

# *Half Year Results*

*31 December 2009*

Investor Presentation

February 23, 2010



**amcor**

*Creating a new world of packaging*

#### Forward looking statements

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- changes in the legal and regulatory regimes in which Amcor operates;
- changes in behaviour of Amcor's major customers;
- changes in behaviour of Amcor's major competitors;
- the impact of foreign currency exchange rates; and
- general changes in the economic conditions of the major markets in which Amcor operates.

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#### Half year results available information

Amcor has today released a package of information relating to its financial results for the half year ended 31 December 2009. Information contained in this presentation should be read in conjunction with information contained in the associated News Release and Webcast, available at [www.amcor.com](http://www.amcor.com)

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# Half Year Results

31 December 2009

Ken MacKenzie – Managing Director and Chief Executive Officer

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## Presentation agenda

- Amcor half year results
  - Overview
  - Business unit performance
  - Finance
- Alcan Packaging acquisition
- Summary



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## Half year profit results

### Actual exchange rates

\$ million	Dec 08	Dec 09	Δ%
Sales	4,835.3	4,082.5	(15.6)
PBITDA <sup>(1)</sup>	535.7	502.4	(6.2)
<b>PBIT<sup>(1)</sup></b>	<b>316.8</b>	<b>300.9</b>	<b>(5.0)</b>
PAT <sup>(1)</sup>	167.4	172.5	3.0
EPS (cents)	19.1	15.6	
PBIT/AFE (%)	10.3	11.3	
Dividend (cents)	17.0	12.5	
Significant items	(74.6)	(77.5)	

(1) Before significant items

### Constant exchange rates

\$ million	Dec 08	Dec 09	Δ%
Sales	4,835.3	4,381.2	(9.4)
PBITDA <sup>(1)</sup>	535.7	543.0	1.4
<b>PBIT<sup>(1)</sup></b>	<b>316.8</b>	<b>326.6</b>	<b>3.1</b>
PAT <sup>(1)</sup>	167.4	188.9	12.8

Negative currency impact of \$16.4 million after tax

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## PBIT performance

million	Dec 08	Dec 09	Δ%
Rigid Plastics (USD)	81.7	82.3	0.7
Australasia (AUD)	74.3	74.8	0.7
Flexibles (€)	59.1	66.7	12.9
Packaging Distribution (USD)	19.6	16.9	(13.8)
Asia (SGD)	28.0	25.8	(7.9)



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## Cash flow

\$ million	Dec 08	Dec 09
PBITDA <sup>(1)</sup>	535.7	502.4
<b>Operating cash flow</b>	<b>(60.5)</b>	<b>144.5</b>
Dividends	(145.3)	(129.3)
<b>Free cash flow</b>	<b>(205.8)</b>	<b>15.2</b>

(1) Before significant items

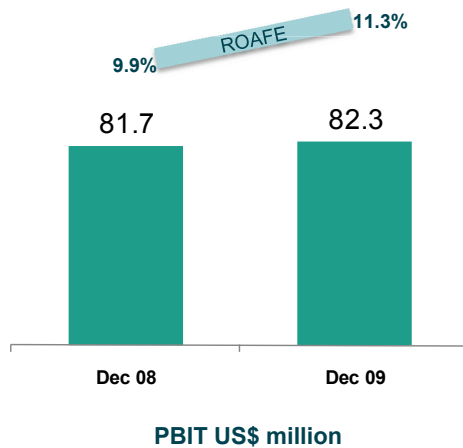
- Outstanding working capital performance
- Average working capital to sales of 7.2%
- \$90.9 million working capital released
- Lower interest payment due to equity raising proceeds on deposit
- Sound management of capital expenditure

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Excellent first half performance



## Rigid Plastics



US\$ million	Dec 08	Dec 09
Sales	1,272	1,064
<b>PBIT</b>	<b>81.7</b>	<b>82.3</b>
AFE	1,655	1,453
PBIT/AFE%	9.9	11.3
Operating cash flow	46.3	57.4

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## Rigid Plastics

### North America

- Volumes down 11%
  - Custom volumes down 22%
- Volumes stabilised
- Excellent operational performance

### Latin America

- Good improvement in Mexico
- Volume growth in balance of Latin America



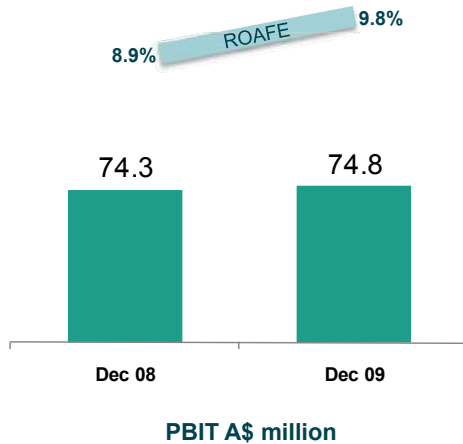
## Outlook

Uncertain when volume growth will resume

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## Australasia



A\$ million	Dec 08	Dec 09
Sales	1,120	1,083
<b>PBIT</b>	<b>74.3</b>	<b>74.8</b>
AFE	1,677	1,526
PBIT/AFE%	8.9	9.8
Operating cash flow	66.7	97.9

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## Australasia

### Fibre

- Volumes lower, market share stable
- Corrugated price increase of 2%
- Improved export prices

### Beverage cans

- Volume growth of 8%
- Improved operational efficiencies

### Flexibles

- Improved volumes and product mix
- Benefit from cost reduction initiatives

### Glass

- Another sound performance

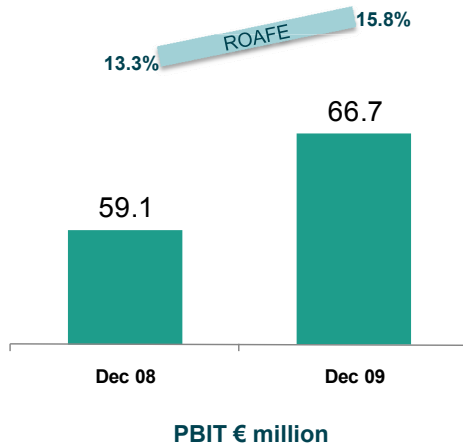
## Outlook

Improved earnings compared to second half 2008/09, provided economic conditions remain stable at current levels

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## Flexibles

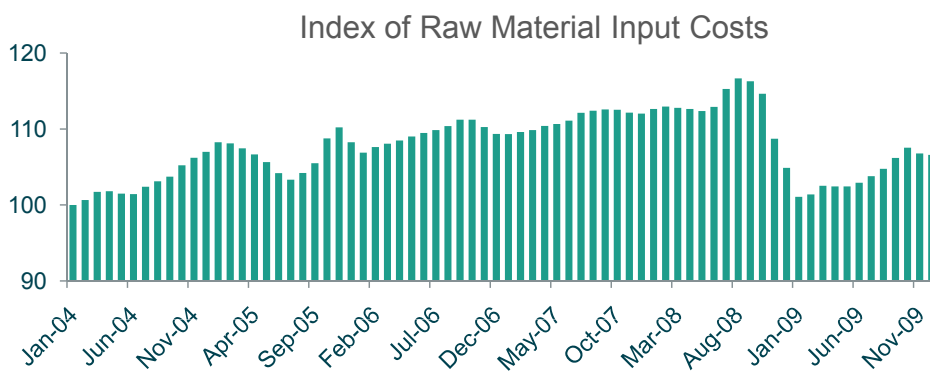


€ million	Dec 08	Dec 09
Sales	813	752
<b>PBIT</b>	<b>59.1</b>	<b>66.7</b>
AFE	886	842
PBIT/AFE%	13.3	15.8
Operating cash flow	6.2	45.3

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## Flexibles



Stable outlook for input costs over the next 6 months

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## Food Flexibles

- Weaker economic conditions continued to impact demand
  - Volumes approximately 7% lower
- Benefits from
  - Restructuring program Flex 1
  - Lower raw material costs



### Outlook

Uncertain economic conditions although volumes appear to have stabilised

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## Healthcare Flexibles

- Strong first half
- Volumes
  - Improved sales mix
  - Stable in key market segments
- Benefits from
  - Restructuring program Flex1
  - Lower raw material costs



### Outlook

Delivery of solid results expected to continue

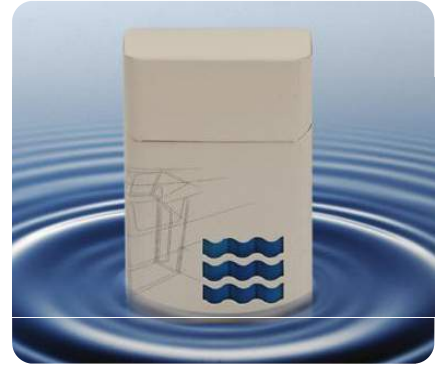
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## Tobacco Packaging

- Very strong first half
- Higher volumes
  - Benefited from one time innovative promotional products
  - Continued growth in Eastern Europe and Russia
  - Improved product mix
- Full period benefits from capital expenditure



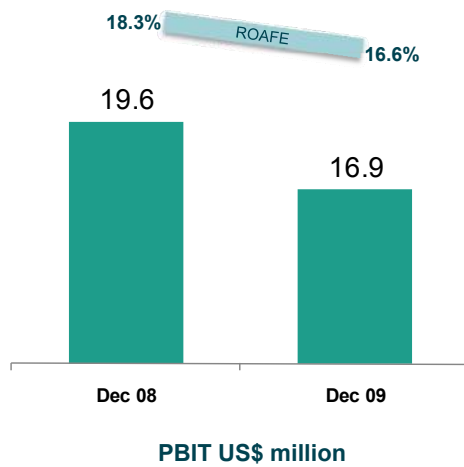
### Outlook

Continued sound performance

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## Packaging Distribution



US\$ million	Dec 08	Dec 09
Sales	476	400
<b>PBIT</b>	<b>19.6</b>	<b>16.9</b>
AFE	214	204
PBIT/AFE%	18.3	16.6
Operating cash flow	11.0	19.3

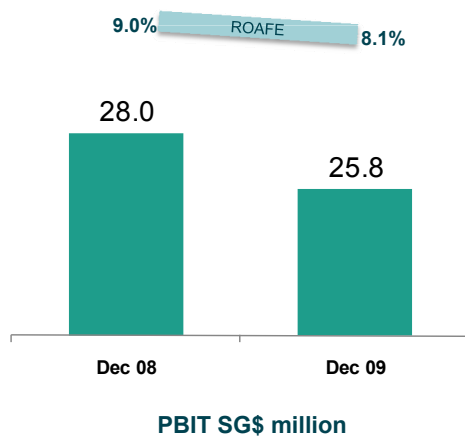
### Outlook

Well positioned for when the economy improves

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## Asia



SG\$ million	Dec 08	Dec 09
Sales	80	60
<b>PBIT</b>	<b>28.0</b>	<b>25.8</b>
AFE	621	639
PBIT/AFE%	9.0	8.1
Operating cash flow	24.9	23.2
PBIT – consolidated entities	8.4	11.9
PAT – AMVIG investment	19.6	13.9
<b>Reported PBIT</b>	<b>28.0</b>	<b>25.8</b>



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# Half Year Results

31 December 2009

Leslie Desjardins – Executive Vice President Finance



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## Results all operations

\$ million	Dec 08	Dec 09	Δ%	Δ% constant fx
Sales	4,835.3	4,082.5	(15.6)	(9.4)
PBITDA <sup>(1)</sup>	535.7	502.4	(6.2)	1.4
PBIT <sup>(1)</sup>	316.8	300.9	(5.0)	3.1
Net Interest	(102.9)	(65.3)	(36.5)	(33.0)
Tax & minorities	(46.5)	(63.1)	35.7	48.0
<b>PAT<sup>(1)</sup></b>	<b>167.4</b>	<b>172.5</b>	<b>3.0</b>	<b>12.8</b>
Weighted average number of shares (m)	878.5	1,102.6	25.5	
Basic EPS (cents)	19.1	15.6		
PBIT/AFE (%)	10.3	11.3		
Dividend (cents)	17.0	12.5		

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(1) Before significant items



## Cash flow

\$ million	Dec 08	Dec 09	Comment
PBITDA <sup>(1)</sup>	535.7	502.4	
Interest	(75.1)	(53.1)	Lower debt, interest income
Tax	(53.5)	(47.8)	Lower earnings
Base net capital expenditure	(141.2)	(95.7)	Global financial crisis impact
Cash significant items	(75.5)	(79.1)	Transaction / restructuring
Movement in working capital	(181.7)	(90.9)	Inventory / receivables
Other	(69.2)	8.7	
<b>Operating cash flow</b>	<b>(60.5)</b>	<b>144.5</b>	

(1) Before significant items

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## Cash flow

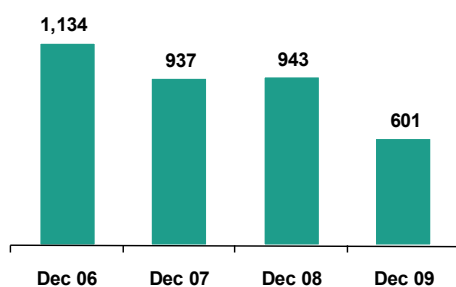
\$ million	Dec 08	Dec 09
Operating cash flow	(60.5)	144.5
Dividend	(145.3)	(129.3)
<b>Free cash flow</b>	<b>(205.8)</b>	<b>15.2</b>
Growth capex / acquisitions	(231.8)	(168.5)
Divestments	(1.8)	-
Proceeds from share issues	2.0	1,566.7
Proceeds on capital contribution from MI	-	2.0
Foreign exchange rate changes	3.8	(27.8)
<b>(Increase) / Decrease in net debt</b>	<b>(433.6)</b>	<b>1,387.6</b>

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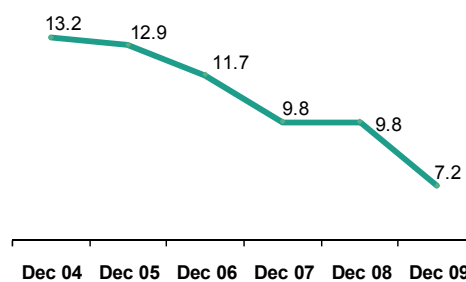
## Working capital performance

Period end working capital (\$ million)



Before factoring

Average working capital to Sales (%)



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## Significant items

<b>\$ million</b>	<b>Dec 09</b>
Transaction costs	(32.7)
Brazil tax amnesty program	(20.5)
Restructuring / Impairments	(29.4)
ACCC legal costs and other	(5.3)
<b>Significant items before related income tax</b>	<b>(87.9)</b>
Income tax on significant items	10.4
<b>Significant items after related income tax</b>	<b>(77.5)</b>

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## Capital structure

<b>\$ million</b>	<b>Jun 09</b>	<b>Dec 09</b>	<b>Alcan</b>	<b>Proforma Dec 09</b>	<b>Change from Jun 09</b>
Funds employed	5,719	5,397	2,152	7,549	1,830
Net debt	2,643	1,061	2,152	3,213	570
Equity	3,076	4,336	-	4,336	1,260
<b>Gearing (%)</b>	<b>46.2</b>	<b>19.7</b>	<b>-</b>	<b>42.6</b>	<b>3.6</b>
<b>PBITDA interest cover (times)</b>	<b>6.0</b>	<b>7.7</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Balance sheet positively impacted by the equity raising

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## US\$850 million US Private Placement

Use of funds	US\$ million
USPP	850
Matured December USPP note	(40)
Acquisition facility refinancing	(475)
Reduction in USD floating debt	(335)

Substantial upsizing from US\$200 to US\$850 million at an average interest rate of 5.7% and maturities of 7, 9 and 12 years

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## Debt Profile

	Jun 09	Proforma Dec 09
Non-Current Debt Maturity Profile	2.9 years	~4.5 years
Fixed / Floating Interest Rate Ratio	43% fixed	~55% fixed
Bank Debt / Total Debt	54%	~40%
Committed facilities	3,421	4,967
<b>Undrawn Committed Facilities (\$ mill)</b>	<b>846</b>	<b>1,235</b>

Increased maturity, decreased refinancing risk & stronger balance sheet

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# Alcan Packaging acquisition

31 December 2009

Ken MacKenzie – Managing Director and Chief Executive Officer

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## Alcan Packaging acquisition

- Consideration of US\$1,948 million
- PBITDA for year ended 31 December 2009
  - US\$383 million (€274 million)
- Purchase multiple of 5.1 times PBITDA

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Purchase price of 5.1 times CY09 PBITDA is an excellent outcome

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## Alcan operating performance<sup>(1)</sup>

€ million	2008			2009		
	H1	H2	CY	H1	H2 <sup>(2)</sup>	CY
Sales	1,373	1,312	2,685	1,269	1,348	2,617
<b>PBITDA</b>	<b>141</b>	<b>123</b>	<b>264</b>	<b>124</b>	<b>150</b>	<b>274</b>
PBIT	78	60	138	60	88	148
PBIT margin (%)	5.7	4.6	5.1	4.7	6.5	5.7
US\$/€	1.53	n/a	1.48	1.34	n/a	1.40

- Improved earnings in the December 2009 half year
- Driven predominately by;
  - Cost reduction programs
  - Adverse inventory adjustment in the first half of CY09
  - Benefit from the lag in passing on lower raw material costs

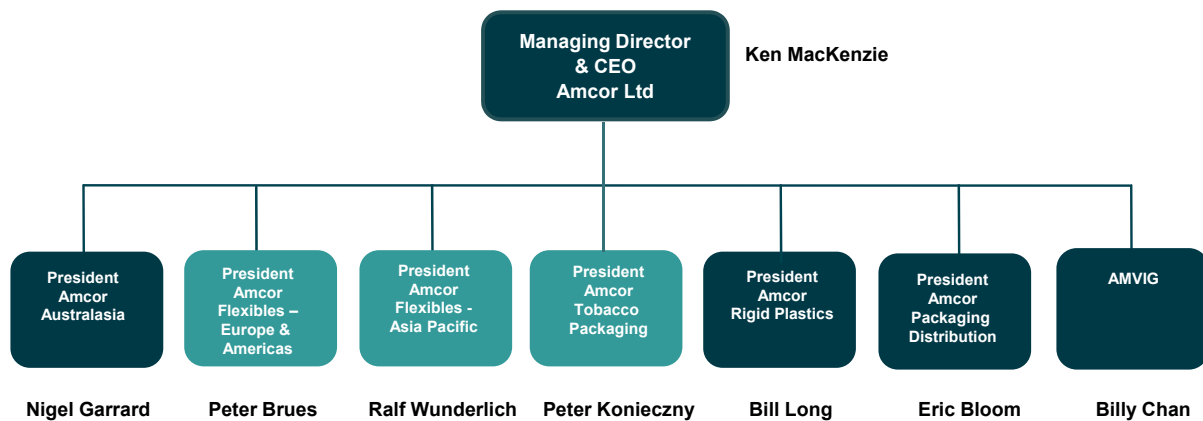
1. Reported earnings exclude earnings from the Medical Flexible business in the U.S. in accordance with the approval granted by the U.S. Department of Justice on 29 December 2009.
2. Due to the timing of the acquisition and the recent receipt of financial information for the December 2009 half year, that information has not been subject to the same degree of due diligence by Amcor as was undertaken on the financial information for prior periods.

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A greater degree of caution should be exercised when assessing the December 2009 half year information.



## Management with expanded flexibles and tobacco packaging



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## Synergies

### Synergies and restructuring costs

	Year 1	Year 2	Year 3
Synergies realised (%)	35	80	100
Restructuring costs (A\$ million)	150	150	

### Synergies composition

	Approximate %
SG&A	45
Procurement	25
Operations	30
<b>Total</b>	<b>100</b>

- No change from expectations outlined in prospectus
  - Range A\$200 - \$250 million
- Modest amount in the first six months
  - Takes two to three months to obtain traction
- Restructuring costs
  - Classified as significant items

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## Implementing The Amcor Way

### Skills & competencies aligned

Safety

Cost Reduction

Talent

### Integration focus

Customer Focus

Capital Discipline

• Value Plus

• Capital expenditure  
• Working capital

Opportunity for improvement through embedding The Amcor Way

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## Summary

- Solid financial performance in difficult economic conditions
- Alcan Packaging acquisition completed
  - Attractive purchase price
- Comprehensive integration program
- New Amcor well positioned to create value

To view a three minute video introducing the new Amcor brand, click below

[www.amcor.com](http://www.amcor.com)

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## *Appendix slides*

Half year results – December 2009

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## Rigid Plastics

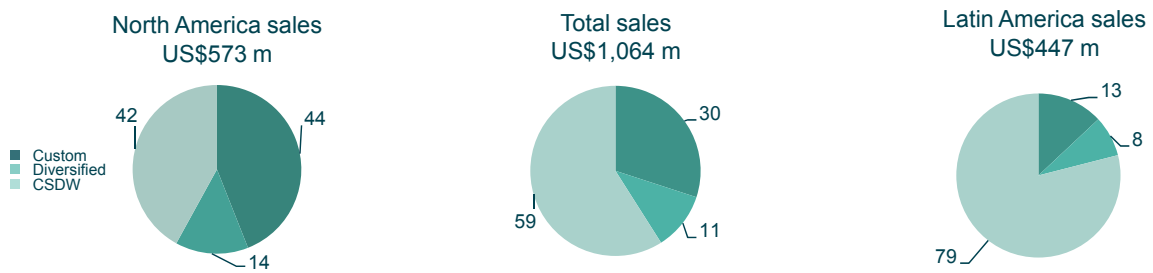
Sales (US\$m)	Dec 08	Dec 09
North America	761	573
Latin America	469	447
Bericap	40	42
BG/India	2	2
<b>Total</b>	<b>1,272</b>	<b>1,064</b>



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## Rigid Plastics product mix



## Flexibles

Sales (€m)	Dec 08	Dec 09
Food	402	348
Healthcare	243	229
Tobacco packaging	168	175
<b>Total</b>	<b>813</b>	<b>752</b>



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## Australasia

Sales (A\$m)	Dec 08	Dec 09
Fibre	598	575
Flexibles	186	181
Rigids	336	327
<b>Total</b>	<b>1,120</b>	<b>1,083</b>



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