

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 2014
Previous Corresponding Period: Half-Year Ended 31 December 2013

2. Results for announcement to the market

<i>USD million</i>				
2.1 Revenues from ordinary activities				
• From Continuing Operations	up	0.3%	to	4,809.0
• From Discontinued Operations	n/a			
2.2 Net profit from ordinary activities after tax from continuing operations, attributable to members	up	6.7%	to	321.3
2.3 Net profit for the period inclusive of discontinued operations, attributable to members ¹	up	146.6%	to	321.3

¹ For the six months to 31 December 2013 discontinued operations, after tax, totalled USD 170.8 million relating to the demerger of the Australasia and Packaging Distribution business.

Dividends	Amount per security (US cents)	Franked amount per security
<i>Current period</i>		
2.4 Interim dividend payable 26 March 2015	19.0 cents	Nil
2.4 Final dividend (in respect of prior year) paid 30 September 2014	21.8 cents	Nil
<i>Previous corresponding period</i>		
2.4 Interim dividend	17.4 cents	Nil
2.5 Record date for determining entitlements to the dividend	Interim dividend – 26 February 2015	

2.6 Brief explanation of figures in 2.1 to 2.4 –:

- i) Dividends in the current period and previous corresponding period are unfranked.
- ii) Dividends to foreign holders are subject to withholding tax and the declaration that 100% of the dividend is sourced from the Conduit Foreign Income Account.
- iii) Refer to attached press release for further details relating to 2.1 to 2.4.

3. Net tangible assets

	31 December 2014	30 June 2014	31 December 2013
Net tangible asset backing per ordinary security	\$(0.05)	\$(0.05)	\$(0.08)

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

Refer to the attached Interim Financial Report, Note 4 Discontinued operations and Note 5 Business combinations.

5. Details of individual dividends and payment dates

Refer the attached Interim Financial Report, Note 7 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 3 to 13 March 2015 inclusive. The last date for receipt of election notices for the DRP is 27 February 2015. 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 2014 the group held a 48.02% interest in AMVIG Holdings Ltd ('AMVIG') a tobacco packaging company listed on the Hong Kong Stock Exchange. In the six months to 31 December 2014 the group recognised a share of associates profit of \$14.5 million (six months to 31 December 2013: \$8.4 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. The joint venture entity has not yet commenced trading.

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.



Julie McPherson
Company Secretary

Date: 17 February 2015

A M C O R L I M I T E D
A.B.N. 62 000 017 372

INTERIM FINANCIAL REPORT

31 DECEMBER 2014

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This interim financial report was approved by the Directors on 17 February 2015. 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 2014.

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	
K N (Ken) MacKenzie	Director since 2005

Change in reporting currency

Amcor changed its reporting currency from Australian dollars to US dollars in the current financial year. The interim financial report for the six months ended 31 December 2014 is the first financial report with results in US dollars.

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 Stock Exchange and Media Release dated 17 February 2015.

Dividend

Since 31 December 2014 the Directors have determined an interim dividend on ordinary shares, expected to be paid on 26 March 2015 of approximately US\$229.3 million. This represents a dividend of 19.0 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 into account in the consolidated financial statements for the six months ending 31 December 2014 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 the Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest US\$100,000 or, where the amount is US\$50,000 or less, zero, unless specifically otherwise stated.

Signed in accordance with a resolution of the Directors, dated at Melbourne, this 17th day of February 2015.



G R Liebelt
Chairman



Auditor's Independence Declaration

As lead auditor for the review of Amcor Limited for the half-year ended 31 December 2014, 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.

A handwritten signature in black ink, appearing to read 'John Yeoman', written in a cursive style.

John Yeoman
Partner
PricewaterhouseCoopers

Melbourne

17 February 2015

Amcor Limited and its controlled entities

Income statement

For the six months ended 31 December 2014

US\$ million	Note	2014	2013
Continuing operations			
Sales revenue	3	4,809.0	4,796.4
Cost of sales		(3,891.5)	(3,920.3)
Gross profit		917.5	876.1
Other income	3	64.8	39.8
Sales and marketing expenses		(109.1)	(110.2)
General and administration expenses		(336.3)	(288.3)
Research costs		(32.6)	(34.1)
Share of net profit of equity accounted investments		14.5	8.4
Profit from operations		518.8	491.7
Finance income		13.4	12.4
Finance expenses		(105.2)	(109.9)
Net finance costs	3	(91.8)	(97.5)
Profit from continuing operations before related income tax expense	3	427.0	394.2
Income tax expense		(91.7)	(80.4)
Profit for the financial period from continuing operations		335.3	313.8
Profit from continuing operations attributable to:			
Owners of Amcor Limited		321.3	301.1
Non-controlling interest		14.0	12.7
		335.3	313.8
Discontinued operations			
Loss from discontinued operations, net of tax		-	(170.8)
Profit for the financial period		335.3	143.0
Profit attributable to:			
Owners of Amcor Limited		321.3	130.3
Non-controlling interest		14.0	12.7
		335.3	143.0
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of Amcor Limited			
Basic earnings per share		26.6	24.9
Diluted earnings per share		26.2	24.4
Earnings per share for profit attributable to the ordinary equity holders of Amcor Limited			
Basic earnings per share		26.6	10.8
Diluted earnings per share		26.2	10.6

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 2014

US\$ million	2014	2013
Profit for the financial period	335.3	143.0
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss:		
<i>Available-for-sale financial assets</i>		
Net change in fair value of available-for-sale financial assets	-	2.5
Fair value of available-for-sale financial assets reclassified to profit or loss on disposal of business, net of tax	-	(1.2)
<i>Cash flow hedges</i>		
Effective portion of changes in fair value of cash flow hedges	3.9	(0.2)
Net change in fair value of cash flow hedges reclassified to profit or loss	0.3	2.3
Net change in fair value of cash flow hedges reclassified to non-financial assets	0.4	-
Tax on cash flow hedges	(0.5)	(0.4)
Fair value of cash flow hedges reclassified to profit or loss on disposal of business, net of tax	-	(2.4)
<i>Exchange differences on translating foreign operations</i>		
Exchange differences on translation of foreign operations	(34.0)	186.8
Net investment hedge of foreign operations	(123.1)	(166.4)
Share of equity accounted investee's exchange fluctuation reserve	(6.1)	3.1
Tax on exchange differences on translating foreign operations	4.1	10.6
Exchange differences on translating foreign operations reclassified to profit or loss on disposal of business, net of tax	-	0.5
Items that will not be reclassified to profit or loss:		
<i>Retained earnings</i>		
Actuarial losses on defined benefit plans	(83.5)	(2.1)
Tax on actuarial income/(losses) on defined benefit plans	22.7	(2.4)
Other comprehensive (loss)/income for the financial period, net of tax	(215.8)	30.7
Total comprehensive income for the financial period	119.5	173.7
Total comprehensive income attributable to:		
Owners of Amcor Limited	108.2	161.0
Non-controlling interest	11.3	12.7
	119.5	173.7
Total comprehensive income for the period attributable to owners of Amcor Limited arises from:		
Continuing operations	108.2	470.6
Discontinued operations	-	(309.6)
	108.2	161.0

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 2014

US\$ million	Note	December 2014	June 2014
Current assets			
Cash and cash equivalents		404.5	509.7
Trade and other receivables		1,385.8	1,396.5
Inventories		1,241.4	1,329.0
Other financial assets		9.0	8.4
Other current assets		76.4	82.9
Total current assets		3,117.1	3,326.5
Non-current assets			
Equity accounted investments		456.5	486.8
Other financial assets		108.3	153.9
Property, plant and equipment		2,661.3	2,920.1
Deferred tax assets		81.4	95.1
Intangible assets		1,871.9	1,996.3
Retirement benefit assets		44.5	41.4
Other non-current assets		97.2	113.8
Total non-current assets		5,321.1	5,807.4
Total assets		8,438.2	9,133.9
Current liabilities			
Trade and other payables		2,060.3	2,490.3
Interest-bearing liabilities		695.0	521.8
Other financial liabilities		15.9	62.9
Current tax liabilities		77.7	97.6
Provisions		106.2	123.4
Total current liabilities		2,955.1	3,296.0
Non-current liabilities			
Trade and other payables		4.6	4.8
Interest-bearing liabilities		2,765.6	3,001.3
Deferred tax liabilities		253.6	252.2
Provisions		95.0	126.7
Retirement benefit obligations		358.9	313.8
Total non-current liabilities		3,477.7	3,698.8
Total liabilities		6,432.8	6,994.8
NET ASSETS		2,005.4	2,139.1
Equity			
Contributed equity	6	2,092.9	2,072.0
Reserves		(579.8)	(414.3)
Retained earnings		381.3	370.4
Total equity attributable to the owners of Amcor Limited		1,894.4	2,028.1
Non-controlling interest		111.0	111.0
TOTAL EQUITY		2,005.4	2,139.1

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 2014

US\$ million	Attributable to owners of Amcor Limited				Non-controlling interest	Total equity
	Contributed equity	Reserves	Retained earnings	Total		
Balance at 1 July 2014	2,072.0	(414.3)	370.4	2,028.1	111.0	2,139.1
Profit for the financial period	-	-	321.3	321.3	14.0	335.3
Total other comprehensive income/(loss)	-	(152.2)	(60.9)	(213.1)	(2.7)	(215.8)
Total comprehensive income/(loss) for the financial period	-	(152.2)	260.4	108.2	11.3	119.5

Transactions with owners in their capacity as owners:

Contributions of equity, net of transaction costs and related tax	29.9	(3.4)	-	26.5	-	26.5
Shares purchased on-market to satisfy exercise of options and rights under share-based payment plans	(33.6)	-	-	(33.6)	-	(33.6)
Dividends paid	-	-	(247.1)	(247.1)	(6.0)	(253.1)
Settlement of options and performance rights	24.6	(24.6)	-	-	-	-
Share-based payments expense	-	14.7	-	14.7	-	14.7
Non-controlling interest buy-out	-	-	(2.4)	(2.4)	(8.2)	(10.6)
Acquisition of controlled entities and businesses	-	-	-	-	2.9	2.9
Balance at 31 December 2014	2,092.9	(579.8)	381.3	1,894.4	111.0	2,005.4

US\$ million	Attributable to owners of Amcor Limited				Non-controlling interest	Total equity
	Contributed equity	Reserves	Retained earnings	Total		
Balance at 1 July 2013	2,755.5	253.2	335.9	3,344.6	88.8	3,433.4
Profit for the financial period	-	-	130.3	130.3	12.7	143.0
Total other comprehensive income/(loss)	-	35.2	(4.5)	30.7	-	30.7
Total comprehensive income for the financial period	-	35.2	125.8	161.0	12.7	173.7

Transactions with owners in their capacity as owners:

Contributions of equity, net of transaction costs and related tax	43.9	(9.7)	-	34.2	2.5	36.7
Demerger of Australasia and Packaging Distribution business	(659.7)	(652.1)	-	(1,311.8)	-	(1,311.8)
Shares purchased on-market to satisfy exercise of options and rights under share-based payment plans	(34.1)	-	-	(34.1)	-	(34.1)
Dividends paid	-	-	(230.4)	(230.4)	(10.5)	(240.9)
Settlement of options and performance rights	30.9	(30.9)	-	-	-	-
Share-based payments expense	-	16.6	-	16.6	-	16.6
Acquisition of controlled entities and businesses	-	-	-	-	0.1	0.1
Balance at 31 December 2013	2,136.5	(387.7)	231.3	1,980.1	93.6	2,073.7

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 2014

US\$ million	Note	2014	2013
Cash flows from operating activities			
Profit for the financial period from continuing operations		335.3	313.8
Depreciation		168.5	172.8
Amortisation of intangible assets		14.6	13.7
Impairment losses on property, plant and equipment, intangibles, receivables and inventory		17.5	4.1
Reversal of impairment losses on property, plant and equipment, receivables and inventory		(5.1)	(5.1)
Non-cash retirement benefit (gain)/expense		(5.3)	3.0
Net finance costs		91.8	97.5
Grant income recognised		(0.4)	(0.4)
Net gain on disposal of non-current assets		(27.0)	(3.9)
Net gain on disposal of equity accounted investments		-	(0.1)
Fair value gain on financial assets at fair value through income statement		(1.9)	-
Share of net profits of equity accounted investments		(14.5)	(8.4)
Net foreign exchange loss/(gain)		0.3	(4.3)
Share-based payments expense		16.0	17.3
Other sundry items		(11.7)	(15.7)
Income tax expense		91.7	80.5
Operating cash flows before changes in working capital and provisions		669.8	664.8
- Decrease/(Increase) in prepayments and other operating assets		6.4	(20.5)
- (Decrease) in employee benefits and other operating liabilities		(14.4)	(13.5)
- (Decrease) in provisions		(14.5)	(13.7)
- (Increase)/Decrease in trade and other receivables		(31.0)	17.0
- (Increase) in inventories		(1.8)	(25.1)
- (Decrease) in trade and other payables		(278.8)	(232.2)
		335.7	376.8
Dividends received		11.9	13.9
Interest received		11.0	11.7
Borrowing costs		(83.8)	(91.6)
Income tax paid		(69.8)	(71.1)
Net cash from continuing operating activities		205.0	239.7
Net cash from discontinued operating activities		-	38.4
Net cash flows from operating activities		205.0	278.1
Cash flows from investing activities			
(Repayment)/Granting of loans to associated companies and other persons		(1.0)	0.4
Payments for acquisition of controlled entities, businesses and associates, net of cash acquired		(41.7)	(72.2)
Payments for property, plant and equipment and intangible assets		(156.3)	(186.2)
Proceeds on disposal of associates, controlled entities and businesses		0.8	19.9
Proceeds on disposal of property, plant and equipment		68.8	20.5
Net cash from continuing investing activities		(129.4)	(217.6)
Net cash from discontinued investing activities		-	(61.6)
Cash, net of overdraft, disposed of on demerger of the Australasia and Packaging Distribution business		-	(59.8)
Net cash (outflow) from investing activities		(129.4)	(339.0)

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 2014

US\$ million	Note	2014	2013
Cash flows from financing activities			
Proceeds from exercise of employee share options and calls on partly-paid shares		29.9	43.7
Shares purchased on-market and settlement of forward contracts		(65.5)	(100.7)
Payments for treasury shares		(19.6)	-
(Return of)/Proceeds on capital contribution to/from non-controlling interest		(1.5)	0.1
Proceeds from borrowings		2,503.3	6,563.6
Repayment of borrowings		(2,414.7)	(6,316.2)
Principal lease repayments		(1.2)	(1.6)
Dividends and other equity distributions paid		(253.2)	(244.0)
Net cash (outflow) from continuing financing activities		(222.5)	(55.1)
Net cash from discontinued financing activities		-	63.5
Net cash (outflow)/inflow from financing activities		(222.5)	8.4
Net decrease in cash held			
		(146.9)	(52.5)
Cash and cash equivalents at the beginning of the financial period		505.1	339.7
Effects of exchange rate changes on cash and cash equivalents		(7.1)	30.6
Cash and cash equivalents at the end of the financial period		351.1	317.8

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 assets and cash equivalents	404.5	370.8
Bank overdrafts	(53.4)	(53.0)
Cash and cash equivalents at the end of the financial period	351.1	317.8

The consolidated entity operates in 43 countries around the world some of which may impose restrictions over cash movement. The estimated restricted cash balance at 31 December 2014 is between US\$70.0 million and US\$80.0 million.

Amcor Limited and its controlled entities

Notes to the interim financial report For the six months ended 31 December 2014

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 2014.

The Annual Report of the Group as at and for the year ended 30 June 2014 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* (AASB 134) 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 2014 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*.

The Group is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial report have been rounded off to the nearest US\$100,000 or, where the amount is US\$50,000 or less, zero, unless otherwise specifically 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 2014 and the corresponding interim reporting period.

The new or amended accounting standards applicable for the current reporting period did not impact the Group's results or its accounting policies. As a consequence of these amendments, there may be some changes required to the note disclosures in the 30 June 2015 annual report.

The Group has not adopted any accounting standards issued but not yet effective.

2. Change in reporting currency

Amcor changed its reporting currency from Australian dollars to US dollars in the current financial year. The interim financial report for the six months ended 31 December 2014 is the first financial report with results in US dollars. Statutory financial information included in the interim financial report for the year ended 30 June 2014 and half year ended 31 December 2013, previously reported in Australian Dollars has been restated into US dollars using the procedures outlined below:

- assets and liabilities denominated in non-US dollar currencies were translated into US dollars at the closing rates of exchange on the relevant balance sheet date;
- non-US dollar income and expenditure were translated at the average rates of exchange prevailing for the relevant period;
- the cumulative exchange fluctuation reserves were set to nil at 1 July 2004, the date of transition to IFRS, and these reserves have been restated on the basis that the Group has reported in US dollars since that date. Share capital and the other reserves were translated at the historic rates prevailing at 1 July 2004, and subsequent rates prevailing on the date of each transaction;
- all exchange rates were sourced from Reuters and extracted from the Group's underlying financial records.

3. 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.

All operating segment results are regularly reviewed by the Group's chief operating decision maker which has been identified as the Corporate Executive Team (CET). The CET consists of the Managing Director and Chief Executive Officer, and other Senior Executives of the Group. The CET provides the strategic direction and management oversight of the day-to-day activities of the Group in terms of monitoring results, providing approval for capital expenditure decisions and approving strategic planning for the businesses.

Amcor Limited and its controlled entities

Notes to the interim financial report For the six months ended 31 December 2014

3. Segment information (continued)

(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 from various materials 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 three operating segments each of which manufactures flexible and film packaging for their respective industries. The operating segments are:

- Amcor Flexibles Europe & Americas which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy, pet food packaging, champagne and wine closures and also provides packaging for the pharmaceutical sector including high value-added medical applications.
- Amcor Tobacco Packaging which manufactures flexible packaging for specialty folding cartons for tobacco packaging.
- Amcor Flexibles Asia Pacific which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy, pet food packaging and also provides packaging for the pharmaceutical sector and home and personal care.

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 three 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. In addition to holding the equity accounted investments in AMVIG and Discma, this segment also includes the Corporate function of the Group.

Amcor Australasia and Packaging Distribution

On 31 December 2013 this reporting segment was demerged and has been treated as a discontinued operation within this interim financial report, refer note 4.

This segment was involved in the manufacture of a wide range of products including corrugated boxes; cartons and folding cartons; aluminium beverage cans; plastic closures; glass wine and beer bottles; multiwall sacks; cartonboard and recycled paper. The distribution operations of this segment purchases, warehouses, sells and delivers a wide variety of packaging and related products.

(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 CET 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.

Amcor Limited and its controlled entities

Notes to the interim financial report For the six months ended 31 December 2014

3. Segment information (continued)

(c) Segment information provided to the CET

The following segment information was provided to the CET for the reportable segments for the six months ended 31 December 2014 and 31 December 2013:

US\$ million	Continuing Operations								Amcor Australasia and Packaging Distribution (discontinued)		Total Operations	
	Amcor Rigid Plastics		Amcor Flexibles		Other/Investments		Total		2014	2013	2014	2013
Reportable segment revenue												
Revenue from external customers	1,562.8	1,490.1	3,246.2	3,306.3	-	-	4,809.0	4,796.4	-	1,483.7	4,809.0	6,280.1
Inter-segment revenue	-	-	-	7.3	-	-	-	7.3	-	1.6	-	8.9
Total reportable segment revenue	1,562.8	1,490.1	3,246.2	3,313.6	-	-	4,809.0	4,803.7	-	1,485.3	4,809.0	6,289.0
<i>Reconciliation to total revenue from continuing operations</i>												
Elimination of inter-segment revenue							-	(7.3)				
Other income							64.8	39.8				
Finance income							13.4	12.4				
Consolidated revenue and other income from continuing operations							4,887.2	4,848.6				
Reportable segment profit/(loss)												
Profit/(loss) before depreciation, amortisation, interest, related income tax expense and significant items	207.1	199.6	508.4	501.8	(13.6)	(23.2)	701.9	678.2	-	144.5	701.9	822.7
Depreciation and amortisation	(68.0)	(71.3)	(111.8)	(113.8)	(3.3)	(1.4)	(183.1)	(186.5)	-	(56.5)	(183.1)	(243.0)
Profit/(loss) before interest, related income tax expense and significant items	139.1	128.3	396.6	388.0	(16.9)	(24.6)	518.8	491.7	-	88.0	518.8	579.7
Significant items before related income tax expense	-	-	-	-	-	-	-	-	-	(172.4)	-	(172.4)
Profit/(loss) before interest and related income tax expense	139.1	128.3	396.6	388.0	(16.9)	(24.6)	518.8	491.7	-	(84.4)	518.8	407.3
<i>Reconciliation to profit from continuing operations</i>												
Net finance costs							(91.8)	(97.5)				
Consolidated profit before related income tax expense							427.0	394.2				
Receivables	383.0	353.7	985.2	1,013.8	39.2	49.9	1,407.4	1,417.4	-	-	1,407.4	1,417.4
Inventory	443.2	514.0	798.2	853.2	-	-	1,241.4	1,367.2	-	-	1,241.4	1,367.2
Payables	(696.9)	(721.4)	(1,220.5)	(1,267.8)	(91.6)	(121.2)	(2,009.0)	(2,110.4)	-	-	(2,009.0)	(2,110.4)
Working capital	129.3	146.3	562.9	599.2	(52.4)	(71.3)	639.8	674.2	-	-	639.8	674.2

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Notes to the interim financial report For the six months ended 31 December 2014

4. Discontinued operations

Effective 31 December 2013 the Amcor Australasia and Packaging Distribution (AAPD) business was demerged and is reported as a discontinued operation in this interim report. The business group consists of two businesses being Australasia and Packaging Distribution. The Australasia business is focused on fibre (recycled paper, corrugated boxes, cartons and sacks and distribution of packaging materials) and beverage (glass bottles, beverage cans and wine closures) packaging within Australia and New Zealand. The Packaging Distribution operation is predominantly located in North America and is focused on the distribution of packaging materials. It also has integrated corrugated sheet and box manufacturing and equipment sales.

There have been no changes to the results from discontinued operations in the six months ended 31 December 2014. Refer to 30 June 2014 Annual Report for further information on the financial performance, cash flow and the financial position of the demerged business.

5. Business combinations

Acquisition made in the six months to 31 December 2014

On 28 November 2014 the Group completed the acquisition of 100% of Bella Prima Packaging, a flexible packaging business in Indonesia for US\$25.1 million (IDR 305.3 million), of which US\$1.4 million (IDR16.5 million) is deferred to be paid on the 1st, 2nd and 3rd anniversary from closing in equal instalments.

Bella Prima has two plants in Jakarta and specialises in the high growth shrink sleeve, label and lidding business primarily in the consumer beverage, food and personal care industries. The acquired entity is a strong fit with the Group's existing plant in Indonesia and will broaden the Group's strategy within the food and beverage markets.

The purchase price adjustment has not been completed and no goodwill has been recorded as at 31 December 2014.

6. Contributed equity

	Six months 31 December 2014		Twelve months 30 June 2014	
	No. '000	US\$ million	No. '000	US\$ million
Ordinary shares⁽¹⁾				
Balance at beginning of period	1,206,685	2,086.1	1,206,685	2,765.9
Exercise of options under the Long Term Incentive Plan	7,290	40.4	9,637	61.5
Exercise of performance rights under the Long Term Incentive Plan	703	2.3	1,085	5.2
Exercise of performance rights under the Equity Management Incentive Plan	2,018	11.8	2,459	15.6
Forward contract settled to satisfy exercise of options and rights under Employee Share Plans	-	-	-	(51.5)
Treasury shares used to satisfy exercise of options and rights under Employee Share Plans	(10,011)	(47.2)	(13,181)	(50.9)
Capital reduction on demerger of Australasia Packaging and Distribution business ⁽²⁾	-	-	-	(659.7)
Balance at end of period	1,206,685	2,093.4	1,206,685	2,086.1
Treasury shares⁽³⁾				
Balance at beginning of period	(1,507)	(14.1)	(1,122)	(10.4)
Acquisition of shares by the Amcor Employee Share Trust	(3,263)	(33.6)	(5,642)	(54.6)
Forward contract settled	(5,300)	-	(7,924)	-
Employee Share Plan issue	10,011	47.2	13,181	50.9
Balance at end of period	(59)	(0.5)	(1,507)	(14.1)
Total contributed equity	1,206,626	2,092.9	1,205,178	2,072.0

(1) Ordinary Shares

The ordinary shares issued are fully paid and have no par value. They carry one vote per share and the right to dividends.

(2) Demerger of AAPD business

The demerger of the AAPD business on 31 December 2013 was implemented through a capital reduction which reduced the contributed equity of the Company by US\$659.7 million and the establishment of a demerger reserve of

Amcor Limited and its controlled entities

Notes to the interim financial report For the six months ended 31 December 2014

6. Contributed equity (continued)

US\$652.1 million. The capital reduction, together with the demerger reserve, was applied to provide Amcor shareholders with one share of the demerged business, Orora Limited, for each share held in the Company.

(3) 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.

7. Dividends

	2014		2013	
	US Cents per share	Total US\$m	US Cents per share	Total US\$m
(i) Dividends provided for or paid during the period				
Final dividend paid on 30 September 2014 unfranked (2013: 30 September 2013 unfranked) of which 100% was sourced from the Conduit Foreign Income Account (2013: 100%).	21.8	247.1	18.6	230.4
(ii) Dividends not recognised at period end				
The directors have determined an interim dividend, expected to be paid on 26 March 2015 unfranked (2013: 26 March 2014 unfranked) of which 100% is to be sourced from the Conduit Foreign Income Account (2013: 100%).	19.0	229.3	17.4	217.7

8. Financial instruments

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 2014.

US\$ million	31 December 2014	
	Carrying Amount	Fair Value
Financial liabilities		
US Dollar notes	969.8	1,089.3
Euro Notes	182.3	212.6
Eurobond	1,070.2	1,178.6
Swiss bond	150.9	157.8
Total	2,373.2	2,638.3

The financial assets and liabilities which are measured at fair value in the balance sheet were not significant at 31 December 2014.

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Notes to the interim financial report For the six months ended 31 December 2014

9. Borrowings

Financing arrangements

During the period, the US Syndicated facility limit was increased from US\$500 million to US\$750 million, effective 25 November 2014. The maturity of the facility remains in place until 30 April 2019. As a result, the facility limits of Tranche A and Tranche B of the Syndicated Multi-Currency Facility were reduced by US\$475 million and US\$125 million respectively.

In December 2014, US\$180 million of US Private Placements matured and was funded by a drawdown of US\$180 million from the Syndicated Multi-Currency Facility.

Contractual maturities

During the period, the 2010 Euro US Private Placement of €50 million (US\$60.8 million) with a maturity date of 1 September 2015 was moved from Non-current to Current Interest-bearing liabilities.

10. Contingencies

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

- Under the terms of the ASIC Class Order 98/1418 (as amended) dated 13 August 1998, which relieved certain wholly-owned subsidiaries from the requirement to prepare audited financial statements, Amcor Limited and certain wholly-owned subsidiaries have entered into an approved deed for the cross guarantee of liabilities with those subsidiaries identified in the 2014 Annual Report (refer note 34). No liabilities subject to the Deed of Cross Guarantee at 31 December 2014 are expected to arise to Amcor Limited and subsidiaries, as all such subsidiaries were financially sound and solvent at that date.
- 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. Amcor believes that the likelihood of these having a material impact on the Group's financial position, results of operations or cash flows is remote. Specifically, the Brazil operations have received a series of excise and income tax claims from the local tax authorities and in the opinion of outside counsel these claims have a remote likelihood of being upheld. 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. These matters are being vigorously contested by Amcor. All means are being examined in order to minimise any exposure.

11. Subsequent events

The directors have approved a US\$500 million on-market share buy-back. Based on Amcor's closing share price on Thursday 12 February 2015 of A\$12.94 per share, this would represent a buy-back of approximately 4.1% of Amcor's current issued share capital.

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Directors' Declaration

For the half year ended 31 December 2014, 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 Group's financial position as at 31 December 2014 and its performance for the half year ended on that date; and
2. there are reasonable grounds to believe that Amcor Limited 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, this 17th day of February 2015.



G R Liebelt
Chairman



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Amcor Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2014, 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 half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year 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 half-year 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 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 2014 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 half-year 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 half-year 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 2014 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

17 February 2015

John Yeoman
Partner

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