

# News Release

19 August 2014

## AMCOR ANNOUNCES PROFIT RESULT FOR YEAR ENDED 30 JUNE 2014

Statutory profit for the year ended 30 June 2014 from continuing operations<sup>(1)(2)</sup> was \$737.0<sup>(3)</sup> million compared with \$589.2<sup>(4)</sup> million for the year ended 30 June 2013.

### Highlights – continuing operations results

- Profit after tax of \$737.0 million, up 24.6%<sup>(5)</sup>;
- Earnings per share (EPS) was 61.1 cents, up 24.7%<sup>(5)</sup>. On a constant currency basis EPS was up 9.2%<sup>(5)(6)</sup>;
- Returns, measured as profit before interest and tax to average funds employed of 19.4%<sup>(6)</sup>;
- Operating cash flow after net capital expenditure of \$890.6<sup>(7)</sup> million;
- Net cash from operating activities was \$1,171.0 million; and
- Annual dividend per share (DPS) of 43.0 cents per share, up 26.5%<sup>(8)</sup>.

Continuing operations (A\$ million)	2013	2014	△%	Continuing operations key ratios	2013	2014
Sales revenue	9,485.8	10,853.4	14.4	PBIT/Average funds employed (%) <sup>(5)(6)</sup>	18.6	19.4
PBITDA <sup>(6)</sup>	1,341.2	1,586.8	18.3	PBIT/Sales (%) <sup>(5)(6)</sup>	10.4	10.8
PBIT <sup>(6)</sup>	983.5	1,177.3	19.7	Net PBITDA interest cover (times) <sup>(5)(6)</sup>	7.0	7.5
<b>PAT before significant items<sup>(6)</sup></b>	<b>591.6</b>	<b>737.0</b>	<b>24.6</b>	Net debt / PBITDA (times) <sup>(5)(6)</sup>	2.4	2.0
Significant items	(2.4)	-				
Profit after tax <sup>(3)</sup>	589.2	737.0	25.1			
EPS (cents) <sup>(5)(6)</sup>	49.0	61.1	24.7			
Operating cash flow <sup>(7)</sup>	637.1	890.6	39.8			
DPS (cents) <sup>(8)</sup>	34.0	43.0	26.5			

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

- (1) Statutory profit for the year ended 30 June 2014 including discontinued operations attributable to owners of Amcor Limited was \$564.8 million.
- (2) 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.
- (3) Statutory profit from continuing operations for the year ended 30 June 2014 reflects Profit for the financial period from continuing operations of \$768.5 million (2013: \$617.0 million) less profit attributable to non-controlling interests of \$31.5 million (2013: \$27.8 million).
- (4) Throughout this news release, comparative information has been restated as a result of a change in accounting policy. Refer page 10 for further information.
- (5) 2013 result and variance to 2013 based on earnings before significant items.
- (6) 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. PBIT, PBITDA and PAT before significant items have not been audited but have been extracted from Amcor's audited financial statements. Average funds employed and all other non-IFRS measures have not been audited. For a reconciliation of IFRS compliant profit for the 2013 financial year to PBIT, PBITDA and PAT before significant items, refer to the Consolidated Income Statement included on page 2.
- (7) After capital expenditure and proceeds from sale of property, plant and equipment. Refer note (a) "operating cash flow" on page 11 for further information.
- (8) For the year ended 30 June 2013 Amcor's EPS, inclusive of discontinued operations was 57.2 cents and for continuing operations was 49.0 cents. The dividend declared for the year ended 30 June 2013 was 40.0 cents per share which represented a 70% payout ratio on the 57.2 cents earnings per share for the year ended 30 June 2013. Based on the same payout ratio of 70% the dividend per share for continuing operations was 34.0 cents per share.

Amcor has released to the Australian Securities Exchange a presentation on its financial results for the year ended 30 June 2014. This is available at [www.amcor.com](http://www.amcor.com)

## Financial result from continuing operations

### Consolidated Income (A\$ million)

	2013	2014
<b>Sales revenue</b>	<b>9,485.8</b>	<b>10,853.4</b>
PBITDA	1,341.2	1,586.8
- Depreciation and amortisation	(357.7)	(409.5)
PBIT	983.5	1,177.3
- Net finance costs	(191.1)	(210.4)
<b>Profit before tax</b>	<b>792.4</b>	<b>966.9</b>
- Income tax expense	(173.0)	(198.4)
- Non-controlling interest	(27.8)	(31.5)
<b>Profit after tax and before significant items</b>	<b>591.6</b>	<b>737.0</b>
Significant items after tax	(2.4)	-
<b>Profit after tax</b>	<b>589.2</b>	<b>737.0</b>

### Consolidated balance sheet (A\$ million)

	30/06/13 <sup>(1)</sup>	30/06/14
Current assets	3,363.6	3,531.7
Property, plant and equipment	3,153.1	3,100.2
Intangible assets	2,052.9	2,119.4
Investments and other assets	712.7	946.0
<b>Total assets</b>	<b>9,282.3</b>	<b>9,697.3</b>
Current interest-bearing liabilities	619.8	554.0
Non-current interest-bearing liabilities	3,022.0	3,186.5
Payables, provisions and other liabilities	3,529.2	3,685.7
Total equity	2,111.3	2,271.1
<b>Total liabilities and equity</b>	<b>9,282.3</b>	<b>9,697.3</b>

(1) Continuing operations balance sheet for 30/06/13 has been presented on a proforma basis to ensure comparability with 30/06/14. 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 audited financial statements.

### Operating cash flow from continuing operations (A\$ million)

	2013	2014
PBITDA	1,341.2	1,586.8
Interest received/borrowing costs paid	(189.5)	(211.7)
Income tax paid	(127.1)	(149.1)
Capital expenditure	(323.4)	(362.2)
Movement in working capital	(24.4)	67.3
Other	(39.7)	(40.5)
<b>Operating cash flow from continuing operations</b>	<b>637.1</b>	<b>890.6</b>

### Consolidated cash flow including discontinued operations (A\$ million)

	2013	2014
<b>Operating cash flow from continuing operations</b>	<b>637.1</b>	<b>890.6</b>
Cash flow from discontinued operations	102.4	(12.1)
<b>Operating cash flow (including discontinued operations)<sup>(1)</sup></b>	<b>739.5</b>	<b>878.5</b>
Dividends and other equity distributions	(478.2)	(500.0)
<b>Free cash flow (including discontinued operations)<sup>(1)</sup></b>	<b>261.3</b>	<b>378.5</b>
Divestments	21.1	25.5
Growth capital / acquisitions	(313.8)	(152.9)
Movements in share capital	(58.6)	(81.9)
Proceeds on capital contribution from minority interests	-	3.8
Foreign exchange rate changes and hedges	22.9	18.7
<b>Decrease/(increase) in net debt<sup>(1)</sup></b>	<b>(67.1)</b>	<b>191.7</b>

(1) Refer note (c) "movement in net debt" on page 11 for further information.

## Net debt and net finance costs – continuing operations

Net debt was \$3,199.4 million at 30 June 2014.

Leverage, measured as net debt over PBITDA was 2.0 times.

Net finance costs were \$210.4 million. Interest cover, measured as PBITDA to net interest, was 7.5 times.

During the year, the company established a new five year US\$500 million syndicated facility and renewed a three year US\$740 million multi currency syndicated revolving bank facility. There are no substantial debt facilities maturing during the 2015 financial year.

## Dividend

The Directors declared an unfranked final dividend of 23.5 cents per share, bringing the annual dividend to 43.0 cents per share, unfranked. This represents a 26.5% increase on last year's base of 34.0 cents per share (Refer footnote 8 on page 1 for further information regarding dividend per share in the prior period).

100% of the dividend is sourced from the Conduit Foreign Income Account. The ex-dividend date will be 2 September 2014, the record date will be 4 September 2014 and the payment date will be 30 September 2014.

## US dollar reporting

On 24 June 2014, the company announced its decision to move to US dollar reporting, commencing with the 2014/15 financial year. This will reduce the impact of movements in exchange rates and facilitate better understanding of the operating performance of the company, given that Australian dollar denominated sales now represent less than 5% of sales for the group.

To assist investors during the transition, financial information for the year ended 30 June 2014, restated in US dollars is provided on page 12.

## Exchange rate sensitivity

For the 2013/14 financial year the main currencies that Amcor's continuing operations were exposed to when translating overseas earnings into Australian dollars for reporting purposes were US dollars and Euros. For the 2013/14 financial year, for continuing operations the annualised profit after tax sensitivity for a one cent movement against the Euro was approximately \$5 million. The annualised sensitivity for a one cent movement against the US dollar was approximately \$3 million. For the 2013/14 financial year the positive impact on profit after tax for the continuing operations of translating overseas earnings into Australian dollars was approximately \$91 million.

From the 2014/15 financial year Amcor will report its profit in US dollars. Given the current business mix, approximately 55% of Amcor's earnings are exposed to movements in the US dollar. The impact of translating these earnings into US dollars for reporting purposes will vary depending on the movement of the various currencies. The Euro represents approximately half of this exposure. The annualised profit after tax translation sensitivity for a one cent movement in the US dollar against the Euro is approximately \$3 million US dollars.

## Conference call

Amcor is hosting a conference call with investors and analysts to discuss these results today, August 19, 2014 at 11:30 am AEST. Investors are invited to listen to a live audiocast of the conference call at our website, [www.amcor.com](http://www.amcor.com) in the "Investors section". A replay of the audiocast will also be available on our website within 24 hours.

## Segment information

Segment analysis (A\$ million)	2013			2014		
	Sales revenue	PBIT	ROAFE%	Sales revenue	PBIT	ROAFE%
Flexibles	6,405.0	740.8	23.9	7,384.3	896.0	24.3
Rigid Plastics	3,094.5	279.2	16.9	3,477.1	324.7	18.3
Investments / Other / Intersegment	(13.7)	(36.5)	-	(8.0)	(43.4)	-
<b>TOTAL</b>	<b>9,485.8</b>	<b>983.5</b>	<b>18.6</b>	<b>10,853.4</b>	<b>1,177.3</b>	<b>19.4</b>

## Flexibles

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

Earnings	2013	2014	Change	2013	2014	Change
	A\$ mill	A\$ mill	%	€ mill	€ mill	%
Sales revenue	6,405	7,384	15.3	5,087	4,996	(1.8)
<b>PBIT</b>	<b>740.8</b>	<b>896.0</b>	<b>21.0</b>	<b>588.4</b>	<b>606.2</b>	<b>3.0</b>
Operating Margin (%)	11.6	12.1		11.6	12.1	
Average funds employed	3,094	3,693	19.4	2,457	2,498	1.7
<b>PBIT/AFE (%)</b>	<b>23.9</b>	<b>24.3</b>		<b>23.9</b>	<b>24.3</b>	
Average exchange rate (cents)	0.79	0.68				

## Cash flow

PBITDA	952.1	1,143.8	20.1	756.2	773.9	2.3
Capital Expenditure	(166.7)	(208.8)		(132.4)	(141.3)	
Movement in Working Capital	(16.8)	66.6		(13.3)	45.1	
Other	(35.8)	17.3		(28.5)	11.7	
<b>Operating cash flow</b>	<b>732.8</b>	<b>1,018.9</b>	<b>39.0</b>	<b>582.0</b>	<b>689.4</b>	<b>18.5</b>

The Flexibles segment had a good year with PBIT, expressed in Euro terms, up 3.0% to €606.2 million.

Approximately 40% of the Flexibles segment earnings are derived in Euros. Given the considerable strength of the Euro during the year, the negative impact of translating earnings in currencies other than the Euro was €24.0 million on reported Euro PBIT. On a constant currency basis PBIT was up 7.1% to €630.2 million.

Sales revenue for the full year, decreased by 1.8% or €91 million. The negative impact from translating sales denominated in currencies other than the Euro was €187.5 million. This amount was partly offset by €62.1 million related to acquisitions in the Asia Pacific Flexibles and Tobacco Packaging businesses. Net of these two items underlying sales were marginally higher.

There was a continued improvement in the operating margin from 11.6% to 12.1%, and returns, measured as PBIT over average funds employed, increased to 24.3%.

## 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 another good year with improved earnings, margins and returns. Sales were modestly higher on a constant currency basis. This was a solid performance given relatively flat demand across most market segments. The business continued to focus on improving costs and operating efficiencies, as well as innovation and simplification to significantly enhance the customer value proposition.

Innovation is a key driver of long term success and during the year there were a number of examples of innovation excellence. These include:

- Next generation coffee capsules developed to meet specific customer requirements for growth in the US market.
- Step change technology in pharmaceutical packaging that enables the size of blister packs to be significantly reduced thereby lowering costs through the entire supply chain.
- New lightweight barrier film for the meat segment that reduces the film weight by more than 15%. The film has superior performance to existing products and has up to 15% reduction in its carbon footprint.
- A proprietary technology Amflow that simplifies the product platform for confectionary applications. This technology allows customers to take complexity out of their business, increase manufacturing efficiency, reduce costs and improve their speed to market.

## Flexibles Asia Pacific

The Flexibles Asia Pacific business has 37 plants in seven countries throughout the region. The business had a solid year with sales, in Australian dollar terms, up 12.5% and earnings significantly higher.

China had a good year and continues to gain share with a number of large customers. In local currency terms earnings growth, excluding the impact of acquisitions, was more than 10%. In October 2013, the RMB350 million acquisition of the flexible packaging operations of Jiangsu Shenda Group was completed. The acquired business has sales of approximately RMB440 million and establishes Amcor as the market leader in Eastern China.

Thailand had a difficult year, particularly in the first half, with sales and earnings lower than the same period last year. The business was adversely impacted by weaker demand in the domestic market due to ongoing political uncertainty. Sales and earnings experienced an improving trend in the last quarter which has continued into the start of the current fiscal year. Export sales, particularly to the Philippines, were solid except for a softer second quarter following typhoon Yolanda.

The operations in India, Singapore and Indonesia performed well, delivering strong earnings growth. During the year the acquisition of a flexible packaging plant in Gujarat, India was completed. In May 2014, the A\$27 million acquisition of Bella Prima Packaging, an Indonesian flexible packaging business was announced. Bella Prima has two plants in Jakarta and sales of approximately A\$30 million.

In Australia underlying volumes were lower, however earnings were significantly higher due predominately to the synergy benefits from the Aperio acquisition. In April 2014 the A\$50 million acquisition of the Detmold Flexibles business was completed creating additional synergy opportunities in Australia. The full benefits of the Aperio and Detmold acquisitions are expected to be realised over the next two years.

New Zealand had a challenging year due to a combination of a high New Zealand dollar adversely impacting customer export volumes, a lag in recovering raw material cost increases and manufacturing inefficiencies. Earnings were significantly lower than the prior period. A thorough performance review has been undertaken and a comprehensive improvement action plan is in the process of implementation. Although the performance of the business is expected to improve in 2015 it is not likely to return to prior earnings levels until 2016.

## Tobacco Packaging

The Tobacco Packaging business had a solid year. Sales and earnings were ahead of last year, expressed in constant currency terms, reflecting prior period acquisitions and organic growth in emerging markets partly offset by lower volumes in developed markets.

Key trends in the tobacco packaging industry continue to be premiumisation of the tobacco carton, growth in emerging markets and supply chain efficiency improvement in developed economies. Amcor is well positioned to support customers with these trends.

As the leader in product innovation the business has secured a substantial proportion of new designs for higher value-add cartons. It is also gaining share through commercialisation of new manufacturing processes that reduce costs. As the only manufacturer with a global footprint it is uniquely positioned to deliver these innovations and manufacturing improvements to customers across the various regions.

In Western Europe volumes were lower primarily due to subdued economic conditions driving down-trading into roll-your-own and illicit products. The business has decided to undertake some restructuring activities in Western Europe and these will occur during the first half of the 2015 fiscal year.

In Eastern Europe, which includes Turkey, industry volumes declined in some countries but these were offset by market share gains and higher exposure to premium brands.

In the Americas the integration of the Shorewood acquisition was substantially completed during the year. The business is now positioned to further improve plant operating efficiencies and grow with the existing assets.

The Asian business had an excellent year with higher volumes, improved operating performance and a strong increase in earnings from the acquired Shorewood operations. A component of the increased volume was new business for the Indonesian market. This new Indonesian business is currently being supplied from Amcor plants in the region.

The Indonesian market is the third largest tobacco market in the world with tobacco cartons predominately supplied by in-house printers. The market is evolving to higher value-add packaging and there is a significant opportunity to work with customers developing new designs and pack formats. To support this opportunity a new plant will be built in Indonesia to supply existing contracts and better position the business to be awarded additional volumes. The main equipment for this plant will be supplied from available surplus assets. It is expected the plant will be operational in late calendar 2015.

## **Outlook**

The earnings outlook for the Flexibles business is for higher earnings in the 2014/15 year. It is anticipated that conditions in developed markets will remain subdued and there will be continued growth in emerging markets. There will be benefits from recent acquisitions and ongoing cost improvement programs.

Restructuring costs of approximately €5 million will be incurred in the first half of the 2014/15 year.

## Rigid Plastics

Earnings	2013	2014	Change	2013	2014	Change
	A\$ mill	A\$ mill	%	US\$ mill	US\$ mill	%
Sales revenue	3,095	3,477	12.3	3,179	3,192	0.4
<b>PBIT</b>	<b>279.2</b>	<b>324.7</b>	<b>16.3</b>	<b>286.8</b>	<b>298.2</b>	<b>4.0</b>
Operating Margin (%)	9.0	9.3		9.0	9.3	
Average funds employed	1,654	1,775	7.3	1,699	1,630	(4.1)
<b>PBIT/AFE (%)</b>	<b>16.9</b>	<b>18.3</b>		<b>16.9</b>	<b>18.3</b>	
Average exchange rate (cents)	1.03	0.92				

## Cash flow

PBITDA <sup>(1)</sup>	423.9	482.5	13.8	435.4	443.0	1.7
Capital Expenditure	(143.8)	(136.7)		(147.8)	(125.5)	
Movement in Working Capital	(16.8)	(20.8)		(17.2)	(19.1)	
Other	4.8	38.2		4.9	35.1	
<b>Operating cash flow</b>	<b>268.1</b>	<b>363.2</b>	<b>35.5</b>	<b>275.3</b>	<b>333.5</b>	<b>21.1</b>

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

The Rigid Plastics business had a solid year with PBIT of US\$298.2 million, 4% higher than the prior period.

Sales revenue for the year increased by 0.4% to US\$3,192 million. For the year there was minimal impact on sales from movement in raw material prices.

Returns, measured as PBIT over average funds employed increased from 16.9% to 18.3%.

## North America Beverage

Volumes for the North American beverage business were up 1%. The beverage market in the US was impacted by a cool and wet summer in 2013 followed by a long and cold winter. As a result total liquid refreshment beverages in the US were flat.

Earnings were marginally lower predominately due to an adverse shift in product mix in both the carbonated soft drink and water (CSDW) and hot-fill custom beverage segments.

In the hot-fill custom beverage segment, volumes increased 4%. Segment earnings were negatively impacted by an adverse mix shift, with lower volumes in higher value-add speciality hot fill containers typically used in the non-isotonic market.

In the CSDW segment the business increased market share in lower margin preforms. This improvement partially offset the impact of lower blown container volumes and the reduced industry demand in the carbonated soft drink 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.

The business had a strong year. Sales were flat reflecting solid volume growth in higher value-add segments offset by the closure of a plant in Puerto Rico and exiting lower margin volumes. These actions resulted in a favourable change in product mix and lower operating costs. Earnings were significantly higher 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. 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 solid volume growth is realised in attractive market segments.

## Latin America

The Latin American operations, including Mexico, had a good year with higher earnings and returns.

Volumes in the South and Central American region were 4.3% higher, with solid growth in Ecuador, Central America and Brazil. Volumes for the year were higher in Argentina, despite poor demand in the fourth quarter driven by weakening economic conditions.

In Mexico volumes were significantly lower, adversely impacted by severe hurricanes in the first half and the introduction of a tax on sugar sweetened beverages in the second half.

Amcor translates its Venezuelan earnings into US dollars at the official exchange rate of 6.3 Bolivars to the US dollar. This is the rate at which the business currently repatriates Bolivars into US dollars. Should this rate change, the profit after tax sensitivity to a 1 Bolivar movement in the exchange rate against the US dollar is approximately US\$1.3 million.

## 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.

The business had a strong year with higher volumes and earnings. The business secured new volumes in the second half and this more than offset the impact of poor weather in the first half of the year.

## LiquiForm™

On 30 July 2014, the revolutionary LiquiForm™ technology was announced. LiquiForm™ uses the consumable liquid instead of compressed air to hydraulically form and fill the container on one machine simultaneously. By combining the forming and filling processes into one step, LiquiForm™ dramatically simplifies the manufacture of rigid plastic containers for a wide range of consumer products.

Amcor developed the LiquiForm™ concept in 2006, and subsequently set up a joint venture which owns the patented LiquiForm™ technology and related intellectual property. The joint venture has signed agreements with Sidel, an industry leading manufacturer of bottling machinery, Yoshino Kogyosho Co, Japan's largest plastic bottle manufacturer, and Nestle Waters. Amcor and Sidel each own a 50% interest in the joint venture.

For consumer product manufacturers, this breakthrough is expected to reduce capital costs and improve operating efficiency and product quality. LiquiForm™ delivers a reduction in operating costs of up to 25% and greater flexibility in container design.

The joint venture will issue licences allowing machine manufacturers to produce and sell equipment using the LiquiForm™ technology. Global demand for new blow molding and filling machines for which LiquiForm™ would be suitable is estimated to be approximately 800 machines per annum. The joint venture will target a significant portion of that annual demand for conversion to the LiquiForm™ technology, and the first full scale operation is expected to be commercialized in two to three years.

## Outlook

Outlook for 2014/15 is for higher earnings with:

- Continued growth in Diversified Products;
- Continued growth in Latin America, dependent on economic conditions in Argentina; and
- Higher earnings in North America Beverage dependent on weather conditions for the balance of the year.

## Investments / Other

PBIT (A\$ million)	2013	2014
AMVIG	25.5	21.6
Corporate costs	(62.0)	(65.0)
<b>Total</b>	<b>(36.5)</b>	<b>(43.4)</b>

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

In both the 2012/13 and June 2013/14 years corporate costs included benefits from changes to pension plans. For the 2013/14 year this benefit was A\$11.6m making normalised corporate costs for the 2013/14 year A\$76.6 million. For the 2014/15 year corporate costs, on a constant currency basis, are expected to be approximately A\$75 million.

## Cash flow

2014 (A\$ million)	Flexibles	Rigid Plastics	Investments / Other	Continuing operations
PBITDA <sup>(1)</sup>	1,143.8	482.5	(39.5)	1,586.8
Capital Expenditure	(208.8)	(136.7)	(16.7)	(362.2)
(Increase)/decrease in working capital	66.6	(20.8)	21.5	67.3
Other items	17.3	38.2	(96.0)	(40.5)
Interest	-	-	(211.7)	(211.7)
Tax	-	-	(149.1)	(149.1)
<b>Operating cash flow</b>	<b>1,018.9</b>	<b>363.2</b>	<b>(491.5)</b>	<b>890.6</b>

(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 annual 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.

Consolidated Income Statement A\$m	FY 2013				1H13	2H13
	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)	983.5	445.9	537.6
- Net finance costs	(180)	(11.1)	-	(191.1)	(85.9)	(105.2)
Profit before tax	811	(15.2)	(3.0)	792.4	360.0	432.4
- Income tax expense	(176)	3.0	-	(173.0)	(78.9)	(94.1)
- Non-controlling interest	(28)	-	-	(27.8)	(11.7)	(16.1)
<b>Profit after tax before significant items</b>	<b>607</b>	<b>(12.2)</b>	<b>(3.0)</b>	<b>591.6</b>	<b>269.4</b>	<b>322.2</b>

The table below provides a reconciliation of proforma balance sheet information for the Amcor Group 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 annual financial report as the latter includes balances related to discontinued operations.

Consolidated Balance Sheet A\$m	30/06/13				
	Continuing operations as disclosed in the demerger booklet page 77	Change in accounting policy	Page 3 of this release	Orora Limited & other demerger adjustments <sup>(1)</sup>	Total Amcor restated 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	328.5	1,041.2
<b>Total assets</b>	<b>9,280</b>	<b>2.8</b>	<b>9,282.3</b>	<b>3,140.1</b>	<b>12,422.4</b>
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, provisions and other liabilities	3,525	4.0	3,529.2	827.0	4,356.2
Total equity	2,113	(1.2)	2,111.3	1,592.5	3,703.8
<b>Total liabilities and equity</b>	<b>9,280</b>	<b>2.8</b>	<b>9,282.3</b>	<b>3,140.1</b>	<b>12,422.4</b>

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

## Financial result including discontinued operations<sup>(1)</sup>

Consolidated Income (A\$ mill)	2013	2014	Consolidated cash flow (A\$ mill)	2013	2014
<b>Sales revenue<sup>(2)</sup></b>	<b>12,425.3</b>	<b>12,468.8</b>	PBITDA <sup>(3)</sup>	1,601.0	1,744.0
PBITDA <sup>(3)</sup>	1,601.0	1,744.0	Interest received/borrowing costs paid	(218.2)	(225.4)
- Depreciation and amortisation <sup>(2)</sup>	(476.1)	(470.9)	Income tax paid <sup>(2)</sup>	(138.0)	(149.1)
PBIT <sup>(3)</sup>	1,124.9	1,273.1	Capital expenditure	(383.7)	(394.9)
- Net finance costs <sup>(2)</sup>	(233.3)	(228.9)	Movement in working capital	(1.1)	34.2
<b>Profit before tax</b>	<b>891.6</b>	<b>1,044.2</b>	Other	(120.5)	(130.3)
- Income tax expense	(191.2)	(222.2)	<b>Operating cash flow<sup>(5)</sup></b>	<b>739.5</b>	<b>878.5</b>
- Non-controlling interest <sup>(2)</sup>	(27.8)	(31.5)			
<b>Profit after tax before significant items<sup>(3)</sup></b>	<b>672.6</b>	<b>790.5</b>	<b>Consolidated balance sheet</b>		
Significant items after tax <sup>(4)</sup>	(88.9)	(225.7)	Refer page 10.		
<b>Profit for the financial period<sup>(2)</sup></b>	<b>583.7</b>	<b>564.8</b>			

(1) Effective 31 December 2013, the Australasia and Packaging Distribution business was demerged from the Amcor Group.

(2) IFRS compliant information extracted from Amcor's audited financial statements.

(3) 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 audited but have been extracted from Amcor's audited financial statements. Average funds employed and all other non-IFRS measures have not been audited.

(4) All significant items for the current and comparative periods are attributable to Discontinued Operations. Refer to Amcor's annual financial report for further information.

(5) Refer below for further information.

Segment analysis (A\$ mill)	2013			2014		
	Sales revenue	PBIT	ROAFE%	Sales revenue	PBIT	ROAFE%
Flexibles	6,405.0	740.8	23.9	7,384.3	896.0	24.3
Rigid Plastics	3,094.5	279.2	16.9	3,477.1	324.7	18.3
Australasia and Packaging Distribution	2,942.8	141.4	8.6	1,617.2	95.8	10.5
Investments / Other / Intersegment	(17.0)	(36.5)	-	(9.8)	(43.4)	-
<b>TOTAL including discontinued operations</b>	<b>12,425.3</b>	<b>1,124.9</b>	<b>16.2</b>	<b>12,468.8</b>	<b>1,273.1</b>	<b>18.2</b>

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 financial report.

PBIT Profit before interest and tax. PBIT equals Profit from operations within Amcor's 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 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 net capital expenditure and other items. This measure is reconciled to cash flow from operating activities as follows:

	Continuing operations		Including discontinued operations	
	2013	2014	2013	2014
Operating cash flow	637.1	890.6	739.5	878.5
Capital expenditure	323.4	362.2	383.7	394.9
Proceeds from sale of PP&E	(22.9)	(78.3)	(89.7)	(79.3)
Other items	21.1	(3.5)	13.0	(2.8)
Cash flow from operating activities	<u>958.7</u>	<u>1,171.0</u>	<u>1,046.5</u>	<u>1,191.3</u>

(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 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 financial report as follows:

	Including discontinued operations	
	2013	2014
Proceeds from borrowings	(6,494.0)	(9,923.2)
Repayment of borrowings	6,419.3	9,970.8
Net cash from discontinued financing activities	(37.6)	(91.0)
Net increase in cash held	32.3	213.9
Effects of exchange rate changes on cash and cash equivalents	12.1	23.0
Other items	0.8	(1.8)
Decrease/(increase) in net debt	<u>(67.1)</u>	<u>191.7</u>

## Financial result from continuing operations in US dollars

On 24 June 2014, the company announced its decision to move to US dollar reporting, commencing with the 2014/15 financial year. To assist investors during the transition, financial information for the year ended 30 June 2014, restated in US dollars is provided below.

The average exchange rates used to translate Australian dollar earnings and cash flows into US dollars for the year ended 30 June 2013 and 30 June 2014 were 1.0272 and 0.9181 respectively. The spot exchange rates used to translate Australian dollar balance sheets into US dollars at 30 June 2013 and 30 June 2014 were 0.9270 and 0.9419 respectively.

Consolidated Income (US\$ million)			Operating cash flow from continuing operations (US\$ million)		
	2013	2014		2013	2014
<b>Sales revenue</b>	<b>9,743.8</b>	<b>9,964.5</b>	PBITDA	1,377.8	1,458.0
PBITDA	1,377.8	1,458.0	Interest received/borrowing costs paid	(194.7)	(194.3)
- Depreciation and amortisation	(367.5)	(375.9)	Income tax paid	(130.6)	(136.8)
PBIT	1,010.3	1,082.1	Capital expenditure	(332.2)	(332.6)
- Net finance costs	(196.3)	(193.2)	Movement in working capital	(25.0)	61.8
<b>Profit before tax</b>	<b>814.0</b>	<b>888.9</b>	Other	(40.9)	(38.3)
- Income tax expense	(177.7)	(182.2)	<b>Operating cash flow from continuing operations</b>	<b>654.4</b>	<b>817.8</b>
- Non-controlling interest	(28.6)	(28.9)			
<b>Profit after tax and before significant items</b>	<b>607.7</b>	<b>677.8</b>			
Significant items after tax	0.6	-			
<b>Profit after tax and significant items</b>	<b>608.3</b>	<b>677.8</b>			
Consolidated balance sheet (US\$ million)			Operating cash flow including discontinued operations (US\$ million)		
	30/06/13 <sup>(1)</sup>	30/06/14		2013	2014
Current assets	3,118.1	3,326.5	<b>Operating cash flow from continuing operations</b>	<b>654.4</b>	<b>817.8</b>
Property, plant and equipment	2,922.9	2,920.1	Cash flow from discontinued operations	105.3	(11.2)
Intangible assets	1,903.0	1,996.3	<b>Operating cash flow (including discontinued operations)</b>	<b>759.7</b>	<b>806.6</b>
Investments and other assets	660.7	891.0	Dividends and other equity distributions	(499.2)	(463.8)
<b>Total assets</b>	<b>8,604.7</b>	<b>9,133.9</b>	<b>Free cash flow (including discontinued operations)</b>	<b>260.5</b>	<b>342.8</b>
Current interest-bearing liabilities	574.6	521.8	Divestments	21.9	23.4
Non-current interest-bearing liabilities	2,801.4	3,001.3	Growth capital / acquisitions	(323.3)	(142.8)
Payables and provisions	3,271.5	3,471.7	Movements in share capital	(59.8)	(75.7)
Total equity	1,957.2	2,139.1	Proceeds on capital contributions from minority interests	-	3.5
<b>Total liabilities and equity</b>	<b>8,604.7</b>	<b>9,133.9</b>	Foreign exchange rate changes and hedges	(5.8)	26.6
			<b>(Decrease)/increase in net debt</b>	<b>(106.5)</b>	<b>177.8</b>

(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. The US dollar balance sheet presented above us based on the restated Australian dollar balance sheet disclosed on page 10.

## Other information and key ratios

	2013	2014
EPS (US cents)	50.4	56.2
DPS (US cents per share) <sup>(1)</sup>	35.8	39.2
Net debt (US\$ million)	3,032.5	3,013.4
PBIT/Average funds employed (%)	18.6	19.4
PBIT/Sales (%)	10.4	10.9
Net PBITDA interest cover (times)	7.0	7.5
Net debt / PBITDA (times)	2.2	2.1

(1) 2013 dividend per share adjusted to reflect a payout ratio of 70% of EPS from continuing operations in Australian dollars before converting to US dollars. Refer footnote 8 on page 1 for further details.

Segment analysis (US\$ million)	2014 earnings			2014 cash flow				
	Sales revenue	PBIT	AFE	PBITDA	Net capex	Movement in working capital	Other items	Operating cash flow
Flexibles	6,779.4	822.6	3,390.6	1,050.1	(169.1)	61.1	(6.7)	935.4
Rigid Plastics	3,192.3	298.2	1,630.0	443.0	(85.3)	(19.1)	(5.1)	333.5
Investments / Other / Intersegment	(7.2)	(38.7)		(35.1)	(6.3)	19.8	(429.5)	(451.1)
<b>TOTAL</b>	<b>9,964.5</b>	<b>1,082.1</b>	<b>5,581.0</b>	<b>1,458.0</b>	<b>(260.7)</b>	<b>61.8</b>	<b>(441.3)</b>	<b>817.8</b>

#### Exchange rate sensitivities

Given the current business mix, approximately 55% of Amcor's earnings are exposed to movements in the US dollar. The impact of translating these earnings into US dollars for reporting purposes will vary depending on the movement of the various currencies. The Euro represents approximately half of this exposure. The annualised profit after tax translation sensitivity for a one cent movement in the US dollar against the Euro is approximately \$3 million US dollars.