News Release

21 August 2012

AMCOR ANNOUNCES PROFIT RESULT FOR YEAR ENDED 30 JUNE 2012

Highlights

- Profit after tax and before significant items of $634.9[(1)] million, up 11.3%;
- The translation impact from the higher Australian dollar on profit after tax and before significant items was negative $35[(1)] million;
- Significant items, primarily relating to acquisitions and restructuring activities, were an after tax expense of $222.3[(3)] million compared to an after tax expense of $213.6 million in 2011;
- Profit after tax and significant items of $412.6 million, up 15.7%;
- Operating cash flow after base capital expenditure of $643.7[(5)] million;
- Cash flow from operating activities of $1,040.2[(2)] million; and
- Annual dividend of 37.0 cents per share, up 5.7%.

Results	2011	2012	Change %
Sales revenue[(2)]	12,412.3	12,192.9	(1.8)
PBITDA[(1)]	1,514.2	1,556.9	2.8
PBIT[(1)]	1,003.2	1,061.4	5.8
PAT[(1)]	**570.3**	**634.9**	**11.3**
Significant items[(3)]	(213.6)	(222.3)	(4.1)
Profit[(2)]	356.7	412.6	15.7
EPS[(4)] (cents)	46.5	52.3	12.5
Operating cash flow[(5)]	440.0	643.7	46.3
Dividend[(2)] (cents per share)	35.0	37.0	5.7

Key Ratios	2011	2012
PBIT/Average funds employed (%)[(1)]	14.1	15.9
Net debt / (Net debt plus equity) (%)	46.0	51.3
Net PBITDA interest cover (times)[(1)]	7.0	7.6

(1) Throughout this news release, we have included certain non-IFRS financial information, including profit after tax and before significant items, operating cash flow, free cash flow, PBIT and PBITDA before significant items. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Amcor Management uses these measures to assess the performance of the business and believes that the information is useful to investors. References to earnings throughout this report are references to PBIT before significant items. For a reconciliation of IFRS compliant profit for the period to PBIT, PBITDA and PAT before significant items refer to the Consolidated Income Statement included on page 2.
(2) IFRS compliant information extracted from Amcor's audited annual financial report.
(3) Refer page 13 for further information.
(4) Based on profit after tax and before significant items.
(5) After significant items and base capital expenditure. Refer page 13 for further information.

Amcor has released to the Australian Securities Exchange a webcast presentation on its financial results for the year ended 30 June 2012. This is available at www.amcor.com

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Segment information

Segment analysis (A$ mill)	2011 Sales revenue(1)	2011 PBIT	2011 ROAFE%	2012 Sales revenue(1)	2012 PBIT	2012 ROAFE%
Flexibles	6,309.7	620.5	20.4	6,077.9	683.3	23.9
Rigid Plastics	3,142.3	242.8	13.3	3,261.3	264.1	15.5
Australasia and Packaging Distribution	2,836.1	159.7	10.0	2,872.2	152.5	9.3
Investments / Other / Intersegment	124.2	(19.8)	-	(18.5)	(38.5)	-
TOTAL	**12,412.3**	**1,003.2**	**14.1**	**12,192.9**	**1,061.4**	**15.9**

Financial results

Consolidated Income (A$ mill)	2011	2012
Sales revenue	**12,412.3**	**12,192.9**
PBITDA	1,514.2	1,556.9
- Depreciation and amortisation(1)	(511.0)	(495.5)
PBIT	1,003.2	1,061.4
- Net finance costs(1)	(217.1)	(205.8)
Profit before tax	**786.1**	**855.6**
- Income tax expense	(192.6)	(196.5)
- Non-controlling interest(1)	(23.2)	(24.2)
Profit after tax and before significant items	**570.3**	**634.9**
Significant items after tax	(213.6)	(222.3)
Profit for the financial period(1)	**356.7**	**412.6**

Consolidated Balance Sheet(1)	30/06/11	30/06/12
Current assets	3,660.3	3,728.1
Property, plant and equipment	4,497.3	4,667.6
Intangible assets	1,881.5	1,999.5
Investments and other assets	885.2	939.4
Total assets	**10,924.3**	**11,334.6**
Current interest-bearing liabilities	356.2	918.0
Non-current interest-bearing liabilities	3,063.6	2,995.7
Payables and provisions	3,755.9	4,041.3
Total equity	3,748.6	3,379.6
Total liabilities and equity	**10,924.3**	**11,334.6**

Consolidated Cash Flow (A$ mill)	2011	2012
PBITDA	1,514.2	1,556.9
Interest received/borrowing costs paid	(205.9)	(206.3)
Income tax paid(1)	(148.1)	(112.7)
Base capital expenditure	(361.9)	(398.9)
Movement in working capital	(27.1)	113.8
Cash significant items	(267.3)	(199.1)
Other	(63.9)	(110.0)
Operating cash flow(2)	**440.0**	**643.7**
Dividends and other equity distributions(1)	(433.0)	(443.6)
Free cash flow(2)	**7.0**	**200.1**
Divestments	133.8	136.2
Growth capital / acquisitions	(657.7)	(515.6)
Movements in share capital	20.7	(189.3)
Proceeds on capital contribution from minority interests(1)	3.2	1.8
Foreign exchange rate changes	(52.6)	(14.3)
Increase in net debt (2)	**(545.6)**	**(381.1)**

(1) IFRS compliant information extracted from Amcor's audited annual financial report.
(2) Refer page 13 for further information.

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Net debt and net finance costs

Net debt increased from $3,195.4 million at 30 June 2011 to $3,556.1 million at 30 June 2012. Excluding the currency translation impact, net debt increased by $381.1 million to $3,576.5 million, as a result of funds drawn down to finance the acquisition of the Aperio Group and increased spending on the new paper mill in New South Wales.

Gearing, measured as net debt over net debt plus equity, was 51.3% at 30 June 2012.

Current interest bearing liabilities for the year to 30 June 2012 increased from $356.2 to $918.0 million. Subsequent to year end the company renewed a three year US$740 million multi currency syndicated revolving bank facility that was part of the current interest bearing liabilities at 30 June 2012, subject to conditions precedent. The size of the tranche was increased from US$740 million to US$900 million.

Following this refinancing, the next sizeable refinancing is in December 2013 with another US$740 million multi currency facility due to mature.

Net finance costs were $205.8 million. Interest cover, measured as PBITDA to net interest, was 7.6 times.

Operating cash flow was $643.7 million and, after the payment of dividends, free cash outflow was $200.1 million.

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. For the 2013 financial year the annualised profit after tax sensitivity for a one cent movement against the Euro is expected to be approximately $5 million. The annualised sensitivity for a one cent movement against the US dollar is expected to be approximately $3 million.

Capital management

The Directors declared an unfranked final dividend of 19 cents per share, an increase of one cent or 6% compared with the 2011 final dividend. This brings the annual dividend to 37.0 cents per share, two cents or 6% 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 28 August 2012, the record date will be 3 September 2012 and the payment date will be 25 September 2012.

A $150 million on-market share buy-back was announced on 22 August 2011, and was completed during the December 2011 half year. A total of 21.1 million shares were repurchased at an average price of $7.10. This represents 1.72% of shares outstanding at the time of the announcement, and all of the shares repurchased have been cancelled.

During the year there were 4.3 million options exercised by employees and 1.3 million performance rights vested. The shares issued by the company to satisfy the exercising of these incentive plans were purchased on market thereby ensuring the number of shares on issue did not increase.

Flexibles

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

Earnings	2011 A$ mill	2012 A$ mill	Change %	2011 € mill	2012 € mill	Change %
Sales revenue	6,310	6,078	(3.7)	4,577	4,683	2.3
PBIT	**620.5**	**683.3**	**10.1**	**450.2**	**526.5**	**16.9**
Operating Margin (%)	9.8	11.2		9.8	11.2	
Average funds employed	3,045	2,854	(6.3)	2,209	2,199	(0.4)
PBIT/AFE (%)	**20.4**	**23.9**		**20.4**	**23.9**	
Average exchange rate (cents)	0.73	0.77				

Cash Flow						
PBITDA(1)	842.0	892.6	6.0	610.9	687.8	12.6
Base Capital Expenditure	(113.6)	(145.1)		(82.5)	(111.8)	
Movement in Working Capital	1.4	41.6		1.0	32.0	
Significant items	(110.9)	(109.9)		(80.5)	(84.7)	
Operating Cash Flow	**618.9**	**679.2**	**9.7**	**448.9**	**523.3**	**16.6**

(1) Includes share of net profit of associates.

The Flexibles segment had a strong year with PBIT up 16.9% to €526.5 million. This was a particularly strong result achieved against a backdrop of subdued economic conditions in the developed markets.

Sales revenue for the year increased 2.3% or €106 million. Factors that impacted sales included:

- Underlying sales growth, raw material movements and FX changes combined to increase sales by approximately €165 million.
- Exiting low margin volume as plants closed. This combined with the net impact of divestments and acquisitions, reduced sales by approximately €60 million.

There was continued strong volume growth in emerging markets, modest growth in North America and stable underlying volumes in Western Europe and Australasia. This solid performance across the regions reflects the defensive nature of the food, beverage, healthcare and tobacco packaging end markets.

The operating sales margin increased from 9.8% to 11.2%. This increase is consistent with the guidance given in August 2011 that the operating margin for the 2012 year would be between 11.0% and 11.5%. The substantial improvement predominately reflects the ongoing benefits from the Alcan Packaging acquisition.

Returns, measured as PBIT over average funds employed, increased from 20.4% to 23.9%. Over the past three years returns have substantially improved due to the combination of higher asset turns, 1.8 to 2.1 times, and a 300 plus basis point increase in margins.

Total capital expenditure was €111.8 million.

Synergies

Two and a half years after the acquisition of Alcan Packaging, the businesses are fully integrated and it is not possible to disaggregate cost synergies from operating improvements. The final synergy realisation however, was in excess of $200 million. This benefit is reflected in the significantly improved operating margins and higher returns.

In 2011/12, the final synergy costs relating to the Alcan Packaging acquisition were expensed as significant items. In the current year there will be some residual cash spending relating to items such as plant dismantling and site remediation as well as redundancy payments however there will be no further profit and loss significant items from this program.

Raw material input costs

During the year there was no consistent trend in the movement of raw material input costs either by product or geography and for many products prices moved both higher and lower during the 12 months. For the year there was an overall modest positive impact from the timing in the movement in raw material prices. In the first half there was a modest adverse impact which was more than offset by a positive impact in the second half.

Flexibles Europe and Americas

The Flexibles Europe and Americas business services the defensive market segments of food and healthcare in Europe and the Americas. The major end markets served, making up more than 85% of sales, are medical & pharmaceutical, snacks & confectionery, cheese & yoghurt, bakery & fresh produce, coffee and pet food.

Despite challenging economic conditions, underlying volumes were stable. In North America, volumes were modestly higher, driven by growth in pharmaceutical applications, and in Europe underlying volumes were generally stable. As plants were closed in Europe the business chose to reduce volumes in order to optimize plant operations and improve mix.

Earnings were substantially higher mainly due to an improved cost position and the timing of raw material cost pass-through. The business continues to improve its cost position by simplifying operations through standardization of raw materials, optimization of production and reduction of selling, general & administrative costs.

During the second half, the business announced the closure of a small plant in Drammen, Norway. This plant is expected to cease operation in October 2012. Closures announced in prior periods have proceeded as planned with benefits from the plant closure in Viersen, Germany being realised in the second half.

By combining its focus on innovation and advantaged cost position, the business is positioned to increase the value it creates for customers and further drive profit improvement.

Flexibles Asia Pacific

The Flexibles Asia Pacific business has leading positions in key markets and significant growth opportunities from its 34 plants. 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 region.

The business had a strong year, with earnings and returns significantly higher than the prior year. This was driven by strong volume growth, excellent cost management and operating improvements.

In China, the operations consist of seven plants and hold market leading positions across China’s major regional centres. Sales for the year increased by 13%, primarily due to the benefits of new capacity installed over the past 12 months. There was solid growth in the healthcare and high barrier film segments and the business was successful in gaining share in targeted food end markets. Earnings for the year were significantly higher.

In addition to organic growth, agreement was reached to acquire shares held by minorities in the flexibles plants located in Beijing and Chengdu. Previously, Amcor held 75% and 40% interests in these plants respectively. Both transactions were finalised in the June 2012 half with closing formalities expected to be completed by the end of September 2012. These acquisitions provide the business with additional leverage to the growth opportunities being pursued in the North and West of China.

The Thailand business had a solid year, with increased sales and earnings. This was an outstanding outcome given the significant challenges presented by severe flooding through the December 2011 quarter. The business benefited from new investments that are directed at growing the higher value-add, high barrier products. The recent acquisition of the

Aperio Group included a plant in Thailand. The assets of this newly acquired site complement the existing portfolio and with four plants in Thailand, Amcor is well positioned to further support its valued customers.

The business unit that comprises the operations in Indonesia, Singapore and India had a solid year. The four plants all have good positions in their local markets creating strong platforms for future growth. Off a relatively low base, earnings were substantially higher than last year.

The Australia and New Zealand operations had improved earnings. During the year overall volumes were flat with earnings improvements from cost reduction programs, particularly the closure of the Regents Park facility in NSW.

In May 2012 the A$238 million acquisition of the Aperio Group was completed. The business has 13 manufacturing facilities in Australia and New Zealand and sales of approximately A$350 million. The acquisition brings together the two leaders in the Australasia flexibles market and is expected to deliver net synergy benefits of A$25 million with a net cash cost to achieve these benefits of A$25 million. The integration is proceeding well with solid customer support and good progress across all components of talent placement and synergy capture. The business has announced the closure of Coopers Plains, a small plant in Queensland, with the majority of the volume from that plant transferred to Amcor's Acacia Ridge site also in Queensland.

Tobacco Packaging

The Tobacco Packaging business had another strong year with higher earnings driven by solid volumes, improved product mix, cost savings and ongoing operating improvements.

There was strong sales growth in both Western and Eastern Europe. In both regions volume growth was modest however the ongoing trend from customers to introduce new pack shapes and more sophisticated design features drove significant sales growth. The trend towards higher value-add products is continuing and with the improved operating performance across the European operations, the business is well positioned to service these increasingly complex customer requirements.

The operations in North America also had a strong year driven by an increase in market share and additional export volumes. The business is selectively moving into non-tobacco end markets where the packaging can be produced on the existing equipment and customers require high quality, large volume gravure printing.

The US$40 million acquisition of the Aluprint tobacco packaging plant in Monterrey, Mexico was completed in July 2012. The business has sales of US$30 million and establishes a local presence in Mexico, a large and strategically located market for tobacco packaging. Aluprint has an excellent management team and the opportunity exists for substantial growth by leveraging Amcor's global customer relationships.

In July 2012 Amcor completed the acquisition of International Playing Card & Label Company (IPC&L). Located near Buenos Aires, IPC&L is the largest tobacco packaging producer in Argentina. The business is a key supplier to the market leader and has opportunities for growth within Argentina, as well as supplying surrounding countries.

Outlook

For the 2012/13 year the Flexibles segment is expected to achieve a solid increase in earnings, expressed in local currency terms.

Volumes are likely to be stable in developed countries, have continued growth in emerging markets and benefit from the recent acquisitions in Australasia, Mexico, India and Argentina.

There will be continued acquisition synergies and ongoing operating improvements.

Margins for the legacy operations are expected to increase however the new acquisitions will have lower margins until synergy benefits are realised. In aggregate this should result in a modest increase in margins.

Rigid Plastics

Earnings	2011 A$ mill	2012 A$ mill	Change %	2011 US$ mill	2012 US$ mill	Change %
Sales revenue	3,142	3,261	3.8	3,110	3,365	8.2
PBIT	**242.8**	**264.1**	**8.8**	**240.3**	**272.5**	**13.4**
Operating Margin (%)	7.7	8.1		7.7	8.1	
Average funds employed	1,823	1,699	(6.8)	1,804	1,753	(2.8)
PBIT/AFE (%)	**13.3**	**15.5**		**13.3**	**15.5**	
Average exchange rate (cents)	0.99	1.03				

Cash Flow						
PBITDA[1]	410.8	421.4	2.6	406.6	434.8	6.9
Base Capital Expenditure	(164.7)	(168.6)		(163.0)	(174.0)	
Movement in Working Capital	20.5	88.2		20.3	91.0	
Significant items	(19.8)	(35.7)		(19.6)	(36.9)	
Operating Cash Flow	**246.8**	**305.3**	**23.7**	**244.3**	**314.9**	**28.9**

(1) Includes share of net profit of associates.

The Rigid Plastics business had a solid year with PBIT up 13.4% to US$272.5 million.

The key driver for this improvement was the realisation of synergy benefits from the Ball Plastics Packaging acquisition. For the 2011/12 year the contribution to PBIT from synergy benefits was approximately US$30 million.

Overall beverage volumes across the group for the year were 5% lower than the same period last year, comprising custom container volumes 1% lower and carbonated soft drink and water (CSDW) volumes 7% lower. Sales for Diversified Products increased by 15%.

Capital expenditure was US$174.0 million, and returns, measured as PBIT over average funds employed, were 15.5%.

North American Strategy

Over the past seven years the Rigid Plastics strategy in North America has been to increase participation in the higher value-add custom containers and diversified product segments, focusing on improving the customer value proposition through innovation in bottle design and light weighting, as well as moving into new bottle materials and barrier technologies.

At the same time, the business has selectively reduced participation in the CSDW segment, only choosing to continue operating where it has an advantaged position through scale or customer proximity. In part, this reduction was also driven by the trend to customer self-manufacture of blown containers.

Through this transition there has been a positive change in product mix and in 2012/13 the business will have substantially reduced exposure to the water segment and only approximately 10% of total volumes in blown CSD containers.

Synergy program

Following the acquisitions of Ball Plastics Packaging and Alcan Packaging, the business undertook a number of cost reduction and operating improvement initiatives across North and South America. Restructuring under this program is largely complete. The plant in Delran, New Jersey closed in February, the plant in Lenexa, Kansas closed in June and the business has also exited lower margin CSD volumes in Mexico. In Orlando, Florida, the operations have been

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relocated to a larger facility, enabling ongoing expansion in this fast growing region. Where plants have been closed the business has redeployed most of the assets across the manufacturing network to improve operating efficiencies.

The operations in North America have further improved the product mix by selectively exiting low margin CSDW volumes and focusing on hot-fill custom containers, diversified products and niche cold-fill containers. For the 2012/13 year volumes for CSDW will be lower than in 2011/12 due to the full year impact of these changes.

Net synergy benefits from these restructuring activities will be approximately US$35 million with an estimated US$30 million reflected in the 2011/12 result. Although there will be additional synergies benefits in 2012/13 these will be largely offset by the negative impact of finalising the move to customer self-manufacture of CSD containers and the full year impact of exiting low margin business in 2011/12.

North America

The North American business, which includes Mexico, delivered a solid operating performance with earnings substantially higher. Benefits from excellent cost management, synergies and operating improvement initiatives more than offset lower beverage volumes.

Beverage

Custom beverage container volumes were 1% lower. In the first half, volumes were 7% lower mainly due to a cooler summer in 2011 and weak consumer demand in higher priced premium juice products. In the third quarter volumes continued to track lower against the previous corresponding period. In the fourth quarter the business benefited from warm weather and this resulted in custom volumes for the second half being 3% higher than the same period last year.

CSDW volumes were 10% lower for the year. This reduction was primarily due to the business electing to exit low margin business and the final phase of some customers moving to self-manufacture of blown containers.

Diversified Products

The Diversified Products (DP) segment consists of rigid plastic containers predominately for the pharmaceutical / healthcare, food, alcoholic beverage and personal care / homecare markets. It produces containers with a number of different plastic substrates including high density polyethylene (HDPE), polypropylene and PET. It employs a number of different technologies including multilayer containers, plasma coatings and oxygen scavenging. The manufacturing platform consists of a range of processes including extrusion blow molding, compression blow molding and single stage injection / blow molding.

Product innovation is an important driver in enabling the business to meet specific customer needs and over the past year volumes have been converted from other substrates, especially glass, to plastic containers. This has resulted in growth rates well above GDP.

During the year the business achieved a substantial improvement in both sales and earnings. Sales were 15% higher, with a particularly strong performance in the second half. The business has been successful in winning new business across a range of end market segments including personal care and infant formula.

To support the growth in the DP business, capital expenditure for 2011/12 was 185% of depreciation and for the 2013 year is again expected to be well above depreciation.

Following the acquisitions of Ball Plastics Packaging and Alcan Packaging the business has undertaken an operating improvement program to modernise the manufacturing base, lower operating costs and significantly improve quality and service. As the business continues to grow it is able to leverage off the extensive beverage footprint thereby improving the customer supply chain and reducing costs by sharing overheads with the beverage operations.

The combination of higher sales and improved operating performance should enable the business to achieve higher earnings in 2012/13.

South & Central America

Overall, the performance in the South & Central American business remained solid with earnings higher than the same period last year.

Beverage volumes were 2% higher with a mixed performance across the region. There was solid volume growth in Argentina, Brazil and Colombia partly offset by declines in volumes in Venezuela and Peru. The new preform manufacturing plant in Suape, Brazil commenced operations during the second half, resulting in higher volumes for the period.

Across the region benefits from operating efficiencies, cost management initiatives and higher beverage volumes were partially offset by the negative impact of a reduction in fiscal benefits in Brazil of approximately US$7 million.

In the second half, economic growth across the region slowed. This trend has continued into the start of the 2012/13 year.

Bericap

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

Earnings for the year were higher, mainly as a result of increased volumes particularly in the fourth quarter.

Outlook

For the 2012/13 year, earnings for the Rigid Plastics business overall are expected to be moderately higher, expressed in local currency terms. There are a number of factors that will influence earnings including economic conditions and summer weather in the major markets.

Both the Diversified Products and South & Central American business units are expected to achieve improved earnings. Additional benefits from the restructuring in North America will offset the final phase of the self-manufacture reset in the North American CSDW market.

Australasia and Packaging Distribution

Earnings	2011 A$ mill	2012 A$ mill	Change %
Sales revenue	2,836	2,872	**1.3**
PBIT	**159.7**	**152.5**	**(4.5)**
Operating Margin (%)	5.6	5.3	
Average funds employed	1,592	1,632	2.5
PBIT/AFE (%)	**10.0**	**9.3**	

Cash Flow			
PBITDA	**280.2**	**279.1**	**(0.4)**
Base Capital Expenditure	(77.6)	(79.3)	
Movement in Working Capital	(11.3)	(20.7)	
Significant items	(4.2)	(38.2)	
Operating Cash Flow	**187.1**	**140.9**	**(24.7)**
Growth capital expenditure	(182.8)	(264.5)	

Australasia and Packaging Distribution achieved a PBIT of $152.5 million, 4.5% lower than last year.

Underlying earnings, for Australasia and Packaging Distribution, were flat compared to last year after adjusting for the $7 million profit on asset sales in the prior year and the impact of the higher Australian dollar when translating earnings of the US based Packaging Distribution business into Australian dollars.

In Australasia the business had a solid first half however, in the second half difficult economic conditions and high Australian dollar negatively impacted volumes in some segments. Notwithstanding these impacts, second half earnings were only marginally lower than the corresponding prior period. Packaging Distribution achieved solid underlying earnings growth. This was a good result given economic conditions in the US remained subdued.

Returns, measured as PBIT over average funds employed, were 9.3% and operating cash flow for the year was $140.9 million.

Capital expenditure was $343.8 million, comprising $79.3 million for base capital spending and $264.5 million for the new recycled paper mill.

Paper – Botany Mill
The new recycled paper mill, located at Botany, NSW is expected to commence commissioning in September. Initially it will run a limited number of paper grades and for a machine of this size the ramp up to full production is normally around 18 to 24 months. The machine is world class and will create a differentiated customer value proposition by introducing to the Australian market higher quality recycled paper for use in the corrugated box market. It will also produce a broader range of lightweight papers enabling the development of innovative new products.

The new machine will deliver cost reduction benefits of approximately $50 million once operating at full speed and manufacturing the full range of papers. There will also be additional benefits, over time, due to the improved paper quality and the ability to bring new products to market. The net capital cost, subject to outcomes relating to excess land sales, is expected to be approximately $300 million.

The environmental credentials of the new machine at Botany will assist customers in meeting or exceeding many of their obligations under the Australian Packaging Covenant. The significantly improved environmental impact includes a 34% reduction in energy usage, 26% reduction in water usage and a 75% reduction in waste to landfill.

Corrugated and Paper

Volumes in the corrugated box business were in line with the prior year and earnings in the integrated corrugated and paper operations were flat. This was a solid performance given the difficult economic conditions in Australia in the second half of the year adversely impacted industrial volumes. Over the past two years the business has modestly increased market share and, with the start up of the new recycled paper mill at Botany is committed to maintaining its market share.

The Australian corrugated box market remains very competitive due to the combination of a strong Australian dollar and lower international paper prices. The business is currently experiencing selling prices that are unsatisfactory given costs continue to increase, notably energy and labour. The business needs increased selling prices in the corrugated market to reflect these higher costs.

Cartons and Cartonboard

The carton converting business had a solid year with improved operating performance and recovery of inflationary cost increases. Following the acquisition of a former Carter Holt Harvey plant in December 2010, the business closed one of two sites in New South Wales in June 2012. The benefits from this restructuring are expected to be evident in the 2012/13 year.

The recycled cartonboard mill in Petrie, Queensland produces board for internal requirements as well as for both the domestic and export markets. The mill is trade exposed and with the high Australian dollar there has been significant pressure on export selling prices. In the current environment increases in energy and labor costs are not being recovered and this trend is expected to continue while the Australian dollar remains at current levels. The combination of unrecovered higher costs and lower export selling prices will result in a substantial reduction in earnings for the current year.

Rigids

The beverage can business had a solid year with volumes 1% lower. There were cool and wet conditions in the key markets of NSW and Queensland over summer and the business lost its share of the Schweppes contract impacting volumes in the second half of the year. This loss of volume was partially offset by additional business from new and existing customers. There was also a full year contribution from the new can line in New Zealand.

The glass operations had a solid year with higher earnings. This business continues to be adversely affected by the high Australian dollar impacting export bottled wine volumes. Over the past 18 months the business has successfully offset this reduction in wine bottle volumes by diversifying its product range into beer and other non-wine products. Taking into account the closure of three furnaces by the major competitor, overall glass demand in Australia remains well supplied. As a result, Amcor is unlikely to pursue further growth capital expenditure in this segment for the foreseeable future.

Packaging Distribution

The Packaging Distribution business performed well with underlying US dollar earnings higher than last year. The result was positively impacted by incremental gains in market share, earnings from acquired businesses and excellent management of costs. The business has successfully completed two small acquisitions in the last two years. The Memphis based Wurzburg business increased the scale of operations in this important growth market and, the Californian based Marfred Industries leverages the extensive existing footprint in this market.

Outlook

Given the uncertain outlook for the Australian economy and the ongoing adverse impact of the high Australian dollar, earnings in the Australasian and Packaging Distribution business in the 2012/13 financial year are expected to be in line with the 2011/12 financial year.

It is anticipated that the business will build momentum during the year as second half earnings will benefit from the start-up of the new paper mill at Botany.

Investments / Other

PBIT (A$ million)	2011	2012
AMVIG	34.0	32.9
Glass Tubing	18.4	-
Corporate costs	(72.2)	(71.4)
Total	**(19.8)**	**(38.5)**

Investments / Other include corporate costs 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 2012, corporate costs were $71.4 million and AMVIG earnings were $32.9 million.

For the year ended 30 June 2011, corporate costs were $72.2 million, earnings from the Glass Tubing business were $18.4 million and AMVIG earnings were $34.0 million.

The Glass Tubing business was reported in investments / other as it was a business held for sale. The business was sold to Nipro Corporation, effective 23 June 2011.

Subsequent to year end, on 16 August 2012 AMVIG released its interim results for the six months ended 30 June. In this release AMVIG announced a special dividend of HK108 cents per share. Amcor owns 442.5 million shares in AMVIG and will receive HK$478.0 million from this special dividend. This equates to approximately A$58.7 million based on an exchange rate of 8.14.

Significant items[1]

(A$ million)	2011	2012
Transaction, synergy costs and impairments	152.7	280.6
ACCC class action	90.3	4.4
Other	(6.2)	4.2
Significant items before related income tax expense	**236.8**	**289.2**
Income tax benefit on significant items	(23.2)	(66.9)
Significant items after related income tax expense	**213.6**	**222.3**

(1) Significant items are items of income or expense which are considered outside the ordinary course of operations, are non-recurring in nature and are material. Management excludes these items when explaining the financial performance of the Amcor group, to ensure that the underlying operating results of the Group are not distorted and to enable appropriate comparison across periods.

Cash flow

2012 (A$ million)	Flexibles	Rigid Plastics	Australasia & Packaging Distribution	Investments / Other	Consolidated
PBITDA	892.6	421.4	279.1	(36.2)	1,556.9
Interest	-	-	-	(206.3)	(206.3)
Tax	-	-	-	(112.7)	(112.7)
Base Capital Expenditure	(145.1)	(168.6)	(79.3)	(5.9)	(398.9)
(Increase)/decrease in working capital	41.6	88.2	(20.7)	4.7	113.8
Cash significant items	(109.9)	(35.7)	(38.2)	(15.3)	(199.1)
Other items	-	-	-	(110.0)	(110.0)
Operating cash flow	**679.2**	**305.3**	**140.9**	**(481.7)**	**643.7**
Dividends Paid	(1.6)	(3.6)	-	(438.4)	(443.6)
Free cash flow	**677.6**	**301.7**	**140.9**	**(920.1)**	**200.1**

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

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

	2011	2012
Operating cash flow	440.0	643.7
Base capital expenditure	361.9	398.9
Other items	(16.1)	(2.4)
Cash flow from operating activities	785.8	1,040.2

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

	2011	2012
(Increase)/decrease in net debt	(545.6)	(381.1)
Proceeds from borrowings	7,750.9	5,766.1
Repayment of borrowings	(7,205.7)	(5,256.6)
Foreign exchange rate changes	52.6	14.3
Other items	(2.2)	(3.1)
Net increase in cash held	50.0	139.6