

News Release

23 October 2013

AMCOR LIMITED, ANNUAL GENERAL MEETING THURSDAY, OCTOBER 23, 2014

CHAIRMAN'S ADDRESS

Ladies and Gentlemen. As indicated earlier, the format this morning is that I will present a review of the 2014 financial year.

The Managing Director and Chief Executive Officer, Ken MacKenzie will then provide more detailed information on the Company's growth opportunities and an update on the trading performance for the first quarter of the 2015 financial year.

Amcor safety performance

As is the case with all internal meetings at Amcor, I would like to start with safety performance. Amcor is committed to a goal of "no injuries". Progress is measured via a number of Key Performance Indicator's, with the two most important being the frequency of lost time injuries and the frequency of recordable cases.

Over many years Amcor has made tremendous inroads to improving safety performance. I'm pleased to say this has continued, and in the last 12 months, the lost time injury frequency rate has declined to 0.45 and the recordable case frequency rate has fallen to below two. These indicators reflect the number of incidents per million hours worked. In addition, at the end of June 2014, over 60% of sites had been recordable case free for a period of 12 months or more.

While these outcomes make Amcor a truly world class company in the area of safety, improvements must continue. This is the Company's number one priority and even one injury is one too many.

Full year results

Turning to our financial results. I am pleased to report that profit after tax for continuing operations for 2014 increased by 24.6% to \$737million and earnings per share increased by 24.7% to 61.1 cents per share.

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Given that economic conditions were generally subdued across a number of key markets, business performance for the year was particularly pleasing. I will provide more detail on this shortly, but in summary, the key drivers of earnings growth were benefits from acquisitions, organic growth in emerging markets, improved product mix and operating cost improvements.

Returns, measured as profit before interest and tax over average funds employed, increased from 18.6% to 19.4%. This strong improvement is primarily due to a combination of higher earnings and sound management of the balance sheet.

Operating cash flow, after cash significant items and base capital expenditure, was very strong, increasing by 40% to \$891 million.

Higher earnings and strong cash generation enabled the Company to increase the annual dividend to 43 cents per share. This is a 26.5% increase after adjusting for the demerger of Orora.

Business performance - Flexibles

The Flexibles business had an excellent year with profit before interest and tax up 7.1% in constant currency terms, to a record €606.2 million. The key drivers of this increase were operating efficiencies, benefits from acquisitions, continued growth in emerging markets and an ongoing focus on innovation which resulted in product mix improvements.

Return on sales increased from 11.6% to 12.1% and return on average funds employed was a record 24.3%.

In Europe and North America, underlying volumes were stable. Amcor's businesses in these regions are in the healthcare, food and tobacco packaging industries. Although these markets are not immune from broader economic conditions, they are substantially more resilient than many sectors in the economy, and have proven to be particularly resilient to weak economic conditions over the past five years.

Within the Flexibles business, Amcor has a unique footprint in emerging markets with 44 plants in 20 countries. There continued to be solid growth in these markets underpinned by rising household incomes and the ongoing development of more organised retail distribution.

During the year, the business also achieved earnings growth from recent acquisitions. These businesses are performing in line with expectations and provide further earnings improvement opportunities.

Business performance – Rigid Plastics

The Rigid Plastics business had a solid year. Earnings were 4.0% higher at US\$298.2 million, and returns improved from 16.9% to 18.3%.

This result was achieved against a backdrop of particularly adverse weather conditions in North America, where two thirds of the Rigid Plastics business is located. Industry volumes remained flat for the year, however Amcor's business gained market share and outperformed the market with a 1% increase in volumes.

The Diversified Products business had an excellent year with higher earnings and returns, and in Latin America, performance was strong with volume growth of 4%.

Strong balance sheet

Amcor's balance sheet remains strong, and the Company continues to have an investment grade credit rating. Net debt at 30 June was \$3.2 billion. Financial leverage, which is a key management metric, measured as net debt to EBITDA was 2.0 times, and interest cover was 7.5 times EBITDA.

The Company has maintained a diverse mix of funding sources and an equal proportion of financing under both fixed and floating interest rates. There are no significant refinancing requirements in the near term and overall the financial position of the Company is strong.

Strong returns for shareholders

Over the past nine years, Amcor has been on a transformational journey that has seen the Company establish global leadership positions in chosen end markets, substantially improve the core capabilities of the company and deliver strong growth in earnings and returns. This has been reflected in the strong share price performance over the past five years.

Since the first of July 2009, the Amcor share price has increased 179% from \$3.98 to \$11.13, as of the close on Monday this week.

Dividends paid over that time have added another 83% to returns and this means that Amcor shareholders have received a 262% return on their investment over the past five years.

Corporate Governance

The Board continues to strive for the highest standards of Corporate Governance and to promote these standards rigorously throughout the Group.

The Governance framework and practices are regularly reviewed to ensure they meet the interests of all stakeholders.

Details of these policies, together with Amcor's other key Corporate Governance policies are published on the Amcor website.

During the year, Amcor has continued to work on Leadership, Diversity and co-worker engagement and is committed to creating an inclusive environment that supports high performance, engagement and passion to succeed.

The second global engagement survey was completed in early 2014 and the results are used to identify areas of focus, to enhance future co-worker engagement.

Sustainability

Before handing over to Ken, it is important to address Amcor's approach to sustainability.

As one of the world's leading packaging companies Amcor remains committed to using its global scale and technical knowledge to drive sustainability improvements throughout the packaging value chain.

We understand the critical role packaging plays in the efficient use of resources to get a product from the farm to the consumer. Over the past year the Company has enjoyed considerable success in the area of sustainability.

Highlights include the continued improvement in world-class safety performance, which I mentioned earlier.

Second, since the start of Amcor's five year EnviroAction plan in 2011, the Company has reduced greenhouse gas emission intensity by 19%, waste to landfill intensity by 53% and water use by 16%.

Third, nearly 600 life cycle assessments were completed on behalf of Amcor's customers, bringing the total to more than 4200. These assessments are designed to support data-based decisions with regard to packaging options, which take into account sustainability impacts across the entire product lifecycle.

The Amcor Community Program was launched during the year, with \$5 million over five years allocated to the program. This will be used to further strengthen the commitment and support to the communities in which Amcor works and lives.

And finally, Amcor's corporate governance was strengthened, with the introduction of a new anti-fraud and bribery policy and a review of the existing code of conduct and ethics policy.

Our commitment to sustainability and our performance has been recognised by international indices, such as the Dow Jones Sustainability Index, the Carbon Disclosure Leadership Index, the Ethibel Excellence Investment Register and the FTSE4Good Index. Amcor also received a gold rating in the 2014 Corporate Social Responsibility assessment conducted by EcoVadis.

We are pleased with the progress we are making in this area and I would invite you to read our 2014 Sustainability Report which has been made available today.

Board appointments

Over the past 12 months there have been a number of changes to the Amcor board.

Chris Roberts, the Amcor Chairman for nine years and a Board member for 13 years, retired from the Board. Chris led the Company through a period of transformational change that has delivered considerable benefits for shareholders. The Board thanks him for his effort over this period.

John Pizzey also retired from the Board. Over his 10 years as a Board member, John added considerable value through his broad international experiences and we thank him for this contribution.

Two of the Board members you see here today were appointed in the last 12 months. Paul Brasher and Eva Cheng bring diverse experiences across the local and international markets, adding to the skill base of the existing Board.

Both Paul and Eva are seeking election to the Board today, and I look forward to introducing them both to you later in the proceedings.

In conclusion, 2014 has been another successful year for Amcor. The Company, led by a talented and strong senior executive team has delivered improved financial results and is in a strong position to deliver sustained growth and continued improvements in shareholder returns.

With that, I would now like to hand over to Ken MacKenzie.

Graeme Liebelt
Chairman