News Release

24 October 2013

AMCOR LIMITED, ANNUAL GENERAL MEETING THURSDAY, OCTOBER 24, 2013

CHAIRMAN’S ADDRESS

Ladies and Gentlemen, as indicated earlier, the format this morning is that I will present a review of the 2013 financial year as well as the key points relating to the demerger of the Australasian and Packaging Distribution business.

The Managing Director and Chief Executive Officer, Ken MacKenzie will then provide comments on divisional performance, more detailed information on the rationale for the demerger, as well as an update on the trading performance for the first quarter of the 2014 financial year.

Amcor Safety Performance

As we do with all our internal meetings at Amcor, I would like to start with our safety performance. At Amcor we are committed to a goal of “no injuries” and we measure our progress 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 the past seven years we have achieved a 66% reduction in recordable safety incidents, and in the 2013 financial year over half of our sites around the world, did not have a single recordable case. This is an extraordinary effort that proves our goal of “no injuries” is achievable.

While our current levels of performance make Amcor a truly world class company in the area of safety, we must continue to drive improvements in this area. The safety of our co-workers is our 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 and before significant items for 2013 increased by 8.6% to $689.5 million and earnings per share increased by 9.4% to 57.2 cents per share.

The key drivers of earnings growth were benefits from acquisitions, organic growth in emerging markets, improved product mix and operating cost improvements.

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Returns, measured as profit before interest and tax over average funds employed, increased from 15.9% to 16.4%. 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 $96 million to $740 million.

Higher earnings and strong cash generation enabled the Company to increase the annual dividend by 8.1% to 40 cents per share.

Business performance

Given that economic conditions were generally subdued across a number of key markets, business performance for the year was particularly pleasing.

Amcor has approximately 85% of its sales to the food, beverage, healthcare 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.

In Europe, underlying volumes were stable. Amcor's businesses in this region are in the healthcare, food and tobacco packaging industries. Over the past four years these markets have proven to be particularly resilient to weak economic conditions.

In North America, our operations are focused on the beverage, healthcare, tobacco packaging and industrial distribution markets. Beverage volumes were negatively impacted by a relatively cool and wet summer, while volumes in the remaining businesses were broadly consistent with the prior year.

In Australasia, the business is focused on beverage and fibre packaging end markets. Fibre packaging and glass volumes were relatively stable through the year while aluminium beverage can volumes were lower.

In emerging markets, which represents 28 countries for Amcor, there continued to be solid growth underpinned by rising household incomes and the ongoing development of more organised retail distribution.

During the year, the businesses continued to focus on product innovation which helped drive an increased proportion of sales in higher value-add products. The ongoing improvement in mix is also being driven by a deeper understanding of customers and further development of the customer value proposition, a key component of 'The Amcor Way'.

Cash flow and capital management

Operating cash flow for the group was $740 million, and over the past seven years, aggregate operating cash flow has exceeded $4 billion.

This strong cash flow combined with the Board's confidence, has enabled a final dividend of 20.5 cents per share to be declared. This brings the annual dividend to 40 cents per share, which is 3 cents, or 8%, higher than the 2012 dividend. In total, cash dividends paid out during the year were $478 million.

Strong returns for shareholders

Over the past eight 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 few years.

Since the first of July 2009, the Amcor share price has increased 142% from $4.43 to $10.72, as of the close on Monday this week.

Dividends paid over that time have added another 59% to returns and this means that Amcor shareholders have received a 201% return on their investment over the past four years.

Orora

Turning now to the proposed demerger of the Australasian and Packaging Distribution business.

This is an exciting next step in the evolution of Amcor and one that all Board members believe will lead to higher shareholder value over time.

Today, I am pleased to unveil the identity of your new company. What has been the Australasian and Packaging Distribution business segment within Amcor will now be known as Orora, and will be a separately listed company on the ASX.

Rationale for demerger of Orora

I would now like to explain the key points relating to the rationale for the demerger.

To be a successful market leader, a company needs to be focused in terms of product portfolio and end markets. It's difficult to remain a leader across a range of businesses, where each has different end markets, products and manufacturing technologies.

Although Amcor's portfolio is far more focused than eight years ago, the Company continues to operate two distinct and very different businesses.

Amcor has a broad global footprint focused on flexibles and rigid plastics. On the other hand, Orora is a regionally focused business manufacturing fibre, metal and glass products as well as having a significant position in packaging distribution.

Given the fundamental differences in the two businesses, the Board strongly believes that shareholder value will be optimised if they are separated into two companies where each are focused on their own unique strategic priorities and agendas.

Key appointments

If approved by shareholders, Orora and Amcor will each have its own experienced management team and Board.

For Amcor, Graeme Liebelt will be the Chairman and Ken MacKenzie will remain the Managing Director and CEO.

In the case of Orora, I will become the Chairman, and Nigel Garrard, the current President of Orora will be appointed CEO. Nigel has been the Managing Director of the Orora business for the past four years and prior to that, he had extensive experience in the fast moving consumer goods market.

John Pizzey and Jeremy Sutcliffe will also join the Board of Orora. John and I will retire from the Amcor Board on the effective date of the demerger, whereas Jeremy will continue as a Director of Amcor.

On behalf of the Board and shareholders, I would like to take this opportunity to thank John for his very valuable contribution to Amcor since becoming a Director in 2003. His colleagues and the Senior Executive team have particularly appreciated his thoughtful and experienced approach to the opportunities and challenges the Company has faced in a period of both significant change and growth.

Thank you John and I look forward to working with you on the Board of Orora.

Key dates

Demergers may be new to some shareholders so I would like to take you through the steps that will occur over the next two months.

The demerger means each shareholder will receive one share in Orora for each Amcor share they own. The number of shares you hold in Amcor will not change, however Amcor will no longer own the Orora business.

You will each receive a copy of the Scheme Booklet which will be available on Friday 1st November. The booklet provides detailed information about the demerger and the resolutions you will be asked to vote on at a shareholder meeting. This meeting will take place at the Melbourne Exhibition Centre at 10.00am on Monday 9th December.

If the resolutions are passed at the shareholder meeting in December, the demerger will become effective on Tuesday 17th. Orora will then commence trading on the ASX on Wednesday 18th of December.

Corporate Governance

Before I hand over to Ken, it is important to address Amcor's approach to 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.

This time last year I mentioned that a new Leadership Framework had been introduced, outlining the skills required at all leadership levels to ensure that the company achieves success in all of its objectives. During the current year, work has continued in this very important area with the framework now embedded in all our Human Resources processes. Leadership competencies are now being assessed through the Amcor performance management system and we have launched the Amcor 360 degree feedback tool.

Summary

In conclusion, 2013 has been another successful year for Amcor. The Company, led by a talented and strong senior executive team has delivered improved financial results and positioned both Amcor and Orora for sustained growth and continued improvement in shareholder returns.

As mentioned earlier, on the effective date of the demerger, I will retire from the Amcor Board and will assume the Chair of Orora Limited. I have been Amcor's Chairman for the past 13 years. There have been ups and downs in this period, but the Company today is one in which we can all take enormous pride – so I thank you and my Board colleagues for the honour of serving you. As mentioned earlier, on my retirement, Graeme Liebelt will assume the Chairmanship of Amcor. Graeme joined our Board in April last year after a distinguished executive career and your Board is delighted that he has agreed to accept the Chairmanship.

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

Chris Roberts
Chairman