



For immediate release:

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**AMCOR ANNOUNCES INTERIM PROFIT RESULT FOR SIX MONTHS ENDED
DECEMBER 31, 2007**

Highlights

- Profit before interest and tax up 10.3% for continuing businesses, in local currency terms
- Profit after tax and before significant items flat at \$185.0 million
- Translation impact from the higher \$A on profit after tax was a negative \$16 million
- Profit after tax and significant items up 30.8% to \$154.0 million
- Earnings per share before significant items up 2.4% to 21.0 cents
- Operating cash flow \$92.9 million
- Interim dividend 17 cents per share

In announcing the half year result, Amcor's Managing Director and Chief Executive Officer, Ken MacKenzie said: "The profit before interest and tax of the continuing businesses, expressed in local currencies, was up 10.3%. All segments reported higher earnings and this continues the momentum of our turnaround program.

"The past 12 months have seen an inflexion point in the operational performance of the company. This was first evident in the strong operating performance in the second half last year and has continued into the first half of this year.

"The first half profit of \$185 million was a very solid result, given the strong Australian dollar. Around 70% of Amcor's earnings are sourced offshore, mostly in North America and Europe, and the translation of these earnings into Australian dollars for reporting purposes, had a \$16 million negative impact on reported profit after tax.

"The strong operating cash flow of \$93 million was a result of continued improvement in all aspects relating to the management of cash. In particular, the average working capital to sales ratio decreased from 10.5% to 9.7%. This continues the improving trend of the past two years where average working capital to sales has reduced from 13.3% to 9.7%, generating \$400 million in cash.

"The PET Packaging operations had an outstanding half with earnings for the continuing businesses up 18%. Growth in the higher technology, hot-fill custom containers was 29% and this category now represents 29% of the total sales volume.



"The strategy of focusing on this higher growth segment, where the business has a strong market position supported by industry leading technology, has been correct with returns for the PET Packaging business increasing from 9.1% to 10.6%.

"The outlook for the PET packaging business in the second half is for continued strong performance.

"Within Amcor Flexibles, the Food and Healthcare operations had strong performances. For the second half of the year, input costs are expected to continue to increase and the businesses are implementing comprehensive programs to recover these increases.

"In Australasia, the announcement today of a new recycled paper mill, to be located at Botany in NSW, will ensure that the corrugated box operations have the lowest cost and most efficient manufacturing platform in Australia.

"The mill will have a net cost of \$230 million, produce 345,000 tonnes per annum and be of leading edge technology.

"Importantly, it will produce a wide range of papers, including the lightest weight packaging papers manufactured in Australia and will not only significantly enhance our value proposition to customers but also be substantially more environmentally friendly.

"The overall carbon footprint for producing Amcor's recycled paper requirements will reduce by 34% and the water usage will reduce by 26%.

"The Way Forward" agenda continues to make excellent progress. During the half, the Australasian Food Can and Aerosol business was sold for \$146 million. The company is continually reviewing its portfolio of businesses with the aim of improving shareholder value and the asset sales over the past twelve months have been part of this process.

"The turnaround program in the Mexican PET operations continued to make excellent progress. After delivering US\$9 million improvements in the 2006/07 year, the progress in the first half of the current year ensures that the target of a US\$16 million improvement over a two year timeframe will be achieved."



Outlook

"In the short term, there is the impact of slowing economic conditions, rising raw material costs and inflationary pressures and this will create challenges for some of our businesses in the second half of the current year.

"Amcor's businesses are relatively defensive, with over 90% of sales into the consumer staples sector, mostly food, beverage, tobacco packaging and healthcare. Although not immune to economic downturns, these sectors have demonstrated in the past to be more resilient and less volatile than other segments," said Mr MacKenzie.

ENDS

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First half exchange rates and currency impact on profit after tax

	\$A / USD	\$A / €
Average exchange rate for the first half 2006/07	76.58	59.6
Average exchange rate for the first half 2007/08	86.77	61.5

\$A mill	Reported	Constant currency
First half continuing businesses profit before interest and tax	326.1	347.2
First half profit after tax	185.0	201.0