Half year report

AMCOR LIMITED
ABN 62 000 017 372

1. Details of the reporting period and the previous corresponding period

Reporting Period:	Half-Year Ended 31 December 2016
Previous Corresponding Period:	Half-Year Ended 31 December 2015

2. Results for announcement to the market

					USD million
2.1	Revenues from ordinary activities	down	1.8%	to	4,467.3
2.2	Profit from ordinary activities after tax but before significant items, attributable to members	up	1.0%	to	308.6
2.3	Net profit for the period, attributable to members	down	6.2%	to	286.6

Dividends	**Amount per security (US cents)**	**Franked amount per security**
Current period		
2.4 Interim dividend payable 24 March 2017	19.5 cents	Nil
2.4 Final dividend (in respect of prior year) paid 29 September 2016	22.0 cents	Nil
Previous corresponding period		
2.4 Interim dividend	19.0 cents	Nil
2.5 Record date for determining entitlements to the dividend	Interim dividend – 27 February 2017	

2.6 Brief explanation of figures in 2.1 to 2.4 –:

i) Refer to page 10 of attached press release for further comments specifically related to 2.2.

ii) Dividends in the current period and previous corresponding period are unfranked. Dividends to non-residents are sourced from the parent entity's Conduit Foreign Income Account. As a result, 100% of the dividend paid to a non-resident will not be subject to Australian withholding tax.

iii) Refer to attached press release for further details relating to 2.1 to 2.4.

3. Net tangible assets

	31 December 2016	30 June 2016	31 December 2015
Net tangible asset backing per ordinary security	USD (1.33)	USD (1.18)	USD (0.70)

4. Control gained or lost over entities during the period having a material effect

Refer to the attached Interim Financial Report, Note 3 Businesses acquired, no businesses were disposed of during the period.

5. Details of individual dividends and payment dates

Refer to the attached Interim Financial Report, Note 5 Dividends.

6. Details of dividend reinvestment plan

The Dividend Reinvestment Plan (DRP) is in operation. No discount is available under the DRP. Issue price will be calculated on the arithmetic average of the weighted average price for the nine ASX Trading Days from 2 to 14 March 2017 inclusive. The last date for receipt of election notices for the DRP is 28 February 2017. Shares allotted under the DRP rank equally with existing fully paid ordinary shares of Amcor Limited.

7. Details of associates and joint venture entities

At 31 December 2016 the group held a 47.6% interest in AMVIG Holdings Ltd ('AMVIG') a tobacco packaging company listed on the Hong Kong Stock Exchange. In the six months to 31 December 2016 the group recognised a share of associates profit of USD 6.1 million (six months to 31 December 2015: USD 11.6 million profit) relating to this associate investment.

On 14 September 2012 Amcor acquired a 50.0% joint venture interest in a Swiss company DISCMA AG ('DISCMA'), upon which date the Group commenced equity accounting of its investment. In the six months to 31 December 2016 the group recognised a share of associates loss of USD 1.3 million (six months to 31 December 2015: USD 0.4 million loss) relating to this joint venture.

8. For foreign entities, which set of accounting standards is used in compiling the report

International Financial Reporting Standards

9. The Interim Financial Report is not subject to a review report that is subject to a modified opinion, emphasis of matter or other matter paragraph (a copy of the review report is included in the half-year accounts attached).

The Interim Financial Report should be read in conjunction with the most recent annual financial report.

J McPherson

Date: 13 February 2017

Julie McPherson
Company Secretary

A M C O R   L I M I T E D

A.B.N. 62 000 017 372

INTERIM FINANCIAL REPORT

31 DECEMBER 2016

Contents

This interim financial report was approved by the Directors on 13 February 2017. The Directors have the power to amend and reissue the interim financial report.

Amcor Limited and its controlled entities

Directors' Report

The Directors present their report on the consolidated entity consisting of Amcor Limited and its controlled entities at the end of, or during, the half year ended 31 December 2016.

Directors

The following persons were Directors of Amcor Limited during or since the end of the half year:

Name	Period of directorship
Non-executive	
G R (Graeme) Liebelt - Chairman	Director since 2012 – appointed Chairman 17 December 2013
J G (John) Thorn	Director since 2004
J L (Jeremy) Sutcliffe	Director since 2009
K J (Karen) Guerra	Director since 2010
A (Armin) Meyer	Director since 2010
P V (Paul) Brasher	Director since 2014
E (Eva) Cheng	Director since 2014
Executive	
R S (Ron) Delia	Director since 2015

Review of operations

A review of the operations of the consolidated entity during the half year, and the results of those operations is contained in Amcor's Statement to the Australian Securities Exchange and Media Release dated 13 February 2017.

Dividend

Since 31 December 2016 the Directors have determined an interim dividend on ordinary shares, expected to be paid on 24 March 2017, of approximately USD 225.8 million. This represents a dividend of 19.5 US cents per share unfranked, of which 100% is to be sourced from the Conduit Foreign Income Account. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the six months ended 31 December 2016 and will be recognised in subsequent financial reports.

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under Section 307C of the *Corporations Act 2001,* is set out on page 3.

Rounding Off

The consolidated entity is of a kind referred to in Instrument 2016/191 dated 24 March 2016 issued by the Australian Securities and Investments Commission. In accordance with that instrument, amounts in the financial report and Directors' report have been rounded off to the nearest USD 100,000 or, where the amount is USD 50,000 or less, zero, unless specifically otherwise stated.

Signed in accordance with a resolution of the Directors, dated at Melbourne, Victoria, this 13th day of February 2017.

G R Liebelt
Chairman

Auditor's Independence Declaration

As lead auditor for the review of Amcor Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Amcor Limited and the entities it controlled during the period.

John Yeoman

Partner
PricewaterhouseCoopers

Melbourne

13 February 2017

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Amcor Limited and its controlled entities

Income statement
For the six months ended 31 December 2016

USD million	Note	2016	2015
Revenue from sale of goods	2	**4,467.3**	4,547.7
Cost of sales		**(3,537.6)**	(3,633.2)
Gross profit		**929.7**	914.5
Other income		**51.5**	49.7
Sales and marketing expenses		**(107.8)**	(103.2)
General and administration expenses		**(376.7)**	(349.7)
Research costs		**(33.3)**	(33.5)
Share of net profit of equity accounted investments		**4.9**	11.2
Profit from operations	2	**468.3**	489.0
Finance income		**7.0**	15.4
Finance expenses		**(100.8)**	(93.6)
Net finance costs		**(93.8)**	(78.2)
Profit before related income tax expense		**374.5**	410.8
Income tax expense		**(80.6)**	(88.3)
Profit for the financial period		**293.9**	322.5
Profit attributable to:			
Owners of Amcor Limited		**286.6**	305.5
Non-controlling interest		**7.3**	17.0
Profit for the financial period		**293.9**	322.5

		US Cents	US Cents
Earnings per share for profit attributable to the ordinary equity holders of Amcor Limited			
Basic earnings per share		**24.8**	26.2
Diluted earnings per share		**24.5**	25.8

The above income statement should be read in conjunction with the accompanying notes to the interim financial report.

Amcor Limited and its controlled entities

Statement of comprehensive income
For the six months ended 31 December 2016

USD million	**2016**	2015
Profit for the financial period	**293.9**	322.5
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges		
Changes in fair value of cash flow hedges	**2.6**	1.1
Tax on cash flow hedges	**0.2**	1.0
Exchange differences on translating foreign operations		
Exchange differences on translation of foreign operations	**(45.9)**	(211.4)
Net investment hedge of foreign operations	**(12.5)**	(62.0)
Share of equity accounted investees exchange fluctuation reserve	**(7.5)**	0.1
Tax on exchange differences on translating foreign operations	**15.4**	(12.1)
Items that will not be reclassified to profit or loss:		
Retained earnings		
Actuarial gains/(losses) on defined benefit plans	**(1.4)**	41.4
Tax on actuarial (gains)/losses on defined benefit plans	**2.6**	(10.5)
Other comprehensive income/(loss) for the financial period, net of tax	**(46.5)**	(252.4)
Total comprehensive income for the financial period	**247.4**	70.1
Total comprehensive income attributable to:		
Owners of Amcor Limited	**241.4**	102.7
Non-controlling interest	**6.0**	(32.6)
	247.4	70.1

The above statement of comprehensive income should be read in conjunction with the accompanying notes to the interim financial report.

Amcor Limited and its controlled entities

Statement of financial position
As at 31 December 2016

USD million	Note	December 2016	June 2016
Current assets			
Cash and cash equivalents		**386.6**	515.7
Trade and other receivables		**1,385.1**	1,411.6
Inventories		**1,258.6**	1,244.4
Other financial assets		**4.1**	12.4
Other current assets		**8.9**	9.0
Total current assets		**3,043.3**	3,193.1
Non-current assets			
Equity accounted investments		**424.9**	446.5
Other financial assets		**28.8**	44.3
Property, plant and equipment		**2,684.1**	2,690.9
Deferred tax assets		**69.5**	47.5
Intangible assets		**2,248.7**	2,102.1
Retirement benefit assets		**0.4**	14.8
Other non-current assets		**121.8**	142.9
Total non-current assets		**5,578.2**	5,489.0
Total assets		**8,621.5**	8,682.1
Current liabilities			
Trade and other payables		**2,202.0**	2,418.4
Interest-bearing liabilities		**998.1**	916.7
Other financial liabilities		**6.6**	53.7
Current tax liabilities		**56.6**	77.1
Provisions		**140.7**	179.3
Total current liabilities		**3,404.0**	3,645.2
Non-current liabilities			
Interest-bearing liabilities		**3,673.7**	3,428.4
Deferred tax liabilities		**233.6**	211.6
Provisions		**102.3**	95.4
Retirement benefit obligations		**356.1**	446.4
Other non-current liabilities		**9.7**	9.6
Total non-current liabilities		**4,375.4**	4,191.4
Total liabilities		**7,779.4**	7,836.6
NET ASSETS		**842.1**	845.5
Equity			
Contributed equity	4	**1,465.1**	1,445.1
Reserves		**(858.8)**	(800.2)
Retained earnings		**171.8**	139.0
Total equity attributable to the owners of Amcor Limited		**778.1**	783.9
Non-controlling interest		**64.0**	61.6
TOTAL EQUITY		**842.1**	845.5

The above statement of financial position should be read in conjunction with the accompanying notes to the interim financial report.

Amcor Limited and its controlled entities

Statement of changes in equity
For the six months ended 31 December 2016

USD million	Contributed equity	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
	Attributable to owners of Amcor Limited					
Balance at 1 July 2016	**1,445.1**	**(800.2)**	**139.0**	**783.9**	**61.6**	**845.5**
Profit for the financial period	**-**	**-**	**286.6**	**286.6**	**7.3**	**293.9**
Total other comprehensive income/(loss)	**-**	**(46.3)**	**1.1**	**(45.2)**	**(1.3)**	**(46.5)**
Total comprehensive income/(loss) for the financial period	**-**	**(46.3)**	**287.7**	**241.4**	**6.0**	**247.4**
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs and related tax	**15.9**	**-**	**-**	**15.9**	**-**	**15.9**
Purchase of treasury shares	**(22.0)**	**-**	**-**	**(22.0)**	**-**	**(22.0)**
Dividends paid	**-**	**-**	**(254.9)**	**(254.9)**	**(3.1)**	**(258.0)**
Settlement of options and performance rights	**26.1**	**(26.1)**	**-**	**-**	**-**	**-**
Share-based payments expense	**-**	**13.8**	**-**	**13.8**	**-**	**13.8**
Non-controlling interest buy-out	**-**	**-**	**-**	**-**	**(0.5)**	**(0.5)**
Balance at 31 December 2016	**1,465.1**	**(858.8)**	**171.8**	**778.1**	**64.0**	**842.1**

USD million	Contributed equity	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
	Attributable to owners of Amcor Limited					
Balance at 1 July 2015	1,680.6	(666.5)	452.1	1,466.2	120.8	1,587.0
Profit for the financial period	-	-	305.5	305.5	17.0	322.5
Total other comprehensive income/(loss)	-	(233.6)	30.8	(202.8)	(49.6)	(252.4)
Total comprehensive income/(loss) for the financial period	-	(233.6)	336.3	102.7	(32.6)	70.1
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs and related tax	27.4	-	-	27.4	-	27.4
Purchase of treasury shares	(17.3)	-	-	(17.3)	-	(17.3)
Dividends paid	-	-	(246.5)	(246.5)	(10.9)	(257.4)
Share buy-back	(204.1)	-	-	(204.1)	-	(204.1)
Settlement of options and performance rights	27.2	(27.2)	-	-	-	-
Share-based payments expense	-	14.0	-	14.0	-	14.0
Non-controlling interest buy-out	-	-	(0.3)	(0.3)	(0.2)	(0.5)
Balance at 31 December 2015	1,513.8	(913.3)	541.6	1,142.1	77.1	1,219.2

The above statement of changes in equity should be read in conjunction with the accompanying notes to the interim financial report.

Amcor Limited and its controlled entities

Cash flow statement
For the six months ended 31 December 2016

USD million	**2016**	2015
Cash flows from operating activities		
Profit from continuing operations	**293.8**	322.5
Depreciation, amortisation and net impairment losses	**185.3**	185.4
Non-cash retirement benefit expense/(gain)	**(18.1)**	3.1
Net finance costs	**93.8**	78.2
Net gain on disposal of non-current assets	**(7.1)**	(1.0)
Share of net profits of equity accounted investments	**(4.9)**	(11.2)
Net foreign exchange loss/(gain)	**0.9**	0.8
Share-based payments expense	**13.8**	14.0
Other sundry items	**2.7**	(23.9)
Income tax expense	**80.6**	88.3
Operating cash flows before changes in working capital and provisions	**640.8**	**656.2**
(Increase)/Decrease in trade and other receivables	**1.7**	0.8
(Increase)/Decrease in inventories	**(47.4)**	(38.2)
(Increase)/Decrease in other operating assets	**(4.1)**	6.8
Increase/(Decrease) in trade and other payables	**(149.2)**	(224.0)
Increase/(Decrease) in provisions	**(25.3)**	9.4
Increase/(Decrease) in employee benefits and other operating liabilities	**(43.1)**	(14.8)
Total changes in working capital and provisions	**(267.4)**	**(260.0)**
Dividends received	**5.1**	15.2
Interest received	**5.9**	13.5
Interest expense	**(83.4)**	(70.3)
Income tax paid	**(86.1)**	(91.4)
Net cash flows from operating activities	**214.9**	263.2
Cash flows from investing activities		
Granting/(Repayment) of loans to associated companies and other persons	**(1.1)**	2.0
Payments for acquisition of controlled entities, businesses and associates, net of cash acquired	**(299.8)**	(137.6)
Payments for property, plant and equipment and intangible assets	**(203.8)**	(162.2)
Proceeds on disposal of property, plant and equipment	**45.8**	1.5
Net cash flows from investing activities	**(458.9)**	(296.3)

The above cash flow statement should be read in conjunction with the accompanying notes to the interim financial report.

Amcor Limited and its controlled entities

Cash flow statement (continued)
For the six months ended 31 December 2016

USD million	**2016**	2015
Cash flows from financing activities		
Proceeds from share issues	**17.3**	32.9
Share buy-back	**-**	(222.2)
Shares purchased on-market and settlement of forward contracts	**(43.6)**	(73.7)
Payments for treasury shares	**(22.1)**	(17.3)
Proceeds on capital contribution from non-controlling interest	**(0.5)**	-
Proceeds from borrowings	**3,701.5**	3,594.0
Repayment of borrowings	**(3,254.4)**	(3,126.0)
Principal lease repayments	**(0.8)**	(0.8)
Dividends and other equity distributions	**(258.0)**	(257.4)
Net cash flows from financing activities	**139.4**	(70.5)
Net decrease in cash held	**(104.6)**	(103.6)
Cash and cash equivalents at the beginning of the financial period	**513.4**	697.5
Effects of exchange rate changes on cash and cash equivalents	**(30.6)**	(140.1)
Cash and cash equivalents at the end of the financial period	**378.2**	453.8

Reconciliation of cash and cash equivalents

For purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank and short term money market investments, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	**386.6**	488.9
Bank overdrafts	**(8.4)**	(35.1)
Cash and cash equivalents at the end of the financial period	**378.2**	453.8

The above cash flow statement should be read in conjunction with the accompanying notes to the interim financial report.

Amcor Limited and its controlled entities

Notes to the interim financial report
For the six months ended 31 December 2016

1. Summary of significant accounting policies

Amcor Limited (the 'Company') is a company domiciled in Australia. This interim financial report includes the financial statements of the Company and its subsidiaries (together referred to as 'the Group') and the Group's interest in equity accounted investments, as at and for the half year ended 31 December 2016.

The Annual Report of the Group as at and for the year ended 30 June 2016 is available upon request from the Company's registered office at 109 Burwood Road, Hawthorn 3122, Victoria, Australia or at www.amcor.com.

(a) Basis of preparation of the condensed consolidated interim financial report

The interim financial report is a general purpose financial report which has been prepared in accordance with the requirements of Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The interim financial report does not include all of the information required for a full financial report, and should be read in conjunction with the Annual Report of the Group as at and for the year ended 30 June 2016 and any public announcements made by Amcor Limited and its controlled entities during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, amounts in the financial report and Directors' report have been rounded off to the nearest USD 100,000 or, where the amount is USD 50,000 or less, zero, unless specifically otherwise stated.

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its Annual Report as at and for the year ended 30 June 2016 and the corresponding interim reporting period.

The Group generally adopts standards early if they clarify existing practice but do not introduce any substantive changes. Since 30 June 2016 the Group has adopted the following amendments to Australian Accounting Standards:

- AASB 2016-1 – *Recognition of Deferred Assets for Unrealised Losses (AASB 112)*
- AASB 2016-5 – *Classification and Measurement of Share-based Payment Transactions (AASB 2)*

Adopting these standards did not require the Group to change its accounting policies or retrospectively adjust its results.

2. Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Segment disclosures are consistent with the information reviewed by Amcor's chief operating decision makers, the Group Management Team (GMT). The GMT consists of the Managing Director and Chief Executive Officer and his direct reports and provides strategic direction and management oversight of the day to day activities of the Group in terms of monitoring results, approving capital expenditure decisions and the strategic plans for the business.

Segment performance is evaluated based on operating profit before interest and tax and is measured consistently with profit and loss in the consolidated financial report. Group financing (including finance income and costs) and income tax are managed on a group basis and are not allocated to operating segments.

(a) Description of reporting segments

The Group is organised on a global basis into the following reporting segments:

Amcor Rigid Plastics
This segment manufactures rigid plastic containers for a broad range of predominantly beverage and food products, including carbonated soft drinks, water, juices, sports drinks, milk-based beverages, spirits and beer, sauces, dressings, spreads and personal care items and plastic caps for a wide variety of applications.

Amcor Flexibles
This reporting segment represents the aggregation of four operating segments each of which manufactures flexible and film packaging for their respective industries. The operating segments are:

- Amcor Flexibles Europe, Middle East & Africa which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy, pet food packaging, champagne and wine closures.
- Amcor Flexibles Americas business produces flexible packaging for customers in the medical and pharmaceutical, fresh produce and snack food segments.
- Amcor Tobacco Packaging which manufactures flexible packaging for specialty folding cartons for tobacco packaging and other industries.
- Amcor Flexibles Asia Pacific which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy and packaging for the pharmaceutical sector and home and personal care.

2. Segment information (continued)

These operating segments share similar characteristics as they are engaged in the printing and packaging of fast moving consumer products. Management believe that it is appropriate to aggregate these four operating segments as one reporting segment due to the similarities in the nature and operations of each operating segment.

Other/Investments
This segment holds the Group's equity accounted investments in the associate AMVIG Holdings Limited (AMVIG) and the joint venture Discma AG (Discma). AMVIG is principally involved in the manufacture of tobacco packaging, while Discma's operations primarily relate to the development and licensing of packaging product innovations. This segment also includes the Corporate function of the Group.

(b) Notes to and forming part of the segment information

The segment information is prepared in conformity with the accounting policies of the Group and the accounting standard AASB 8 *Operating Segments*.

Segment revenues, expenses and results include transfers between segments. Such transfers between segments are generally priced on an 'arm's length' basis and are eliminated on consolidation.

The segment profit measure reported to the GMT for the purposes of resource allocation and assessment is profit before interest, related income tax expense and significant items and therefore excludes the effects of non-recurring income and expenditure from the operating segments.

Furthermore the profit measure includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis but excludes interest income and expenditure and other finance costs, as this type of activity is driven by the central Amcor Group Treasury function, which manages the cash position of the Group.

Comparative information has been presented in conformity with the identified reporting segments of the Group as at the reporting date in accordance with AASB 8.

2. Segment information (continued)

(c) Segment information provided to the GMT

The following segment information was provided to the GMT for the reportable segments for the six months ended 31 December 2016. The comparative for profit and loss items and for average funds employed is the six months ended 31 December 2015 whilst for balance sheet items it is 30 June 2016:

	Amcor Rigid Plastics		Amcor Flexibles		Other/Investments		Total Consolidated	
USD million	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Reportable segment revenue								
Revenue from sale of goods	**1,376.9**	1,561.8	**3,090.4**	2,985.9	**-**	-	**4,467.3**	4,547.7
Inter-segment revenue	**-**	-	**1.1**	0.8	**-**	-	**1.1**	0.8
Total reportable segment revenue	**1,376.9**	1,561.8	**3,091.5**	2,986.7	**-**	-	**4,468.4**	4,548.5
Reportable segment profit/(loss)								
Profit/(loss) before depreciation, amortisation, interest, related income tax expense	**209.0**	220.0	**484.6**	458.2	**(15.9)**	(13.9)	**677.7**	664.3
Depreciation and amortisation	**(65.5)**	(66.5)	**(111.6)**	(104.0)	**(4.9)**	(4.8)	**(182.0)**	(175.3)
Significant items before related income tax expense (Flexibles Restructuring program)	**-**	-	**(27.4)**	-	**-**	-	**(27.4)**	-
Profit/(loss) before interest and related income tax expense	**143.5**	153.5	**345.6**	354.2	**(20.8)**	(18.7)	**468.3**	489.0
Other								
Share of net profits of equity accounted investments	**-**	-	**-**	-	**4.9**	11.2	**4.9**	11.2
Net impairment losses on property, plant and equipment and other non-current assets	**-**	(3.7)	**(8.9)**	(0.2)	**-**	-	**(8.9)**	(3.9)
Acquisition of property, plant and equipment and intangibles	**97.8**	53.2	**105.4**	100.9	**0.6**	8.1	**203.8**	162.2
Receivables	**385.5**	318.4	**980.3**	1,053.9	**21.3**	49.4	**1,387.1**	1,421.7
Inventory	**432.3**	402.9	**826.3**	841.5	**-**	-	**1,258.6**	1,244.4
Payables	**(679.0)**	(767.9)	**(1,327.7)**	(1,448.7)	**(99.0)**	(105.7)	**(2,105.7)**	(2,322.3)
Management working capital	**138.8**	(46.6)	**478.9**	446.7	**(77.7)**	(56.3)	**540.0**	343.8
Average funds employed	**1,567.0**	**1,513.1**	**3,285.6**	**2,880.6**	**313.6**	**437.0**	**5,166.2**	**4,830.7**
Equity accounted investments	**-**	-	**-**	-	**424.9**	446.5	**424.9**	446.5

3. Businesses acquired

USD million	Sonoco's blow moulding operations 2016	Other 2016	**Total 2016**
Trade and other receivables	36.8	(4.2)	**32.6**
Inventories	13.7	(5.0)	**8.7**
Property, plant and equipment	61.2	13.3	**74.5**
Deferred tax assets	-	0.4	**0.4**
Intangible assets	42.0	(6.6)	**35.4**
Other non-current assets	-	0.1	**0.1**
Trade and other payables	(20.5)	0.4	**(20.1)**
Current tax liabilities	-	(0.1)	**(0.1)**
Current provisions	-	(0.4)	**(0.4)**
Deferred tax liabilities	-	(2.4)	**(2.4)**
Non-current provisions	(3.9)	(1.5)	**(5.4)**
Fair value of net identifiable assets acquired	129.3	(6.0)	**123.3**
Add goodwill	150.3	15.9	**166.2**
Fair value of net assets acquired	279.6	9.9	**289.5**
Purchase consideration			
Cash paid	279.6	9.9	**289.5**
Total purchase consideration	279.6	9.9	**289.5**
Cash flows on acquisition			
Cash consideration - paid current year	279.6	9.9	**289.5**
Prior year deferred consideration - paid current year	-	10.3	**10.3**
Outflow of cash	279.6	20.2	**299.8**

Significant acquisition made in the six months to 31 December 2016:

Blow moulding operations of Sonoco Products Company

On 8 November 2016 the Group acquired the North American rigid plastics blow moulding operations of Sonoco Products Company, a global packaging company based in the United States. The business has six production sites in the United States and one in Canada, and generates annual sales of approximately USD 210 million. These facilities service attractive sub-segments in the personal care and specialty food markets and the business brings strong, long standing relationships with leading multinational and large domestic customers.

The acquisition price of USD 279.6 million represents a multiple of 8.0 times EBITDA and was paid in cash. As a result of this transaction, the Group recognised USD 129.3 million of preliminary acquired net identifiable assets resulting in a preliminary goodwill of USD 150.3 million. The goodwill on acquisition is primarily attributable to expected synergies available to the consolidated entity upon the integration of the businesses into the Group, as well as benefits derived from the acquired workforce and other intangible assets that cannot be separately recognised. A detailed purchase price allocation will be performed over the twelve months following acquisition date.

The Group acquired no other businesses during the six months ended 31 December 2016. The amounts listed under “other” represent adjustments made to previous acquisitions where initial accounting was not yet completed as at 30 June 2016.

4. Contributed equity

Ordinary shares
Ordinary shares issued are classified as equity and are fully paid, have no par value and carry one vote per share and the right to dividends. Incremental costs directly attributable to the issue of new shares or the exercise of options are recognised as a deduction from equity, net of any related income tax benefit.

Treasury shares
Treasury shares are shares in the Company that are held by the Amcor Employee Share Trust for the purpose of issuing shares to employees under the Group's Employee Share Plans. Treasury shares are recognised at cost and deducted from equity, net of any income tax effects. When the treasury shares are subsequently sold or re-issued any consideration received, net of any directly attributable costs and income tax effects, is recognised as an increase in equity.

Repurchase of share capital
Where the Group purchases the Company's own equity instruments, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. The amount of the consideration paid, including directly attributable costs, is recognised as a deduction from contributed equity, net of any related income tax effects.

	Six months 31 December 2016		Twelve months 30 June 2016	
	No. '000	**USD million**	No. '000	USD million
Ordinary shares				
Balance at beginning of period	**1,158,141**	**1,466.6**	1,181,415	1,716.9
Exercise of options under the Long Term Incentive Plan	**3,771**	**20.6**	9,512	48.2
Exercise of performance rights under the Long Term Incentive Plan	**1,706**	**3.4**	487	1.8
Exercise of performance rights under the Equity Management Incentive Plan	**1,350**	**16.7**	1,731	13.1
Exercise under the Senior Executive Retention Share Plan	**356**	**1.3**	15	0.1
Net forward contract settled/(entered into) to satisfy exercise of options and rights under Employee Share Plans	**-**	**43.6**	-	32.3
Treasury shares used to satisfy exercise of options and rights under Employee Share Plans	**(7,183)**	**(80.3)**	(11,745)	(123.6)
Share buy-back	**-**	**-**	(23,274)	(222.2)
Balance at end of period	**1,158,141**	**1,471.9**	1,158,141	1,466.6
Treasury shares				
Balance at beginning of period	**(2,391)**	**(21.5)**	(3,433)	(36.3)
Acquisition of shares by the Amcor Employee Share Trust	**(1,800)**	**(22.0)**	(5,027)	(53.2)
Forward contract settled	**(3,600)**	**(43.6)**	(7,400)	(73.7)
Employee Share Plan issue	**7,183**	**80.3**	11,745	123.6
Share buy- back, shares not cancelled at 30 June 2015	**-**	**-**	1,725	18.1
Balance at end of period	**(608)**	**(6.8)**	(2,391)	(21.5)
Total contributed equity	**1,157,533**	**1,465.1**	1,155,750	1,445.1

5. Dividends

USD million	2016 US Cents per share	2016 Total amount	2015 US Cents per share	2015 Total amount
(i) Dividends provided for or paid during the period				
Final dividend paid on 29 September 2016 unfranked (2015: 30 September 2015 unfranked) of which 100% was sourced from the Conduit Foreign Income Account (2015: 100%)	**22.0**	**254.9**	21.0	246.5
(ii) Dividends not recognised at period end				
The directors have determined an interim dividend, expected to be paid on 24 March 2017 unfranked (2015: 22 March 2016 unfranked) of which 100% is to be sourced from the Conduit Foreign Income Account (2015: 100%)	**19.5**	**225.8**	19.0	220.2

6. Fair value of financial instruments

The Group has a number of financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values approximate their carrying amounts. Differences between carrying amount and fair value were identified for the following instruments at 31 December 2016.

USD million	31 December 2016 Total carrying value	31 December 2016 Total fair value	30 June 2016 Total carrying value	30 June 2016 Total fair value
Financial liabilities				
US Dollar notes	**675.6**	**747.7**	957.3	1,058.5
144A	**595.0**	**588.1**	596.2	618.0
Euro notes	**104.8**	**124.8**	111.1	134.7
Eurobond	**914.9**	**981.9**	975.3	1,048.0
Swiss bond	**146.2**	**150.5**	152.6	157.6
Total	**2,436.5**	**2,593.0**	2,792.5	3,016.8

The financial assets and liabilities which are measured at fair value in the balance sheet were not significant at 31 December 2016.

7. Borrowings

Financing arrangements
The Group entered into a committed multi-currency EUR 750.0 million European syndicated bank facility in November 2016. The maturity of the facility is 5 years with 2 extension options of 12 months each.

Contractual maturities
During the reporting period, USD 275.0 million of Guaranteed Senior Notes issued by Amcor Finance USA Inc. in 2009 matured on 15 December 2016. This amount was refinanced by a drawdown under the newly created European syndicated bank facility.

Current & non-current debt classification
During the reporting period, USD 100.0 million of US Private Placement Notes due 17 December 2017 were moved from non-current to current interest-bearing liabilities.

8. Contingencies

Details of the contingent liabilities of the Group are set out below.

- ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 relieves certain wholly-owned subsidiaries from the requirement to prepare audited financial statements. In order to meet the requirements of that Instrument, Amcor Limited has in place a Deed of Cross Guarantee with certain wholly-owned subsidiaries (as identified in note 6.4 of the 2016 Annual Report). No liabilities subject to the Deed of Cross Guarantee at 31 December 2016 are expected to arise to Amcor Limited and subsidiaries, as all such subsidiaries were financially sound and solvent at that date. There have been no changes to the entities forming part of the Deed of Cross Guarantee during the six months ended 31 December 2016

- The Group operates in many territories around the globe under different direct and indirect tax regimes. From time to time the Group receives assessments for additional tax from revenue authorities which, having consulted with experts including external counsel, it believes are unfounded. Nonetheless, at any point in time matters will be under discussion and review with revenue authorities for which a theoretical exposure may exist.

Specifically, the Brazil operations have received a series of excise and income tax claims from the local tax authorities which are being challenged via a court process. In the opinion of outside counsel these claims have a remote likelihood of being upheld, however as these cases progress through the court system in Brazil, Amcor is required to pledge assets, provide letters of credit and/or deposit cash with the courts to continue to defend the cases. The Group will continue to provide such pledges in the future as the matters are being vigorously defended by Amcor. At this stage, it is not possible to make a reasonable estimate of the amount or range of expense that could result from an unfavourable outcome in respect of these or any additional assessments that may be issued in the future as penalties and interest may be applied should the entity be unsuccessful in defending the cases. Management continues to monitor with the support of external counsel and all means are being examined in order to minimise any exposure.

The Directors are of the opinion that provisions are not required in respect of these matters, as it is either not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

9. Subsequent events

Effective 9 January 2017, Amcor completed an expansion of its flexible packaging platform in the strategically important Northern China region, with the RMB 180 million (USD 28 million, including acquired debt) acquisition of Hebei Qite Packing Co. Ltd. (Qite). Qite has one plant located in Hebei, North China and the business generates sales of over RMB 180 million (USD 28 million) from the sale of flexible packaging products to large domestic customers within the dairy and food segments.

Directors' Declaration

For the half year ended 31 December 2016, in the opinion of the Directors of Amcor Limited (the 'Company'):

1. the financial statements and notes are in accordance with the *Corporations Act 2001* including:
    a. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half year ended on that date; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors, dated at Melbourne, Victoria, this 13th day of February 2017.

G R Liebelt
Chairman

Independent auditor's review report to the members of Amcor Limited

Report on the interim financial report

We have reviewed the accompanying interim financial report of Amcor Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, selected explanatory notes and the directors' declaration for Amcor Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Amcor Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Amcor Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

John Yeoman
Partner

13 February 2017

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au