News Release

26 August 2010

PROFIT RESULT FOR YEAR ENDED 30 JUNE 2010

Highlights

- Profit after tax and before significant items of $409.2 million, up 13.5%.
- The negative translation impact from the higher Australian dollar on profit after tax and before significant items on the legacy Amcor businesses is estimated to be approximately $58 million.
- Operating cash flow of $566.8 million.
- Final dividend of 17.0 cents per share equal to the final dividend last year.
- Free cash flow of $280.6 million.
- Earnings per share before significant items of 35.2 cents, down 13.9%. This reduction is due to the additional shares on issue resulting from the equity raising to partially fund the Alcan Packaging acquisition.
- Significant items, primarily relating to the acquisition of former Alcan Packaging businesses and planned restructuring, were an after tax expense of $226.2 million.
- Acquisition of the former Alcan Packaging businesses completed on 2 February 2010.
- Acquisition of the Ball Plastics assets completed on 3 August 2010.

Results (A$m)	2009	2010	Change %
Sales	9,535.4	9,849.5	3.3
PBITDA(1)	1,088.7	1,213.9	11.5
PBIT(1)	646.6	759.2	17.4
PAT(1)	360.5	409.2	13.5
Significant items(2)	(148.8)	(226.2)	(52.0)
PAT after significant items	211.7	183.0	(13.6)
EPS(1)(3) (cents)	40.9	35.2	(13.9)
Operating cash flow(4)	419.6	566.8	35.1
Dividend (cents per share)	34.0	29.5	(13.2)

(1) Before significant items
(2) Refer page 2 for details of significant items
(3) 2009 EPS has been adjusted to reflect the bonus element of shares issued under the Entitlement Offer during the period
(4) After significant items

Key Ratios	2009	2010
PBIT(1)/Average funds employed (%)	10.5	12.4
Net debt / (Net debt plus equity) (%)	46.2	42.3
Net PBITDA(1) interest cover (times)	6.0	6.6
NTA per share (A$)	1.61	1.49

(1) Before significant items

Amcor has released to the Australian Securities Exchange a webcast presentation on its financial results for the year ended 30 June 2010. This is available at www.amcor.com

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Financial results

Consolidated Income (A$m)	2009	2010
Sales	9,535.4	9,849.5
PBITDA	1,088.7	1,213.9
Depreciation and amortisation	(442.1)	(454.7)
PBIT	646.6	759.2
Net interest	(181.7)	(183.4)
Profit before tax	464.9	575.8
Income tax	(98.3)	(148.0)
Minority interests	(6.1)	(18.6)
Profit after tax and before significant items	360.5	409.2

Consolidated Cash Flow

PBITDA	1,088.7	1,213.9
Interest	(166.7)	(183.2)
Tax	(78.7)	(88.6)
Cash significant items	(155.6)	(144.2)
Base capital expenditure	(254.6)	(286.9)
Movement in working capital	133.1	60.2
Other	(146.6)	(4.4)
Operating cash flow	419.6	566.8
Dividends	(288.5)	(286.2)
Free cash flow	131.1	280.6
Divestments	(1.9)	-
Growth capital / acquisitions	(318.3)	(2,700.5)
Proceeds from share issues	28.7	1,570.6
Proceeds on capital contribution from minority interests	-	2.0
Foreign exchange rate changes	3.7	(28.1)
Increase in net debt	(156.7)	(875.4)

Consolidated Balance Sheet

Current assets	2,317.9	3,545.7
Property, plant and equipment	3,795.9	4,800.6
Intangibles	1,499.1	1,835.5
Investments and other assets	833.1	1,128.4
Total assets	8,446.0	11,310.2
Short term debt	956.1	1,378.7
Long term debt	1,875.7	1,932.5
Creditors and provisions	2,538.6	3,875.1
Shareholders' equity	3,075.6	4,123.9
Total liabilities and shareholders' equity	8,446.0	11,310.2

Significant Items

Significant items after tax for the year ended 30 June 2010 was a net expense of $226.2 million, compared to a net expense of $148.8 million for the year ended 30 June 2009.

This amount included $108.2 million of after tax transaction and integration costs and $53.4 million of after tax costs to achieve synergies, both related to the acquisition of the former Alcan Packaging businesses, an expense of $20.3 million resulting from Amcor's election to settle certain indirect tax obligations in Brazil under an amnesty program, $19.3 million of after tax asset writedowns following business restructuring and $22.5 million of after tax other restructuring costs. Refer to page 20 for further details.

Segmentals

During the year, a detailed review of the corporate costs of the consolidated entity was undertaken and it was identified that $24.7 million (2009: $20.4 million) of the $67.9 million (2009: $58.9 million) total was properly attributable to the results of the operating segments and as such, has been allocated based on relevant cost and service drivers.

Capital management

During the year, gross proceeds of A$1,611 million in new equity were raised through an Institutional and Retail Entitlement Offer, to fund part of the purchase price for the acquisition of the former Alcan Packaging businesses. A$1,204 million was raised under the Institutional Entitlement Offer and the balance of funds was raised via the Retail Entitlement Offer.

In December 2009 US$850 million of long term debt was raised in the US Private Placement market, and used in part to replace existing bank borrowings with the balance used for general corporate purposes. US$275 million of the proceeds mature in seven years, US$300 million in nine years and US$275 million matures in 12 years. Respective fixed coupon rates are 5.38%, 5.69% and 5.95%.

Final dividend

The Directors declared an unfranked final dividend of 17.0 cents per share. 100% of the dividend is sourced from the Conduit Foreign Income Account. The ex-dividend date will be 2 September 2010, the record date will be 8 September 2010 and payment date will be 1 October 2010.

Exchange Rate Sensitivity

The sensitivity of profit after tax to the movement in the Australian dollar, due to the translation of overseas earnings into Australian dollars for reporting purposes, for the first half of the 2010 financial year was approximately $3 million for every one cent movement against the US dollar and $3 million for every one cent movement against the Euro. Following the acquisition of the former Alcan Packaging assets, the sensitivity of profit after tax to the movement in the Australian dollar, due to the translation of overseas earnings into Australian dollars for reporting purposes was approximately $3.0 million for every one cent movement against the US dollar and $4.5 million for every one cent movement against the Euro.

The US dollar and Euro to Australian dollar exchange rates for the 2010 financial year averaged 87.6 cents and 63.5 cents respectively. Rates for the 2009 financial year averaged 76.2 cents and 54.6 cents. For the legacy Amcor business, the total negative impact of the higher Australian dollar on the translation of profit after tax before significant items into Australian dollars for reporting purposes was approximately $58 million for the year.

For the 2011 financial year, the profit after tax sensitivity of the Australian dollar against US dollar is expected to be approximately $3.0 million for every one cent movement, and the sensitivity against the Euro is expected to be $5.0 million for every one cent movement.

Net debt and interest expense

Net debt increased from $2,643 million at 30 June 2009 to $3,044 million at 30 June 2010. Excluding the currency translation impact, net debt increased by $667 million to $3,310 million predominately as a result of additional debt used to part fund the Alcan Packaging acquisition.

Gearing, measured as net debt over net debt plus equity, was 42.3% at 30 June 2010.

Net interest expense was $183.4 million. Interest cover, measured as PBITDA to net interest, was 6.6 times.

Operating cash flow was $566.8 million and, after the payment of dividends, free cash flow was $280.6 million.

Presentation of results for the year ended 30 June 2010 reflects the organisation and management structure effective from 2 February 2010 following the acquisition of the former Alcan Packaging businesses. Refer to page 20 for further detail. Comparatives have been restated accordingly.

	2009			2010		
Segment Analysis* (A$m)	Sales	PBIT	ROAFE %	Sales	PBIT	ROAFE %
Flexibles	3,303.6	272.1	14.7	4,421.8	397.1	17.2
Rigid Plastics	3,250.8	242.6	11.5	2,577.9	212.8	12.8
Australasia and Packaging Distribution	2,984.6	140.6	8.2	2,800.2	161.2	10.0
Investments / Other / Intersegment	(3.6)	(8.7)	-	49.6	(11.9)	-
TOTAL	9,535.4	646.6	10.5	9,849.5	759.2	12.4

*Before significant items

Acquisition of the former Alcan Packaging businesses

Acquisition of the former Alcan Packaging businesses was completed on 2 February 2010. The acquisition price of US$1,948 million represented a multiple of 5.1 times based on profit before interest, tax, depreciation and amortisation (PBITDA) for the year ended 31 December 2009 of US$383 million.

A total of 80 plants were acquired, with sales for calendar year 2009 of €2.6 billion. More than 80% of the sales acquired are in flexible packaging and approximately 15% in tobacco packaging. This increases Amcor's operating footprint to more than 300 plants across 43 countries. Post acquisition, proforma sales for the year ended 30 June 2010 were $12.2 billion, a 28% increase on sales for the 2009 financial year.

The integration of the acquired businesses is progressing well and is in line with expectations. The operating and financial performance as well as the pace of synergy capture within the first five months has been consistent with expectations.

Operating results for the period 2 February 2010 to 30 June 2010

Since 2 February, the businesses have come together quickly and have been managed on a combined basis. As a result, the financial contribution from the former Alcan Packaging assets cannot be precisely identified within the operating results of each Business Group.

However, the former Alcan Packaging businesses have performed well and demonstrated similar financial performance trends to the Amcor businesses. Excluding the impact of synergies, profit before interest and tax (PBIT) for the six months ended 30 June 2010 for the former Alcan Packaging operations is estimated to have improved substantially compared with the six months ended 30 June 2009 and improved moderately compared with the six months ended 31 December 2009.

Synergies

Realisation of synergies had a positive impact on PBIT of approximately A$17 million in the second half of the year. The majority of these synergies are attributable to procurement benefits in the Flexibles business.

There has been considerable progress in delivering synergies over the past six months. The business has commenced the 2011 financial year on target to achieve the synergy benefits set out at the time of the acquisition of A$200 – A$250 million per annum by the third full year following acquisition. For the year ended 30 June 2011, the PBIT impact from synergy benefits is expected to be A$100 – A$120 million.

Overhead reductions

Prior to closing the acquisition a detailed review of senior management from both organisations was undertaken with support from an external Human Resources consulting firm. This enabled the new organisation at the senior level to be established immediately post closing and for cascading levels to be announced over the next four to six weeks.

By April the new organisational structure was complete and the process of reducing duplication in various functional areas commenced. The key areas of focus are Sales and Marketing, Finance, Research & Development, and Human Resources. Implementation accelerated in the May to July time frame and the program is expected to be complete in the current financial year. A range of on-costs including office leases, IT and travel are progressively being reduced in line with the headcount reduction.

Procurement

Prior to closing a "clean team" was established that analysed the procurement spend for both organisations. On closing, the new procurement organisation immediately began work on harmonising prices across the business. This quick start has resulted in procurement savings tracking slightly ahead of schedule.

From the analysis done so far it appears that there are opportunities to achieve additional benefits as the procurement team works through leverage opportunities. These additional benefits will be realised over a longer timeframe as the business rationalises the supplier base.

Customer response

The overwhelming response from customers has been positive and work has begun with the key accounts to establish opportunities for improvement.

There are a relatively small number of customers where the new Amcor has a larger share of supply than their internal policy limits allow. The business is currently working through a range of options with these customers relating to opportunities to improve the value proposition. These include a broader and more innovative product offer, optimised supply networks, rationalisation of specifications, increased security of supply and more global reach. Discussions to date have been positive. Customer decisions will be taken into account when finalising the plant rationalisation strategy.

Operational

During the first six months an extensive review of the operational footprint has commenced taking into account market segmentation, cost structures, capabilities, technologies and geographic location. The customer response is also a key input in this process.

Due process will be followed in reaching decisions relating to plant rationalisation that includes a consultation process with relevant stakeholders. The timing remains consistent with the plan to achieve operational synergy benefits in years two and three.

Costs to achieve synergies and transaction costs

Pre-tax costs to achieve synergies of $58.6 million have been incurred and recognised as a Significant Item in the current year. Of these, $20.0 million represent cash costs. Pre-tax cash costs to achieve synergies are expected to total $150 million per annum in each of the first two years following completion, leaving approximately $280 million to be incurred in the next 18 months.

In addition to costs to achieve synergies, $114.7 million of pre-tax transaction and integration costs directly related to the acquisition have been incurred and recognised as a Significant Item in the current year. $99.8 million of these costs represent cash costs. It is expected a further $25 million will be incurred in the first half of the 2011 financial year, bringing total transaction costs to approximately $170 million (inclusive of $29.7 million incurred in fiscal year 2008/09).

Regulatory conditions

Approval of the acquisition by the European Commission was conditional on Amcor agreeing to divest its Tobepal operations, comprising two plants with combined annual sales of approximately €103 million. The plants produce a range of pharmaceutical, personal care and food packaging products and are located in Spain. An agreement has been reached to sell these assets to Constantia AG for consideration of €92 million. The sale is expected to close by the end of September 2010. During the year ended 30 June 2010, the Tobepal business contributed PBIT of €11 million to the Flexibles group.

The acquisition of the former Alcan Packaging Medical Flexibles business was completed on 1 July 2010 following approval from the US Department of Justice. The Medical Flexibles business consists of four plants in North America, and approval was conditional on divesting one of the plants, located in Marshall, North Carolina. All four plants were initially acquired for consideration of US$66 million and the divestment of the Marshall operation has been completed. The combined Medical Flexibles business has annual sales of approximately US$115 million, of which the Marshall operation accounts for approximately US$30 million.

Balance sheet acquired

As reported at the half year results in February 2010, and detailed in the financial statements at that time, the purchase consideration for the Alcan Packaging businesses was A$2,652 million. Preliminary valuation of the net assets acquired reflects adjustments for fair value accounting as per accounting standard AASB 3 [Business Combinations (as amended)].

Proforma 2010 earnings

For the Amcor Group, proforma PBIT including the former Alcan Packaging assets for the full year ended 30 June 2010 is approximately $886 million. This amount is based on the average US dollar and Euro to Australian dollar exchange rates for the 2010 financial year of 87.6 cents and 63.5 cents respectively. Proforma PBIT has been calculated as follows:

	A$ million
Amcor Group 2010 reported PBIT	759.2
Less synergies	(17.3)
Less Tobepal / Add Alcan Packaging Mediflex	(11.6)
Adjusted 2010 PBIT	730.3
Add December 2009 half Alcan Packaging PBIT (1)	138.5
Add January 2010 Alcan Packaging PBIT	17.0
Amcor Group Proforma 2010 PBIT	885.8

(1) €88 million as reported 2 February 2010 converted to Australian dollars at 63.53 cents

Using US dollar and Euro to Australian dollar exchange rates of 90 and 69 cents respectively, proforma PBIT for the year is estimated to be approximately $846 million.

Proforma PBIT for the Flexibles segment including the former Alcan Packaging assets for the year ended 30 June 2010, excluding €11 million of synergies and adjusted by €7.4 million for the disposal of Tobepal and the acquisition of the former Alcan Packaging Medical Flexibles businesses was approximately €333 million.

2011 earnings – key considerations

The following factors should be considered in determining earnings for 2011:

- Movements in average exchange rates from those applicable to the 2010 financial year (87.6 US cents and 63.5 Euros to the Australian dollar);
- Synergy benefits associated with the acquisition of the former Alcan Packaging assets. The benefit from synergies for the year to 30 June 2011 is expected to add between $100 and $120 million to 2010 proforma PBIT. Most of these savings are expected to benefit the Flexibles business;
- Movement in raw material costs:
- Acquisition of the Ball Plastics Packaging Americas business which completed on 3 August 2010;
- A partial year of operations of the third glass furnace within the Australasia business; and
- Variations in economic conditions and operating performance for each business. Refer to further comments on pages 11, 15 and 18.

Based on current net debt balances and assuming current floating interest rates, net interest expense for the year ended 30 June 2011 is expected to be approximately $240 million, in line with previous guidance.

The effective tax rate, before significant items, for the Amcor Group is expected to be approximately 26 per cent.

Flexibles

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

The Flexibles Europe & Americas business combines the Food and Healthcare businesses with the former Alcan Packaging Global Pharmaceutical and Food Europe businesses. The Flexibles Asia Pacific business combines the Flexibles Australia and Asia businesses, previously reported within the Australasia and Asia segments respectively, with the former Alcan Packaging Food Asia business and Pharmaceutical Emerging markets businesses in China and India. The Flexibles Europe & Americas and Asia Pacific businesses include approximately 96 plants across 30 countries. On an annualised basis these businesses generate sales of approximately €3.3 billion.

The Tobacco Packaging business combines the Tobacco Packaging Europe and Asia businesses with the former Alcan Packaging Global Tobacco Packaging business. The Tobacco Packaging Asia business was previously reported within the Asia segment. Tobacco Packaging includes 20 plants across 16 countries and on an annualised basis generates sales of approximately €785 million.

Profit	2009 A$m	2010 A$m	Change %	2009 €m	2010 €m	Change %
Sales	3,304	4,422	33.8	1,804	2,809	55.7
PBIT	**272.1**	**397.1**	**45.9**	**148.5**	**252.3**	**69.9**
Operating Margin (%)	8.2	9.0		8.2	9.0	
Average funds employed	1,848	2,303		1,009	1,463	
PBIT/AFE (%)	**14.7**	**17.2**		**14.7**	**17.2**	
Average exchange rate (cents)	0.55	0.64				

Cash Flow						
PBITDA	399.3	563.2	41.0	218.0	357.8	64.1
Base capital expenditure	(124.5)	(114.1)		(68.0)	(72.6)	
Movement in Working Capital	50.3	29.1		27.4	18.5	
Significant items	(80.4)	(42.9)		(43.9)	(27.2)	
Operating Cash Flow	**244.7**	**435.3**	**77.9**	**133.5**	**276.5**	**107.1**
Growth capital expenditure	(24.4)	(15.8)		(13.3)	(10.0)	

The Flexibles segment had a solid year, with PBIT up 69.9% to €252.3 million. Second half earnings include the additional five months contribution from the former Alcan Packaging assets, as well as synergy benefits of approximately €11 million.

Returns, measured as PBIT over average funds employed, improved from 14.7% to 17.2%.

The business continued to deliver solid working capital performance. Average working capital to sales decreased from 10.9% to 9.4%.

Total capital expenditure was €82.6 million, which included €72.6 million for base capital spending, net of disposals, and €10.0 million on growth projects.

Since acquisition, the former Alcan Packaging businesses have been fully integrated into the new operating structure within the Flexibles Group.

The former Alcan Packaging businesses have performed well. Operating performance for the year ending 30 June 2010 has improved substantially compared with the same period in 2009. This is predominantly due to weak economic conditions in the 2009 year and a focus on cost management which improved earnings at some of the underperforming plants. Estimated earnings for the six months ended 30 June 2010 have improved moderately compared with the six months ended 31 December 2009.

Excluding the impact of additional earnings generated by the former Alcan Packaging businesses, earnings for the Tobacco Packaging, Flexibles Europe & Americas and Asia Pacific businesses were estimated to be higher than the previous year.

Flexibles Europe & Americas

This business is organised as six operating units being: Snacks & Confectionary, Fresh & Dairy, Film Extrusion, Americas & Medical Europe, High Performance Laminates and High Performance Foils.

These segments are a combination of technology and market focused units which broadly split into food end markets that includes Snacks & Confectionary, Fresh & Dairy and Extrusion and healthcare and high performance end markets which includes Americas & Medical Pharmaceutical, High Performance Laminates and High Performance Foils.

Raw Material Input Costs

Raw material costs, including resins and aluminum, have been particularly volatile over the past 18 months. After falling sharply in late calendar year 2008, input costs bottomed through the first half of calendar year 2009 and have steadily increased over the past 15 months.

In the first half of the year, the business benefited from the lag in passing on lower raw material costs while in the second half of the year the lag in recovering higher raw material costs negatively impacted earnings. The Alcan Packaging acquisition more than doubled the size of the business and hence the magnitude of the negative impact in the second half was greater than the positive impact in the first half.

Over the past three months input costs have continued to increase and there has also been a shortage of supply for some resins. Most of these higher costs will be recovered in the first half however there will be a negative impact on earnings in the half due to the lag in this recovery. There are also some former Alcan Packaging contracts that need to more closely link changes to input costs and selling price.

Operations

Servicing the food end markets there are 41 plants and for the year volumes were approximately 9% lower than the prior year. This figure is inclusive of the former Alcan Packaging operations as if they were owned for the full 12 months.

The business partially offset the impact of lower volumes through a combination of overhead cost reductions, improved operating efficiencies, lower waste and full year benefits from the restructuring program Flex1.

Servicing the healthcare and high performance end markets there are 29 plants and for the year volumes were relatively stable compared to the prior year.

This solid volume performance reflects the defensive nature of the healthcare industry, even in particularly difficult economic conditions. The business has had continued success with the strategy to improve product mix by accelerating sales growth in more technically demanding structures, focusing on enhanced protection, ease of use and high quality graphics.

Flexibles Asia Pacific

Excluding the impact of additional earnings generated by the former Alcan Packaging businesses, the Flexibles Asia Pacific operations had a solid year with earnings higher than the previous year. This is primarily due to a significant recovery in some higher value-add products relating to the industrial and fresh food sectors that were particularly weak in the second half last year.

Within the Australian Flexibles operations four centres of excellence have been established to leverage a wider range of technologies and supply locations within the region following the Alcan acquisition. There are two plants focussed on polyethylene, one high performance laminates plant and one high barrier plant for the dairy industry. As a result of this strategy the plant at Regents Park, NSW will be closed with volumes redirected to other plants either within Australia or the broader Asian region.

New investment in extrusion, gravure printing and laminations will occur over the next 12 months at the remaining sites to ensure the business has the appropriate mix of technologies and the low cost manufacturing locations.

Tobacco Packaging

The Tobacco Packaging business had another strong year.

The legacy Amcor businesses performed well and had a good year. Volumes in Europe were higher and the product mix improved as the ongoing trend towards more value-add products continued. First half earnings were particularly strong, reflecting the benefit from a one-time supply opportunity for a new product launch. In the Asia Pacific region, volume gains partly offset the loss of a major contract in the first half of the year.

The Amcor and former Alcan Packaging businesses have come together quickly, and integration work has progressed in a number of areas;

- The former Alcan Tobacco Packaging head office in Bristol, UK was closed at the end of March, realising SG&A synergies;
- Volumes have been redirected between plants providing better utilisation of manufacturing capacity; and
- One of the two plants located in Malaysia was closed at the end of July, with equipment being redeployed within Malaysia and into Turkey.

The Tobacco Packaging business has been working with customers to improve the value proposition and the response has been positive.

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The former Alcan Packaging plants have performed as expected in the first five months of ownership with European and Asian based businesses showing similar trends to the Amcor locations. In the North American region, additional contracted volumes offset the negative impact on volumes of the April 2009 increase in US Federal excise taxes.

Outlook

For the Flexibles business, proforma PBIT including the former Alcan Packaging assets for the year ended 30 June 2010 excluding €11 million of synergy benefits and adjusted by €7.4 million for the disposal of Tobepal and acquisition of the Alcan Medical Flexibles businesses, was approximately €333 million.

PBIT for the 2011 financial year is expected to be impacted by the following factors:

- Further synergy benefits captured during the year. For the year ended 30 June 2011, synergies are expected to add between €60 and €70 million to 2010 proforma PBIT; and
- Variations in economic and operating conditions for the businesses:
  - the food end markets continue to be impacted by difficult economic conditions, with volumes currently unchanged from the levels experienced through the 2010 year; and
  - the healthcare, high performance and Tobacco Packaging end markets, being more defensive, are expected to continue to perform well.
  - in the first half there will be a negative impact on earnings due to the lag in recovery of higher raw material costs.

Rigid Plastics

Rigid Plastics manufactures rigid packaging containers in 69 operations across 12 countries. Annual sales for the Rigid Plastics business are approximately US$2.3 billion, excluding the acquisition of Ball Plastics Packaging Americas (Ball PPA).

Profit	2009 A$m	2010 A$m	Change %	2009 US$m	2010 US$m	Change %
Sales	3,251	2,578	(20.7)	2,475	2,258	(8.8)
PBIT	**242.6**	**212.8**	**(12.3)**	**184.8**	**186.4**	**0.9**
Operating Margin (%)	7.5	8.3		7.5	8.3	
Average funds employed	2,102	1,667		1,601	1,460	
PBIT/AFE (%)	**11.5**	**12.8**		**11.5**	**12.8**	
Average exchange rate (cents)	0.76	0.88				

Cash Flow	2009 A$m	2010 A$m	Change %	2009 US$m	2010 US$m	Change %
PBITDA	427.8	375.4	(12.2)	325.8	328.8	0.9
Base capital expenditure	(127.7)	(99.6)		(97.2)	(87.3)	
Movement in Working Capital	44.0	37.4		33.5	32.8	
Significant items	(14.5)	(32.8)		(11.1)	(28.8)	
Operating Cash Flow	**329.6**	**280.4**	**(14.9)**	**251.0**	**245.5**	**(2.2)**
Growth capital expenditure	(30.9)	(21.5)		(23.6)	(18.8)	

Rigid Plastics had a solid year given that volumes in North America were negatively impacted by a weak economic environment. PBIT was 0.9% higher at US$186.4 million with improved earnings in Latin America and Bericap offsetting the impact of weaker volumes in North America. The addition of the former Alcan Pharmaceutical Plastics Packaging businesses had an immaterial impact on PBIT for the year.

Total volumes for the legacy Amcor businesses were 4.5% lower at 25.1 billion units. Custom container volumes were 8.1% lower and preforms and carbonated soft drink and water (CSDW) container volumes were 4.5% lower. Excluding volumes from the former Alcan Packaging assets, Diversified Product volumes were 15.3% higher.

Capital expenditure was US$106.1 million which was 74.5% of the US$142.4 million of depreciation. The capital spending comprised US$87.3 million for base capital spending, net of disposals, and US$18.8 million for capital to expand capacity for custom containers in Latin America and Diversified Products in North America.

Returns, measured as PBIT over average funds employed, improved from 11.5% to 12.8% due to a reduction in average working capital and lower capital expenditure.

The business had an outstanding cash flow for the year of US$245.5 million driven by a combination of capital expenditure discipline, ongoing improvement in working capital and maintained earnings in difficult economic conditions.

Ball Plastics Packaging Americas acquisition

Acquisition of the Ball PPA assets was completed on 3rd August 2010 and there will be 11 months of Ball PPA earnings in the 2011 year.

The purchase price of US$280 million represented four times the last 12 months acquired EBITDA of US$70 million. Approximately 50% of the earnings are derived from the Diversified Products and Custom Beverage segments, and 50% from the CSDW segment. Operating synergies of US$35 million are expected to be achieved by the third full year of ownership following acquisition. Cash costs to achieve these synergies are estimated to be US$45 million and will be incurred in first two years of ownership.

North America

The North American business delivered a strong operating performance that partially offset the impact of lower volumes, particularly in higher value custom containers, due to weak economic conditions. Overall volumes for the year were 9.4% lower after being 10.8% lower in the first half.

Custom Beverage Containers and CSDW

In the custom beverage container segment volumes were 9.8% lower than the previous year after being 22% lower in the first half. Volumes continued to be lower than the previous corresponding period in the March 2010 quarter, but were 6.6% higher than the previous year in the June 2010 quarter.

The key driver for this improvement in custom volumes in the June quarter has been a warm start to the summer with record temperatures across most of the mid west and Atlantic coast. This trend has continued into the start of the 2011 financial year. It is unclear at this stage if this higher demand through the summer has a component of underlying improvement in demand. Even though volumes in the June 2010 quarter reflected the record temperatures they remain approximately 10% lower than the highs in 2008 for the same period.

A 10.9% decline in CSDW volumes reflects the loss of a preform contract in the second half of the year to Ball Corporation, and weak demand from a major water customer. Following modest declines in CSD volumes over a number of years, market volumes were relatively stable through the 2010 year as customers undertook significant promotional activity. It is anticipated CSD volumes will continue their long term decline as customers continue their move to self manufacture of CSD containers. In the water segment volumes declined during the global economic slowdown but now appear to have stabilised.

Lower volumes in the CSDW market in North America has provided the opportunity to relocate 16 injection molding or blow molding machines over the past year into Latin America to support growth in that region.

The acquisition of the Ball PPA business provides further opportunity to rationalise the CSDW manufacturing footprint in the US and establish strategically located and larger scale plants. It is anticipated that decisions relating to the manufacturing footprint will be made through the course of the 2010/11 year and that benefits will be evident in the 2011/12 year.

Diversified Products

The Diversified Products segment consists of rigid plastic containers predominately for the beverage (including liquor and wine), food, personal care / home care and pharmaceutical / healthcare markets. These end markets have been growing faster than GDP, due to the ongoing substitution from glass to plastic as well as the underlying higher growth rates for some of these segments.

The Diversified Products segment within Rigid Plastics is in the process of undergoing substantial change via the acquisitions of the former Alcan Packaging and Ball PPA businesses. Prior to these acquisitions sales in Diversified Products were approximately US$175 million and following the acquisitions it is approximately US$425 million.

The acquisitions are largely complementary in terms of market segments, technologies and materials. In particular there is an increase in sales in the pharmaceutical and food markets as well as an entry into small wine bottles predominately for niche consumption.

The immediate target for the business is to improve the operating performance of the former Alcan Packaging operations and successfully integrate the Ball PPA plants. Although the Ball PPA operations were only acquired on 3rd August 2010 the initial on-boarding has proceeded well and there appears at this early stage to be a strong cultural fit.

Amcor's legacy Diversified Products business had a solid year with volumes up 13%.

Latin America

The business in Latin America had a particularly strong year with volumes increasing 3.2% and earnings substantially higher. Custom container volumes were 5.7% higher and CSDW volumes were 2.6% higher.

In Mexico, earnings were higher despite volumes being lower. This was mainly due to the non-recurrence of foreign exchange losses which negatively impacted earnings in 2008/09 and a strong focus on cost management and plant operating performance.

Earnings from the balance of Latin America increased significantly due to higher volumes and a focus on cost management. In particular earnings in the 61% owned Joint Venture operations in Venezuela were up substantially. The 2009/10 earnings in Venezuela, expressed in US dollars, will not be repeated in the 2010/11 year due to a substantial devaluation of the currency that occurred in January 2010.

To continue to support growth in Latin America, a total of 16 machines have been transferred from North America as well as new investment approved to further expand manufacturing in the region. This investment includes new plants in Colombia and Brazil, additional capacity in Argentina and Peru as well a new on-site operation with a major customer for a custom hot-fill application.

The region already has good niche positions in the Diversified Products market, particularly in food and personal care applications, and going forward there are substantial opportunities to leverage the newly established larger position in Diversified Products to convert a number of products from glass to plastic in the region.

Bericap

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

Volumes for the year were higher, driven in part by new volumes in lightweight caps for the water bottle market. This resulted in higher earnings for the year.

Outlook

Volumes in North America for custom beverages through the summer months have improved on the same period last year. It is uncertain how much of this improvement is due to a particularly warm summer across most of North America or an improvement in economic conditions.

Earnings will benefit from the addition of the Ball PPA assets for 11 months.

The business will also benefit from improved earnings from the former Alcan Pharmaceutical Plastics Packaging businesses, particularly in the second half of the year.

Latin America continues to provide opportunities for further volume growth. Overall earnings are expected to be higher however they will be negatively impacted by the devaluation of the Venezuelan currency in January 2010.

Australasia and Packaging Distribution

On 11 May 2010, Amcor announced that the Australasian and Packaging Distribution business units had been combined. This new structure provides the opportunity to leverage the skills of the Packaging Distribution business into the Australian market and for best practice sharing across the respective manufacturing operations.

Australasia and Packaging Distribution is a diverse packaging business which includes corrugated box, fibre, glass, beverage can and distribution operations. The business also includes the former Alcan Packaging Wine Capsules plant located in Adelaide, South Australia.

The Australian based flexibles business, previously included in the Australasia segment, and is now reported within the Flexibles segment.

Profit	2009 A$m	2010 A$m	Change %
Sales	2,985	2,800	(6.2)
PBIT	**140.6**	**161.2**	**14.7**
Operating Margin (%)	4.7	5.8	
Average funds employed	1,713	1,605	
PBIT/AFE (%)	**8.2**	**10.0**	
Cash Flow			
PBITDA	268.5	284.3	5.9
Base capital expenditure	3.4	(68.1)	
Movement in Working Capital	37.1	(16.2)	
Significant items	(38.9)	(16.6)	
Operating Cash Flow	**270.1**	**183.4**	**(32.1)**
Growth capital expenditure	(111.2)	(142.3)	

Australasia and Packaging Distribution had a good year with PBIT up 14.7%. In the second half PBIT was 56% higher than the second half of 2008/09.

For the Australasian based operations, PBIT in the second half of the year was approximately 50% higher than the same period last year primarily due to the non-recurrence of losses from the export of old corrugated cartons (OCC) and recycled paper as well as the particularly weak economic conditions in the January to May 2009 period. Volumes remained relatively stable through the 2009/10 year.

The businesses benefited from a number of cost reduction initiatives including reductions in the number of salaried staff, a focus on lowering procurement costs and improved operating efficiencies.

The Packaging Distribution business also had a stronger second half with PBIT up 90% on the same period last year. This was a strong performance in continuing difficult economic conditions.

The business demonstrated strong capital discipline with average working capital to sales decreasing from 12.4% to 9.6%.

Returns, measured as PBIT over average funds employed, increased from 8.2% to 10.0% which reflects the benefit of cost improvement initiatives undertaken across all divisions and tight management of working capital.

Capital expenditure was $210.4 million, comprising $68.1 million for base capital spending net of disposals and $142.3 million for growth capital mainly relating to the new glass plant at Gawler, SA, which started commissioning in the second half of this financial year, and the recycled paper mill at Botany, NSW, expected to commence commissioning around the end of the 2011 calendar year.

Operating cash flow for the year was $183.4 million.

Corrugated

Volumes in the corrugated business were 1% lower with market share remaining constant. Volumes in the fruit and produce segment were higher than the prior year while volumes in the industrial segment were lower. Volumes to the larger fast moving consumer goods companies were generally in line with the corresponding period.

During the year the business significantly improved its quality and service to the market which was a key driver in achieving a substantial improvement in customer relationships. There was also an ongoing focus on continuous improvement in the plants and workplace flexibility which will be critical to the ongoing success of this business.

Although the average cost of OCC was lower in 2009/10 compared to 2008/09 it increased substantially in the second half of the year and this higher cost will be a negative impact on earnings in 2010/11.

During the year the business absorbed energy costs increases of approximately 25% and there will be a full year impact of these increases in the 2011 financial year. These increases need to be recovered in the market place.

Price increases to non-contracted customers averaging 2% were announced in October 2009 and July 2010 in order to recover cost increases. Further increases will be required to recover energy, OCC and labour cost increases. The business continues to work with contracted customers to implement price increases however, it will take time to achieve full cost recovery given the duration of customer contracts.

Paper

Earnings for the year benefited from the non-recurrence of substantial losses experienced in the second half of the 2008/09 year due to extremely low OCC and export paper prices. In the cartonboard market the business increased prices in line with regional trends to recover rising wastepaper costs.

Construction of the new recycled paper mill in Botany, NSW continues with commissioning expected to commence around the end of the 2011 calendar year. The new mill will substantially improve the value proposition for customers by delivering a superior lightweight product.

Rigids

The beverage can business had a strong year with higher earnings.

Volumes were 5.5% higher with the continued growth in popularity of multipack formats and benefits from new pack designs and can sizes in the energy drink market. Volumes were higher in the first half of the year due to strong promotional activity undertaken by retailers and beverage manufacturers in the lead up to the Australian summer.

A $33 million expansion of the New Zealand beverage can business was announced during the year. The new can line will provide additional capacity to meet increasing demand in the domestic market, and will release capacity in Australia where contracts with major customers have been renewed and lengthened.

The glass bottle business had another solid year with both furnaces running at full capacity. Earnings for the year were slightly higher.

During the latter part of the year the $150 million third glass furnace began commissioning. Production for this furnace is underpinned by long term supply contracts for a combination of wine and beer bottles. The business has secured 100% supply contracts in the beer segment with Coopers, as well as Lion Nathan for its James Boag brand. This is an exciting opportunity to enter this growth market and creates further opportunities going forward.

Packaging Distribution

PBIT of US$36.2 million was 21.9% higher than the same period last year with the second half substantially higher than the same period last year. PBIT in the second half of the year was US$19 million which compares to US$10 million for the second half of the 2008/09 financial year.

Although volumes and earnings were stronger in the second half of the year compared to the same period last year this was predominately due to particularly weak conditions in the second half last year. On a sequential basis volumes improved off their low base in the first half of the year and remained relatively stable.

The business benefited from a number of cost reduction programs targeting overheads, operating improvements and procurement costs. Benefits have also been derived from initiatives introduced to improve sales force effectiveness, focusing on developing new sales channels, differentiating the approach by customer and reacting to changing market conditions.

Outlook

Since the end of the 2010 fiscal year economic conditions in Australia and the US have remained stable.

Earnings in the glass business will benefit from the continued ramp up of the third glass furnace to full production capacity over the course of the year.

As a result, if current economic conditions continue, earnings for the Australasia and Packaging Distribution business are expected to be higher in the 2011 financial year.

Investments / Other

Investments / Other include corporate costs and equity accounted earnings from the 45.99% interest in the Hong Kong publicly listed company AMVIG Holdings Limited (AMVIG).

For the year ended 30 June 2010, corporate costs were A$43.2 million (2009: A$38.5 million) and AMVIG earnings were $A31.3 million or S$38.6 million (2009: A$34.1 million or S$37.7 million).

AMVIG Holdings Limited

On 12 February 2010, AMVIG shareholders passed a resolution to divest the Brilliant Circle business and acquire the 45% of the Famous Plus business that it did not previously own. Under the sale agreement, the entitlement to Brilliant Circle earnings from 1 July 2009 transfers to the purchaser. As such, Amcor's share of AMVIG earnings excludes any contribution for the Brilliant Circle operations for the 2010 financial year. As a result of the divestment of Brilliant Circle, AMVIG repurchased and cancelled 166.8 million shares and Amcor's ownership in AMVIG consequently increased from 38.95% to 45.99%. The loss of Amcor's share of Brilliant Circle earnings was offset by the impact of increased equity ownership.

Significant items

(A$m)	2010
Brazil tax amnesty program	20.3
Transaction and integration costs relating to Alcan Packaging acquisition	114.7
Restructuring costs relating to Alcan Packaging acquisition	58.6
Flexibles market sector rationalisation (Flex 1) / other restructuring	55.9
Legal and other costs	5.9
Significant items expense before related income tax benefit	255.4
Income tax benefit on significant items	(29.2)
Significant items expense after related income tax benefit	226.2
Significant items expense attributable to:	
Members of Amcor Limited	226.2
Minority interest	-

2010 cash flow

(A$m)	Flexibles	Rigid Plastics	Australasia and Packaging Distribution	Investments / Other	Consolidated
PBITDA	563.2	375.4	284.3	(9.0)	1,213.9
Interest	-	-	-	(183.2)	(183.2)
Tax	-	-	-	(88.6)	(88.6)
Base Capital Expenditure	(114.1)	(99.6)	(68.1)	(5.1)	(286.9)
Cash significant items	(42.9)	(32.8)	(16.6)	(51.9)	(144.2)
Movement in working capital	29.1	37.4	(16.2)	9.9	60.2
Other items	-	-	-	(4.4)	(4.4)
Operating cash flow	435.3	280.4	183.4	(332.3)	566.8
Dividends Paid	-	(7.7)	-	(278.5)	(286.2)
Free cash flow	435.3	272.7	183.4	(610.8)	280.6

Summary of reporting structure amendments

Amcor business unit	Current reporting segment	Previous reporting segment
Flexibles Australia	Flexibles	Australasia
Flexibles Asia	Flexibles	Asia
Tobacco Packaging Asia	Flexibles	Asia
Packaging Distribution	Australasia and Packaging Distribution	Packaging Distribution
AMVIG	Investments / Other	Asia

Former Alcan Packaging business unit acquired	Reporting segment
Medical Flexibles	Flexibles
Pharmaceutical Plastics Packaging	Rigid Plastics
Global Tobacco Packaging	Flexibles
Food Europe	Flexibles
Global Pharmaceutical	Flexibles
Food Asia	Flexibles
Packaging Capsules (Adelaide plant)	Australasia and Packaging Distribution

Other	Reporting segment
Tobepal Divestment	Flexibles
Ball Plastics Packaging Americas	Rigid Plastics