Amcor News Release

For immediate release: **Thursday, October 22, 2009**

AMCOR LIMITED
ANNUAL GENERAL MEETING
THURSDAY, OCTOBER 22, 2009

CHAIRMAN'S ADDRESS

Ladies and Gentlemen.

As indicated earlier, the format of this morning is that I will present a review of the results, including divisional performance and an overview of the proposed acquisition of certain parts of the operations of Alcan Packaging.

The Managing Director, Mr Ken MacKenzie will then give a more detailed review of the acquisition and go through the trading performance for the first quarter of the new financial year.

I appreciate that coming here this morning you, as shareholders are well aware of the particularly difficult operating environment all companies have encountered over the past twelve months due to the global economic crisis and the impact this has had on both demand and corporate profits.

This time last year I foreshadowed the difficulties the global economies were facing and indicated that Amcor was well positioned to meet the challenge of this rapidly changing environment.

This morning I am pleased to report that earnings per share for the 2008/09 year increased 0.5% to 43.1 cents.

Profit after tax and before significant items was A$360.5 million. Although this was lower than the previous year's $369.1 million, the Company undertook a $350 million share buy-back during the year which reduced the number of shares on issue.

This meant that although the reported profit was 2.3% lower, earnings per share actually increased slightly.

This was a particularly pleasing result given the difficult economic conditions and there were three key reasons for this performance.

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Amcor News Release

First, more than 80% of Amcor's sales are to the food, beverage, healthcare and tobacco packaging industries. Although these markets are not immune to broader economic conditions, they are substantially more resilient than many sectors. As such, the Company did not experience the large reduction in volumes that has impacted a number of other industries.

Second, and most importantly, earnings continue to benefit from the improvements implemented during The Way Forward agenda. This has been a comprehensive program to improve all aspects of the Company's performance, and the benefits from many of these initiatives have only been fully realised over the past 12 months. Without this program, earnings in 2008/09 would have been considerably lower.

Third, Amcor derives approximately 80% of its earnings from operations outside of Australia and these offshore earnings are translated into Australian dollars for reporting purposes. After a number of years where the rising Australian dollar adversely impacted the reported earnings, for the 2008/09 year, the Australian dollar was lower and this benefited the reported profit.

Within the business units, PET Packaging had a solid year. Volumes were down 8.2% due to a combination of significant customer destocking and weaker economic conditions. The business continued to deliver strong operating performance, including excellent control of costs.

The Australasian business had a difficult year and earnings were lower. Besides generally lower volumes due to weaker economic conditions, there were also two specific issues that impacted earnings. These were an adverse product mix in the beverage can business due to the introduction of new taxes on alcoholic ready-to-drink products and losses on the export of old corrugated cartons and recycled papers.

Within the global flexibles segment, the Healthcare and Tobacco Packaging businesses both had strong performances with improved earnings and returns.

The Food Flexibles business had a more difficult year with weaker demand and customer destocking. This resulted in volumes being 5% lower for the continuing businesses.

Amcor Sunclipse, the US based distribution business, had a difficult year due to the slowing US economy.

The Asian operations had another good year with improved earnings in both the wholly-owned businesses, as well as the Hong Kong publicly listed Company AMVIG.

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The sound performance of the operating businesses combined with ongoing capital discipline resulted in another year of excellent cash generation, as a result of which, operating cash flow was $419 million.

The strength of this operating cash flow enabled the Board to pay a dividend of $284 million, which represents 34 cents per share.

The strong cash flow has resulted in the balance sheet at 30 June being in a very strong position. Gearing measured as net debt to net debt plus equity was 46.2% and interest cover measured as profit before interest, tax, depreciation and amortisation to net interest was six times.

The net debt position at 30 June was $2.64 billion. The non-current debt had an average maturity of 2.9 years.

Alcan Acquisition

On 18 August, Amcor announced that it had made an offer to acquire certain parts of the Alcan Packaging Group from Rio Tinto. These assets consist of Alcan Packaging Global Tobacco, Alcan Packaging Food Europe, Alcan Packaging Global Pharmaceuticals and Alcan Packaging Food Asia.

The headline purchase price is US$2,025 million or approximately A$2.4 billion.

The acquisition is being conservatively funded via an equity raising of $1.6 billion and debt of approximately $800 million. The equity raising has been completed and was well supported by both institutional and retail shareholders.

As the transaction is unlikely to close before the New Year the Company has additional shares on issue for the first half of the current year but will not have the benefit of earnings from the businesses to be acquired.

The total dividend paid by the Company for the first half will reflect the earnings from the existing operations for the half as well as the interest benefit from the monies on deposit from the equity raising. This amount will be divided across the larger number of shares now on issue and have the impact of lowering the first half dividend per share in proportion to the extra shares on issue.

For the second half of the year the Board will take account of the additional earnings and cash flow from the acquired businesses in determining the dividend.

The acquisition of the Alcan Packaging businesses has two standout features:

First, it is a high quality asset of significant size. Its quality is represented by its people, technology, productive resources, its market knowledge and position.

Amcor has long respected Alcan Packaging as a perfect fit with Amcor's growth strategies. When put together, these businesses will, we believe, create an opportunity un-paralleled in global packaging.

Second, the transaction comes at a time when Amcor is in strong shape reflecting the "get fit" program the Company has been on over the past four years. This program has stood Amcor in good stead during the global financial crisis and has provided the Company with the capacity and capabilities to acquire and integrate Alcan Packaging.

Mr Ken MacKenzie will go through a more detailed presentation on the acquisition shortly.

Corporate Governance

It is important that I update shareholders on the Amcor approach to Corporate Governance.

The Board is committed to achieving and demonstrating the highest standards of Corporate Governance and we promote this rigorously throughout the Group. The "Code of Conduct and Ethics Policy" is integral to the way we do business.

The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders.

In light of the release of the second edition of the Australian Securities Exchange Corporate Governance Council's "Corporate Governance Principles and Recommendations", during the past year, Amcor's Corporate Governance practices and policies were reviewed. The objective was to ensure continuing compliance with the revised ASX principles.

This review resulted in updates being made to the Board and Committee Charters. Amcor also took the opportunity to consolidate its previous public disclosures in relation to its policies on risk management, shareholder communications and executive remuneration into distinct summaries that are now included on its website.

Sustainability

I am pleased to announce that Amcor's leadership in sustainability has again been recognised through Amcor's acceptance into the Dow Jones Sustainability World & Asia Pacific indices for 2009/10.

Amcor is one of only three companies within the containers and packaging sector internationally selected in the Asia Pacific Index.

Amcor **News** Release

Further recognition of Amcor's sustainability credentials was also achieved with our inclusion in the FTSE4Good Index and the Carbon Disclosure Project Leadership Index (materials sector Australia & New Zealand) for 2009/10

Finally and to summarise, your Company has made substantial progress over the past four years and the benefits from these changes are now being realised through improved operating performance which has been a key driver in maintaining a constant earnings per share performance during one of the most difficult years for a long time.

The solid foundation created by The Way Forward agenda has positioned Amcor to be able to proceed with the acquisition of Alcan Packaging.

With that overview, I would now like to hand over to Mr Ken MacKenzie, who will present a more detailed review of the Alcan acquisition and give an indication of our trading performance in the first quarter of this financial year.

Chris Roberts
Chairman