News Release

23 February 2010

AMCOR ANNOUNCES INTERIM PROFIT RESULT FOR SIX MONTHS ENDED 31 DECEMBER 2009

Highlights

- Profit after tax and before significant items of $172.5 million, up 3.0%.
- The translation impact from the higher Australian dollar on profit after tax and before significant items was negative $16.4 million.
- Earnings per share before significant items of 15.6 cents, down 18.3%. This reduction is due to the additional shares on issue resulting from the equity raising to fund the Alcan Packaging acquisition.
- Operating cash flow of $144.5 million.
- Interim dividend of 12.5 cents per share. This represents a dividend payout of $152.6 million, compared with $142.2 million payout in the previous corresponding period.
- Significant items, primarily relating to the acquisition of former Alcan Packaging businesses and planned restructuring, were an after tax expense of $77.5 million.
- Acquisition of the former Alcan Packaging businesses completed on 1 February 2010.

Results	1H09	1H10	Change %
Sales	4,835.3	4,082.5	**(15.6)**
PBITDA[1]	535.7	502.4	**(6.2)**
PBIT[1]	316.8	300.9	**(5.0)**
PAT[1]	**167.4**	**172.5**	**3.0**
Significant items[2]	(74.6)	(77.5)	**3.9**
PAT after significant items	92.8	95.0	**2.4**
EPS[1][3] (cents)	19.1	15.6	**(18.3)**
Operating cash flow[4]	(60.5)	144.5	338.8
Dividend (cents per share)	17.0	12.5	(26.5)

(1) Before significant items
(2) Refer page 17 for details of significant items
(3) 2008 EPS has been adjusted to reflect the bonus element of shares issued under the Entitlement Offer during the period
(4) After significant items

Key Ratios	1H09	1H10
PBIT/Average funds employed (%)[1]	10.3	11.3
Net debt / (Net debt plus equity) (%)	49.6	19.7
Net PBITDA interest cover (times)[1]	5.2	7.7
NTA per share (A$)	1.60	2.25

(1) Before significant items

Amcor has released to the Australian Securities Exchange a webcast presentation on its financial results for the half year ended 31 December 2009. This is available at www.amcor.com

Financial results

Results for the six months ended 31 December 2009 reflect the operations of Amcor businesses only. Information related to the former Alcan Packaging businesses acquired is provided on pages 13 to 16.

		1H09			1H10	
Segment Analysis* (A$ mill)	**Sales**	**PBIT**	**ROAFE %**	**Sales**	**PBIT**	**ROAFE %**
Amcor Rigid Plastics	1,590.0	102.2	9.9	1,233.1	95.5	11.3
Amcor Australasia	1,120.2	74.3	8.9	1,082.6	74.8	9.8
Amcor Flexibles	1,465.1	106.5	13.3	1,258.3	111.7	15.8
Amcor Packaging Distribution	595.7	24.5	18.3	463.2	19.6	16.6
Amcor Asia	69.9	24.7	9.1	48.7	21.1	8.1
Investments / other	-	(15.4)	-	-	(21.8)	-
Intersegmental	(5.6)	-	-	(3.4)	-	-
TOTAL	**4,835.3**	**316.8**	**10.3**	**4,082.5**	**300.9**	**11.3**

*Before significant items

Net debt decreased from $2,643 million at 30 June 2009 to $1,061 million at 31 December 2009. Excluding the currency translation impact, net debt decreased from $2,643 million to $1,255 million, predominately a result of the equity raising proceeds remaining on deposit at 31 December 2009. These deposits have since been withdrawn and used to part fund the Alcan Packaging acquisition.

Gearing, measured as net debt over net debt plus equity, was 19.7% at 31 December 2009.

Interest expense of $65.3 million was 36.5% lower than the previous corresponding period due to equity raising proceeds being on deposit for the majority of the current half. Interest cover, measured as PBITDA to net interest, was 7.7 times.

Operating cash flow was $144.5 million and, after the payment of dividends, free cash flow was $15.2 million.

Exchange Rate Sensitivity

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, for the first half of the 2010 financial year was approximately $3 million for every one cent movement against the US dollar and $3 million for every one cent movement against the Euro. Following the acquisition of the former Alcan Packaging assets, 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, is initially anticipated to be approximately $3.0 million for every one cent movement against the US dollar and $4.5 million for every one cent movement against the Euro. These sensitivities will increase, particularly against the Euro, as synergy benefits are realised.

The US dollar and Euro to Australian dollar exchange rates for the first half of the 2010 financial year averaged 86.3 cents and 59.8 cents respectively. The rates for the first half of the 2009 financial year averaged 80.0 cents and 55.5 cents. The total negative impact of the higher Australian dollar on the translation of profit after tax before significant items into Australian dollars for reporting purposes was approximately $16.4 million for the half year.

Consolidated Income (A$ mill)	1H09	1H10
Sales	**4,835.3**	**4,082.5**
PBITDA	535.7	502.4
- Depreciation and amortisation	(218.9)	(201.5)
PBIT	316.8	300.9
- Net interest	(102.9)	(65.3)
Profit before tax	**213.9**	**235.6**
- Income tax	(43.3)	(56.1)
- Minority interests	(3.2)	(7.0)
Profit after tax and before significant items	**167.4**	**172.5**

Consolidated Cash Flow

PBITDA	535.7	502.4
Interest	(75.1)	(53.1)
Tax	(53.5)	(47.8)
Cash significant items	(75.5)	(79.1)
Base capital expenditure	(141.2)	(95.7)
Movement in working capital	(181.7)	(90.9)
Other	(69.2)	8.7
Operating cash flow	**(60.5)**	**144.5**
Dividends	(145.3)	(129.3)
Free cash flow	**(205.8)**	**15.2**
Divestments	(1.8)	-
Growth capital / acquisitions	(231.8)	(168.5)
Proceeds from share issues	2.0	1,566.7
Proceeds on capital contribution from minority interests	-	2.0
Foreign exchange rate changes	3.8	(27.8)
(Increase)/Decrease in net debt	**(433.6)**	**1,387.6**

Consolidated Balance Sheet	31/12/08	31/12/09
Current assets	2,847.2	3,494.9
Property, plant and equipment	4,147.7	3,630.7
Intangibles	1,733.0	1,374.9
Investments and other assets	945.4	807.1
Total assets	**9,673.3**	**9,307.6**
Short term debt	838.2	311.0
Long term debt	2,638.0	2,220.6
Creditors and provisions	2,864.9	2,440.5
Shareholders' equity	3,332.2	4,335.5
Total liabilities and shareholders' equity	9,673.3	9,307.6

Significant Items

Significant items after tax for the six months ended 31 December 2009 was a net expense of $77.5 million, compared to an expense of $74.6 million for the corresponding period.

This amount included $30.1 million of after tax costs related to acquisition transaction costs for the former Alcan Packaging businesses, an expense of $20.5 million resulting from Amcor's election to settle certain indirect tax obligations in Brazil under an amnesty program and $16.2 million of after tax restructuring costs. Refer to page 17 for further details.

Segmentals

During the half year, a detailed review of the corporate costs of the consolidated entity was undertaken and it was identified that $9.9 million (2008: $10.9 million) of the $31.8 million (2008: $26.4 million) total was properly attributable to the results of the operating segments and as such, has been allocated based on relevant cost and service drivers.

Capital management

During the half year, gross proceeds of A$1,611 million in new equity were raised through an Institutional and Retail Entitlement Offer, to fund part of the purchase price for the acquisition of the former Alcan Packaging businesses. A$1,204 million was raised under the Institutional Entitlement Offer and the balance of funds was raised via the Retail Entitlement Offer.

In December US$850 million was raised in the US Private Placement market, and used in part to replace existing bank borrowings with the balance to be used for general corporate purposes. US$275 million of the proceeds mature in seven years, US$300 million in nine years and US$275 million matures in 12 years. Respective fixed coupon rates are 5.38%, 5.69% and 5.95%.

Interim dividend

The Directors declared an unfranked interim dividend of 12.5 cents per share.

The cash dividend to be paid of $152.6 million compares to $142.2 million paid for the interim dividend last year. Due to the additional shares on issue, this has resulted in a reduction in dividend per share from 17 cents to 12.5 cents per share.

100% of the dividend is sourced from the Conduit Foreign Income Account. The ex-dividend date will be 2 March 2010, the record date will be 9 March 2010 and payment date will be 31 March 2010.

Rigid Plastics

Profit	1H09 A$ mill	1H10 A$ mill	Change %	1H09 US$ mill	1H10 US$ mill	Change %
Sales	1,590	1,233	(22.5)	1,272	1,064	(16.4)
PBIT	**102.2**	**95.5**	**(6.6)**	**81.7**	**82.3**	**0.7**
Operating Margin (%)	6.4	7.7		6.4	7.7	
Average funds employed	2,069	1,685		1,655	1,453	
PBIT/AFE (%)	**9.9**	**11.3**		**9.9**	**11.3**	
Average exchange rate (cents)	0.80	0.86				

Cash Flow						
PBITDA	191.8	177.6	(7.4)	153.4	153.2	(0.1)
Base Capital Expenditure	(72.0)	(43.6)		(57.6)	(37.5)	
Movement in Working Capital	(57.2)	(38.7)		(45.7)	(33.4)	
Significant items	(4.7)	(28.9)		(3.8)	(24.9)	
Operating Cash Flow	**57.9**	**66.4**	**14.7**	**46.3**	**57.4**	**24.0**

Amcor Rigid Plastics had a solid half year given that volumes in North America were negatively impacted by a weak economic environment. Profit before interest and tax (PBIT) was 0.7% higher at US$82.3 million with improved earnings in Latin America and Bericap offsetting the impact of weaker PET volumes in North America.

Total volumes for the half were 5.2% lower at 12.1 billion units. Custom container volumes were 13.3% lower and preforms and carbonated soft drink and water (CSDW) container volumes were 1.6% lower than the previous half year.

Capital expenditure was US$52.7 million, comprising US$37.5 million for base capital spending, net of disposals, and US$15.2 million for growth capital to expand capacity for custom containers in Latin America and diversified products in North America.

A reduction in average working capital and management of capital expenditure resulted in returns, measured as PBIT over average funds employed, improving from 9.9% to 11.3%.

North America
Markets for the North American business have continued to be very challenging resulting in overall volumes for the half being 10.8% lower than the same period last year.

A 6% decline in preform and CSDW container volumes reflects weaker market demand in this segment. While some customers have selectively moved to self manufacture of blown bottles, Amcor has largely maintained the preform business for these customers, helping to partially offset the loss of CSDW blown bottle sales.

In the US hot fill segment, industry volumes were down 15% in calendar year 2009 with particular weakness in the isotonic sports drink segment. Due to a larger weighting in the isotonic sports drink segment, Amcor's custom container volumes were 22% lower for the half.

Volumes in the diversified products segment increased by 8% as this business broadened its customer base and benefited from continued conversion from glass to PET containers, particularly in the liquor segment.

Latin America
The business in Latin America had a strong half with earnings substantially higher than the previous corresponding period.

Custom container volumes were 5.9% higher and preform and CSDW container volumes were 2.6% higher. In total volumes were 3.1% higher than the first half last year.

In Mexico, earnings were significantly higher than the prior period. This improvement was due to higher volumes, a focus on cost management and the non-recurrence of foreign exchange losses.

Returns for the Latin American businesses have been enhanced by continuing the strategy of redeploying capital equipment from the operations in North America to increase capacity in Latin America.

Bericap
The majority-owned joint venture, Bericap North America, is managed and reported within the Rigid Plastics segment. This business has plants in Ontario, Canada, and in the United States in California and South Carolina.

Earnings for the half were higher. Despite weakness in the CSDW markets, volumes improved due to product innovation and new lightweight designs. There was also improved performance at the plant in South Carolina, which commenced operation in May 2008.

Outlook
Volumes in North America appear to have stabilised however it is uncertain when volume growth will resume.

Latin America continues to provide opportunities for further growth and should deliver improved earnings in the second half compared to the same period last year.

The positive momentum in the Bericap business should continue in the second half of the year with earnings expected to be higher than the second half last year.

Given improvements in Latin America and Bericap but continued uncertainty in the North American market, it is unlikely earnings in the second half will be significantly different to the second half last year.

Australasia

Profit	1H09 A$ mill	1H10 A$ mill	Change %
Sales	**1,120**	**1,083**	**(3.3)**
PBIT	**74.3**	**74.8**	**0.7**
Operating Margin (%)	6.6	6.9	
Average funds employed	1,677	1,526	
PBIT/AFE (%)	**8.9**	**9.8**	

Cash Flow			
PBITDA	**139.4**	**135.3**	**(2.9)**
Base Capital Expenditure	(13.1)	(19.5)	
Movement in Working Capital	(40.4)	(2.9)	
Significant items	(19.2)	(15.0)	
Operating Cash Flow	**66.7**	**97.9**	**46.8**

Amcor Australasia had a solid first half with PBIT 0.7% higher than the same period last year.

Although economic conditions in Australia improved during the July to December 2009 period they remain weaker than the same period last year. Economic conditions in New Zealand remain particularly difficult and have been substantially weaker than the previous period. As a result, volumes in all Australasian businesses were lower than the same period last year with the exception of the beverage can business.

Offsetting this, the business benefited from a number of cost reduction initiatives that were implemented over the past 12 months. These included a 10% reduction in the number of salaried staff and a focus on lowering procurement costs. There was also improved operating performance, particularly in the beverage can and corrugated operations.

Average working capital to sales decreased from 14.6% to 10.7%.

Returns, measured as PBIT over average funds employed, increased from 8.9% to 9.8% which reflects the benefit of cost improvement initiatives undertaken across all divisions and tight management of working capital.

Capital expenditure was $137.1 million, comprising $19.5 million for base capital spending and $117.6 million for growth capital mainly relating to the new glass plant at Gawler, SA, which is on schedule for commissioning in the second half of this financial year, and the recycled paper mill at Botany, NSW, expected to be commissioned at the end of the 2011 calendar year.

Operating cash flow for the half year was $97.9 million.

Corrugated
Volumes in the corrugated business were down 2%, although market share remained stable. Volumes in the beverage, fruit & produce and meat segments were broadly consistent with or higher than the same period last year, however volumes in the industrial and grocery segments were lower.

Cost recovery continues to be a primary focus and price increases had a positive impact on the current half result relative to last year. An average price increase of 12% was implemented for all customers in October 2008 and was successfully passed on to non-contracted customers. A further increase averaging 2% was applied to non-contracted customers in October 2009. The business continues to work with contracted customers to implement these price increases however, it will take time to achieve full cost recovery given the duration of customer contracts.

The business continues to improve operating performance particularly in the areas of waste and machine downtime.

Paper

In the 2009 financial year, the fibre business exported approximately 200,000 tonnes of waste paper and 100,000 tonnes of recycled paper with selling prices generally reflecting the Asian spot market. In November 2008, these selling prices reduced substantially and the business exported both waste paper and recycled paper into Asia at a loss through the balance of the 2009 financial year. Export prices improved in the current period and as a result, earnings were modestly higher than the December 2008 half year.

Flexibles

The flexibles business consists of four operating units, polyethylene, laminations, barrier films and mutli-wall sacks.

The flexibles businesses had a solid half year, with higher earnings due to improved volumes, a favourable change in product mix and cost reduction initiatives. The multi-wall sack operations had a difficult half with lower volumes in the industrial building sector.

Rigids

The beverage can business had a strong half with higher earnings.

Volumes were 8% higher with strong promotional activity undertaken by retailers and beverage manufacturers in the lead up to the Australian summer. Volumes in the energy drink market benefited from new pack formats, designs and can sizes.

This business is well positioned for future growth having renewed and lengthened long term contracts with the major customers. It is also expanding its operation in New Zealand with an investment of $33 million in a new can line to meet increased demand in that market. The investment will also free up capacity in Australia given that cans are currently being shipped from Australia to New Zealand.

Operating issues experienced at the beverage can plant in Queensland during the 2009 financial year have been resolved, positively impacting earnings in the current half.

The glass bottle business continued the solid performance of recent periods.

The $150 million third glass furnace is on budget and on schedule for commissioning during the June 2010 half year. The new furnace will increase production capacity to 600 million bottles per year, supporting ongoing requirements in the wine market as well as new contracted volumes for supply into the beer market. Returns are underpinned by long term customer supply agreements.

Outlook

The second half of the 2009 financial year was significantly impacted by the downturn in economic conditions. Volumes were particularly weak and prices were substantially lower for exported waste and recycled paper.

Volumes have stabilised at levels higher than those experienced in the second half of 2008/09 and prices for waste paper are currently higher than the second half last year.

As a result, if current conditions continue, earnings are expected to be substantially higher in the second half relative to the same period last year.

Flexibles

Profit	1H09 A$ mill	1H10 A$ mill	Change %	1H09 € mill	1H10 € mill	Change %
Sales	**1,465**	**1,258**	**(14.1)**	**813**	**752**	**(7.5)**
PBIT	**106.5**	**111.7**	**4.9**	**59.1**	**66.7**	**12.9**
Operating Margin (%)	7.3	8.9		7.3	8.9	
Average funds employed	1,596	1,410		886	842	
PBIT/AFE (%)	**13.3**	**15.8**		**13.3**	**15.8**	
Average exchange rate (cents)	0.56	0.60				

Cash Flow						
PBITDA	**159.7**	**161.2**	**0.9**	**88.6**	**96.3**	**8.7**
Base Capital Expenditure	(40.7)	(35.1)		(22.6)	(21.0)	
Movement in Working Capital	(61.9)	(36.7)		(34.3)	(21.9)	
Significant items	(46.0)	(13.6)		(25.5)	(8.1)	
Operating Cash Flow	**11.1**	**75.8**	**582.9**	**6.2**	**45.3**	**630.6**

Amcor Flexibles had a strong half, with PBIT up 12.9% to €66.7 million. The Healthcare and Tobacco Packaging segments had particularly strong performances with volumes remaining resilient to slowing economic conditions, and benefits achieved from cost management and plant efficiency initiatives. The Food business continued to be impacted by weak economic conditions in Europe with volumes lower than the first half last year.

Returns, measured as PBIT over average funds employed, improved from 13.3% to 15.8%.

The business continued to deliver solid working capital performance. Average working capital to sales decreased from 10.9% to 8.8%.

Total capital expenditure was €28.6 million, which included €21.0 million for base capital spending, net of disposals, and €7.6 million on growth projects.

Food

Food flexibles volumes were approximately 7.0% lower compared with the same period last year with demand varying considerably across geographic regions and product segments. In general, volumes in the dairy, produce and confectionary segments held up relatively well while the bakery segment was impacted by the loss of an important account for part of the half.

The business partially offset the impact of lower volumes through a combination of overhead cost reductions, improved operating efficiencies, lower waste and benefits from the restructuring program Flex1. During the half there was also a benefit from the lag in passing on lower raw material input costs to customers.

The new plant in Poland, dedicated to PepsiCo for snack food products, continues to improve operating performance and is a global leader in extrusion lamination technology located in a high growth, low cost region.

Overall, earnings for the half were lower than the first half last year.

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Healthcare
The healthcare flexibles business had a strong half with stable volumes in the key market segments reflecting the defensive nature of the healthcare industry. The business had continued success with the strategy to improve product mix by accelerating sales growth in more technically demanding structures, focusing on enhanced protection, ease of use and high quality graphics.

During the half there was a benefit from the lag in passing on lower raw material input costs to customers. The business also benefited from the Flex 1 restructuring program, particularly in relation to the rationalisation of the extrusion facilities.

As a result of the enhanced product mix and improved costs, earnings were higher in both Europe and the Americas.

Tobacco Packaging
The tobacco packaging business had a strong first half with earnings significantly higher. Volumes were higher, particularly in the higher value added products, driven in part by a onetime supply opportunity for a new product launch.

The business continues to benefit from a number of capital expenditure initiatives undertaken in previous periods. These have resulted in improved operating efficiency as production has been better balanced across the manufacturing footprint and outsourcing to third parties has been eliminated.

Benefits have also arisen from the ongoing trend towards more value-add products, particularly in Eastern Europe and Russia.

Outlook
The Food business continues to be impacted by difficult economic conditions, with volumes currently unchanged from the levels experienced through the first half.

The Healthcare business, being more defensive, is expected to continue to deliver solid results.

Solid earnings are expected in the second half for the tobacco packaging business even though it will not have the one off benefit from the high value add promotional volume.

For the Flexibles business overall, benefits from restructuring initiatives and operating improvements are expected to offset the non recurring positive impact of lower raw material costs experienced in the second half of 2008/09.

Packaging Distribution

Profit	1H09 A$ mill	1H10 A$ mill	Change %	1H09 US$ mill	1H10 US$ mill	Change %
Sales	**596**	**463**	**(22.3)**	**476**	**400**	**(16.0)**
PBIT	**24.5**	**19.6**	**(20.0)**	**19.6**	**16.9**	**(13.8)**
Operating Margin (%)	4.1	4.2		4.1	4.2	
Average funds employed	267	236		214	204	
PBIT/AFE (%)	**18.3**	**16.6**		**18.3**	**16.6**	
Average exchange rate (cents)	0.80	0.86				

Cash Flow						
PBITDA	**31.9**	**25.7**	**(19.4)**	**25.5**	**22.2**	**(12.9)**
Base Capital Expenditure	(6.4)	(4.5)		(5.2)	(3.9)	
Movement in Working Capital	(11.6)	1.2		(9.3)	1.0	
Significant items	-	-		-	-	
Operating Cash Flow	**13.9**	**22.4**	**61.2**	**11.0**	**19.3**	**75.5**

Amcor Packaging Distribution, which is the former Amcor Sunclipse business, delivered a solid performance in difficult economic conditions. PBIT was US$16.9 million, 13.8% lower than the same period last year. For the first half of the 2008/09 year, economic conditions did not deteriorate until the beginning of November 2008. This makes the 2009/10 first half a particularly difficult comparative period.

After a substantial reduction in volumes in late calendar year 2008 through early calendar year 2009, mainly due to supply chain destocking and weakening economic conditions, volumes improved modestly late in the second half of 2008/09. After adjusting for seasonality, volumes have been relatively stable at subdued levels for the past six months.

Returns, measured as PBIT over average funds employed, were 16.6%.

To help offset the impact of lower volumes, the business has undertaken a number of cost reduction programs. These have targeted overheads, operating improvements and procurement costs. The success of these programs has resulted in the business achieving increased margins.

Within the distribution business, there has also been a focus on developing new sales channels designed to differentiate the approach to customers across market segments. Progress in this area has helped partially offset the effect of weaker economic conditions. The business has also developed real-time sales tools that have enabled the distribution sales team to be more reactive to changing market prices.

Outlook
The US economy remains difficult and the outlook for the second half of the 2010 financial year is highly dependent on these conditions, particularly on the West Coast.

The substantial work undertaken over the past 18 months in reducing costs and improving sales efficiencies mean the business is well positioned for when volumes improve. Should economic conditions remain stable at current levels, second half earnings are expected to be higher than those achieved in the second half of the 2009 financial year.

Asia

Consolidated entities	1H09 A$ mill	1H10 A$ mill	Change %	1H09 SG$ mill	1H10 SG$ mill	Change %
Sales	**70**	**49**	**(30.0)**	**80**	**60**	**(25.0)**
PBIT	**7.4**	**9.7**	**31.1**	**8.4**	**11.9**	**41.7**
Operating Margin (%)	10.6	19.8		10.6	19.8	
Average funds employed	50.0	40.9		56.9	50.2	
PBIT/AFE (%)	**29.6**	**47.4**		**29.6**	**47.4**	
Average exchange rate (cents)	1.14	1.23				

Equity accounted profit						
PAT	17.3	11.4	(34.1)	19.6	13.9	(29.1)
AFE [1]	325.6	324.8	(0.2)	370.2	398.3	7.6
AFE [2]	495.8	480.4		563.6	588.9	
PAT/AFE [1] (%)	**10.6**	**7.0**		**10.6**	**7.0**	
PAT/AFE [2] (%)	7.0	4.7		7.0	4.7	

(1) Excluding AMVIG fair value
(2) Including AMVIG fair value

Cash Flow						
PBITDA	**10.2**	**12.4**	**21.6**	**11.6**	**15.3**	**31.9**
Dividends received	6.4	-		7.3	-	
Base Capital Expenditure	(3.7)	4.1		(4.2)	5.0	
Movement in Working Capital	9.0	2.4		10.2	2.9	
Significant items	-	-		-	-	
Operating Cash Flow	**21.9**	**18.9**	**(13.7)**	**24.9**	**23.2**	**(6.8)**

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.

As AMVIG has not yet reported its full year earnings to 31 December 2009, the profit taken up in Amcor Asia's half year earnings is management's estimate of AMVIG's earnings for the period July to December 2009, based on publicly available information. Any adjustment required following the announcement of AMVIG's profit, will be taken up in Amcor Asia's 2010 full year results.

On 12 February 2010, AMVIG shareholders passed a resolution to divest the Brilliant Circle business and acquire the 45% of the Famous Plus business that it did not previously own. Under the sale agreement, the entitlement to Brilliant Circle earnings from 1 July 2009 transfers to the purchaser. As such, Amcor management's estimate of results for the six months to 31 December 2009 for AMVIG does not include any earnings from Brilliant Circle.

During the half, Amcor's ownership in AMVIG was 38.95%. At the time of completing the divestment of the Brilliant Circle business, which is expected to be later this month, AMVIG will repurchase and cancel 166.8 million shares. This will have the effect of increasing Amcor's ownership of AMVIG to 45.99%.

Consolidated entities

For the controlled entities, PBIT for the half year was 41.7% higher at SG$11.9 million. This amount included a SG$4.5 million write-back of various provisions. Excluding the provision write-back underlying PBIT was SG$7.4 million, 11.9% lower than the same period last year.

The wholly-owned tobacco packaging operations had lower volumes due to the previously announced loss of a major contract. Management were active in adjusting the cost base to the lower volumes and improving the product mix.

The flexibles operations had a solid half with improved earnings.

Footnote

The funds invested in AMVIG, as reported in Amcor's accounts at 31 December 2009, consist of cash payments of SG$281 million to purchase 424.5 million shares in the publicly-listed company at an average price of HK$5.01 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 31 December 2009 in Amcor's accounts is SG$591.1 million, with the difference between this amount and the invested funds being predominantly accounting adjustments for "fair value market up lift" at the time of exercising options to acquire additional shares.

Alcan Packaging

The acquisition of the former Alcan Packaging businesses was completed on 1 February 2010. The acquisition price of US$1,948 million represents a PBITDA multiple of 5.1 times based on earnings for the year ended 31 December 2009 of US$383 million (excluding the Medical Flexible operations in the U.S.).

For the Alcan Packaging businesses acquired, PBIT in the second half of the 2009 calendar year, expressed in Euros, was 47% higher than the first half of the 2009 calendar year. The key drivers for this increase were an improvement in volumes as the supply chain destocking that occurred in the January to March 2009 period did not repeat, improved operating performance at some plants, benefits of prior period restructuring and cost reduction programs and a one off negative inventory revaluation in the June 2009 half.

Earnings

The businesses acquired exclude Alcan's Medical Flexible operations in the U.S. in accordance with approval granted by the U.S. Department of Justice on 29 December 2009.

The following financial information is presented on a calendar year basis and excludes the Medical Flexible operations.

		2008			2009	
Profit (€ mill)	**June Half**	**Dec Half**	**Full Year**	**June Half**	**Dec Half[1]**	**Full Year**
Sales	1,373	1,312	2,685	1,269	1,348	2,617
PBITDA	**141**	**123**	**264**	**124**	**150**	**274**
PBIT	78	60	138	60	88	148
PBIT Margin (%)	5.7	4.6	5.1	4.7	6.5	5.7
US to Euro exchange rate	1.53	n/a	1.48	1.34	n/a	1.40

Sales (€ mill)	**June Half**	**Dec Half**	**Full Year**	**June Half**	**Dec Half[1]**	**Full Year**
Food Europe	783	722	1,505	670	746	1,416
Food Asia	96	106	202	101	103	204
Global Pharmaceutical	306	278	584	291	286	577
Global Tobacco	188	206	394	207	213	420
Total Sales	**1,373**	**1,312**	**2,685**	**1,269**	**1,348**	**2,617**

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

Food Europe
The Food Europe business designs, manufactures and supplies packaging for a broad range of end-use applications and supplies Europe's largest international food and beverage companies. The business operates 34 manufacturing sites in 18 countries.

Economic conditions in Europe were particularly difficult during the six months ended 30 June 2009 and the industry experienced considerable supply chain destocking. Conditions improved in the December 2009 half year, with total sales of €746 million being 11.3% higher than the first half.

Earnings in the six months to June 2009 were negatively impacted by lower volumes due to supply chain destocking and weak economic conditions, as well as a write-down of inventory due to considerably lower aluminium prices. In the six months to December 2009, the business benefited from the lag in passing on lower raw material input costs to customers, improved operating performance at some plants and prior period cost reduction programs. These benefits combined with the non-recurrence of the first half one-off impacts resulted in a substantial improvement in earnings.

Food Asia
The Food Asia business designs, manufactures and supplies flexible packaging to major manufacturers of food, beverages, home and personal care and industrial products in Asia. The business operates from 9 locations in China, India, Indonesia and Thailand.

Sales revenue of €103 million for the six months ended 31 December 2009 was 2.0% higher than the June 2009 half year, but 2.8% lower than the December 2008 half mainly due to the unfavourable impact of weaker exchange rates.

Earnings in the December 2009 half year benefited from a focus on operational improvement and cost reduction programs as well as a one-time benefit for the lag in passing on lower raw material costs.

Global Pharmaceutical
The Global Pharmaceutical business designs, manufactures and supplies a broad range of aluminium and resin based flexible packaging products for the healthcare industry, specialty cartons and customised contract packaging services. The business operates from 26 locations across 12 countries.

Sales revenue of €286 million for the six months ended 31 December 2009 was modestly higher than the previous corresponding period.

In the June 2009 half, both sales and earnings were impacted by destocking in the supply chain. Earnings were higher in the December 2009 half as volumes recovered and the business benefited from the lag in passing on lower raw material costs.

Global Tobacco
The Global Tobacco business designs, manufactures and supplies folding carton packaging primarily for tobacco. This includes printed, hinge lid and soft packaging products for the cigarette, cigar and tobacco industries. The business operates from 12 locations in 10 countries. Approximately 40% of Global Tobacco sales are denominated in US dollars.

Sales revenue of €213 million for the six months ended 31 December 2009 was 2.9% higher than the June 2009 half year. Volumes through this period were resilient despite weaker global economic conditions, offsetting the unfavourable impact of the weaker US$/Euro exchange rate.

Earnings for the December 2009 half improved relative to the same period in 2008 and the June 2009 half. This was predominately due to volume growth, particularly in Russia and Turkey, and improved operating performance at some plants.

Effect of the acquisition

Purchase consideration
On the 1 February 2010 the consideration paid was US$2,156 million. This amount included a net receivable from Rio Tinto of US$334 million, which was repaid in the week following completion. An additional consideration amount of US$111 million remains unpaid and is deferred for a period of up to three months.

As a result of the above, as at 23 February 2010, Amcor has paid Rio Tinto a net amount of US$1,822 million, not including the US$111 million deferred component which remains outstanding.

This amount varies from the purchase price announced at the time of closing of US$1,948 primarily due to adjustments for pension liabilities, cash balances and debt within the businesses acquired.

Estimated synergies and restructuring costs
Target PBITDA synergies are A$200 million - A$250 million per annum. It is anticipated that these will be achieved over the next 3 years. Initiatives to capture these synergies are expected to be progressively implemented over coming months. Total synergy benefits realised for the five months ended 30 June 2010 are expected to be modest.

Total pre-tax cash restructuring costs associated with integration and realisation of synergies are expected to be A$300 million. It is anticipated that A$150 million per annum will be incurred for each of the first two years and will be classified as significant items for accounting purposes.

Transaction costs
In addition to restructuring costs, pre-tax costs directly related to the acquisition of approximately A$150 million are expected to be incurred and recognised as an expense. Of this amount, A$62 million has been incurred to date and classified as a significant item. The majority of the remaining transaction costs are expected to be incurred in the twelve months following completion.

Debt and interest expense
If the Alcan acquisition had become effective on 31 December 2009, net debt would have been A$2,152 million higher than the $1,061 million reported. Gearing, measured as net debt over net debt plus equity, would have been 42.6%, or 22.9 percentage points higher than the 19.7% reported.

Based on this higher net debt balance, and assuming current floating interest rates, net interest expense for the six months ended 30 June 2010 is expected to be approximately A$120 million.

Tax rate
The effective tax rate for the former Alcan businesses acquired has historically been higher than the rate for Amcor businesses. The effective tax rate for the combined business quoted in the Prospectus of 26% remains valid, however it is subject to a detailed review of the tax position of the acquired Alcan businesses.

Foreign currency exposure
As a result of this acquisition, Amcor's foreign currency exposure has increased. It is expected that the sensitivity for every one cent movement against the Euro will increase by A$1.5 million to approximately A$4.5 million per annum. The sensitivity to movements against the US dollar will remain the same at A$3 million per annum.

Working capital
Alcan's working capital to sales ratio has historically been higher than Amcor's. It is anticipated there will be opportunities to reduce the working capital of former Alcan Packaging operations over the next two years.

Capital expenditure
Given that the former Alcan business is well capitalised, it is anticipated that over the next three years aggregate capital expenditure will be less than depreciation. This excludes the amount remaining to be spent on the recycled paper mill at Botany, New South Wales.

Accounting for acquisition of inventories
In accordance with Australian Accounting Standards, Amcor is required to fair value all assets acquired. In the case of inventory acquired Amcor estimates that the fair value is $10 million higher than the book value. This amount will not be recognised as an accounting profit when the inventory is sold as the fair value adjustment will result in a write-up of inventory on the acquisition balance sheet. This will result in a one-off negative impact to earnings for the June 2010 half.

Significant items

(A$ mill)	1H10
Gain arising on disposal of listed equity securities	1.9
Rigid Plastics business restructure	(8.3)
Brazil tax amnesty program	(20.5)
Transaction costs relating to business acquisitions	(32.7)
Flexibles market sector rationalisation	(11.3)
Asset impairments	(9.8)
Legal costs	(7.2)
Significant items before related income tax expense	(87.9)
Income tax on significant items	10.4
Significant items after related income tax expense	(77.5)
Significant items attributable to:	
Members of Amcor Limited	(77.5)
Minority interest	-

Cash flow

(A$ mill)	Rigid Plastics	Australasia	Flexibles	Packaging Distribution	Asia	Corporate	Consolidated
PBITDA	177.6	135.3	161.2	25.7	23.8	(21.2)	502.4
Interest	-	-	-	-	-	(53.1)	(53.1)
Tax	-	-	-	-	-	(47.8)	(47.8)
Base Capital Expenditure	(43.6)	(19.5)	(35.1)	(4.5)	4.1	2.9	(95.7)
Cash significant items	(28.9)	(15.0)	(13.6)	-	-	(21.6)	(79.1)
(Increase) / decrease in working capital	(38.7)	(2.9)	(36.7)	1.2	2.4	(16.2)	(90.9)
Other items	**-**	**-**	**-**	**-**	-	8.7	8.7
Operating cash flow	**66.4**	**97.9**	**75.8**	**22.4**	**30.3**	**(148.3)**	**144.5**
Dividends Paid	-	-	-	-	-	(129.3)	(129.3)
Free cash flow	**66.4**	**97.9**	**75.8**	**22.4**	**30.3**	**(277.6)**	**15.2**