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AMCOR HAS A SOLID START TO THE YEAR

Amcor announced today that profit after tax for the three months to September 30 was up 4%.

The result reflects continuing improvements across a number of the operating businesses and the benefits from substantial rationalisation and restructuring undertaken over the past two years.

Profit after tax reported in Australian dollars was negatively impacted by the higher Australian dollar which averaged 66 cents against the US dollar for the first quarter this year compared to 55 cents last year. This had the effect of reducing the profit after tax for the quarter by 6%.

As the year progresses, the quarter on quarter impact of the higher Australian dollar should decrease significantly delivering substantial improvements in the quarterly comparisons.

AMCOR PET PACKAGING

The PET packaging operations had a good first quarter with volumes up 15% on the corresponding period last year. In Europe volumes increased 19%, helped by a hot summer in a number of the larger markets. In North America volumes increased 16%, comprising a 22% increase in the US and a 7% decrease in Canada due to the appreciating Canadian dollar impacting bottle water exports to the US and a two week strike by a major customer. In Latin America volumes increased 4%, with stronger growth in Mexico and Argentina offset by lower volumes in Brazil.

The profit before interest, tax and goodwill amortisation (PBITA) for the PET business increased 9% for the quarter in US dollar terms. The European and Latin American operations achieved significant earnings growth while in North America, the US operations continued to perform well, however lower volumes in Canada resulted in a substantial reduction in earnings for that country.

Growth in custom containers continues to be strong, particularly in Latin America. In Germany the business has commenced supplying a major brewer, Holsten, with one-way multi-layer PET beer bottles in significant volumes and this will have a positive impact for the current year.

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The acquisition of Alcoa's Latin American PET operations has been completed and was effective October 1. This acquisition will be earnings per share positive for the current year.

AMCOR AUSTRALASIA

Amcor Australasia had an excellent start to the year with PBITA up 12% for the quarter.

Most business units performed in line with expectations. Fibre Packaging had a particularly strong quarter helped by strong volume growth in New Zealand. The wine bottle plant is now fully loaded and continues to exceed expectations on the key manufacturing KPI's. The returns for this business have improved substantially over the past 12 months and this improvement is a major contributor to overall earnings growth.

The Australian operations have a strong forward order book and the outlook for the remainder of the year is good.

AMCOR FLEXIBLES

Amcor Flexibles continues to build on the improvements of the past two years with PBITA for the quarter up 6% in local currency terms and margins improving over the corresponding period last year.

Across the region market conditions were mixed, with strong performances from the United Kingdom and the southern region, however poor economic conditions in Germany impacted earnings in that country. The first quarter is seasonally the lowest for the year as it encompasses the summer holiday period and this has a significant impact on earnings in some countries.

The business continues to implement the planned restructuring of the operations to improve plant focus on specific markets and manufacturing technologies.

The Rexam Healthcare acquisition was finalised on October 17 and the 100-day plan is currently being implemented. This acquisition will be earnings per share positive in the current year.

Amcor Flexibles remains on target to deliver substantial earnings growth for the year together with further improvements in margins and returns.

AMCOR SUNCLIPSE

Amcor Sunclipse had a difficult quarter with PBITA in local currency terms down 32%.

The quarterly comparison for this business is particularly onerous with the first quarter last year benefiting from modestly improving economic conditions, however this year the manufacturing sector of the economy has shown no improvement from the lows experienced during the period of the Iraqi war.

Across the business units, distribution remains in line with last year, but intense competition in the corrugating and box plants has resulted in earnings being down significantly for those divisions.

Amcor Sunclipse has an excellent position in the market and considerable leverage to an improving US economy, however earnings for the current year are likely to be in line with last year.

AMCOR RENTSCH AND AMCOR CLOSURES

This business consists of the tobacco packaging operations of Amcor Rentsch as well as the metal and plastic closure operations. The combined PBITA for the group was up 11% in local currency terms for the quarter.

Amcor Rentsch had a strong start to the year with solid volume growth and all machines operating at full capacity. The businesses in Russia and Poland continue to deliver strong earnings growth and a fourth press is currently being installed at the Russian plant.

Amcor Closures also had a good start to the year. The metal closures operation has successfully managed its cost base, while the Bericap joint venture is obtaining improved earnings from the new plant in California.

AMCOR ASIA

Amcor Asia has had a solid start to the year with earnings improving from the low levels achieved at the height of the SARS virus.

On a quarter on quarter basis however, PBITA earnings are down 17% in local currency terms.

Across its three main business units, tobacco packaging is well up on last year and flexibles remain in line, however the corrugated business, particularly in Malaysia, has been impacted by intense competition with earnings well down on last year.

SUMMARY

With this solid start to the year, Amcor is well positioned to build on this result over the balance of the year.

The acquisitions of Alcoa's PET operations in Latin America and Rexam's Healthcare Flexible business were completed this month and both of these acquisitions will be earnings per share positive in the current year.

Amcor's Managing Director, Russell Jones said: "The first quarter profit increase is very pleasing given the impact of the appreciating Australian dollar. On constant currency terms, profit after tax was up 10%.

"The 15% volume increase for the PET business follows on from an 11% increase for the 2003 year and maintains the trend of volume growth greater than the industry average.

"Custom volume continues to show good growth and the recently announced multi-layer beer bottle for Holsten in Germany is a further step forward for the higher value add PET containers.

"The flexibles operations continue to benefit from the rationalisation and restructuring undertaken over the past two years with margins continuing to improve.

"Amcor Australasia also experienced a strong start to the year with earnings up 12% on the first quarter last year.

"This business has benefited from the success of the new wine bottle plant, which is delivering results ahead of expectations.

"Overall the company is well positioned for the balance of the year. Profit will build momentum through the year with the benefits from the recently completed acquisitions as well as ongoing restructuring in a number of plants delivering improved earnings and returns."

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