



For immediate release:

Tuesday, February 17, 2009

**AMCOR ANNOUNCES INTERIM PROFIT RESULT FOR SIX MONTHS
ENDED DECEMBER 31, 2008**

Highlights

- Profit before interest and tax down 2.9% for continuing businesses;
- Earnings per share before significant items down 4.3% to 20.1 cents per share;
- Profit after tax and before significant items \$167.4 million, down 9.5%;
- Translation benefit from the lower Australian dollar on profit after tax \$13.9 million;
- Interim dividend remains constant at 17 cents per share;
- Operating cash flow \$(60.5) million; and
- Significant items, primarily relating to planned restructuring, loss of \$58.9 million.

In announcing the result, Amcor's Managing Director and CEO, Mr Ken MacKenzie said: "The first half result reflects the defensive nature of many of our businesses, combined with the benefit from translating overseas earnings into Australian dollars at a lower average exchange rate.

"The flexibles business had a strong half with earnings up 15.7%, in local currency terms. Within this segment, the food and healthcare operations successfully recovered rising raw material costs and the restructuring program in Western Europe progressed on schedule.

"The tobacco packaging operations had an excellent half. The new plant in the Ukraine continued to increase production and the new investments in Poland and Russia delivered the anticipated improvements.

"The PET packaging operations had a solid half with excellent operating performance partially offsetting the impact from lower volumes. During the first quarter, there was significant destocking in the supply chain that adversely impacted volumes. Since the end of October, volumes have more closely reflected underlying demand, particularly in the case of the higher value-add custom products.

"In Australia and New Zealand, the glass wine bottle operations delivered another strong result. The \$150 million investment in a third furnace will increase the



capacity at the plant to 600 million wine bottles per year and is supported by long term customer supply arrangements.

“As announced in February 2008, the recycled paper business is investing a net \$230 million in a new recycled paper mill to be located at Botany NSW. The mill will have a capacity of 345,000 tonnes per annum and will be capable of producing lightweight paper grades”

“The balance sheet is sound and there are strong relationships with all our major banks.”

Growth

On the 6th February 2009, Amcor announced it is currently in discussions with Rio Tinto on the possible purchase of part, but not all, of the Alcan Packaging business.

Mr Ken MacKenzie said: “It is uncertain at this point if we will proceed to purchase any of the Alcan Packaging assets and any decisions relating to funding will be made once we know what assets, if any, we are purchasing.

“As stated previously, we are a patient and disciplined buyer of any assets and have previously walked away from acquisitions where asset prices were too high.

“Any acquisition will be in our nominated growth segments of flexibles, tobacco packaging, custom PET or select segments in Australasia. It should also enhance our value proposition to customers and improve our cost position through operating synergies.

“From a shareholder value creation perspective, the three key objectives are: returns well above the cost of capital, a solid improvement in earnings per share and strong cash flows to support dividend payments. With these value metrics, combined with targeting assets that are in our nominated growth segments, I am confident that any acquisition will add shareholder value in both the short and long term.

Summary and Outlook

“Over the past six months, Amcor’s businesses have delivered solid performances in particularly difficult economic circumstances.

“The businesses operate in the defensive product segments of food and beverages and this has resulted in underlying demand being relatively resilient against a backdrop of weaker economic conditions.

“During the half, there was destocking in the supply chain for most product segments and this had a material impact on demand.



“Second half earnings should benefit substantially from a combination of a weaker Australian dollar and lower costs for a number of key raw materials. These factors, together with the relatively defensive nature of the product segments we operate in, will help insulate earnings from the impact of any further weakening in economic conditions.”

ENDS

For further information and comment please contact:

Mr Ken MacKenzie
Managing Director and CEO
Amcor Limited
Ph: +61 3 9226 9001

Mr John Murray
Executive General Manager Corporate Affairs
Amcor Limited
Ph: +61 3 9226 9005