Amcor News Release

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For immediate release: **Tuesday, August 18, 2009**

RESULTS FOR 12 MONTHS ENDED JUNE 30, 2009

- Earnings per share before significant items of 43.1 cents per share, up 0.5%.
- Profit after tax and before significant items of $360.5 million, down 2.3%.
- Profit before interest and tax for the continuing businesses, down 0.4%.
- The translation benefit from the lower Australian dollar on profit after tax and before significant items was a positive $48.0 million.
- Final dividend remains constant at 17 cents per share making a full year dividend of 34 cents per share.
- Operating cash flow $419.6 million.
- Free cash flow after the payment of dividends $131.1 million.
- Significant items, primarily relating to the acquisition costs associated with the Alcan Packaging assets and planned restructuring, were an after tax loss of $148.8 million.

A$ (mill) – All Operations	2008	2009	% Change
Sales	9,316.8	9,535.4	**2.3**
PBITDA	1,070.1	1,088.7	**1.7**
PBIT	657.0	646.6	**(1.6)**
PAT(2)	**369.1**	**360.5**	**(2.3)**
Significant items(1)	(110.3)	(148.8)	**(34.9)**
PAT after significant items	258.8	211.7	**(18.2)**
EPS(2) **(cents)**	42.9	43.1	**0.5**
Operating cash flow(3)	418.2	419.6	**0.3**
Dividend (cents per share)	34.0	34.0	**-**

(1) Significant items for the current year relate mainly to the the acquisition costs associated with the Alcan Packaging assets, the Flexible market sector rationalisation , the Fibre Packaging Australasia recovery plan and asset impairments.

(2) Before significant items

(3) After significant items

Key Ratios (All Operations)	2008	2009
PBIT/Average funds employed (%)(1)	11.8	**10.5**
Return on average equity (%)(1)	11.5	**11.0**
Net debt / (Net debt plus equity) (%)(2)	42.9	**46.2**
Net PBITDA interest cover (times) (1) (2)	6.0	**6.0**
NTA per share (A$)	1.86	**1.61**

(1) Before significant items

(2) Gearing increased in part due to a $350 million share buyback undertaken in 2007/08 with most of the buyback occurring in the Jan/Jun 2008 period.

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Segmental Analysis (Before Significant Items)						
	2008			2009		
	Sales A$ (mill)	PBIT A$ (mill)	ROAFE (%)	Sales A$ (mill)	PBIT A$ (mill)	ROAFE (%)
Amcor PET Packaging	2,932.5	221.1	12.0	3,250.8	242.6	**11.5**
Amcor Australasia	2,215.0	188.5	10.8	2,139.7	113.2	**6.9**
Amcor Flexibles	2,872.2	189.9	13.2	2,896.8	242.1	**15.3**
Amcor Sunclipse	1,106.7	61.2	26.9	1,135.2	39.1	**14.2**
Amcor Asia	117.6	36.6	10.4	123.6	48.1	**8.4**
Investments / other	-	(47.8)	-	-	(38.5)	**-**
Intersegmental	(9.1)		-	(10.7)	-	**-**
Continuing operations	**9,234.9**	**649.5**	**11.7**	**9,535.4**	**646.6**	**10.5**
Discontinued operations[(1)]	81.9	7.5	15.4	-	-	**-**
TOTAL	**9,316.8**	**657.0**	**11.8**	**9,535.4**	**646.6**	**10.5**

(1) Australasian Food Can and Aerosols until October 31 in 2007/2008.

Financial

Net debt on the balance sheet increased from $2,252 million at 30 June 2008 to $2,643 million at 30 June 2009 predominately due to the impact of a lower Australian dollar at balance date. Excluding the currency translation impact, net debt increased from $2,252 million to $2,409 million. A key reason for this increase was growth capital spending of $318.3 million predominately to increase the shareholding in AMVIG and initial spending for the new glass furnace in South Australia and the recycled paper mill in NSW.

The balance sheet gearing, measured as net debt over net debt plus equity, was 46.2% at 30 June 2009 and interest cover for the year, measured as PBITDA to net interest, was 6 times.

Operating cash flow was $419.6 million and after the payment of the dividend, free cash flow was $131.1 million.

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 2008/09 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.

The US dollar to Australian dollar exchange rate for the 2008/09 year averaged 76.2 cents and for the 2007/08 year averaged 89.9 cents. The Euro to Australian dollar exchange rate in the 2008/09 year averaged 54.6 cents and for the 2007/08 year averaged 61.0 cents. The total impact of the lower Australian dollar on the translation of profit after tax into Australian dollars, for reporting purposes, for the 2008/09 year was approximately $48.0 million.

AMCOR

Consolidated Income Statement		
A$ (mill)	2008	2009
Net sales	9,316.8	9,535.4
PBITDA	1,070.1	1,088.7
- Depreciation and amortisation	(413.1)	(442.1)
Profit before interest and tax	657.0	646.6
- Net interest	(179.4)	(181.7)
Profit before tax	477.6	464.9
- Income tax	(100.8)	(98.3)
- Minority interests	(7.7)	(6.1)
Profit after tax and before significant items	369.1	360.5

Consolidated Cash Flow Statement		
A$ (mill)	2008	2009
PBITDA	1,070.1	1,088.7
Interest	(192.4)	(166.7)
Tax	(62.8)	(78.7)
Cash significant items	(136.6)	(155.6)
Base capital expenditure	(243.5)	(254.6)
Movement in working capital (1)	44.6	133.1
Other	(61.2)	(146.6)
Operating cash flow	418.2	419.6
Dividends	(305.8)	(288.5)
Free cash flow	112.4	131.1
Divestments	973.3	(1.9)
Growth capital / acquisitions	(192.5)	(318.3)
Proceeds from share issues	11.0	28.7
Payment for shares bought back	(350.0)	-
Proceeds on capital contribution from minority interest	9.0	-
Foreign exchange rate changes	(22.9)	3.7
Movement in net debt	540.3	(156.7)

(1) Movement in working capital relates to continuing operations

Consolidated Balance Sheet		
A$ (mill)	2008	2009
Current assets	2,618.3	2,317.9
Property, plant and equipment	3,624.4	3,795.9
Intangibles	1,309.2	1,499.1
Investments and other assets	518.0	833.1
Total assets	8,069.9	8,446.0
Short term debt	677.5	956.1
Long term debt	1,833.2	1,875.7
Creditors and provisions	2,555.9	2,538.6
Shareholders' equity	3,003.3	3,075.6
Total liabilities and shareholders' equity	8,069.9	8,446.0

Interim Dividend

The Directors declared an unfranked final dividend of 17 cents per share making the total dividend for the year 34 cents. This compares with a final dividend of 17 cents per share for the 2007/08 year. 100% of the dividend is sourced from the Conduit Foreign Income Account. The record date for the final dividend is 28 August 2009 and payment date will be 18 September 2009.

Significant Items

Significant items after tax for the year ended 30 June 2009, was a net expense of $148.8 million, compared to an expense of $110.3 million for the corresponding period last year.

Significant items after tax for the year included the Flexibles market sector rationalisation expense of $50.2 million, an expense of $23.3 million relating to the Fibre turnaround, the PET Packaging integration and restructure expense of $14.4 million, asset impairments relating to the above restructuring of $26.3 million, an expense of $29.7 million relating to acquisition costs, an expense of $15.8 million relating to legal costs, an expense of $8.4 million relating to legal claims, a loss arising from AMVIG's equity issue of $3.7 million, a net loss of $0.6 million relating to prior year disposed businesses and a tax benefit of $23.6 million relating to the recognition of US tax losses.

Segmentals

During the year, a detailed review of the corporate costs of the consolidated entity was undertaken and it was identified that $20.4 million (2008: $31.6 million) of the total of $58.9 million (2008: $79.3.million) was properly attributable to the results of the operating segments and as such, has been allocated based on relevant cost and service drivers.

Profit (All Operations)	2008 A$ (mill)	2009 A$ (mill)	% Change	2008 US$ (mill)	2009 US$ (mill)	% Change
Net sales (mill)	**2,933**	**3,251**	**10.8**	**2,636**	**2,475**	**(6.1)**
PBIT (mill)	**221.1**	**242.6**	**9.7**	**198.8**	**184.8**	**(7.0)**
Operating Margin (%)	7.5	7.5		7.5	7.5	
Average funds employed (mill)	1,837	2,102		1,651	1,601	
PBIT/AFE (%)	**12.0**	**11.5**		**12.0**	**11.5**	
Average exchange rate	0.90	0.76				
Cash Flow (All Operations)	**2008 A$ (mill)**	**2009 A$ (mill)**	**% Change**	**2008 US$ (mill)**	**2009 US$ (mill)**	**% Change**
PBITDA	**376.9**	**427.8**	**13.5**	**338.8**	**325.8**	**(3.8)**
Base Capital Expenditure	(115.6)	(127.7)		(104.0)	(97.2)	
Movement in Working Capital	(4.3)	44.0		(3.8)	33.5	
Significant items	(0.7)	(14.5)		(0.6)	(11.1)	
Operating Cash Flow	**256.3**	**329.6**	**28.6**	**230.4**	**251.0**	**8.9**
Growth Capital Expenditure	**(69.2)**	**(30.9)**		**(62.2)**	**(23.6)**	

PET Packaging Group

Amcor PET Packaging had a solid year given the challenging economic environment. Profit before interest and tax (PBIT), expressed in local currency terms, was 7% lower at US$184.8 million.

Total volumes for the year were 8.2% lower at 26.3 billion units.

Custom container volumes were down 7.3%. This reduction was due to significant customer destocking in the first half of the year and economic weakness throughout the full 12 months. Carbonated soft drink (CSD), and water volumes were down 8.7%, mainly due to reduced demand for these products in the US and Canada.

The business continued to improve the product mix towards higher value-add custom container volumes, representing 32% of the sales volume and 48% of sales value.

During the year, the business continued to achieve excellent operating performance and there was a strong focus on cost control.

Returns, measured as PBIT over average funds employed, decreased from 12.0% to 11.5%.

Given the difficult economic circumstances that occurred during the year, it was an outstanding effort that returns only declined by 0.5%. This result demonstrates not only the defensive nature of many of the markets in which the business operates but also the ongoing improvements in all aspects of running the business that has been evident over the past few years. It also reinforces the strategy developed four years ago to focus on the higher value-add custom containers.

Capital expenditure was US$120.8 million, comprising US$97.2 million for base capital spending, net of disposals, and US$23.6 million for growth capital to expand capacity for custom containers in Latin America and diversified products and PowerFlex™ in North America. Total capital expenditure was 27.3% lower than the previous period and this trend is expected to continue in the near term.

Working capital continues to be well managed and average working capital to sales for the year was 6.1%. Working capital performance was favourably impacted during the second half by planned inventory reductions aligned with customer demand.

North America

Total volumes were 13.1% lower, with CSD and water volumes down 15.0% and custom containers down 10.0%.

Volumes in the first half of the year were negatively impacted by customer destocking across the entire supply chain and lower underlying demand. During the second half of the year, underlying demand remained weak across most segments.

In the custom container segment, which represented 50.1% of the sales value, there were lower volumes for most major customers and across most products in the hot-fill beverage segment. There was solid growth in the diversified products segment as this business broadened its customer base and benefited from continued conversion from glass to PET containers, particularly in the liquor segment.

The 15.0% decline in CSD and water volumes was a result of some customer destocking activities in the first half, and weak overall demand. As some customers continue to move to self-manufacturing of CSD and water containers, merchant supplier volumes are more affected in periods of weak demand as customers move to fully utilise their own assets.

During the year, the focus on improving manufacturing efficiencies and costs has resulted in the reduction in earnings being less than the overall reduction in volumes.

Latin America

The business in Latin America had a solid year with total volumes up 1.2% and custom containers up 4.5%.

In Mexico, volumes were modestly lower as demand more closely mirrored the trends in the US. The business had a difficult first half with under-recovery of higher inflationary costs. There was a much stronger performance in the second half with improved pricing performance and a more favourable currency impact.

For the balance of Latin America, volumes were up 1.4%, including 10.7% growth in custom containers. Earnings were considerably stronger due to a more favourable product mix, improved pricing in some key markets and continued strong operational performance.

Given the relatively low penetration of a number of custom hot-fill products in many Latin American countries, there continues to be opportunities for ongoing growth in this segment.

Bericap

The majority-owned joint venture, Bericap North America, is managed and reported within the PET Packaging segment. This business has plants in Ontario, Canada, and in the United States in California and South Carolina.

The CSD and water markets are important segments for this business. The business had a difficult year due to weaker consumer demand and the subsequent inability to absorb additional costs related to the new plant in South Carolina.

Outlook

Volumes, particularly custom volumes, continue to be the key driver of profitability. Although there are indications that current volumes are forming a new base, it is too early to predict the future trend given the existing economic conditions.

Profit (All Operations)	2008 A$ (mill)	2009 A$ (mill)	% Change
Net sales (mill)	**2,297**	**2,140**	**(6.8)**
PBIT (mill)	**196.0**	**113.2**	**(42.2)**
Operating Margin (%)	8.5	5.3	
Average funds employed (mill)	1,793	1,645	
PBIT/AFE (%)	**10.9**	**6.9**	
Profit (Continuing businesses)	**2008 A$ (mill)**	**2009 A$ (mill)**	**% Change**
Net sales (mill)	**2,215**	**2,140**	**(3.4)**
PBIT (mill)	**188.5**	**113.2**	**(39.9)**
Operating Margin (%)	8.5	5.3	
Average funds employed (mill)	1,744	1,645	
PBIT/AFE (%)	**10.8**	**6.9**	
Cash Flow (All Operations)	**2008 A$ (mill)**	**2009 A$ (mill)**	**% Change**
PBITDA	**332.2**	**239.9**	**(27.8)**
Base Capital Expenditure	(20.8)	11.4	
Movement in Working Capital	(2.9)	36.2	
Significant items	(56.9)	(38.9)	
Operating Cash Flow	**251.6**	**248.6**	**(1.2)**
Growth Capital Expenditure	**(21.7)**	**(116.0)**	

Australasia Group

Amcor Australasia had a difficult year with PBIT, on a continuing business basis, 39.9% lower at $113.2 million.

The main impact on earnings for the year was slowing economic conditions that adversely impacted volumes across nearly all divisions. This was particularly prevalent in the second half of the year and included a period of supply chain destocking. During the January to May period, sales were $60 million, or 6%, lower than for the same period last year. For the remaining seven months of the year sales were only 1% lower.

Across the market segments, there was considerably more weakness in those areas exposed to industrial markets, including flexibles and sacks into the building and construction industry, and corrugated boxes sold to a broad range of industrial customers. The combined impact of these factors on the full year earnings was approximately $25 million.

Other specific issues that negatively impacted earnings during the year included:
- Losses, from November 2008, on the export of old corrugated cartons (OCC) and recycled papers; and
- An adverse product mix in beverage can due to the introduction of new taxes on alcoholic ready-to-drink (RTD) products.

The business has been proactive across all aspects of the operations in responding to the current economic downturn. This has included a 10% reduction in salaried staff which reduced operating costs on an annualised basis by approximately $15 million. This reduction has not impacted the core activities and was in the area of general administration. The benefit from this initiative was evident in the final quarter of the year with a full year benefit to come in 2009/10.

Returns for the continuing operations, measured as PBIT over average funds employed, decreased from 10.8% to 6.9%.

Cash significant items were $38.9 million and predominantly related to the turnaround plan in the fibre packaging business.

Base capital expenditure was a net inflow of $11.4 million. This comprised gross expenditure of $74.7 million and proceeds from disposals of $86.1 million. There was growth capital expenditure of $116.0 million relating to the new glass plant at Gawler S.A. and the recycled paper mill at Botany N.S.W.

Working capital movement, on a continuing business basis, was a $36.2 million decrease for the 12 months to 30 June 2009.

The operating cash flow for the year was $248.6 million.

The Food Can and Aerosols business was sold on 31 October, 2007. For the four months to October 2007 the business contributed $7.5 million in PBIT.

On June 2, 2008, the commodity film business located in Perth, Western Australia was sold for $35 million, resulting in a profit on sale for 2007/08 of $7.4 million, net of transaction costs. This business contributed $5 million in PBIT for the 2007/08 year. This business was not treated as a discontinued operation for accounting purposes.

Corrugated

The corrugated business has made substantial progress across a number of areas over the past two years following an extensive restructuring program through 2007 and 2008. The business has an improved manufacturing footprint and high levels of quality and service.

Volumes for the year were lower by 2.1%, due predominately to particularly weak volumes in the January through March period as a result of industry wide supply chain destocking. For the year, the market share remained stable.

The key issue for the business remains the under-recovery of substantial cost increases, particularly paper, starch and labour.

A 12% price increase, to recover these increases, was implemented for all customers in October 2008 and was successfully passed onto non-contracted customers. The business continues to work with contracted customers to implement this increase however it will take time to achieve full recovery given the duration of customer contracts.

Recycled Paper and OCC Exports

The fibre business exports approximately 200,000 tonnes per annum of OCC and 100,000 tonnes per annum of recycled paper with selling prices generally reflecting the Asian spot market. In November, 2008 these selling prices reduced substantially and the business exported both OCC and recycled paper into Asia at a loss through the balance of the financial year.

The procurement of OCC in the domestic market is typically via long term purchase agreements with price reset mechanisms that vary from spot adjustments to annual resets. This results in a lag in the lower OCC spot price being fully reflected in input costs for the business.

During the second half of the year, a number of strategies were implemented to reduce the input costs, including renegotiating contract prices and reducing tonnages purchased. For the full year, the business experienced a loss of approximately $20 million on the export of OCC and recycled paper.

Botany Mill

Over the past six months, the business has been seeking revised tenders for the design and construction work associated with the new recycled paper mill for Botany, N.S.W. and this process has impacted the project timetable with completion due in calendar year 2011. Upon completion of final design engineering the business will be able to fix a large component of the construction costs and these are expected to be more favourable than previous estimates.

The business is still considering proposals for the sale of the Fairfield site but no decision has been made and will be dependent on satisfactory terms being achieved.

Flexibles

The flexibles business consists of four operating units, polyethylene, laminations, barrier films and mutli-wall sacks.

During the year, there was a substantial reduction in higher value-add products relating to the industrial and fresh food sectors. Although these volumes were replaced with new business, there was an adverse change in product mix which negatively impacted earnings.

Rigids

The beverage can business had a difficult year with a significant adverse change in the product mix.

Demand for RTD cans, which represented approximately 16% of the total volumes in the 2007/08 declined by 25% in 2008/09 due to the introduction of new taxes on a number of alcoholic ready-to-drink products.

Operational inefficiencies, following the installation and upgrading of equipment at the plant in Queensland, negatively impacted earnings in the first half. These issues have been resolved and plant operating efficiencies improved in the second half.

The reduction in RTD can volumes and plant inefficiencies resulted in earnings being approximately $12 million lower for the year. Of this amount, approximately $8 million is likely to be a permanent step change due to lower ongoing RTD volumes.

The glass wine bottle business had another solid year. The emphasis on quality, innovation and service continues to underpin earnings.

The new $150 million glass furnace is on schedule for start-up during the last quarter of the 2010 financial year. This furnace will support ongoing requirements in the wine bottle market and the returns are underpinned by long term, customer supply agreements. Upon completion, the Gawler plant will have three furnaces and the production capacity will be 600 million wine bottles per year.

Outlook

The Australasian business was significantly impacted by the economic environment in the 2008/09 year, particularly in the second half of the year. Although the business predominately services the food and beverage sectors, there is an important industrial component in both the fibre and flexibles businesses.

For the 2009/10 year, volumes are starting the year at a lower level than the start of the 2008/09 year and are likely to remain lower for at least the first half.

There should be a positive benefit from improved export prices for both OCC and recycled papers, compared to the second half of the 2008/09 year.

There will also be a full year benefit of price increases in the corrugated operations and reductions in SG&A overhead costs. These benefits will be largely offset by contracted labour cost increases that will be difficult to recover via higher prices.

In aggregate, if economic conditions remain stable at current levels, earnings are expected to be higher due to the anticipated benefit from improved export paper and OCC prices.

Profit (All Operations)	2008 A$ (mill)	2009 A$ (mill)	% Change	2008 € (mill)	2009 € (mill)	% Change
Net sales (mill)	**2,872**	**2,897**	**0.9**	**1,753**	**1,582**	**(9.8)**
PBIT (mill)	**189.9**	**242.1**	**27.5**	**115.9**	**132.2**	**14.1**
Operating Margin (%)	6.6	8.4		6.6	8.4	
Average funds employed (mill)	1,439	1,587		878	866	
PBIT/AFE (%)	**13.2**	**15.3**		**13.2**	**15.3**	
Average exchange rate	0.61	0.55				
Cash Flow (All Operations)	**2008 A$ (mill)**	**2009 A$ (mill)**	**% Change**	**2008 € (mill)**	**2009 € (mill)**	**% Change**
PBITDA	**291.5**	**349.3**	**19.8**	**177.9**	**190.7**	**7.2**
Base Capital Expenditure	(127.5)	(115.7)		(77.8)	(63.1)	
Movement in Working Capital	34.8	31.1		21.2	17.0	
Significant items	(74.2)	(84.1)		(45.3)	(45.9)	
Operating Cash Flow	**124.6**	**180.6**	**44.9**	**76.0**	**98.7**	**29.9**
Growth Capital Expenditure	**(59.8)**	**(28.3)**		**(36.5)**	**(15.4)**	

Flexibles Group

Amcor Flexibles had a strong year, with PBIT up 14.1% to €132.2 million. The Healthcare and Tobacco Packaging segments had particularly strong performances while the Food business was impacted by a slowing economy in Europe and destocking across the supply chain in the second half of the year.

The restructuring program, Flex 1, continued to progress well and is scheduled for completion in 2009/10. The rationalisation of the extrusion sites from nine to three is in the final stages of completion and there was significant activity in the restructuring of the converting plants. This included the closure of a plant in the UK, with volumes transferred to other sites, and the successful start-up in May of a new green-field plant in Poland.

A second new plant in Poland, dedicated to PepsiCo for snack food products, also had an excellent start-up. This plant is a global leader in extrusion lamination technology and is well located in a high growth, low cost region. These two new plants in Poland are key components of the strategy to increase production in Eastern Europe and Russia.

Returns, measured as PBIT over average funds employed, increased from 13.2% to 15.3%.

The business continued to deliver solid working capital performance. Average working capital to sales remained constant at 10.9% despite a particularly challenging operating environment.

Base capital expenditure was €63.1 million. Growth capital spending was €15.4 million and included spending on the flexibles packaging plant in Poland.

Significant items were €33.1 million of which €45.9 million was cash. The operating cash flow was €98.7 million.

Food

Amcor Flexibles Food is a pan-European business, consisting of 21 plants in 13 countries, serving all the major food segments. The business also coordinates the wider strategy for flexible food packaging across other geographical regions.

Earnings for the year were lower, primarily due to destocking of the supply chain in the second half of the year, weaker economic conditions and an adverse currency impact due to a higher Euro against the British pound.

Sales were lower at €759 million (2007/08 €954 million), adversely impacted by the divestment of non strategic plants and foreign currency movement (€140 million) and lower input costs in the second half of the year.

Volumes for the continuing businesses were 5% lower primarily due to weaker underlying demand in the second half of the year and supply chain destocking in the second and third quarters. From April, volumes have stabilised, albeit at a lower base.

Raw material costs were particularly volatile during the year. During the first three months of the year, input costs increased and these increases needed to be recovered against a backdrop of weaker economic conditions and falling oil prices. The business had good success in recovering these increases.

From the second quarter, raw material costs started to reduce. It took time for these lower costs to be reflected in finished goods and hence the benefit was not evident until well into the second half of the year.

Healthcare

Amcor Flexibles Healthcare comprises flexible packaging activities in the Americas and Europe. Amcor Flexibles Healthcare is a global leader in flexible packaging for the medical, personal care and pharmaceutical markets. Headquartered in Chicago, USA, it employs over 2,200 co-workers at 16 manufacturing facilities in ten countries. In addition, the group coordinates strategy and commercial activity with Amcor's healthcare flexible packaging activities in Asia.

A key component of the strategy for this business is to continually improve the product mix by accelerating sales growth in more technically demanding structures, focusing on enhanced protection, ease of use and high quality graphics.

The Healthcare business had a strong year with steady sales at €491 million and higher earnings. Underlying demand in the medical and pharmaceutical segments remains solid, although there has been a softening of demand from personal care customers particularly in the promotional products segments.

Continuing success in new product development, including improved utilisation of the new gravure press in the US, resulted in earnings being higher in both Europe and the Americas.

During much of the first half, raw material costs increased, however at the end of the second quarter, there was a weakening of the raw material input costs that continued for the balance of the year. The business recovered the majority of the higher raw material costs in the first part of the year and had some benefit from the lower input costs during the balance of the year.

Tobacco Packaging

Amcor Rentsch has strategic leadership of Amcor's global tobacco packaging business and operational responsibility for the plants in Europe. The business has seven plants focused on folding cartons for tobacco products.

Sales for the year were 7.5% higher at €328 million and earnings were significantly higher. Volumes in the tobacco packaging business have remained strong, particularly in the fourth quarter of the year.

The business benefited from a number of initiatives undertaken in the 2007/08 year. These included:

- The installation of a new printing press at the plant in Russia. The new press commenced operations in July 2008 and by the end of August 2008, had moved to full productive capacity;
- A new hot foil stamping machine in Russia that has increased the capability to provide local supply for complex and innovative products;
- A new offset machine for the plant in Poland, which commenced operations in February 2008, and has enabled the plant to meet the growing demand for short run volumes. During 2008, the plant also installed additional cutting and creasing equipment to improve manufacturing efficiency; and
- A new plant in the Ukraine which commenced operations in March 2008. The plant has steadily increased production and there continues to be opportunities for further growth in this market.

As a result of the above investments, there has been considerable improvement in operating efficiency as production has been better balanced across the manufacturing footprint and outsourcing to third parties has been eliminated.

The business has also benefited from the ongoing trend towards more value-add products, particularly in Eastern Europe and Russia.

Outlook

In the 2008/09 year, the flexibles business benefited from lower resin prices in the second half of the year. As contract re-pricing occurs, these lower input costs will be passed on to customers and therefore, in 2009/10, the benefit from lower resin costs will not be repeated. Economic conditions also weakened through the year and the run rate entering the 2009/10 year is below the start of the 2008/09 year and hence volumes in the first half of the current year are likely to be lower than the first half of 2008/09.

With the tobacco packaging business, volumes in the fourth quarter were particularly strong and as there was some customer pull forward of orders, particularly in the higher value-add packaging. These higher volumes have not continued into the current year.

The restructuring program, Flex 1 delivered benefits during the 2008/09 year and these are expected to increase in 2009/10, which will help mitigate the combined impacts of the slower economic activity and the absence of benefits from lower resin costs.

AMCOR SUNCLIPSE

Profit (All Operations)	2008 A$ (mill)	2009 A$ (mill)	% Change	2008 US$ (mill)	2009 US$ (mill)	% Change
Net sales (mill)	**1,107**	**1,135**	**2.5**	**995**	**864**	**(13.2)**
PBIT (mill)	**61.2**	**39.1**	**(36.1)**	**55.0**	**29.7**	**(46.0)**
Operating Margin (%)	5.5	3.4		5.5	3.4	
Average funds employed (mill)	227	276		204	210	
PBIT/AFE (%)	**26.9**	**14.2**		**26.9**	**14.2**	
Average exchange rate	0.90	0.76				
Cash Flow (All Operations)	**2008 A$ (mill)**	**2009 A$ (mill)**	**% Change**	**2008 US$ (mill)**	**2009 US$ (mill)**	**% Change**
PBITDA	**74.6**	**54.1**	**(27.5)**	**67.0**	**41.2**	**(38.5)**
Base Capital Expenditure	24.1	(12.4)		21.7	(9.4)	
Movement in Working Capital	3.2	11.4		2.9	8.7	
Significant items	-	-		-	-	
Operating Cash Flow	**101.9**	**53.1**	**(47.9)**	**91.6**	**40.5**	**(55.8)**
Growth Capital Expenditure	**-**	**(2.8)**		**-**	**(2.1)**	

Sunclipse Group

Amcor Sunclipse had a difficult year with reported PBIT down 46.0% to US$29.7 million. Returns, measured as PBIT over average funds employed, was 14.2%.

The PBIT result for the 2007/08 year included a net benefit of approximately $6.4 million from the sale and leaseback of the Amcor Sunclipse head office, partly offset by write downs and other one-off expenses. After adjusting for this benefit, underlying earnings in 2008/09 were 38.9% lower.

The business commenced the year with solid earnings for the first four months. From the beginning of November, volumes came under significant pressure and were substantially lower through to the end of January. Although there was some improvement in the second half of the year, volumes for the last eight months of the year were considerably lower than for the corresponding period in 2007/08.

The distribution business had a solid first half, however the second half was considerably more challenging as a number of important market segments were negatively impacted by the slowing economic conditions. Sales for the distribution business were 9.3% lower at US$694 million, after being only 3.9% lower in the first half. The strong focus on cost control meant that gross margins only reduced by 0.2%.

A key driver for this solid performance in the distribution business has been the development over the past two years of a channel strategy designed to differentiate the approach to customers across market segments. The success of this strategy has assisted in increasing market share and enabled the fully commissioned external sales people to be more targeted in their efforts.

Within the manufacturing division, the sheet plants had a particularly difficult year. With a declining overall market, there was intense pressure on margins and a move to lower value-add stock boxes. These pressures have continued through the second half and into the start of the 2009/10 year.

The corrugated business also had a difficult year. After a solid first quarter, volumes were down 25% through the November to January period. Although market conditions improved in the second half, there was still considerable weakness and it was not possible to flex variable costs to match declining volumes.

The business is currently investigating the opportunity to divest the corrugated and manufactured products divisions. A final decision regarding sale or retention is expected to be made over the next three months.

Outlook

The 2009/10 outlook is dependent on the economy in the US, particularly on the West Coast. The year has started with volumes considerably lower than the first half of 2008/09 and, consequently, the earnings for the first half of 2009/10 are likely to be lower than the first half of 2008/09.

Profit - Consolidated Entities	2008 A$ (mill)	2009 A$ (mill)	% Change	2008 SG$ (mill)	2009 SG$ (mill)	% Change
Net sales (mill)	**118**	**124**	**5.1**	**152**	**137**	**(9.9)**
PBIT (mill)	**8.8**	**14.0**	**59.1**	**11.3**	**15.5**	**37.2**
Operating Margin (%)	7.5	11.3		7.5	11.3	
Average funds employed (mill)	57	50		73	55	
PBIT/AFE (%)	**15.5**	**28.2**		**15.5**	**28.2**	
Average exchange rate	1.29	1.11				

Equity Accounted Profit	2008 A$ (mill)	2009 A$ (mill)	% Change	2008 SG$ (mill)	2009 SG$ (mill)	% Change
PAT (mill)	**27.8**	**34.1**	**22.7**	**35.9**	**37.7**	**5.0**
AFE (2) (mill)	149	352		192	389	
AFE (1) (mill)	296	525		382	581	
PAT/AFE (2) (%)	**18.7**	**9.7**		**18.7**	**9.7**	
PAT/AFE (1) (%)	9.4	6.5		9.4	6.5	

(1) Including AMVIG fair value

(2) Excluding AMVIG fair value

Cash Flow (All Operations)	2008 A$ (mill)	2009 A$ (mill)	% Change	2008 SG$ (mill)	2009 SG$ (mill)	% Change
PBITDA (consolidated entities)	**13.0**	**20.1**	**54.6**	**16.8**	**22.2**	**32.1**
Dividends received	3.5	6.6		4.5	7.3	
Base Capital Expenditure	(5.3)	(4.6)		(6.8)	(5.1)	
Movement in Working Capital	0.4	12.6		0.6	13.9	
Significant items	-	-		-	-	
Operating Cash Flow	**11.6**	**34.7**		**15.1**	**38.3**	
Growth Capital Expenditure	-	-		-	-	
Acquisitions	**(34.6)**	**(111.0)**		**(44.6)**	**(122.7)**	

Asian Group

Amcor Asia consists of:

- Two wholly-owned tobacco packaging plants (one in Singapore and one in Malaysia);
- Three wholly-owned flexible packaging plants (two in China and one in Singapore); and
- The investment in the Hong Kong publicly-listed company, AMVIG Holdings Limited (AMVIG).

The profits shown in the tables above are split between the PBIT for the consolidated entities and the equity-accounted profit after tax from the investment in AMVIG.

As AMVIG has not yet reported its half year earnings to 30 June, 2009, the profit taken up in Amcor Asia's full year earnings is the actual result for the six months to 31 December 2008, plus management's estimate of earnings for the period January to June 2009, based on publicly available information. Any adjustment required following the announcement of AMVIG's profit, will be taken up in Amcor Asia's 2009/10 first half results.

During the year, Amcor's ownership in AMVIG increased from 35.4% to 38.9%. This increase was primarily due to Amcor investing HK$700 million to acquire 78.3 million shares in AMVIG at a price of HK$8.94 per share.

Consolidated entities

For the controlled entities, PBIT for the year was 37.2% higher at SG$15.5 million. Returns, measured as PBIT over average funds employed, increased from 15.5% to 28.2%.

The wholly-owned tobacco packaging operations continued to deliver sound operating performance and benefited from the upgrading of the printing capabilities at the plant in Malaysia. The business experienced strong volumes in the first half of the year, however volumes were weaker in the second half due to the loss of some important contract volumes. Although these volumes are being replaced, it is likely that volumes in 2009/10 will be lower.

The flexibles operations continued to deliver solid earnings with the new plant in Southern China creating the opportunity for more accelerated growth in the region.

Footnote

The funds invested in AMVIG, as reported in Amcor's accounts at 30 June 2009, consist of cash payments of SG$281 million to purchase 424.5 million shares in the publicly-listed company at an average price of HK$5.01 per share, together with the injection of the two tobacco packaging operations in China (Beijing and Qingdao), which had a carrying value of SG$69 million.

The carrying value of AMVIG at 30 June, 2009 in Amcor's accounts is SG$589.9 million, with the difference between this amount and the invested funds being predominantly accounting adjustments for "fair value market up lift" at the time of exercising options to acquire additional shares.

Significant Items		
AU$ (mill)	**2008**	**2009**
Consolidated significant items		
Significant items before related income tax expense		
Income		
Gains arising on disposal of Australasian Food Can and Aerosols business	2.1	**0.3**
Gain arising on disposal of PET Europe business	9.6	**7.3**
Gain/loss arising from associate's equity issue	3.7	**(3.7)**
Expense		
Acquisition costs	-	**(29.7)**
Legal costs	(4.8)	**(23.4)**
PET business integration and restructure	(1.6)	**(16.3)**
Australasian restructuring	(41.0)	**(32.5)**
Flexibles market sector rationalisation	(101.6)	**(68.1)**
Closures business restructure and loss on disposal	(4.7)	**-**
Asset impairments net of reversals	(21.0)	**(28.0)**
Recognition of acquired tax losses	(16.0)	**-**
Legal claims settlement	-	**(12.0)**
Significant items before related income tax expense	(175.3)	**(206.1)**
Income tax on significant items	65.0	**57.3**
Significant items after related income tax expense	(110.3)	**(148.8)**
Significant items attributable to:		
Members of Amcor Limited	(110.3)	**(148.8)**
Minority interest	-	**-**
	(110.3)	**(148.8)**

Details of Consolidated Significant Items Before Income Tax June 30, 2009

A$ (mill)	Redundancy	Plant Closure	Disposal of Controlled Entities	Other	Asset Impairments	Total
PET	(4.6)	(11.7)	7.3		(11.0)	**(20.0)**
Australasia	(15.9)	(14.4)	0.3	(12.0)		**(42.0)**
Flexibles	(21.0)	(45.6)	(1.4)	(0.1)	(12.2)	**(80.3)**
Sunclipse						**-**
Asia				(3.7)	(2.2)	**(5.9)**
Corporate		-		(55.3)	(2.6)	**(57.9)**
Total	**(41.5)**	**(71.7)**	**6.2**	**(71.1)**	**(28.0)**	**(206.1)**

June 30, 2009 Cash Flow By Business Group – All Operations							
A$ (mill)	**PET**	**Australasia**	**Flexibles**	**Sunclipse**	**Asia**	**Corporate**	**Consolidated**
PBITDA	427.8	239.9	349.3	54.1	54.2	(36.6)	**1,088.7**
Interest						(166.7)	**(166.7)**
Tax						(78.7)	**(78.7)**
Base capital expenditure	(127.7)	11.4	(115.7)	(12.4)	(4.6)	(5.6)	**(254.6)**
Cash significant items	(14.5)	(38.9)	(84.1)			(18.1)	**(155.6)**
(Increase) / decrease in working capital	44.0	36.2	31.1	11.4	12.6	(2.2)	**133.1**
Other items					(27.5)	(119.1)	**(146.6)**
Operating cash flow	329.6	248.6	180.6	53.1	34.7	(427.0)	**419.6**
Dividends Paid	(3.8)	(0.5)				(284.2)	**(288.5)**
Free cash flow	325.8	248.1	180.6	53.1	34.7	(711.2)	**131.1**
Divestments	(2.2)	0.3					**(1.9)**
Growth capital expenditure/acquisitions	(30.9)	(116.0)	(28.3)	(2.8)	(111.0)	(29.3)	**(318.3)**
Proceeds from share issue						28.7	**28.7**
Foreign exchange rate changes						3.7	**3.7**
Net cash utilised	**292.7**	**132.4**	**152.3**	**50.3**	**(76.3)**	**(708.1)**	**(156.7)**
Increase in net debt							**(156.7)**