



Aspire.
Focus.
Grow.

Amcor 2018 Half Year Results

12 February 2018

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Disclaimer

Forward looking statements

This presentation contains forward-looking statements that involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to Amcor. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “seeks”, “estimate”, “anticipate”, “believe”, “continue”, or similar words.

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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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Non-IFRS information

Results shown refer to underlying results unless otherwise indicated. Underlying earnings is defined and reconciled on slide 39.

Certain non-IFRS financial information has been presented within this presentation. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Amcor

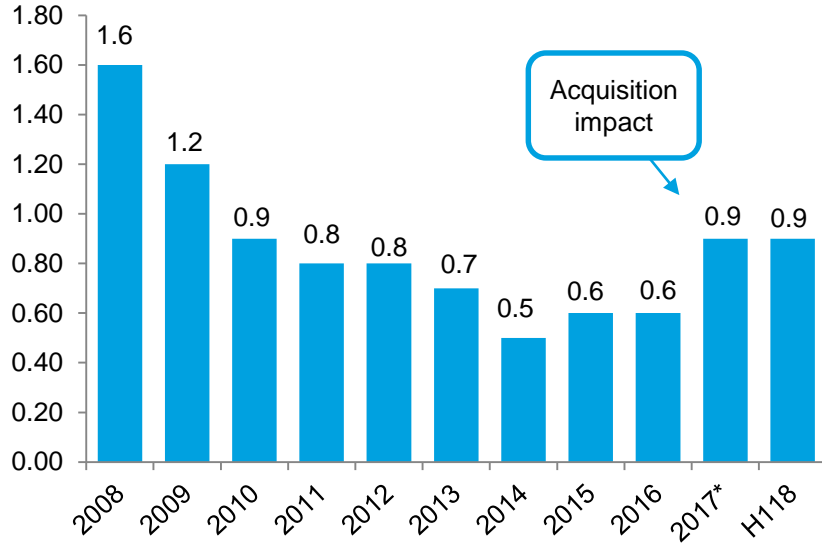
uses these measures to assess the performance of the business and believes that the information is useful to investors. Non-IFRS information, including underlying earnings and average funds employed have not been audited but have been extracted from Amcor’s interim financial report.

Half-year results available information

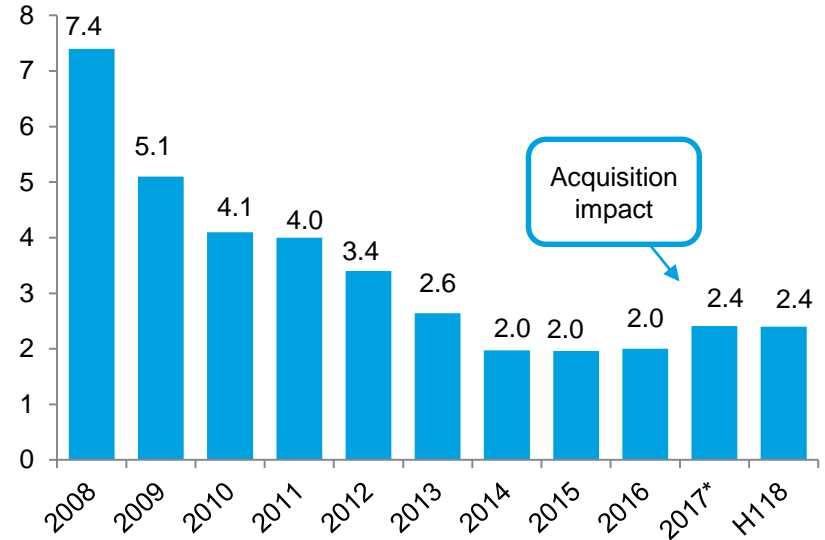
Amcor has today released a package of information relating to its financial results for the half year ended 31 December 2017. Information contained in this presentation should be read in conjunction with information contained in the associated News Release and Webcast, available at www.amcor.com

Safety

Lost-time frequency rate



Recordable-case frequency rate



2008 to 2012 data includes the demerged Orora business. Total rates for 2015 and onwards includes acquired businesses from the first day of ownership.

*The increase in the frequency rates between 2016 and 2017 reflects the inclusion of the Alusa acquisition.

Committed to our goal of 'no injuries'

First half results



Aspire.
Focus.
Grow.

Summary and highlights (1)

- Delivered earnings growth and margin expansion, strong cash flow and high returns
 - First half result in line with expectations outlined at the AGM in November
 - PBIT up 1%; PAT and EPS up 4%
 - Margins expanded 30 bps to 11.4%
 - Strong cash flow and balance sheet; interim dividend increased 8% to 21 cents per share
- Demonstrated resilience and agility in light of short-term industry challenges
 - Raw material cost increases in Flexibles; weak volumes in one Rigid Plastics segment; mixed conditions in emerging markets
 - Strong, proactive response with price and cost actions
- Another year of earnings growth in constant currency terms
- Long-term growth potential remains substantial

Earnings growth and margin expansion despite short-term industry challenges

Half year results⁽¹⁾

USD million	Dec 16	Dec 17	Δ %	Constant Currency Δ %
Sales revenue	4,467.3	4,502.2	0.8	(1.7)
PBIT	495.7	513.8	3.7	0.8
PBIT margin (%)	11.1	11.4	0.3	
PAT	308.6	329.7	6.8	3.7
EPS (US cents)	26.7	28.5	6.8	3.7
Operating cash flow	52.9	90.8		
Return on funds employed (%)	21.0	19.7		
Dividend (US cents)	19.5	21.0		

- PBIT growth drivers
 - Contribution from both Flexibles and Rigid Plastics segments
 - Continued margin expansion
 - Strong growth in developed markets; Lower earnings in emerging markets
 - Earnings from acquired businesses in line with last year
- Solid cash flow and balance sheet
 - Net debt / PBITDA 2.9 times
 - EBITDA interest cover of 7.5 times
- Interim dividend up 8% to 21.0 US cps

Resilient earnings and financial metrics in line with expectations

Flexibles segment

- PBIT growth in line with AGM expectations
- Organic growth
 - Normal time lag in recovering raw material costs
 - Outstanding performance on cost and restructuring
 - Good growth in Food Europe, Global Healthcare, Capsules and Specialty Cartons Western Europe
 - Mixed conditions in emerging markets – challenges in Asia and Specialty Cartons Russia
- Alusa acquisition
 - Net synergy benefits more than offset by raw material cost inflation and subdued markets

USD million ⁽¹⁾	Dec 16	Dec 17	△ %	Constant Currency △ %
Sales revenue	3,090	3,166	2.5	(1.2)
PBIT⁽²⁾	373.0	396.8	6.4	2.3
PBIT margin %	12.1	12.5		
Average funds employed	3,131	3,389		
Return on funds employed %	24.7	24.4		
Operating cash flow	303.7	273.7		

Growth in developed markets and strong cost performance

1. See slide 38 for Euro equivalent.

2. References to Dec 17 are to statutory earnings and references to Dec 16 are to underlying earnings unless otherwise indicated. Underlying earnings for Dec 16 are defined and reconciled on slide 39.

Flexibles full year outlook for 2017/18

In constant currency terms, the Flexibles segment is now expected to deliver modest PBIT growth in the 2017/18 financial year, compared with PBIT of USD 804.7 million (EUR 738.8 million) achieved in the 2016/17 year. This takes into account:

- assuming raw material input costs remain at current levels for the balance of the year, an adverse earnings impact of approximately USD 25 million related to the normal time lag in recovering higher raw material costs;
- incremental restructuring benefits of approximately USD 30 million to USD 35 million;
- incremental net synergy benefits of USD 10 million to USD 15 million related to the Alusa acquisition, partly offset by an adverse impact related to the normal time lag in recovering higher raw material costs, and general economic conditions in the South American region, which are expected to remain mixed; and
- modest organic growth across the remainder of the Flexibles segment, before taking into account one-off cash costs of approximately USD 5 million to USD 10 million to be incurred in the June 2018 half year, in order to complete cost savings initiatives commenced in the first half.

Rigid Plastics segment

- PBIT growth in line with AGM expectations
- Solid performance given weak beverage volumes
- Organic growth
 - Weak volumes in North America beverage market
 - North America beverage volumes 7.4% lower
 - Unfavourable mix
 - Latin America volumes up ~5% excluding exit of low margin business
 - Strong cost management across all business units
- Sonoco acquisition
 - Contributed approximately USD 10 million to earnings growth

USD million	Dec 16	Dec 17	Δ %	Constant Currency Δ %
Sales revenue	1,377	1,336	(3.0)	(2.6)
PBIT	143.5	143.7	0.1	0.4
Average funds employed ⁽¹⁾	1,540	1,829		
Return on funds employed %	22.2	18.7		
Operating cash flow	(46.5)	(5.1)		

Excellent cost performance offset lower volumes

Rigid Plastics full year outlook for 2017/18

The Rigid Plastics segment is now expected to deliver PBIT in the 2017/18 financial year which is broadly in line with PBIT of USD 342.7 million achieved in the 2016/17 year. This takes into account:

- lower earnings in the North America beverage segment inclusive of the challenging first half and assuming volumes in the second half are broadly in line with the prior year;
- growth in Latin America, dependent on general economic conditions in the region which are expected to remain mixed; and
- an additional 5 months of acquired earnings from the Sonoco blow molding business. For the 2017/18 year, integration costs are expected to be an expense of USD 10 million and will offset synergy benefits.

Cash flow

USD million	Dec 16	Dec 17
PBITDA	677.7	695.2
Interest	(77.5)	(80.7)
Tax	(86.1)	(66.6)
Capital expenditure	(203.8)	(187.1)
Working capital	(222.9)	(275.7)
Flexibles segment restructuring	(36.2)	(34.0)
Other	1.7	39.7
Operating cash flow⁽¹⁾	52.9	90.8
Dividends and other equity distributions	(258.0)	(282.2)
Free cash flow	(205.1)	(191.4)

- Solid first half cash flow
- Strong capital discipline
- Working capital:
 - Higher raw material costs
 - Recent acquisitions

2017/18 free cash flow expected to be USD 150 million to USD 250 million after taking into account remaining Flexibles segment cash restructuring costs

1. Operating cash flow for the December 2017 half year is net of USD 10 million of restructuring, integration and transaction payments.

Balance sheet and debt profile

Balance sheet	Dec 16	Dec 17
Net debt (USD million)	(4,285)	(4,353)
Net finance costs (USD million)	(93.8)	(101.7)
PBITDA interest cover (x)	7.9	7.5
Net debt / PBITDA (x)	2.9	2.9

Debt profile	Dec 17
Fixed / floating-interest rate ratio	39% fixed
Bank debt / total debt	30% bank
Undrawn committed facilities (USD million)	941
Non-current debt maturity (years)	3.7

Strong balance sheet

- Leverage at 2.9x
- Interest cover strong at 7.5x
- FY18 net finance cost guidance USD 195 million - 205 million⁽¹⁾

Liquidity

- Diverse mix
- Balanced maturity profile
- USD 777 million bank facility refinancing close to completion, in advance of October 2018 maturity

Balance sheet provides capacity to invest for future growth

(1) Assuming average exchange rates for the December 2017 half year prevail for the remainder of the financial year.

Amcor strategy and value creation....

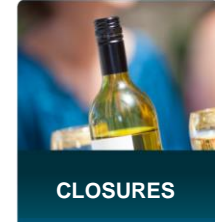
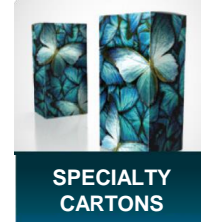


Aspire.
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Amcor Strategy

Our businesses

FOCUSED PORTFOLIO:



Our differentiated capabilities

THE AMCOR WAY:



Talent



Commercial
Excellence



Operational
Leadership



Innovation



Cash and
Capital Discipline

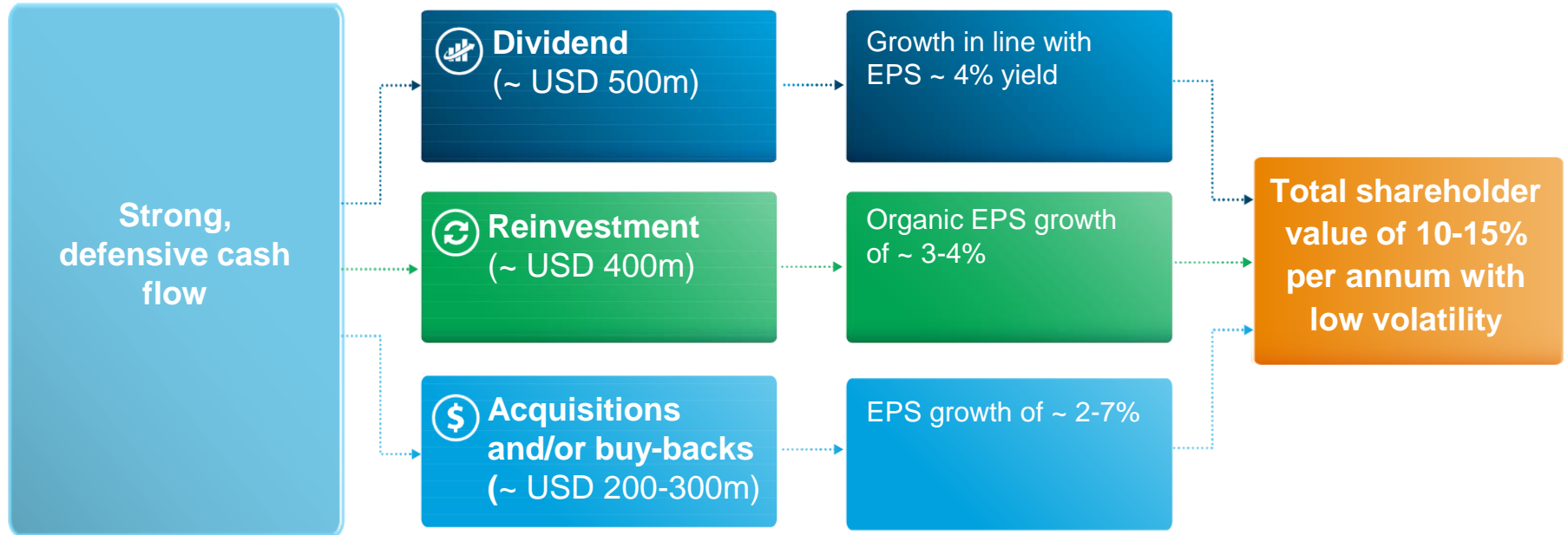
Our winning aspiration

SHAREHOLDER VALUE CREATION:



**Strong cash generation and growth
opportunities**

Amcor shareholder value creation model



Long term growth: opportunities across all businesses

All Amcor Businesses: Organic and Acquisition Opportunities

Focus segments: substantial growth potential

	Flexible Packaging Americas	Flexible Packaging Asia	Rigid Plastics specialty containers	Closures
Amcor sales ⁽¹⁾	USD 1 billion	USD 1 billion	USD 750 million	USD 400 million
Estimated total market ⁽²⁾	USD 25 billion	USD 20 billion	USD 15 billion	USD 25 billion
Estimated Market growth ⁽³⁾	3%	5%	3%	6%
	Attractive Fundamentals	Opportunity to Differentiate	Underweight Position	



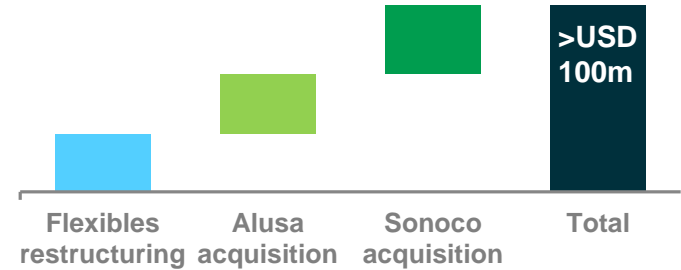
- (1) Annualised sales inclusive of recently acquired businesses
- (2) Source: PIRA and Amcor estimates
- (3) Source: PIRA

Delivering on current operating priorities

Current priorities to advance and accelerate our strategy

- Generating our own growth
 - More than USD 30 million of benefits from prior period investments in H1
- Agility and pace of adapting operations
 - Flexibles restructuring
 - Pricing and cost actions in H1
- Strengthening and engaging our team
 - “Being Amcor” refresh

Contribution to earnings growth by 2019/20⁽¹⁾



Sustainability: Leading by example



Ancor is the first packaging company pledging to develop all its packaging to be recyclable or reusable by 2025



Develop all our packaging to be recyclable or reusable by 2025



Significantly increase our use of recycled materials in our packaging



Work with others to drive consistently greater worldwide recycling of packaging



WERNER & MERTZ



Recognised for Sustainability Leadership

In 2017, *Fortune* named Amcor one of 56 global companies helping to 'Change the World'

Amcor's work with the UN World Food Programme improves aid packaging, so that life-saving nutrition reaches people in urgent need





Summary

- First half delivered earnings growth, margin expansion and solid cash flow
- Resilience in context of short-term industry challenges
- Continuing to deliver against strategic priorities
- Long-term growth potential remains substantial

FY2018 PAT expected to be higher than prior year



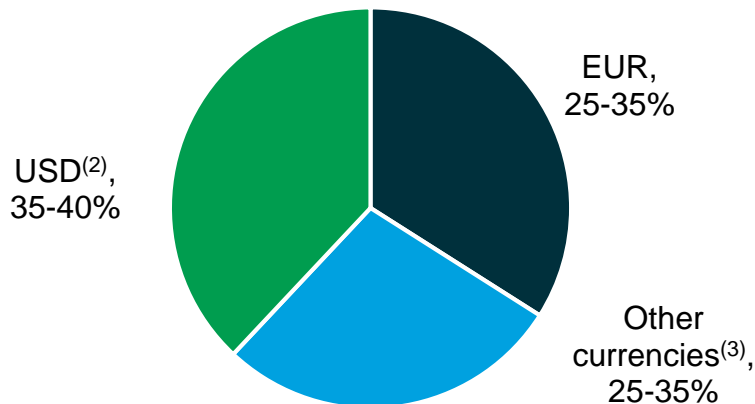
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Amcor 2018 Half Year Results

Appendix slides

FX translation impact

PAT currency exposures⁽¹⁾



Total currency impact	USD million
PBIT	14
PAT	10

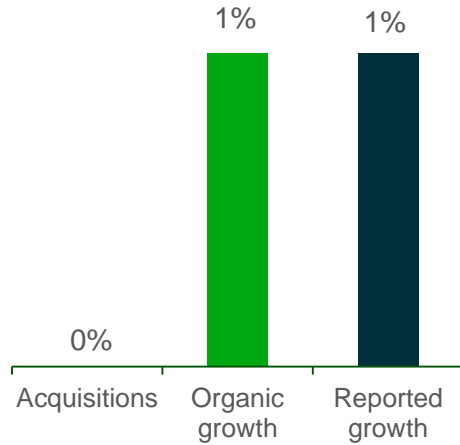
1. Approximate range.
2. Includes all businesses effectively managed as USD functional currency businesses.
3. Includes all currencies other than USD and EUR.

EUR:USD		
Decrease in average USD to Euro rate 1H18 0.8502 vs 1H17 0.9117	USD million impact on PAT for 1H18	Decrease in Jan 18 average USD to Euro rate 0.8459 vs 1H18 average rate of 0.8502
7%	8	<1%

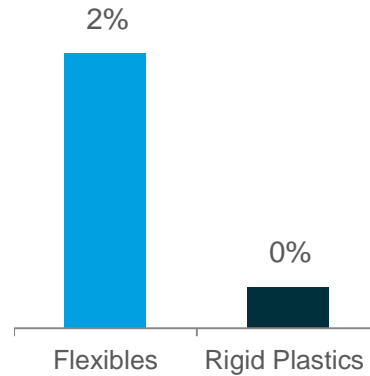
Other currencies ⁽³⁾ :USD		
Weighted average decrease in average USD to other currencies rates 1H18 vs 1H17	USD million impact on PAT for 1H18	Weighted average decrease in Jan 18 USD to other currencies rates vs 1H18 weighted average
3%	2	<1%

1H18 PBIT growth

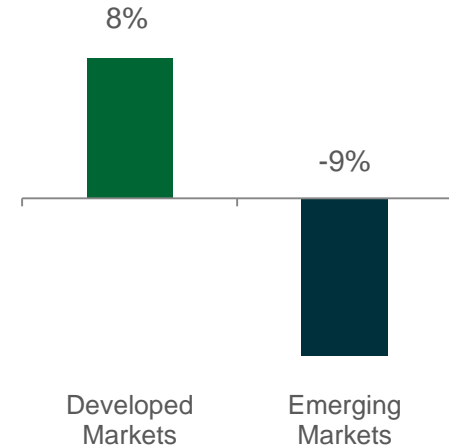
Sources of PBIT growth



Segment PBIT - growth rate



Market PBIT - organic growth rate⁽¹⁾



(1) Excludes AMVIG and Corporate costs.

Finance and cash expectations – FY2018

Net financing costs USD 195 million - USD 205 million⁽¹⁾

- Cash costs in line with P&L charge

Effective tax rate between 19% and 21%⁽²⁾

- Cash tax 85-95% of P&L charge

Corporate costs USD 75 million - USD 85 million⁽¹⁾

Free cash flow USD 150 million - USD 250 million



(1) Assuming average exchange rates for the December 2017 half year prevail for the remainder of the financial year.

(2) Includes the provisional non-cash net benefit recognised in the current half year.

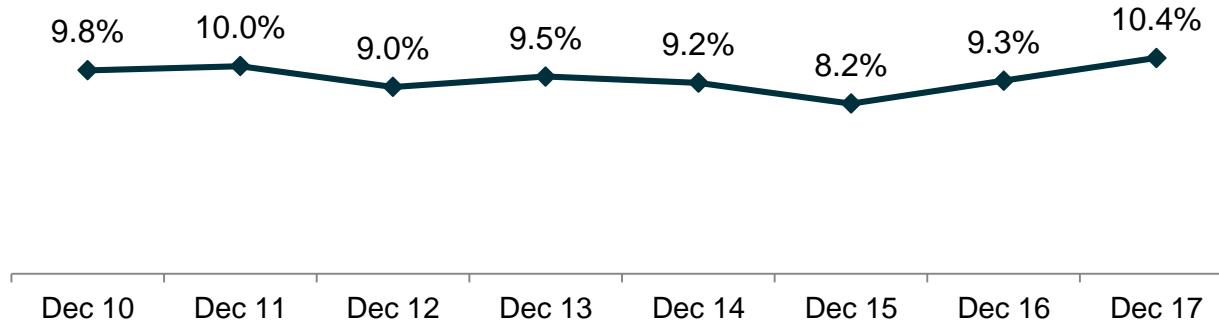
Cash flow

USD million	Dec 16	Dec 17
PBITDA	677.7	695.2
Interest	(77.5)	(80.7)
Tax	(86.1)	(66.6)
Capital expenditure	(203.8)	(187.1)
Movements in working capital	(222.9)	(275.7)
Flexibles segment restructuring ⁽¹⁾	(36.2)	(34.0)
Other	1.7	39.7
Operating cash flow	52.9	90.8
Dividends and other equity distributions	(258.0)	(282.2)
Free cash flow	(205.1)	(191.4)
Acquisitions	(299.8)	(12.2)
Movements in share capital, foreign exchange rate changes and other	(79.5)	(44.0)
Cash increase in net debt	(584.4)	(247.6)

(1) Refer to slide 41 for further information.

Working capital performance

Amcor average working capital to sales ⁽¹⁾ (%)



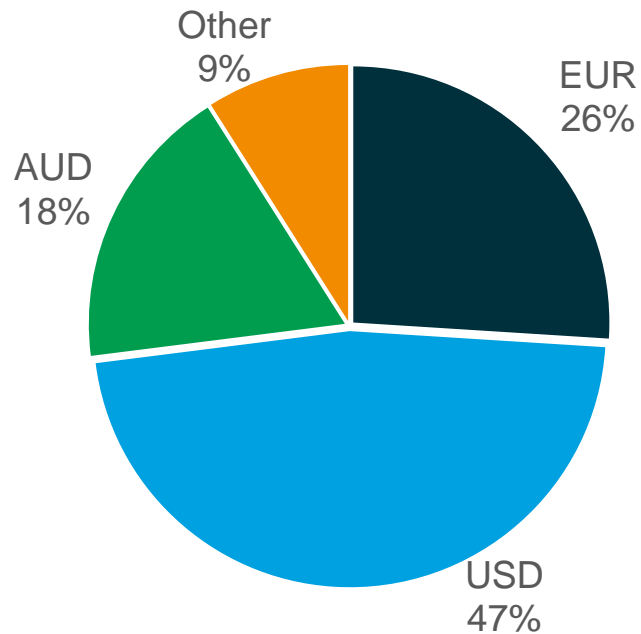
Solid working capital performance

(1) Working capital to sales from December 2013 onwards exclude the demerged Orora business. Prior periods are presented inclusive of Orora.

Debt profile

USD million	Facility	Drawn at 31 Dec 2017 ⁽¹⁾
Overdrafts/leases	-	167
Commercial paper ⁽²⁾	-	877
CY2018	1,308	1,292
CY2019	1,406	856
CY2020	685	119
CY2021	275	275
CY2022	896	210
CY2023	381	381
CY2024	-	-
CY2025	-	-
CY2026	596	596

Debt currency profile

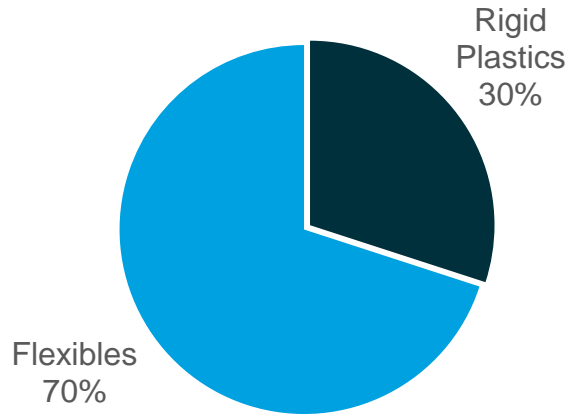


(1) Gross debt excluding cash and cash equivalents.

(2) Commercial paper backed up by bank facilities maturing in CY2019 and CY2020.

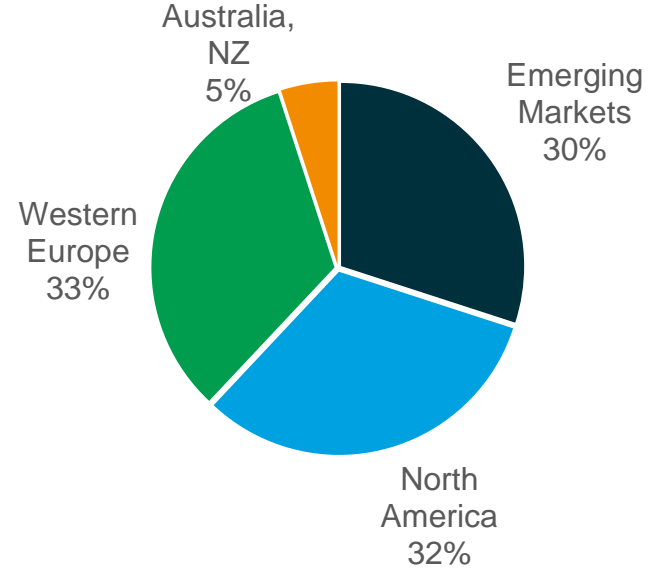
Focused portfolio and balanced global footprint

1H18 sales



Focused portfolio

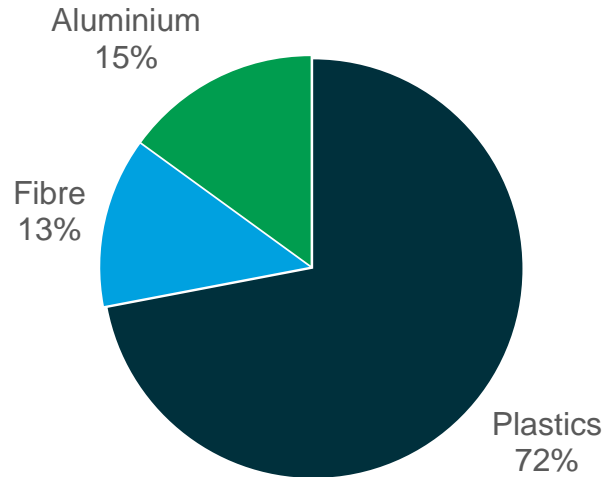
1H18 sales



Balanced global footprint

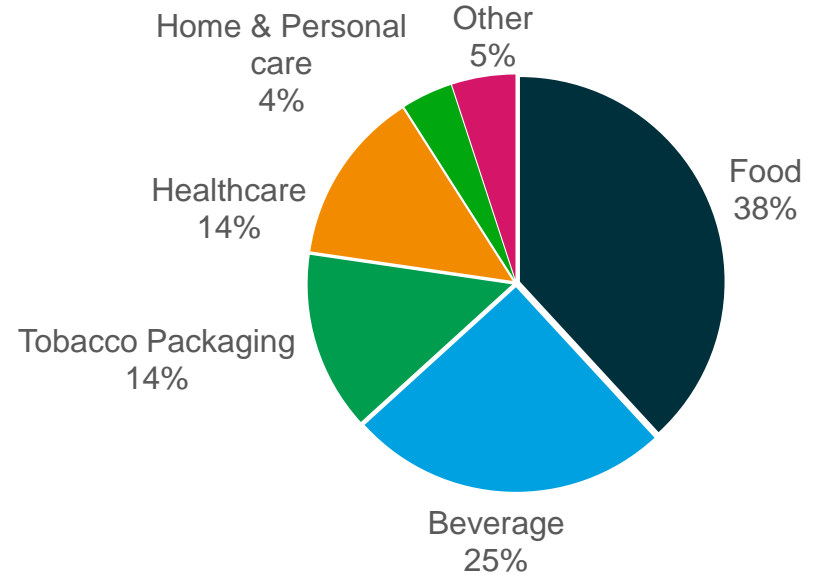
Focused portfolio by substrate and end market

1H18 sales by substrate



Common substrates

1H18 sales by end market



Defensive end markets

Historic performance – underlying half yearly PBIT

USD million		Jun 13	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16	Jun 17	Dec 17
Flexibles ⁽¹⁾	USD	404	388	435	397	388	354	402	373	432	397
Rigid Plastics	USD	159	128	170	139	182	154	199	144 ⁽²⁾	199 ⁽²⁾	144
Investments/Other	USD	(16)	(24)	(15)	(17)	(25)	(19)	(34)	(21)	(38)	(27)
Total	USD	547	492	590	519	546	489	566	496	592	514

(1) Euro equivalent

Million		Jun 13	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16	Jun 17	Dec 17
Flexibles	EUR	308	289	317	308	344	321	360	340	399	337

(2) June 2017 and December 2016 PBIT have been negatively impacted by measures taken to eliminate Amcor's financial exposure to Venezuela as at 30 June 2016. The negative impact comparing June 2017 with June 2016 is approximately USD 15 million and is approximately USD 25 million when comparing December 2016 with December 2015.

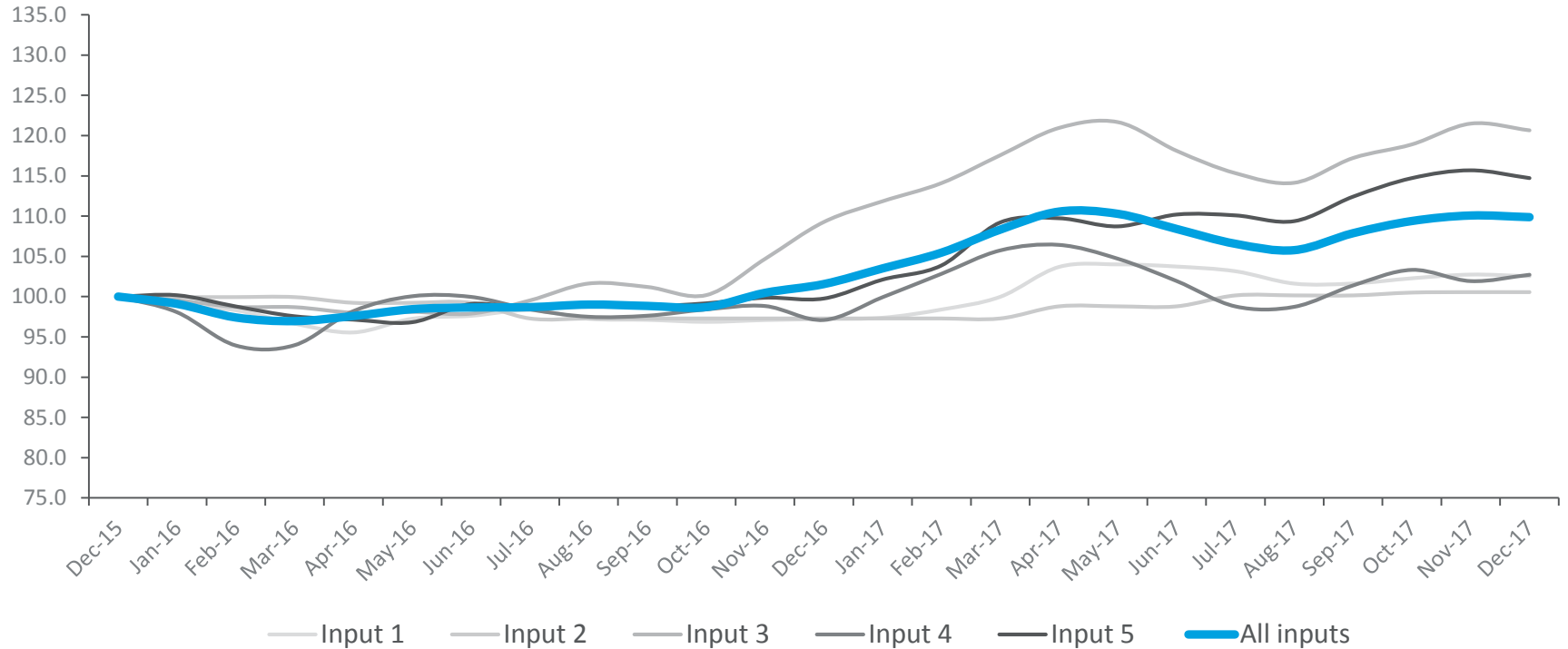
Flexibles – historic performance half yearly sales⁽¹⁾

USD million	Jun 13	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16	Jun 17	Dec 17
Europe, Middle East and Africa ⁽²⁾	2,073	2,000	2,158	1,696	1,590	1,530	1,562	1,469	1,539	1,580
Americas ⁽²⁾				252	262	223	293	401	435	414
Specialty Cartons	741	740	742	688	661	673	693	652	605	605
Asia Pacific	578	612	612	647	569	601	568	605	597	610
Eliminations	(48)	(38)	(47)	(37)	(33)	(41)	(36)	(37)	(39)	(43)
Total	3,344	3,314	3,465	3,246	3,049	2,986	3,080	3,090	3,137	3,166

(1) Refer slide 38 for Euro equivalent.

(2) Sales for June 2013 through to June 2014 are based on the legacy Flexibles Europe and Americas business group. Effective 1 July 2015 the Flexibles Europe and Americas business group was separated into two separate businesses – Flexibles Europe, Middle East and Africa and Flexibles Americas. Comparative information for Dec 14 and Jun 15 was restated at the time of the announced separation.

Flexibles raw materials input costs



Reflects pricing in the European market for a basket of raw materials, including films, resins, papers, liquids and foils

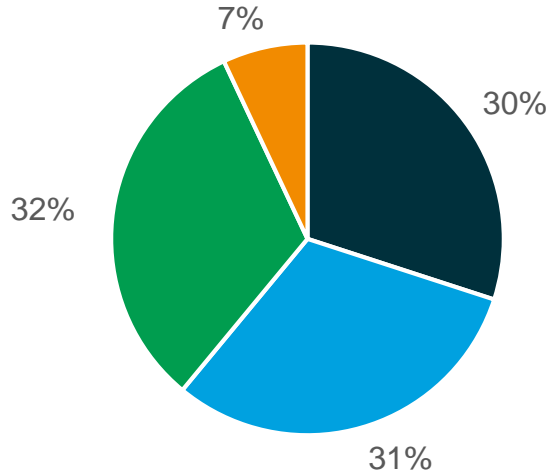
Rigid Plastics – historic performance half yearly sales

USD million	Jun 13	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16	Jun 17	Dec 17
North America	1,172	963	1,150	965	1,113	988	1,071	1,033	1,163	984
Latin America	443	465	467	520	557	497	643	269 ⁽¹⁾	248 ⁽¹⁾	279
Bericap	69	64	86	79	84	77	81	75	89	73
BG/India	(2)	(2)	(1)	(1)	-	-	-	-	-	-
Total	1,682	1,490	1,702	1,563	1,754	1,562	1,795	1,377	1,500	1,336

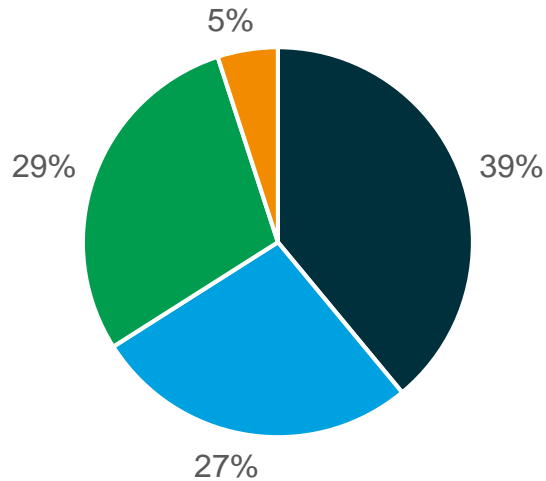
(1) December 2016 and June 2017 sales in Latin America were negatively impacted by measures taken to eliminate Amcor's financial exposure to Venezuela as at 30 June 2016. The negative impact comparing June 2017 with June 2016 is approximately USD 400 million and is approximately USD 200 million when comparing December 2016 with December 2015.

Rigid Plastics – product mix

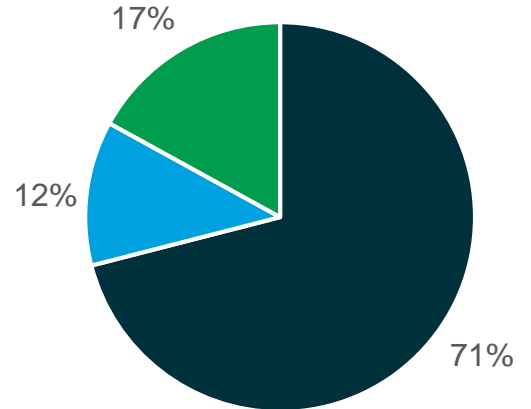
North America sales revenue ⁽¹⁾
USD 1,057 million



Total sales revenue ⁽¹⁾
USD 1,336 million



Latin America sales revenue ⁽¹⁾
USD 279 million

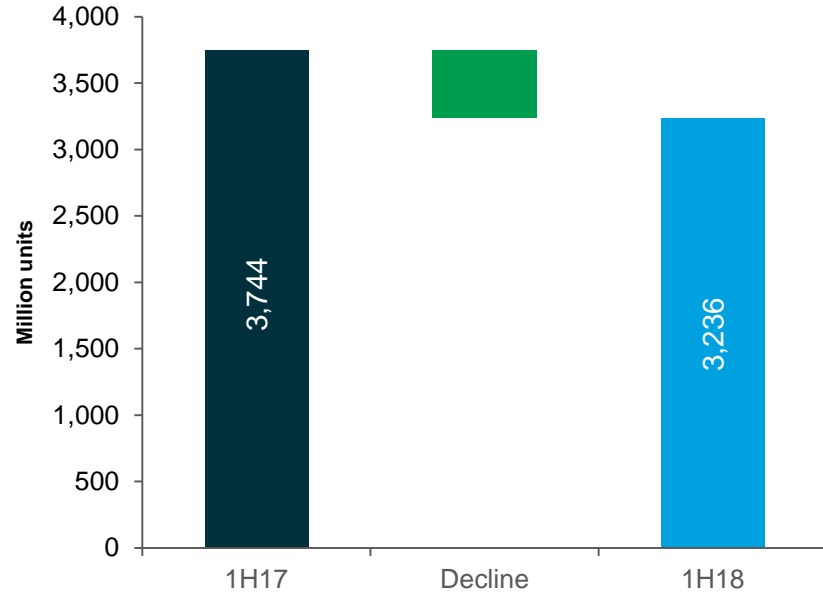


- CSDW
- Custom
- Specialty Containers
- Bericap closures

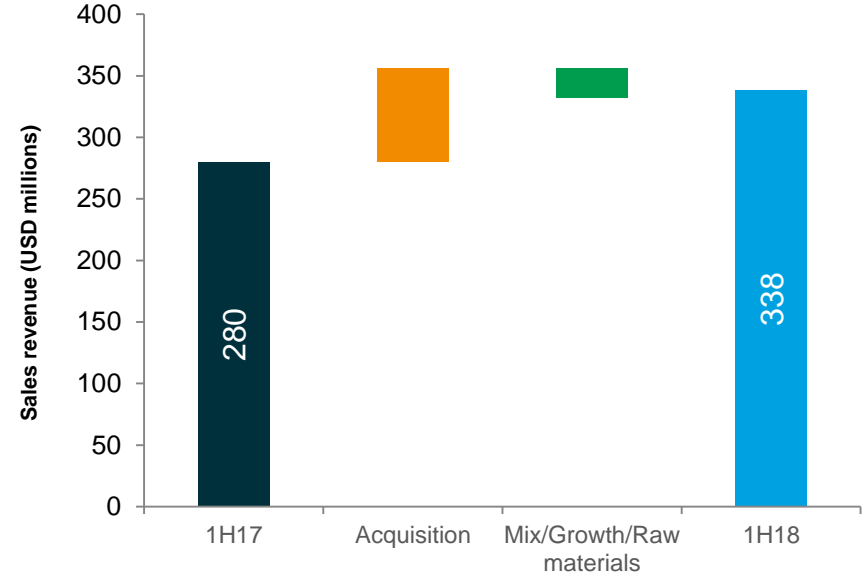
(1) Sales revenue for the half year ended 31 December 2017.

Rigid Plastics – North America

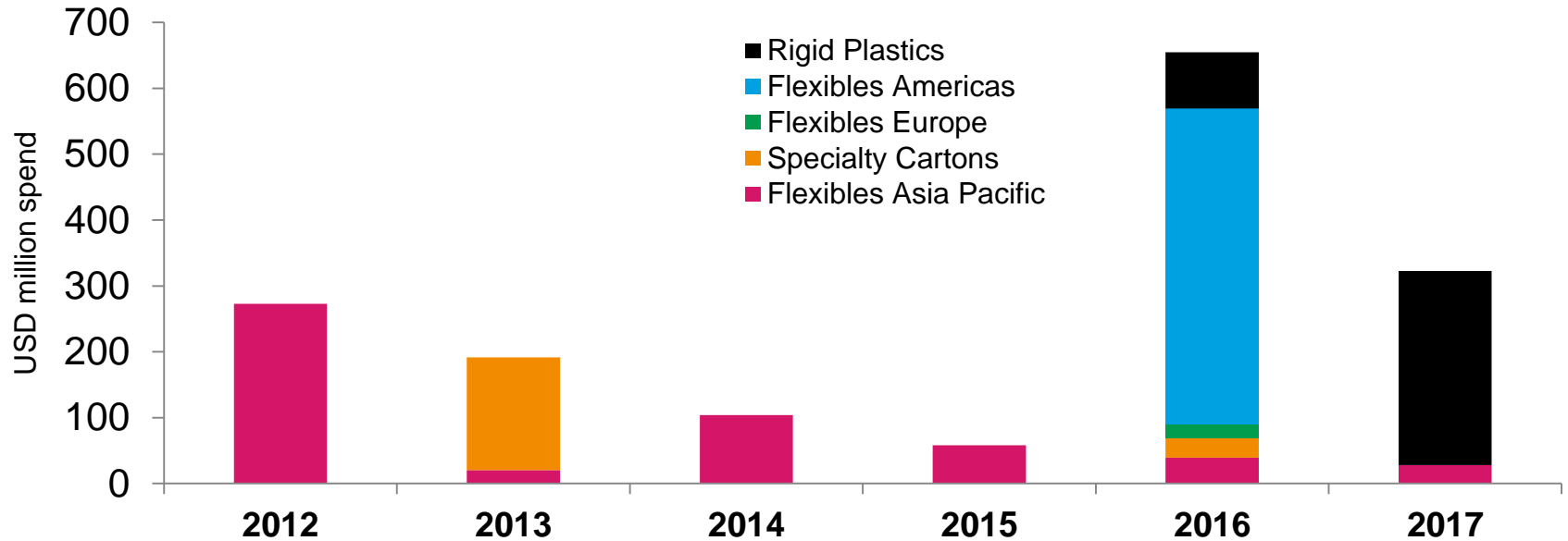
Custom Containers



Specialty Containers



Track record of growth by acquisition



**Total spend
(USDm) ⁽¹⁾**

273

191

104

58

655

323

**Number of
acquisitions**

3

4

3

2

8

3

Historical acquisitions

Acquired business	Business group	Country	Completion date	Currency	Acquisition price (Local currency millions)	EBITDA Multiple	Acquired sales (Local currency millions)
Jiangsu Shenda Group	Flexibles Asia Pacific	China	H1 2014	RMB	350	8.0	440
Pary Enterprises India	Flexibles Asia Pacific	India	H1 2014	AUD			
Detmold	Flexibles Asia Pacific	Australia	H1 2014	AUD	50	6.6	55
Bella Prima	Flexibles Asia Pacific	Indonesia	H1 2015	AUD	27	7.0	29
Zhongshan TianCai	Flexibles Asia Pacific	China	H2 2015	RMB	211	7.1	280
Nampak Flexibles	Flexibles Europe, Middle East & Africa	South Africa	H1 2016	ZAR	250	5.0	1,100
Souza Cruz in-house packaging	Specialty Cartons	Brazil	H1 2016	BRL	98		200
Packaging India Private Limited	Flexibles Asia Pacific	India	H1 2016	INR	1,650		2,500
Encon	Rigid Plastics	USA	H1 2016	USD	55		110
Deluxe Packages	Flexibles Americas	USA	H1 2016	USD	45		42
BPI China	Flexibles Asia Pacific	China	H2 2016	USD	13		
Alusa	Flexibles Americas	South America	H2 2016	USD	435	8.5	375
Plastic Moulders Ltd	Rigid Plastics	Canada	H2 2016	CAD	36		35
Sonoco Blow Molding operations	Rigid Plastics	North America	H1 2017	USD	280	8.0	210
Hebei Qite Packaging	Flexibles Asia Pacific	China	H2 2017	RMB	185		180
Plasticos Team	Rigid Plastics	Colombia	H2 2017	USD			13

Industry provides numerous acquisition opportunities of varying scale

Flexibles segment – Euro results

EUR million	Dec 16	Dec 17	△ %
Sales revenue	2,818	2,692	(4.5)
PBIT ⁽¹⁾	340.0	337.4	(0.8)
PBIT margin %	12.1	12.5	
Average funds employed	2,840	2,987	
Return on funds employed %	24.7	24.4	
Operating cash flow	276.9	232.7	

Sales EUR million	Jun 13	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16	Jun 17	Dec 17
Europe, Middle East and Africa ⁽¹⁾	1,563	1,475	1,556	1,231	1,341	1,386	1,399	1,340	1,422	1,344
Americas ⁽¹⁾				266	290	202	263	366	402	352
Specialty Cartons	565	551	541	534	587	610	621	595	559	515
Asia Pacific	439	455	446	503	506	544	509	552	552	519
Eliminations	(14)	(14)	(14)	(13)	(13)	(36)	(32)	(35)	(37)	(38)
Total	2,553	2,467	2,529	2,521	2,711	2,706	2,760	2,818	2,898	2,692

(1) Sales for June 2013 through to June 2014 are based on the legacy Flexibles Europe and Americas business group. Effective 1 July 2015 the Flexibles Europe and Americas business group was separated into two separate businesses – Flexibles Europe, Middle East and Africa and Flexibles Americas. Comparative information for Dec 14 and Jun 15 was restated at the time of the announced separation.

Results

USD million	Statutory result		Adjustments ⁽¹⁾		Underlying result	
	1H17	1H18	1H17	1H18	1H17	1H18
Sales revenue	4,467.3	4,502.2	-	-	4,467.3	4,502.2
PBITDA	650.3	695.2	(27.4)	-	677.7	695.2
- Depreciation and amortisation	(182.0)	(181.4)	-	-	(182.0)	(181.4)
PBIT	468.3	513.8	(27.4)	-	495.7	513.8
- Net finance costs	(93.8)	(101.7)	-	-	(93.8)	(101.7)
Profit before tax	374.5	412.1	(27.4)	-	401.9	412.1
- Income tax expense	(80.6)	(78.2)	5.4	-	(86.0)	(78.2)
- Non-controlling interest	(7.3)	(4.2)	-	-	(7.3)	(4.2)
Profit after tax	286.6	329.7	(22.0)	-	308.6	329.7
Key ratios						
PBIT margin (%)					11.1	11.4
Return on funds employed (%)					21.0	19.7
EPS (US cents)					26.7	28.5
Operating cash flow (USD million)					52.9	90.8

1. Refer to slides 40 further details.

Details of adjustments

	USD million									
	Flexibles EUR million		Flexibles		Rigid Plastics		Investments / Other		Consolidated	
	1H17	1H18	1H17	1H18	1H17	1H18	1H17	1H18	1H17	1H18
Income statement										
Flexibles segment restructuring	(25.0)	-	(27.4)	-	-	-	-	-	(27.4)	-
Total PBIT adjustments	(25.0)	-	(27.4)	-	-	-	-	-	(27.4)	-
Tax on adjustments	4.9	-	5.4	-	-	-	-	-	5.4	-
Total PAT adjustments	(20.1)	-	(22.0)	-	-	-	-	-	(22.0)	-

Details of adjustments *continued*

Flexibles segment restructuring

1. Main initiatives announced

Date	Announcement
14 June 2016	Closure of the Flexibles packaging plant in Halen (Belgium)
14 June 2016	Closure of the Specialty Cartons plant in Bristol (England)
14 June 2016	A restructure of the Flexibles packaging plant in Cumbria (England)
21 June 2016	A new organisation structure for Flexibles, Europe, Middle East & Africa business
17 July 2016	Closure of the Flexibles packaging plant in Nunawading (Australia)
22 August 2016	Closure of the Flexibles packaging plant in Christchurch (New Zealand)
29 November 2016	Closure of the Specialty Cartons plant in Singapore
29 November 2016	Closure of the Specialty Cartons plant in Lachine (Canada)
9 February 2017	Closure of the Flexibles packaging plant in Argentan (France)
31 August 2017	Closure of the Flexibles packaging plant in Moreuil (France)

2. Expected phasing of restructuring costs and benefits

USD million	Total post-tax costs ⁽¹⁾	Cash costs	Pre-tax benefits ⁽²⁾
Recognised in FY16	78	-	-
Recognised in FY17	104	98	15
Expected to be recognised in FY18	-	60-65	30-35
Expected to be recognised in FY19	-	-	5-10
Cumulative costs and benefits	182	160	50-60

(1) Total costs on a pre-tax basis of USD 230 million. There are no further costs expected to be recognised in profit and loss in relation to these restructuring initiatives.

(2) Benefits to be recognised in earnings for the Flexibles segment in the period indicated.

Non-IFRS information

The following notes provide further details of certain non-IFRS financial measures used throughout this presentation:

Operating cash flow is cash flow from operating activities calculated in accordance with IFRS and extracted from Amcor's financial statements, adjusted to take into account capital expenditure and other items. This measure is reconciled to cash flow from operating activities as follows:

	1H17	1H18
	USD million	USD million
Operating cash flow	52.9	90.8
Capital expenditure	203.8	187.1
Proceeds on disposal of PP&E	(45.7)	(107.0)
Other items	3.9	7.2
Cash flow from operating activities	<u>214.9</u>	<u>178.1</u>

Free cash flow is operating cash flow (refer above) less dividends and other equity distributions paid during the period calculated in accordance with IFRS and extracted from Amcor's financial statements.

Movement in net debt is reconciled to the net increase in cash held calculated in accordance with IFRS and extracted from Amcor's financial statements as follows:

	1H17	1H18
	USD million	USD million
Proceeds from borrowings	(3,701.5)	(2,328.4)
Repayment of borrowings	3,254.4	2,276.5
Net increase in cash held	(104.6)	(191.2)
Effects of exchange rate changes on cash and cash equivalents	(30.6)	(4.8)
Other items	(2.1)	0.3
Cash increase in net debt	<u>(584.4)</u>	<u>(247.6)</u>