# News Release

20 February, 2012

# AMCOR ANNOUNCES RECORD PROFIT RESULT FOR THE SIX MONTHS ENDED DECEMBER 31 2011

## Highlights

- Record profit after tax before significant items of $304.7 million, up 13.9%;
- Significant items, primarily relating to acquisitions and restructuring activities, were an after tax expense of $99.8 million compared with an after tax expense of $41.3 million in 2011;
- Profit after tax and significant items was $204.9 million, down 9.4%;
- The negative impact from translation of overseas earnings into Australian dollars on profit after tax and before significant items was approximately $16 million;
- Returns, measured as underlying profit before interest and tax to average funds employed, of 15.1%;
- Interim dividend increased to 18 cents per share;
- Operating cash flow of $129.9 million; and
- Completed $150 million on-market share buy-back.

In announcing the result, Amcor's Managing Director and CEO, Mr Ken MacKenzie said: "The first half result represented a record underlying profit, record returns and a record interim dividend for the company.

"Profit before significant items increased 14% to $304.7 million, returns increased from 13.1% to 15.1% and the dividend increased 6% to 18 cents per share. During the half, the company also completed a $150 million share buy-back.

"These results are particularly pleasing given the backdrop of subdued economic conditions globally and a $16 million adverse impact on reported earnings due to the appreciation of the Australian dollar."

## Benefits from transformational acquisitions

Amcor Limited

109 Burwood Road Hawthorn VIC 3122 Australia T +61 3 9226 9000 F +61 3 9226 9050 www.amcor.com
ABN 62 000 017 372

"The transformational acquisitions made in 2009 and 2010, during the global financial crisis, were significant contributors to achieving this record performance.

"These acquisitions have delivered substantial cost synergies and enabled the businesses to significantly improve their value proposition to customers. The benefits from the Alcan Packaging acquisition have considerably exceeded expectations in terms of both quantum and timing."

**Business Group performance**

"The Flexibles business had a strong half with earnings up 24%. Notwithstanding subdued economic conditions, sales in the first half were in line with the previous period. It was particularly pleasing that in Europe, underlying volumes were stable. This outcome is reflective of the defensiveness of the food, healthcare and tobacco packaging end markets.

"The flexible businesses in Asia had a strong half with good growth in all the key markets. This region is particularly attractive due to rising per capita income, increasing populations and introduction by our customers of new product categories.

"The Rigid Plastics business also had a strong half with earnings up 15%. This was achieved against a backdrop of a much cooler summer period which negatively impacted beverage sales during the peak summer months. During the half, the business benefited from cost synergies and operating improvements.

"The Australasian and Packaging Distribution business delivered a solid result with underlying earnings in line with the same period last year. This was a pleasing result as economic conditions during the first half in the US and Australia remained difficult."

**Growth**

"During the half the businesses continued to invest in growth opportunities. In our Asian Flexibles operations, capital expenditure was 150% of depreciation, with new capital focused on increasing capacity to meet the high growth we are experiencing in these markets. In addition to this new capital, we also reached agreement to buy out the minorities in two plants in China.

"In the Tobacco Packaging operations agreement was reached to purchase a business in Argentina. Amcor has a long history of successful operation in Latin America with a presence in 11 different countries. This is an exciting opportunity for the Tobacco Packaging business to leverage its technology expertise and manufacturing leadership into this market."

## Outlook

"The company is well positioned to continue to deliver improvements in underlying growth and overall earnings are expected to be well ahead of the same period last year."

## Future

"The business has undertaken substantial change over the past six years and following the transformational acquisitions during the global financial crisis has a strong platform for future growth.

"The strong cash flow generated by the company will increase further over the next few years and create a number of options for shareholder value creation.

"A key objective is to pursue growth opportunities in emerging markets, as well as in the more developed markets, through a combination of organic growth and acquisitions."

**ENDS**

**For further information please contact:**

Mr John Murray
Executive General Manager Corporate Affairs
Amcor Limited
Ph: +61 3 9226 9005