

Amcor 2017 Half Year Results

13 February 2017

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Disclaimer

Forward looking statements

This presentation contains forward-looking statements that involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to Amcor. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “seeks”, “estimate”, “anticipate”, “believe”, “continue”, or similar words.

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- Changes in the legal and regulatory regimes in which Amcor operates;
- Changes in behaviour of Amcor’s major customers;
- Changes in behaviour of Amcor’s major competitors;
- The impact of foreign currency exchange rates; and
- General changes in the economic

conditions of the major markets in which Amcor operates.

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Non-IFRS information

Results shown refers to underlying result unless otherwise indicated. Underlying earnings is defined and reconciled on slide 24.

Certain non-IFRS financial information has been presented within this news release. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Amcor uses these

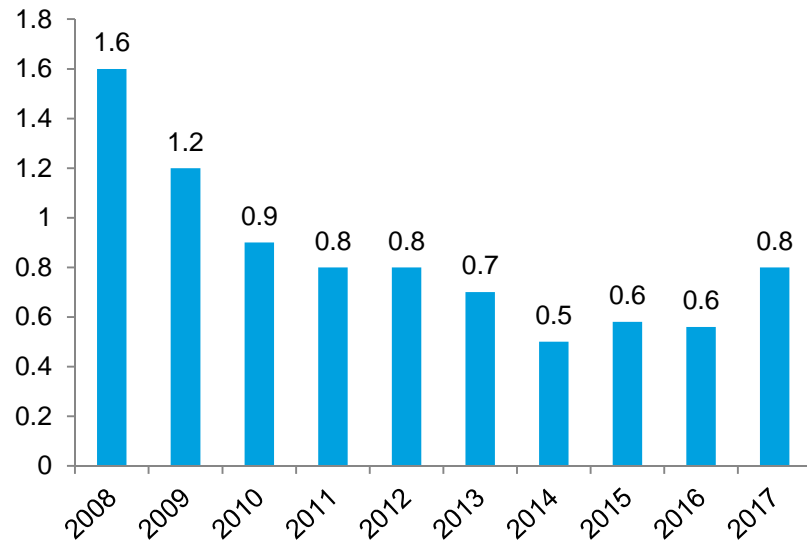
measures to assess the performance of the business and believes that the information is useful to investors. Non-IFRS information, including underlying earnings and average funds employed have not been audited but have been extracted from Amcor’s annual financial report.

Half year results available information

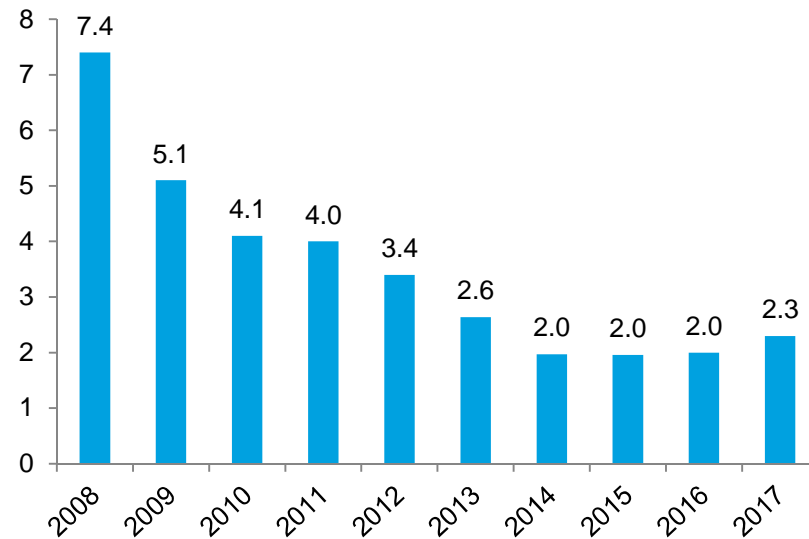
Amcor has today released a package of information relating to its financial results for the half year ended 31 December 2016. Information contained in this presentation should be read in conjunction with information contained in the associated News Release and Webcast, available at www.amcor.com

Safety

Lost time frequency rate



Recordable case frequency rate



2008 to 2012 data includes the demerged Orora business. 2013 to 2017 are shown exclusive of Orora. 2015 and onwards includes acquired businesses from the first day of ownership. 2008 to 2014 excludes acquired businesses for the first 12 months of ownership.

Committed to our goal of 'no injuries'



Highlights

Underlying earnings unless otherwise indicated⁽¹⁾

- Full year earnings expectations unchanged
- Solid first half financial performance
 - In constant currency terms PBIT up 3.5% and EPS up 4.6%
 - PBIT up 9% and EPS up 12% excluding Venezuela
 - Solid cash flow and strong balance sheet
 - Dividend of 19.5 US cents
- Local business not reliant on imports or exports
- Continued progress on strategic priorities
 - Underpinning >\$150 million of PBIT growth over next three years, relative to FY16 in addition to organic growth and further M&A
- Substantial growth opportunities across all business groups

Solid result and on track to deliver another year of strong earnings growth in FY2017

1. Throughout this document, references are to underlying earnings unless otherwise indicated. Underlying earnings are defined and reconciled on slide 24.

Half year results⁽¹⁾

US\$ million	Dec 15	Dec 16	△ %	Constant currency △ %
Sales revenue	4,547.7	4,467.3	(1.8)	(0.6)
PBIT	489.0	495.7	1.4	3.5
PBIT / Sales margin (%)	10.8	11.1	0.3	
PAT	305.5	308.6	1.0	3.8
EPS (US cents)	26.2	26.7	1.9	4.6
Operating cash flow	101.9	52.9	(48.1)	
RoAFE (%)	20.2	19.2	(1.0)	
Dividend (US cents)	19.0	19.5	2.6	

Solid constant currency earnings growth and full year expectations unchanged

- PAT up 3.8%; EPS up 4.6%
- Negative currency impact of US\$8.4m on PAT

Continued operating improvements

- Margin expansion and strong RoAFE of 19.2%

Solid cash flow and balance sheet capacity to invest

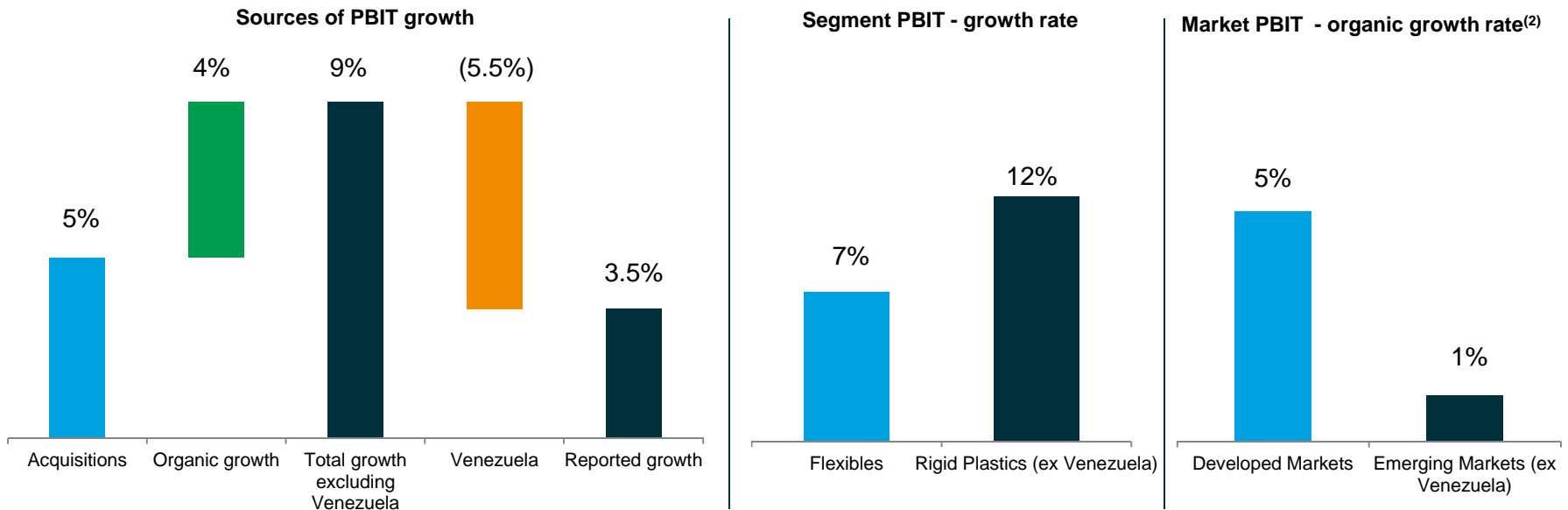
- Net debt / PBITDA 2.9 times
- EBITDA interest cover of 7.9 times

Interim dividend of 19.5 US cents

1. References are to underlying earnings. This is defined and reconciled on slide 24.

Solid financial and operating performance

Balanced growth across multiple dimensions⁽¹⁾



Multiple sources of growth by type, segment and market

(1) Constant currency underlying earnings growth. Growth for the Rigid Plastics segment and Emerging Markets based on prior period earnings adjusted to exclude US\$25 million related to elimination of Amcor's exposure to Venezuela.
 (2) Excludes AMVIG and Corporate costs.

Flexibles segment

- Solid underlying PBIT growth in constant currency terms
 - Reflects benefits from acquisitions and strong cost performance partly offset by customer destocking in Tobacco Packaging
- Benefit from acquisitions
 - Alusa acquisition (Latin America - completed on 1 June 2016) contributed approximately €16 million (US\$17 million) of acquired earnings, net of integration costs
- Organic earnings growth
 - Flexibles excluding Tobacco Packaging
 - Growth in Asia and Europe
 - Tobacco Packaging
 - Customer destocking in Western Europe
 - Growth in Americas and Eastern Europe
 - Challenging market conditions in Asia

Euro million	Dec 15	Dec 16	Reported △ %	Constant currency △ %
Sales revenue	2,706	2,818	4.1	5.3
PBIT⁽¹⁾	321.0	340.0	5.9	7.1
PBIT/Sales margin %	11.9	12.1	0.2	
AFE	2,611	2,996	14.7	
RoAFE % ⁽¹⁾	24.6	22.7	(1.9)	
Operating cash flow	270.7	276.9	2.3	

Solid PBIT growth benefiting from both acquisitions and organic growth

1. Represents underlying PBIT. This is defined and reconciled on slide 24.

Flexibles segment - investments in future growth

Acquisitions

- Hebei Qite (China) completed in January 2017
- Alusa acquisition

Greenfield plants

- Philippines plant ramping up
- Agreement reached to build a dedicated greenfield plant in India for a global fast moving consumer goods customer

Restructuring initiatives

- Initiatives to accelerate the pace of adapting the organisation within developed markets
- Generates excellent returns – 35% on cash invested of US\$120 to US\$150 million
- Three plant closures announced since August 2016

Investments to underpin earnings growth for the Flexibles segment in future periods

Flexibles full year outlook for 2016/17

No change to guidance provided in August 2016.

In constant currency terms, the Flexibles segment is expected to deliver particularly strong PBIT growth in the 2016/17 year, compared with PBIT of €681.2 million achieved in the 2015/16 year. This outlook takes into account the following factors:

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

Rigid Plastics segment⁽¹⁾

- Outstanding performance with 12% growth
- Reflects growth delivered from acquisitions and organic sources
- North America beverage
 - Volume growth of 4.6%
 - Favourable mix
- Latin America
 - Volume decline of 8.4%
 - Offset by excellent cost management and favourable mix
- Solid growth in Diversified Products and Bericap

USD million	Dec 15	Dec 16	Reported Δ %	Venezuela impact ⁽²⁾ US\$ million	Excl Venezuela Δ %
Sales revenue	1,562	1,377	(11.8)	(200)	1.1
Underlying PBIT	153.5	143.5	(6.5)	(25.0)	11.7
AFE	1,513	1,567	3.6		
Underlying RoAFE%	20.3	18.3	(2.0)		
Operating cash flow	(45.8)	(46.5)	(1.5)		

Outstanding performance with all business units contributing to achieve 12% growth

1. All commentary reflects performance of the business excluding Venezuela unless otherwise stated. As detailed on 25 August 2016, a number of measures were taken at 30 June 2016 to eliminate Amcor's financial exposure to Venezuela, following a deterioration in economic conditions. As outlined at that time, PBIT in the first half of the 2016/17 financial year is negatively impacted by approximately US\$25 million and the full year impact will be approximately US\$40 million. The current period impact is outlined in the table above along with the impact on sales revenue. Growth based on prior period earnings adjusted to exclude US\$25 million related to Venezuela.
2. Approximate impact.

Rigid Plastics segment - investments in future growth

Acquisitions

- Sonoco North American rigid plastics specialty container business
 - US\$280 million acquisition cost. Expected to add US\$50 million of PBIT by the end of FY2020
- Enhances Amcor’s product offering by adding complementary capabilities and technologies

Sales by raw material



Sales by end market



Greenfield plants

- Onsite facility at customer plant in Texas, USA commissioned during the half year

Investments to underpin earnings growth for the Rigid Plastics segment in future periods

Rigid Plastics full year outlook for 2016/17

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

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

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

Cash flow

US\$ million	Dec 15	Dec 16
PBITDA	664.3	677.7
Interest	(56.9)	(77.5)
Tax	(91.4)	(86.1)
Capital expenditure	(162.2)	(203.8)
Working capital	(264.0)	(222.9)
Flexibles segment restructuring	-	(36.2)
Other	12.1	1.7
Operating cash flow	101.9	52.9
Dividends and other equity distributions	(257.4)	(258.0)
Free cash flow	(155.5)	(205.1)
Share buy back	(222.2)	-

- Operating cash flow in line with expectations outlined in August
- Continued strong working capital performance
- Capital expenditure and Flexibles restructuring investments to drive earnings growth

2016/17 free cash flow expected to be US\$150 to US\$250 million after taking into account Flexibles segment cash restructuring costs

Note: Operating cash flow for the December 2016 half year is net of US\$7.5 million of restructuring, integration and transaction payments.

Balance sheet and debt profile

Balance sheet	Dec 15	Dec 16
Net debt (US\$ million)	3,524	4,285
Net finance costs (US\$ million)	78.2	93.8
PBITDA interest cover (x)	8.9	7.9
Net debt / PBITDA (x)	2.5	2.9

Debt profile	Dec 16
Fixed / floating interest rate ratio	40% fixed
Bank debt / total debt	30% bank
Undrawn committed facilities (US\$ million)	US\$800m
Non current debt maturity (years)	3.8

Balance sheet remains strong

- Leverage at 2.9 x
- Interest cover strong at 7.9 x
- FY17 net finance cost guidance US\$180-\$190m

Liquidity

- Diverse mix
- Balanced maturity profile
- US\$100m facility due to mature in December 2017

Balance sheet provides capacity to invest for future growth

Where to from here....



Amcor today

Strong foundation

- Focused portfolio
- Differentiated capabilities
- Disciplined cash and capital deployment
- Resilient shareholder value creation model

Current operating priorities

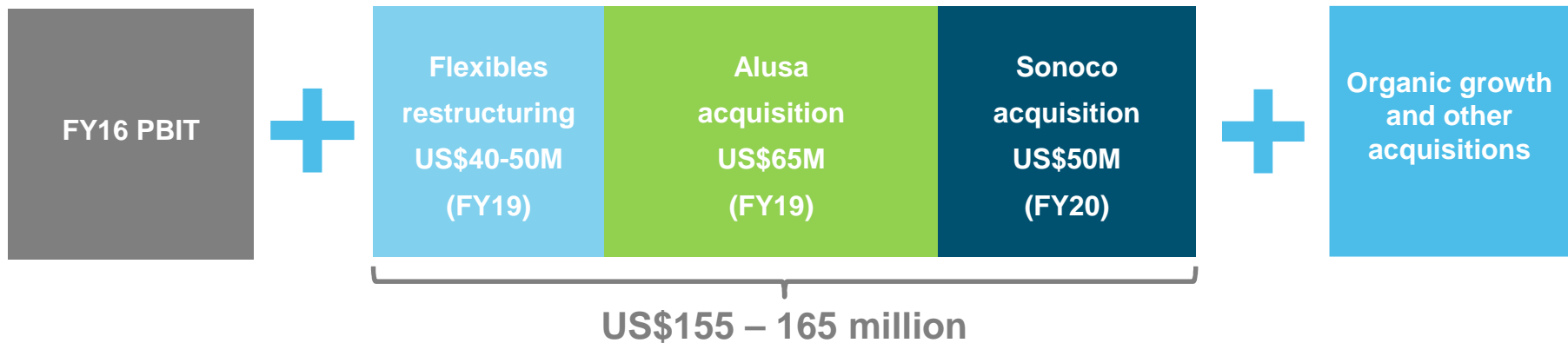
- Generating our own growth
- Increasing agility and pace of adapting operations
- Strengthening and engaging our team

Build on



Accelerate

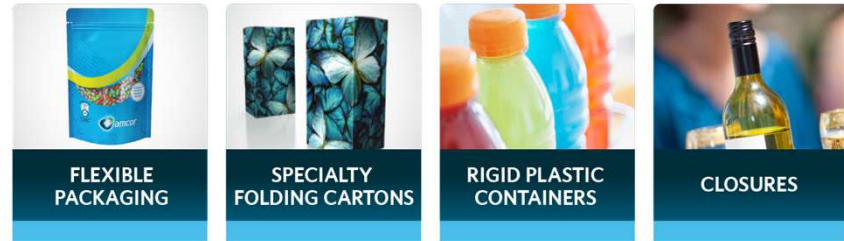
Mid-term PBIT growth



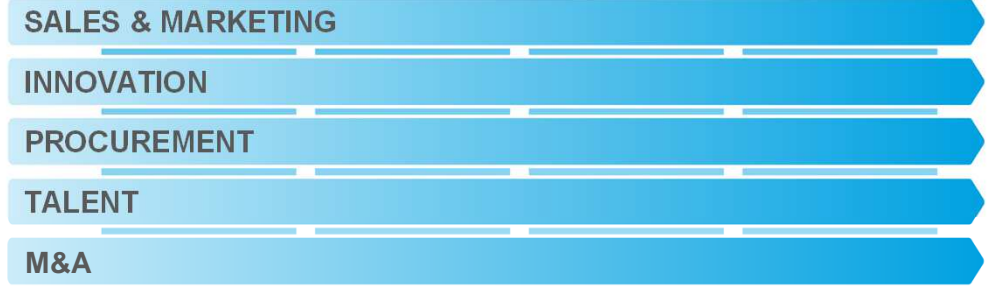
Investment in restructuring plus Alusa and Sonoco acquisitions underpins >US\$150 million of PBIT growth - *in addition to* organic growth and continued M&A

Amcor Strategy

1. Focused portfolio



2. Differentiated capabilities



3. Shareholder value creation



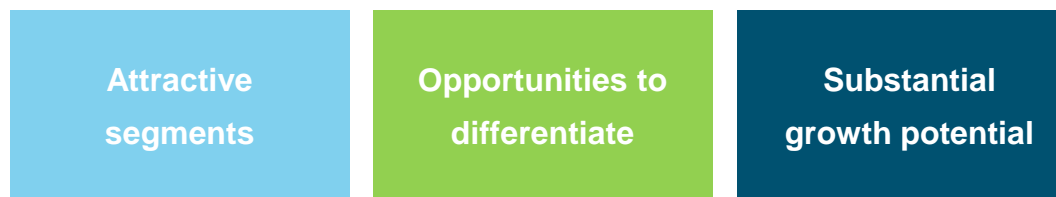
Growth - Momentum

- Strong customer relationships
- Innovation
- Broad emerging markets footprint
- M&A track record

**Momentum growth
opportunities in all Amcor
businesses**

Growth – Focus segments

	Flexible Packaging Americas	Flexible Packaging Asia	Rigid Plastics specialty containers	Closures
Amcor sales ⁽¹⁾	US\$1 billion	US\$1 billion	US\$750 million	US\$400 million
Estimated total market ⁽²⁾	US\$25 billion	US\$20 billion	US\$15 billion	US\$25 billion
Estimated Market growth ⁽³⁾	3%	5%	3%	6%

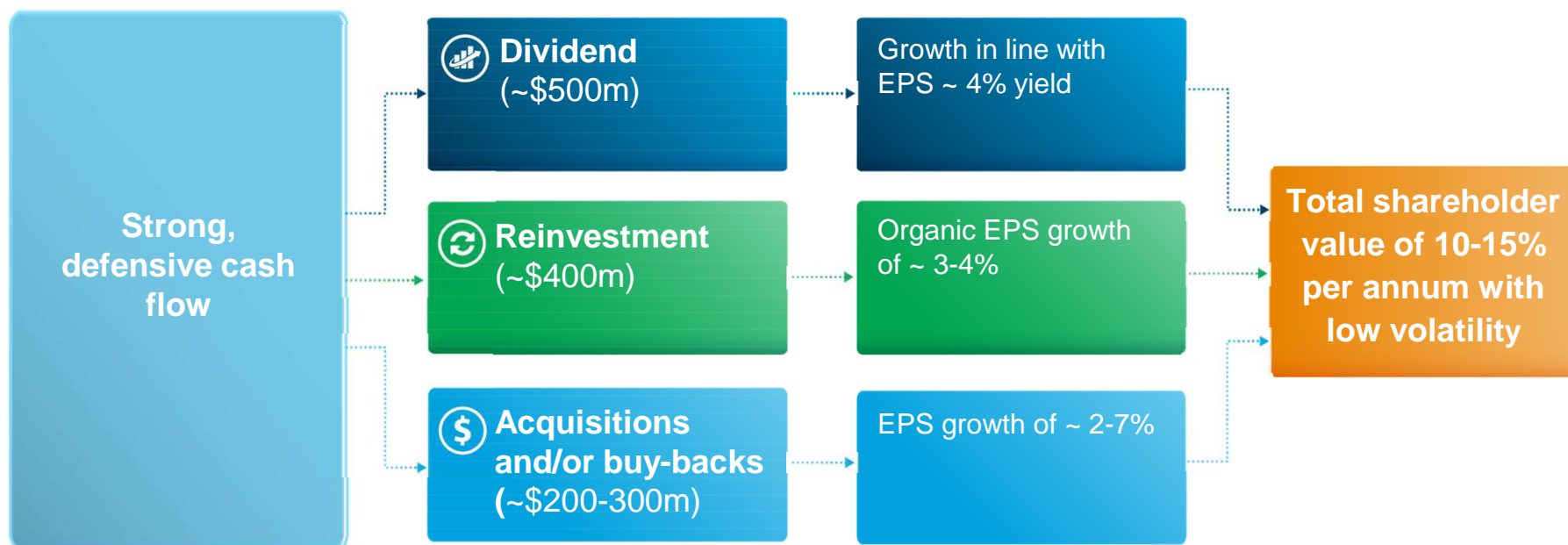


Attractive markets in which Amcor can generate strong growth



(1) Annualised sales inclusive of recently acquired businesses
 (2) Source: PIRA and Amcor estimates.
 (3) Source: PIRA

Amcor shareholder value creation model





Summary

- Expectations for the 2016/17 financial year unchanged
- Solid financial performance
- Progress against strategic priorities
- Defensive and resilient with substantial growth potential

Solid result and on track to deliver another year of strong earnings growth in FY2017

Amcor 2017 Half Year Results

Appendix slides



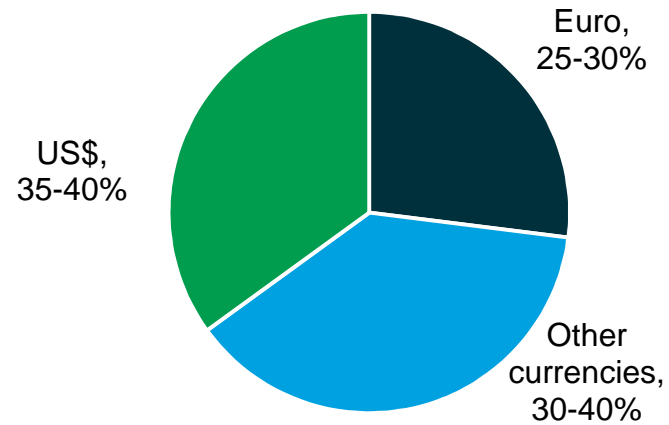
Results

(US\$ million)	Statutory result		Adjustments ⁽¹⁾		Underlying result	
	1H16	1H17	1H16	1H17	1H16	1H17
Sales revenue	4,547.7	4,467.3	-	-	4,547.7	4,467.3
PBITDA	664.3	650.3	-	(27.4)	664.3	677.7
- Depreciation and amortisation	(175.3)	(182.0)	-	-	(175.3)	(182.0)
PBIT	489.0	468.3	-	(27.4)	489.0	495.7
- Net finance costs	(78.2)	(93.8)	-	-	(78.2)	(93.8)
Profit before tax	410.8	374.5	-	(27.4)	410.8	401.9
- Income tax expense	(88.3)	(80.6)	-	5.4	(88.3)	(86.0)
- Non-controlling interest	(17.0)	(7.3)	-	-	(17.0)	(7.3)
Profit after tax	305.5	286.6	-	(22.0)	305.5	308.6
Key Ratios						
PBIT/Sales Margin					10.8	11.1
PBIT/Average funds employed (%)					20.2	19.2
EPS (US cents)					26.2	26.7
Operating cash flow					101.9	52.9

1. Refer slide 42 for further details.

FX Translation impact

PAT currency exposures⁽¹⁾



Total currency impact	US\$ million
PBIT	(10.4)
PAT	(8.4)

Euro:US\$		
Increase in average US\$ to Euro rate 1H17 0.9117 vs 1H16 0.9063	US\$ million impact on PAT for 1H17	Increase in Jan 17 average US\$ to Euro rate 0.9161 vs 1H17 average rate of 0.9117
1%	1	<1%

Other currencies ⁽²⁾ :US\$		
Weighted average increase in average US\$ to other currencies rates 1H17 vs 1H16	US\$ million impact on PAT for 1H17	Weighted average Jan 17 US\$ to other currencies rates vs 1H17 weighted average
7%	7	<1%

1. Approximate range.
2. Includes all currencies other than US\$ and Euro.

Finance and cash expectations – FY17

Net financing costs between US\$180 and US\$190 million in constant currency terms

- Cash costs in line with P&L charge

Effective tax rate between 21% and 23%

- Cash tax 85-95% of P&L charge

Corporate costs US\$70 – US\$80 million taking into account current exchange rates

Free cash flow between US\$150 and US\$250 million



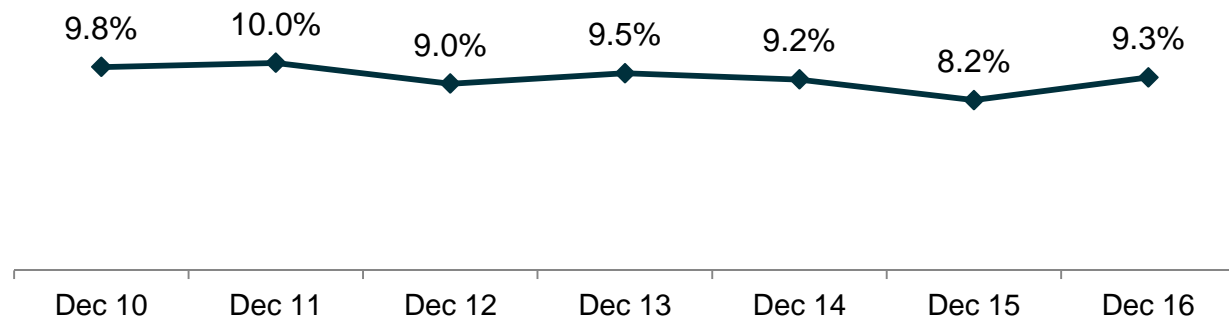
Cash flow

US\$ million	Dec 15	Dec 16
Underlying PBITDA	664.3	677.7
Interest	(56.9)	(77.5)
Tax	(91.4)	(86.1)
Capital expenditure	(162.2)	(203.8)
Movements in working capital	(264.0)	(222.9)
Flexibles segment restructuring ⁽¹⁾	-	(36.2)
Other	12.1	1.7
Operating cash flow	101.9	52.9
Dividends and other equity distributions	(257.4)	(258.0)
Free cash flow	(155.5)	(205.1)
Acquisitions (net of divestments)	(137.6)	(299.8)
Movements in share capital, foreign exchange rate changes and other	(418.3)	(79.5)
Cash increase in net debt	(711.4)	(584.4)

(1) Refer slide 43 for further information.

Working capital performance

Amcor average working capital to sales ⁽¹⁾ (%)



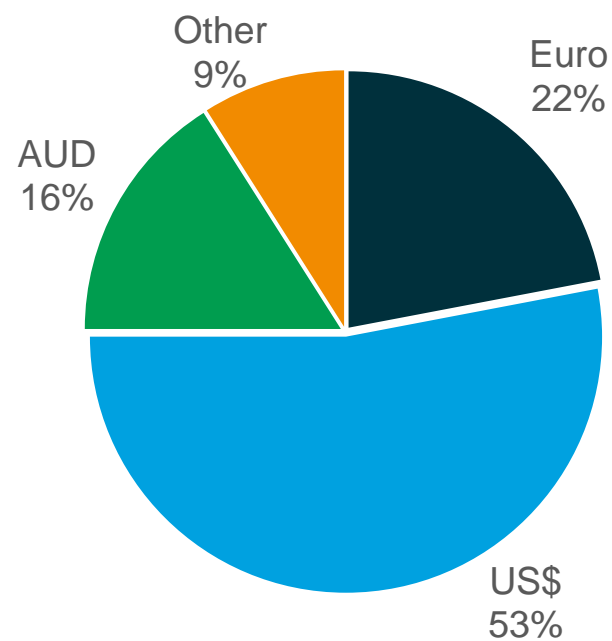
Solid working capital performance

(1) Working capital to sales from December 2013 onwards exclude the demerged Orora business. Prior periods are presented inclusive of Orora.

Debt profile

US\$ million	Facility	Drawn at 31 Dec 2016 ⁽¹⁾
Overdrafts/Leases		85
Commercial paper ⁽²⁾		839
CY2017	100	100
CY2018	1,295	1,241
CY2019	1,325	775
CY2020	670	141
CY2021	1,062	556
CY2022	-	-
CY2023	340	340
CY2024	-	-
CY2025	-	-
CY2026	595	595

Debt currency profile

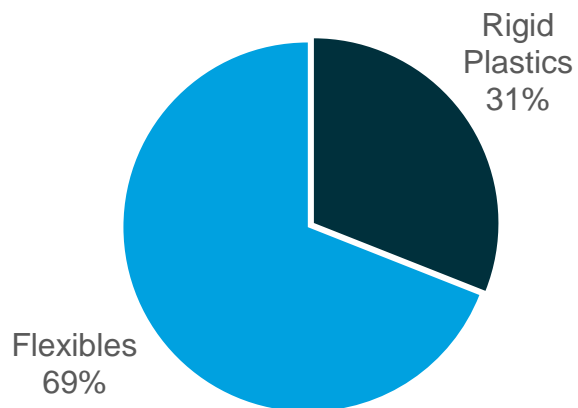


(1) Gross debt excluding cash and cash equivalents.

(2) Commercial paper backed up by bank facilities maturing in CY2019 and CY2020.

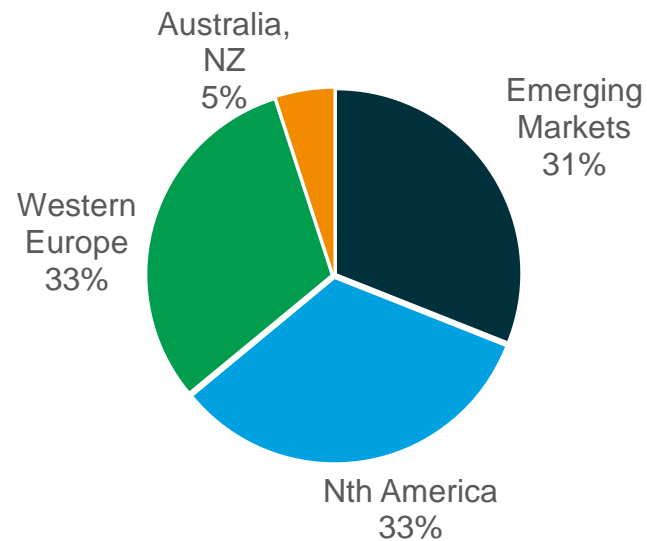
Focused portfolio and balanced global footprint

1H17 Sales



Focused portfolio

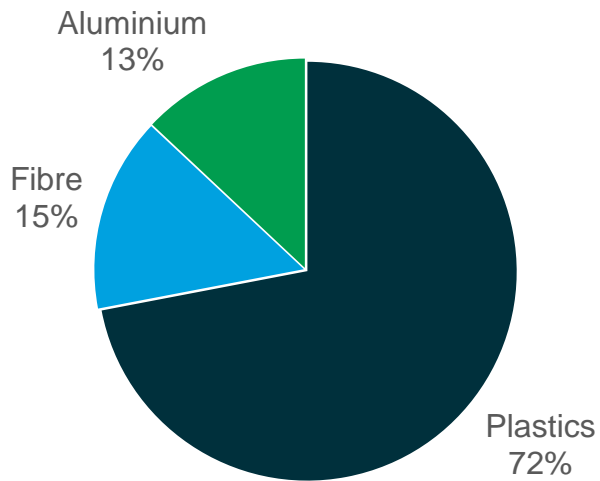
1H17 Sales



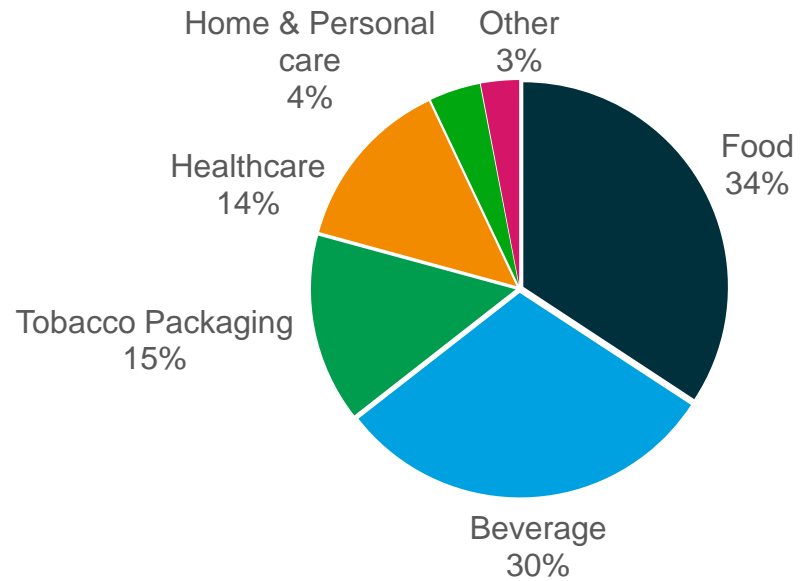
Balanced global footprint

Focused portfolio – by substrate and end market

1H17 sales by substrate



1H17 sales by end market



Common substrates

Defensive end markets

Historic performance – Half yearly sales revenue

(million)		Dec 12	Jun 13	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16
Flexibles	€	2,534	2,553	2,467	2,529	2,521	2,711	2,706	2,760	2,818
Rigid Plastics	US\$	1,497	1,682	1,490	1,702	1,563	1,754	1,562	1,795	1,377
Investments/Other	US\$	-	-	-	-	-	-	-	-	-
Total	US\$	4,719	5,025	4,796	5,168	4,809	4,803	4,548	4,873	4,467

Historic performance – Underlying half yearly PBIT

(million)		Dec 12	Jun 13	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16
Flexibles ⁽¹⁾	€	280	308	289	317	308	344	321	360	340
Rigid Plastics ⁽²⁾	US\$	128	159	128	170	139	182	154	199	144 ⁽³⁾
Investments/Other	US\$	(22)	(16)	(24)	(15)	(17)	(25)	(19)	(34)	(21)
Total⁽¹⁾	US\$	463	547	492	590	519	546	489	566	496

(1) Jun 16 and Dec 16 adjusted for non-recurring restructuring initiatives within the flexibles segment announced on 9 June 2016.

(2) Jun 16 adjusted for a non-recurring charge related to the business in Venezuela.

(3) Dec 16 PBIT has been negatively impacted by measures taken to eliminate Amcor's financial exposure to Venezuela as at 30 June 2016. The negative impact compared with Dec 15 is approximately US\$25 million.

Historic performance – Average funds employed

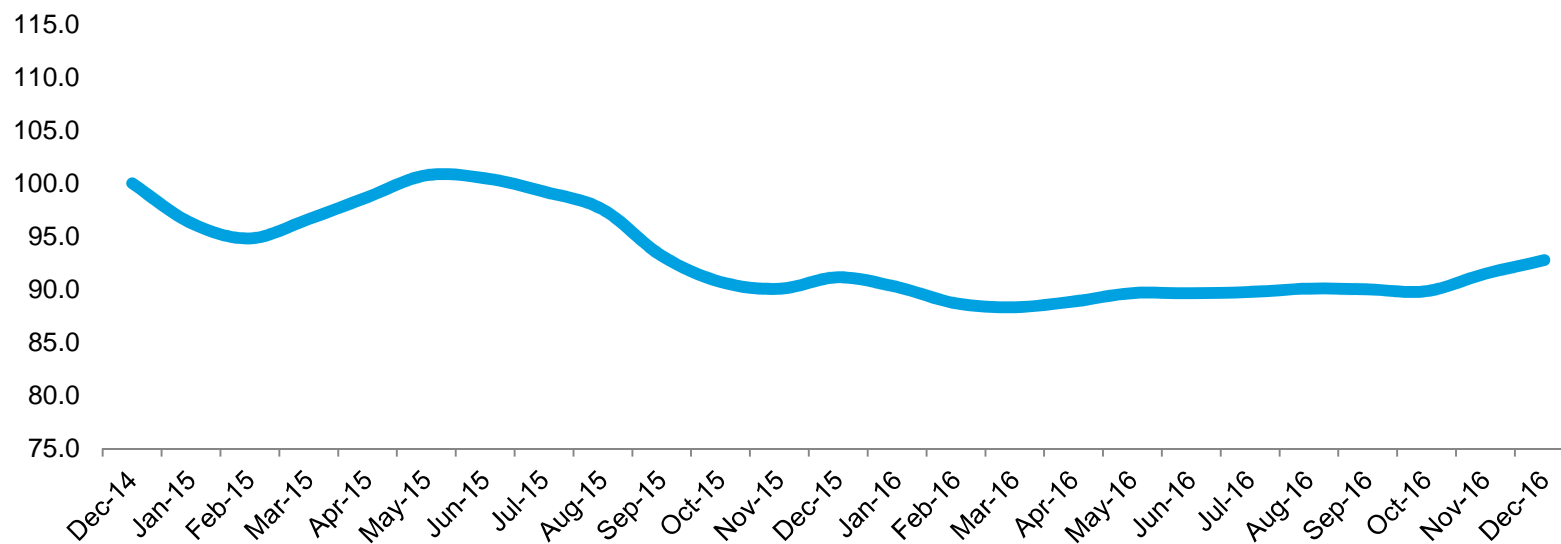
(million)		Dec 12	Jun 13	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16
Flexibles	€	2,447	2,457	2,515	2,498	2,529	2,560	2,611	2,643	2,996
Rigid Plastics	US\$	1,738	1,699	1,649	1,630	1,599	1,582	1,513	1,512	1,567
Investments/Other	US\$	498	542	602	561	539	527	437	449	314
Total⁽¹⁾	US\$	5,355	5,421	5,628	5,581	5,394	5,189	4,831	4,894	5,166

Flexibles – Historic performance half yearly sales

Sales € million	Dec 12	Jun 13	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16
Europe, Middle East and Africa ⁽¹⁾	1,503	1,563	1,475	1,556	1,231	1,341	1,386	1,399	1,340
Americas ⁽¹⁾					266	290	202	263	366
Tobacco Packaging	537	565	551	541	534	587	610	621	595
Asia Pacific	507	439	455	446	503	506	544	509	552
Eliminations	(13)	(14)	(14)	(14)	(13)	(13)	(36)	(32)	(35)
Total	2,534	2,553	2,467	2,529	2,521	2,711	2,706	2,760	2,818

- (1) Sales for Dec 2012 through to June 2014 are based on the legacy Flexibles Europe and Americas business group. Effective 1 July 2015 the Flexibles Europe and Americas business group was separated into two separate businesses – Flexibles Europe, Middle East and Africa and Flexibles Americas. Comparative information for Dec 14 and Jun 15 was restated at the time of the announced separation.

Flexibles – raw material input costs



Weighted average index for a basket of raw materials - including films, resins, papers, liquids and foils - consumed by Amcor's business. Reflects pricing in the European market.

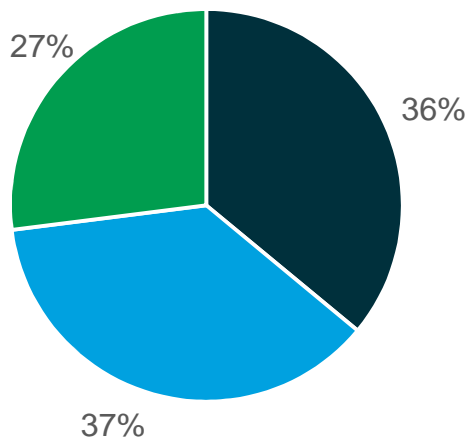
Rigid Plastics – Historic performance half yearly sales

Sales US\$ million	Dec 12	Jun 13	Dec 13	Jun 14	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16
North America	998	1,172	963	1,150	965	1,113	988	1,071	1,033
Latin America	443	443	465	467	520	557	497	643	269 ⁽¹⁾
Bericap	61	69	64	86	79	84	77	81	75
BG/India	(5)	(2)	(2)	(1)	(1)	-	-	-	-
Total	1,497	1,682	1,490	1,702	1,563	1,754	1,562	1,795	1,377

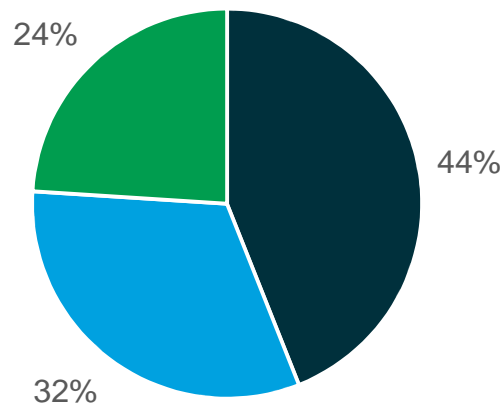
(1) December 2016 sales in Latin America have been negatively impacted by measures taken to eliminate Amcor's financial exposure to Venezuela as at 30 June 2016. The negative impact compared with December 2015 is approximately US\$200 million.

Rigid Plastics – product mix

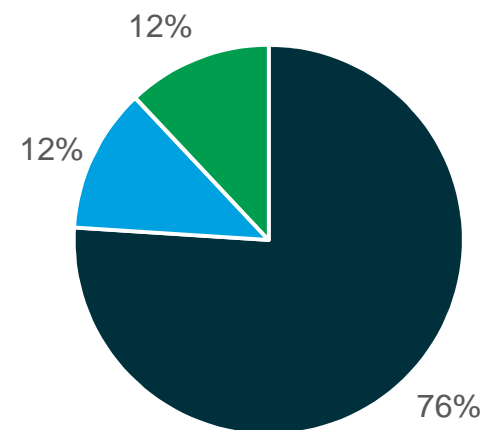
North America Sales revenue ⁽¹⁾
USD 1,033 million



Total Sales revenue ⁽¹⁾
USD 1,377 million



Latin America Sales revenue ⁽¹⁾
USD 269 million

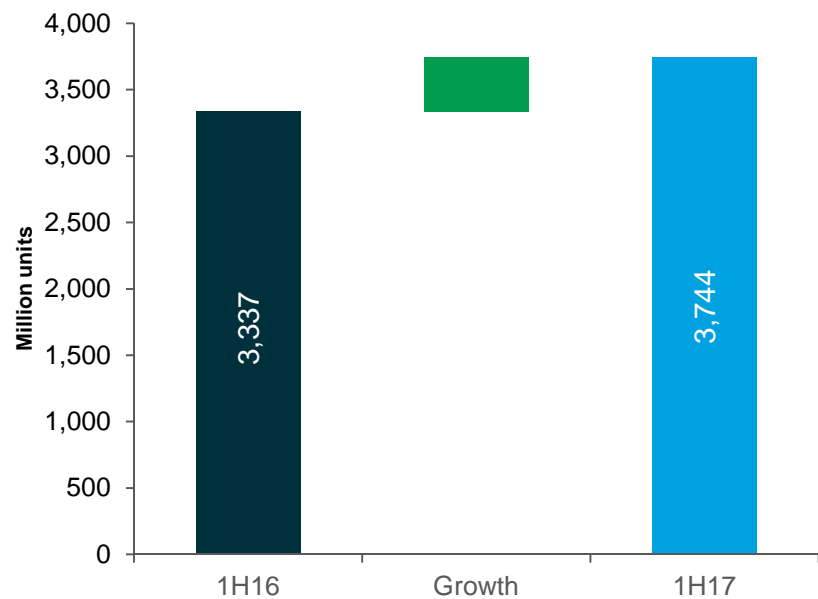


- CSDW
- Custom
- Diversified Products

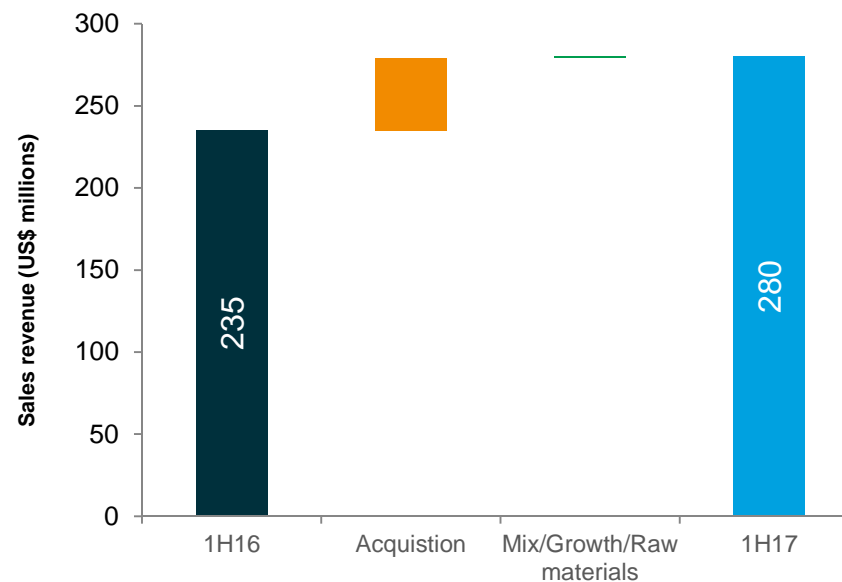
(1) Sales for the half year ended 31 December 2016.

Rigid Plastics – North America

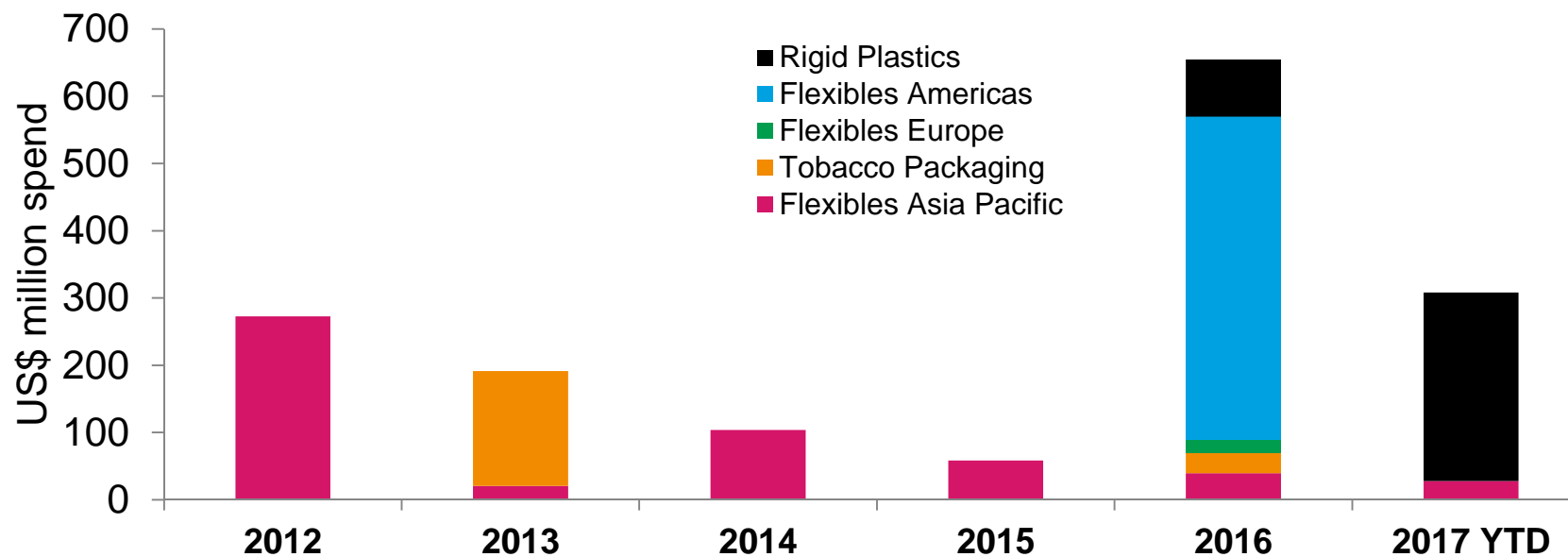
Custom Containers



Diversified Products



Track record of growth by acquisition



Total spend (US\$m)	273	191	104	58	655	308
Number of acquisitions	3	4	3	2	8	2

Historical acquisitions

	Business group	Country	Completion date	Currency	Acquisition price (Local currency millions)	EBITDA Multiple	Acquired sales (Local currency millions)	Synergy: Acquired sales
Jiangsu Shenda Group	Flexibles Asia Pacific	China	H1 2014	RMB	350.0	8.0	440	
Parry Enterprises India	Flexibles Asia Pacific	India	H1 2014	AUD				
Detmold	Flexibles Asia Pacific	Australia	H1 2014	AUD	50.0	6.6	55	
Bella Prima	Flexibles Asia Pacific	Indonesia	H1 2015	AUD	27.0	7.0	29	
Zhongshan TianCai	Flexibles Asia Pacific	China	H2 2015	RMB	211.0	7.1	280	
Nampak Flexibles	Flexibles Europe, Middle East & Africa	South Africa	H1 2016	ZAR	250.0	5.0	1100	
Souza Cruz in-house packaging	Tobacco Packaging	Brazil	H1 2016	BRL	98		200	
Packaging India Private Limited	Flexibles Asia Pacific	India	H1 2016	INR	1,650		2500	
Encon	Rigid Plastics	USA	H1 2016	USD	55.0		110	
Deluxe Packages	Flexibles Americas	USA	H1 2016	USD	45.0		42	
BPI China	Flexibles Asia Pacific	China	H2 2016	USD	13.0			
Alusa	Flexibles Americas	South America	H2 2016	USD	435.0	8.5	375	7%
Plastic Moulders Ltd	Rigid Plastics	Canada	H2 2016	CAD	36.0		35	
Sonoco Blow Molding	Rigid Plastics	North America	H1 2017	USD	280.0	8.0	210	10%
Hebei Qite Packaging	Flexibles Asia Pacific	China	H2 2017	RMB	185.0		180	

Acquisitions demonstrate strong strategic fit with existing businesses and ability to achieve 20 per cent return (pre-tax) on cash invested.

Details of adjustments

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

Details of adjustments *continued*

Flexibles restructuring

1. Initiatives announced

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

2. Expected phasing of restructuring costs and benefits

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

(1) Total costs on an after tax basis expected to be between US\$150 and US\$180million.

(2) Benefits to be recognised in earnings for the Flexibles segment in the period indicated. Total benefits on an after tax basis expected to be between US\$30 and US\$40 million

(3) Expectations for total benefits and total costs (pre-tax and post-tax) and cash costs are consistent with those announced on 9 June 2016.

Non-IFRS information

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

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

	1H16	1H17
Operating cash flow	101.9	52.9
Capital expenditure	162.2	203.8
Proceeds on disposal of PP&E	(1.5)	(45.7)
Other items	0.6	3.9
Cash flow from operating activities	<u>263.2</u>	<u>214.9</u>

Free cash flow is operating cash flow (refer above) less dividends and other equity distributions paid during the period calculated in accordance with IFRS and extracted from Amcor's financial statements.

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

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