

News Release

2 May 2018

MACQUARIE CONFERENCE PRESENTATION

Amcor CEO, Mr Ron Delia will today deliver a presentation at the Macquarie Australia Conference in Sydney. The key points to be covered are:

- Amcor is uniquely positioned and high performing
- FY18 update
- Amcor has a clear strategy and substantial growth potential.

The presentation slides and transcript are attached.

ENDS

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Aspire. Focus. Grow.

Macquarie Australia Conference

2-3 May 2018

Ron Delia

Managing Director & CEO



Disclaimer

Forward looking statements

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

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including Amcor). In addition, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statements will be achieved. Actual future events may vary materially from the forward looking statement and the assumptions on which the forward looking statements are based. Given these uncertainties, readers are cautioned not to place

undue reliance on such forward looking statements.

In particular, we caution you that these forward looking statements are based on management’s current economic predictions and assumptions and business and financial projections. Amcor’s business is subject to uncertainties, risks and changes that may cause its actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. The factors that may affect Amcor’s future performance include, among others:

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

These forward looking statements speak only as of the date of this presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rule. Amcor disclaims any obligation or undertaking to publicly update or revise any of the forward looking statements in this presentation, whether as a result of new information, or any change in events conditions or circumstances on which any statement is based.

Presentation of financial information

Unless otherwise indicated, financial results are stated:

- In US dollars;
- At actual FX rates for the period stated; and
- refer to underlying results which excludes certain items which have been detailed earnings releases for the relevant period.

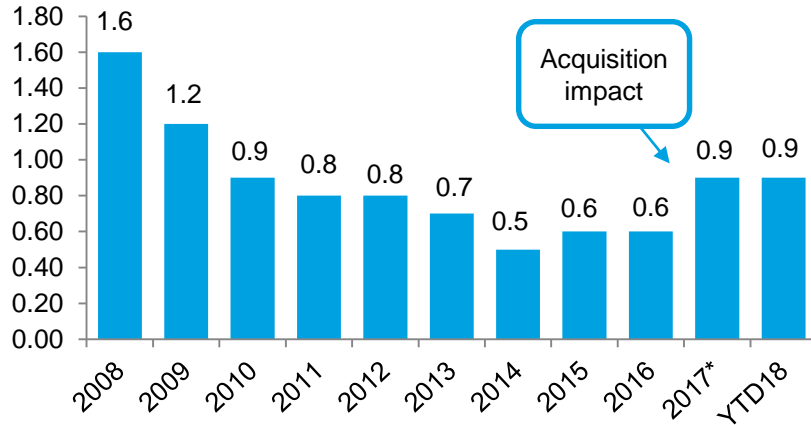
Year on year percentage growth rates are in constant currency unless otherwise stated.

Non-IFRS information

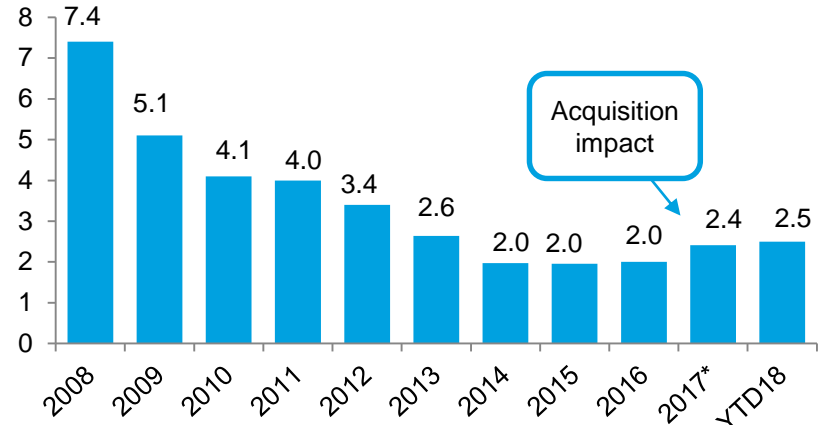
Certain non-IFRS financial information has been presented within this presentation. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Amcor uses these measures to assess the performance of the business and believes that the information is useful to investors. Non-IFRS information, including underlying earnings and average funds employed have not been audited but have been extracted from Amcor’s interim financial report.

Safety

Lost-time frequency rate



Recordable-case frequency rate



Global priorities

1

Reduce hand injuries

2

Eliminate SIF risks

3

Evolve safety culture

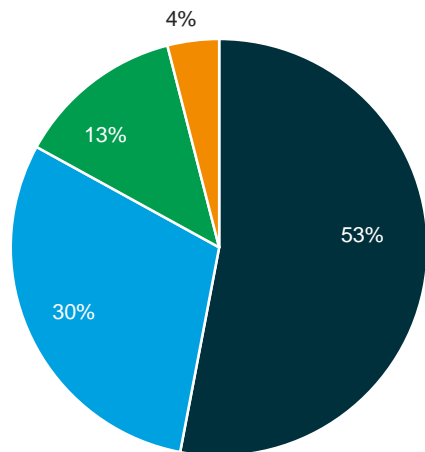
Committed to our goal of 'No Injuries'

Agenda for today

- 1 Context: Uniquely positioned and high performing
- 2 FY18 Update
- 3 Future: Clear strategy and substantial growth potential

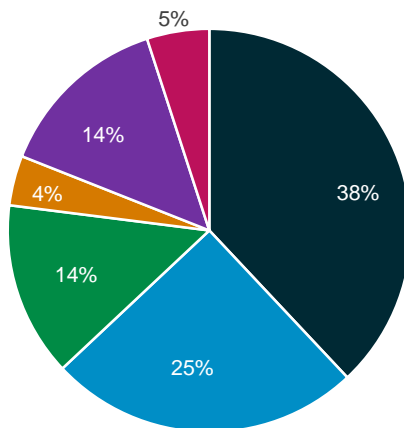
Focused portfolio of high value packaging for consumer staples

Sales by product segment



- Flexible packaging
- Rigid Plastic containers
- Specialty Cartons
- Closures

Sales by end market



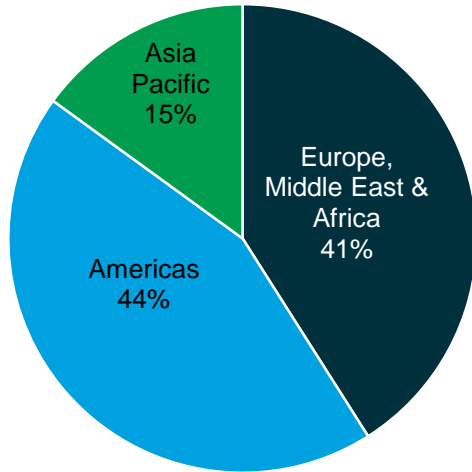
- Food
- Beverage
- Healthcare
- Home & Personal care
- Other consumer
- Technical/Industrial

High value add products

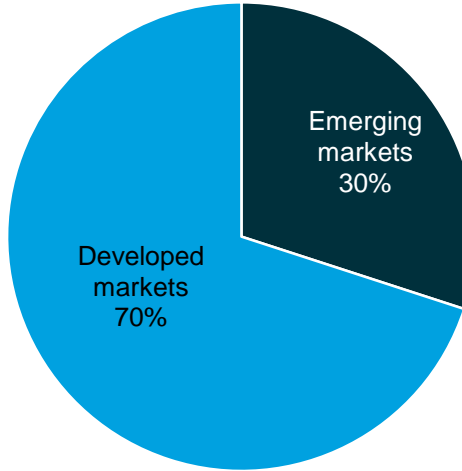


Geographic diversification, global reach AND local presence

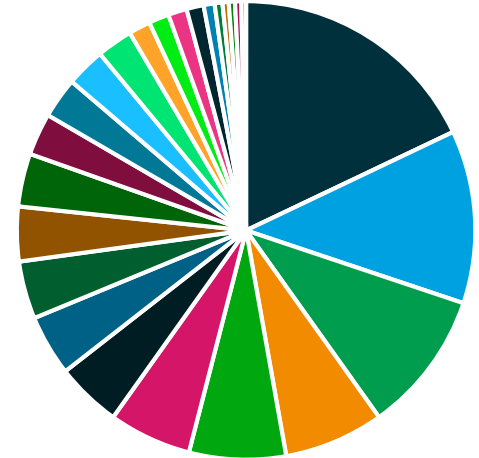
Sales by geographic region



Sales by emerging and developed markets

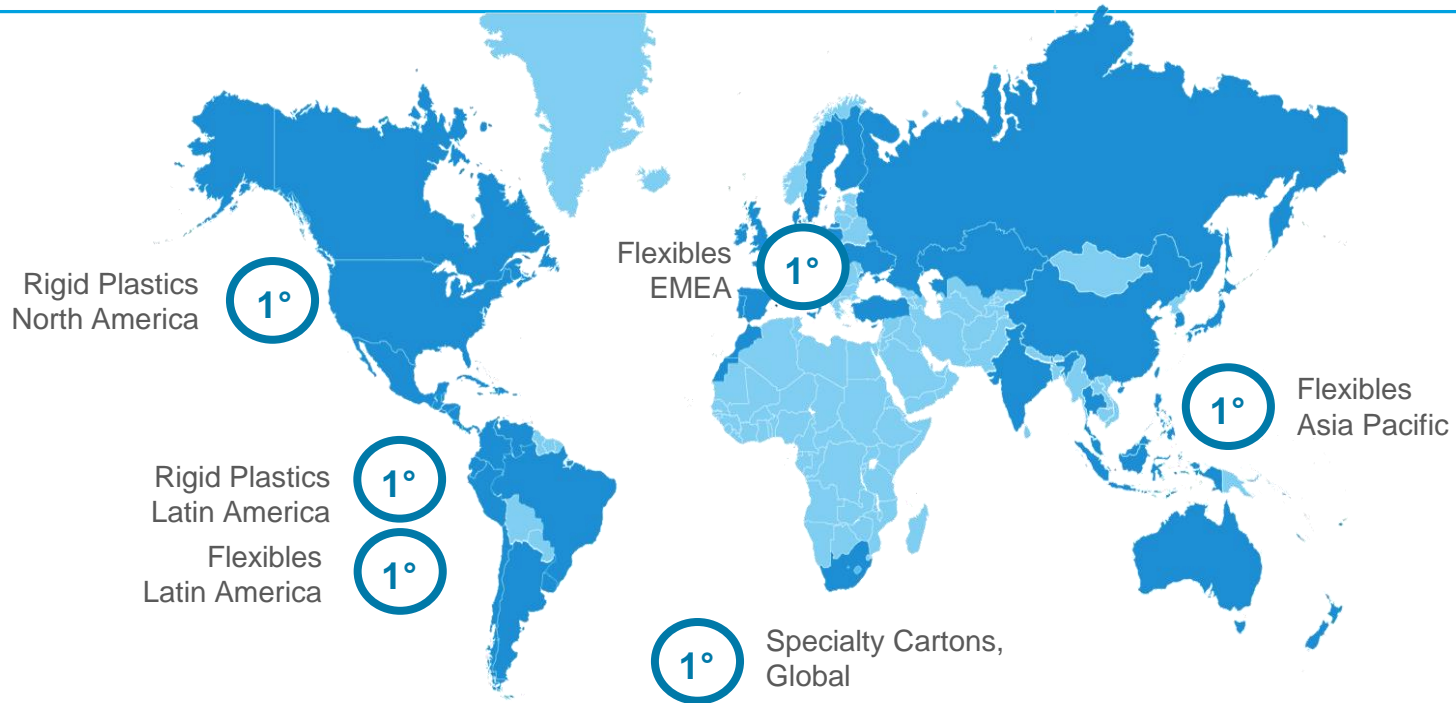


Emerging market sales by country



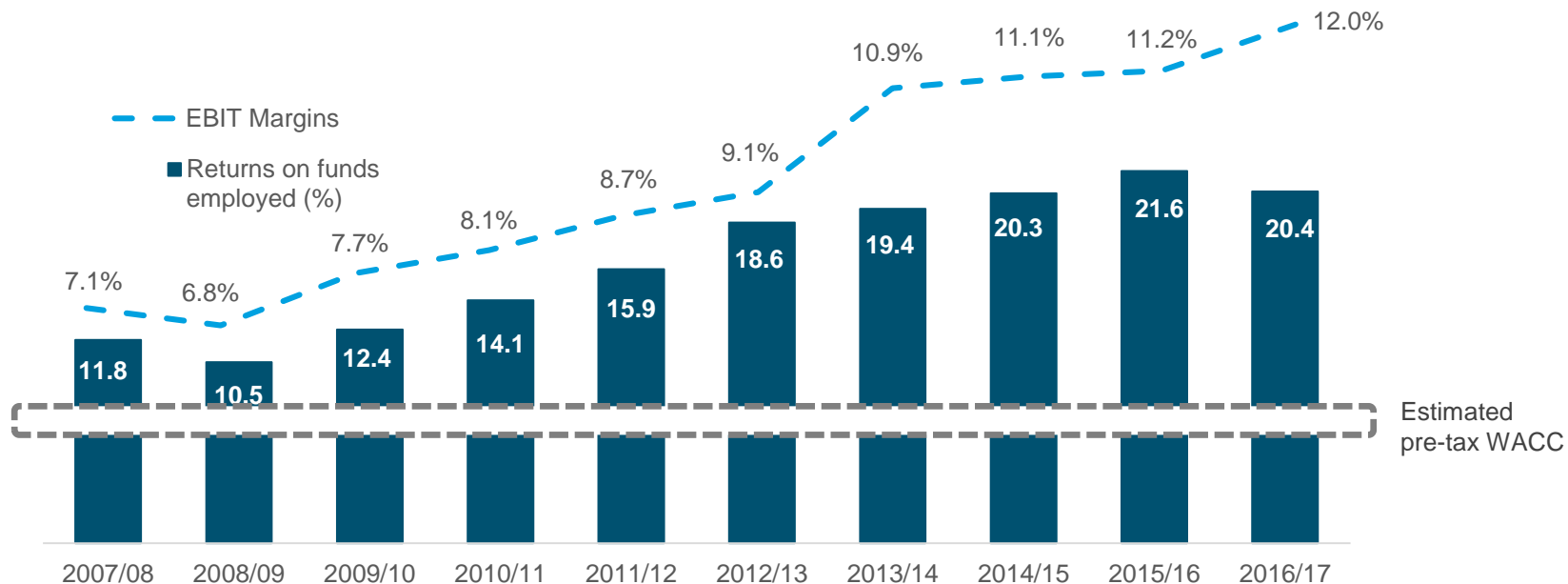
| Global plant network | Europe, Middle East & Africa | Americas | Asia Pacific |
|----------------------|------------------------------|----------|--------------|
| | 65 | 89 | 39 |

Leadership positions and scale in key segments



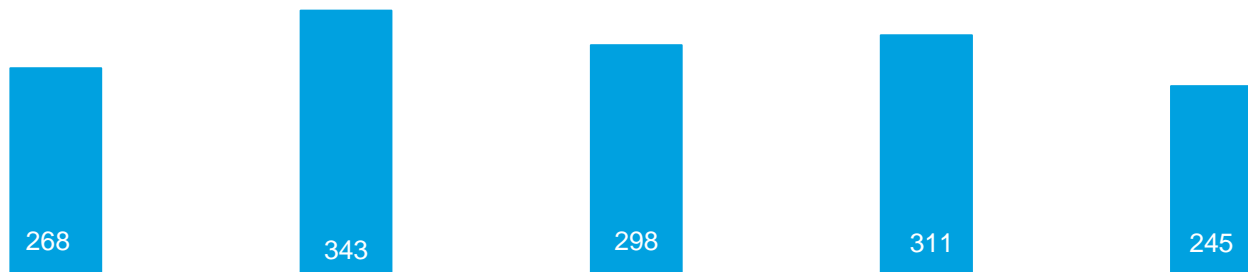
| USD billion annual revenue | Flexibles Europe, Middle East & Africa | Flexibles Americas | Flexibles Asia Pacific | Rigid Plastics | Specialty Cartons |
|----------------------------|--|--------------------|------------------------|----------------|-------------------|
| | 3.0 | 0.9 | 1.2 | 2.9 | 1.3 |

Margin improvement and strong return on capital

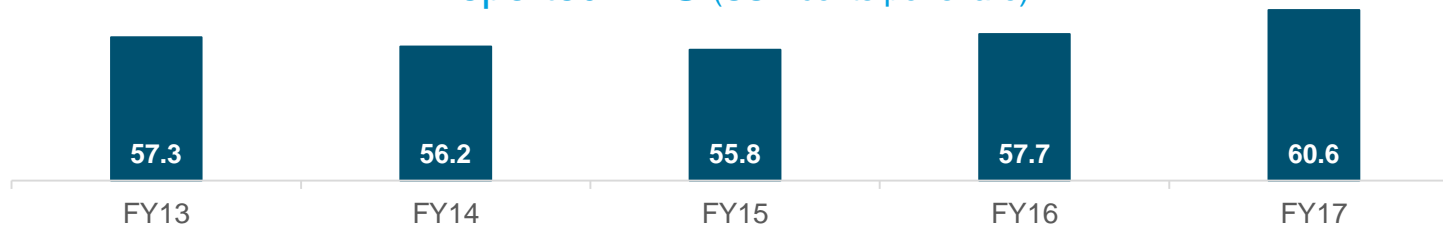


Consistent cash generation and strong earnings growth

Free Cash Flow *after* capex and dividends (USD millions)



Reported EPS (USD cents per share)



Constant currency EPS growth

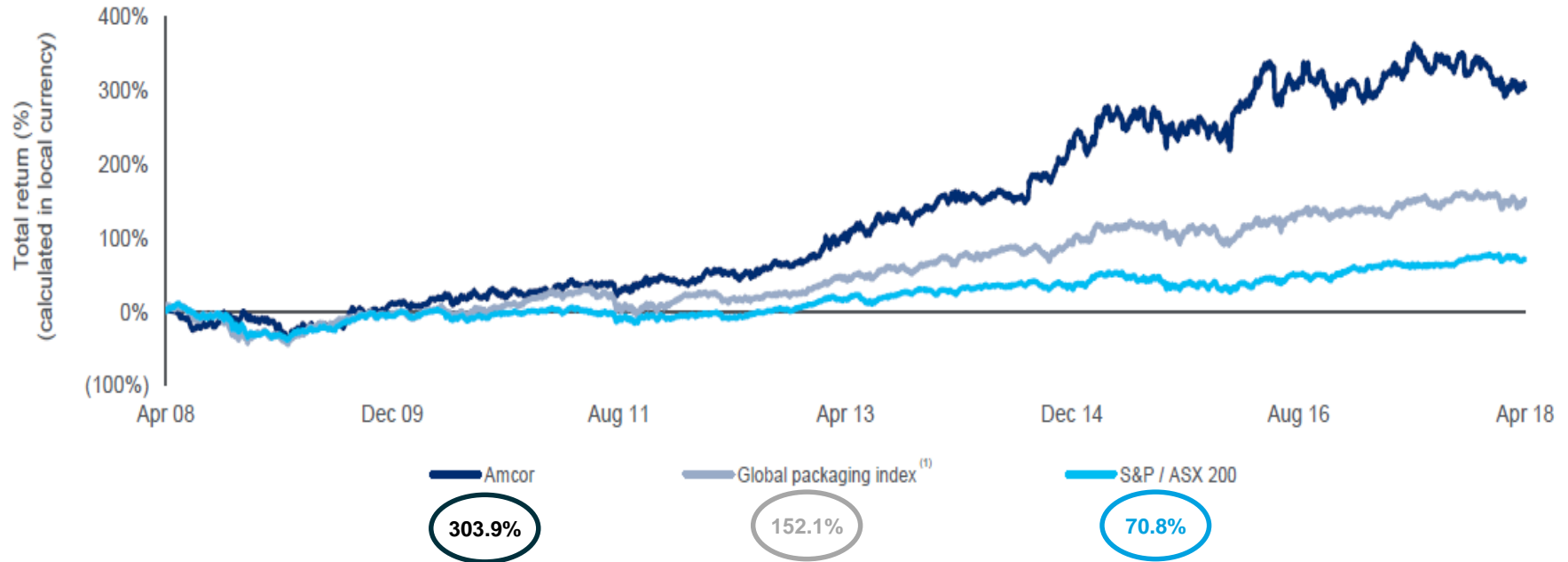
+9.2%

+6.4%

+11.3%

+10.1%

Strong total returns for shareholders



Agenda for today

-
- 1 Context: Uniquely positioned and high performing
 - 2 FY18 Update
 - 3 Future: Clear strategy and substantial growth potential
-

FY18 Update

- Strong underlying performance in several parts of the Company
- Controlling the controllables - Amcor-wide focus
 - Excellent cost performance: SG&A and plant cost reductions, procurement savings and restructuring benefits
 - Pricing actions: raw material cost recovery and pricing aligned with volume
 - Cash: slower capital spending given lower volumes and working capital headwind from higher raw materials
- Combination of short term challenges continues
 - Flexibles: raw material cost increases continue, additional unfavourable lag in H218 of ≥USD 15 million⁽¹⁾ (most significant impact since FY11)
 - Rigid Plastics: NA beverage and closure volumes remain lower vs. prior year; unfavourable mix; limited ability to flex costs during peak season
 - Emerging markets: trading conditions remain mixed, disproportionate impact of higher raw material costs

Modestly lower FY18 outlook compared to February 2018

Agenda for today

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-

Amcor strategy

Our Businesses

FOCUSED PORTFOLIO



FLEXIBLE
PACKAGING



RIGID PLASTIC
CONTAINERS



SPECIALTY
CARTONS



CLOSURES

Our Differentiated Capabilities

THE AMCOR WAY



Talent



Commercial
Excellence



Operational
Leadership



Innovation



Cash and
Capital Discipline

Our Aspiration

WINNING FOR KEY STAKEHOLDERS



THE leading global packaging company

Amcor strategy – business portfolio

Our businesses

FOCUSED PORTFOLIO



FLEXIBLE
PACKAGING



RIGID PLASTIC
CONTAINERS



SPECIALTY
CARTONS



CLOSURES

Strong businesses

- Primary packaging
- Consumer packaging
- Good industry structure
- Attractive growth

Multiple paths to winning

- Market leadership
- Scale positions
- Differentiation

Growth opportunities in each segment

All Amcor Businesses: Organic and acquisition opportunities



FLEXIBLE PACKAGING

USD 4.8bn
revenue



RIGID PLASTIC CONTAINERS

USD 3.0bn
revenue



SPECIALTY CARTONS

USD 1.3bn
revenue



CLOSURES

USD 0.4bn
revenue

Room to grow

Focus segments: Substantial growth potential

| | Flexibles Americas | Flexibles Asia | Rigid Plastics Specialty containers | Closures |
|--|-----------------------|-------------------|--|----------|
| Amcor sales | USD 1bn | USD 1bn | USD 750m | USD 400m |
| Estimated total market ⁽¹⁾ | USD 25bn | USD 20bn | USD 15bn | USD 25bn |
| Estimated Market growth ⁽²⁾ | 3% | 5% | 3% | 6% |

**Attractive
Fundamentals**

**Opportunity to
Differentiate**

**Underweight
Position**

Amcor strategy – differentiated capabilities

Our businesses

FOCUSED PORTFOLIO



**FLEXIBLE
PACKAGING**



**RIGID PLASTIC
CONTAINERS**



**SPECIALTY
CARTONS**



CLOSURES

Our differentiated capabilities

THE AMCOR WAY



Talent



**Commercial
Excellence**



**Operational
Leadership**



Innovation



**Cash and
Capital Discipline**

Differentiated capabilities - The Amcor Way

The Amcor Way

Capabilities deployed consistently across Amcor that enable our businesses to win.



Talent



Commercial
Excellence



Operational
Leadership



Innovation



Cash and
Capital Discipline

The keys to winning in the packaging industry and:

- Competitive advantage
- Leverage and scale benefits
- Additional growth and productivity
- Team alignment



ValuePlus



ProcurePlus
Collaborate. Innovate. Deliver.



GLOBAL LEADERSHIP ACADEMY
Executive
Development
Program

Duke
CORPORATE EDUCATION

Amcor strategy

Our Businesses

FOCUSED PORTFOLIO



FLEXIBLE
PACKAGING



RIGID PLASTIC
CONTAINERS



SPECIALTY
CARTONS



CLOSURES

Our Differentiated Capabilities

THE AMCOR WAY



Talent



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Our Aspiration

WINNING FOR KEY STAKEHOLDERS



THE leading global packaging company

Amcor strategy

Our businesses

FOCUSED PORTFOLIO



**FLEXIBLE
PACKAGING**



**RIGID PLASTIC
CONTAINERS**



**SPECIALTY
CARTONS**



CLOSURES

Our differentiated capabilities

THE AMCOR WAY



Talent



**Commercial
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**Operational
Leadership**



Innovation



**Cash and
Capital Discipline**

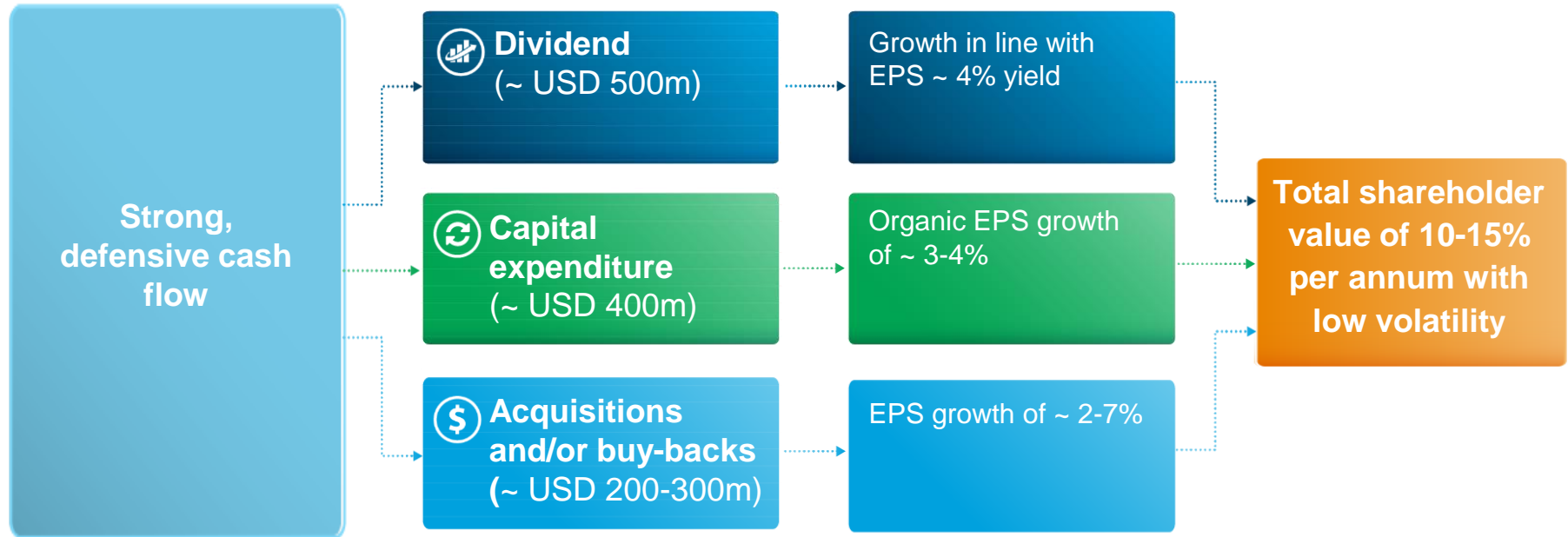
Our Aspiration

WINNING FOR INVESTORS




**Investors benefit from Amcor's consistent
growth and superior returns**

Amcor shareholder value creation model

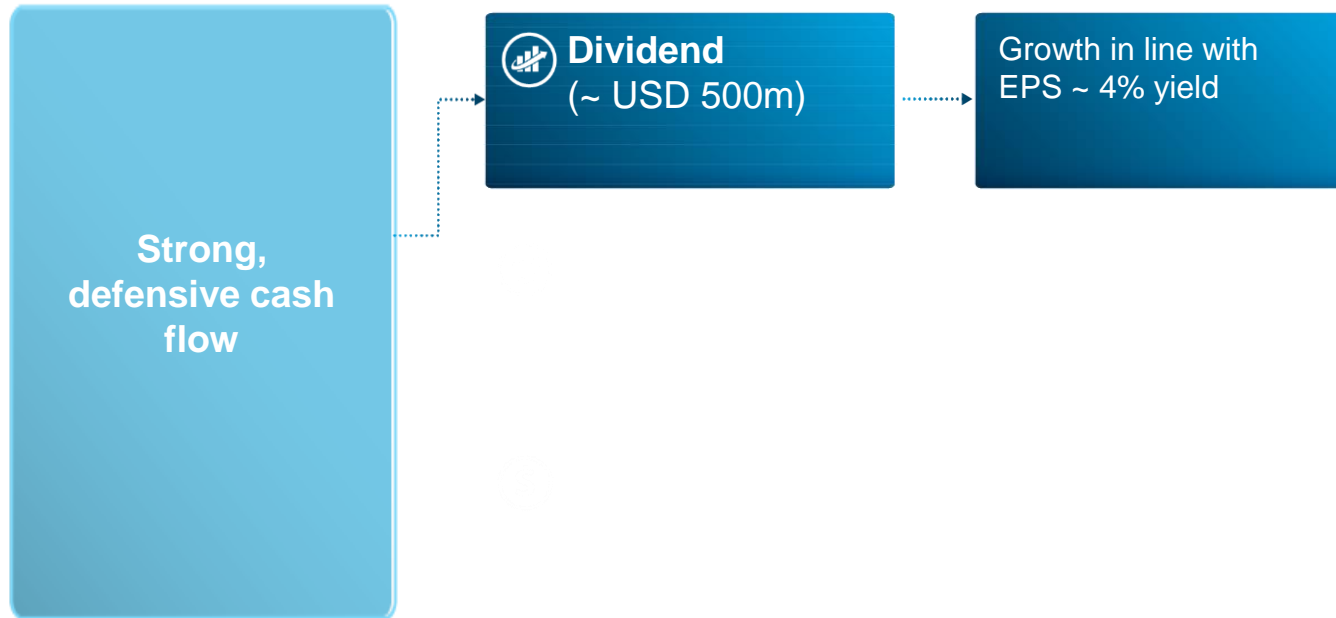


Value creation starts with strong cash flow

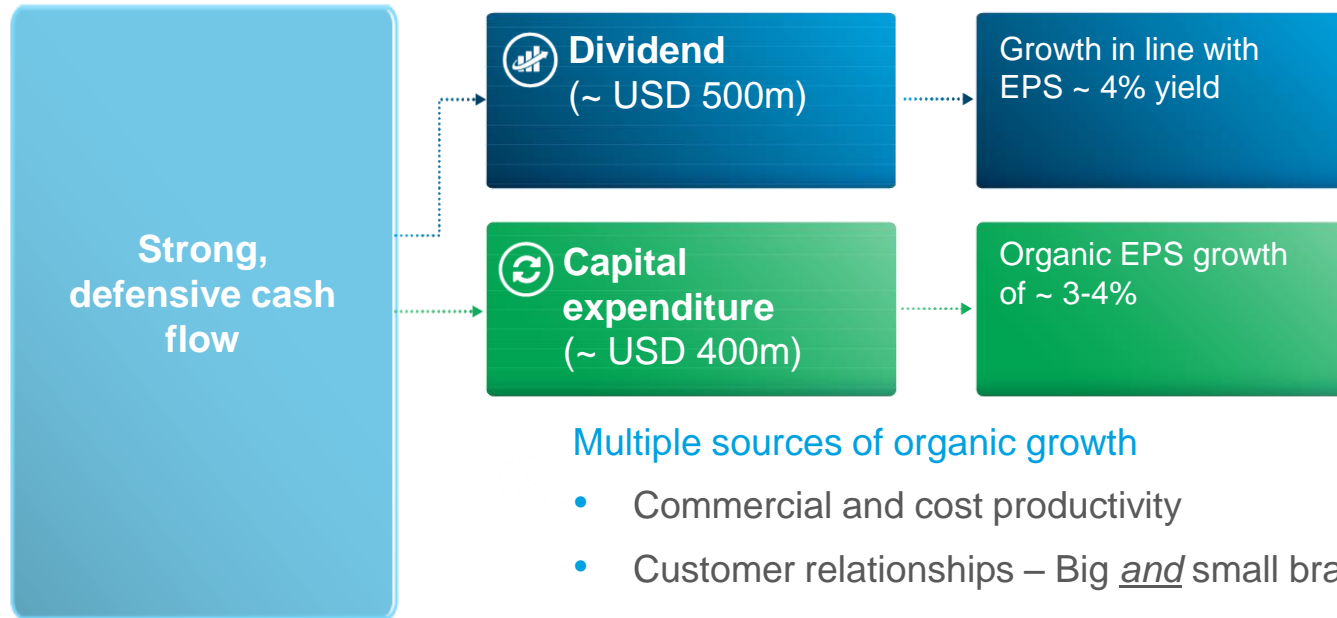


Strong,
defensive cash
flow

Value creation through dividend yield



Value creation through organic growth

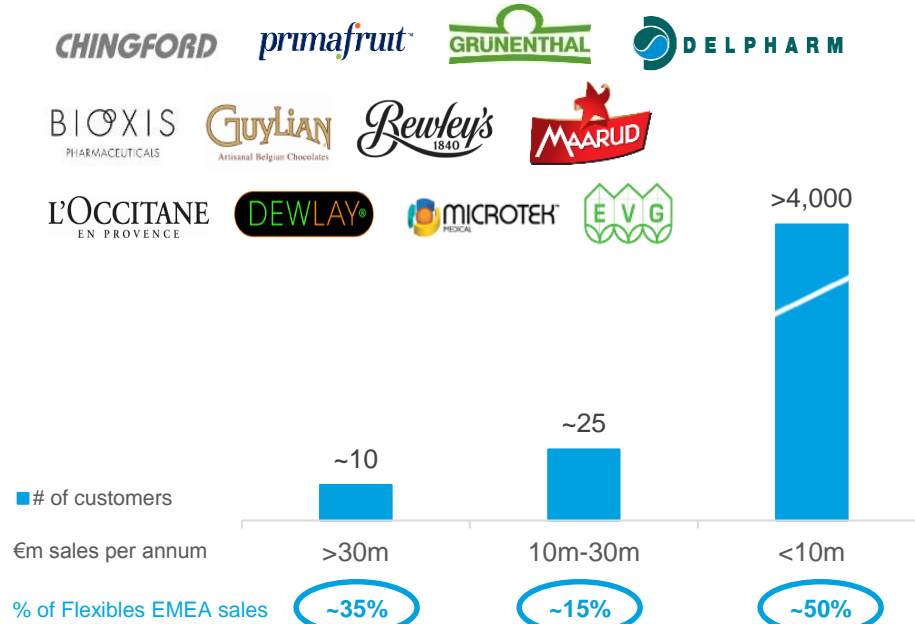


Multiple sources of organic growth

- Commercial and cost productivity
- Customer relationships – Big and small brands
- Innovation & sustainability
- Emerging markets

Customer relationships – winning with big and small brands

Flexibles EMEA (FY17 sales)



Rigid Plastics North America Beverage Regional Business Unit



Innovation - effective and highly regarded capabilities



Product safety



Differentiation



Total cost of ownership



Sustainable Packaging

Vento

Coffee



AmLite Family

Food & Beverages
Global sales
reached >USD 100
million in 2 years



100% PCR
container

Home care



Formpack
Ultra/Dessiflex

Pharma



Fortis

Medical



Sustainability - leading by example



We are the first
packaging company
pledging to develop all
packaging to be
recyclable or reusable
by 2025



Develop all our packaging
to be recyclable or reusable by 2025



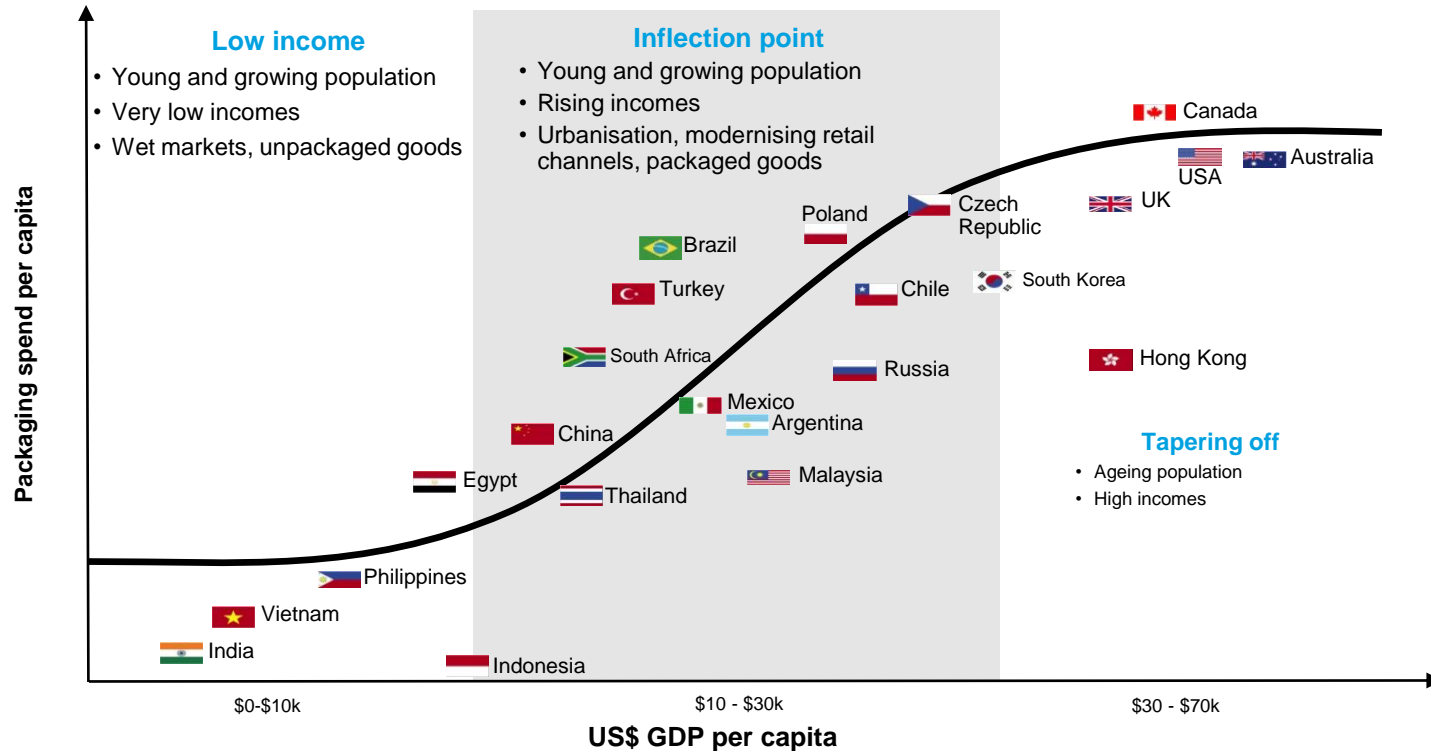
Significantly increase our use
of recycled materials in our packaging



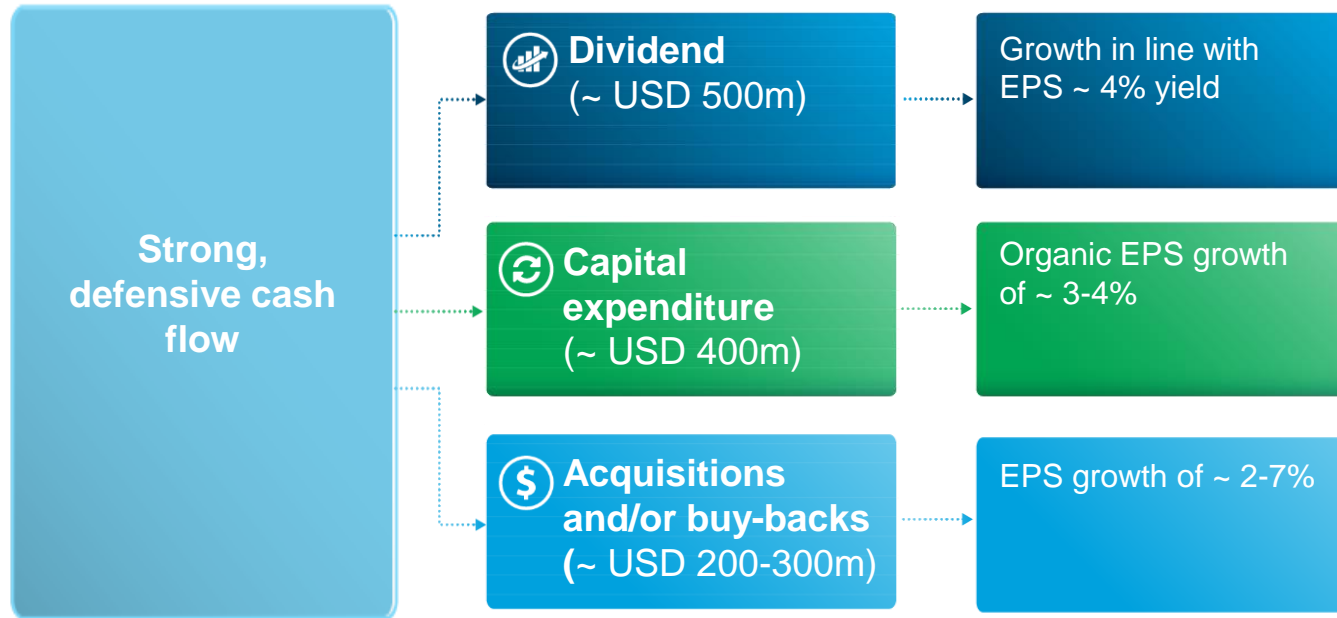
Work with others to drive consistently
greater worldwide recycling of packaging



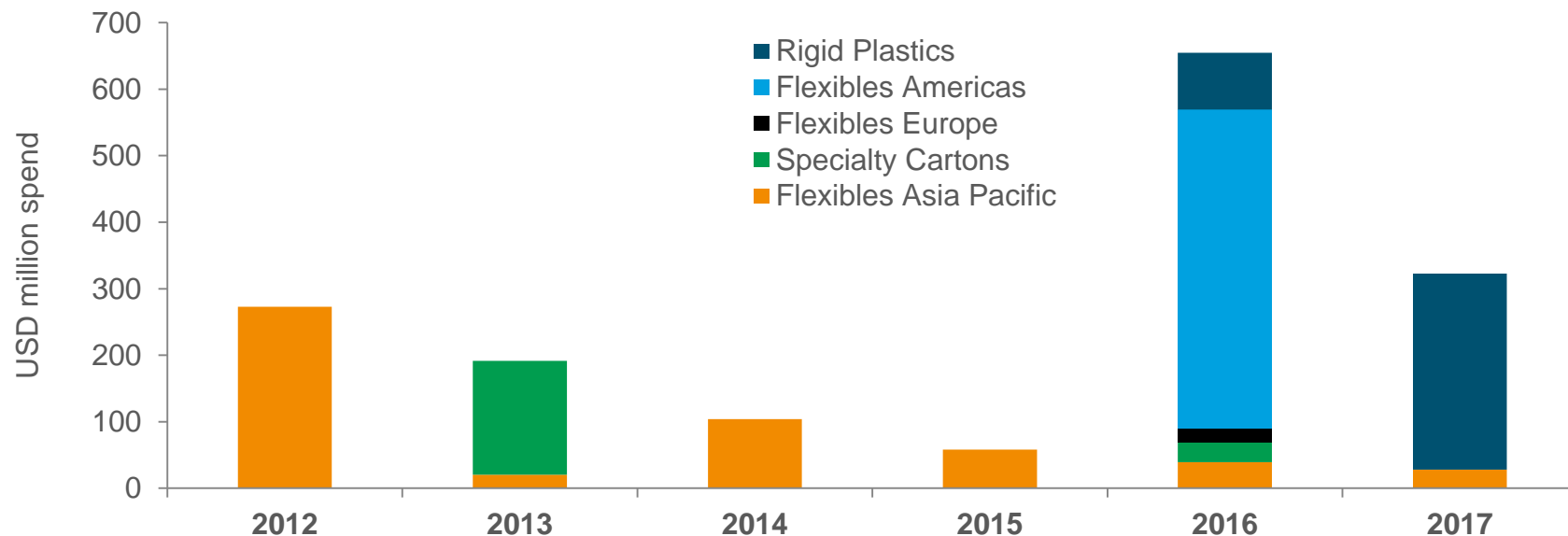
Emerging markets - packaging spend growth



Value creation through acquisitions and/or buy-backs



Track record of growth by acquisition in all businesses



**Total spend
(USDm) ⁽¹⁾**

273

191

104

58

655

323

**Number of
acquisitions**

3

4

3

2

8

3

Summary

-
- 1 Context: Uniquely positioned and high performing
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-

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Ron Delia

Managing Director & CEO



Global and regional sustainability partnerships

Global Initiatives



Addressing global issues through sustainability partnerships with ...



Ellen MacArthur Foundation's **New Plastics Economy** initiative, increasing recovery and recycling



Ocean Conservancy, helping prevent plastic packaging in oceans



UN World Food Programme, getting more humanitarian aid to those in need

Regional Initiatives



Identifying and implementing practical, efficient recycling options with ...



CEFLEX European collaboration, making flexible packaging relevant to the circular economy



U.S. **MRFF** collaboration, improving efficiency of sorting and recycling facilities



The Recycling Partnership, improving access to curbside recycling in the U.S.

Flexibles raw material cost inflation

| | | Resin (ex PET) | | | Aluminium | Liquids | |
|-------------|---|----------------|---------------|-----------------|-----------|--------------|--------------|
| | | <i>Asia</i> | <i>Europe</i> | <i>Americas</i> | | Ingredient 1 | Ingredient 2 |
| H118 | December 17 vs June 17 | +8% | +5% | +13% | +10% | +17% | +36% |
| FY18 YTD | Cumulative since June 17 to March 18 | +17% | +11% | +15% | +20% | +26% | +67% |

Amcor Presentation transcript – Ron Delia, CEO

Macquarie Australia Conference – 2 May 2018

Good morning ladies and gentlemen.

I am pleased to have the opportunity to present to you this morning and thank you for joining us.

Slide 3 - Safety

As we do with all meetings at Amcor I'll start with our safety performance.

Safety is a core value at Amcor, it's always our top priority and across the Company we are committed to our goal of 'No Injuries'.

At the end of March our lost time injury frequency rate was 0.9, our recordable case frequency rate was 2.5, and about 60% of our sites had no injuries for a period of 12 months or more.

In absolute terms, these are excellent safety results relative to any benchmark.

As we've pointed out before, the companies we acquired in the last two years have a much higher number of injuries than our legacy operations, and so improving their safety performance remains a high priority and they are making good progress.

In addition to the work on newly acquired businesses, we've also aligned the organization around three global safety priorities: reducing hand injuries, eliminating risks that can lead to serious injuries or fatalities and continuing to evolve and strengthen the safety culture across Amcor.

We are proud of the improvements we've made in safety over the years but we are not yet at our goal of 'no injuries' so there's obviously more that we can and will do.

Slide 4 – Agenda for today

In terms of the agenda for today, I will cover three things.

First, I want to spend some time introducing Amcor to those who don't know us or reintroducing the Company to those who haven't followed us recently.

So, I will go through who we are, what we've been doing, and why we believe that Amcor is a uniquely positioned and high performing company.

For those of you who do follow us closely, you will know from our previous updates that Amcor and our industry have faced some challenges in FY18, so I'll also provide a brief update on what we've seen so far in the June second half related to those specific topics.

And lastly, I will talk about where we're headed looking forward and the exciting opportunities we have in front of us by explaining Amcor's strategy and substantial growth potential.

Slide 5 – Amcor is a global packaging leader

Amcor has been around for more than 150 years - our origins date back to the 1860's. We started as an Australian forest products and paper company but we've transformed over the last several decades into a truly global packaging leader. In fact, while we are proud of our Australian roots, today Amcor generates only about 3% - 4% of our sales here and operates in over 40 other countries around the world, generating total sales of over \$9bn each year. Of course, we remain listed on the ASX and our market capitalization stands at around US\$13bn A\$16bn.

Amcor today is a global leader in BOTH flexible AND rigid plastic packaging primarily for fast moving consumer goods - we are the only company of scale with leadership positions in both flexible and rigid plastic packaging – there is no other single company that looks like Amcor.

We are also a big player worldwide in an industry where most players are small, and regional or national in scope.

This means we have scale and global reach and we are differentiated, especially when it comes to innovation and our focus on sustainability, which drives competitive advantage and strong financial metrics.

Slide 6 – Focused portfolio of high value packaging for consumer staples

We have been active portfolio managers over the years and today we have a portfolio focused on a narrow range of product segments. Roughly half of our sales are in flexible packaging, about one third is in rigid plastic containers and the balance comes from specialty cartons and closures.

We service defensive end markets in the Fast Moving Consumer Goods space and our portfolio is weighted towards higher value add products and segments.

As we have continued to innovate, providing differentiation and value for our customers, the on-going, favourable shift in product mix has been an important contributor to margin expansion over the last decade.

Slide 7 – Geographic diversification, global reach AND local presence

As you can see on Slide 7, our sales are distributed fairly evenly around the world.

We also generate a significant amount of our sales each year, almost one third or about \$3 bn, from emerging markets. And our emerging markets participation is in itself quite diversified as you can see on the right-hand side of the slide - we operate in 27 different emerging markets.

This broad geographic footprint means we are uniquely positioned to support larger customers, who are becoming increasingly global themselves.

But we also believe that packaging is an inherently local business and we have about 200 plants around the world which provides a level of agility and responsiveness that makes us very valuable to smaller, local customers as well.

Slide 8 – Leadership positions and scale in key segments

There is one other important aspect of who we are that I'd like to point out today and that is our industry leadership positions.

We believe that industry structure, and the ability to achieve leadership positions in the segments we play in, is a key success factor in the packaging industry.

If anything has changed about Amcor over the years, it is that we now have leadership positions in most of the key markets we operate in as Slide 8 makes clear.

We are the leading player in flexibles packaging in Europe, Asia and Latin America, we are the leader in Rigid Plastics in North and South America and we are the global leader in Specialty Folding Cartons.

Slide 9 – Margin improvement and strong return on capital

Amcor is a high performing company and generates strong financial metrics.

Slide 9 shows that our EBIT margin has almost doubled over the last 10 years and now are at 12%.

And that margin expansion means our return on capital today, which we measure as pre-tax Return on Average Funds Employed, is around 20% and well above our weighted average cost of capital.

With returns substantially above our WACC, we can maximise value creation going forward by growing the company in a smart and disciplined way and I will describe later in the presentation the growth opportunities we are pursuing.

Slide 10 – Consistent cash generation and strong earnings growth

The margins I described on the previous slide, the defensive nature of our end markets and our leadership positions around the world all combine to produce strong and consistent cash flow.

Slide 10 shows the Free Cash Flow we have delivered recently and it's important to note that this Free Cash Flow metric is after capital expenditure and the payment of a dividend so it really represents discretionary cash.

We then deploy this healthy cash flow to drive value for shareholders and, in addition to a dividend which is as high as any in our industry, shareholders have also benefited from annual EPS growth of around 10% over the last several years.

Slide 11 – Strong total returns for shareholders

Those strong operating metrics have in turn led to strong total returns for shareholders.

Over the last 10 years, Amcor has been a very good investment for shareholders on both a relative and an absolute basis.

Slide 11 shows total shareholder returns for Amcor, our global packaging peers, and the ASX200.

Amcor's total return over the 10-year period shown here has been in excess of 300% and is well ahead of both of those comparative groups.

Slide 12 – Agenda for today

With that background and overview as context, let me now take the opportunity to update you on some key points related to FY18.

Slide 13 – FY18 update

For those following Amcor, you will know that FY18 is shaping up as one of the more challenging years we've had recently. Our primary purpose today is not to cover every aspect of the business, but I do want to provide an update on the most important factors for FY18.

This year, in markets where conditions are consistent with long term trends, our businesses are doing very well and we've had strong underlying performance.

And, across the board all the Amcor businesses are controlling the controllables. We take the view that over time, everything is within our control but we know that in the short term some things are more controllable than others and those are the things that all Amcor businesses have been focused on.

First of all, our cost performance has been excellent. SG&A and plant costs are down year on year, procurement savings are exceeding expectations and we have accelerated the benefits from recent restructuring initiatives.

Second, we've taken the necessary pricing actions to recover higher raw material costs and to align our pricing to lower volumes where appropriate.

And third, we've slowed capital spending given the lower volumes and to help offset the working capital headwinds that arise with rapid raw material cost increases.

Of course, we always push for more but we have to be pleased with the resilience of our teams around the world and the proactive way they get after opportunities to improve the business.

Having said that, the short-term headwinds facing Amcor and our industry that we highlighted earlier this year are continuing in the second half of FY18 – none of these are new and there would be no shortage of public data and news flow on these topics so they won't be a surprise.

First, in our Flexibles segment, raw material costs including resin, aluminium, solvents and inks have continued to trend upwards with the pace of inflation increasing for some materials, significant volatility in others, and signs there may be further increases ahead for certain resins and aluminium.

Since December we have seen further increases in raw material costs in the high single digits. As is always the case, we will recover these cost increases over time but there is a time lag between the impact of raw material cost movements and the related pricing actions and as a result, we estimate the adverse impact on PBIT in the Flexibles segment for the second half of this financial year will be at least US\$15 million.

This year's earnings impact from these raw material increases will be the most significant in any year since FY11 and so it is clearly an unusual period.

Second, in the Rigid Plastics segment, while we have maintained share, North American beverage and closure volumes have remained weak. Those of you who monitor retail scanner data and the performance of large beverage companies know that volumes for some segments and customers continue to be below the volumes in the same period one year ago, and our sales mix has continued to be unfavourable.

Where volumes end up in the June quarter will be meaningful for the Rigid Plastics result, but the negative earnings impact of lower volumes and adverse mix will be greater than we experienced in the first half as we have much more limited ability to flex the cost base during the peak season. While we're always on the lookout for structural shifts in our markets, we've had good growth in the beverage space in recent years including just last year in FY17, so we're keeping recent market conditions in context.

And finally, we continue to see mixed trading conditions across the 27 emerging markets we operate in. In particular, the rising raw material costs I mentioned earlier have a disproportionate impact on our emerging markets businesses.

To sum it up, while the underlying performance of the company has been good and we are controlling the controllables, the combination of challenges hitting the industry and Amcor within one 12-month period is certainly unique and possibly unprecedented. As a result, we have a modestly lower outlook for FY18 than we had in February.

In the meantime, we stay focused on the things we can control in the short term and on setting ourselves up to capitalize on the substantial long term potential of Amcor which I'll now turn to for the balance of the presentation.

Slide 14 – Agenda for today

Slide 15 – Amcor strategy

We believe execution is the most important driver of business success, but when we talk about the long term and the growth potential for Amcor, we need to start with our strategy. Growth aligned to a clear and consistent strategy will be focused and disciplined – growth without a strategy, no matter how strong the execution, will end up as something else.

At Amcor, we think about our corporate strategy as made up of three inter-related elements:

1. the portfolio of businesses we choose to be in;
2. the leverage we get from having those businesses in the same portfolio – in our case through the differentiated capabilities we call The Amcor Way which we believe means 1 plus 1 equals more than 2; and finally
3. the aspirations we have for Amcor which is quite simply to be THE leading global packaging company.

I'm going to now walk through each of those elements.

Slide 16 – Amcor strategy – business portfolio

We choose to play in product segments that share some important characteristics:

- a focus on primary packaging;
- packaging primarily for fast-moving consumer products;
 - Why primary consumer packaging? Because that's where we believe there are the greatest opportunities to differentiate, that's where material science comes to bear, where package functionality for the end user is most important and where design and aesthetics are most valued.
- good industry structure; and
- attractive relative growth.

Those criteria have led us to the focused portfolio of four product segments that we have today - Flexible Packaging, Rigid Plastic Containers, Specialty Cartons and Closures.

And as I mentioned earlier, Amcor has leadership positions in most of these segments, which means we have multiple paths to winning – for example, through significant scale advantages or by offering something unique in the market.

So we are happy with our current portfolio of businesses.

Slide 17 – Growth opportunities in each segment

And the reason we are happy with our portfolio as it is today is that there are good growth opportunities for Amcor in all four of these segments and we do not need to move into other segments at this time in order to find growth.

Across Amcor, we see good organic growth and acquisition opportunities and we see substantial growth potential in four segments that we've highlighted for the last couple of years. You can see those on the right hand side of Slide 17 – they are:

- Flexible Packaging in the Americas;
- Flexible Packaging in Asia;
- Specialty Rigid Plastic Containers; and
- Closures.

Each of these segments is fundamentally very attractive. They are segments where Amcor can be differentiated and uniquely positioned, and our current position is significantly underweight relative to customers and our own potential.

So, we expect to win in these areas, and that means we will generate strong growth as an outcome, not as an objective.

Slide 18 – Amcor strategy – differentiated capabilities

The second element of our strategy is the reason why each of our businesses benefits from and contributes to our overall portfolio.

In our case, the way we get leverage and scale benefits across Amcor is through a set of differentiated capabilities which we call The Amcor Way.

Slide 19 – Differentiated capabilities – The Amcor Way

Over the years, we have developed a point of view on the keys to winning in the packaging industry and we have focused our efforts as a company on developing our capabilities in those areas – a key point here is that we are very focused – we don't try to be differentiated in everything but we double down on the areas that matter most.

The Amcor Way is how we describe the five capabilities that we focus on globally in every Amcor business, and you can see them listed on the slide here.

Our Commercial Excellence program is called Value Plus and we've been at this for more than 12 years – the foundation of Commercial Excellence is understanding the profitability of every customer and every product.

Procure Plus is a similar program focused on procurement as a key to Operational Leadership across Amcor.

And one final example would be the Executive Development Program we launched last year in collaboration with Duke University which is focused on developing our highest performing and highest potential leaders.

In addition to providing competitive advantage and leverage, the Amcor Way is a powerful tool for aligning our team of 35,000 people around the world.

Slide 20 – Amcor Strategy

Now back to our aspiration – to be THE leading global packaging company.

To be the true, undisputed global leader in our industry means we need to win for our customers, employees, investors and the environment – we see those four as the key stakeholder groups that depend on Amcor in one way or another for their own success.

What do we mean by winning for these stakeholders?

- Our customers are winning when they grow and prosper from Amcor's quality service and innovation – when our customers win we also win;
- Our employees are winning when they are engaged and developing as part of Amcor's high performing team;
- And the environment... Winning here means the environment is better off because of Amcor's leadership and products.

Slide 21 – Amcor Strategy

Now, given we are at an investor conference, we'll focus on winning for our investors.

We believe that with our focused portfolio and differentiated capabilities we are winning for investors when they benefit from Amcor's cash flow and capital allocation, consistency and high returns.

Slide 22 – Amcor shareholder value creation model

We describe our value proposition for shareholders as Amcor's Shareholder Value Creation Model which is here on Slide 22.

This is a simple model which provides a way for investors to think about how Amcor redeploys our cash flow to generate returns for shareholders in a typical year over the long term.

Let me take a few minutes to walk you through the model, because it's always of interest to shareholders, and it's important to understand how it comes together.

Slide 23 – Value creation starts with strong cash flow

The starting point is strong cash flow which as I mentioned earlier reflects the Company's market leading positions and the strong margins.

In simple terms and for recent years, the business generates roughly US\$1.5bn of EBITDA, so after interest and tax that translates into more than US\$1bn of cash to redeploy to create value in three ways.

Slide 24 – Value creation through dividend yield

First through dividends.

Today Amcor distributes around US\$500mil of cash in the form of ordinary dividends.

Dividends are very important for many of our shareholders and represent a base return each year.

We are committed to a compelling dividend and historically our dividend has provided an attractive yield of around 4%, which as I mentioned earlier, is about as high as any in our industry.

Slide 25 – Value creation through organic growth

Amcor also typically reinvests around US\$400 million back into the business every year in the form of capital expenditure and basic on-going restructuring.

Part of this spend is for maintenance and good hygiene, part of keeping the company healthy, but most importantly our capital spend supports Amcor's ability to grow the business organically.

In most years, we'd expect organic EPS growth of around 3-4% range which comes primarily from the four sources listed on the bottom of Slide 25.

The first source of organic growth is our on-going commercial and cost productivity initiatives and the Amcor Way I mentioned earlier drives much of this growth.

I'll briefly touch on the remaining three sources of organic growth on the following slides.

Slide 26 – Customer relationships – winning with big AND small brands

The starting point for organic growth at Amcor is the deep set of customer relationships we have around the world – each year we do more with our current customers and our relationships are broadening and deepening.

You will be well aware of our extensive relationships with the large, global customers in the FMCG space – Amcor's value proposition with these customers is based largely on our ability to supply them around the world and on our innovation capabilities so no surprise there.

At the same time, you might not be aware of the success we have with smaller customers.

Today these smaller brands are emerging as quickly as ever and capturing a disproportionate share of the growth in many product categories and Amcor is well positioned to support these customers with tailored solutions to meet their needs.

Slide 26 shows examples from two of our more mature businesses in the developed markets.

On the left, you can see the distribution of customers in our flexibles business in Europe – for years, this business has been thriving with big multi-nationals and smaller, local customers. In fact, that's a business with annual sales of about US\$3 billion and over 4000 customers where the vast majority of customers buy less than US\$10 million each year so a big part of the success of our flexibles business has been its ability to service and win with those smaller customers.

Another more recent example comes from the Rigid Plastics business in North America where we have set up and carved out a separate business unit to service small beverage brands in the US. Those regional brands are growing quickly and in many cases gaining share and we are growing rapidly with them.

The key point is that Amcor will continue to thrive with our big multi-national customers while at the same time we expect to continue building on our track record with smaller brands.

Slide 27 – Innovation – effective and highly regarded capabilities

The second source of organic growth for Amcor is innovation and we are highly regarded by our customers and by the industry for our innovation track record and capabilities which includes more than 1,700 active patents and annual R&D spend that would far exceed most of our competitors.

In the last 3 years alone, the company has earned more than 30 awards for innovations that resulted in packaging which is more functional, more attractive and, in some cases, more intelligent and which is helping our customers grow, protecting their consumers and brands, and providing better choices for the environment.

We have four global innovation priorities which you can see along the top of the slide and I want to spend a minute on the last one on the right-hand side, innovation for sustainable packaging.

Slide 28 – Sustainability – leading by example

Sustainability is worth spending a few minutes on as it's emerging as one of the most important consumer trends around the world and therefore it's one of the most important opportunities for Amcor to further differentiate itself from our competitors.

First, we start with the conviction that packaging plays a vital role in the global supply chain for fast moving consumer goods, whether that's by reducing food waste or by protecting and extending the shelf life of medical products.

So of course, we believe in packaging but we believe in responsible packaging, for example as lightweight as possible and with an end of life solution. Responsible packaging means differentiated packaging and that's why we see Amcor as uniquely positioned to develop products that will meet the increasing consumer demands for solutions that are environmentally sound.

In January, Amcor became the first global packaging company pledging to develop all our packaging to be recyclable or reusable by 2025.

We're also committed to significantly increase our use of recycled materials, and to help drive greater recycling of packaging around the world.

While much of our packaging is already recyclable or reusable, and we are designing packaging that uses less material in the first place, there is more to do.

As the first packaging company to make such a pledge, we are aligned with major global brands, retailers and NGOs in making a shared commitment to address the challenge of plastics in the environment.

The team at Amcor is enormously proud of this commitment and we are energized by the potential to position Amcor further ahead in our industry.

Slide 29 – Emerging markets – packaging spend growth

The final source of organic growth for Amcor comes from our broad emerging markets participation.

Earlier I mentioned that Amcor generates almost one third of its annual sales from the emerging markets and they will continue to be a big part of our agenda going forward and this slide illustrates why.

This intensity of use chart shows the relationship between packaging spend per capita vs GDP per capita.

As you can see, at very low levels of GDP per capita, there is very little packaging consumption - then there is an inflection point where packaging spend starts to accelerate rapidly as incomes rise and consumer needs develop, before flattening out again once GDP per capita reaches the levels you would typically see in developed economies.

So over the long term, we'd expect evolving consumer needs in areas like food safety, extended shelf life and individual portion packs. This will continue to drive strong growth in packaging consumption across emerging markets.

Slide 30 – Value creation through acquisitions and/or buy-backs

Coming back to our shareholder value creation model, once we have paid the dividend and reinvested in the business to generate organic growth, there is still typically US\$200 to US\$300 million of cash to redeploy in acquisitions or share buy backs.

With returns well in excess of WACC our priority is to grow the business and to reinvest in acquisitions that maximise the returns for shareholders, and that's what we have been doing.

Slide 31 – Track record of growth by acquisition in all businesses

Given the number of players in many of our segments, there is a rich pipeline of acquisition opportunities in all our businesses and you should expect us to continue to grow through a pragmatic but disciplined approach to M&A.

We have completed 26 deals over the past six years and every one of our businesses has benefited from at least one acquisition to supplement their organic growth agenda.

Of course, converting acquisitions tends to be lumpy from period to period as seen by our recent history on this slide but our scale and acquisitive nature means that we have access to and are involved in as many opportunities as any company in the packaging industry.

Slide 32 – Summary

To close, let me briefly summarize the three main points we've covered today.

First, Amcor is uniquely positioned within the packaging industry with scale and leadership positions in both flexible and rigid plastic packaging, a broad, global footprint and highly regarded innovation capabilities. The company has been performing at a very high level with consistent margin expansion, high return on capital and strong cash flow, all of which in turn has led to superior returns for shareholders.

Second, against that background and context, we have been facing a combination of short term challenges in FY18 – we believe these are temporary but we have been taking aggressive actions to mitigate their impact.

And third, we are clear on our strategy going forward and we have substantial growth potential and opportunities to create value for shareholders.