Outlook

The operating environment was more difficult in the second half of the year and this has continued into the first half of the current year. The business has implemented a number of initiatives over the past two years to better manage costs and improve operating efficiencies. The benefits from these initiatives will be increasingly evident in the current year and will assist in offsetting any continued weakening of demand. The outlook for the first half of the year is largely dependent on performance in October and November which are typically strong months leading into the major holiday periods.

Profit - Consolidated Entities	2007 AU$ (mill)	2008 AU$ (mill)	% Change	2007 SG$ (mill)	2008 SG$ (mill)	% Change
Net sales (mill)	**122**	**118**	**(3.3)**	**149**	**152**	**2.0**
PBIT (mill)	**13.2**	**8.8**	**(33.3)**	**16.1**	**11.3**	**(29.8)**
Operating Margin (%)	10.8	7.5		10.8	7.5	
Average funds employed (mill)	68	57		83	73	
PBIT/AFE (%)	**19.4**	**15.5**		**19.4**	**15.5**	
Average exchange rate	1.22	1.29				

Equity Accounted Profit	2007 AU$ (mill)	2008 AU$ (mill)	% Change	2007 SG$ (mill)	2008 SG$ (mill)	% Change
PAT (mill)	**21.8**	**27.8**	**27.5**	**26.5**	**35.9**	**35.5**
AFE [2] (mill)	162	149		197	192	
AFE [1] (mill)	284	296		346	382	
PAT/AFE [2] (%)	**13.5**	**18.7**		**13.5**	**18.7**	
PAT/AFE [1] (%)	7.7	9.4		7.7	9.4	

(1) Including AMVIG fair value

(2) Excluding AMVIG fair value

Cash Flow (All Operations)	2007 AU$ (mill)	2008 AU$ (mill)	% Change	2007 SG$ (mill)	2008 SG$ (mill)	% Change
PBITDA (consolidated entities)	**17.2**	**13.0**	**(24.4)**	**21.1**	**16.8**	**(20.4)**
Dividends received	5.3	3.5		6.4	4.5	
Base Capital Expenditure	(11.1)	(5.3)		(13.5)	(6.8)	
Movement in Working Capital	6.9	0.4		8.4	0.6	
Significant items	-	-		-	-	
Operating Cash Flow	**18.3**	**11.6**	**(36.6)**	**22.4**	**15.1**	**(32.6)**
Growth Capital Expenditure	(26.4)	-		(32.2)	-	
Acquisitions	-	(34.6)		-	(44.6)	

Asian Group

Amcor Asia consists of:

- Two wholly-owned tobacco packaging plants (one in Singapore and one in Malaysia);
- Three wholly-owned flexible packaging plants (two in China and one in Singapore); and
- The investment in the Hong Kong publicly-listed company, AMVIG Holdings Limited (AMVIG).

The profits shown in the tables above are split between the PBIT for the consolidated entities and the equity-accounted profit after tax from the investment in AMVIG.

On August 13, AMVIG announced its half year earnings to June 30, 2008. Profit after tax attributable to the equity holders of AMVIG increased 68.7% from HK$139.3 million to HK$235.1 million. Earnings attributable to members of AMVIG, for the 12 months to June 30, 2008 increased 46.9% from HK$306.1 million to HK$449.6 million. This improvement in earnings was primarily driven by the acquisition of Brilliant Circle and an improvement in product mix to higher value-add cartons.

During the 2007/08 fiscal year, Amcor's ownership of AMVIG reduced from 41.05% to 35.4%. This reduction in ownership was due to AMVIG issuing 200 million shares as part payment for the Brilliant Circle acquisition, completed in October 2007. On the 6th February 2008, Amcor purchased 18.756 million shares representing 1.9% of AMVIG's share capital at a price of HK$9.50, increasing its shareholding in AMVIG to 35.4%.

Subsequent to year end Amcor increased its ownership in AMVIG from 35.4% to 40.2%, investing HK$700 million to acquire 78.3 million shares in AMVIG at a price of HK$8.94 per share. This is expected to reduce to 39.3% following the completion of AMVIG's latest acquisition by way of cash and shares.

Consolidated entities

For the controlled entities, PBIT for the year was lower at SG$11.3 million. Returns, measured as PBIT over average funds employed, were 15.5%.

The wholly-owned tobacco operations continued to deliver sound operating performance and benefited from the upgrading of the printing capabilities at the plant in Malaysia. During the year, there was a more competitive pricing environment in the region that impacted margins.

The flexibles operations result was below the 2006/07 year earnings. The plant in Southern China completed the relocation to a new facility during the second half and this negatively impacted earnings. The new facility, with larger and more modern equipment, has created the opportunity for more accelerated growth in the region.

Footnote

The funds invested in AMVIG in Amcor's accounts at June 30 2008 consist of cash payments of SG$158.3 million to purchase 346.2 million shares in the publicly-listed company at an average price of HK$3.64 per share, together with the injection of the two tobacco packaging operations in China (Beijing and Qingdao), which had a carrying value of SG$69 million.

The carrying value of AMVIG at June 30, 2008 in Amcor's accounts is SG$403.3 million, with the difference between this amount and the invested funds being predominately accounting adjustments for "fair value market up lift" at the time of exercising options to acquire additional shares.

Subsequent to year end, an additional HK$700 million was invested to acquire 78.3 million shares. The total carrying value as at August 21 is SG$526.0 million at an average price of HK$5.01 per share.

Significant Items		
AU$ (mill)	**2007**	**2008**
Consolidated significant items		
Significant items before related income tax expense		
Income		
Gains arising on disposal of Australasian Food Can and Aerosols business	-	2.1
Gain arising on disposal of PET Europe business	247.5	9.6
Gain arising on disposal of equity investment in K Laser	15.1	-
Gain arising from associate's equity issue	-	3.7
Expense		
Legal costs	-	(4.8)
PET business integration and restructure	(5.3)	(1.6)
Australasian restructuring	(60.3)	(41.0)
Flexibles market sector rationalisation	(47.1)	(101.6)
Disposal of Asian corrugated, sacks and closures business	(4.0)	-
Closures business restructure and loss on disposal	9.0	(4.7)
Asset impairments net of reversals	(64.0)	(21.0)
Recognition of acquired tax losses	-	(16.0)
Significant items before related income tax expense	**90.9**	**(175.3)**
Income tax on significant items	45.8	65.0
Significant items after related income tax expense	**136.7**	**(110.3)**
Significant items attributable to:		
Members of Amcor Limited	136.7	(110.3)
Minority interest	-	-
	136.7	**(110.3)**

Details of Consolidated Significant Items Before Income Tax 2008						
AU$ (mill)	**Redundancy**	**Plant Closure**	**Disposal of Controlled Entities**	**Other**	**Asset Impairments**	**Total**
PET	-	(1.6)	9.6	-	(0.6)	7.4
Australasia	(31.3)	(9.7)	2.1	-	(10.4)	(49.3)
Flexibles	(28.8)	(50.6)	(25.5)	(2.1)	(10.0)	(117.0)
Sunclipse	-	-	-	-	-	-
Asia	-	-	-	3.7	-	3.7
Corporate	-	-	0.7	(20.8)	-	(20.1)
Total	**(60.1)**	**(61.9)**	**(13.1)**	**(19.2)**	**(21.0)**	**(175.3)**

2008 Cash Flow By Business Group – All Operations							
AU$ (mill)	**PET**	**Australasia**	**Flexibles**	**Sunclipse**	**Asia**	**Corporate**	**Consolidated**
PBITDA	376.9	332.2	291.5	74.6	40.9	(46.0)	1,070.1
Interest	-	-	-	-	-	(192.4)	(192.4)
Tax	-	-	-	-	-	(62.8)	(62.8)
Base capital expenditure	(115.6)	(20.8)	(127.5)	24.1	(5.3)	1.6	(243.5)
Cash significant items	(0.7)	(56.9)	(74.2)	-	-	(4.8)	(136.6)
(Increase) / decrease in working capital	(4.3)	(2.9)	34.8	3.2	0.4	13.4	44.6
Other items	-	-	-	-	(24.4)	(36.8)	(61.2)
Operating cash flow	**256.3**	**251.6**	**124.6**	**101.9**	**11.6**	**(327.8)**	**418.2**
Dividends Paid	(9.5)	(2.1)	-	-	-	(294.2)	(305.8)
Free cash flow	**246.8**	**249.5**	**124.6**	**101.9**	**11.6**	**(622.0)**	**112.4**
Divestments	816.8	141.1	13.2	-	-	2.2	973.3
Growth capital expenditure/acquisitions	(69.2)	(21.7)	(60.9)	(0.1)	(34.6)	(6.0)	(192.5)
Payments for shares bought back	-	-	-	-	-	(350.0)	(350.0)
Proceeds from share issue	-	-	-	-	-	11.0	11.0
Proceeds on capital contribution from minority interest	12.5	(3.5)	-	-	-	-	9.0
Foreign exchange rate changes	(3.8)	0.5	0.7	(0.3)	(1.1)	(18.9)	(22.9)
Net cash generated	**1,003.1**	**365.9**	**77.6**	**101.5**	**(24.1)**	**(983.7)**	**540.3**
Decrease in net debt							**540.3**