News Release

15 February 2016

AMCOR ANNOUNCES INTERIM PROFIT RESULT

Highlights for half year ended 31 December 2015

- Profit after tax of US$305.5 million, including the negative translation impact from the higher US dollar of US$37 million;
- On a constant currency basis PAT was up 6.6% to US$342.6 million[1];
- Earnings per share (EPS) was 26.2 cents. On a constant currency basis, EPS was up 10.2% to 29.3 cents[1]. This includes the benefit of a 3.2% reduction in the weighted average number of shares on issue, following completion of a US$500 million share buy-back during the period;
- Returns, measured as profit before interest and tax to average funds employed of 20.2%[1];
- Operating cash flow, after net capital expenditure, of US$101.9 million[2]; and
- Dividend per share (DPS) of 19.0 US cents. Paid as 26.7 AUD cents, up 9.5%.

(US$ million)	1H15	1H16	△%	Constant Currency △%
Sales revenue	4,809.0	4,547.7	(5.4)	3.3
PBITDA	701.9	664.3	(5.4)	4.2
PBIT	518.8	489.0	(5.7)	4.3
PAT	**321.3**	**305.5**	**(4.9)**	**6.6**
EPS (US cents)	26.6	26.2	(1.5)	10.2
Operating cash flow[2]	103.0	101.9	(1.1)	
Cash from operating activities	205.0	263.2	28.4	

Key ratios	1H15	1H16
PBIT/Average funds employed (%)[1]	19.2	20.2
PBIT/Sales (%)	10.8	10.8
Net PBITDA interest cover (times)	7.9	8.9
Net debt / PBITDA (times)	2.1	2.5
DPS (US cents)	19.0	19.0

Refer to page 10 for definitions of various measures used within this news release.

(1) Certain non-IFRS financial information has been presented within this news release. 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 average funds employed and adjusted PBIT, have not been extracted from Amcor's interim financial report and have not been subject to review by the auditors.

(2) Operating cash flow is after capital expenditure and proceeds from sale of property, plant and equipment. Refer note (a) "operating cash flow" on page 10 for further information.

Amcor has released to the Australian Securities Exchange a presentation on its financial results for the half year ended 31 December 2015. This is available at www.amcor.com

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Financial result

Consolidated Income (US$ million)	1H15	1H16
Sales revenue	**4,809.0**	**4,547.7**
PBITDA	701.9	664.3
- Depreciation and amortisation	(183.1)	(175.3)
PBIT	518.8	489.0
- Net finance costs	(91.8)	(78.2)
Profit before tax	**427.0**	**410.8**
- Income tax expense	(91.7)	(88.3)
- Non-controlling interest	(14.0)	(17.0)
Profit after tax	**321.3**	**305.5**

Consolidated balance sheet (US$ million)	30/06/15	31/12/15
Current assets	3,413.0	3,126.5
Property, plant and equipment	2,566.7	2,484.7
Intangible assets	1,845.3	1,899.7
Investments and other assets	722.1	666.2
Total assets	**8,547.1**	**8,177.1**
Current interest-bearing liabilities	1,012.7	1,395.3
Non-current interest-bearing liabilities	2,572.6	2,617.3
Payables, provisions and other liabilities	3,374.8	2,945.3
Total equity	1,587.0	1,219.2
Total liabilities and equity	**8,547.1**	**8,177.1**

Operating cash flow (US$ million)	1H15	1H16
PBITDA	701.9	664.3
Net interest paid	(72.8)	(56.9)
Income tax paid	(69.8)	(91.4)
Capital expenditure	(156.3)	(162.2)
Movement in working capital	(325.0)	(264.0)
Other	25.0	12.1
Operating cash flow	**103.0**	**101.9**
Dividends and other equity distributions	(253.2)	(257.4)
Free cash flow	**(150.2)**	**(155.5)**
Acquisitions / divestments	(40.9)	(137.6)
Share buy-back / other movements in share capital	(55.2)	(280.3)
Foreign exchange rate changes and hedges / other	5.3	(138.0)
Increase in net debt [(1)]	**(241.0)**	**(711.4)**

(1) Refer note (c) "movement in net debt" on page 10 for further information.

Exchange rate sensitivity

For the half year ended 31 December 2015, the negative impact on profit after tax of translating non US dollar earnings into US dollars for reporting purposes was approximately US$37 million. Of this amount, approximately US$14 million reflects a 16% increase in the average exchange rate for the US dollar against the Euro, from 0.7767 in the prior half year to 0.9063 in the current half year. The remaining US$23 million reflects an 18% increase in the weighted average exchange rate for the US dollar against all other currencies.

Net debt and net finance costs

Net debt was US$3,523.6 million at 31 December 2015, and leverage, measured as net debt over PBITDA was 2.5 times.

During the half year ended 31 December 2015, the following refinancings were completed:

- a US$425 million syndicated multi-currency facility due to mature in August 2015 was refinanced for five years and increased to US$565.4 million; and
- a US$615 million syndicated multi-currency facility due to mature in October 2016 was extended for two years and increased to US$776.6 million.

The next sizeable refinancing is in December 2016 with a US$275 million United States Private Placement borrowing due to mature.

Dividend

The Directors declared an unfranked interim dividend for 2016 of 19.0 US cents per share, in line with the 2015 interim dividend.

The dividend will be paid in Australian dollars, and the amount received will be 26.7 cents, which is 9.5% higher than the 2015 interim dividend payment. The payment of 26.7 cents reflects the dividend declared in US dollars converted at an exchange rate of 0.7109. This rate reflects the average exchange rate over the five days ending 8 February 2016.

100% of the dividend is sourced from the Conduit Foreign Income Account. The ex-dividend date will be 23 February 2016, the record date will be 25 February 2016 and the payment date will be 22 March 2016.

Share buy-back

On 20 October 2015, Amcor completed the US$500 million on-market share buy-back announced on 17 February 2015. 48.5 million shares were bought back at an average price of A$13.74. This represents 4.0% of the total number of shares on issue at the time the buy-back was announced.

The buy-back resulted in a 3.2% reduction in the weighted average number of shares used to calculate earnings per share for the half year ended 31 December 2015.

Conference call

Amcor is hosting a conference call with investors and analysts to discuss these results today, February 15, 2016 at 11:30 am AEDT. Investors are invited to listen to a live audiocast of the conference call at our website, www.amcor.com in the “Investors” section. A replay of the audiocast will also be available on our website within 24 hours.

Segment information

	1H15			1H16		
Segment analysis (US$ million)	**Sales revenue**	**PBIT**	**ROAFE%**	**Sales revenue**	**PBIT**	**ROAFE%**
Flexibles	3,246.2	396.6	24.4	2,985.9	354.2	24.6
Rigid Plastics	1,562.8	139.1	17.4	1,561.8	153.5	20.3
Investments / Other / Intersegment	-	(16.9)		-	(18.7)	
TOTAL	**4,809.0**	**518.8**	**19.2**	**4,547.7**	**489.0**	**20.2**

Flexibles

The Flexibles segment includes the Flexibles Europe, Middle East and Africa, Flexibles Americas, Flexibles Asia Pacific and Tobacco Packaging businesses.

Earnings	1H15 US$ mill	1H16 US$ mill	Change %	1H15 € mill	1H16 € mill	Change %	Constant Currency change %
Sales revenue	3,246	2,986	(8.0)	2,521	2,706	7.3	4.5
PBIT	396.6	354.2	(10.7)	308.1	321.0	4.2	3.0
Adjusted PBIT(1)	**384.8**	**354.2**	**(8.0)**	**298.9**	**321.0**	**7.4**	**6.1**
Adjusted operating margin (%)	11.9	11.9		11.9	11.9		
Average funds employed	3,256	2,881	(11.5)	2,529	2,611	3.2	
PBIT/AFE (%)	**24.4**	**24.6**		**24.4**	**24.6**		
USD:Euro average exchange rate	0.78	0.91					

Cash flow	US$ mill 1H15	US$ mill 1H16	€ mill 1H15	€ mill 1H16
PBITDA	508.4	458.2	394.8	415.3
Capital Expenditure	(76.2)	(100.9)	(59.2)	(91.5)
Movement in Working Capital	(158.9)	(59.1)	(123.4)	(53.5)
Other	42.3	0.5	32.9	0.4
Operating cash flow	**315.6**	**298.7**	**245.1**	**270.7**

(1) 1H15 earnings adjusted to reflect a one off gain of €9.2 million related to the sale of excess land in Turkey. This one off gain was disclosed at the first half last year.

The Flexibles segment had a solid half year with adjusted constant currency PBIT up 6.1%.

This 6.1% increase reflects higher demand in the tobacco packaging business as customers built inventories ahead of tax increases and regulatory changes, benefits from prior period acquisitions and strong organic growth in emerging markets. Underlying demand in developed markets remained subdued and there was an unfavourable impact on earnings from movements in the Swiss Franc against the Euro of approximately €7 million.

Operating margins were in line with the prior period after adjusting for a one off gain of €9.2 million related to the sale of excess land in Turkey. Margins for the half year were negatively impacted by acquired businesses.

Returns, measured as PBIT over average funds employed, increased to 24.6%.

Flexibles Europe, Middle East and Africa

The Flexibles Europe, Middle East and Africa business sells into the defensive end market segments of food and healthcare. The major end markets served, making up approximately 95% of sales, are pharmaceutical, snacks and confectionery, cheese and yoghurt, fresh produce, beverage, pet food as well as wine and spirit closures.

The business had a good half year with sales and earnings higher than the prior year in constant currency terms. This reflects growth in Eastern Europe and strong cost control. Demand in developed markets remained stable.

In the European region, volumes were higher in the capsules, cheese and single serve coffee segments. Pet food and confectionery, particularly in Eastern Europe, experienced strong growth. This was offset by weakness in the liquid beverage and multi-serve coffee segments.

The overall business remained focused on innovation and simplification to significantly enhance the customer value proposition and improve product mix. Costs and operating efficiencies improved during the half and there are opportunities to further improve performance in these areas going forward.

On 1 July 2015 the ZAR 250 million (US$22 million) acquisition of Nampak Flexibles was completed. The business, renamed Amcor Flexibles South Africa, is the market leader in South Africa and generates revenue of approximately ZAR 1.1 billion (US$94 million) from the sale of flexible packaging for the beverage, food and home care end markets. The business services many of Amcor's existing global customers and provides a platform for growth in the African region.

Flexibles Americas

The Flexibles Americas business produces flexible packaging for customers in the medical and pharmaceutical, fresh produce, snack food and personal care segments.

The business performed well during the half with earnings higher than last year in constant currency terms. Strong cost improvement and operating efficiencies offset subdued demand in some end markets.

In North America, there was some weakness in the medical segment and volumes were lower than the prior year. Within the specialty food end markets, the trend towards high barrier packaging for organic, fresh or additive free products continues.

In South America, Amcor's business is focused on the medical, pharmaceutical and food segments. This is a high growth region for flexible packaging and there are a number of opportunities for the business to accelerate growth.

On 31 December 2015, the US$45 million acquisition of Deluxe Packages was completed. The business operates one well invested manufacturing plant with attractive technologies, capabilities and highly skilled co-workers in Yuba City, California. Revenues of approximately US$42 million are generated from the supply of high performance flexible packaging products to customers in the fresh food and snack food segments. This acquisition will enhance growth in priority segments by strengthening Amcor's customer value proposition with a combined east and west coast footprint.

Flexibles Asia Pacific

The Flexibles Asia Pacific business has 40 plants in eight countries throughout the region. The business performed well during the half year against a backdrop of challenging economic conditions in many of its key markets.

In China, the business has benefited from prior period acquisitions, with the Jiangsu Shenda and Zhongshan TianCai businesses delivering strong earnings growth during the half. However, organic growth has remained challenging over the last 12 months. The business experienced considerable customer destocking that adversely impacted demand in the December 2014 and March 2015 quarters. Since that time, demand has improved on a sequential basis and volumes in the current half year were higher than the June 2015 half. Despite this trend, volumes remained below the same period last year although margins have been maintained.

The businesses in Singapore, India and Indonesia have performed well achieving strong volume growth. The results for Indonesia and India also benefited from the acquisitions of Bella Prima Packaging and Packaging India Private Limited respectively. The business in Thailand was adversely impacted by weaker demand due to ongoing economic difficulties in that country.

On 13 July 2015, the INR 1,650 million (US$26 million) acquisition of Packaging India Private Limited (PIPL) was completed. PIPL generates sales of approximately INR 2,500 million (US$40 million) from three plants located in the North and South of India and produces flexible packaging predominately for the food and personal care markets. This acquisition provides an opportunity for the business to further expand its customer base and value proposition in the high growth Indian market.

Construction of a new flexibles packaging plant in the Philippines is expected to be completed in the June 2016 half year. This greenfield plant will be dedicated to a large multinational customer in the fast moving consumer goods segment, and provides an excellent opportunity to further expand the business in the Philippines and continue to improve the customer value proposition in the high growth South East Asian region.

Overall demand in the Australian market remained subdued during the half year. The recently acquired Detmold business continues to perform well and is delivering to expectations. The performance of the business in New Zealand has improved significantly following the implementation of a comprehensive improvement plan in the last financial year, and earnings were higher during the half which reflects improved mix and strong cost performance.

Tobacco Packaging

The Tobacco Packaging business had a particularly strong half year with earnings higher than the same period last year.

As the leader in product innovation and the only manufacturer with a global footprint, the business is well positioned to support customers as they focus on premiumisation of brands, growth in emerging markets and cost improvement initiatives. The business continues to secure additional volumes for higher value-add cartons across multiple regions.

Volumes in Europe were significantly higher as customers increased inventories during the half year. In Russia and Turkey demand was higher ahead of tax increases that came into effect on 1 January 2016, and across European Union member states, demand has increased ahead of the second Tobacco Packaging Directive coming into effect in May 2016. Across the European region, it is anticipated there will be a period of customer destocking and hence lower volumes in the June 2016 half year.

In the Americas earnings were lower than last year reflecting lower volumes and higher operating costs.

On 1 September 2015, the BRL 98 million (US$30 million) acquisition of Souza Cruz's internal tobacco packaging operations in Brazil was completed. Souza Cruz is majority-owned by British American Tobacco plc and is the market leader in the Brazilian cigarette market. This investment is supported by a long-term supply agreement between Amcor and Souza Cruz and annual sales are expected to be approximately BRL 200 million (US$63 million).

In Asia, the business had an excellent half year driven by industry growth and market share gains. The business was successful in securing new volumes for a multinational customer within the Philippines market in the June 2015 half year. Capital works on a new greenfield plant in Indonesia commenced during the year. The new plant will supply both existing and new customers and better position the business to be awarded additional new volumes. It is expected construction of the plant will be completed in the June 2016 half year.

Outlook

The full year earnings outlook for the flexibles business has marginally improved compared with the guidance given in August 2015. The business is expected to deliver modest constant currency earnings growth in the 2015/16 year, compared with PBIT of €652.1 million in the 2014/15 year.

For the December 2015 half, tobacco packaging volumes were significantly higher due to customers increasing inventories. It is expected a period of customer destocking will occur over the next six months, and tobacco packaging volumes in the June 2016 half year are expected to be lower than the same period last year.

Rigid Plastics

Earnings	1H15 US$ mill	1H16 US$ mill	Change %
Sales revenue	1,563	1,562	(0.1)
PBIT	**139.1**	**153.5**	**10.4**
Operating Margin (%)	8.9	9.8	
Average funds employed	1,599	1,513	(5.4)
PBIT/AFE (%)	**17.4**	**20.3**	

Cash flow	1H15	1H16
PBITDA[1]	207.1	220.0
Capital Expenditure	(75.7)	(53.2)
Movement in Working Capital	(177.6)	(212.6)
Other	25.2	0.0
Operating cash flow	**(21.0)**	**(45.8)**

(1) Includes share of net profit of equity accounted investments.

The Rigid Plastics business had an outstanding half year with PBIT of US$153.5 million, 10.4% higher than the prior period.

Returns, measured as PBIT over average funds employed increased from 17.4% to 20.3%.

Sales revenue for the business remained in line with the previous year at US$1,562 million. For the half year, the average cost of PET resin was lower than the same period last year negatively impacting reported sales.

North America Beverage

The North American Beverage business had a strong half year achieving higher earnings than the same period last year. This reflects higher volumes and strong cost performance, partly offset by unfavourable product mix.

Excluding the acquired Encon business, total organic volume growth was 9.6% compared with last year. The business benefited from the full period impact of market share gains secured during the 2015 financial year and also won additional spot volumes during the half. In addition there was strong market demand for the PET container format. The business was also successful in increasing share with regional customers following investment over the past two years in manufacturing platforms targeting smaller run volumes.

In the hot-fill custom beverage segment, organic volume growth was 7%, with good growth in value-add speciality containers for isotonics and iced tea in particular.

In the carbonated soft drink and water segment, organic volume growth was 11%.

On 28 October 2015, the US$55 million acquisition of Encon, a privately owned preform manufacturing business in the United States was completed. The business operates from four manufacturing sites, producing the majority of preforms from one large scale plant located in Dayton, Ohio. The business generates revenues of approximately US$110 million servicing both existing and new customers. Given the manufacturing overlap, the acquisition will deliver considerable operating synergies and generate strong returns. It is expected that integration costs of approximately US$3 million will be incurred in the June 2016 half year.

North America Diversified Products

The Diversified Products segment consists of rigid plastic containers predominately for the pharmaceutical / healthcare, food, alcoholic beverage and personal care / homecare markets.

The business had a good half and delivered higher earnings compared with last year. This reflects volume growth in attractive markets, favourable product mix and improvements in operating costs.

Latin America

The Latin American operations performed well and earnings were higher than the same period last year. This reflects the benefit of higher volumes partly offset by negative mix.

Volumes were 8.7% higher than last year, driven by market growth in several countries and new business wins, particularly in Brazil. Difficult economic conditions resulted in modest volume declines in Argentina.

Economic conditions in Venezuela have deteriorated during the period and this has impacted the business environment. As a result, Amcor elected to change the rate it used to consolidate earnings for the half into US dollars from 6.3 Bolivars to the US dollar to 13.5 Bolivars to the US dollar. The negative impact on earnings of this change in translation rate for the half has been offset by higher selling prices.

Bericap

The Bericap North America joint venture is managed and reported within the Rigid Plastics segment. This business produces plastic closures for beverage containers and has plants in Ontario, Canada, and in California and South Carolina in the United States.

The business achieved higher earnings and sales than the same period last year which reflects higher volumes.

Outlook

The full year earnings outlook for the Rigid Plastics business has improved compared with the guidance given in August 2015. The business is expected to achieve strong earnings growth in the 2015/16 year.

The following factors are expected to influence earnings for the second half of the 2016 financial year:

- continued growth in Latin America notwithstanding the challenging conditions in Venezuela, Brazil and Argentina;
- continued solid volume growth in North America although at rates lower than those achieved in the December 2015 half year. This reflects timing of market share gains and lower spot volumes relative to the June 2015 half; and
- integration costs associated with the Encon acquisition of approximately US$3 million.

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Investments / Other

PBIT	1H15 US$ mill	1H16 US$ mill
AMVIG	14.5	11.5
Corporate costs	(31.4)	(30.2)
Total	**(16.9)**	**(18.7)**

Investments / Other include corporate costs and equity accounted earnings from the 48% interest in the Hong Kong publicly listed company AMVIG Holdings Limited (AMVIG).

As AMVIG typically releases its financial results after Amcor, profit reported by Amcor will reflect management's best estimate of earnings for the most recent six month period. Any true up adjustment required following the announcement of AMVIG's profit is taken up by Amcor in the subsequent half year period. A favourable true up adjustment of US$3.1 million was included in the first half result for last year and was disclosed in February 2015.

For the 2015/16 year, corporate costs are expected to be in the range of US$70-US$75 million taking into current exchange rates.

Cash flow

1H16 (US$ million)	Flexibles	Rigid Plastics	Investments / Other	Consolidated
PBITDA[(1)]	458.2	220.0	(13.9)	664.3
Capital Expenditure	(100.9)	(53.2)	(8.1)	(162.2)
(Increase)/decrease in working capital	(59.1)	(212.6)	7.7	(264.0)
Other items	0.5	0.0	11.5	12.0
Interest			(56.8)	(56.8)
Tax			(91.4)	(91.4)
Operating cash flow	**298.7**	**(45.8)**	**(151.0)**	**101.9**

(1) Includes share of net profit of equity accounted investments.

Appendix information

The following financial acronyms have been used within this announcement:

PAT	Profit after tax. Within Amcor's interim financial report, PAT equals Profit for the financial period attributable to owners of Amcor Limited.
PBIT	Profit before interest and tax. Within Amcor's interim financial report, PBIT equals Profit from operations.
PBITDA	Profit before interest, tax, depreciation and amortisation. PBITDA is derived by deducting Depreciation and Amortisation of intangible assets extracted from Amcor's interim financial report from PBIT.
AFE	Average funds employed.
ROAFE	Return on Average funds employed, calculated as PBIT over Average funds employed.
EPS	Earnings per share.
IFRS	International Financial Reporting Standards
DPS	Dividend per share

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

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

	US$ million	
	1H15	**1H16**
Operating cash flow	103.0	101.9
Capital expenditure	156.3	162.2
Proceeds from sale of PP&E	(68.8)	(1.5)
Other items	14.5	0.6
Cash flow from operating activities	205.0	263.2

(b) **Free cash flow** is Operating cash flow (refer note (a) above) less dividends paid during the period calculated in accordance with IFRS and extracted from Amcor's interim financial report.

(c) **Movement in net debt** is reconciled to the net increase in cash held calculated in accordance with IFRS and extracted from Amcor's interim financial report as follows:

	1H15 US$ million	**1H16 US$ million**
Proceeds from borrowings	(2,503.3)	(3,594.0)
Repayment of borrowings	2,414.7	3,126.0
Net decrease in cash held	(146.9)	(103.6)
Effects of exchange rate changes on cash and cash equivalents	(7.1)	(140.1)
Other items	1.6	0.3
Increase in net debt	(241.0)	(711.4)