News Release

22 August 2011

AMCOR ANNOUNCES RECORD PROFIT RESULT FOR YEAR ENDED 30 JUNE 2011

Highlights

- Profit after tax and before significant items of $570 million, up 39%
- Profit after tax and significant items of $357 million, up 95%
- Annual dividend of 35.0 cents per share, up 19%
- On market share buy-back of $150 million
- The negative translation impact from the higher Australian dollar on profit after tax and before significant items was $80 million
- Earnings per share before significant items of 46.5 cents, up 32%
- Operating cash of $440 million
- Significant items, primarily relating to the acquisition of former Alcan Packaging businesses and the settlement of the Trade Practices class action were an after tax expense of $213.6 million

Results	2010	2011	Change %
Sales	9,849.5	12,412.3	26.0
PBITDA(1)	1,213.9	1,514.2	24.7
PBIT(1)	759.2	1,003.2	32.1
PAT(1)	**409.2**	**570.3**	**39.4**
Significant items	(226.2)	(213.6)	(5.6)
PAT after significant items	**183.0**	**356.7**	**94.9**
EPS(1) (cents)	35.2	46.5	32.1
Operating cash flow(2)	566.8	440.0	(22.4)
Dividend (cents per share)	29.5	35.0	18.6

Key Ratios	2010	2011
PBIT/Average funds employed (%)(1)	12.4	14.1
Net debt / (Net debt plus equity) (%)	42.5	46.0
Net PBITDA interest cover (times)(1)	6.6	7.0
NTA per share (A$)	1.49	1.37

(1) Before significant items
(2) After significant items

Amcor has released to the Australian Securities Exchange a webcast presentation on its financial results for the year ended 30 June 2011. This is available at www.amcor.com

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Financial results

Throughout this report, references to Profit before interest, tax, depreciation and amortisation (PBITDA), profit before interest and tax (PBIT), and profit after tax (PAT) are before significant items unless otherwise specified.

	2010			2011		
Segment Analysis* (A$ mill)	**Sales**	**PBIT**	**ROAFE %**	**Sales**	**PBIT**	**ROAFE %**
Flexibles	4,421.8	397.1	17.2	6,309.7	620.5	20.4
Rigid Plastics	2,577.9	212.8	12.8	3,142.3	242.8	13.3
Australasia and Packaging Distribution	2,800.2	161.2	10.0	2,836.1	159.7	10.0
Investments / Other / Intersegment	49.6	(11.9)	-	124.2	(19.8)	-
TOTAL	**9,849.5**	**759.2**	**12.4**	**12,412.3**	**1,003.2**	**14.1**

*Before significant items

Alcan Packaging synergies

For the 2011 year, the businesses achieved an outstanding outcome with regard to synergies from the Alcan Packaging acquisition. The positive contribution to earnings for the year from synergy benefits was approximately $142 million before tax. This is 18% higher than the top of the forecast range for the 2011 fiscal year of $100 to $120 million.

The exit run rate of synergies at 30 June 2011 was approximately $200 million. Given the 25% appreciation of the Australian dollar against the Euro since the transaction was announced, this run rate is at least one year ahead of schedule. Going forward, the businesses will be measuring further increases in synergies as part of their normal operations and, as such, the additional synergies expected will be evident via improved margins and returns.

The businesses have largely completed the overhead reduction program, and procurement synergies are ahead of the initial targets. The footprint program has involved the announced closure of seven plants of which six are already closed. Within the Flexibles operations, this includes one tobacco packaging plant in Malaysia and one Flexibles plant in each of Russia, Italy, Australia, the UK and Ireland. The business is currently in negotiation to close an additional plant in Germany.

To achieve the synergy benefits, the aggregate cash spend in 2010 and 2011 has been $142 million. Given the $200 million synergy run rate at 30 June 2011, the projects implemented to date have generally had high returns. Going forward, new projects will tend to have longer implementation timeframes and, on average, lower returns.

The remaining cash spend for the synergy program is approximately $130 million. A portion of this amount is a carry forward from projects where benefits are already being realised but there is still an additional cash requirement. At the completion of the program, the total cash cost is estimated to be around $270 million. This is 10% lower than the $300 million forecast at the time of acquisition.

Raw material costs

In the 2011 year, raw material costs increased substantially. It is estimated that aggregate cost increases on an annualised basis were more than $800 million, with the most significant components of this increase in resin based products and aluminium. The objective across Amcor is to minimise the impact on earnings due to the movement in raw material input costs. The higher input costs in 2011 predominantly impacted the Rigid Plastics and Flexibles segments. Both these businesses have rigorous mechanisms to recover rising raw material costs.

For the Rigid Plastics business, there was no negative impact from the substantial rise in PET resin costs. The vast majority of sales in this business are under contract, with clauses that have pass through of resin cost movements that broadly match the inventory held.

In the Flexibles business, there is a range of approaches employed across the various market segments and geographic regions to mitigate the impact of higher raw material costs. In most cases, this involves the contractual pass through of these higher costs to customers via higher selling prices, albeit with a lag of one or two quarters. A critical component of Amcor's value proposition is working with customers to help offset the impost of higher raw material costs. Increasingly, this has involved a more collaborative approach to specification changes, product redesigns and better supply chain logistics.

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For the 2011 year, there was a negative impact of €25 million from the lag in passing on rising raw material costs in the Flexibles business.

Consolidated Income* (A$ mill)	2010	2011
Sales	**9,849.5**	**12,412.3**
PBITDA	1,213.9	**1,514.2**
- Depreciation and amortisation	(454.7)	**(511.0)**
PBIT	759.2	**1,003.2**
- Net interest	(183.4)	**(217.1)**
Profit before tax	**575.8**	**786.1**
- Income tax	(148.0)	**(192.6)**
- Minority interests	(18.6)	**(23.2)**
Profit after tax	**409.2**	**570.3**

*Before significant items

Consolidated Balance Sheet (A$ mill)	30/06/10	30/06/11
Current assets	3,545.7	**3,660.3**
Property, plant and equipment	4,800.6	**4,497.3**
Intangibles	1,835.5	**1,881.5**
Investments and other assets	935.5	**885.2**
Total assets	**11,117.3**	**10,924.3**
Short term debt	1,378.7	**356.2**
Long term debt	1,932.5	**3,063.6**
Creditors and provisions	3,682.2	**3,755.9**
Shareholders' equity	4,123.9	**3,748.6**
Total liabilities and shareholders' equity	**11,117.3**	**10,924.3**

Consolidated Cash Flow (A$ mill)	2010	2011
PBITDA*	1,213.9	**1,514.2**
Interest	(183.2)	**(205.9)**
Tax	(88.6)	**(148.1)**
Cash significant items	(144.2)	**(267.3)**
Base capital expenditure	(286.9)	**(361.9)**
Movement in working capital	60.2	**(27.1)**
Other	(4.4)	**(63.9)**
Operating cash flow	**566.8**	**440.0**
Dividends	(286.2)	**(433.0)**
Free cash flow	**280.6**	**7.0**
Divestments	-	**133.8**
Growth capital / acquisitions	(2,700.5)	**(657.7)**
Movements in share capital	1,570.6	**20.7**
Proceeds on capital contribution from minority interests	2.0	**3.2**
Foreign exchange rate changes	(28.1)	**(52.6)**
Increase in net debt	**(875.4)**	**(545.6)**

Capital management

The Directors declared an unfranked final dividend of 18.0 cents per share, an increase of 1.0 cent or 6% compared with the 2010 final dividend. This brings the annual dividend to 35.0 cents per share, 19% higher than the annual dividend last year.

100% of the dividend is sourced from the Conduit Foreign Income Account. The ex-dividend date will be 29 August 2011, the record date will be 2 September 2011 and the payment date will be 28 September 2011.

Directors also approved a $150 million on-market share buy-back. Based on Amcor's closing share price on 18 August of $6.64 per share, this would represent a buy-back of approximately 2.0% of Amcor's current total issued share capital.

The size of the buy-back is approximately equivalent to the proceeds from the recent sale of the non-core Glass Tubing business, acquired as part of the Alcan Packaging transaction. A share buy-back represents an attractive use of this capital and enhances both earnings per share and return on equity.

The dividend increase and share buy-back reflects confidence in the future. The recent acquisitions have been significant contributors to earnings growth and the cash generating capacity of the Company has improved substantially.

The dividend increase and share buy-back achieve a balance between returning capital to shareholders, maintaining flexibility to pursue growth and retaining strong credit metrics.

Significant Items

Significant items after tax for the year ended 30 June 2011 was a net expense of $213.6 million, compared to a net expense of $226.2 million for the corresponding period.

This amount included $116.4 million of after tax costs related to acquisitions, and $89.4 million of after tax costs associated with the settlement of the ACCC class action. Refer to page 14 for further details.

Net debt and interest expense

Net debt increased from $3,044.1 million at 30 June 2010 to $3,195.4 million at 30 June 2011. Excluding the currency translation impact, net debt increased by $545.6 million to $3,589.7 million, predominantly as a result of funds drawn down to finance the acquisition of Ball Plastics Packaging Americas, B-Pack Due and the Alcan Medical Flexibles operations.

Gearing, measured as net debt over net debt plus equity, was 46.0% at 30 June 2011.

Net interest expense was $217.1 million. Interest cover, measured as PBITDA to net interest, was 7 times.

Operating cash flow was $440 million and, after the payment of dividends, free cash flow was $7 million.

Refinancing activities

In December 2010, a US$1.85 billion syndicated multi-currency revolving facility was arranged, with 14 participating banks representing a range of existing domestic and international lenders. The facility comprised three tranches with maturities of two, three and four years and amounts of US$740 million, US$740 million and US$370 million respectively. Funds from this facility were used to refinance the US$1.25 billion global syndicated facility maturing in June 2011 and the remaining US$425 million acquisition facility maturing in August 2012 and for general corporate purposes.

In March 2011, a €550 million Eurobond issue was completed. The bonds will mature in April 2019 and were issued with a 4.625% annual coupon. Issue proceeds were used to refinance maturing bonds and existing floating rate bank debt.

Exchange Rate Sensitivity

The main currencies that Amcor is exposed to when translating overseas earnings into Australian dollars for reporting purposes are US dollars and Euros. These two currencies represented approximately 70% of the $80 million negative translation impact on profit after tax before significant items for the 2011year.

For the 2012 financial year the profit after tax sensitivity for a one cent movement against the Euro is expected to be $6.0 million. The sensitivity for a one cent movement against the US dollar is expected to be $3.0 million.

Flexibles

The Flexibles segment includes the Flexibles Europe & Americas, Flexibles Asia Pacific and Tobacco Packaging businesses.

Profit	2010 A$ mill	2011 A$ mill	Change %	2010 € mill	2011 € mill	Change %
Sales	4,422	6,310	42.7	2,809	4,577	62.9
PBIT*	**397.1**	**620.5**	**56.3**	**252.3**	**450.2**	**78.4**
Operating Margin (%)	9.0	9.8		9.0	9.8	
Average funds employed	2,303	3,045	32.2	1,463	2,209	51.0
PBIT*/AFE (%)	**17.2**	**20.4**		**17.2**	**20.4**	
Average exchange rate (cents)	0.64	0.73				

Cash Flow						
PBITDA*	563.2	842.0	**49.5**	357.8	610.9	70.7
Base Capital Expenditure	(114.1)	(113.6)		(72.6)	(82.5)	
Movement in Working Capital	29.1	1.4		18.5	1.0	
Significant items	(42.9)	(110.9)		(27.2)	(80.5)	
Operating Cash Flow	**435.3**	**618.9**	**42.2**	**276.5**	**448.9**	**62.4**

*Before significant items

The Flexibles segment had a strong year, with PBIT up 78.4% to €450.2 million. This improvement included synergy benefits from the Alcan Packaging acquisition of approximately €91 million.

The operating margin for the year was 9.8%. This was a significant improvement on the 9.0% achieved in 2010, given that in 2011 there was a full 12 months contribution from the lower margin former Alcan Packaging business compared to only five months in the prior period.

Returns for the year, measured as PBIT over average funds employed, were 20.4%. This was an outstanding outcome for the first full year of ownership of the former Alcan Packaging assets.

Capital expenditure was €82.5 million.

Flexibles Europe and Americas

This business is organised as five operating units being a combination of technology and market focused units: Fresh, Dairy and Capsules, Snacks & Confectionery, Extrusion & Americas and Medical Europe, High Performance Laminates and High Performance Foil.

Earnings for the Flexibles Europe and Americas business were substantially higher than for the same period last year, predominantly due to the acquisition of the former Alcan Packaging operations and significant progress in the realisation of synergy benefits.

The plant rationalisation program is ongoing, with plants in Russia, the United Kingdom, Italy and Ireland already closed and a plant in Germany currently in negotiation to close. This extensive program has required the business to relocate volumes to other sites and, where this is not a feasible option, to assist the customer in moving volumes to other suppliers. During the plant closure process, the business has elected to withdraw from manufacturing some low margin, commodity products.

Aggregate volumes, inclusive of lower margin volumes forgone, have been broadly the same as the prior year. In Europe, underlying demand was solid, with the economies of Central and Northern Europe generally stronger than those of Southern Europe. This resulted in good loading across most plants. In North America, volumes were higher due to growth in healthcare and high performance food applications.

The business also benefited from improved performance at a number of plants. This was primarily due to a better allocation of volumes across the plants to optimise performance and a focus on lowering costs.

Tobacco Packaging

The Tobacco Packaging business had a strong year, with earnings substantially higher. The key drivers for this improvement were a full year impact from the former Alcan Packaging, synergies and significantly improved product mix. Volumes for the year were higher.

The key trend for the year was an ongoing move by customers to higher value-add cartons with new design features, including varnishes, lacquering, embossing and hot foil stamping. This trend has been evident for a number of years, but has accelerated in the past year. The business was successful in winning a substantial portion of this new volume, a proportion of which was on a spot basis and is unlikely to be repeated in the 2012 year. In Russia, the introduction of health warnings significantly increased complexity and adversely impacted manufacturing efficiency. It is anticipated that these issues will be resolved by the end of the first quarter of the 2012 financial year.

In North America, the business benefited from the full year impact of contracted volumes awarded in 2009 and new products supplied into the local market but destined for export markets when filled. There has also been a selective move into non-tobacco end markets that require high quality, large volume gravure printing that can be produced on existing equipment.

During the year, plant efficiencies improved across a number of locations as production was better allocated across sites. This resulted in improved earnings for these sites. The business also rationalised the operations in Malaysia from two sites to one.

Flexibles Asia Pacific

The Flexibles Asia Pacific business has leading positions in key markets within the region and significant growth opportunities. Strong relationships with large multinational customers, along with Amcor's technology, scale and financial strength, provide the capability to support customer growth objectives in the world's largest growth region.

The Flexibles Asia Pacific business had a very strong year, with both earnings and returns significantly higher. This was primarily due to the contribution from the former Alcan Packaging businesses, cost synergies and increased volumes.

The business in China consists of seven plants and holds market leading positions across China's major regional centres. Earnings for the year were higher with a key driver being growth in the attractive pharmaceutical end markets. The business is focused on accelerating growth in this sector by expanding sales coverage across other regions in China.

The Thailand business had an excellent year. Strong demand meant that all three plants were at full capacity. A new press was commissioned in March 2011 and is already fully loaded. Continued strong customer support will underpin ongoing growth in this market.

The business unit that comprises the operations in Indonesia, Singapore and India had a good year with all four plants having increased volumes. Given the ongoing improvement in performance, strong platforms have been created in these markets for accelerated profitable growth.

Volumes in the Australia and New Zealand business were flat. Good rainfall in both Australia and New Zealand resulted in a strong dairy season, however, demand was weak in other seasonal consumer product segments and some higher margin industrial products. The closure of the plant at Regents Park, NSW, is progressing, with the transfer of volumes to other sites well advanced.

In December 2010, the business acquired Techni-Chem Australia for $6.8 million. Techni-Chem is a distribution company servicing a range of customers with primarily imported packaging products and has sales in excess of $30 million. The business has been integrated into the Australian operations and made a solid contribution to earnings in the second half. This acquisition will allow the business to further expand its product offering by leveraging Techni-Chem's importing expertise and consolidating its strong pharmaceutical customer base with the existing business.

Outlook

At the time of the Alcan Packaging acquisition, the Flexibles segment targeted a PBIT to sales margin commensurate with Flexible global peers of around 11% to 12%.

For the 2012 year, on the assumption that economic conditions and raw material input costs both remain stable at current levels, the business should deliver a PBIT to sales margin of between 11% and 11.5%. The expected improvement in margin will be achieved by a combination of factors, including additional synergy benefits and operating improvements.

Rigid Plastics

Profit	2010 A$ mill	2011 A$ mill	Change %	2010 US$ mill	2011 US$ mill	Change %
Sales	2,578	3,142	21.9	2,258	3,110	37.7
PBIT*	**212.8**	**242.8**	**14.1**	**186.4**	**240.3**	**28.9**
Operating Margin (%)	8.3	7.7		8.3	7.7	
Average funds employed	1,667	1,823	9.4	1,460	1,804	23.6
PBIT*/AFE (%)	**12.8**	**13.3**		**12.8**	**13.3**	
Average exchange rate (cents)	0.88	0.99				

Cash Flow						
PBITDA*	375.4	410.8	9.4	328.8	406.6	23.7
Base Capital Expenditure	(99.6)	(164.7)		(87.3)	(163.0)	
Movement in Working Capital	37.4	20.5		32.8	20.3	
Significant items	(32.8)	(19.8)		(28.8)	(19.6)	
Operating Cash Flow	**280.4**	**246.8**	**(12.0)**	**245.5**	**244.3**	**(0.5)**

*Before significant items

Amcor Rigid Plastics had a strong year. PBIT was 29% higher at US$240 million, driven by improved custom beverage volumes in North America, benefits from the acquisitions of the Ball Plastics and Alcan Packaging businesses and another year of improved earnings from the operations in South America.

The results include a full year of the former Alcan Packaging business and 11 months of the Ball Plastics business. These two acquisitions have significantly diversified the sales base, adding new technologies, products and customers, and better positioning the business group for future growth.

For the legacy operations, total beverage volumes for the year were up 1%. Custom container volumes increased 9%, while Carbonated Soft Drink and Water (CSDW) volumes were 2% lower.

Capital expenditure was US$163 million net of disposals, in line with depreciation of US$166 million.

Following the acquisitions of Ball Plastics and Alcan Packaging, the business is undertaking a number of cost reduction and operating improvement initiatives across North and South America. A key input is expected demand across the different regions in terms of volume, location, and product mix. The program predominantly focuses on manufacturing footprint and overhead reductions, and will be largely completed during the 2012 financial year. It includes the integration of both Ball Plastics and Alcan Packaging, and is expected to have a total cash cost of approximately US$50 million and a non-cash write-down of US$50 million, both of which will be treated as significant items.

Returns, measured as PBIT over average funds employed, increased from 12.8% to 13.3%.

The business generated a strong cash flow of US$244 million.

North America

The North American business, including Mexico, delivered a strong operating performance, predominantly due to higher custom beverage volumes and the positive contribution from acquisitions.

Beverage
Custom Beverage container volumes were 27% higher with a 12% increase in the legacy business and the balance of the increase due to the Ball Plastics acquisition. The particularly hot summer in 2010 resulted in a substantial increase in volumes, off a low base, during the first half of the year. In the second half, volume growth was lower due to more subdued economic conditions in the US and a higher prior year comparative.

CSDW volumes increased 31%, with the legacy CSDW business down 5% and a positive contribution from the acquired Ball Plastics business.

The acquisition of the Ball Plastics business provides the opportunity to rationalise the CSDW manufacturing footprint in North America. The plant in Lathrop, California, was closed during the second half of the year and the plant at Delran, New Jersey, will close in December 2011. Management continues to evaluate options to further optimise the North American footprint.

Diversified Products
The Diversified Products segment consists of rigid plastic containers predominantly for the distilled spirits and wine, food, personal care / home care and pharmaceutical / healthcare markets.

The acquisitions of Alcan Packaging and Ball Plastics substantially broadened the product, offering adding new multi-material, multi-platform capability. Sales revenue for the Diversified Products segment was US$416 million. This is a substantial increase on the US$175 million in sales prior to the acquisitions.

South America
The business in South America had a good year with sales up 18% and earnings significantly higher. The business benefited from higher volumes, effective commercial management and cost reduction programs.

Bericap
The majority-owned joint venture, Bericap North America, is managed and reported within the Rigid Plastics segment.

Volumes for the year were higher, driven in part by new lightweight closures. The volume growth resulted in higher capacity utilization, and earnings for the year were higher.

Outlook
Given the current subdued economic conditions in the US, beverage volume growth in North America is likely to be modest in the 2012 financial year. There will be a continued mix shift into the attractive Custom Beverage segment and lower volumes in the CSDW segment.

Volumes across South America are expected to be higher, driven by ongoing growth across most of the region. A partial offset could be the challenging economic conditions in Venezuela.

The Diversified Products business is expected to achieve improved earnings due to benefits from the restructuring and operating improvement program, recent capital expenditure and ongoing growth in these market segments.

Operational improvements and synergy benefits, from integrating Ball Plastics, will represent a substantial component of earnings growth for the year.

Overall earnings for the Rigid Plastics segment in the 2012 financial year are expected to be higher. The magnitude of the increase will depend on volume growth in the attractive Custom Beverage and Diversified Products segments and the ability to execute the restructuring program on schedule and obtain the expected cost benefits in the current year.

Australasia & Packaging Distribution

Profit	2010 A$ mill	2011 A$ mill	Change %
Sales	2,800	2,836	1.3
PBIT*	**161.2**	**159.7**	**(0.9)**
Operating Margin (%)	5.8	5.6	
Average funds employed	1,605	1,592	
PBIT*/AFE (%)	**10.0**	**10.0**	

Cash Flow	2010 A$ mill	2011 A$ mill	Change %
PBITDA*	284.3	280.2	(1.4)
Base Capital Expenditure	(68.1)	(77.6)	
Movement in Working Capital	(16.2)	(11.3)	
Significant items	(16.6)	(4.2)	
Operating Cash Flow	**183.4**	**187.1**	**2.0**
Growth capital expenditure	(142.3)	(182.8)	

*Before significant items

Australasia and Packaging Distribution achieved a PBIT of $159.7 million. This was a solid result, given the particularly difficult operating conditions in the second half of the year.

Returns, measured as PBIT over average funds employed, were 10.0%.

Capital expenditure was $260.4 million, comprising $77.6 million for base capital, $163.0 million for the recycled paper mill at Botany, NSW and final payment of $19.8 million for the new glass furnace. Construction of the new recycled paper machine has been delayed due to extensive rain over the winter months and completion is now expected in the first half of the 2012 calendar year. Operating cash flow for the year was $187.1 million.

Impact of the weather

There was severe flooding across a large portion of eastern Australia during the November 2010 to February 2011 period. This adversely affected volumes in the fruit, produce and meat end markets. For a number of these markets, volumes will not return to normal levels until the next growing season is completed.

In February 2011 Cyclone Yasi devastated the banana crop in northern Queensland. Given that recovery of the crops is expected to take up to 12 months, the negative impact of Cyclone Yasi for the corrugated business on volumes and earnings will continue into the 2012 fiscal year.

The summer months were particularly cool and wet across eastern Australia and this adversely affected volumes in the beverage sector.

Impact of high Australian dollar

The high Australian dollar negatively impacted those parts of the business that are trade exposed either directly via Amcor's own manufacturing or indirectly via the impact it has on customers' volumes.

Within the Australian operations, the main business that is directly trade exposed is the cartonboard and carton converting operations. This business is vertically integrated, manufacturing recycled cartonboard at the Petrie Mill in Queensland. The business has also been impacted by substantial energy cost increases, higher recycled paper input costs and continual annual increases in labour. The business has been unable to fully recover these increases in the market.

As a result, the decision has been made to book an impairment and restructuring charge of $65.0 million in the cartons business. This has been classified as a significant item in the current period.

The Australian operations were also adversely affected by the indirect impact of the high Australian dollar reducing customer volumes. In particular, industry exports of filled wine bottles are approximately 17% lower than last year, and this had implications for the performance of the wine glass bottle business.

Should the Australian dollar remain at current levels, there will be an ongoing impact on volumes.

Weakening Australian economy

From October 2010, the Australian economy began to slow, and the pace of this slowdown accelerated through the January to June 2011 period. The Australian operations predominantly supply the more defensive food and beverage end market segments, however, there is an industrial customer base in the corrugated operations. During the year, volumes were under pressure in some segments due to the weakening Australian economy.

Fibre

Volumes for the year were 4% lower, with a number of adverse impacts being partially offset by a modest gain in market share.

There was continued cost pressure, with increases in recycled paper, labour and energy. To assist in recovering these increases, the business increased prices for non-contracted business by 2% in each of July 2010 and January 2011 and by 4.5% in July 2011. Further price increases will be required to recover ongoing cost increases.

Rigids

For the beverage can business, volumes were 1% higher than the prior year. Lower weather related demand in the beer and soft drink end markets were more than offset by strong growth in the energy drink category. The new $33 million can line in New Zealand is currently being commissioned and will ramp up to full production over the next 12 months.

The glass bottle business had a difficult year. There were manufacturing inefficiencies as the plant commissioned the third glass furnace, and wine volumes were impacted by the higher Australian dollar. For the 2012 financial year, new contracts for wine bottles and additional beer bottle volumes mean the three furnaces are expected to operate at near full capacity. With the high Australian dollar, overall glass demand in Australia is well supplied and there is unlikely to be any further growth capital expenditure for the foreseeable future.

Packaging Distribution

This business, based in the US, had a strong year, with earnings, expressed in US dollars, significantly higher. The strategy developed and implemented over the past three years to broaden the channels to market has been a key driver in achieving higher volumes. The business had another year of excellent cost management so that improved volumes were reflected in increased earnings. Earnings for the year included a US$6 million profit from the sale and leaseback of property.

Outlook

Earnings in the 2012 financial year for the Australasia and Packaging Distribution business are expected to be impacted by the following factors:

- Higher volumes in the glass operations, with the third glass furnace operational for the full year;
- In the fibre businesses there will be the continuing impact of the loss of the banana crop and a full year impact of the weaker Australian economy and high Australian dollar. Partially offsetting this will be recovery from the floods in eastern Australia;
- Underlying improvement is expected in the Packaging Distribution business, provided the US economy remains at current levels, however, this will be offset by the absence of the US$6 million one off gain from the sale of a property; and
- Earnings in the beverage can business are largely dependent on weather through the summer period.

There are a considerable number of variables in determining earnings for 2012, and expectations are likely to evolve as the year progresses. At this stage, the combined negative impact of an ongoing high Australian dollar and a weakening Australian economy means that earnings in 2012 will likely be in line with 2011.

Investments/Other

Investments / Other includes corporate costs, earnings from the Glass Tubing business and equity accounted earnings from the 47.94% interest in the Hong Kong publicly listed company AMVIG Holdings Limited (AMVIG).

For the year ended 30 June 2011, corporate costs were $53.8 million (2010: $43.2 million), AMVIG earnings were $34.0 million or S$43.6 million (2010: $31.3 million or S$38.6 million)

Included in corporate costs are earnings from the Glass Tubing business of $18.4 million (2010: $4.7 million), which was sold to Nipro Corporation, effective 23 June 2011. The business was classified as an asset held for sale for accounting purposes and as a result, depreciation was not recognised during the current year.

AMVIG Holdings Limited
Amcor's share of equity accounted earnings from the investment in AMVIG was higher than the same period last year as a result of increased ownership interest.

During the current year, Amcor acquired an additional 18.03 million shares in AMVIG at a cost of S$18.7 million, increasing Amcor's ownership interest from 45.99% to 47.94%.

Significant items

(A$ million)	P&L 2011	Cash 2011
Acquisition costs (transaction, synergy and restructuring costs)	152.7	149.7
ACCC class action	90.3	90.3
Other[1]	(6.2)	27.3
Significant items before related income tax expense	**236.8**	**267.3**
Income tax on significant items	(23.2)	
Significant items after related income tax expense	**213.6**	

1. Other significant items includes the following:

	P&L A$ million	Cash A$ million
Impairment and restructuring - cartons Australia	65.0	0.0
Insurance costs associated with flooding events in Australia	24.5	24.5
Profit on disposal of the Glass Tubing business	(89.6)	0.0
Other items	(6.1)	2.8
Total Other	(6.2)	27.3

Cartons impairment and restructuring
Refer page 10.

Insurance costs
Amcor has its own captive insurer. For reporting purposes, the captive resides within the Investments/Other segment. The captive collects annual premiums from Amcor's business groups, and assumes specific risks relating to property damage, business interruption and liability claims. To reduce the exposure to Amcor some of that risk is passed on to third party reinsurers.

In the 2011 year, insurance costs associated with the floods across eastern Australia were $24.5 million, in line with guidance provided at the half year results.

Profit on disposal of Glass Tubing business
The business was sold effective 23 June 2011. Cash proceeds were received on 25 July 2011.

Cash flow

(A$ mill)	Flexibles	Rigid Plastics	Australasia & Packaging Distribution	Investments / Other	Consolidated
PBITDA*	842.0	410.8	280.2	(18.8)	1,514.2
Interest	-	-	-	(205.9)	(205.9)
Tax	-	-	-	(148.1)	(148.1)
Base Capital Expenditure	(113.6)	(164.7)	(77.6)	(6.0)	(361.9)
(Increase)/decrease in working capital	1.4	20.5	(11.3)	(37.7)	(27.1)
Cash significant items	(110.9)	(19.8)	(4.2)	(132.4)	(267.3)
Other items	-	-	-	(63.9)	(63.9)
Operating cash flow	**618.9**	**246.8**	**187.1**	**(612.8)**	**440.0**
Dividends Paid	(1.6)	(14.8)	-	(416.6)	(433.0)
Free cash flow	**617.3**	**232.0**	**187.1**	**(1,029.4)**	**7.0**

*Before significant items