News Release

18 February 2014

AMCOR ANNOUNCES PROFIT RESULT FOR HALF YEAR ENDED 31 DECEMBER 2013

Statutory profit for the half year ended 31 December 2013 including discontinued operations was $159.3[(1)] million.

Statutory profit for the half year ended 31 December 2013 from continuing operations was $326.6[(2)] million compared with $269.4[(3)] million for the half year ended 31 December 2012.

Highlights – continuing operations results

- Profit after tax of $326.6 million, up 21.2%;
- Earnings per share (EPS) was 27.1 cents, up 21.5%. On a constant currency basis EPS was up 3.4%;
- Returns, measured as profit before interest and tax to average funds employed of 17.5[(4)]%;
- Operating cash flow after net capital expenditure of $72.0[(5)] million;
- Net cash from operating activities was $259.9 million; and
- Interim dividend of 19.5 cents per share.

Continuing operations (A$ million)	1H13	1H14	△%
Sales revenue	4,543.8	5,203.8	14.5
PBITDA	624.4	735.8	17.8
PBIT	445.9	533.4	19.6
PAT	**269.4**	**326.6**	**21.2**
EPS (cents)	22.3	27.1	21.5
Operating cash flow[(5)]	111.2	72.0	(35.3)

Continuing operations key ratios	1H13	1H14
PBIT/Average funds employed[(4)] (%)	17.3	17.5
PBIT/Sales (%)	9.8	10.3
Net PBITDA interest cover (times)	7.3	7.0
Net debt / PBITDA[(6)] (times)	2.4	2.6

Refer to page 11 for definitions of various measures used within this news release.

(1) Unless otherwise stated, financial information within this news release has been presented 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. Refer page 11 for more detailed information relating to statutory profit including discontinued items.
(2) Statutory profit from continuing operations for the half year ended 31 December 2013 reflects Profit for the financial period from continuing operations of $340.4million (2012: $281.1 million) less profit attributable to non-controlling interests of $13.8 million (2012: $11.7 million.)
(3) Throughout this news release, comparative information has been restated as a result of a change in accounting policy. Refer page 10 for further information.
(4) 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 measures including average funds employed have not been extracted from Amcor's interim financial report and have not been subject to review by the auditors.
(5) After synergy and restructuring costs and net capital expenditure. Refer page 11 for further information.
(6) Net debt and Equity used in the Net debt / Net debt plus equity and Net debt / PBITDA ratios for the comparative period reflects information as at 30 June 2013, and is aligned with the restated balance sheet presented on page 2.

Amcor has released to the Australian Securities Exchange a presentation on its financial results for the half year ended 31 December 2013. This is available at www.amcor.com

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Financial result from continuing operations

Consolidated Income (A$ million)	1H13	1H14
Sales revenue	**4,543.8**	**5,203.8**
PBITDA	624.4	735.8
- Depreciation and amortisation	(178.5)	(202.4)
PBIT	445.9	533.4
- Net finance costs	(85.9)	(105.7)
Profit before tax	**360.0**	**427.7**
- Income tax expense	(78.9)	(87.3)
- Non-controlling interest	(11.7)	(13.8)
Profit after tax	**269.4**	**326.6**

Operating cash flow from continuing operations (A$ million)	1H13	1H14
PBITDA	624.4	735.8
Interest received/borrowing costs paid	(75.3)	(86.7)
Income tax paid	(82.6)	(77.2)
Net capital expenditure	(130.9)	(179.9)
Movement in working capital	(234.7)	(265.3)
Synergy and restructuring costs	(31.2)	(7.7)
AMVIG special dividend	60.0	-
Other	(18.5)	(47.0)
Operating cash flow from continuing operations	**111.2**	**72.0**

Consolidated balance sheet (A$ million)	30/06/13[1]	31/12/13
Current assets	3,363.6	3,567.8
Property, plant and equipment	3,153.1	3,346.5
Intangible assets	2,052.9	2,222.0
Investments and other assets	712.7	922.2
Total assets	**9,282.3**	**10,058.5**
Current interest-bearing liabilities	619.8	1,148.0
Non-current interest-bearing liabilities	3,022.0	3,085.1
Payables and provisions	3,529.2	3,492.4
Total equity	2,111.3	2,333.0
Total liabilities and equity	**9,282.3**	**10,058.5**

(1) Continuing operations balance sheet for 30/06/13 has been presented on a proforma basis to ensure comparability with 31/12/13. The information is based on the balance sheet included in the demerger booklet distributed to shareholders in November 2013 and has been adjusted to reflect a change in accounting policy. Refer to page 10 for a reconciliation of the above information with the statement of financial position included in Amcor's interim financial report.

Consolidated cash flow including discontinued operations (A$ million)	1H13	1H14
Operating cash flow from continuing operations	**111.2**	**72.0**
Cash flow from discontinued operations	125.5	9.4
Operating cash flow (including discontinued operations)[1]	**236.7**	**81.4**
Dividends and other equity distributions	(240.9)	(262.2)
Free cash flow (including discontinued operations)[1]	**(4.2)**	**(180.8)**
Divestments	0.5	21.6
Growth capital / acquisitions	(188.7)	(110.8)
Movements in share capital	(41.2)	(63.4)
Proceeds on capital contribution from minority interests	-	0.1
Foreign exchange rate changes and hedges	15.5	50.0
Increase in net debt [1]	**(218.1)**	**(283.3)**

(1) Refer page 11 for further information.

Net debt and net finance costs – continuing operations

Net debt increased from $3,271.3 million at 30 June 2013 to $3,816.6 million at 31 December 2013. Approximately $293 million is due to movements in exchange rates.

Leverage, measured as net debt over annualised PBITDA was 2.6 times.

Net finance costs were $105.7 million. Interest cover, measured as PBITDA to net interest, was 7.0 times.

During the period, the company renewed a three year US$740 million multi currency syndicated revolving bank facility. The next sizeable refinancing is in December 2014 with a US$370 million multi currency bank facility and US$180 million of notes issued in the US Private Placement market both due to mature.

Exchange rate sensitivity

The main currencies that Amcor's continuing operations are exposed to when translating overseas earnings into Australian dollars for reporting purposes are US dollars and Euros. For the second half of the 2014 financial year, for continuing operations the annualised profit after tax sensitivity for a one cent movement against the Euro is expected to be approximately $5 million. The annualised sensitivity for a one cent movement against the US dollar is expected to be approximately $3 million.

Dividend

The Directors declared an unfranked interim dividend of 19.5 cents per share, in line with the 2013 interim dividend of 19.5 cents per share.

100% of the dividend is sourced from the Conduit Foreign Income Account. The ex-dividend date will be 25 February 2014, the record date will be 3 March 2014 and the payment date will be 26 March 2014.

Segment information

	1H13			1H14		
Segment analysis (A$ million)	**Sales revenue**	**PBIT**	**ROAFE%**	**Sales revenue**	**PBIT**	**ROAFE%**
Flexibles	3,109.2	343.7	22.9	3,595.0	421.0	23.0
Rigid Plastics	1,441.8	122.9	14.7	1,616.7	139.2	15.6
Investments / Other / Intersegment	(7.2)	(20.7)	-	(7.9)	(26.8)	
TOTAL	**4,543.8**	**445.9**	**17.3**	**5,203.8**	**533.4**	**17.5**

Flexibles

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

Earnings	1H13 A$ mill	1H14 A$ mill	Change %	1H13 € mill	1H14 € mill	Change %
Sales revenue	3,109	3,595	15.6	2,534	2,467	(2.6)
PBIT	**343.7**	**421.0**	**22.5**	**280.2**	**288.9**	**3.1**
Operating Margin (%)	11.1	11.7		11.1	11.7	
Average funds employed	3,002	3,665	22.1	2,447	2,515	2.8
PBIT/AFE (%)	**22.9**	**23.0**		**22.9**	**23.0**	
Average exchange rate (cents)	0.82	0.69				
Cash flow						
PBITDA	446.3	544.4	22.0	363.8	373.6	2.7
Net Capital Expenditure	(71.1)	(109.4)		(57.9)	(75.0)	
Movement in Working Capital	(72.3)	(105.1)		(58.9)	(72.1)	
Synergy and restructuring costs	(21.9)	(4.0)		(18.0)	(2.8)	
Operating cash flow	**281.0**	**325.9**	**16.0**	**229.0**	**223.7**	**(2.3)**

The Flexibles segment had a good half year with PBIT, expressed in Euro terms, up 3.1% to €288.9 million.

Approximately 40% of the Flexibles segment earnings are derived in Euros. Given the considerable strength of the Euro during the half, the impact of translating other currency earnings into Euro was a negative €11.6 million on reported Euro PBIT. On a constant currency basis PBIT was up 7.2% to €300.5 million.

Sales revenue for the half decreased by 2.6% or €67 million. The negative impact from translating sales denominated in currencies other than the Euro was €99 million. This amount was partly offset by €21 million related to net acquisitions in the Asia Pacific Flexibles and Tobacco Packaging businesses. Net of these two items underlying sales were marginally higher. During the half there were subdued economic conditions in developed markets. Organic sales growth in emerging markets was approximately 7%, which is marginally below the long term trend predominantly due to lower sales in Thailand.

The 7.2% constant currency PBIT improvement reflects the accretive impact of acquisitions, approximately 9% organic PBIT growth in emerging markets and approximately 2% organic PBIT growth in developed markets.

There was a continued improvement in the operating margin from 11.1% to 11.7%, and returns, measured as PBIT over average funds employed, increased to 23.0%.

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 & pharmaceutical, snacks & confectionery, cheese & yoghurt, fresh produce, beverage, pet food as well as wine & spirit closures.

The business had a solid half year. Although sales were relatively flat, earnings, margins and returns were all higher than the same period last year. Overall volumes and market shares remained stable with most end market segments experiencing modest volume movements.

Segments with higher growth included single serve coffee, pet food, and Stelvin wine and spirits closures. Regionally, the North American business had strong growth in the higher value-add food segments while certain medical and pharmaceutical segments experienced weaker demand. The emerging markets of Eastern Europe, Russia and Brazil all had solid growth.

The key earnings driver for the half was the ongoing focus on improving costs and operating efficiencies, as well as innovation and simplification to continually improve the customer value proposition.

Flexibles Asia Pacific

The Flexibles Asia Pacific business has 33 plants in 7 countries throughout the region. The business had a solid half year with sales, in Australian dollar terms, up 6.8% and earnings higher.

In Australia and New Zealand the operations benefitted from ongoing Aperio acquisition synergies. Underlying volumes in the Australian market were flat, while volumes in New Zealand were negatively impacted by a poor start to the dairy season and lower exports as the New Zealand dollar strengthened against the Australian dollar.

In November 2013, the A$50 million acquisition of the Detmold Flexibles business was announced. The business has two plants in Melbourne, Australia and sales of approximately A$55 million. The ACCC is expected to make a decision on the acquisition in the coming weeks.

In China organic sales growth expressed in local currency terms was 11% and earnings were higher. The business continues to perform well and is gaining share with a number of large customers. In October 2013, the RMB350 million acquisition of the flexible packaging operations of Jiangsu Shenda Group was completed. The business has sales of approximately RMB440 million and establishes Amcor as the market leader in Eastern China.

The Thailand business had a difficult half with sales and earnings lower than the same period last year. This reflects slower economic growth in the domestic market and lower exports to the Philippines in the second quarter following Typhoon Yolanda.

The businesses in India, Singapore and Indonesia performed well, delivering solid earnings growth. During the period the acquisition of a flexible packaging plant in Gujurat, India was completed.

Tobacco Packaging

The Tobacco Packaging business had a solid half year. Sales were marginally higher than last year, reflecting prior period acquisitions and organic growth in emerging markets partly offset by lower volumes in developed markets. Earnings for the half were higher due to the accretive impact of the Shorewood acquisition and improved earnings in emerging markets.

In Western Europe industry volumes declined during the first half. These reductions were primarily due to continued subdued economic conditions driving down-trading into roll-your-own and illicit products. These trends are likely to continue through the second half of the year. The business partially offset this impact through its higher exposure to better performing premium brands.

In Eastern Europe, which includes Turkey, sales were higher. Industry volumes declined in some countries but these were more than offset by market share gains and the benefit of the business having higher exposure to premium brands.

In North America the integration of the Shorewood acquisition is progressing with completion expected over the next six months. Following the completion of the integration activities there is the opportunity to further improve plant operating efficiencies and to grow the business with the existing assets.

The Asian business had an excellent half year. There was a strong performance from the recently acquired Shorewood operations as well as higher volumes and improved operating performance at the other plants in the region. There continues to be excellent growth opportunities in this region.

Outlook

The earnings outlook for the Flexibles business remains unchanged from the full year results in August. For the 2013/14 year the Flexibles segment is expected to achieve higher earnings compared with the prior year. It is anticipated that economic conditions in developed markets will remain subdued and there will be continued growth in emerging markets.

There will be benefits both from recent acquisitions and ongoing cost improvement programs.

Rigid Plastics

Earnings	1H13 A$ mill	1H14 A$ mill	Change %	1H13 US$ mill	1H14 US$ mill	Change %
Sales revenue	1,442	1,617	12.1	1,497	1,490	(0.5)
PBIT	**122.9**	**139.2**	**13.3**	**127.7**	**128.3**	**0.5**
Operating Margin (%)	8.5	8.6		8.5	8.6	
Average funds employed	1,674	1,789	6.9	1,738	1,649	(5.1)
PBIT/AFE (%)	**14.7**	**15.6**		**14.7**	**15.6**	
Average exchange rate (cents)	1.04	0.92				

Cash flow						
PBITDA[(1)]	197.8	216.6	9.5	205.4	199.6	(2.8)
Net Capital Expenditure	(58.0)	(66.3)		(60.2)	(61.1)	
Movement in Working Capital	(154.5)	(206.0)		(160.5)	(189.9)	
Synergy and restructuring costs	(6.6)	(3.2)		(6.9)	(2.9)	
Operating cash flow	**(21.3)**	**(58.9)**	**(176.5)**	**(22.2)**	**(54.3)**	**(144.6)**

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

The Rigid Plastics business had a solid half with PBIT of US$128.3 million, in line with the prior period.

Sales revenue for the half decreased by 0.5% to US$1,490 million. The US$7 million decrease reflects the negative impact of movements in exchange rates against the US dollar, partly offset by higher volumes.

Returns, measured as PBIT over average funds employed increased from 14.7% to 15.6%.

North America Beverage

Volumes for the North American beverage business were up 3.3% however earnings were marginally lower.

For the half the beverage industry in the US experienced lower volumes, due to a relatively cool and wet summer as well as subdued economic conditions. This weakness in demand was evident across most market segments.

The business had a 1.8% increase in volumes for the hot-fill custom beverage segment. Within this segment earnings were negatively impacted by an adverse mix shift, with lower volumes in higher value-add speciality hot fill containers typically used in non-isotonic end market segments.

In the carbonated soft drink and water (CSDW) segment the business increased market share securing new volume, which was mostly lower margin preforms. From a volume perspective this market share gain more than offset the impact of lower industry demand in the CSDW segment.

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.

Sales revenue was lower than the prior period reflecting the closure of a plant in Puerto Rico, and the decision to continue to improve the product mix by exiting low margin volumes. This resulted in a favourable change in product mix and lower operating costs. As a result earnings were higher than the same period last year.

The business has undergone a significant transformation over the last four years, which has involved closing unprofitable plants and exiting business with below average margins, optimising the manufacturing footprint by installing capacity at sites co-located with the beverage operations and investing in equipment to support commercialisation of innovative new products. Benefits from these initiatives are reflected in the result for the period, and will be increasingly evident over the next two years as further changes in product mix and strong volume growth is realised in attractive market segments.

Latin America

The Latin American operations had a good half with higher earnings and returns. Volumes in the South and Central American region were 4.4% higher, with strong growth in Argentina and Central America and lower volumes in Peru.

The business in Mexico had a difficult half with volumes down significantly. This was due largely to a number of severe hurricanes which impacted the economy during the half, resulting in earnings in Mexico being down $5 million.

Overall beverage volumes across the region, including Mexico were 1.7% higher.

Bericap

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

Earnings for the half were lower reflecting weaker demand across the North American beverage market, in part due to a cool and wet summer.

Outlook

The earnings outlook for the Rigid Plastics business remains unchanged from the full year results in August. For the 2013/14 year, earnings are expected to be higher than the prior year. The magnitude of the increase will depend on economic conditions in North America and weather conditions during the spring and early summer.

Investments / Other

PBIT (A$ million)	1H13	1H14
AMVIG	12.3	9.0
Corporate costs	(33.0)	(35.8)
Total	**(20.7)**	**(26.8)**

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

Cash flow

1H14 (A$ million)	Flexibles	Rigid Plastics	Investments / Other	Continuing operations
PBITDA[1]	544.4	216.6	(25.2)	735.8
Net Capital Expenditure	(109.4)	(66.3)	(4.2)	(179.9)
(Increase)/decrease in working capital	(105.1)	(206.0)	45.8	(265.3)
Synergy and restructuring costs	(4.0)	(3.2)	(0.5)	(7.7)
Other items	-	-	(47.0)	(47.0)
Interest	-	-	(86.7)	(86.7)
Tax	-	-	(77.2)	(77.2)
Operating cash flow	**325.9**	**(58.9)**	**(195.0)**	**72.0**

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

Appendix information

Restatement of comparative period data

Amcor has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefits on adoption of the revised standard AASB119 *Employee Benefits*. As the revised standard is required to be adopted retrospectively, adjustments to the retirement benefit obligations have been recognised at the beginning of comparative period. Further information regarding the change in accounting policy has been disclosed in Note 1(b) of Amcor's interim financial report.

The table below provides a reconciliation of proforma profit information for the Amcor Group presented in the demerger booklet circulated to shareholders in November 2013, with the profit information presented within this news release restated to reflect the change in accounting policy.

In addition to the change in accounting policy, an adjustment has been made to reverse the expected net reduction in proforma corporate costs included in the demerger booklet results, in order to present comparative results on the same basis as the current period. The reduction in corporate costs is expected to be realised progressively following the effective date of the demerger.

	FY 2013				1H13	2H13
Consolidated Income Statement A$m	**Proforma profit disclosed in the demerger booklet page 70**	**Change in accounting policy**	**Demerger adjustments**	**Restated continuing operations**		
PBITDA	1,348	(4.1)	(3.0)	1,341.2	624.4	716.8
PBIT	991	(4.1)	(3.0)	983.4	445.9	537.5
- Net finance costs	(180)	(11.1)	-	(191.1)	(85.9)	(105.2)
Profit before tax	811	(15.2)	(3.0)	792.3	360.0	432.3
- Income tax expense	(176)	3.0	-	(173.0)	(78.9)	(94.1)
- Non-controlling interest	(28)	-	-	(27.8)	(11.7)	(16.1)
Profit after tax	607	(12.2)	(3.0)	591.5	269.4	322.1

The table below provides a reconciliation of proforma balance sheet information for the Amcor Goup presented in the demerger booklet circulated to shareholders in November 2013, with the restated balance sheet presented within this news release. The restated balance sheet presented within this news release differs from the balance sheet included in Amcor's interim financial report as the latter includes balances related to discontinued operations.

	30/06/13				
Consolidated Balance Sheet A$m	**Continuing operations as disclosed in the demerger booklet page 77**	**Change in accounting policy**	**Page 3 of this release**	**Orora Limited & other demerger adjustments[(1)]**	**Total Amcor restated interim financial report**
Current Assets	3,364	-	3,363.6	833.9	4,197.5
Property plant & equipment	3,153	-	3,153.1	1,729.9	4,883.0
Intangible assets	2,053	-	2,052.9	247.8	2,300.7
Investments and other assets	710	2.8	712.7	328.3	1,041.0
Total assets	**9,280**	**2.8**	**9,282.3**	**3,139.9**	**12,422.2**
Current interest-bearing liabilities	620	-	619.8	565.0	1,184.8
Non-current interest bearing liabilities	3,022	-	3,022.0	155.6	3,177.6
Payables and provisions	3,525	4.0	3,529.2	826.7	4,355.9
Total equity	2,113	(1.2)	2,111.3	1,592.6	3,703.9
Total liabilities and equity	**9,280**	**2.8**	**9,282.3**	**3,139.9**	**12,422.2**

(1) Demerger adjustments are consistent with those presented within the scheme booklet distributed to shareholders in November 2013.

Financial result including discontinued operations

Consolidated Income (A$ mill)	1H13	1H14
Sales revenue[1]	**6,034.8**	**6,813.6**
PBITDA[2]	760.8	892.7
- Depreciation and amortisation[1]	(237.0)	(263.8)
PBIT[2]	523.8	628.9
- Net finance costs[1]	(107.0)	(124.3)
Profit before tax	**416.8**	**504.6**
- Income tax expense	(93.5)	(111.0)
- Non-controlling interest[1]	(11.7)	(13.8)
Profit after tax before significant items[2]	**311.6**	**379.8**
Significant items after tax[3]	(83.7)	(220.5)
Profit for the financial period[1]	**227.9**	**159.3**

Consolidated cash flow (A$ mill)	1H13	1H14
PBITDA[2]	760.8	892.7
Interest received/borrowing costs paid	(87.7)	(100.5)
Income tax paid[1]	(88.1)	(77.2)
Net capital expenditure	(96.0)	(211.5)
Movement in working capital	(203.8)	(298.6)
Synergy and restructuring costs	(41.8)	(62.8)
Other	(6.7)	(60.7)
Operating cash flow[4]	**236.7**	**81.4**

Consolidated balance sheet

Refer page 10.

(1) IFRS compliant information extracted from Amcor's interim financial report. Amcor's interim financial report is subject to review by the external auditors.
(2) Certain non-IFRS financial information has been presented in the table above. 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. PBIT, PBITDA and PAT before significant items have not been reviewed but have been extracted from Amcor's interim financial report. Average funds employed and all other non-IFRS measures have not been extracted from Amcor's interim financial report and have not been subject to review by the auditors.
(3) All significant items for the current and comparative periods are attributable to Discontinued Operations. Refer to Amcor's interim financial report for further information.
(4) Refer below for further information.

Segment analysis (A$ mill)	1H13			1H14		
	Sales revenue	PBIT	ROAFE%	Sales revenue	PBIT	ROAFE%
Flexibles	3,109.2	343.7	22.9	3,595.0	421.0	23.0
Rigid Plastics	1,441.8	122.9	14.7	1,616.7	139.2	15.6
Australasia and Packaging Distribution	1,493.0	77.9	10.0	1,611.5	95.4	10.5
Investments / Other / Intersegment	(9.2)	(20.7)	-	(9.6)	(26.8)	
TOTAL including discontinued operations	**6,034.8**	**523.8**	**15.8**	**6,813.6**	**628.8**	**15.9**

The following financial acronyms have been used within this announcement:

PAT	Profit after tax. PAT equals Profit for the financial period from continuing operations within Amcor's interim financial report.
PBIT	Profit before interest and tax. PBIT equals Profit from operations within Amcor's interim financial report.
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

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 interim financial report, adjusted to take into account net capital expenditure and other items. This measure is reconciled to cash flow from operating activities as follows:

	1H13	1H14
Operating cash flow	236.7	81.4
Net capital expenditure	96.0	211.5
Other items	1.2	8.6
Cash flow from operating activities	333.9	301.5

(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 interim 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 interim financial report as follows:

	1H13	1H14
Increase in net debt	(218.1)	(283.3)
Proceeds from borrowings	3,249.9	7,120.4
Repayment of borrowings	(3,052.5)	(6,854.9)
Foreign exchange rate changes	(15.5)	(50.0)
Other items	(1.6)	8.3
Net increase/(decrease) in cash held	(37.8)	(59.5)