# News Release

25 August 2015

# AMCOR ANNOUNCES PROFIT RESULT FOR YEAR ENDED 30 JUNE 2015

## Highlights for year ended 30 June 2015 – continuing operations[(1)]

- Profit after tax of US$680.3 million, up 0.4% including the negative translation impact from the higher US dollar on profit after tax of US$47 million;
- On a constant currency basis PAT was up 7.2% to US$726.9 million[(2)];
- On a constant currency basis, earnings per share (EPS) was up 7.5% to 60.4 cents[(2)];
- Returns, measured as profit before interest and tax to average funds employed up from 19.4% to 20.5%[(2)];
- Free cash flow, after net capital expenditure and payment of dividends, of US$298.3 million[(3)];
- Annual dividend per share (DPS) of 40.0 US cents. Paid as 53.0 AUD cents, up 23.3%; and
- US$500 million on-market share buy-back underway with EPS accretion to benefit FY 2016.

| Continuing operations (US$ million) | 2014 | 2015 | △% | Constant Currency △% |
|---|---|---|---|---|
| Sales revenue | 9,964.5 | 9,611.8 | (3.5) | 2.0 |
| PBITDA | 1,458.0 | 1,420.4 | (2.6) | 3.4 |
| PBIT | 1,082.1 | 1,065.1 | (1.6) | 4.7 |
| **PAT** | **677.8** | **680.3** | **0.4** | **7.2** |
| EPS (US cents) | 56.2 | 56.6 | 0.7 | 7.5 |
| Operating cash flow[(4)] | 817.8 | 778.4 | (4.8) | 3.7 |
| Cash from operating activities | 1,075.0 | 1,002.3 | (6.8) | |

| Continuing operations key ratios | 2014 | 2015 |
|---|---|---|
| PBIT/Average funds employed (%)[(2)] | 19.4 | 20.5 |
| PBIT/Sales (%) | 10.9 | 11.1 |
| Net PBITDA interest cover (times) | 7.5 | 8.4 |
| Net debt / PBITDA (times) | 2.1 | 2.0 |
| DPS (US cents) | 39.2 | 40.0 |

Refer to page 10 for definitions of various measures used within this news release.

(1) Unless otherwise stated, comparative financial information for the year ended 30 June 2014 has been presented within this news release on a continuing operations basis. Effective 31 December 2013, the Australasia and Packaging Distribution business (AAPD) was demerged from the Amcor Group. As a result of the demerger, the AAPD business was renamed Orora Limited and listed on the Australian Securities Exchange. Statutory profit for the year ended 30 June 2014 including discontinued operations attributable to owners of Amcor Limited was US$502.9 million.
(2) 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 constant currency growth rates and average funds employed, have not been not been audited.
(3) Free cash flow is operating cash flow (refer note 4 below) after payment of dividends.
(4) Operating cash flow is after capital expenditure and proceeds from sale of property, plant and equipment). Refer note (a) 'operating cash flow' on page 10 for further information.

Amcor has released to the Australian Securities Exchange a presentation on its financial results for the year ended 30 June 2015. This is available at www.amcor.com

## Financial result from continuing operations

| Consolidated Income (US$ million) | 2014 | 2015 |
|---|---|---|
| **Sales revenue** | **9,964.5** | **9,611.8** |
| PBITDA | 1,458.0 | 1,420.4 |
| - Depreciation and amortisation | (375.9) | (355.3) |
| PBIT | 1,082.1 | 1,065.1 |
| - Net finance costs | (193.2) | (169.2) |
| **Profit before tax** | **888.9** | **895.9** |
| - Income tax expense | (182.2) | (188.0) |
| - Non-controlling interest | (28.9) | (27.6) |
| **Profit after tax** | **677.8** | **680.3** |

| Operating cash flow from continuing operations (US$ million) | 2014 | 2015 |
|---|---|---|
| PBITDA | 1,458.0 | 1,420.4 |
| Interest received/borrowing costs paid | (194.3) | (165.8) |
| Income tax paid | (136.9) | (154.7) |
| Capital expenditure | (332.6) | (323.0) |
| Movement in working capital | 61.8 | (46.0) |
| Other | (38.2) | 47.5 |
| **Operating cash flow from continuing operations** | **817.8** | **778.4** |

| Consolidated balance sheet (US$ million) | 30/06/14 | 30/06/15 |
|---|---|---|
| Current assets | 3,326.5 | 3,413.0 |
| Property, plant and equipment | 2,920.1 | 2,566.7 |
| Intangible assets | 1,996.3 | 1,845.3 |
| Investments and other assets | 891.0 | 722.1 |
| **Total assets** | **9,133.9** | **8,547.1** |
| Current interest-bearing liabilities | 521.8 | 1,012.7 |
| Non-current interest-bearing liabilities | 3,001.3 | 2,572.6 |
| Payables, provisions and other liabilities | 3,471.7 | 3,374.8 |
| Total equity | 2,139.1 | 1,587.0 |
| **Total liabilities and equity** | **9,133.9** | **8,547.1** |

| Consolidated cash flow including discontinued operations (US$ million) | 2014 | 2015 |
|---|---|---|
| **Operating cash flow from continuing operations** | **817.8** | **778.4** |
| Cash flow from discontinued operations | (11.2) | - |
| **Operating cash flow (including discontinued operations)** | **806.6** | **778.4** |
| Dividends and other equity distributions | (463.8) | (480.1) |
| **Free cash flow (including discontinued operations)** | **342.8** | **298.3** |
| Divestments | 23.4 | 0.8 |
| Growth capital / acquisitions | (142.8) | (98.4) |
| Share buy-back / other movements in share capital | (75.7) | (374.8) |
| Proceeds on capital contribution from non-controlling interests | 3.5 | (1.5) |
| Foreign exchange rate changes and hedges | 26.6 | (21.1) |
| **Decrease/(increase) in net debt** [1] | **177.8** | **(196.7)** |

(1) Refer note (c) "movement in net debt" on page 10 for further information.

### Exchange rate sensitivity

Approximately 50% of Amcor's earnings are generated in US dollars or US dollar linked currencies. Approximately 20%-25% of earnings are generated in Euro's with the remaining 25%-30% generated in more than 20 different currencies. The impact of translating Euro and other non US dollar earnings into US dollars for reporting purposes will vary depending on the movement of those currencies from period to period.

For the year ended 30 June 2015, the negative impact on profit after tax of translating non US dollar earnings into US dollars for reporting purposes was approximately US$47 million, of which approximately US$24 million relates to movements in the Euro against the US dollar.

### Net debt and net finance costs

Net debt was US$2,880.4 million at 30 June 2015, and leverage, measured as net debt over PBITDA was 2.0 times.

Subsequent to 30 June 2015, the following refinancings have been completed:

- a US$425 million syndicated multi-currency facility due to mature in August 2015 was refinanced for five years and increased to US$565.4 million; and
- a US$615 million syndicated multi-currency facility due to mature in October 2016 was extended for two years and increased to US$776.6 million.

Facilities of approximately US$130 million are due to mature in the 2016 financial year.

Net finance costs were US$169.2 million. Interest cover, measured as PBITDA to net interest, was 8.4 times.

### Dividend

The Directors declared an unfranked final dividend of 21.0 US cents per share. This brings the annual dividend to 40.0 cents per share, unfranked.

The dividend will be paid in Australian dollars. The amount received will be 28.6 cents reflecting the dividend declared in US dollars converted at an exchange rate of 0.7353. This rate reflects the average exchange rate over the five days ending 18 August 2015.

100% of the dividend is sourced from the Conduit Foreign Income Account. The ex-dividend date will be 7 September 2015, the record date will be 9 September 2015 and the payment date will be 30 September 2015.

### Share buy-back

Directors approved a US$500 million on-market share buy-back on 17 February 2015. At close of business on Friday 21 August 2015, approximately 60% of the buy-back had been completed, with 27.0 million shares repurchased.

The 27.0 million shares repurchased represents 2.24% of shares outstanding at the time of announcement, and has resulted in a 0.27% reduction in the weighted average number of shares used to calculate EPS for the year ended 30 June 2015. For the year ended 30 June 2016, the weighted average number of shares will reduce by a further 1.97% to reflect the full year impact of the 27.0 million shares repurchased to date.

### Conference call

Amcor is hosting a conference call with investors and analysts to discuss these results today, August 25, 2015 at 11:30 am AEDT. Investors are invited to listen to a live audiocast of the conference call at our website, www.amcor.com in the "Investors" section. A replay of the audiocast will also be available on our website within 24 hours.

## Segment information

| | 2014 | | | 2015 | | |
|---|---|---|---|---|---|---|
| **Segment analysis (US$ million)** | **Sales revenue** | **PBIT** | **ROAFE%** | **Sales revenue** | **PBIT** | **ROAFE%** |
| Flexibles | 6,779.4 | 822.6 | 24.3 | 6,294.6 | 784.5 | 25.5 |
| Rigid Plastics | 3,192.3 | 298.2 | 18.3 | 3,317.2 | 321.3 | 20.3 |
| Investments / Other / Intersegment | (7.2) | (38.7) | | - | (40.7) | |
| **TOTAL** | **9,964.5** | **1,082.1** | **19.4** | **9,611.8** | **1,065.1** | **20.5** |

## Flexibles

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

| Earnings | 2014 US$ mill | 2015 US$ mill | Change % | 2014 € mill | 2015 € mill | Change % |
|---|---|---|---|---|---|---|
| Sales revenue | 6,779 | 6,295 | (7.1) | 4,996 | 5,232 | 4.7 |
| **PBIT** | **822.6** | **784.5** | **(4.6)** | **606.2** | **652.1** | **7.6** |
| Operating Margin (%) | 12.1 | 12.5 | | 12.1 | 12.5 | |
| Average funds employed | 3,391 | 3,080 | (9.2) | 2,498 | 2,560 | 2.5 |
| **PBIT/AFE (%)** | **24.3** | **25.5** | | **24.3** | **25.5** | |
| USD:Euro average exchange rate | 0.74 | 0.83 | | | | |

| Cash flow | | | | | | |
|---|---|---|---|---|---|---|
| PBITDA | 1,050.1 | 998.2 | (4.9) | 773.9 | 829.7 | 7.2 |
| Capital Expenditure | (191.7) | (165.8) | | (141.3) | (137.8) | |
| Movement in Working Capital | 61.1 | (26.2) | | 45.1 | (21.7) | |
| Other | 15.9 | 45.2 | | 11.7 | 37.7 | |
| **Operating cash flow** | **935.4** | **851.4** | **(8.9)** | **689.4** | **707.9** | **2.7** |

The Flexibles segment had a good year with PBIT, expressed in Euro terms, up 7.6% to €652.1 million.

Underlying constant currency PBIT was up 2.9% to €623.9 million, after adjusting for a one off gain of €9.2 million related to the sale of excess land in Turkey. This 2.9% increase reflects the benefit from prior period acquisitions and organic growth in emerging markets. Underlying demand in developed markets remained subdued and there was an unfavourable impact on earnings from movements in the Swiss Franc against the Euro.

Head office costs for the Europe and Americas and Tobacco Packaging businesses are largely denominated in Swiss Francs. In addition, for the plants located in Switzerland a large portion of the sales are denominated in Euros while the cost base is in Swiss Francs. The adverse earnings impact of translating Swiss Franc costs into Euros in the second half of the year due to the Franc appreciation against the Euro was approximately €9 million.

Operating margins (after adjusting for a one off gain of €9.2 million related to the sale of excess land in Turkey) continued to improve from 12.1% to 12.3%, and returns, measured as PBIT (excluding a one off gain of €9.2 million related to the sale of excess land in Turkey) over average funds employed, increased to 25.1%.

### Flexibles Europe and Americas

The Flexibles Europe and Americas business operates in the defensive market segments of food and healthcare in Europe and the Americas. The major end markets served, making up approximately 95% of sales, are healthcare, medical and pharmaceutical, snacks and confectionery, cheese and yoghurt, fresh produce, beverage, pet food as well as wine and spirit closures.

The business had another good year with higher sales and earnings.

On a constant currency basis, sales were modestly higher than the prior year, reflecting relatively flat demand.

In the European region, volumes were higher in the healthcare segment with growth in the medical category. In the food segment, volume growth was strong in ambient ready meal, liquid beverage, single serve coffee and pet food. This was offset by weakness in the fresh produce, confectionary and multi-serve coffee segments.

In North America volume growth was strong in the medical and hospital segments after a period of slower growth in the prior year. There was good volume growth in the specialty food end market as the trend towards high barrier packaging for fresh and additive free products continues.

The overall business remained focused on improving costs and operating efficiencies, as well as innovation and simplification to significantly enhance the customer value proposition and improve product mix. These benefits were partly offset by an unfavourable impact on earnings from the Swiss Franc appreciation against the Euro in the second half of the year.

On 1 July 2015 the ZAR 250 million (US$22 million) acquisition of Nampak Flexibles was completed. The business, renamed Amcor Flexibles South Africa, is the market leader in South Africa and generates revenue of approximately ZAR 1 billion (US$85 million) from the sale of flexible packaging for the beverage, food and home care end markets. The business services many of Amcor's existing global customers and provides a platform for growth in the African region.

Effective 1 July 2015, The Flexibles Europe and Americas business was divided into two new groups, both reporting directly to the Managing Director and CEO – Flexibles Americas and Flexibles Europe, Middle East and Africa. This geographic based structure enables each of the Flexibles business groups to focus on the strategic priorities within their respective regions and to accelerate profitable growth.

The Flexibles Americas business is focused on accelerating Amcor's growth in the North American market and pursuing opportunities in Latin America, regions where Amcor's market share is less than 5%. The Flexibles Europe, Middle East and Africa business is continuing to focus on growth driven by innovation, cost and efficiency improvements as well as opportunities in emerging markets.

## Flexibles Asia Pacific

The Flexibles Asia Pacific business has 40 plants in eight countries throughout the region. The business had a challenging year, with subdued economic conditions in many of its key markets, however sales reached a record level of A$1,454 million, up 9.1% and earnings were higher than last year. This mainly reflects the benefits of prior period acquisitions and strong cost performance.

In China, earnings were higher than the prior year, mainly driven by the full year benefit of the Jiangsu Shenda Group acquisition completed in October 2013. Organic growth for the year was relatively weak. There was considerable customer destocking that adversely impacted demand in the December 2014 and March 2015 quarters. Demand improved in the June 2015 quarter compared with the March 2015 quarter, but remained below the same period last year.

In June 2015, the RMB 211 million (US$38 million) acquisition of Zhongshan TianCai Packaging Company was completed. TianCai generates revenue of approximately RMB 280 million (US$44 million) from the sale of flexible packaging products for the food, beverage and pharmaceutical end markets. The business supplies leading local and multinational customers from one plant located in Zhongshan. This acquisition complements Amcor's existing business in South China and broadens the product offering to include production of pharmaceutical packaging in the South China region.

Across the rest of Asia, organic growth remained strong in Singapore, India and Indonesia, with these businesses gaining market share with key customers during the year. The business in Thailand had a difficult year with weaker export volumes. In November 2014 the A$27 million acquisition of Bella Prima Packaging, an Indonesian flexible packaging business with two plants in Jakarta and sales of approximately A$30 million, was completed. The integration of this business has proceeded well, with business performance exceeding expectations.

On 13 July 2015, the INR 1,650 million (US$26 million) acquisition of Packaging India Private Limited (PIPL) was completed. PIPL generates sales of approximately INR 2,500 million (US$40 million) from three plants located in the North and South of India and produces flexible packaging predominately for the food and personal care markets. This acquisition provides an opportunity for the business to further expand its customer base and value proposition in the high growth Indian market. Construction of a new flexibles packaging plant in the Philippines also commenced during the year. This greenfield plant will be dedicated to a large multinational customer in the fast moving consumer goods segment, and provides an excellent opportunity to further expand the business in the Philippines and continue to improve the customer value proposition in the high growth South East Asian region.

In Australia earnings were significantly higher predominately due to synergy benefits from the Aperio and Detmold acquisitions. The performance of the former Detmold business in particular has been pleasing, with earnings exceeding target for the first full year of ownership. Excluding acquisitions, demand in the Australian market remained relatively flat.

The business in New Zealand continued to improve earnings in the second half of the year and momentum remains strong.  This followed the implementation of a comprehensive improvement plan which stabilised earnings in the September 2014 quarter, after a challenging year in FY14 where earnings declined.

## Tobacco Packaging

The Tobacco Packaging business had a solid year with earnings higher than the same period last year.

The business has continued to benefit from prior period acquisitions and the ongoing customer trend towards higher value add packaging.  As the only manufacturer with a global footprint the business is uniquely positioned to deliver innovations and manufacturing improvements to customers across the various regions.

In Western Europe market decline rates returned to long term trend through the year, following an 18 month period where decline rates were greater than the long term trend.. Earnings were negatively impacted by the Swiss Franc appreciation against the Euro in the second half of the year.  The business also incurred restructuring costs of approximately €6 million related to the previously announced closure of a plant in Germany.  In total, earnings in Western Europe were lower than last year.

In Eastern Europe, tobacco industry volumes weakened, mainly due to the unfavourable impact of tax driven price increases in Russia.  The business more than offset this impact through continued mix improvements, driven by a higher exposure towards premium brands and commercialisation of new innovations.

In the Americas, the business continues to benefit from the integration of the Shorewood acquisition.  Earnings were higher than the prior period driven by strong volume growth in Latin America and improved operating efficiencies throughout the region.

In April 2015, the BRL 96 million (US$30 million) acquisition of Souza Cruz's internal tobacco packaging operations in Brazil was announced.  Souza Cruz is majority-owned by British American Tobacco plc.   The Brazilian market represents 35% of Latin American cigarette consumption and Souza Cruz is the market leader.  This investment is supported by a long-term supply agreement between Amcor and Souza Cruz and annual sales are expected to be approximately BRL 200 million (US$63 million).  The transaction is expected to close in the December 2015 half year.

In the high growth Asian region, the business had an excellent year with strong volume growth and improved operating performance.   The business was successful in securing new volumes for a multinational customer within the Philippines market.  These volumes were progressively transferred across to Amcor during the second half of the year.  Capital works on a new greenfield plant in Indonesia commenced during the year.  The new plant will supply both existing and new customers and better position the business to be awarded additional new volumes.  It is expected the plant will be operational in early calendar year 2016.

## Outlook

The 2015/16 outlook for the Flexibles business is for modest constant currency earnings growth, with a challenging first half comparative period.  This outlook takes into account:

- Continued benefits from recently acquired businesses, although at a lower amount than the 2014/15 year;
- Moderate organic growth, inclusive of below trend growth in China,
- A negative impact on earnings in the first half of the year resulting from the Swiss Franc appreciation against the Euro from January 2015; and
- The non-repeat of the of the €9.2 million one off gain on sale of excess land in Turkey in the first half of the 2014/15 year.

## Rigid Plastics

| Earnings | 2014 US$ mill | 2015 US$ mill | Change % |
|---|---|---|---|
| Sales revenue | 3,192 | 3,317 | 3.9 |
| **PBIT** | **298.2** | **321.3** | **7.7** |
| Operating Margin (%) | 9.3 | 9.7 | |
| Average funds employed | 1,630 | 1,582 | (2.9) |
| **PBIT/AFE (%)** | **18.3** | **20.3** | |

| Cash flow | | | |
|---|---|---|---|
| PBITDA[1] | 443.0 | 454.4 | 2.6 |
| Capital Expenditure | (125.5) | (134.2) | |
| Movement in Working Capital | (19.1) | (31.9) | |
| Other | 35.1 | 24.5 | |
| **Operating cash flow** | **333.5** | **312.8** | **(6.2)** |

(1) Includes share of net profit of equity accounted investments.

The Rigid Plastics business had a strong year with PBIT of US$321.3 million, 7.7% higher than the prior period.

Returns, measured as PBIT over average funds employed increased from 18.3% to 20.3%

Sales revenue for the business increased 3.9% to US$3,317 million. For the year, the average cost of PET resin was lower than the same period last year negatively impacting reported sales.

Included in the result for the first half of the year were one off benefits of approximately US$20 million from the early settlement of indirect tax liabilities in Brazil and profits from the sale of properties in the US. Offsetting these benefits were one off costs related to closing a plant in Southern California and impairment of excess assets in Mexico.

### North America Beverage

The North American Beverage business achieved higher earnings than the same period last year. Total volumes were 2.3% higher than last year, reflecting higher customer volumes and favourable weather conditions compared to last year.

In the hot-fill custom beverage segment, volumes increased 2.9%, with good growth in both the isotonic and higher value-add speciality container markets.

In the carbonated soft drink and water segment, overall volumes were up 1.8% and there was an ongoing product mix movement from containers to preforms.

### North America Diversified Products

The Diversified Products segment consists of rigid plastic containers predominately for the pharmaceutical / healthcare, food, alcoholic beverage and personal care / homecare markets.

The business had higher sales and earnings than last year.

Over the past four years the business has invested in equipment to support commercialisation of innovative new products, exited low margin volumes, restructured the operating footprint and improved manufacturing efficiencies by installing capacity at sites co-located with the beverage operations. These initiatives are driving product mix improvements, solid volume growth in attractive market segments and improvements in operating costs.

## Latin America

The Latin American operations achieved higher sales and earnings than the same period last year.

Volumes were 5.6% higher than last year, reflecting increases in all countries except Argentina. In Brazil, despite weakening economic conditions in the second half, volume growth for the year remained strong mainly driven by an increase in market share. Over the past few years there has been considerable new investment in Brazil including a new plant in the Northeast coastal city of Suape and additional injection molding capacity at the plant in Manaus.

In Argentina there were weaker economic conditions however the business had a solid year and volumes were only modestly lower.

The business in Mexico had a strong year, with strong volume growth and a significant improvement in operating costs.

Amcor translates its Venezuelan earnings into US dollars and repatriates Bolivars into US dollars at the official fixed exchange rate of 6.3 Bolivars to the US dollar. To date, this rate has remained available to the business. Should this rate change or the rate is no longer available to Amcor, the sensitivity to earnings will depend on the magnitude of the movement. If the rate moves within a range of 6.3 to 12 Bolivars to the US dollar, the annual profit after tax sensitivity is approximately US$2 million for each 1 Bolivar movement against the US dollar.

## Bericap

The Bericap North America joint venture is managed and reported within the Rigid Plastics segment. This business produces plastic closures for beverage containers and has plants in Ontario, Canada, and in California and South Carolina in the United States.

The business achieved higher earnings and sales than the same period last year. This reflects favourable weather conditions in the North American market compared with last year, along with the benefit of new, innovation led, volumes secured with key customers in the June 2014 half year.

## Outlook

The outlook for the Rigid Plastics business is for solid growth in earnings in the 2015/16 year, with:

- Continued volume growth in North America; and
- Growth in Latin America, notwithstanding challenging economic conditions in the large economies of Brazil, Argentina and Venezuela.

## Investments / Other

| PBIT | 2014 US$ mill | 2015 US$ mill | 2014 A$ mill | 2015 A$ mill |
|---|---|---|---|---|
| AMVIG | 19.9 | 21.3 | 21.6 | 25.5 |
| Corporate costs | (58.4) | (62.0) | (65.0) | (74.0) |
| **Total** | **(38.7)** | **(40.7)** | **(43.4)** | **(48.5)** |
| USD:AUD average exchange rate | 1.089 | 1.195 | | |

Investments / Other include corporate costs and equity accounted earnings from the 48% interest in the Hong Kong publicly listed company AMVIG Holdings Limited (AMVIG).

As AMVIG typically releases its financial results after Amcor, profit reported by Amcor will reflect management's best estimate of earnings for the most recent six month period. Any true up adjustment required following the announcement of AMVIG's profit is taken up by Amcor in the subsequent half year period. The net true up adjustment for the current year was immaterial.

In both the 2013/14 and 2014/15 years, corporate costs included net one-off benefits of approximately A$11 million. Excluding these one-off benefits and taking into account the unfavourable impact of movements in exchange rates, underlying corporate costs were approximately US$3 million higher than the prior year.

For the 2015/16 year, corporate costs are expected to be in the range of US$75-US$80 million in constant currency terms. Taking into account spot exchange rates this range will be lower by approximately 10%

## Cash flow

| 2015 (US$ million) | Flexibles | Rigid Plastics | Investments / Other | Continuing operations |
|---|---|---|---|---|
| PBITDA[1] | 998.2 | 454.4 | (32.2) | 1,420.4 |
| Capital Expenditure | (165.8) | (134.2) | (23.0) | (323.0) |
| (Increase)/decrease in working capital | (26.2) | (31.9) | 12.1 | (46.0) |
| Other items | 45.2 | 24.5 | (22.2) | 47.5 |
| Interest | - | - | (165.8) | (165.8) |
| Tax | - | - | (154.7) | (154.7) |
| **Operating cash flow** | **851.4** | **312.8** | **(385.8)** | **778.4** |

(1) Includes share of net profit of equity accounted investments.

# Appendix information

The following financial acronyms have been used within this announcement:

| | |
|---|---|
| PAT | Profit after tax. Within Amcor's interim financial report, PAT equals Profit for the financial period attributable to owners of Amcor Limited. |
| PBIT | Profit before interest and tax. Within Amcor's interim financial report, PBIT equals Profit from operations. |
| PBITDA | Profit before interest, tax, depreciation and amortisation. PBITDA is derived by deducting Depreciation and Amortisation of intangible assets extracted from Amcor's interim financial report from PBIT. |
| AFE | Average funds employed. |
| ROAFE | Return on Average funds employed, calculated as PBIT over Average funds employed. |
| EPS | Earnings per share. |
| IFRS | International Financial Reporting Standards |
| DPS | Dividend per share |

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

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

| | Continuing operations US$ million | |
|---|---|---|
| | **2014** | **2015** |
| Operating cash flow | 817.8 | 778.4 |
| Capital expenditure | 332.6 | 323.0 |
| Proceeds from sale of PP&E | (71.9) | (83.5) |
| Other items | (3.5) | (15.6) |
| Cash flow from operating activities | 1,075.0 | 1,002.3 |

(b) **Free cash flow** is Operating cash flow (refer note (a) above) less dividends paid during the period calculated in accordance with IFRS and extracted from Amcor's annual financial report.

(c) **Movement in net debt** is reconciled to the net increase in cash held calculated in accordance with IFRS and extracted from Amcor's annual financial report as follows:

| | **2014 including discontinued operations US$ million** | **2015 US$ million** |
|---|---|---|
| Proceeds from borrowings | (9,118.1) | (6,084.0) |
| Repayment of borrowings | 9,154.2 | 5,698.7 |
| Net cash from discontinued financing activities | (83.0) | - |
| Net increase/(decrease) in cash held | 196.4 | 193.7 |
| Effects of exchange rate changes on cash and cash equivalents | 28.9 | (1.4) |
| Other items | (0.6) | (3.7) |
| Increase/(decrease) in net debt | 177.8 | (196.7) |