News Release

AMCOR ANNOUNCES RESULT FOR THE YEAR ENDED 30 JUNE 2017

Statutory profit for the year ended 30 June 2017 was US$597.0 million.

Underlying profit(1) for the year ended 30 June 2017 was US$701.2 million.

Highlights - underlying earnings unless otherwise indicated(1)(2)

- Profit after tax (PAT) of US$701.2 million up 9.6%(3) on a constant currency basis;
- Earnings per share (EPS) of 60.6 US cents, up 10.1%(3) on a constant currency basis;
- Strong returns, measured as profit before interest and tax to average funds employed of 20.4%;
- Strong free cash flow of US$245.3 million(4); and
- Annual dividend per share increased to 43.0 US cents.

Strong result for the 2017 financial year

Amcor's CEO Mr Ron Delia said: "Amcor's strong full-year results reflect the progress we have made on our strategic investments and the benefits of our broad mix of geographic exposures. Underlying PBIT and EPS grew 9 and 10 percent respectively on sales growth of 4 percent for the year, and cash flow was at the high end of our expectations.

"Balanced earnings growth from a variety of sources again demonstrated the resilience of Amcor's business and management teams. Earnings were up strongly in both the Flexibles and Rigid Plastics segments, driven by organic growth and acquisitions. Across developed markets, earnings grew at rates which exceeded overall market growth. In emerging markets, we delivered increased earnings in the face of difficult conditions in several countries.

"Important progress was made against our strategic priorities with investments in the Alusa and Sonoco acquisitions and the proactive restructuring initiatives in the Flexibles segment. Together, these investments contributed around US$60 million to PBIT and they will underpin more than US$100 million of additional PBIT growth over the next three years, in addition to organic growth and further M&A.

"Our cash flow and balance sheet remain strong, enabling us to continue to reinvest in the business and to increase the dividend paid to shareholders. Looking forward, Amcor has substantial growth potential. We have significant opportunities to increase our presence and scale in attractive market segments where we are underrepresented today, and a strong track record of generating long term value from these types of opportunities.

"We expect another strong year in 2018, with after tax earnings growth in constant currency terms and strong cash flow. Amcor remains very well positioned to continue delivering against our value proposition for shareholders – the consistent delivery of 10 to 15 percent of additional value each year."

Key financials and ratios(1)(2)

Financials (US$ million)	2016	2017	△%	Constant Currency △%	Constant currency △% ongoing operations(3)
Sales revenue	9,421.3	9,101.0	(3.4)	(2.0)	4.4
PBITDA	1,409.3	1,447.0	2.7	4.2	7.2
PBIT	1,055.3	1,088.2	3.1	4.8	8.6
PAT	**671.1**	**701.2**	**4.5**	**6.6**	**9.6**
EPS (US cents)	**57.7**	**60.6**	**5.0**	**7.1**	**10.1**
Statutory PAT	244.1	597.0			
Statutory EPS (US cents)	21.0	51.6			
Free cash flow(4)	311.2	245.3			
Cash from operating activities	1,099.4	1,027.4			

Ratios	2016	2017
Return on funds employed %	21.6	20.4
PBIT Margin %	11.2	12.0
Interest cover, times	8.4	7.8
Leverage, times(5)	2.6	2.7
Annual dividend per share (US cents)	41.0	43.0

Refer to page 10 for relevant footnotes and definitions of various measures used within this news release. Amcor has released to the Australian Securities Exchange a presentation on its financial results for the year ended 30 June 2017. This is available at www.amcor.com

22 August 2017

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Financial result

Consolidated income

(US$ million)	2016	2017
Sales revenue	**9,421.3**	**9,101.0**
PBITDA	1,409.3	1,447.0
- Depreciation and amortisation	(354.0)	(358.8)
PBIT	1,055.3	1,088.2
- Net finance costs	(166.8)	(187.0)
Profit before tax	**888.5**	**901.2**
- Income tax expense	(187.9)	(183.0)
- Non-controlling interest	(29.5)	(17.0)
Profit after tax	**671.1**	**701.2**

Consolidated balance sheet

(US$ million)	30/06/16	30/06/17
Current assets	3,193.1	3,286.5
Property, plant and equipment	2,690.9	2,765.3
Intangible assets	2,102.1	2,409.3
Investments and other assets	696.0	622.2
Total assets	**8,682.1**	**9,083.3**
Current interest-bearing liabilities	916.7	1,124.6
Non-current interest-bearing liabilities	3,428.4	3,486.4
Payables, provisions and other liabilities	3,491.5	3,580.8
Total equity	845.5	891.5
Total liabilities and equity	**8,682.1**	**9,083.3**

Consolidated operating cash flow

(US$ million)	2016	2017
PBITDA	1,409.3	1,447.0
Net interest paid	(153.4)	(176.7)
Income tax paid	(170.3)	(160.2)
Capital expenditure	(348.9)	(379.2)
Movement in working capital	37.2	159.0
Flexibles segment restructuring[1]	-	(98.1)
Other	17.6	(57.4)
Operating cash flow	**791.5**	**734.4**
Dividends and other equity distributions	(480.3)	(489.1)
Free cash flow	**311.2**	**245.3**
Acquisitions / divestments	(496.6)	(336.2)
Venezuela adjustment [3]	(184.2)	-
Share buy-back / other movements in share capital	(309.6)	(60.0)
Foreign exchange rate changes, hedges and other	(170.5)	(19.5)
Cash increase in net debt [2]	**(849.7)**	**(170.4)**

(1) Refer page 4 for further information.
(2) Refer note (c) "movement in net debt" on page 11 for further information.
(3) Related to cash balance at 30 June 2016.

Exchange rate impact

For the year ended 30 June 2017, the negative impact on profit after tax of translating non US dollar earnings into US dollars for reporting purposes was approximately US$14 million. Of this amount, approximately US$4 million reflects a 2% appreciation of the average exchange rate for the US dollar against the Euro, from 0.9011 in the prior year to 0.9180 in the current year. The remaining US$10 million reflects a 4% appreciation in the weighted average exchange rate for the US dollar against all other currencies.

Net debt and net finance costs

Net debt was US$4,049.5 million at 30 June 2017, US$235.7 million lower than net debt at 31 December 2016. Leverage, measured as net debt over LTM PBITDA was 2.7 times at 30 June 2017.

There are no significant debt maturities occurring in the next 12 months. The next refinancing is in December 2017 with a US$100 million United States Private Placement borrowing due to mature.

Net financing costs of US$187.0 million were in line with expectations for the year and higher than the prior period. The increase reflects higher acquisition related average debt balances in the current year.

Dividend

The Directors declared an unfranked final dividend for 2017 of 23.5 US cents per share. This brings the annual dividend to 43.0 US cents per share, 2.0 US cents higher than the 2016 annual dividend.

The final dividend will be paid in Australian dollars and will be 29.85 cents. This reflects the dividend declared in US dollars converted at an exchange rate of 0.7872. This rate is the average exchange rate over the five days ending 15 August 2017.

100% of the dividend is sourced from the Conduit Foreign Income Account. The ex-dividend date will be 4 September 2017, the record date will be 5 September 2017 and the payment date will be 28 September 2017.

Outlook commentary for 2017/18 financial year

Outlook comments for the Flexibles and Rigid Plastics segments are included on pages 6 and 8 respectively. Guidance for corporate costs is included on page 9.

In addition, for the 2017/18 financial year:

- net interest costs are expected to be between US$185 million and US$195 million, in constant currency terms. Cash interest paid is expected to be in line with the profit and loss charge;
- the effective tax rate is expected to be between 21% and 23%. Cash tax payments are expected to be between 85% and 95% of the profit and loss charge; and
- free cash flow is expected to be between US$150 million and US$250 million, after taking into account approximately US$60 million to US$65 million of cash payments related to the Flexibles segment restructuring initiatives announced on 9 June 2016. Refer to page 11 for further details of the Flexibles segment restructuring.

Conference call

Amcor is hosting a conference call with investors and analysts to discuss these results today, 22 August 2017 at 11:30 am AEST. 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[1]

(US$ million)	2016 Sales revenue	2016 PBIT	2016 Return on funds employed %	2017 Sales revenue	2017 PBIT	2017 Return on funds employed %
Flexibles	6,065.9	755.9	25.8	6,226.5	804.7	24.4
Rigid Plastics	3,357.3	352.5	23.3	2,876.7	342.7	20.3
Investments / Other / Intersegment	(1.9)	(53.1)		(2.2)	(59.2)	
TOTAL	**9,421.3**	**1,055.3**	**21.6**	**9,101.0**	**1,088.2**	**20.4**

Cash flow 2017 (US$ million)	Flexibles	Rigid Plastics	Investments / Other	Consolidated
PBITDA	1,024.6	471.7	(49.3)	1,447.0
Capital expenditure	(219.4)	(157.6)	(2.2)	(379.2)
Movements in working capital	103.6	47.1	8.3	159.0
Flexibles segment restructuring[2]	(95.1)	-	(3.0)	(98.1)
Other	49.5	12.2	(119.1)	(57.4)
Interest	-	-	(176.7)	(176.7)
Tax	-	-	(160.2)	(160.2)
Operating cash flow	**863.2**	**373.4**	**(502.2)**	**734.4**

(1) Refers to underlying result. Underlying result is defined and reconciled on page 10.
(2) Cash spend related to restructuring initiatives within the Flexibles reporting segment. Refer page 4 for further information.

Flexibles

Earnings	2016 US$ mill	2017 US$ mill	△%	2016 € mill	2017 € mill	△%	Constant Currency △%
Sales revenue	6,066	6,227	2.6	5,466	5,716	4.6	4.4
PBIT[(1)]	**755.9**	**804.7**	**6.5**	**681.2**	**738.8**	**8.5**	**8.2**
PBIT Margin (%)	12.5	12.9		12.5	12.9		
Average funds employed	2,934	3,300		2,643	3,029		
Return on funds employed (%)	**25.8**	**24.4**		**25.8**	**24.4**		

Cash flow					
PBITDA	965.1	1,024.6		869.7	940.6
Capital expenditure	(215.2)	(219.4)		(193.9)	(201.4)
Movement in working capital	92.1	103.6		83.0	95.1
Flexibles segment restructuring	-	(95.1)		-	(87.3)
Other	0.2	49.5		0.1	45.4
Operating cash flow	**842.2**	**863.2**		**758.9**	**792.4**
USD:Euro average exchange rate	0.90	0.92			

(1) Represents underlying PBIT. This is defined and reconciled on page 10.

The Flexibles segment delivered PBIT of €738.8 million, up 8.2% in constant currency terms compared with the prior period. This strong earnings growth reflects benefits from acquisitions and restructuring initiatives along with modest organic growth across the segment.

Operating margins expanded 40 basis points to 12.9%, and returns remained strong at 24.4%.

Flexibles segment restructuring

In the context of a protracted low growth environment in developed markets, on 9 June 2016 Amcor announced initiatives to optimise the cost base and drive earnings growth in the Flexibles segment. The initiatives are designed to accelerate the pace of adapting the organisation through:

- footprint optimisation to better align capacity with demand, increase utilisation and improve the cost base; and
- streamlining the organisation and reducing complexity, particularly in Europe, to enable greater customer focus and speed to market.

Since 9 June 2016, Amcor has announced eight plant closures and an overhead cost reduction initiative.

Execution and progress under individual closure and restructuring plans has been outstanding and PBIT in the second half of the 2016/17 financial year includes a benefit of US$15 million (€14 million). This is at the upper end of the range expected for the 2016/17 financial year, outlined at the time of the original announcement.

Total benefits to be generated by the end of the 2018/19 financial year are now expected to be approximately US$50 to US$60 million, an increase of US$10 million or more than 20% compared with original expectations. Total benefits continue to represent a return of 35% on the total cash to be invested of approximately US$160 million. Total costs (cash and non-cash) expensed in relation to all initiatives have been approximately US$180 million after tax, and have been excluded from underlying earnings. There are no further expenses expected to impact profit and loss in relation to these restructuring initiatives.

Refer to page 11 for further information, including phasing of costs and expected benefits.

Flexibles Europe, Middle East and Africa

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

The business had a strong year of earnings growth. In constant currency terms sales were modestly higher than last year, cost performance in the business was exceptional and product mix continued to improve. Earnings also improved through benefits delivered under the Flexibles restructuring program.

By end market, volumes were higher across a broad range of high value add end markets including the pharmaceutical, medical, pet food, ambient ready meal, dairy and culinary segments. Growth in these segments was offset by weaker volumes in the bakery and snack food segments.

In the wine and spirit closures segment, strong growth continues to be underpinned by a strategically located plant network and innovative product offering.

Flexibles Americas

The Flexibles Americas business sells into the defensive food and healthcare market segments and has a wide range of organic and acquisition growth opportunities across North and South America. In the last 18 months, combining legacy operations with the acquired Alusa and Deluxe Packages businesses has created a strong platform for continued growth, in a region that accounts for approximately 30% of global flexible packaging consumption.

Earnings for the year were higher than the prior period reflecting a combination of benefits from recently acquired businesses and organic growth.

Additional earnings of approximately US$32 million were delivered from the recently acquired Alusa business. This is inclusive of incremental base earnings along with synergy benefits net of integration costs. The integration team has delivered synergy benefits which have exceeded expectations, offsetting the impact of weaker market conditions in South America. Overall the contribution from the Alusa business was in line with expectations for the 2016/17 financial year.

Sales revenue and volumes from the legacy business in North America was higher than the prior year. This was partly offset by investments in capabilities to support future growth in a business that has doubled sales in the last 18 months.

Recently acquired business

The US$435 million acquisition of Alusa, the largest flexible packaging business in South America, was completed on 1 June 2016. The business has four plants, one in each of Chile, Peru, Argentina and Colombia. It has a broad range of capabilities including film extrusion, flexographic and gravure printing and lamination and produces flexible packaging for food, personal care and pet food applications. A large number of Amcor's multinational customers operate in South America, and this acquisition significantly improves our ability to support their needs and to grow with them in these markets. This acquisition is expected to add approximately US$65 million of PBIT to Amcor's Flexibles segment at the end of the third year of ownership (2018/19 financial year).

Flexibles Asia Pacific

The Flexibles Asia Pacific business has 37 plants in eight countries throughout the region and sells into the defensive food and healthcare market segments.

Sales revenue and volumes were higher across Asia, operating cost performance was strong in all business units, and there were benefits delivered under the Flexibles restructuring program. However, market conditions remained subdued in Australia and New Zealand and sales were lower in these markets. In addition, the business experienced integration costs of approximately US$3 million related to the newly acquired business in Hebei, China, and planned start-up costs at the new greenfield plant in the Philippines. In constant currency terms, overall earnings for the business were lower than last year.

The new flexibles packaging plant in the Philippines is now operational and fully staffed and volumes continued to ramp up through the 2016/17 financial year. This greenfield plant is dedicated to a large multinational customer in the fast moving food and beverage segment and provides an excellent opportunity to further expand the business in the Philippines and improve the customer value proposition in the important South East Asian region.

During the year an agreement was reached with another large multinational customer to build a dedicated greenfield plant in the high growth Indian market. This is an exciting development and provides an excellent opportunity to improve Amcor's product offering and strengthen the partnership with a key customer. The investment is underpinned by a long term contract. Construction commenced in the June 2017 half year and the plant is expected to be ready for commercial production in the first half of the 2018 calendar year.

Recently acquired business

The RMB185 million (US$28 million) acquisition of Hebei Qite Packing Co. Ltd was completed on 9 January 2017. Qite has one plant located in Hebei and generates sales of over RMB180 million from the sale of flexible packaging products to large domestic customers within the dairy and food segments. Once fully integrated the business will have an even stronger platform to grow in the strategically important Northern China region.

Tobacco Packaging

As the only manufacturer with a global footprint, the Tobacco Packaging business is very well positioned to support customers with high value specialty folding cartons as they focus on the premiumisation and differentiation of their brands across a range of end markets and regions. By offering exceptional service and world class product innovation capabilities, the business is able to continue adding value by securing new volumes and improving product mix. This has proven to be a consistent trend over many periods and continued in the current year with exciting new business wins in the ‘heat not burn tobacco’ and oral care segments.

The business experienced lower sales and earnings compared with the same period last year, mainly driven by lower volumes in Europe and Asia. This was partly offset by strong operating cost performance in all regions and benefits delivered under the Flexibles restructuring program.

In Western Europe, as expected, demand decreased across the European Union (EU) as customers reduced inventories ahead of the implementation of new tobacco packaging regulations (second EU Tobacco Packaging Directive) in May 2017. In Russia, customer demand weakened in the second half of the year following an increase in excise taxes.

The business in Asia performed well in an environment where customers lost share and markets were weak. The Philippines market in particular was impacted by these trends. The negative impact of lower volumes was partly offset by lower operating costs.

In the Americas, the business delivered strong earnings growth. Sales were in line with the prior year, with earnings growth driven by favourable product mix, strong operating cost performance in both North and South America and benefits delivered under the Flexibles restructuring program.

Outlook

In constant currency terms, the Flexibles segment is expected to deliver another year of strong PBIT growth in the 2017/18 financial year, compared with PBIT of €738.8 million achieved in the 2016/17 year. This outlook takes into account:

- incremental restructuring benefits of approximately US$25 million to US$30 million (approximately €23 million to €28 million). Refer to page 11 for further information regarding Flexibles segment restructuring initiatives;
- incremental net synergy benefits of US$10 million to US$15 million related to the Alusa acquisition. This amount is net of integration costs; and
- modest organic growth across the Flexibles segment.

In the first half of 2017/18, earnings will be impacted by integration costs of approximately US$5 million related to the Alusa and Hebei Qite businesses, and will also be dependent on raw material cost development, including the timing of recovering higher raw material costs experienced in the fourth quarter of 2016/17.

Rigid Plastics

Earnings	2016 US$ mill	2017 US$ mill	Reported △%	Ongoing operations[1] △%
Sales revenue	3,357	2,877	(14.3)	3.8
PBIT[2]	**352.5**	**342.7**	**(2.8)**	**8.6**
PBIT Margin (%)	10.5	11.9		
Average funds employed	1,512.1	1,690.0		
Return on funds employed (%)	**23.3**	**20.3**		

Cash flow	2016	2017
PBITDA	487.8	471.7
Capital expenditure	(125.0)	(157.6)
Movement in working capital	(65.2)	47.1
Other	3.4	12.2
Operating cash flow	**301.0**	**373.4**

(1) Refer page 10 for further information. **Commentary below regarding financial performance for the Rigid Plastics segment refers to underlying earnings for ongoing operations unless otherwise stated**.
(2) Represents underlying PBIT. This is defined and reconciled on page 10.

The Rigid Plastics business delivered PBIT of US$342.7 million during the year, up 8.6% compared with the prior year. This was a strong result given economic conditions in Latin America remained challenging through the year. Earnings growth reflects higher volumes, favourable sales mix and benefits from recently acquired businesses.

Sales for the period were moderately higher than the prior year, even after being negatively impacted by approximately US$50 million, as the business passed through lower average PET resin costs to customers during the year.

North America Beverage

The North American Beverage business had a strong year. The business achieved higher earnings than the same period last year, reflecting organic volume growth, favourable product mix and strong operating cost performance.

Total organic volume growth was 2.6% compared to last year, with hot fill container volumes increasing by 9%, and combined preform and cold fill container volumes modestly lower than the prior period. Strong growth in the hot fill segment was driven by a combination of market share gains and growth in underlying demand. The business also continued to increase share with regional customers, following investments in the unique 'Upstart' manufacturing platform and a dedicated and focused commercial team, to target the growing number of customers in this segment who require a tailored product and smaller run volumes.

Year on year volume growth slowed through the second half with volumes in the June 2017 quarter modestly lower than the June 2016 quarter. This reflects Amcor customers experiencing weaker volumes at the start of the North American summer season.

A new onsite facility, co-located with a key customer in Paris, Texas was commissioned during the year. This facility is dedicated to a large existing customer who participates in the fast moving food and beverage segments across the United States. This is an excellent example of the many opportunities available in the North America Beverage business to strengthen our value proposition for key customers.

North America Specialty Containers

The Specialty Containers business produces containers from multiple plastic materials for a variety of end markets, including pharmaceutical, healthcare, food, spirits and wine, personal care and homecare.

The ability to offer a broad range of products, materials and production technologies is an important enabler for success in these markets. Amcor's Specialty Containers business has developed several capabilities in-house and also acquired specialised technologies which broaden the product offering for customers, expand the addressable market and provide further differentiation. In the last 12 months the business has significantly increased annualised sales to more than US$700 million, inclusive of recent acquisitions. Looking forward, there are many opportunities to grow organically as well as to acquire additional complementary technologies and capabilities which unlock further growth in key sub-segments.

The business delivered higher earnings compared with last year, reflecting benefits from recently acquired businesses and organic growth driven by strong cost performance and favourable product mix. Benefits from recently acquired businesses include approximately US$12 million from the Sonoco acquisition, which is after deducting approximately US$4 million of integration costs.

Recently acquired business

On 8 November 2016, the US$280 million acquisition of the Sonoco Products Company's North American rigid plastics blow molding operations was completed. The business has six production sites in the United States and one in Canada, and generates annual sales of approximately US$210 million. This acquisition significantly enhances Amcor's product offering by adding more extensive extrusion blow molding and injection technologies, expertise in polyethylene, polypropylene and multi-layer containers, as well as additional decorating capabilities. This acquisition is expected to add approximately US$50 million of PBIT to Amcor's Rigid Plastics segment at the end of the third full year of ownership (2019/20 financial year). Additional growth opportunities underpinned by a broader product offering will further enhance returns on this acquisition beyond that timeframe.

Latin America

Economic conditions have continued to be challenging across the Latin American region. With deep long term experience in these markets, the business is well positioned to anticipate the unfavourable impacts on volumes and costs which arise through economic cycles and to adjust quickly.

Across the region volumes were 6.8% lower than last year. This mainly reflects lower volumes in Brazil, Colombia and Argentina. The businesses in Peru and Mexico continued to deliver good volume growth.

Overall earnings for the year were lower than the same period last year. The negative impact of lower volumes was partially offset by favourable product mix and strong cost performance.

Recently acquired business

On 3 May 2017, Amcor announced the expansion of its specialty container business in Latin America with the acquisition of Plasticos Team S.A.S. (Plasticos Team) from Team Foods Colombia S.A. (Team Foods). Plasticos Team has one stand-alone facility located in Guachene, Colombia and annual sales of approximately US$13 million, the majority of which comes from the manufacture and supply of preforms, thin wall containers and closures to Team Foods. Sales to Team Foods will continue under an exclusive long term supply agreement and the acquired business will also continue to supply other customers in the food, beverage and home care segments. This is an excellent example of opportunities that exist to facilitate customers exiting in-house but non-core packaging operations.

Bericap

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

The business delivered a solid increase in earnings compared with last year. This reflects favourable product mix with volume gains in hot fill applications and strong operating cost performance. The business continues to leverage strong relationships with customers and a broad range of innovative products.

The Bericap joint venture has commenced the setup of a new manufacturing facility in Cuautitlán, Mexico. This facility will manufacture closures for existing customers, and contracts for incremental volumes have been secured to underpin the initial investment. This is an exciting opportunity to establish a presence in one of the largest beverage markets in the world and will better position the Bericap joint venture for continued growth. The new facility is expected to be operational in the June 2018 half year.

Outlook

The Rigid Plastics segment is expected to deliver solid PBIT growth in the 2017/18 financial year, compared with PBIT of US$342.7 million achieved in the 2016/17 year. This outlook takes into account:

- modest organic growth in the businesses in North America;
- growth in Latin America, dependent on general economic conditions in the region which are expected to remain challenging; and
- an additional 5 months of acquired earnings from the Sonoco blow molding business. For the 2017/18 year, synergy benefits are expected to be offset by integration costs.
    - in the first half of the year, the net impact is expected to be an expense of approximately US$10 million.
    - in the second half of the year, the net impact is expected to be a benefit of approximately US$10 million.

In the first half of 2017/18, earnings will be impacted by integration costs related to the Sonoco acquisition and will be dependent on beverage volumes in the North American market through the balance of the summer.

Investments / Other

PBIT	2016 US$ mill	2017 US$ mill
AMVIG	18.2	15.0
Corporate costs	(71.3)	(74.2)
Total	**(53.1)**	**(59.2)**

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

Corporate costs of US$74.2 million were in line with expectations and include a one-off net benefit related to pension plans, which was partly offset by a one-off insurance claim in the December 2016 half year.

For the 2017/18 year, corporate costs are expected to be in the range of US$75 million to US$85 million taking into account current exchange rates.

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Footnotes and appendix information

Footnotes applicable to this announcement

(1) Throughout this document, references are to underlying earnings unless otherwise indicated. Underlying earnings are defined and reconciled below.
(2) 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 underlying earnings and average funds employed has not been audited but has been extracted from Amcor's audited financial statements. For a reconciliation of IFRS compliant statutory result for the period to underlying results see below.
(3) Growth in underlying earnings represents growth for ongoing operations. This has been adjusted to reflect the elimination of financial exposure to Amcor's business in Venezuela. As announced to the ASX on 9 June 2016, and detailed in Amcor's 2016 full year earnings release on 25 August 2016, a number of measures were taken at 30 June 2016 to eliminate Amcor's financial exposure to Venezuela, following a deterioration in economic conditions. As outlined in those documents, the full year negative impact for the 2016/17 financial year on PBIT is approximately US$40 million (unfavourable PAT impact of US$20 million) compared with 2015/16. The full year negative impact for the 2016/17 financial year on sales is approximately US$600 million compared with 2015/16. Growth has been adjusted to exclude the Venezuela impact as follows:

	Total Sales (US$m)			Total PBITDA (US$m)			Total PBIT (US$m)		
	FY16	FY17	Δ%	FY16	FY17	Δ%	FY16	FY17	Δ%
Underlying	9,421.3	9,101.0	(3.4)	1,409.3	1,447.0	2.7	1,055.3	1,088.2	3.1
Constant currency		9,232.4	(2.0)		1,468.3	4.2		1,106.2	4.8
Constant currency ongoing operations			**4.4**			**7.2**			**8.6**
	Total PAT (US$m)			**EPS (US cents)**					
	FY16	FY17	Δ%	FY16	FY17	Δ%			
Underlying	671.1	701.2	4.5	57.7	60.6	5.0			
Constant currency		715.4	6.6		61.8	7.1			
Constant currency ongoing operations			**9.6**			**10.1**			
	Rigid Plastics Sales (US$m)			**Rigid Plastics PBIT (US$m)**					
	FY16	FY17	Δ%	FY16	FY17	Δ%			
Underlying	3,357	2,877	(14.3)	352.5	342.7	(2.8)			
Constant currency		2,877	(14.3)		342.7	(2.8)			
Constant currency ongoing operations			**3.8**			**8.6**			

This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the ongoing business. Amcor assesses the performance of the business on this basis and believes that the information is useful to investors.
(4) Free cash flow is operating cash flow less dividends and other equity distributions. Operating cash flow is after capital expenditure, proceeds from sale of property, plant and equipment and other items. Refer to notes (a) and (b) on page 11 for further information.
(5) Calculated as net debt at period end divided by LTM PBITDA. LTM PBITDA includes historical PBITDA for acquired businesses.

Reconciliation of statutory earnings to underlying earnings

	Statutory earnings		Adjustments		Underlying earnings	
(US$ million)	2016	2017	2016	2017	2016	2017
Sales revenue	**9,421.3**	**9,101.0**	**-**	**-**	**9,421.3**	**9,101.0**
PBITDA	929.7	1,311.5	(479.6)	(135.5)	1,409.3	1,447.0
- Depreciation and amortisation	(354.0)	(358.8)	-	-	(354.0)	(358.8)
PBIT	575.7	952.7	(479.6)	(135.5)	1,055.3	1,088.2
- Net finance costs	(166.8)	(187.0)	-	-	(166.8)	(187.0)
Profit before tax	**408.9**	**765.7**	**(479.6)**	**(135.5)**	**888.5**	**901.2**
- Income tax expense	(135.3)	(151.7)	52.6	31.3	(187.9)	(183.0)
- Non-controlling interest	(29.5)	(17.0)	-	-	(29.5)	(17.0)
Profit after tax	**244.1**	**597.0**	**(427.0)**	**(104.2)**	**671.1**	**701.2**

Segmental reconciliation of statutory PBIT to underlying PBIT

	2016					2017				
Segment information (US$ million)	Sales revenue	Statutory PBIT	Adjustment PBIT	Underlying PBIT	Underlying ROAFE%	Sales revenue	Statutory PBIT	Adjustments PBIT	Underlying PBIT	Underlying ROAFE%
Flexibles	6,065.9	661.0	(94.9)	755.9	25.8	6,226.5	669.2	(135.5)	804.7	24.4
Rigid Plastics	3,357.3	(32.2)	(384.7)	352.5	23.3	2,876.7	342.7	-	342.7	20.3
Investments / Other / Intersegment	(1.9)	(53.1)	-	(53.1)	-	(2.2)	(59.2)	-	(59.2)	-
TOTAL	**9,421.3**	**575.7**	**(479.6)**	**1,055.3**	**21.6**	**9,101.0**	**952.7**	**(135.5)**	**1,088.2**	**20.4**

Details of adjustments

	Flexibles (€ million)		US$ million: Flexibles		Rigid Plastics		Investments / Other		Consolidated	
Income statement	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**
Flexibles segment restructuring	(85.5)	(124.4)	(94.9)	(135.5)	-	-	-	-	(94.9)	(135.5)
Change of accounting treatment Venezuela	-	-	-	-	(384.7)	-	-	-	(384.7)	-
Total PBIT adjustments	**(85.5)**	**(124.4)**	**(94.9)**	**(135.5)**	**(384.7)**	**-**	**-**	**-**	(479.6)	**(135.5)**
Tax on adjustments	15.1	28.8	16.8	31.3	35.8	-	-	-	52.6	31.3
Total PAT adjustments	**(70.4)**	**(95.6)**	**(78.1)**	**(104.2)**	**(348.9)**	**-**	**-**	**-**	**(427.0)**	**(104.2)**

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 Tobacco packaging 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 the Flexibles Europe, Middle East and 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 Tobacco packaging plant in Singapore
29 November 2016	Closure of the Tobacco packaging plant in Lachine (Canada)
9 February 2017	Closure of the Flexibles packaging plant in Argentan (France)

2. Expected phasing of restructuring costs and benefits

(US$ 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	25-30
Expected to be recognised in FY19	-	-	15-20
Cumulative costs and benefits	**182**	**160**	**50-60**

(1) Total costs on a pre-tax basis of US$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.

Acronyms used in this announcement

PAT Profit after tax. Within Amcor's financial report, PAT equals profit for the financial period attributable to owners of Amcor Limited.
PBIT Profit before interest and tax. Within Amcor's financial report, PBIT equals profit from operations.
PBITDA Profit before interest, tax, depreciation and amortisation. PBITDA is derived by adding back depreciation and amortisation extracted from Amcor's financial report to PBIT.
ROAFE Return on average funds employed, calculated as PBIT over average funds employed.
EPS Earnings per share.
IFRS International Financial Reporting Standards.
LTM Last twelve months.
FY Financial year.

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 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	
	2016	**2017**
Operating cash flow	791.5	734.4
Capital expenditure	348.9	379.2
Proceeds from sale of PP&E	(30.4)	(82.8)
Other items	(10.6)	(3.4)
Cash flow from operating activities	1,099.4	1,027.4

(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 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 financial report as follows:

	US$ million	
	2016	**2017**
Proceeds from borrowings	(5,701.2)	(3,959.5)
Repayment of borrowings	5,036.2	3,745.1
Net decrease in cash held	(24.5)	57.8
Effects of exchange rate changes on cash and cash equivalents	(159.6)	(13.5)
Other items	(0.6)	(0.3)
Cash increase in net debt	(849.7)	(170.4)

(d) **Underlying earnings** is defined and reconciled to IFRS compliant statutory earnings on page 10.