Amcor News Release

For immediate release: **Tuesday, February 17, 2009**

RESULTS FOR SIX MONTHS ENDED DECEMBER 31, 2008

- Earnings per share before significant items of 20.1 cents per share, down 4.3%.
- Profit after tax and before significant items of $167.4 million, down 9.5%.
- Profit before interest and tax for the continuing businesses, down 2.9%.
- The translation benefit from the lower Australian dollar on profit after tax and before significant items was a positive $13.9 million.
- Interim dividend remains constant at 17 cents per share.
- Operating cash flow ($60.5) million.
- Significant items, primarily relating to planned restructuring, were a loss of $58.9 million.

A$ (mill) – All Operations	Jul/Dec 2007	Jul/Dec 2008	% Change
Sales	4,739.2	4,835.3	2.0
PBITDA	537.5	535.7	(0.3)
PBIT	333.8	316.8	(5.1)
PBIT (continuing operations)	326.1	316.8	(2.9)
PAT(2)	**185.0**	**167.4**	**(9.5)**
Significant items(1)	(31.0)	(58.9)	(90.0)
PAT after significant items	154.0	108.5	(29.5)
EPS(2) (cents)	21.0	20.1	(4.3)
Operating cash flow(3)	92.9	(60.5)	(165.1)
Dividend (cents per share)	17.0	17.0	-

(1) Significant items for the current year relate mainly to the Fibre Packaging Australasia recovery plan, the Flexible market sector rationalisation and asset impairments.
(2) Before significant items
(3) After significant items

Key Ratios (All Operations)	Jul/Dec 2007	Jul/Dec 2008
PBIT/Average funds employed (%)(1)	11.8	10.3
Return on average equity (%)(1)	10.4	10.1
Net debt / (Net debt plus equity) (%)(2)	39.4	49.6
Net PBITDA interest cover (times) (1) (2)	5.9	5.2
NTA per share (A$)	2.09	1.62

(1) Before significant items
(2) Gearing increased in part due to a $350 million share buyback undertaken in 2007/08 with most of the buyback occurring in the Jan/Jun 2008 period. This also negatively impacted the PBITDA interest cover due to the higher interest expense.

Amcor Limited
ABN 62 000 017 372
109 Burwood Road Hawthorn Victoria 3122 Australia
Tel: 61 3 9226 9000 Fax: 61 3 9226 9050
www.amcor.com

Segmental Analysis (Before Significant Items)						
	Jul/Dec 2007			Jul/Dec 2008		
	Sales A$ (mill)	PBIT A$ (mill)	ROAFE (%)	Sales A$ (mill)	PBIT A$ (mill)	ROAFE (%)
Amcor PET Packaging	1,456.0	99.3	10.6	1,590.0	102.2	9.9
Amcor Australasia	1,133.8	112.9	12.9	1,120.2	74.3	8.9
Amcor Flexibles	1,440.9	83.1	11.5	1,465.1	106.5	13.3
Amcor Sunclipse	572.3	36.3	30.4	595.7	24.5	18.3
Amcor Asia	58.4	19.4	11.2	69.9	24.7	9.1
Investments / other	-	(24.9)	-	-	(15.4)	-
Intersegmental	(4.7)	-	-	(5.6)	-	-
Continuing operations	**4,656.7**	**326.1**	**11.7**	**4,835.3**	**316.8**	**10.3**
Discontinued operations[1]	82.5	7.7	18.3	-	-	-
TOTAL	**4,739.2**	**333.8**	**11.8**	**4,835.3**	**316.8**	**10.3**

(1) Australasian Food Can and Aerosols until October 31 in 2007/2008.

Financial

Net debt on the balance sheet increased from $2,252 million at 30 June 2008 to $3,293 million at 31 December 2008 predominately due to the impact of a lower Australian dollar at balance date. Excluding the currency translation impact, net debt increased from $2,252 million to $2,696 million. A key reason for this increase was growth capital spending of $231.8 million predominately to increase the shareholding in AMVIG and initial spending for the new glass furnace in South Australia and recycled paper mill in NSW.

Amcor has elected to proactively early renew financing commitments that fall due in calendar 2009.

The National Australia Bank Limited's A$150m facility, which was due mature in November 2009, will be rolled out to September 2010, subject to the finalisation of documentation. The US$500 million standby facility, which is rolled annually and due for renewal in June 2009, is currently in the final stages of early renewal. Credit approvals are well advanced and an announcement confirming finalisation is imminent.

Following this announcement, Amcor has no further bank term debt refinancing commitments until March 2010 when a $350 million loan facility matures. Throughout calendar 2009 Amcor will continue to monitor the various capital markets and actively look to refinance this facility ahead of its maturity.

The balance sheet gearing, measured as net debt over net debt plus equity, was 49.6% at 31 December 2008 and interest cover for the half, measured as PBITA to net interest, was 5.2 times.

Operating cash flow was ($60.5) million and after the payment of the October 2008 dividend, free cash flow was ($205.8) million. The first half free cash flow is seasonally the weaker half and consistent with previous years, it is anticipated that free cash flow will be positive for the full year.

For the 2008/09 year, 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 approximately $3 million for every one cent movement against the US dollar and $2 million for every one cent movement against the Euro.

The US dollar to Australian dollar exchange rate for the first half of the 2008/09 year averaged at 80.0 cents and for the first half of the 2007/08 year was 86.8 cents. The average Euro to Australian dollar exchange rate in the first half of the 2008/09 year was 55.5 cents and for the first half of the 2007/08 year, was 61.5 cents. The total impact of the lower Australian dollar on the translation of profit after tax into Australian dollars for reporting purposes, for the first half of the 2008/09 year, was $13.9 million.

For the second half of the 2007/08 year, the average exchange rate of the Australian dollar versus US dollar was 93 cents and the Australian dollar versus Euro was 60.6 cents. Should the current spot exchange rates continue for the

balance of the year, it is anticipated that the benefit to reported profit after tax for the second half would be approximately $50 million.

Business Units

The flexibles business had a strong half with PBIT up 15.7%. All three operating units, food, healthcare and tobacco packaging delivered improved results. A key driver of the improvement was excellent plant operating efficiencies, timely recovery of raw material cost increases in the first quarter and ongoing improvements to plant and overhead costs.

PET Packaging had a solid half in a challenging market environment. Volumes were 9% lower, primarily due to substantial destocking of the supply chain in the July to October period and continued disinvestment in the CSD and water product categories. Excellent plant operating efficiencies partially offset the impact of lower volumes and earnings were 5.2% lower.

Amcor Australasia had a difficult half with lower earnings in the beverage can operations due to the new tax on alcoholic ready-to-drink products substantially reducing volumes in that important product segment. The corrugated business was negatively impacted by the under-recovery of significant cost increases, particularly in wastepaper, compared to the same period last year.

Amcor Sunclipse had a solid start to the half and earnings were broadly in line with the previous period through to October. As the US economy continued to deteriorate earnings were substantially lower, compared to the prior period, in November and December. These are normally two of the stronger months and this weakening had a significant impact on earnings for the half.

Amcor Asia had another very strong half with earnings 12.4% higher.

Operational

The half was characterised by weaker and more volatile conditions in customer demand, lower raw material input costs and greater volatility in foreign exchange rates.

There was significant change in consumer behaviour that in general, resulted in a greater propensity to eat at home, a move from premium products to value products and a shift in buying, away from convenience stores to value retailers. Across the various business units, this resulted in some product segments having solid growth, while in other segments, volumes were lower.

During the half, there was also substantial destocking through the supply chain. This resulted in lower product take-off than end-consumer consumption for many products. The period of destocking varied with the PET Packaging business experiencing it early in the half, while other product segments were impacted late in the half.

Across the business units, raw material costs were generally still increasing at the beginning of the half and this had a modest negative impact in the period. Raw material costs only commenced declining in the second quarter. The fall in raw material costs has been both substantial and rapid across many products. This will deliver a benefit in the 2009 calendar year.

Growth

On 6 February 2009, Amcor announced that it is currently in discussions with Rio Tinto PLC on the possible purchase of part, but not all, of the Alcan Packaging business.

It is uncertain at this point if Amcor will be successful in purchasing any of the Alcan Packaging assets and any decisions relating to funding will be made once it is known which assets, if any, are being purchased.

As previously stated, Amcor will be a patient and disciplined buyer of any assets and has previously walked away from acquisitions where asset prices were too high. In the current environment, there are a number of quality businesses now emerging for sale, many of them from financially distressed conglomerates, private equity groups or private individuals.

Any acquisition will be in the nominated growth segments of flexibles or tobacco packaging, custom PET or select segments in Australasia. The acquisition should also improve Amcor's value proposition to customers and enhance the cost position of the combined business via realisation of operating synergies.

From a shareholder value creation perspective, the key objectives are: returns well above the cost of capital; a solid improvement in earnings per share and strong cash flows to support dividend payments. With these clear objectives, combined with targeting assets that are in our nominated growth segments, any acquisition will add shareholder value in both the short and long term.

Consolidated Income Statement		
A$ (mill)	**Jul/Dec 2007**	**Jul/Dec 2008**
Net sales	**4,739.2**	**4,835.3**
PBITDA	537.5	535.7
- Depreciation and amortisation	(203.7)	(218.9)
Profit before interest and tax	333.8	316.8
- Net interest	(91.7)	(102.9)
Profit before tax	242.1	213.9
- Income tax	(51.7)	(43.3)
- Minority interests	(5.4)	(3.2)
Profit after tax and before significant items	**185.0**	**167.4**

Consolidated Cash Flow Statement		
A$ (mill)	**Jul/Dec 2007**	**Jul/Dec 2008**
PBITDA	537.5	535.7
Interest	(88.4)	(75.1)
Tax	(27.4)	(53.5)
Cash significant items	(56.1)	(75.5)
Base capital expenditure	(99.7)	(141.2)
Movement in working capital (1)	(154.1)	(181.7)
Other	(18.9)	(69.2)
Operating cash flow	**92.9**	**(60.5)**
Dividends	(154.8)	(145.3)
Free cash flow	**(61.9)**	**(205.8)**
Divestments	970.5	(1.8)
Growth capital / acquisitions	(78.5)	(231.8)
Proceeds from share issues	7.5	2.0
Payment for shares bought back	(169.7)	-
Proceeds on capital contribution from minority interest	3.7	-
Foreign exchange rate changes	(11.8)	3.8
Movement in net debt	**659.8**	**(433.6)**

(1) Movement in working capital relates to continuing operations

Consolidated Balance Sheet		
A$ (mill)	**Jul/Dec 2007**	**Jul/Dec 2008**
Current assets	2,655.7	2,862.9
Property, plant and equipment	3,713.1	4,147.7
Intangibles	1,437.9	1,733.0
Investments and other assets	549.4	945.4
Total assets	**8,356.1**	**9,689.0**
Short term debt	619.2	838.2
Long term debt	1,749.3	2,638.0
Creditors and provisions	2,558.7	2,864.9
Shareholders' equity	3,428.9	3,347.9
Total liabilities and shareholders' equity	**8,356.1**	**9,689.0**

Interim Dividend

The Directors declared an unfranked interim dividend of 17 cents per share. 100% of the dividend is sourced from the Conduit Foreign Income Account. This compares with an interim dividend of 17 cents per share for the 2007/08 year. The record date for the interim dividend is 2 March 2009 and payment date will be 25 March 2009.

Significant Items

Significant items after tax for the six months ended 31 December 2008, was a net expense of $58.9 million, compared to an expense of $31.0 million for the corresponding period last year.

Significant items after tax for the half year included a loss arising from AMVIG's equity issue of $3.6 million, a net gain of $6.2 million related to prior year disposed businesses, an expense of $10.0 million relating to the Fibre turnaround, the Flexibles market sector rationalisation expense of $27.2 million, the PET Packaging integration and restructure expense of $3.8 million, asset impairments relating to the above restructuring of $18.0 million and an expense of $2.5 million relating to legal costs.

Segmentals

During the year, a detailed review of the corporate costs of the consolidated entity was undertaken and it was identified that $10.9 million (2007: $17.0 million) of the total of $26.3 million (2007: $41.9 million) was properly attributable to the results of the operating segments and as such, has been allocated based on relevant cost and service drivers.

Profit (All Operations)	Jul/Dec 2007 A$ (mill)	Jul/Dec 2008 A$ (mill)	% Change	Jul/Dec 2007 US$ (mill)	Jul/Dec 2008 US$ (mill)	% Change
Net sales (mill)	**1,456**	**1,590**	**9.2**	**1,263**	**1,272**	**0.7**
PBIT (mill)	**99.3**	**102.2**	**2.9**	**86.2**	**81.7**	**(5.2)**
Operating Margin (%)	6.8	6.4		6.8	6.4	
Average funds employed (mill)	1,872	2,069		1,624	1,655	
PBIT/AFE (%)	**10.6**	**9.9**		**10.6**	**9.9**	
Average exchange rate	0.87	0.80				
Cash Flow (All Operations)	**Jul/Dec 2007 A$ (mill)**	**Jul/Dec 2008 A$ (mill)**	**% Change**	**Jul/Dec 2007 US$ (mill)**	**Jul/Dec 2008 US$ (mill)**	**% Change**
PBITDA	**179.0**	**191.8**	**7.2**	**155.3**	**153.4**	**(1.2)**
Base Capital Expenditure	(62.8)	(72.0)		(54.5)	(57.6)	
Movement in Working Capital	(16.3)	(57.2)		(14.1)	(45.7)	
Significant items	-	(4.7)		-	(3.8)	
Operating Cash Flow	**99.9**	**57.9**		**86.7**	**46.3**	
Growth Capital Expenditure	(41.2)	(13.5)		(35.9)	(10.8)	

PET Packaging Group

Amcor PET Packaging had a solid first half given the challenging economic environment. Profit before interest and tax (PBIT), expressed in local currency terms, was 5.2% lower at US$81.7 million.

Total volumes for the half were 9% lower at 12.8 billion units.

Custom container volumes were down 3%. This reduction was due to significant customer destocking. that mostly occurred between July and October. Carbonated soft drink (CSD) and water volumes were down 11%, mainly due to reduced demand for these products in the US and Canada.

The business continued to improve the product mix with higher value add custom container volumes, representing 31% of the sales volume (29% in first half 2007/08) and 46% of sales value (42% in first half 2007/08).

During the half, the business continued to achieve excellent operating performance and there was a strong focus on cost control.

Due to the combination of improved product mix and strong cost control, earnings were only 5.2% lower, in US dollar terms, despite volumes being down 9%.

Returns, measured as PBIT over average funds employed, decreased from 10.6% to 9.9%.

Capital expenditure was US$68.4 million, comprising US$57.6 million for base capital spending, net of disposals, and US$10.8 million for growth capital to expand capacity in the custom container market. Total Capex was 24% lower than prior period and this trend is expected to continue in the near term.

Working capital continues to be well managed and average working capital to sales for the half was 6.6%.

North America

The North American business achieved solid earnings in a very challenging economic environment.

Total volumes were 14% lower, with CSD and water volumes down 18% and custom container volumes down 5%.

During the half there were a number of key factors that impacted demand, product mix and operating margin:

- Customer destocking across the entire supply chain. This occurred mostly between July and October.
- Lower underlying demand, particularly in the water category with consumers switching from bottled to tap water.

- Disproportionately weaker consumer demand in the single serve category that is primarily sold via convenience channels. Demand for multi-serve containers, sold through mass merchandise and grocery channels, has been relatively stable.

The 18% decline in Amcor's CSD and water volume compares to an estimated 6 to 8% market decline in consumer demand for these categories for the half. The decline for Amcor PET was impacted by customer destocking activities and is also consistent with the strategy to increase emphasis on value-added custom containers and maintain a more selective approach to the CSD and water category.

Custom containers represent approximately 39% of sales volume and 60% of the sales value. The 5% reduction in volumes in the first half was a combination of customer destocking and lower overall consumer demand.

The customer destocking process was largely complete by the end of October and while the business has experienced some volume recovery, difficult economic conditions may continue to impact consumer demand.

Latin America

The business in Latin America had a solid half with total volumes up 1% and custom containers up 6.7%.

In Mexico, volumes were modestly lower as demand more closely mirrored the trends in the US. The business had a difficult half with inflationary costs not fully recovered and an unfavourable currency impact.

Across the balance of Latin America, volumes were slightly higher with stronger growth in custom containers. Earnings increased considerably with a favourable product mix, improved pricing in some key markets and strong operational performance. The operations in Venezuela had a particularly strong half.

Bericap

The majority-owned joint venture in Bericap North America is managed and reported within the PET Packaging segment. This business has plants in Ontario, California and South Carolina.

The CSD and water markets are important segments for this business. Bericap experienced lower earnings largely due to significantly lower volumes and the subsequent inability to absorb additional costs related to the new plant in South Carolina.

Outlook

The weaker economic conditions, particularly in North America, will continue to be a challenge in the second half. The business remains committed to the strategy of shifting the mix to higher margin custom container markets and continuing to focus on cost control and cash management.

In the second half of the year the business will continue to deliver strong operational performance and, with the supply chain destocking largely complete, there is cautious optimism for the balance of the year.

Profit (All Operations)	Jul/Dec 2007 A$ (mill)	Jul/Dec 2008 A$ (mill)	% Change
Net sales (mill)	**1,216**	**1,120**	**(7.9)**
PBIT (mill)	**120.6**	**74.3**	**(38.4)**
Operating Margin (%)	9.8	6.6	
Average funds employed (mill)	1,830	1,677	
PBIT/AFE (%)	**13.2**	**8.9**	
Profit (Continuing businesses)	**Jul/Dec 2007 A$ (mill)**	**Jul/Dec 2008 A$ (mill)**	**% Change**
Net sales (mill)	**1,134**	**1,120**	**(1.2)**
PBIT (mill)	**112.9**	**74.3**	**(34.2)**
Operating Margin (%)	10.0	6.6	
Average funds employed (mill)	1,746	1,677	
PBIT/AFE (%)	**12.9**	**8.9**	
Cash Flow (All Operations)	**Jul/Dec 2007 A$ (mill)**	**Jul/Dec 2008 A$ (mill)**	**% Change**
PBITDA	**184.5**	**139.4**	**(24.4)**
Base Capital Expenditure	(9.7)	(13.1)	
Movement in Working Capital	(96.1)	(40.4)	
Significant items	(33.7)	(19.2)	
Operating Cash Flow	**45.0**	**66.7**	
Growth Capital Expenditure	-	(81.3)	

Australasia Group

Amcor Australasia had a difficult half with profit before interest and tax (PBIT), on a continuing business basis, 34.2% lower at $74.3 million.

The key reasons for this reduction were unrecovered cost increases in the corrugated operations, an adverse product mix in beverage cans due to the tax increase in ready to drink (RTD) alcohol beverages and reduced earnings from the export of recycled papers.

The business has been proactive across all aspects of the operations in responding to the current economic downturn. This has included a 10% reduction in salaried staff which will reduce operating costs on an annualised basis by approximately $15 million. This reduction will not impact core activities and is in the area of general administration.

The Food Can and Aerosols business was sold on 31 October, 2007. For the four months to October 2007 the business contributed $7.7 million in PBIT.

Returns for the continuing operations, measured as PBIT over average funds employed, decreased from 12.9% to 8.9%.

Cash significant items were $(19.2) million and predominantly related to the turnaround plan in the fibre packaging business.

Base capital expenditure was $13.1 million. This comprised gross expenditure of $51.8 million and proceeds from disposals of $38.7 million. There was growth capital expenditure of $81.3 million relating to the new glass plant at Gawler S.A and the recycled paper mill at Botany N.S.W.

Working capital movement, on a continuing business basis was a $42.0 million increase for the six months to 31 December 2008.

The operating cash flow for the half was $66.7 million.

Corrugated

The corrugated business has made substantial progress across a number of areas over the past two years following an extensive restructuring program through 2007 and 2008. The business has an improved manufacturing footprint and high levels of quality and service. For the half market share remained stable.

Although volumes for the first half were flat, the demand profile was volatile and there was a weakening trend through the second quarter which has continued into the third quarter. The volatile demand profile resulted in plant inefficiencies and higher manufacturing costs at some sites.

The key issue for the business is the under-recovery of substantial cost increases particularly in paper, starch and labour. These cost increases have totalled approximately $80 million over the past three years.

A 12% price increase, to recover these increases, was implemented for all customers in October 2008 and was successfully passed onto non-contracted customers. The business is currently implementing this increase to contracted customers. It will take time however, to achieve full recovery given the average duration of customer contracts. The benefit from the currently implemented price increases, on an annualised basis, is approximately $23 million.

Recycled Paper Exports

The fibre business exports approximately 200,000 tonnes per annum of old corrugated cartons (OCC) and 100,000 tonnes per annum of recycled paper with selling prices generally reflecting the Asian spot market. Over the past six months, these selling prices decreased substantially.

The actual procurement cost to the business of OCC remained relatively stable through the first half as OCC purchase contracts with domestic suppliers typically have price reset mechanisms every six or 12 months. This results in a lag of around one year for changes in the OCC spot price to be reflected in input costs. The lower spot prices, if maintained, will therefore have a positive impact in the 2009/10 year.

In the first half, earnings from exports sales were lower. It is expected that earnings will also be lower in the second half as there will be a full six month effect of the reduced export prices (compared to the three months impact in the first half) and this will offset the benefit from lower input costs.

As previously announced in February 2008 the recycled paper business is investing $230 million in a new recycled paper mill, to be located at Botany, NSW. The mill will have a capacity of 345,000 tonnes per annum and be capable of producing paper grades from 80gsm to 200gsm.

Flexibles

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

Volumes for the half were flat with weaker economic conditions impacting the laminations operations and lower volumes to the drought-affected dairy industry.

During the half, raw material prices increased in the first quarter and then decreased towards the end of the half. There was a modest FIFO loss in the second quarter as some contracts required immediate pass through of lower polyethylene costs against inventory holdings of approximately two months. There was also modest under-recovery of the higher input costs in the first quarter.

Rigids

The beverage can business had a very difficult half. Volumes were lower and there was a significant adverse change in product mix.

Demand for Ready to Drink (RTD) cans, which represented approximately 20% of the total volumes in the first half last year, declined by 35% in the first half this year due to the introduction of new taxes on a number of alcoholic ready-to-drink products.

Operational inefficiencies, following the installation and upgrading of equipment at the plant in Queensland, continued to have a negative impact on earnings. These issues are being resolved and plant profitability is expected to improve in the second half.

The reduction in RTD can volumes and plant inefficiencies resulted in earnings being approximately $10 million lower for the half.

The glass wine bottle business had another strong half. The plant is fully loaded and new product innovation continues to underpin earnings.

The new $150 million glass furnace is on schedule for start-up during the first half of calendar 2010. This furnace will support ongoing requirements in the wine bottle market and the returns are underpinned by long term, customer supply agreements. Upon completion, the Gawler plant will have three furnaces and production capacity of 600 million wine bottles per year.

Outlook

The outlook for the Australasian operations varies across each of the divisions:

- The corrugated business is expected to achieve higher earnings in the second half than for the same period last year. This is primarily due to a full six months of higher average selling prices and improved operating performance compared to the second half last year which was adversely impacted by the footprint restructuring;
- For the paper business, there will be a negative impact in the second half due to an expected full six months of lower export prices. In the medium term, lower OCC prices are expected to provide a significant benefit;
- The glass operations are expected to have another solid half. Given that the business is operating at full capacity earnings are not expected to increase until the new furnace is commissioned in 2010;
- The beverage can business is expected to have modestly lower earnings in the second half compared to the second half last year. This is due to lower volumes for RTD cans, however the volume reduction in the second half will not be to the same extent as the first half given there was some weakening of RTD volumes in the second half last year. Also there is expected to be improved operational performance at the plant in Queensland;
- The outlook for the flexibles business is dependent on economic conditions, however lower raw material prices should provide a benefit in the second half; and
- Cost reduction initiatives, particularly in the area of administration overheads, will provide benefits in the June quarter.

In summary, earnings for the Australasian operations, with the exception of the recycled paper business, are anticipated to be broadly consistent with the second half last year.

AMCOR FLEXIBLES

Profit (All Operations)	Jul/Dec 2007 A$ (mill)	Jul/Dec 2008 A$ (mill)	% Change	Jul/Dec 2007 €(mill)	Jul/Dec 2008 €(mill)	% Change
Net sales (mill)	**1,441**	**1,465**	**1.7**	**886**	**813**	**(8.2)**
PBIT (mill)	**83.1**	**106.5**	**28.2**	**51.1**	**59.1**	**15.7**
Operating Margin (%)	5.8	7.3		5.8	7.3	
Average funds employed (mill)	1,440	1,596		885	886	
PBIT/AFE (%)	**11.5**	**13.3**		**11.5**	**13.3**	
Average exchange rate	0.61	0.56				
Cash Flow (All Operations)	**Jul/Dec 2007 A$ (mill)**	**Jul/Dec 2008 A$ (mill)**	**% Change**	**Jul/Dec 2007 €(mill)**	**Jul/Dec 2008 €(mill)**	**% Change**
PBITDA	**133.4**	**159.7**	**19.7**	**82.1**	**88.6**	**7.9**
Base Capital Expenditure	(52.0)	(40.7)		(32.0)	(22.6)	
Movement in Working Capital	(26.2)	(61.9)		(16.1)	(34.3)	
Significant items	(22.4)	(46.0)		(13.7)	(25.5)	
Operating Cash Flow	**32.8**	**11.1**		**20.3**	**6.2**	
Growth Capital Expenditure	(21.5)	(26.3)		(13.2)	(14.6)	

Flexibles Group

Amcor Flexibles had a strong first half, with profit before interest and tax (PBIT) up 15.7% to €59.1 million. There was a solid performance from all three business units.

Returns, measured as PBIT over average funds employed increased from 11.5% to 13.3%.

The business continued to deliver solid working capital performance. Average working capital to sales remained constant at 11.2%.

Base capital expenditure was €22.6 million. Growth capital spending was €14.6 million and included spending on the flexibles packaging plant in Poland.

Significant items were €37.1 million of which €25.5 million was cash. The operating cash flow was €6.2 million.

Food

Amcor Flexibles Food is a pan-European business, consisting of 21 plants in 12 countries, serving all the major food market segments. The business also coordinates the wider strategy for flexible food packaging across other geographical regions.

The business had a solid half with earnings broadly in line with the previous year. This was a strong result, given the substantial changes to many aspects of the business environment that occurred during the half.

Net sales were lower at €401.2 million (2007/08 €494.1) due a combination of slowing economic conditions, plant divestments and the higher Euro against the British pound.

Volume for the ongoing businesses was 3% lower with demand being volatile across market segments and regions. The lower volumes were a combination of destocking in the supply chain and weaker economic conditions. The destocking occurred across the entire supply chain as consumers reduced the amount of food in their pantries and freezers, retailers reduced inventory and food manufacturers not only reduced inventory, but moved to smaller order quantities and shorter lead times.

Raw material costs through the half were particularly volatile. For the first three months of the year, as input costs continued to increase, the business successfully recovered most of these cost increases in an environment of weakening economic conditions and falling oil prices.

During the second quarter, raw material costs started to reduce. The business carries around two months of inventory and hence, did not benefit from these reductions during the half. There will be some benefit from these falling input costs in the second half of the year.

The restructuring program Flex 1 remains on target with a focus on the rationalisation of the extrusion operations. The business is moving to three extrusion sites based in the UK, Belgium and Spain. Volumes are being transferred from the remaining sites and these extrusion facilities are being progressively closed. The benefits from this rationalisation will be increasingly evident over the next 12 months.

Volumes continue to increase in Eastern Europe. The new plant in Poland, dedicated to PepsiCo for snack food products, has had an excellent start-up and earnings continue to improve. The plant is a global leader in extrusion lamination technology and is well located in a high growth, low cost region. A second flexibles plant in Poland is under construction enabling further expansion in Eastern Europe. The plant remains on target for start-up in April 2009.

Healthcare

Amcor Flexibles Healthcare comprises flexible packaging activities in the Americas and Europe. Amcor Flexibles Healthcare is a global leader in flexible packaging for the medical, personal care and pharmaceutical markets. Headquartered in Chicago, USA, it employs over 2,200 co-workers at 16 manufacturing facilities in ten countries. In addition, the group coordinates strategy and commercial activity with Amcor's healthcare flexible packaging activities in Asia.

A key component of the strategy for this business is to continually improve the product mix by moving to more technically demanding structures, focusing on enhanced protection, ease of use and high quality graphics

The Healthcare business had a solid first half with a 4.3% increase in sales and higher earnings. Continuing success in new product development, including improved utilization of the new gravure press in the US, resulted in sales and earnings being higher in both Europe and the Americas.

During the first quarter, raw material costs increased. These increases were successfully recovered by the business in a timely manner. During the second quarter, there was a weakening of the raw material input costs. This decline in costs had no impact in the first half earnings due mainly to the time lag between the purchase of raw materials and sale of finished goods.

As part of the joint European footprint project undertaken with Amcor Flexibles Food, the business has made significant investments at key extrusion sites. These investments and related plant closures are ahead of plan with completion now anticipated by the end of the financial year. With a significant portion of the assets installed, project benefits will begin to accrue in the second half of the financial year.

Underlying demand in the Healthcare business remains solid, although there has been evidence through the half of customer destocking. Order sizes have become smaller and many customers are relying on shorter delivery lead time. It is critical that the business actively recovers the impact these changes have on operating efficiencies.

Tobacco Packaging

Amcor Rentsch has strategic leadership of Amcor's global tobacco packaging business and operational responsibility for the plants in Europe. The business has seven plants focused on tobacco cartons.

Sales for the half were 10.7% higher at €167.9 million and earnings were significantly higher.

The business benefited from a number of initiatives undertaken in the 2007/08 year. These included:

- The installation of a new printing press and hot foil stamping machine at the plants in Russia. The new press commenced operations in July 2008 and by the end of August 2008, had moved to full productive capacity. This additional capacity meant that cartons were not imported into the Russian market from sites in Western Europe or Poland;
- A new hot foil stamping machine in Russia has increased the capability to provide local supply for complex and innovative products, again reducing the need to ship in from other locations;
- In Poland, the new offset machine, which commenced operations in February 2008, has enabled the plant to meet the growing demand for short run volumes. During 2008, the plant also installed additional cutting and creasing equipment to improve manufacturing efficiency. As a result of these investments, earnings for the plant in Poland have improved substantially; and
- The new plant in the Ukraine commenced operations in February 2008. The plant has steadily increased production and there continues to be good opportunities for further growth in this market.

As a result of the above investments there has been considerable improvement in operating efficiency as production has been better balanced across the manufacturing footprint and outsourcing to third parties eliminated.

The business has also benefited from the ongoing trend towards more value-add products, particularly in Eastern Europe and Russia.

Volumes in the tobacco packaging business have been strong during the first half with some pull forward of volumes towards the end of the calendar year relating to tax increases on the 1st January.

Strategically, tobacco packaging is an attractive market segment that has developed an excellent manufacturing footprint, focusing on value-add products.

Outlook

The flexibles segment had a strong first half. During the second half, demand is likely to remain volatile and economic conditions weak. Offsetting this, the businesses are expected to benefit from lower raw material input costs, an improved operating cost base via the footprint restructuring program Flex 1 and the Food Flexibles overhead cost reduction initiative.

AMCOR SUNCLIPSE

Profit (All Operations)	**Jul/Dec 2007 A$ (mill)**	**Jul/Dec 2008 A$ (mill)**	**% Change**	**Jul/Dec 2007 US$ (mill)**	**Jul/Dec 2008 US$ (mill)**	**% Change**
Net sales (mill)	**572**	**596**	**4.2**	**497**	**476**	**(4.2)**
PBIT (mill)	**36.3**	**24.5**	**(32.5)**	**31.5**	**19.6**	**(37.8)**
Operating Margin (%)	6.3	4.1		6.3	4.1	
Average funds employed (mill)	238	267		207	214	
PBIT/AFE (%)	**30.4**	**18.3**		**30.4**	**18.3**	
Average exchange rate	0.87	0.80				
Cash Flow (All Operations)	**Jul/Dec 2007 A$ (mill)**	**Jul/Dec 2008 A$ (mill)**	**% Change**	**Jul/Dec 2007 US$ (mill)**	**Jul/Dec 2008 US$ (mill)**	**% Change**
PBITDA	**43.3**	**31.9**	**(26.3)**	**37.6**	**25.5**	**(32.2)**
Base Capital Expenditure	29.2	(6.4)		25.3	(5.2)	
Movement in Working Capital	(15.1)	(11.6)		(13.1)	(9.3)	
Significant items	-	-		-	-	
Operating Cash Flow	**57.4**	**13.9**		**49.8**	**11.0**	
Growth Capital Expenditure	(0.1)	(2.7)		(0.1)	(2.1)	

Sunclipse Group

Amcor Sunclipse had a challenging first half with reported PBIT down 37.8% to US$19.6 million. Returns measured as PBIT over average funds employed was 18.3%.

As reported in February 2008, the PBIT result for the first half in 2007/08 included a positive impact from the sale and lease-back of the Amcor Sunclipse head office, partly offset by write downs on IT systems and other one-off expenses. Adjusting for this benefit, underlying earnings for the first half in 2007/08 were approximately US$26 million. On an adjusted comparative basis, earnings in the first half were down US$6.4 million or 24.6%.

The business had a solid first four months with earnings broadly in line with the corresponding period in the 2007/08 year. From the beginning of November, volumes came under significant pressure and were substantially lower for the last two months of the half. As a result, earnings in November and December, which are normally seasonally stronger months, were substantially lower.

The start of the second half has continued the trend of weaker sales with many customers taking an extended shutdown over the Christmas / New Year period.

The Sunclipse business is divided into manufacturing and distribution operations. Distribution includes all types of industrial packaging including flexible packaging and janitorial supplies. Manufacturing, which is predominantly located in California, produces corrugated sheets and also converts the sheets into boxes.

The distribution business had a solid half under extremely difficult circumstances with sales 3.9% lower at US$377.8 million. This was an outstanding result given the overall market weakness.

A key driver of this performance was the ongoing progress in the channel strategy. Over the past two years, this differentiation has resulted in the creation of an “inside sales” telemarketing function, a specialised team for large strategic accounts, an internet based sales tool for smaller customers and recently, the introduction of a channel for the sheet plants to directly sell to larger end customers, rather than via distribution.

The development of these channels has not only increased sales into the specific target markets, but also enabled the fully commissioned external sales people to be more targeted in their efforts.

As a result of these strategies, the distribution business has gained market share over the past 12 months. This process has been assisted by a number of small distributors exiting the market over the past six months as economic conditions deteriorated. It is anticipated this trend will continue throughout calendar year 2009.

Gross margins in the distribution business were only marginally lower and there was excellent control of costs, notwithstanding smaller order sizes. Overall earnings were only slightly lower for the half.

Within the manufacturing division the sheet plants had a particularly difficult half, especially in the second quarter. As overall market volumes declined there was considerable margin pressure as well as an adverse product mix change to lower-value unprinted stock boxes. These pressures were particularly severe in the second quarter and have continued into the third quarter.

The corrugated business also had a difficult second quarter with volumes down around 25% in November and December after being broadly in line with the prior year for the first four months of the half. As the corrugated business has a high fixed cost base it was not possible to flex variable costs fast enough to match declining volumes and hence margins deteriorated considerably towards the end of the half.

Outlook

The start to the second half has continued the trend of November and December as many customers took an extended break over the Christmas and New Year period. Performance for the balance of the year will depend upon the economic conditions in North America.

Profit - Consolidated Entities	**Jul/Dec 2007 A$ (mill)**	**Jul/Dec 2008 A$ (mill)**	**% Change**	**Jul/Dec 2007 SG$ (mill)**	**Jul/Dec 2008 SG$ (mill)**	**% Change**
Net sales (mill)	**58**	**70**	**20.7**	**75**	**80**	**6.7**
PBIT (mill)	**5.7**	**7.5**	**31.6**	**7.4**	**8.5**	**14.9**
Operating Margin (%)	9.8	10.7		9.8	10.7	
Average funds employed (mill)	58.0	50.0		74.5	56.9	
PBIT/AFE (%)	**19.8**	**29.9**		**19.8**	**29.9**	
Average exchange rate	1.29	1.14				

Equity Accounted Profit	**Jul/Dec 2007 A$ (mill)**	**Jul/Dec 2008 A$ (mill)**	**% Change**	**Jul/Dec 2007 SG$ (mill)**	**Jul/Dec 2008 SG$ (mill)**	**% Change**
PAT (mill)	**13.7**	**17.3**	**26.3**	**17.6**	**19.6**	**11.4**
AFE (2) (mill)	139.5	325.6		180.0	370.2	
AFE (1) (mill)	287.1	495.8		370.4	563.6	
PAT/AFE (2) (%)	**19.6**	**10.6**		**19.6**	**10.6**	
PAT/AFE (1) (%)	9.5	7.0		9.5	7.0	

(1) Including AMVIG fair value

(2) Excluding AMVIG fair value

Cash Flow (All Operations)	**Jul/Dec 2007 A$ (mill)**	**Jul/Dec 2008 A$ (mill)**	**% Change**	**Jul/Dec 2007 SG$ (mill)**	**Jul/Dec 2008 SG$ (mill)**	**% Change**
PBITDA (consolidated entities)	**7.7**	**10.2**	**32.5**	**9.9**	**11.6**	**17.2**
Dividends received	3.4	6.4		4.4	7.3	
Base Capital Expenditure	(2.4)	(3.7)		(3.1)	(4.2)	
Movement in Working Capital	(1.1)	9.0		(1.4)	10.2	
Significant items	-	-		-	-	
Operating Cash Flow	**7.6**	**21.9**		**9.8**	**24.9**	
Growth Capital Expenditure	(15.7)	-		(20.2)	-	
Acquisitions	-	(108.0)		-	(122.7)	

Asian Group

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 2008, the profit taken up in Amcor Asia's half year earnings is management's estimate of earnings, based on publicly available information. Any adjustment required following AMVIG's profit announcement, will be taken up in Amcor Asia's full year results.

During the half year, Amcor's ownership in AMVIG increased from 35.4% to 38.9%. This increase was primarily due to Amcor investing HK$700 million to acquire 78.3 million shares in AMVIG at a price of HK$8.94 per share.

Consolidated entities

For the controlled entities, PBIT for the half year was higher at SG$8.5 million. Returns, measured as PBIT over average funds employed, were 29.9%.

The wholly-owned tobacco packaging operations continued to deliver sound operating performance and benefited from the upgrading of the printing capabilities at the plant in Malaysia. Strong volumes in the first half are unlikely to be maintained through the balance of the year and this will impact earnings in the second half.

The flexibles operations continued to deliver solid earnings with the new plant in Southern China creating the opportunity for more accelerated growth in the region.

Footnote

The funds invested in AMVIG as reported in Amcor's accounts at 31 December 2008 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 December 31, 2008 in Amcor's accounts is SG$571.9 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.

Significant Items		
A$ (mill)	**Jul / Dec 2007**	**Jul / Dec 2008**
Consolidated significant items		
Significant items before related income tax expense		
Income		
Disposal of Australasian Food Can & Aerosols business	11.7	-
Disposal of PET Europe business	-	6.2
Expense		
PET business restructure	-	(4.7)
Australasian restructuring	(4.1)	(13.7)
Flexibles market sector rationalisation	(48.6)	(37.0)
Asset impairments	(10.2)	(19.1)
Gain/loss arising on equity issue of associate – AMVIG	2.2	(3.6)
Legal costs	-	(4.2)
Significant items before related income tax expense	**(49.0)**	**(76.1)**
Income tax on significant items	18.0	17.2
Significant items after related income tax expense	**(31.0)**	**(58.9)**
Significant items attributable to:		
Members of Amcor Limited	(31.0)	(58.9)
Minority interest	-	-

Details of Consolidated Significant Items Before Income Tax Jul / Dec 2008						
A$ (mill)	**Redundancy**	**Plant Closure**	**Disposal of Controlled Entities**	**Other**	**Asset Impairments**	**Total**
PET	(2.3)	(2.4)	6.2		(8.1)	(6.6)
Australasia		(12.2)				(12.2)
Flexibles	(12.0)	(23.5)	(1.5)		(11.0)	(48.0)
Sunclipse						-
Asia				(3.6)		(3.6)
Corporate		(1.5)		(4.2)		(5.7)
Total	**(14.3)**	**(39.6)**	**4.7**	**(7.8)**	**(19.1)**	**(76.1)**

Jul / Dec 2008 Cash Flow By Business Group – All Operations							
A$ (mill)	**PET**	**Australasia**	**Flexibles**	**Sunclipse**	**Asia**	**Corporate**	**Consolidated**
PBITDA	191.8	139.4	159.7	31.9	27.5	(14.6)	535.7
Interest	-	-	-	-	-	(75.1)	(75.1)
Tax	-	-	-	-	-	(53.5)	(53.5)
Base capital expenditure	(72.0)	(13.1)	(40.7)	(6.4)	(3.7)	(5.3)	(141.2)
Cash significant items	(4.7)	(19.2)	(46.0)	-	-	(5.6)	(75.5)
(Increase) / decrease in working capital	(57.2)	(40.4)	(61.9)	(11.6)	9.0	(19.6)	(181.7)
Other items	-	-	-	-	(10.9)	(58.3)	(69.2)
Operating cash flow	**57.9**	**66.7**	**11.1**	**13.9**	**21.9**	**(232.0)**	**(60.5)**
Dividends Paid	(3.3)	(0.5)	-	-	-	(141.5)	(145.3)
Free cash flow	**54.6**	**66.2**	**11.1**	**13.9**	**21.9**	**(373.5)**	**(205.8)**
Divestments	(2.1)	0.3	-	-	-	-	(1.8)
Growth capital expenditure/acquisitions	(13.5)	(81.3)	(26.3)	(2.7)	(108.0)	-	(231.8)
Payments for shares bought back	-	-	-	-	-	-	-
Proceeds from share issue	-	-	-	-	-	2.0	2.0
Proceeds on capital contribution from minority interest	-	-	-	-	-	-	-
Foreign exchange rate changes	-	-	-	-	-	3.8	3.8
Net cash utilised	**39.0**	**(14.8)**	**(15.2)**	**11.2**	**(86.1)**	**(367.7)**	**(433.6)**
Increase in net debt							**(433.6)**