News Release

AMCOR ANNOUNCES INTERIM PROFIT RESULT FOR HALF YEAR ENDED 31 DECEMBER 2016

Statutory profit for the half year ended 31 December 2016 was US$286.6 million.

Underlying profit[1] for the half year ended 31 December 2016 was US$308.6 million.

Highlights - underlying earnings unless otherwise indicated[1][2]

- Profit after tax (PAT) of US$308.6 million up 3.8% on a constant currency basis;
- Earnings per share (EPS) up 4.6% to 26.7 US cents on a constant currency basis;
- Returns, measured as profit before interest and tax to average funds employed of 19.2%;
- Operating cash flow, after net capital expenditure and cash significant items of US$52.9 million[3]; and
- Interim dividend per share increased to 19.5 US cents.

Solid half year result and expectations for full year earnings growth unchanged

Amcor's first half result illustrates the defensiveness and resilience of its unique global packaging business. Momentum was strong with PBIT and EPS growth of 9% and 12% respectively, after adjusting for Venezuela[4], where the Company has eliminated its financial exposure. Expectations for PAT growth in the 2017 financial year have not changed.

Earnings growth was balanced across the Flexibles and Rigid Plastics segments, and came from both organic sources and recently acquired businesses. Developed markets earnings continued to grow at rates which exceeded the underlying markets, offsetting current challenges in some emerging markets. The localised nature of the packaging industry is particularly important amid rising geopolitical uncertainty. Amcor operates more than 200 plants in over 40 countries and is not reliant on either imports or exports.

Important steps were also taken against our strategic priorities with investments in the Alusa and Sonoco acquisitions and restructuring initiatives in the Flexibles segment. Relative to the 2016 financial year, these investments will underpin more than US$150 million of PBIT growth over the next three years, in addition to organic growth and further M&A.

Cash flow and the balance sheet remain strong and provide the capacity to invest further in the substantial growth opportunities in attractive segments where Amcor's businesses are uniquely positioned. The outcome of this combination is Amcor's value proposition for shareholders - the ability to consistently deliver 10 to 15 percent of additional value each year.

Key financials and ratios[1][2]

Financials (US$ million)	1H16	1H17	△%	Constant Currency △%
Sales revenue	4,547.7	4,467.3	(1.8)	(0.6)
PBITDA	664.3	677.7	2.0	3.8
PBIT	489.0	495.7	1.4	3.5
PAT	**305.5**	**308.6**	**1.0**	**3.8**
EPS (US cents)	**26.2**	**26.7**	**1.9**	**4.6**
Statutory PAT	305.5	286.6	(6.2)	
Statutory EPS (US cents)	26.2	24.8	(5.3)	
Operating cash flow[3]	101.9	52.9	(48.1)	
Cash from operating activities	263.2	214.9	(18.4)	

Ratios	1H16	1H17
PBIT/Average funds employed (%)	20.2	19.2
PBIT/Sales (%)	10.8	11.1
Net PBITDA interest cover (times)	8.9	7.9
Net debt / PBITDA (times)[5]	2.5	2.9
Dividend per share (US cents)	19.0	19.5

(1) Throughout this document, references are to underlying earnings unless otherwise indicated. Underlying earnings are defined and reconciled on page 10.
(2) Certain non-IFRS financial information has been presented within this news release. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Amcor uses these measures to assess the performance of the business and believes that the information is useful to investors. Non-IFRS information, including underlying earnings and average funds employed have not been extracted from Amcor's interim financial statements but have been subject to review by the auditors. For a reconciliation of IFRS compliant statutory result for the period to underlying results refer to page 10.
(3) Operating cash flow is after capital expenditure, proceeds from sale of property, plant and equipment and cash significant items. Refer notes (a) and (b) on page 11 for further information.
(4) Refer page 7 for further information.
(5) Calculated as net debt at period end divided by LTM PBITDA. LTM PBITDA includes historical PBITDA for acquired businesses.

Conference call

Amcor is hosting a conference call with investors and analysts to discuss these results today, February 13 2017 at 11:30 am AEST. Investors are invited to listen to a live audiocast of the conference call at our website, www.amcor.com, in the "Investors" section. A replay of the audiocast will also be available on our website within 24 hours.

Refer to page 11 for relevant footnotes and definitions of various measures used within this news release. Amcor has released to the Australian Securities Exchange a presentation on its financial results for the half year ended 31 December 2016. This is available at www.amcor.com

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Financial result

Consolidated income

(US$ million)	1H16	1H17
Sales revenue	**4,547.7**	**4,467.3**
PBITDA	664.3	677.7
- Depreciation and amortisation	(175.3)	(182.0)
PBIT	489.0	495.7
- Net finance costs	(78.2)	(93.8)
Profit before tax	**410.8**	**401.9**
- Income tax expense	(88.3)	(86.0)
- Non-controlling interest	(17.0)	(7.3)
Profit after tax	**305.5**	**308.6**

Consolidated balance sheet

(US$ million)	30/06/16	31/12/16
Current assets	3,193.1	3,043.3
Property, plant and equipment	2,690.9	2,684.1
Intangible assets	2,102.1	2,248.7
Investments and other assets	696.0	645.4
Total assets	**8,682.1**	**8,621.5**
Current interest-bearing liabilities	916.7	998.1
Non-current interest-bearing liabilities	3,428.4	3,673.7
Payables, provisions and other liabilities	3,491.5	3,107.6
Total equity	845.5	842.1
Total liabilities and equity	**8,682.1**	**8,621.5**

Consolidated operating cash flow

(US$ million)	1H16	1H17
PBITDA	664.3	677.7
Net interest paid	(56.9)	(77.5)
Income tax paid	(91.4)	(86.1)
Capital expenditure	(162.2)	(203.8)
Movement in working capital	(264.0)	(222.9)
Flexibles segment restructuring[1]	-	(36.2)
Other	12.1	1.7
Operating cash flow	**101.9**	**52.9**
Dividends and other equity distributions	(257.4)	(258.0)
Free cash flow	**(155.5)**	**(205.1)**
Acquisitions / divestments	(137.6)	(299.8)
Share buy-back / other movements in share capital	(280.3)	(48.4)
Foreign exchange rate changes, hedges and other	(138.0)	(31.1)
Cash increase in net debt [2]	**(711.4)**	**(584.4)**

(1) Refer page 4 for further information.
(2) Refer note (c) "movement in net debt" on page 11 for further information.

Exchange rate impact

For the half year ended 31 December 2016, the negative impact on profit after tax of translating non US dollar earnings into US dollars for reporting purposes was approximately US$8 million. Of this amount, approximately US$1 million reflects a 1% appreciation of the average exchange rate for the US dollar against the Euro, from 0.9063 in the prior half year to 0.9117 in the current half year. The remaining US$7 million reflects a 7% appreciation in the weighted average exchange rate for the US dollar against all other currencies.

Net debt and net finance costs

Net debt was US$4,285.2 million at 31 December 2016, US$455.8 million higher than net debt at 30 June 2016. This increase mainly reflects additional drawdowns to fund acquisitions completed in the December 2016 half year. Leverage, measured as net debt over LTM PBITDA was 2.9 times at 31 December 2016.

The next refinancing is in December 2017 with a US$100 million United States Private Placement borrowing due to mature.

Net financing costs of US$93.8 million were higher than the prior period and in line with expectations. The increase reflects higher acquisition related average debt balances and higher interest costs related to fixed rate 10 year bonds issued in the United States market in the June 2016 half year.

Dividend

The Directors declared an unfranked interim dividend for 2017 of 19.5 US cents per share, 0.5 US cents higher than the 2016 interim dividend.

The dividend will be paid in Australian dollars and will be 25.6 cents. This reflects the dividend declared in US dollars converted at an exchange rate of 0.7618. This rate is the average exchange rate over the five days ending 6 February 2017.

100% of the dividend is sourced from the Conduit Foreign Income Account. The ex-dividend date will be 24 February 2017, the record date will be 27 February 2017 and the payment date will be 24 March 2017.

Outlook commentary for 2016/17 financial year

The Company is well positioned for continued growth and expectations for profit after tax in the 2016/17 year have not changed. In constant currency terms, profit after tax is expected to be higher than the US$671.1 million reported in the 2015/16 year.

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

In addition, for the 2016/17 year:

- net interest costs are expected to be between US$180 million and US$190 million, in constant currency terms. Cash interest paid is expected to be in line with the profit and loss charge;
- the effective tax rate is expected to be between 21% and 23%. Cash tax payments are expected to be between 85% and 95% of the profit and loss charge; and
- free cash flow is expected to be between US$150 and US$250 million, after taking into account approximately US$90 to US$110 million of cash payments related to the Flexibles segment restructuring initiatives announced on 9 June 2016. Refer to page 10 for further details of the Flexibles restructuring.

Segment information[1]

	1H16			1H17		
(US$ million)	**Sales revenue**	**PBIT**	**ROAFE%**	**Sales revenue**	**PBIT**	**ROAFE%**
Flexibles	2,985.9	354.2	24.6	3,090.4	373.0	22.7
Rigid Plastics	1,561.8	153.5	20.3	1,376.9	143.5	18.3
Investments / Other	-	(18.7)		-	(20.8)	
TOTAL	**4,547.7**	**489.0**	**20.2**	**4,467.3**	**495.7**	**19.2**

Cash flow 1H17 (US$ million)	**Flexibles**	**Rigid Plastics**	**Investments / Other**	**Consolidated**
PBITDA	484.6	209.0	(15.9)	677.7
Capital expenditure	(105.4)	(97.8)	(0.6)	(203.8)
Movements in working capital	(59.5)	(161.6)	(1.8)	(222.9)
Flexibles segment restructuring[2]	(36.2)	-	-	(36.2)
Other	20.2	3.9	(22.4)	1.7
Interest			(77.5)	(77.5)
Tax			(86.1)	(86.1)
Operating cash flow	**303.7**	**(46.5)**	**(204.3)**	**52.9**

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

Flexibles

Earnings	1H16 US$ mill	1H17 US$ mill	△%	1H16 € mill	1H17 € mill	△%	Constant Currency △%
Sales revenue	2,986	3,090	3.5	2,706	2,818	4.1	5.3
PBIT[(1)]	**354.2**	**373.0**	**5.3**	**321.0**	**340.0**	**5.9**	**7.1**
Operating margin (%)	11.9	12.1	0.2	11.9	12.1	0.2	
Average funds employed	2,881	3,286		2,611	2,996		
PBIT/AFE (%)	**24.6**	**22.7**		**24.6**	**22.7**		

Cash flow	1H16 US$ mill	1H17 US$ mill	△%	1H16 € mill	1H17 € mill	△%
PBITDA	458.2	484.6		415.3	441.7	
Capital expenditure	(100.9)	(105.4)		(91.5)	(96.1)	
Movement in working capital	(59.1)	(59.5)		(53.5)	(54.3)	
Flexibles segment restructuring	-	(36.2)		-	(33.3)	
Other	0.5	20.2		0.4	18.9	
Operating cash flow	**298.7**	**303.7**	**1.7**	**270.7**	**276.9**	**2.3**
USD:Euro average exchange rate	0.91	0.91				

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

The Flexibles segment delivered PBIT of €340.0 million, up 7.1% in constant currency terms compared with the prior period. This solid earnings growth reflects benefits from acquisitions and excellent cost performance across the segment partly offset by customer destocking in the tobacco packaging business, which was slower than anticipated in August 2016. Acquisition benefits in the first half were modestly higher than expectations given phasing of integration costs related to the Alusa acquisition, however, expectations for total earnings growth from the Alusa acquisition for the full year have not changed.

Operating margins expanded 20 basis points to 12.1%. This includes the negative impact from acquired businesses which partly offset organic margin expansion.

Flexibles restructuring

On 9 June 2016, Amcor announced initiatives to optimise the cost base and drive earnings growth in the Flexibles segment. The initiatives are designed to accelerate the pace of adapting the organisation within developed markets through:

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

As announced at the time, PBIT benefits of US$40 to US$50 million (PAT benefit of US$30 to US$40 million) are expected to be generated by the end of the 2018/19 financial year. This represents a return of approximately 35% on cash costs of between US$120 and US$150 million. Total costs to be expensed (cash and non-cash) are expected to be between US$150 and US$180 million after tax (pre-tax US$170 to US$200 million), and are excluded from underlying earnings.

Since 9 June 2016, Amcor has announced seven plant closures, one plant restructure and an organisation restructure. Progress against individual closure and restructuring plans remains on track. Refer to page 10 for further information.

Flexibles Europe, Middle East and Africa

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

The business had a strong half year of earnings growth. Given sales revenue remained in line with the prior period in constant currency terms, this is an excellent outcome.

By end market, volumes were higher in the confectionary, fresh produce, ambient ready meal and liquid beverage segments. This was offset by weakness in the bakery and snack food segments.

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

Margins continued to expand during the half year through a combination of innovation led sales mix improvements and cost reduction initiatives. The innovation agenda contributed to the improved mix and increased the proportion of high value add products in the portfolio. There remains a strong pipeline of opportunities to add value through new product development going forward.

Flexibles Americas

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

Earnings for the half year were higher than the prior period reflecting the contribution from recently acquired businesses. This includes approximately US$17 million of acquired earnings and synergy benefits, net of integration costs, from the Alusa acquisition. The contribution for the first half was higher than anticipated in August 2016 given phasing of integration costs which will now be incurred in the June 2017 half year.

Volumes in the North American medical segment were higher than the same period last year.

Recently acquired business

The US$435 million acquisition of Alusa, the largest flexible packaging business in South America, was completed on 1 June 2016. The business has four plants, one in each of Chile, Peru, Argentina and Colombia. It has a broad range of capabilities including film extrusion, flexographic and gravure printing and lamination and produces flexible packaging for food, personal care and pet food applications. A large number of Amcor's multinational customers operate in South America, and this acquisition significantly improves our ability to support their needs and to grow with them in these markets. Inclusive of synergy benefits of approximately US$25 million and underlying market growth, this acquisition is expected to add approximately US$65 million of PBIT to Amcor's Flexibles segment at the end of the third year of ownership (2018/19 financial year).

Flexibles Asia Pacific

The Flexibles Asia Pacific business has 41 plants in eight countries throughout the region and sells into the defensive food and healthcare market segments. In constant currency terms, earnings were marginally lower than last year. Growth in the Asian region was more than offset by the negative impact of subdued conditions in the Australia and New Zealand markets and planned start-up costs related to the new greenfield plant in the Philippines.

In China, the business delivered moderate organic sales growth during the half year. This follows several periods of weakness and the improving trend was driven by a combination of market share gains and growth in the underlying market. Across the South East Asian and Indian businesses, volumes were higher during the period.

The new flexibles packaging plant in the Philippines is now operational and fully staffed. Volumes began ramping up through the current period and this will continue through the June 2017 half year. This greenfield plant is dedicated to a large multinational customer in the fast moving food and beverage segment and provides an excellent opportunity to further expand the business in the Philippines and improve the customer value proposition in the high growth South East Asian region.

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

In the developed markets, volumes in New Zealand were lower reflecting a weak dairy season and in Australia, the market remained subdued. Cost performance in both businesses was strong during the half year.

Recently acquired businesses

The RMB 185 million (US$28 million) acquisition of Hebei Qite Packing Co. Ltd was completed on 9 January 2017. Qite has one plant located in Hebei and generates sales of over RMB180 million from the sale of flexible packaging products to large domestic customers within the dairy and food segments. Amcor currently has two plants in close proximity to Qite and once fully integrated the business will have an even stronger platform to grow in the strategically important Northern China region.

Tobacco Packaging

As the only manufacturer with a global footprint, the Tobacco Packaging business is very well positioned to support customers as they focus on premiumisation of brands, growth in emerging markets and cost improvement initiatives. By providing exceptional service and world class product innovation capabilities across multiple regions, the business is able to continue securing new volumes and improve product mix. This has proven to be a consistent trend over many periods and will continue to drive value into the future.

In the first half, the business experienced lower sales and earnings compared with the same period last year. This reduction mainly reflects customer destocking in Western Europe and lower volumes in Asia. The operating performance of the business was excellent during the period and a strong focus on costs partly offset the negative volume impact.

In Western Europe, demand decreased across the European Union (EU) as customers reduced inventories following the introduction of the second EU Tobacco Packaging Directive in May 2016. The pace of this destocking has been slower than expected in August 2016 but will be fully completed by the end of the June 2017 half year. In Eastern Europe demand remained robust.

In Asia, the business performed well in an environment where customers lost share and markets were weak. The negative impact of lower volumes was partly offset by lower operating costs.

In the Americas, customer demand was higher in North America and the business benefited from stronger operating performance in Mexico.

Outlook

The full year earnings outlook for the Flexibles segment has not changed from the guidance provided in August 2016. In constant currency terms, the Flexibles segment is expected to deliver particularly strong PBIT growth in the 2016/17 year, compared with PBIT of €681.2 million achieved in the 2015/16 year.

This outlook takes into account the following factors:

- modest organic growth across the Flexibles segment, inclusive of the remaining unfavourable customer destocking impact within the tobacco packaging business;
- additional earnings related to the Alusa acquisition. This includes eleven months of acquired earnings and net synergy benefits. Synergy benefits, net of integration costs are expected to be marginally positive for both the second half and the full year. Overall, our expectations for total earnings growth from the Alusa acquisition over the full year have not changed;
- in addition to Alusa, growth from other recently acquired businesses is expected to be offset by integration costs; and
- restructuring benefits of approximately €9 to €13 million (US$10 to US$15 million). Refer page 10 for further information regarding Flexibles segment restructuring initiatives.

Rigid Plastics

Earnings	1H16 US$ mill	1H17 US$ mill	Reported △%	Venezuela impact[1] US$ million	Ex Venezuela[1] △%
Sales revenue	1,562	1,377	(11.8)	(200)	1.1
PBIT[2]	**153.5**	**143.5**	**(6.5)**	**(25.0)**	**11.7**
Operating margin (%)	9.8	10.4	0.6		
Average funds employed	1,513	1,567			
PBIT/AFE (%)	**20.3**	**18.3**			

Cash flow			
PBITDA[3]	220.0	209.0	
Capital expenditure	(53.2)	(97.8)	
Movement in working capital	(212.6)	(161.6)	
Other	0.0	3.9	
Operating cash flow	**(45.8)**	**(46.5)**	**(1.5)**

(1) As detailed on 24 August 2016, a number of measures were taken at 30 June 2016 to eliminate Amcor's financial exposure to Venezuela, following a deterioration in economic conditions. As outlined at that time, PBIT in the first half of the 2016/17 financial year is negatively impacted by approximately US$25 million compared with the first half of the 2015/16 year. The full year negative impact for the 2016/17 financial year will be approximately US$40 million (unfavourable PAT impact of US$20 million) compared with 2015/16. Growth based on prior period earnings adjusted to exclude Venezuela impact.
Commentary below regarding financial performance for the Rigid Plastics segment refers to performance excluding the negative impact of Venezuela unless otherwise stated.

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

(3) Includes share of net profit of equity accounted investments.

The Rigid Plastics business delivered PBIT of US$143.5 million during the half year, an increase of 11.7% compared with the prior year. This is an outstanding result reflecting higher volumes, favourable sales mix and benefits from recently acquired businesses.

Sales revenue for the period was in line with the previous year and was negatively impacted by approximately US$40 million as the business passed through lower average PET resin costs to customers during the year.

North America Beverage

The North American Beverage business had a strong half year, achieving higher earnings than the same period last year. This reflects organic volume growth and benefits from the Encon business acquired in October 2015.

Excluding the acquired Encon business, total organic volume growth was 4.6% compared to last year, with custom container volumes increasing by 12%, and combined preform and cold fill container volumes remaining in line with the prior period. Additional spot volumes were won in the custom segment during the half and the business benefited from strong market demand for the PET container format. Growth in the underlying market for PET beverage containers remains supported by the long term trend towards resealable packages and smaller pack sizes.

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

North America Diversified Products

The Diversified Products business produces specialty containers from multiple plastic materials for a variety of end markets, including pharmaceutical, healthcare, food, alcoholic beverage, personal care and homecare.

The ability to offer a broad range of products, materials and production technologies is an important enabler for success in the market place. Amcor's Diversified Products business has developed several capabilities in-house and also acquired specialised technologies which broaden the product offering for customers, expand the addressable market and provide further differentiation. In the last 12 months the business has significantly increased annualised sales to approximately US$750 million, inclusive of two recent acquisitions. Looking forward, there are many opportunities to grow organically as well as to acquire additional complementary technologies and capabilities which unlock further growth in key segments.

The business had a solid half year with earnings higher than last year. This reflects benefits from recently acquired businesses, net of transaction costs, and organic growth driven by strong cost performance and higher volumes.

Recently acquired businesses

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

Latin America

Economic conditions have continued to be challenging across the Latin American region. With deep long term experience in these markets, the business is well positioned to anticipate the unfavourable impacts on volumes and costs which arise through economic cycles and to adjust quickly. During the half year inflationary cost increases were mitigated by strong underlying cost management and cost recovery in the market place.

Volumes across the region were 8.4% lower than last year. This mainly reflects lower volumes in Brazil and Argentina, while the business in Mexico continued to deliver strong volume growth.

Overall operating earnings were in line with last year reflecting lower volumes offset by favourable product mix and strong cost performance.

Bericap

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

The business performed well during the half year and continues to leverage strong relationships with customers and a broad range of innovative products.

Outlook

The full year earnings outlook for the Rigid Plastics segment has not changed from the guidance provided in August 2016.

Compared with PBIT of US$352.5 million achieved in the 2015/16 year, this outlook takes into account:

- the decision announced on 9 June 2016 to eliminate Amcor’s financial exposure to Venezuela. As a result, PBIT for the year ended 30 June 2017 will be negatively impacted by approximately US$40 million. Of this amount, US$25 million impacted the December 2016 half year and US$15 million will impact the June 2017 half year;
- growth in Latin America excluding Venezuela will be dependent on general economic conditions in the region. We expect that general economic conditions will remain challenging in some countries;
- solid volume growth in North America;
- benefits from the Encon and Plastic Moulders acquisitions; and
- net benefits from the recent acquisition of the Sonoco blow molding operations which takes into account:
    - seven months of acquired earnings; offset by
    - transaction and integration costs, net of synergy benefits, of approximately US$8 million.

Investments / Other

PBIT	1H16 US$ mill	1H17 US$ mill
AMVIG	11.5	6.0
Corporate costs	(30.2)	(26.8)
Total	**(18.7)**	**(20.8)**

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

Corporate costs for the half year include a one-off benefit related to pension plans. This was mostly offset by a one-off insurance claim as well as higher underlying corporate costs.

For the 2016/17 year, corporate costs are expected to be in the range of US$70 to US$80 million taking into account current exchange rates. This is unchanged from the guidance provided in August 2016.

Reconciliation of statutory earnings to underlying earnings

(US$ million)	Statutory earnings 1H16	Statutory earnings 1H17	Adjustments 1H16	Adjustments 1H17	Underlying earnings 1H16	Underlying earnings 1H17
Sales revenue	**4,547.7**	**4,467.3**	**-**	**-**	**4,547.7**	**4,467.3**
PBITDA	664.3	650.3	-	(27.4)	664.3	677.7
- Depreciation and amortisation	(175.3)	(182.0)	-	-	(175.3)	(182.0)
PBIT	489.0	468.3	-	(27.4)	489.0	495.7
- Net finance costs	(78.2)	(93.8)	-	-	(78.2)	(93.8)
Profit before tax	**410.8**	**374.5**	**-**	**(27.4)**	**410.8**	**401.9**
- Income tax expense	(88.3)	(80.6)	-	5.4	(88.3)	(86.0)
- Non-controlling interest	(17.0)	(7.3)	-	-	(17.0)	(7.3)
Profit after tax	**305.5**	**286.6**	**-**	**(22.0)**	**305.5**	**308.6**

Segmental reconciliation of statutory PBIT to underlying PBIT

Segment information (US$ million)	1H16 Sales revenue	1H16 Statutory PBIT	1H16 Adjustment PBIT	1H16 Underlying PBIT	1H16 Underlying ROAFE%	1H17 Sales revenue	1H17 Statutory PBIT	1H17 Adjustments PBIT	1H17 Underlying PBIT	1H17 Underlying ROAFE%
Flexibles	2,985.9	354.2	-	354.2	24.6	3,090.4	345.6	(27.4)	373.0	22.7
Rigid Plastics	1,561.8	153.5	-	153.5	20.3	1,376.9	143.5	-	143.5	18.3
Investments / Other	-	(18.7)	-	(18.7)		-	(20.8)	-	(20.8)	
TOTAL	**4,547.7**	**489.0**	-	**489.0**	**20.2**	**4,467.3**	**468.3**	**(27.4)**	**495.7**	**19.2**

Details of adjustments

Income statement	Flexibles (€ million) 1H16	Flexibles (€ million) 1H17	US$ million Flexibles 1H16	US$ million Flexibles 1H17	US$ million Rigid Plastics 1H16	US$ million Rigid Plastics 1H17	US$ million Investments / Other 1H16	US$ million Investments / Other 1H17	US$ million Consolidated 1H16	US$ million Consolidated 1H17
Flexibles restructuring	-	(25.0)	-	(27.4)	-	-	-	-	-	(27.4)
Total PBIT adjustments	**-**	**(25.0)**	**-**	**(27.4)**	**-**	**-**	**-**	**-**	**-**	**(27.4)**
Tax on adjustments	-	4.9	-	5.4	-	-	-	-	-	5.4
Total PAT adjustments	**-**	**(20.1)**	**-**	**(22.0)**	**-**	**-**	**-**	**-**	**-**	**(22.0)**

Flexibles restructuring

1. Initiatives announced

Date	Announcement
14 June 2016	closure of the Flexibles packaging plant in Halen (Belgium)
14 June 2016	closure of the Tobacco packaging plant in Bristol (England)
14 June 2016	a restructure of the Flexibles packaging plant in Cumbria (England)
21 June 2016	a new organisation structure for the Flexibles Europe, Middle East and Africa business
17 July 2016	closure of a Flexibles packaging plant in Nunawading (Australia)
22 August 2016	closure of a Flexibles packaging plant in Christchurch (New Zealand)
29 November 2016	closure of the Tobacco packaging plant in Singapore
29 November 2016	closure of the Tobacco packaging plant in Lachine (Canada)
9 February 2017	closure of the Flexibles packaging plant in Argentan (France)

PBIT benefits of US$40 to US$50 million (PAT benefit of US$30 to US$40 million) are expected to be generated by the end of the 2019 financial year. Total PBIT benefits of US$40 to US$50 million represents a return of approximately 35% on cash costs of between US$120 and US$150 million. Total costs to be expensed (cash and non-cash) are expected to be between US$150 and US$180 million after tax (pre-tax US$170 to US$200 million), and are excluded from underlying earnings.

2. Expected phasing of restructuring costs and benefits

(US$ million)	Total pre-tax costs(1)	Cash costs	Pre-tax benefits(2)
Recognised in FY16	94.9	-	-
Expected to be recognised in FY17	75-105	90-110	10-15
Expected to be recognised in FY18	-	30-40	20-25
Expected to be recognised in FY19	-	-	10-15
Cumulative costs and benefits(3)	**170-200**	**120-150**	**40-50**

(1) Total costs on an after tax basis expected to be between US$150 and US$180 million.
(2) Benefits to be recognised in earnings for the Flexibles segment in the period indicated. Total benefits on an after tax basis expected to be between US$30 and US$40 million.
(3) Expectations for total benefits and total costs (pre-tax and post-tax) and cash costs are consistent with those announced on 9 June 2016.

Appendix information

The following financial acronyms have been used within this announcement:

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

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 financial report, adjusted to take into account capital expenditure and other items. This measure is reconciled to cash flow from operating activities as follows:

	US$ million	
	1H16	**1H17**
Operating cash flow	101.9	52.9
Capital expenditure	162.2	203.8
Proceeds from sale of PP&E	(1.5)	(45.7)
Other items	0.6	3.9
Cash flow from operating activities	263.2	214.9

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

(c) **Movement in net debt** is reconciled to the net increase in cash held calculated in accordance with IFRS and extracted from Amcor's financial report as follows:

	US$ million	
	1H16	**1H17**
Proceeds from borrowings	(3,594.0)	(3,701.5)
Repayment of borrowings	3,126.0	3,254.4
Net decrease in cash held	(103.6)	(104.6)
Effects of exchange rate changes on cash and cash equivalents	(140.1)	(30.6)
Other items	0.3	(2.1)
Cash increase in net debt	(711.4)	(584.4)

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