SCHEME BOOKLET

amcor

For a scheme of arrangement between Amcor Limited and its shareholders to create a new holding company, Amcor plc, in order to effect the combination of Amcor Limited and Bemis Company, Inc.

The Amcor Directors unanimously recommend that you vote in favour of the resolution to approve the Scheme.

This is an important document and requires your immediate attention. You should read this document carefully and in its entirety before deciding how to vote on the Scheme. If you are in any doubt as to how to deal with this document, please consult your legal, investment, tax or other professional adviser immediately.

Joint Financial Advisers

UBS

MOELIS & COMPANY

Australian Legal Adviser

HERBERT SMITH FREEHILLS

Important notices

Date of Scheme Booklet

This Scheme Booklet is dated 12 March 2019.

This Scheme Booklet contains important information

This is an important document and requires your immediate attention. This Scheme Booklet is the explanatory statement required by section 412(1) of the Corporations Act for a scheme of arrangement between Amcor Limited (**Amcor**) and its shareholders to create a new holding company, Amcor plc (**New Amcor**), in order to effect the combination of Amcor and Bemis Company, Inc. (**Bemis**).

The purpose of this Scheme Booklet is to explain the terms and effects of the Scheme, the manner in which the Scheme will be considered and implemented (if approved by the Requisite Majorities and by the Court), and to provide information as is prescribed or otherwise material to the decision of Amcor Shareholders regarding how to vote on the Scheme.

You should read this Scheme Booklet carefully and in its entirety before deciding how to vote on the Scheme.

If you have sold all of your Amcor Shares as at the date of this Scheme Booklet, please ignore this Scheme Booklet.

Status of the Scheme Booklet

This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Section 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under section 411(1) of the Corporations Act. Instead, Amcor Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

Responsibility for information

The Amcor Information has been prepared by Amcor and is the sole responsibility of Amcor. Neither Bemis, nor any of the Bemis Directors, nor any of Bemis' subsidiaries, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the Amcor Information. The Bemis Information has been provided by Bemis and is the sole responsibility of Bemis. Neither Amcor, nor any of the Amcor Directors, nor any of Amcor's subsidiaries, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the Bemis Information.

KPMG Financial Advisory Services (Australia) Pty Ltd has prepared the Independent Expert's Report in relation to the Scheme contained in Annexure A and takes sole responsibility for that report. None of Amcor, New Amcor, Bemis, the Amcor Directors, the New Amcor Directors, or the Bemis Directors, or any of their respective subsidiaries, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except, in the case of Amcor and Bemis respectively, in relation to the information which each of them has provided to the Independent Expert.

PricewaterhouseCoopers Securities Ltd has prepared the Investigating Accountant's Report in relation to the Scheme contained in Annexure B and takes sole responsibility for that report. None of Amcor, New Amcor, Bemis, the Amcor Directors, the New Amcor Directors, or the Bemis Directors, or any of their respective subsidiaries, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the information contained in the Investigating Accountant's Report.

No consenting party, as listed in Section 11.7, has withdrawn their consent to be named before the date of this Scheme Booklet.

ASIC, ASX and the Court

A copy of this Scheme Booklet has been provided to ASIC for examination for the purposes of section 411(2)(b) of the Corporations Act and has been registered by ASIC for the purposes of section 412(6) of the Corporations Act.

ASIC has reviewed a copy of this Scheme Booklet. Amcor has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. ASIC's policy in relation to statements under section 411(17)(b) of the Corporations Act is that it will not provide such a statement until the Second Court Date. This is because ASIC will not be in a position to provide the statement until it has had an opportunity to observe the entire Scheme process. If ASIC provides the statement, it will be produced to the Court at the time of the hearing on the Second Court Date.

A copy of this Scheme Booklet has been lodged with ASX.

Neither ASIC, nor ASX, nor any of their respective officers takes any responsibility for the contents of this Scheme Booklet.

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that the Court, at a hearing on 12 March 2019, has ordered under section 411(1) of the Corporations Act that the Scheme Meeting be convened and has directed that the Scheme Booklet accompany the Notice of Scheme Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme nor as to how Amcor Shareholders should vote (on this matter, they must reach their own decision);
- has prepared, or is responsible for, the content of the Scheme Booklet; or
- has approved or will approve the terms of the Scheme.

Not investment advice

The information and recommendations contained in this Scheme Booklet do not constitute financial product advice and have been prepared without reference to the investment objectives, financial situation, tax position and particular needs of individual Amcor Shareholders or any other person. The information in this Scheme Booklet should not be relied upon as the sole basis for any investment decision. It is important that you consider the information in this Scheme Booklet in light of your particular circumstances. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in Section 7, and the views of the Independent Expert set out in the Independent Expert's Report contained in Annexure A. Please consult your legal, investment, tax or other professional adviser before deciding how to vote on the Scheme.

Not an offer

This Scheme Booklet does not in any way constitute an offer to sell, or a solicitation of an offer to buy, any securities in Amcor, New Amcor or Bemis in any place or jurisdiction where an offer or solicitation would be illegal.

Foreign shareholders

Ineligible Foreign Shareholders may not be entitled to receive New Amcor CDIs or New Amcor Shares pursuant to the Scheme and should refer to Section 8.2(l) in respect of the consideration that they will receive if the Scheme is implemented.

Based on the information available to Amcor as at the date of this Scheme Booklet, Amcor Shareholders whose addresses are shown in the Amcor Share Register on the Scheme Record Date as being in the following jurisdictions will be entitled to have New Amcor CDIs or New Amcor Shares issued to them pursuant to the Scheme, subject to the qualifications, if any, set out below in respect of that jurisdiction:

- Australia or its external territories, Argentina, The Bahamas, Canada, Hong Kong, Malaysia, New Zealand, Singapore, South Africa, Switzerland, the UK or the US;
- Belgium, Germany, Ireland and Spain, where (i) the Amcor Shareholder is a "qualified investor" (within the meaning of the Prospectus Directive (Directive 2003/71/EC), as amended and implemented in the applicable country) or (ii) the number of non-qualified investors is less than 150 in the applicable country;

- France, where (i) the Amcor Shareholder is a "qualified investor" (as defined in articles D. 411-1, L. 533-16, L. 533-20, D. 533-11 and D. 533-13 of the French Monetary and Financial Code) or (ii) the number of non-qualified investors is less than 150;
- India, where the number of Amcor Shareholders is not more than 200;
- Thailand, where the number of Amcor Shareholders is less than 50; or
- any other person or jurisdiction in respect of which Amcor reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Scheme and to issue New Amcor CDIs or New Amcor Shares to a Amcor Shareholder with a registered address in such jurisdiction.

The release, publication or distribution of this Scheme Booklet (electronically or otherwise) in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of this Scheme Booklet should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of any other country.

See Section 11.5 for specific restrictions on the distribution and use of this document in Argentina, The Bahamas, Belgium, Canada, France, Germany, Hong Kong, India, Ireland, Malaysia, New Zealand, Singapore, South Africa, Spain, Switzerland, Thailand, the UK and the US.

Nominees, custodians and other Amcor Shareholders who hold Amcor Shares on behalf of a beneficial owner resident outside Australia or its external territories, Argentina, The Bahamas, Canada, Hong Kong, Malaysia, New Zealand, Singapore, South Africa, Switzerland, the UK and the US may not forward this Scheme Booklet (or accompanying documents) to anyone outside these countries without the consent of Amcor.

Amcor Shareholders with a registered address in France will not be sent a copy of this Scheme Booklet (unless Amcor determines it is lawful to do so), but may contact the Amcor Shareholder Information Line (details are at the end of this 'Important notices' Section) if they would like further information.

Forward looking statements

Certain statements in this Scheme Booklet (including in the Independent Expert's Report) relate to the future, and all statements other than statements of historical fact are (or may be interpreted to be) forward looking statements. These forward looking statements generally may be identified by the use of forward looking words such as "believe", "expect", "anticipate", "may", "aim", "intending", "foreseeing", "should", "planned", "estimate", "likely", "potential", or other similar words. Statements describing the objectives, expectations, goals or plans of Amcor, New Amcor or Bemis (or the Combined Group) may be forward looking statements. These forward looking statements are opinions only and involve known and unknown risks, uncertainties, assumptions and other important factors that may be beyond the control of Amcor, New Amcor or Bemis (or the Combined Group), and that could cause the actual results, performance or achievements of Amcor, New Amcor or Bemis (or the Combined Group) to be materially different from future results, performance or achievements expressed or implied by such statements, or that could cause future conduct to be materially different from historical conduct. Such risks, uncertainties, assumptions and other important factors include, among other things, factors and risks specific to Amcor, New Amcor and Bemis (and the Combined Group) and the industries in which they operate, as well as general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, conditions in financial markets, selling prices and market demand. As a result, actual events and results of operations and earnings of Amcor, New Amcor or Bemis (or the Combined Group) following Implementation, as well as the advantages of the Scheme, may differ substantially in timing, amount or nature, or may not ever be achieved, from those which are anticipated or forecast in any forward looking statement. Such deviations are both normal and to be expected. Further detail on the risks associated with the Scheme are set out in Section 7.

None of Amcor, New Amcor, Bemis, the Amcor Directors, the New Amcor Directors, or the Bemis Directors, or any of their respective subsidiaries, officers, employees or advisers, or any other person named in this Scheme Booklet or involved in the preparation of this Scheme Booklet gives any representation, assurance, guarantee or warranty (express or implied) that the events expressed or implied in any forward looking statement in this Scheme Booklet will actually occur. You should not place any undue reliance on any such forward looking statements. Although the forward looking statements included in the Amcor Information have been made on reasonable grounds and Amcor believes there is a reasonable basis for those statements, no assurance is made that such views will prove to have been correct. Although the forward looking statements included in the Bemis Information have been made on reasonable grounds and Bemis believes there is a reasonable basis for those statements, no assurance is made that such views will prove to have been correct. The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet and these views may change. Additionally, statements of the intentions of Amcor, New Amcor and/or Bemis (and/or the Combined Group) reflect the respective party's or parties' present intentions as at the date of this Scheme Booklet and may also be subject to change.

The historical financial performance of Amcor or Bemis is no assurance or indicator of future financial performance of the Combined Group (or Amcor or Bemis in the scenario where the Scheme does not proceed). None of Amcor, New Amcor or Bemis guarantees any particular rate of return or the performance of the Combined Group, nor do they guarantee the payment of any amounts as dividends, repayment of capital or any particular tax treatment in respect of any investment in the Combined Group.

Subject to any continuing obligations under law or the ASX Listing Rules, Amcor, New Amcor, Bemis, the Amcor Directors, the New Amcor Directors, the Bemis Directors, and their respective subsidiaries, officers, employees and advisers disclaim any obligation or undertaking to disseminate after the date of this Scheme Booklet any updates or revisions to any forward looking statement to reflect any change in views or expectations in relation to any statement or change in events, conditions or circumstances on which any statement is based. Any subsequent forward looking statements (whether written or oral) which can be attributed to Amcor, New Amcor, Bemis, the Amcor Directors, the New Amcor Directors, the Bemis Directors, or their respective subsidiaries, officers, employees or advisers are taken to be qualified by this disclaimer.

Tax implications of the Scheme

Section 9 provides a general outline of the tax implications for Amcor Shareholders resident in Australia, the US or the UK who participate in the Scheme. It does not purport to be a complete analysis or to identify all potential tax implications of the Scheme, nor is it intended to replace the need for specialist tax advice in respect of the particular circumstances of individual shareholders.

All Amcor Shareholders should consult their tax adviser as to the applicable tax implications of the Scheme in relation to their particular circumstances in the relevant jurisdiction.

Privacy and personal information

Amcor and its agents and representatives may collect personal information in the process of implementing the Scheme. The personal information may include the names, addresses, other contact details, bank account details and details of the shareholdings of Amcor Shareholders, and the names of individuals appointed by them as proxies, attorneys or corporate representatives at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist Amcor to conduct the Scheme Meeting and implement the Scheme. Without this information, Amcor may be hindered in its ability to issue this Scheme Booklet, conduct the Scheme Meeting or implement the Scheme. Personal information of the type described above may be disclosed to the Amcor Share Registry, the New Amcor Share Registry, print and mail service providers (and third parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, Bemis and its Related Bodies Corporate, New Amcor and its Related Bodies Corporate and Governmental Entities to the extent necessary to implement the Scheme, and also where disclosure is otherwise required or allowed by law.

Amcor Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. For further details about

Important notices *continued*

Amcor Share Registry's personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit the Amcor Share Registry's website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact Link Group by phone on +61 1800 502 355 (free call within Australia), Monday to Friday (excluding public holidays), between 9.00am and 5.00pm (Melbourne time), to request a copy of the complete privacy policy.

Amcor Shareholders who appoint an individual as their proxy, attorney or corporate representative to vote at the Scheme Meeting should inform such individual of the matters outlined above.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure E.

Notice of Second Court Date

The Federal Court of Australia, at a hearing on 12 March 2019 ordered the Scheme Meeting be convened. On the Second Court Date, the Federal Court of Australia will consider whether to approve the Scheme following the vote at the Scheme Meeting. Any Amcor Shareholder may appear at the hearing on the Second Court Date, expected to be held at 9.30am (Melbourne time) on Tuesday, 7 May 2019 at the Federal Court of Australia in Melbourne. Any Amcor Shareholder who wishes to oppose approval of the Scheme on the Second Court Date may do so by filing with the Federal Court of Australia and serving on Amcor a notice of appearance in the prescribed form together with any affidavit that the shareholder proposes to rely on.

No internet site is part of this Scheme Booklet

The contents of Amcor's and Bemis' websites do not form part of this Scheme Booklet and Amcor Shareholders should not rely on information of a general nature contained on those websites (i.e. information which is not specifically related to the Scheme) in relation to making any decision in respect of the Scheme.

Defined terms

Capitalised terms used in this Scheme Booklet are defined in Section 12.1, or defined within the Section in which they appear. Section 12.2 also sets out some rules of interpretation which apply to this Scheme Booklet. Some of the documents reproduced in the annexures to this Scheme Booklet have their own defined terms, which are sometimes different than those set out in Section 12.1.

Financial amounts

All financial amounts in this Scheme Booklet are expressed in US currency, unless the context otherwise requires. Any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. Accordingly, actual calculations may differ from amounts set out in this Scheme Booklet. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless the context otherwise requires.

Diagrams and charts

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless the context otherwise requires, all data contained in diagrams, charts, graphs or tables is based on information available as at the date of this Scheme Booklet.

Times and dates

All times and dates referred to in this Scheme Booklet are times and dates in Melbourne, Victoria, Australia, unless the context otherwise requires. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Governmental Entities.

Additional information about the Scheme

Amcor Shareholders who have any questions or require further information about the Scheme should contact the Amcor Shareholder Information Line on 1300 302 458 (within Australia) or +61 1300 302 458 (outside Australia), Monday to Friday, between 8.00am and 7.30pm (Melbourne time). Amcor Shareholders should seek legal, investment, tax or other professional advice before making any decision regarding the Scheme or deciding how to vote on the Scheme.

In accordance with Section 11.12, in certain circumstances, Amcor may provide supplementary information to Amcor Shareholders in relation to the Scheme after the date of this Scheme Booklet. To the extent applicable, Amcor Shareholders should have regard to any such additional information in determining how to vote in relation to the Scheme.

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Chairman's letter

12 March 2019

Dear Amcor Shareholders,

On behalf of the Amcor Board, I am pleased to provide you with this Scheme Booklet containing information about the proposed combination of Amcor Limited and Bemis Company, Inc. The Amcor Board strongly recommends you approve this combination, to be effected through the creation of a new holding company, Amcor plc (**New Amcor**). New Amcor will own all the assets of both Amcor and Bemis, and shareholders of each company will exchange their existing shares for a fixed number of CHESS Depositary Interests (**CDIs**) or shares in New Amcor.

Combining these two complementary businesses will create the global leader in consumer packaging, with the footprint, scale and talent, as well as best-in-class operating and innovation capabilities, to offer key stakeholders — including customers, employees and the environment — the most compelling value proposition in the packaging industry across every region.

The Amcor Board believes that this combination will significantly enhance value for Amcor Shareholders through:

- compelling transaction metrics, including the unique opportunity to benefit from the expected realisation of approximately US$180 million in pre-tax annual net cost synergies by the end of the third year after the completion of the Transaction, which would not be available to Amcor independently[1];
- a stronger financial profile, with combined annual operating cash flows in excess of US$1.2 billion[2], profit margins which are expected to benefit from the delivery of cost synergies and an investment grade balance sheet with immediate capacity for further investment or share buy-backs; and
- greater liquidity for investors through listings on both the New York Stock Exchange (**NYSE**) and the Australian Securities Exchange (**ASX**) and expected inclusion in both the US S&P 500 index and the Australian S&P/ASX 200 index.

The Amcor Directors unanimously recommend that you **vote in favour** of the Scheme and each Amcor Director intends to vote all Amcor Shares they hold or control in favour of the Scheme.

If the Scheme is implemented:

- your investment in Amcor will be converted into an investment in New Amcor;
- New Amcor will be incorporated in the Bailiwick of Jersey with an intended tax domicile in the UK and will have a primary listing on NYSE and an ASX Foreign Exempt Listing;
- each Amcor Shareholder (except for any Ineligible Foreign Shareholders) will receive one New Amcor ASX listed CDI (or one New Amcor NYSE listed share, if the Amcor Shareholder so elects) for each Amcor Share owned;
- it is expected that, as at completion of the transaction, Amcor Shareholders will own approximately 71 percent of New Amcor, with Bemis Shareholders owning the remaining approximately 29 percent; and
- the New Amcor Board is expected to comprise 11 members, eight of whom are current Amcor Directors and three of whom are current Bemis Directors. Amcor's current Chief Executive Officer, Ron Delia, will be the Chief Executive Officer of New Amcor, while I will serve as Chairman of New Amcor.

The Scheme must be approved by Amcor Shareholders. Amcor Shareholders are asked to vote on the Scheme at a meeting to be held on Thursday, 2 May 2019.

KPMG Financial Advisory Services (Australia) Pty Ltd, the Independent Expert appointed by Amcor to review the transaction, has concluded that the transaction, including the Scheme, is in the best interests of Amcor Shareholders. A copy of the report is included in Annexure A.

This Scheme Booklet sets out important information about the Scheme, including advantages and disadvantages of the transaction (refer to Section 1), as well as the risks of an investment in Amcor and New Amcor (refer to Section 7). The Amcor Board encourages you to read this Scheme Booklet carefully and in its entirety.

If you have any questions about this Scheme Booklet, the transaction generally or the Scheme, please either consult your legal, investment, tax or other professional adviser or contact the Amcor Shareholder Information Line on 1300 302 458 (within Australia), or +61 1300 302 458 (outside Australia), Monday to Friday, between 8.00am and 7.30pm (Melbourne time).

On behalf of the Amcor Board, I would like to reiterate our support for the Scheme, and encourage you to vote in favour of this unique opportunity to significantly enhance shareholder value.

I would also like to take this opportunity to thank you for your support of Amcor and New Amcor.

Yours faithfully,

Graeme Liebelt
Chairman
Amcor Limited

amcor

1 Net cost synergies do not take into account potential sales revenue synergies. Costs to achieve the net cost synergies are estimated to be approximately US$150 million. These costs are expected to be funded by capital expenditure and working capital savings. Costs are expected to be predominantly incurred in the first and second year post the completion of the Transaction. Further details about the net cost synergies are set out in Section 6.6.

2 Based on the combined cash flows from operating activities (e.g. cash flow before capital expenditure, acquisitions and dividends) for the year ended 30 June 2018. This does not include US$180 million in expected pre-tax annual net cost synergies, nor estimated integration costs or compensation and transaction costs to implement the Transaction. See Section 6.7 for further details, noting that the Pro Forma Historical Financial Information in Section 6.7 excludes the expected pre-tax annual net cost synergies (as specified in Section 6.7(e)).

Key dates

Event	Time and Date
Date of this Scheme Booklet	Tuesday, 12 March 2019
First Court Date	Tuesday, 12 March 2019
Scheme Booklet and Notice of Scheme Meeting to be dispatched to Amcor Shareholders	Tuesday, 19 March 2019
Latest time and date for Proxy Forms or powers of attorney to be received by the Amcor Share Registry for the Scheme Meeting	1.30pm (Melbourne time), Tuesday, 30 April 2019
Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm (Melbourne time), Tuesday, 30 April 2019
Scheme Meeting	1.30pm (Melbourne time), Thursday, 2 May 2019

If the Scheme is agreed to by Amcor Shareholders

Second Court Date for approval of the Scheme	Tuesday, 7 May 2019
Effective Date Court order to be lodged with ASIC and announcement to ASX Trading in Amcor Shares on ASX to be suspended from close of trading	Wednesday, 8 May 2019
New Amcor CDIs to commence trading on ASX on a deferred settlement basis	Thursday, 9 May 2019
Scheme Record Date Scheme Record Date to determine entitlements to Scheme Consideration	7.00pm (Melbourne time), Friday, 10 May 2019
Implementation Date Scheme Consideration to be issued to Scheme Shareholders on the Implementation Date	Wednesday, 15 May 2019
New Amcor Shares to commence trading on NYSE	Wednesday, 15 May 2019 (New York time)
New Amcor CDIs to commence trading on a normal settlement basis	Thursday, 16 May 2019

Except where otherwise specified, all times and dates in the above timetable are references to the times and dates in Melbourne, Victoria, Australia and all such times and dates are subject to change.

Amcor may vary any or all of these times and dates and will provide reasonable notice of any such variation. Certain times and dates are conditional on the approval of the Scheme by Amcor Shareholders and by the Court and also assume that the other conditions to the Scheme described elsewhere in this Scheme Booklet are satisfied in a timely manner. Any changes to the timetable will be announced by Amcor to ASX.

Key considerations relevant to your vote

SECTION 1

1.1 Advantages of the Transaction

(a) **The Transaction will create the global leader in consumer packaging**

Through the combination of Amcor and Bemis, the Combined Group will become the global leader in consumer packaging.

The Combined Group will have:

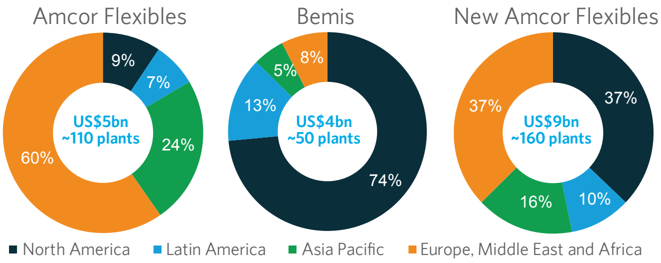
- sales revenue of US$13.4 billion;
- Adjusted PBITDA of US$2.1 billion[3]; and
- Adjusted PBIT of US$1.6 billion[4],

calculated for the year ended 30 June 2018 and based on US GAAP, and approximately 245 facilities and 49,000 employees globally in more than 40 countries.

After completion of the Transaction, New Amcor will have an enhanced global footprint and, as a result, will have a stronger and more differentiated value proposition for global, regional and local customers through the following:

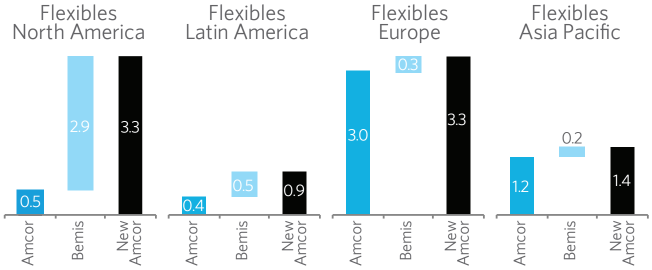
- **comprehensive global footprint:** a global consumer packaging footprint across key geographies and a larger, more balanced and more profitable emerging markets business, with sales of approximately US$3.7 billion for the year ended 30 June 2018 from around 30 emerging markets;

Figure 1.1 – the charts below show the percentage breakdown of sales revenue figures for the year ended 30 June 2018 for Amcor Flexibles, Bemis and an estimate for New Amcor by geographical location[5]



- **greater scale to better serve customers in every region:** increased economies of scale and resources through Amcor's leading positions in Europe, Asia and Latin America, and Bemis' leading positions in North America and Brazil;

Figure 1.2 – the chart below shows sales revenue for the year ended 30 June 2018 for Amcor and Bemis, and estimated combined sales revenue for the year ended 30 June 2018 for New Amcor, in each case across North America, Latin America, Europe and Asia Pacific (US$ billion)[6]



- **increased exposure to attractive end use and product areas:** an enhanced growth profile from greater global participation in protein and healthcare packaging, leveraging innovative technologies in barrier films and foils;
- **best-in-class operating and innovation capabilities:** greater differentiation to innovate and meet customer demands for new and sustainable products through the deployment of proven, industry-leading commercial, operational and research and development capabilities;
- **continued strong commitment to environmental sustainability:** enhanced capabilities and resources to support Amcor's pledge to develop all recyclable or reusable packaging products by 2025; and
- **greater depth of management talent:** a stronger combined team bringing the significant strengths and quality of the workforce of both companies.

(b) **The Transaction metrics are favourable and present a strong financial rationale**

The combination of Amcor and Bemis creates substantial value for shareholders of both companies through:

- **compelling Transaction metrics:**
  - all share transaction at an implied value in line with Amcor's trading enterprise value/PBITDA multiple[7], before accounting for net cost synergies;
  - approximately US$180 million in expected pre-tax annual net cost synergies (representing approximately 4 percent to 5 percent of Bemis annual sales revenue) by the end of the third year after the completion of the

3 Combined Adjusted PBITDA based on US GAAP includes US$180 million in expected pre-tax annual net cost synergies. See Section 6.7 for further details, noting that the Pro Forma Historical Financial Information in Section 6.7 excludes the US$180 million in expected pre-tax annual net cost synergies (as specified in Section 6.7(d)).

4 Combined Adjusted PBIT based on US GAAP includes US$180 million in expected pre-tax annual net cost synergies and excludes acquisition-related amortisation and depreciation. See Section 6.7 for further details, noting that the Pro Forma Historical Financial Information in Section 6.7 excludes the US$180 million in expected pre-tax annual net cost synergies (as specified in Section 6.7(d)).

5 Bemis' split is based on Amcor's management estimate, and Amcor's split excludes specialty carton sales.

6 Bemis' split is based on Amcor's management estimate, and Amcor's split excludes specialty carton sales.

7 Calculated as at 6 August 2018, being the date of the Transaction Agreement, using Adjusted PBITDA for the year ended 30 June 2018 and net debt as at 30 June 2018, and the respective accounting principles applicable to Amcor (AAS) and Bemis (US GAAP) at that time.

Key considerations relevant to your vote *continued*

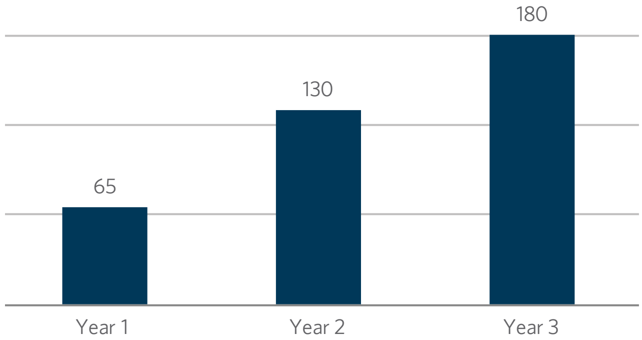
Transaction from procurement, operations and general and administrative efficiencies[8];
  - double-digit EPS[9] accretion on a pro forma basis for the year ended 30 June 2018 for all shareholders inclusive of net cost synergies at full run rate[10]; and
  - pre-tax double-digit returns in excess of Amcor's weighted average cost of capital by the end of the third year after the completion of the Transaction;
- **stronger financial profile going forward:**
  - profit margins which are expected to benefit from the delivery of cost synergies;
  - potential to grow at higher rates over the long term through a stronger customer value proposition and increased exposure to attractive end use and product areas, which would further enhance the Transaction metrics;
  - combined annual operating cash flows in excess of US$1.2 billion[11]; and
  - investment grade balance sheet with immediate capacity for further investment or share buy-backs;
- **cash and tax free:**
  - cash and tax free[12] transaction for shareholders in a security-for-security exchange[13]; and
- **greater liquidity for investors:**
  - through a primary listing on NYSE and an ASX Foreign Exempt Listing via CDIs; and
  - expected inclusion in both the US S&P 500 index and Australian S&P/ASX 200 index.

(c) **The Transaction is expected to generate significant synergies for the Combined Group**

The combination of Amcor and Bemis is expected to result in material cost savings for the Combined Group relative to Amcor and Bemis on a standalone basis, which is expected to create significant value for shareholders of the Combined Group.

Based on analysis undertaken to date, it is expected that the Combined Group will achieve approximately US$180 million in pre-tax annual net cost synergies from the combination[14]. Net cost synergies are expected to include approximately 40 percent from procurement, 20 percent from operations and 40 percent from general, administration and other. It is estimated that these net cost synergies will be realised by the end of the third year after the completion of the Transaction, with approximately US$65 million realised by the end of year one and US$130 million realised by the end of year two[15].

Figure 1.3 — estimated pre-tax annual net cost synergies realisation (US$ million) [16]



(d) **The creation of New Amcor with a listing on NYSE will better position Amcor for continued international growth**

The merger with Bemis is conditional on the creation of New Amcor as the new holding company for the Combined Group and a listing of New Amcor on NYSE. An overseas incorporated holding company, together with an additional listing venue, will better position the Combined Group for continuing international growth and existing Amcor Shareholders to benefit to the maximum extent possible from that growth.

*(1) **Increased liquidity through NYSE listing***

Amcor Shareholders will benefit from greater liquidity resulting from a primary listing on NYSE and an ASX Foreign Exempt Listing.

The US capital markets are the largest and most liquid capital markets in the world. After the Transaction, New Amcor's enlarged share base, as well as primary listing on NYSE, will deliver greater liquidity for holders of New Amcor Shares and New Amcor CDIs than is available for Amcor Shares listed on ASX. This greater liquidity will also allow New Amcor to access a larger pool of capital available in the US, which should provide improved financial flexibility.

Significantly, New Amcor will realise the benefits of listing on NYSE outlined in this Section 1.1(d)(1) while retaining a presence on ASX through the New Amcor CDIs that will be traded on ASX.

The liquidity of the New Amcor Shares and New Amcor CDIs will also be enhanced through the expected inclusion

8 See Footnote 1.

9 Excludes the impact of purchase price accounting.

10 Based on reported financials of Amcor for the year ended 30 June 2018, and financials for Bemis for the year ended 30 June 2018 and after taking into account US$180 million in expected pre-tax annual net cost synergies. The accretion calculation does not account for estimated integration costs or compensation and transaction costs to implement the Transaction.

11 See Footnote 2.

12 The Transaction is tax free for Amcor Shareholders (other than Ineligible Foreign Shareholders) based on the Australian, US and UK tax implications, subject to the disclosed assumptions and tax implications described in Section 9. The tax implications of the Transaction in other jurisdictions are not dealt with in this Scheme Booklet. Amcor Shareholders are strongly advised to seek their own professional advice with respect to the tax implications of the Transaction.

13 Ineligible Foreign Shareholders will not be entitled to receive New Amcor securities pursuant to the Scheme and will instead receive consideration pursuant to the procedure set out in Section 8.2(l).

14 See Footnote 1.

15 The net cost synergies are explained further in Section 6.6 and, as explained in Section 7.3, there is a risk that the integration of the businesses of Amcor and Bemis may be more difficult, may take more time, or may cost more than currently anticipated. There is also a risk that the estimated net cost synergies and business improvements may not be realised or that they may be realised over a longer period of time than anticipated.

16 Net cost synergies do not reflect impact of costs to achieve and integrate. Net cost synergy estimates are preliminary and may change as ongoing analysis and integration planning progresses.

in the US S&P 500 index of the full market capitalisation of the Combined Group, as well as pro rata inclusion in the Australian S&P / ASX 200 index to the extent of shares held as CDIs[17].

*(2) **External reporting in a manner consistent with that of Amcor's peers***

After completion of the Transaction, New Amcor will, like the majority of its global peers, file annual, quarterly and current reports with the SEC on Forms 10-K, 10-Q and 8-K and will present its primary financial statements in accordance with US GAAP. These filings will also be lodged on ASX, making them readily accessible for holders of New Amcor CDIs.

By reporting financial information in a manner consistent with that of its US-listed peers, New Amcor will further assist analysis and understanding of New Amcor by equity research analysts and institutional investors. This should also enhance the attractiveness of New Amcor Shares.

*(3) **A Jersey incorporated holding company with UK tax residency, providing a flexible and efficient structure for the Combined Group***

As a Jersey incorporated company, New Amcor will be registered in a jurisdiction with a robust corporate law and governance framework, generally aligned with the UK approach to such matters.

Furthermore, New Amcor is expected to be a UK tax resident. The UK has a well-established fiscal regime and a territorial tax system suitable to multinational groups, which will provide flexibility in New Amcor's long-term future decision-making. The Combined Group will derive revenue from a broad range of jurisdictions. As a UK tax resident, Amcor expects New Amcor will be able to repatriate earnings from key jurisdictions of the Combined Group and distribute those earnings to its shareholders efficiently and without adverse tax implications.

New Amcor's status as a UK tax resident, combined with Jersey incorporation, is, therefore, expected to create a structure that will provide flexibility in the future investment and capital management decision-making strategy of the Combined Group.

(e) **Attractive dividend policy and consistent capital allocation policy**

The Combined Group is expected to have:

- a competitive, progressive dividend (paid quarterly), which is expected to increase over time;
- total dividends per share paid by New Amcor for the first financial year post completion of the Transaction that are no less than the total dividends per share paid by Amcor for the last financial year prior to the completion of the Transaction; and
- an ongoing capital allocation philosophy consistent with Amcor's shareholder value creation model (Section 4.1 describes this model in more detail).

1.2 Disadvantages of the Transaction

Despite the unanimous recommendation of the Amcor Directors to vote in favour of the Scheme, and the conclusion of the Independent Expert that the Transaction, including the Scheme, is in the best interests of Amcor Shareholders, you may believe that the Transaction is not in your best interests. Potential disadvantages of the Transaction include the following.

(a) **Change in the profile of your investment**

Following completion of the Transaction, Amcor Shareholders will hold an interest in the Combined Group, of which the current Amcor business will only form part (the other part being formed by the business of Bemis).

The risk profile of the Combined Group will therefore include exposure to incremental risks associated with Bemis, risks common to both Amcor and Bemis that are of greater magnitude in the Combined Group and new risks emerging from the combination that would not otherwise have applied to Amcor stand-alone.

Amcor Shareholders who wish to maintain an investment in an Australian public company with the specific characteristics of Amcor in terms of geographical exposure, industry, operational profile, size, risk, capital structure and potential dividend stream may find it difficult to find an investment with a similar profile. If Amcor Shareholders can find another investment with a similar profile, they may incur transaction costs in undertaking such investment.

Similarly, some Amcor Shareholders may not be permitted to retain their New Amcor CDIs or New Amcor Shares under the terms of their investment mandates or for other reasons.

(b) **New Amcor securities will confer different rights and protections to those available for Amcor Shares, and some of these differences may be considered disadvantageous**

Amcor Shareholders' rights are currently governed by the laws of Australia and the constitution of Amcor. In comparison, the rights of holders of New Amcor CDIs or New Amcor Shares will be governed by the laws of Jersey and New Amcor's memorandum and articles of association. US federal securities laws and the listing rules of NYSE will also have greater application to New Amcor, relative to their application to Amcor. As a result, if the Scheme is implemented, the rights of, and protections for, holders of New Amcor CDIs and New Amcor Shares will differ to those applicable to Amcor Shareholders.

An example is that Australian takeover law restrictions on acquiring control of voting shares over 20 percent will not apply to New Amcor and there are no equivalent takeover rules under Jersey law. To address this, the New Amcor articles of association will permit certain mechanisms to be used by the New Amcor Board, similar to those available to other companies listed on NYSE (an example of which is described in Section 10 (Takeovers – Takeover protections)). These may avoid control of New Amcor passing without New Amcor Board or shareholders' approval and are intended to protect against takeover bids made at unfair or inadequate prices or which rely on coercive or unfair tactics. This will not make New Amcor takeover-proof and, although the use of such mechanisms is at the discretion of the New Amcor Board, the New Amcor Directors must comply with their directors' duties under Jersey law, including the duty to act in good faith with a view to the best interests of New Amcor Shareholders.

17 While Amcor expects New Amcor to be included in each index based on the available index inclusion criteria, there is a possibility that New Amcor does not qualify for one or both indices, the timing of such qualification and index inclusion is delayed or the weighting attributed to each index may be lower. Index inclusion in the S&P 500 and S&P/ASX 200, or any other index, will ultimately be determined by the relevant index committee and it is not possible to obtain definitive advice regarding inclusion prior to the completion of the Transaction. Even if New Amcor is included in the indices, there is no assurance that inclusion will be maintained.

Key considerations relevant to your vote *continued*

In addition, unless they elect otherwise, Amcor Shareholders will receive New Amcor CDIs if the Scheme is implemented. Although CDI holders receive all of the economic benefits of actual ownership of the underlying shares, there are a number of differences between holding a CDI and holding the underlying share, some of which could be viewed as disadvantageous. For example, holders of CDIs will need to act through CHESS Depositary Nominees for the purposes of voting the underlying shares and exercising shareholder rights attaching to the underlying shares (although CHESS Depositary Nominees are required to comply with the instructions of the CDI holder in exercising shareholder rights available to CHESS Depositary Nominees). Amcor Shareholders should consider further information regarding New Amcor CDIs in Section 8.5 and the comparison of shareholder rights and corporate laws applicable in respect of Amcor and New Amcor in Section 10.

(c) **Loss of demand for New Amcor CDIs on ASX**

Some Amcor Shareholders may elect to receive New Amcor Shares instead of New Amcor CDIs, and New Amcor CDI holders may independently convert their investment into New Amcor Shares. As a result, the number of New Amcor CDIs available to be traded on ASX may be reduced. This, in turn, may reduce the liquidity of New Amcor CDIs on ASX.

Frequently asked questions

SECTION **2**

This Section 2 answers some questions you may have about the Transaction. It is not intended to address all relevant issues for Amcor Shareholders. This Section 2 should be read together with the other parts of this Scheme Booklet.

Question	Answer	More information
Overview		
Why have I received this Scheme Booklet?	You have been sent this Scheme Booklet because you are an Amcor Shareholder and you are being asked to vote on the Scheme. This Scheme Booklet is intended to help you consider and decide on how to vote on the Scheme at the Scheme Meeting.	Sections 1 and 3
What is the Scheme?	A scheme of arrangement is a statutory procedure that is commonly used to effect a restructure of a company. The Scheme is a scheme of arrangement between Amcor and its shareholders, and requires Court approval and a vote in favour of the Scheme by the Requisite Majorities at the Scheme Meeting in order to become Effective. If the Scheme is implemented, New Amcor will become the new holding company of the combined Amcor and Bemis group and, provided you are not an Ineligible Foreign Shareholder, you will receive one New Amcor CDI or one New Amcor Share for each Amcor Share you hold on the Scheme Record Date.	Section 8 and Annexure C
What is the Merger?	Amcor and Bemis have agreed to combine under the terms of the Transaction Agreement described in Section 8.1. If the Scheme is agreed to by Amcor Shareholders, the Merger is approved by Bemis Shareholders and the other conditions to Merger Closing are satisfied or waived, Arctic Corp., a wholly-owned subsidiary of New Amcor, will merge with and into Bemis, with Bemis surviving the Merger as a wholly-owned subsidiary of New Amcor. As a result of the Merger, each Bemis Share, other than certain excluded shares, will be converted into the right to receive 5.1 New Amcor Shares. As a result of the Scheme and the Merger, each of Amcor and Bemis will be a direct, wholly-owned subsidiary of New Amcor and the former Amcor Shareholders and Bemis Shareholders will become holders of New Amcor CDIs or New Amcor Shares. Following the completion of the Scheme and the Merger, former Amcor Shareholders are expected to hold approximately 71 percent of New Amcor and former Bemis Shareholders are expected to hold approximately 29 percent of New Amcor.	Section 8.1
Who is New Amcor?	New Amcor is a company newly incorporated in the Bailiwick of Jersey that will hold all of the shares in Amcor and Bemis if the Transaction is implemented. New Amcor will have a primary listing on NYSE and an ASX Foreign Exempt Listing via CDIs.	Section 6
Who is Bemis?	Bemis Company, Inc., a Missouri corporation, is a supplier of flexible plastic packaging used by leading food, consumer products, healthcare, and other companies worldwide. Founded in 1858, Bemis reported net sales of US$4.1 billion for the year ended 31 December 2018.	Section 5
What should I do?	You should read this Scheme Booklet carefully and in its entirety. Based on this information and any advice you may receive, you should decide how to vote on the Scheme and vote by attending the Scheme Meeting, or by appointing a proxy, attorney or corporate representative to vote on your behalf. Further information on how to vote on the Scheme is set out in the Notice of Scheme Meeting contained in Annexure E. If you are unsure about what to do, please consult your legal, investment, tax or other professional adviser.	Section 3 and Annexure E
Who is entitled to participate in the Scheme?	Shareholders who hold Amcor Shares on the Scheme Record Date can participate in the Scheme.	Section 8.2(f)
Do I need to do or sign anything to transfer my Scheme Shares?	No, if the Scheme becomes Effective, Amcor will transfer your Amcor Shares to New Amcor and the Scheme Consideration will be issued to you on the Implementation Date. However, you should be aware that, under the Scheme, you are deemed to have warranted to New Amcor that: • all of your Amcor Shares are fully paid and free from all "Liens" (as defined in the Scheme), security interests (including any "security interests" as defined in section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and • you have full power and capacity to transfer your Amcor Shares to New Amcor together with any rights and entitlements attaching to those shares. You should ensure that these warranties can be given by you prior to, and remain correct as at, the Implementation Date.	Annexure C

Frequently asked questions *continued*

Question	Answer	More information
Combined Group		
What will the Combined Group look like if the Transaction is completed?	Information on the Combined Group is contained in Section 6.	Section 6
Who will be on the board of the Combined Group?	Upon the completion of the Transaction, New Amcor Board will be comprised of 11 directors. The New Amcor Directors are expected to be: • the eight current Amcor Directors (Graeme Liebelt, Dr Armin Meyer, Ron Delia, Paul Brasher, Eva Cheng, Karen Guerra, Nicholas (Tom) Long and Jeremy Sutcliffe); and • three current Bemis Directors (Arun Nayar, David Szczupak and Philip Weaver).	Section 6.2
Who will serve in senior leadership roles for the Combined Group?	Amcor's current Chairman, Graeme Liebelt, and current Chief Executive Officer, Ron Delia, will continue in those roles for New Amcor after the completion of the Transaction and Mr Delia will serve as the only executive officer on the New Amcor Board. The rest of New Amcor's executive team will be identified in due course prior to the completion of the Transaction.	Section 6.2
What are the benefits and risks of combining Amcor and Bemis to form the Combined Group?	Combining Amcor and Bemis will create the global leader in consumer packaging, with the footprint, scale and capabilities to drive significant value for shareholders, offer customers and employees compelling value in the packaging industry and deliver more sustainable innovations for the environment. The Amcor Board believes the combination creates substantial value for Amcor Shareholders and expects the combination to generate approximately US$180 million in pre-tax annual net cost synergies by the end of the third year after the completion of the Transaction. There are also a range of risks associated with the creation of the Combined Group which may affect the Combined Group and its operations or performance.	Sections 1.1 and 7.3
What will the Combined Group be called?	The Combined Group will be called Amcor plc.	Section 6
What will the dividend policy of the Combined Group be?	A competitive, progressive dividend (paid quarterly) is expected to be an important component of annual shareholder returns for New Amcor. Total dividends per share paid by New Amcor for the first financial year post completion of the Transaction are expected to be no less than the total dividends per share paid by Amcor for the last financial year prior to the completion of the Transaction. New Amcor will also maintain an ongoing capital allocation philosophy consistent with Amcor's shareholder value creation model. Dividends paid by New Amcor will not be franked.	Sections 1.1(e) and 6.5(c)(3)
Scheme Consideration and CDIs		
What will I receive if the Scheme is implemented?	If the Scheme is implemented (and you are not an Ineligible Foreign Shareholder), you will receive one New Amcor CDI (or, if you elect, one New Amcor Share) for each Amcor Share that you hold as at the Scheme Record Date.	Sections 8.2(g) and 8.5
When will I receive the New Amcor CDIs or New Amcor Shares?	If the Scheme becomes Effective, on the Implementation Date you will (provided that you are not an Ineligible Foreign Shareholder): • be issued your New Amcor CDIs or New Amcor Shares; and • if you are issued with New Amcor CDIs, have your name entered in the records maintained by CHESS Depositary Nominees as the holder of the CDIs issued to you, or, if you are issued with New Amcor Shares, your shares will be held by a DTC Participant nominated by you. If you are an Ineligible Foreign Shareholder, the net proceeds of the sale of the New Amcor CDIs that you would have otherwise received will be paid to you in accordance with the process explained in Section 8.2(l).	Section 8.2(h)
What are CDIs?	CDIs, or CHESS Depositary Interests, are instruments through which shares of foreign companies such as New Amcor can be traded on ASX. Each New Amcor CDI will represent a beneficial interest in one New Amcor Share.	Section 8.5
What is the difference between New Amcor CDIs and New Amcor Shares?	New Amcor Shares are fully paid ordinary shares in the capital of New Amcor. They will be listed and traded on NYSE in US dollars, under the symbol AMCR. A New Amcor CDI will have rights that are economically equivalent to the rights attaching to a New Amcor Share. New Amcor CDIs will be quoted and traded on ASX in Australian dollars under the symbol AMC. A New Amcor CDI holder will not be a registered New Amcor Shareholder. Instead, the underlying New Amcor Shares will be held on behalf of CHESS Depositary Nominees, a subsidiary of ASX. A New Amcor CDI holder can direct CHESS Depositary Nominees how to vote the shares represented by its CDIs (or appoint the CDI holder or another person to do so).	Section 8.5
Will I be able to trade New Amcor CDIs on ASX?	Yes, Amcor Shares currently trade on ASX, and, if the Scheme is implemented, New Amcor CDIs will trade on ASX. It is expected that you will be able to trade the New Amcor CDIs on a deferred settlement basis from Thursday, 9 May 2019.	Section 8.5

Question	Answer	More information
Can I request to receive New Amcor Shares instead of New Amcor CDIs?	Yes, if you wish to make such a request, please contact the Amcor Share Registry on 1300 302 458 (within Australia) or +61 1300 302 458 (outside Australia), Monday to Friday, between 8.00am and 7.30pm (Melbourne time). However, you should note that New Amcor Shares may only be traded on NYSE, not on ASX. The election form to receive New Amcor Shares instead of New Amcor CDIs must be received by the Amcor Share Registry by 5.00pm (Melbourne time) on the Effective Date in order to be effective.	Section 8.2(g)
Can I convert my New Amcor CDIs into New Amcor Shares?	Yes, once they are issued, New Amcor CDIs can be converted into New Amcor Shares at any time and vice versa. To do this, you will need to contact the New Amcor Share Registry.	Section 8.6
How do I find out whether I am an Ineligible Foreign Shareholder?	An Ineligible Foreign Shareholder is an Amcor Shareholder: • whose address as shown in the Amcor Share Register on the Scheme Record Date is in a jurisdiction other than Australia or its external territories, Argentina, The Bahamas, Belgium, Canada, France, Germany, Hong Kong, India, Ireland, Malaysia, New Zealand, Singapore, South Africa, Spain, Switzerland, Thailand, the UK and the US; and • who Amcor determines (in its absolute discretion) that it would be unlawful, unduly onerous or unduly impracticable to issue the Scheme Consideration to such Scheme Shareholder in the relevant jurisdiction. Please contact the Amcor Shareholder Information Line on 1300 302 458 (within Australia) or +61 1300 302 458 (outside Australia), Monday to Friday, between 8.00am and 7.30pm (Melbourne time) if you have any questions regarding the treatment of Ineligible Foreign Shareholders.	Section 12
What if I am an Ineligible Foreign Shareholder?	Although all Amcor Shareholders are able to participate in the Scheme, Ineligible Foreign Shareholders will not receive the Scheme Consideration in the form of New Amcor CDIs or New Amcor Shares. Instead, each Ineligible Foreign Shareholder will receive their proportion of the net proceeds from the sale of the New Amcor CDIs that all Ineligible Foreign Shareholders would have otherwise received. Ineligible Foreign Shareholders should refer to Section 8.2(l) for further information.	Section 8.2(l)
Can I choose to receive cash instead of New Amcor CDIs or New Amcor Shares?	No, there is no option for Amcor Shareholders to receive cash instead of New Amcor CDIs or New Amcor Shares. However, once you have received New Amcor CDIs or New Amcor Shares, you may sell some or all of these on ASX or NYSE respectively. Alternatively, you may sell your Amcor Shares on ASX at any time before the close of trading on the Effective Date.	N/A
Can I sell my Amcor Shares?	Yes, you can sell your Amcor Shares on ASX at any time before the close of trading on the Effective Date. Amcor Shares will be suspended from official quotation on ASX from the close of trading on the Effective Date. You will not be able to sell your Amcor Shares on ASX after this time. However, the New Amcor CDIs you receive pursuant to the Scheme (assuming you are not an Ineligible Foreign Shareholder) will commence trading on the ASX trading day after the Effective Date, and you may continue to hold or sell them. If you sell your Amcor Shares on ASX prior to the Effective Date: • you will not participate in the Scheme; • you may be required to pay brokerage on the sale; and • there may be different tax implications for you to those that would have applied had you participated in the Scheme.	N/A
What are the tax implications of the Scheme?	A general outline of the main tax implications of the Scheme for certain Amcor Shareholders is set out in Section 9. As the outline is general in nature, you should consult with your own tax advisers for detailed tax advice regarding the Australian and, if applicable, foreign tax implications of participating in the Scheme in light of your particular circumstances, before deciding how to vote on the Scheme.	Section 9
Will I be entitled to CGT roll-over relief?	Australian resident Scheme Shareholders who hold their Amcor Shares on capital account are expected to be entitled to CGT roll-over relief on the disposal of the Amcor Shares in exchange for New Amcor Shares pursuant to the Scheme. Amcor Shareholders are strongly advised to seek their own professional advice with respect to the tax implications of the Scheme.	Section 9.1
Scheme Meeting and voting		
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at 1.30pm (Melbourne time) on Thursday, 2 May 2019 at the Clarendon Auditorium, Melbourne Convention and Exhibition Centre, 1 Convention Centre Place, South Wharf, Victoria 3006.	Annexure E
What am I being asked to vote on?	You are being asked to vote on whether to approve the Scheme Resolution. The text of the Scheme Resolution is set out in the Notice of Scheme Meeting in Annexure E.	Annexure E
What is the Amcor Shareholder approval threshold for the Scheme?	For the Scheme to be approved, the Scheme Resolution must be agreed to by: • unless the Court orders otherwise — a majority in number (i.e. more than 50 percent) of Amcor Shareholders present and voting at the Scheme Meeting (in person, or by proxy, attorney or corporate representative); and • at least 75 percent of the total number of votes cast on the Scheme Resolution at the Scheme Meeting (in person, or by proxy, attorney or corporate representative). If agreed to by the Requisite Majorities, the Scheme will only become Effective if it is approved by the Court on the Second Court Date and subject to the other outstanding Conditions Precedent having been satisfied or waived (as applicable).	Annexure E

Frequently asked questions *continued*

Question	Answer	More information
Scheme Meeting and voting *continued*		
Who is entitled to vote?	Amcor Shareholders who are registered on the Amcor Share Register at 7.00pm (Melbourne time) on the date which is two days prior to the date of the Scheme Meeting (two days prior is currently expected to be Tuesday, 30 April 2019) are entitled to vote on the Scheme Resolution at the Scheme Meeting.	Section 3.2(a)
Why should I vote at the Scheme Meeting?	Your vote is important in determining whether the Scheme is implemented.	N/A
How do I vote?	You may vote by: • attending the Scheme Meeting in person; • appointing a proxy to attend on your behalf, by completing and lodging the Proxy Form accompanying this Scheme Booklet so that it is received no later than 48 hours prior to the commencement of the Scheme Meeting; • appointing an attorney to vote on your behalf; or • in the case of a corporation that is an Amcor Shareholder, by appointing an authorised corporate representative to attend on your behalf. Voting on the Scheme is not compulsory. However, your vote is important and if the Scheme Resolution is agreed to by the Requisite Majorities, the Scheme may still be implemented even if you do not vote on, or vote against, the Scheme. Further information regarding voting on the Scheme is set out in the Notice of Scheme Meeting in Annexure E.	Section 3.2(b) and Annexure E
What happens if I do not vote on, or vote against, the Scheme?	Even if you do not vote on, or vote against, the Scheme, the Scheme may still be implemented if the Scheme Resolution is agreed to by the Requisite Majorities, the Court approves the Scheme and any other outstanding Conditions Precedent have been satisfied or waived (as applicable).	N/A
When will the result of the Scheme Meeting be available?	The result of the Scheme Meeting will be announced to ASX shortly after its conclusion.	N/A
Can I oppose the Scheme?	Yes, any Amcor Shareholder may oppose the Scheme by: • attending the Scheme Meeting in person, or by proxy, attorney or corporate representative, and voting against the Scheme Resolution; • attending the Court on the Second Court Date to oppose the Court exercising its discretion to grant orders approving the Scheme; or • making a complaint to ASIC about the Scheme. You should be aware that even if you vote against the Scheme, the Scheme may still be implemented if it is agreed to by the Requisite Majorities and approved by the Court. If this occurs, your Amcor Shares will be transferred to New Amcor and you will receive the Scheme Consideration even though you voted against the Scheme. If you intend to oppose the Scheme at the Second Court Date, you should seek legal advice in relation to your position.	Sections 3.2 and 8 Important notices
What happens if the Court does not approve the Scheme or the Scheme does not otherwise proceed?	If the Scheme is not agreed to at the Scheme Meeting, or if it is agreed to at the Scheme Meeting but is not approved by the Court or a Condition Precedent, including Bemis Shareholders voting in favour of the Merger, is not satisfied or waived (as applicable), then the Scheme will not become Effective and will not be implemented. If this occurs, Amcor will continue to operate as a stand-alone entity listed on ASX. In that situation, Amcor Shareholders will not receive the Scheme Consideration and will instead retain their Amcor Shares. No termination fee is payable by either of Amcor or Bemis to the other for the sole reason that Amcor Shareholders do not pass the Scheme Resolution at the Scheme Meeting or the Court does not approve the Scheme.	N/A
Voting considerations		
What do the Amcor Directors recommend?	The Amcor Directors unanimously recommend that you vote in favour of the Scheme. Each Amcor Director intends to vote all Amcor Shares they hold or control in favour of the Scheme.	Chairman's Letter
What is the opinion of the Independent Expert?	KPMG Financial Advisory Services (Australia) Pty Ltd was appointed by Amcor as the Independent Expert to assess the merits of the Transaction. The Independent Expert has concluded that the Transaction, including the Scheme, is in the best interests of Amcor Shareholders. Amcor Shareholders should carefully review the Independent Expert's Report in its entirety.	Annexure A
What are the advantages of the Transaction?	The advantages of the Transaction are set out in further detail in Section 1.1. These are: • the Transaction will create the global leader in consumer packaging; • the Transaction metrics are favourable and present a strong financial rationale; • the Transaction is expected to generate significant synergies for the Combined Group; • the creation of New Amcor with a listing on NYSE will better position Amcor for continued international growth; and • the Combined Group is expected to have a competitive, progressive dividend (paid quarterly) and an ongoing capital allocation philosophy consistent with Amcor's shareholder value creation model.	Section 1.1

Question	Answer	More information
What are the disadvantages of the Transaction?	Potential disadvantages of the Transaction are set out in further detail in Section 1.2. These are: • the formation of the Combined Group will result in a change in the profile and risks of your investment; • differences between rights and protections that apply to New Amcor Shares relative to Amcor Shares, and New Amcor CDIs relative to New Amcor Shares may be considered disadvantageous, for example Australian takeover law restrictions will not apply to New Amcor, but to mitigate the effect of this New Amcor may implement certain mechanisms designed to prevent control of New Amcor passing without the board or shareholder approval; and • there may be a loss of demand for New Amcor CDIs on ASX.	Section 1.2
What are the potential risks associated with the creation of the Combined Group?	There are a range of risks associated with the creation of the Combined Group which may affect the Combined Group and its operations or performance that are set out in further detail in Section 7.	Section 7
What happens if an Amcor Competing Proposal emerges?	If a Competing Proposal is received by Amcor, the Amcor Directors will carefully consider the proposal and keep you informed of any material developments. Amcor must notify Bemis of any Competing Proposal that is received, in accordance with the Transaction Agreement. Before agreeing to undertake a Competing Proposal, Amcor is required to give Bemis the opportunity to amend the terms of the Transaction, for a period of four Business Days, and after that period Amcor may only agree to the Competing Proposal if the Amcor Board determines that it is a Superior Proposal. If Amcor terminates the Transaction Agreement to enter into a Superior Proposal (where permitted), Amcor will be required to pay Bemis a termination fee of US$130 million.	Sections 8.1(c) to 8.1(g)
What happens if a Bemis Competing Proposal emerges?	If a Competing Proposal is received by Bemis, Bemis must notify Amcor of the Competing Proposal and its terms in accordance with the Transaction Agreement. Before agreeing to a Competing Proposal, Bemis is required to give Amcor the opportunity to amend the terms of the Transaction, for a period of four Business Days, and after that period Bemis may only agree to the Competing Proposal if the Bemis Board determines that it is a Superior Proposal. If Bemis terminates the Transaction Agreement to enter into a Superior Proposal (where permitted), Bemis will be required to pay Amcor a termination fee of US$130 million.	Sections 8.1(c) to 8.1(g)
Conditions Precedent		
What are the conditions to the Scheme?	There are a number of Conditions Precedent that will need to be satisfied or waived (as applicable) before the Scheme can be implemented. As at the date of this Scheme Booklet, the outstanding Conditions Precedent (which must be satisfied or waived (as applicable)) include: • agreement to the Scheme by the Requisite Majorities at the Scheme Meeting; • approval of the Scheme by the Court; • approval of the Merger by at least two-thirds of the outstanding Bemis Shares entitled to vote at the Bemis Special Meeting, which is expected to be held at 9:00am (US Central time) on Thursday, 2 May 2019; • approval of NYSE for the listing of the New Amcor Shares and ASX for admission of New Amcor to the official list of ASX; • applicable waiting periods under the HSR Act that are required to be observed after certain antitrust filings have been made in the US in respect of the Merger have expired or been earlier terminated; • required consents from Governmental Entities under the antitrust laws of certain jurisdictions have been obtained or applicable waiting periods have expired, as the Merger cannot be consummated until applicable filings or clearances under the antitrust laws in certain jurisdictions have been satisfied or waived; and • Amcor and Bemis have received tax advice that there is no change to tax law that would cause the Merger and the Scheme to fail to qualify for the Intended Tax Treatment, including that the Merger is treated as an exchange and does give rise to recognition of a gain for certain US tax purposes.	Section 8.1(a)
What happens if the Bemis Shareholders do not vote in favour of the Merger?	If the required majority of Bemis Shareholders does not vote in favour of the Merger at the Bemis Special Meeting (expected to be held at 9:00am (US Central time) on Thursday, 2 May 2019), a Condition Precedent will fail to be satisfied. In such circumstances, it is likely that the Transaction will not proceed. Amcor may consider alternatives available to implement a transaction similar, in whole or part, to the Transaction, and will decide on the appropriate course of action at that time.	N/A
What are the conditions to the Merger?	The key condition to the Merger is implementation of the Scheme.	Section 8.3
In what circumstances can Amcor, New Amcor or Bemis terminate the Transaction?	The Scheme and Merger can be terminated in certain circumstances set out in the Transaction Agreement, including: • by either Amcor or Bemis, if the Scheme has not become Effective or Merger Closing has not occurred by the End Date, being 6 August 2019 (unless validly extended under the Transaction Agreement); • by Amcor, if the Bemis Board withdraws or adversely amends its recommendation that Bemis Shareholders approve the Transaction Agreement; or • by Bemis, if the Amcor Board withdraws or adversely amends its recommendation that Amcor Shareholders vote in favour of the Scheme.	Section 8.1(f)

Frequently asked questions *continued*

Question	Answer	More information
Conditions Precedent *continued*		
When is a termination fee payable by Amcor?	Amcor must pay US$130 million to Bemis in certain circumstances, including if: • Bemis terminates the agreement following Amcor withdrawing or adversely amending the Amcor Board's recommendation; or • Amcor terminates the agreement in order to enter into a Superior Proposal. The termination fee is not payable by Amcor for the sole reason that Amcor Shareholders do not approve the Scheme by the Requisite Majorities.	Section 8.1(f)
When is a termination fee payable by Bemis?	Bemis must pay US$130 million to Amcor in certain circumstances, including if: • Amcor terminates the agreement following Bemis withdrawing or adversely amending the Bemis Board's recommendation; or • Bemis terminates the agreement in order to enter into a Superior Proposal. The termination fee is not payable by Bemis for the sole reason that Bemis Shareholders do not approve the Transaction Agreement at the Bemis Special Meeting.	Section 8.1(f)
When will the Scheme become Effective?	If the Conditions Precedent are satisfied or waived (as applicable) and the Scheme is agreed to by the Requisite Majorities at the Scheme Meeting, Amcor will apply to the Court to approve the Scheme at the Second Court Date. The Scheme will become Effective on the date on which the Court order approving the Scheme is lodged with ASIC. The Scheme is expected to become Effective on the Business Day following the Second Court Date.	Section 8.2(b)
What happens on the Implementation Date?	On the Implementation Date (which is expected to be three Business Days after the Scheme Record Date): • New Amcor will become the holder of all the Amcor Shares; and • the Scheme Consideration will be issued to Scheme Shareholders.	Section 8.2(h)
What happens if the Scheme is not implemented or otherwise does not proceed?	If the Scheme is not implemented: • you will not receive the Scheme Consideration; • you will retain your Amcor Shares and continue to receive the benefits of, and continue to be exposed to the risks associated with, holding an investment in Amcor; and • Amcor will continue to operate in the ordinary course of business and as a stand-alone entity listed on ASX.	N/A
Other questions		
Where can I get further information?	If you have any further questions about the Scheme, please contact the Amcor Shareholder Information Line on 1300 302 458 (within Australia) or +61 1300 302 458 (outside Australia), Monday to Friday, between 8.00am and 7.30pm (Melbourne time). If you are in any doubt as to what you should do, please consult your legal, investment, tax or other professional adviser without delay.	Section 3.1

What you need to do and how to vote

SECTION **3**

3.1 Step 1: Read this Scheme Booklet

You should read and carefully consider the information included in this Scheme Booklet, including the advantages and disadvantages of the Transaction (refer to Section 1) and the risks of an investment in the Combined Group following the implementation of the Transaction (refer to Section 7) before deciding how to vote on the Scheme.

If you have any further questions about this Scheme Booklet, or the Transaction, including the Scheme, please contact the Amcor Shareholder Information Line on 1300 302 458 (within Australia) or +61 1300 302 458 (outside Australia), Monday to Friday, between 8.00am and 7.30pm (Melbourne time).

If you are in any doubt as to what you should do, please consult your legal, investment, tax or other professional adviser without delay.

3.2 Step 2: Vote on the Scheme Resolution

(a) **Who is entitled to vote?**

If you are registered on the Amcor Share Register at 7.00pm (Melbourne time) on the date which is two days prior to the date of the Scheme Meeting (two days prior is currently expected to be Tuesday, 30 April 2019), you will be entitled to attend and vote at the Scheme Meeting.

(b) **How to vote?**

Amcor Shareholders can vote:

- in person, by attending the Scheme Meeting;
- by lodging a Proxy Form online via www.amcor.com or www.linkmarketservices.com.au;
- by mailing the enclosed Proxy Form to Amcor Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia;
- by faxing the enclosed Proxy Form to +61 2 9287 0309 (within Australia) or +61 2 9287 0309 (outside Australia); or
- by hand delivering the enclosed Proxy Form to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000 during business hours (Monday to Friday, 9.00am to 5.00pm (Melbourne time)).

To be valid, a Proxy Form must be received by the Amcor Share Registry at least 48 hours prior to Scheme Meeting (48 hours prior is currently expected to be 1.30pm (Melbourne time) on Tuesday, 30 April 2019).

See the Notice of Scheme Meeting in Annexure E for further details on how to vote.

Amcor ADR holders should refer to Section 8.2(m) for information on voting.

3.3 Ineligible Foreign Shareholders

Although all Amcor Shareholders are able to participate in the Scheme, Ineligible Foreign Shareholders will not receive the Scheme Consideration in the form of New Amcor CDIs or New Amcor Shares. Instead, each Ineligible Foreign Shareholder will receive a cash sum equivalent to their proportion of the net proceeds from the sale of the New Amcor CDIs that all Ineligible Foreign Shareholders would have otherwise received.

Ineligible Foreign Shareholders should refer to Section 8.2(l) for further information.

Profile of Amcor

SECTION 4

4.1 Business overview

(a) Overview

Amcor is a global packaging company that generated total sales revenue of over US$9 billion for the year ended 30 June 2018. Amcor employs more than 33,000 people in around 195 facilities in more than 40 countries, and is the leader in developing and producing a broad range of packaging products, including flexible packaging, rigid containers, specialty cartons and closures. In the year ended 30 June 2018, the majority of sales were made to the defensive food, beverage, pharmaceutical, medical device, home and personal care and other consumer goods end use areas.

(b) Global footprint

Amcor has a globally-diverse operational footprint with products sold throughout Europe, North America, Latin America, Africa and the Asia Pacific regions. The map below shows the locations and number of facilities and centres of excellence across Amcor's operations, as at 30 June 2018.

(c) Segment overview

Amcor's business is organised along its two reportable segments:

(1) *Flexibles*

Amcor's Flexibles reporting segment develops and supplies flexible packaging globally. With approximately 26,000 employees and around 130 facilities in 37 countries as at 30 June 2018, the Flexibles reporting segment is one of the world's largest suppliers of flexible packaging and specialty cartons. For the year ended 30 June 2018, the Flexibles reporting segment generated US$6.5 billion of sales revenue, representing 70 percent of Amcor's total sales revenue.

The Flexibles segment is made up of four operating business groups, each of which manufactures flexible and film packaging for their respective regions and industries:

- **Flexibles Europe, Middle East & Africa**: Provides packaging for the food and beverage industry including confectionery, coffee, fresh food, healthcare and dairy and pet food packaging;
- **Flexibles Americas**: Produces flexible packaging for customers in healthcare, fresh produce and snack foods;
- **Flexibles Asia Pacific**: Provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy and packaging for healthcare and home and personal care; and
- **Specialty Cartons**: Manufactures specialty folding cartons for tobacco, consumer goods, snacks and confectionery, personal care and other industries.

(2) *Rigid Plastics*

Amcor's Rigid Plastics reporting segment is one of the world's largest manufacturers of polyethylene terephthalate

(**PET**) products along with rigid plastic containers and closures using other plastic resins. As at 30 June 2018, the Rigid Plastics reporting segment employed approximately 7,000 employees at around 60 facilities in 12 countries. For the year ended 30 June 2018, Amcor's Rigid Plastics segment generated US$2.8 billion of sales revenue, representing 30 percent of Amcor's total sales revenue.

(d) **Amcor's strategy**

Amcor's strategy focuses on making thoughtful choices about where to play and how to win, emphasising the many things that differentiate Amcor from other companies. The strategy includes three elements:

- focused portfolio of businesses;
- differentiated capabilities; and
- winning aspiration.

(1) ***Shareholder value creation***

Amcor's aspiration is to be the leading global packaging company. This means Amcor needs to win for customers, employees, investors and the environment. These are the key stakeholder groups that depend on Amcor in one way or another for their own success.

How Amcor wins for investors is reflected in its shareholder value creation model. This model sets out how Amcor's cash flow can be deployed with the aim to consistently deliver 10 percent to 15 percent of additional value to shareholders each year.

The model starts with strong and consistent cash flow generated from the portfolio of businesses servicing consumer staple end use areas, where demand typically exhibits low levels of volatility. This cash is then used to create value for shareholders by:

- paying dividends – Amcor has been committed to a competitive, progressive dividend which has historically provided an attractive yield of around 4 percent per annum;
- reinvesting in the business to drive organic growth – in most years, Amcor would expect organic EPS growth of around 3 percent to 4 percent which comes primarily from ongoing commercial and cost productivity initiatives, growing with large global and local customers, innovation and sustainability and growth in emerging markets; and
- pursuing acquisitions at attractive returns and/or returning any residual cash to shareholders.

(2) ***Organic growth***

Amcor pursues ongoing commercial and cost productivity initiatives, supported by "The Amcor Way", the differentiated capabilities developed consistently across Amcor to drive performance and competitive advantage.

(A) **Customer relationships**

Amcor has strong relationships with customers around the world. Amcor's value proposition to large, global fast-moving consumer goods customers is based largely on its innovation and ability to supply such customers globally.

At the same time, Amcor has a proven track record of success with small and medium sized customers. Today, brands emerge quickly to capture disproportionate shares of growth in many product categories. Amcor is well positioned to meet the needs of these customers with tailored packaging solutions.

(B) **Innovation and sustainability**

Amcor is highly regarded by customers and third parties for innovation. In the last three years, Amcor has earned recognition through more than 30 awards for innovation. Amcor's dedication to innovation has resulted in packaging that is more functional, more attractive, more intelligent and better for the environment. This helps Amcor's customers grow and protects their brands and consumers, while utilising more sustainable packaging.

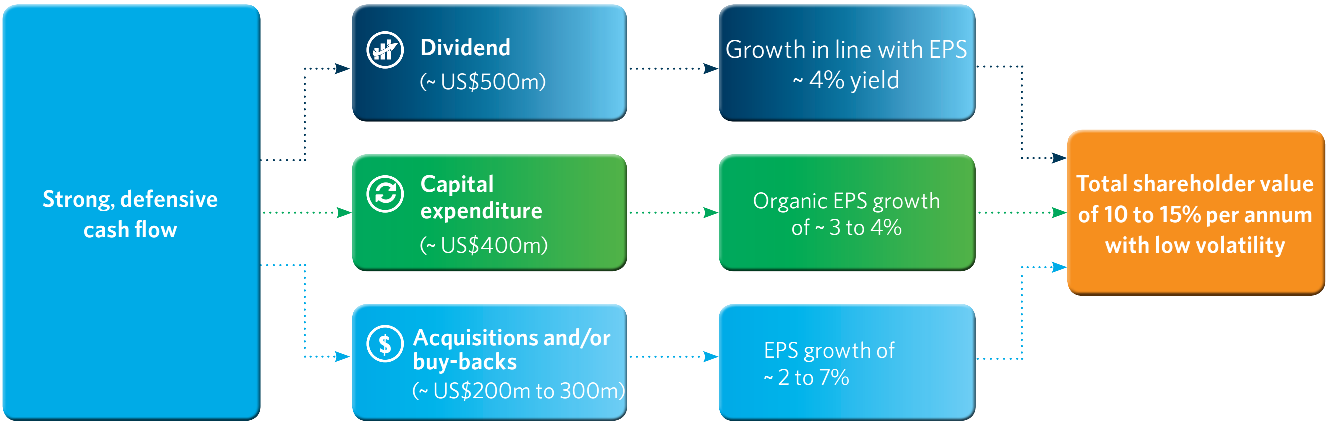
In January 2018, Amcor became the first global packaging company pledging to develop all of its packaging to be recyclable or reusable by 2025. Amcor also committed to significantly increasing its use of recycled materials, and to help drive greater recycling of packaging around the world. Much of Amcor's packaging is already recyclable or reusable and Amcor is further designing packaging that uses less material in the first place. Amcor collaborates with global brands, retailers and non-governmental organisations to address the challenges of plastics in the environment.

(C) **Emerging markets**

Amcor has been operating in many emerging market countries for more than 20 years, has a deep understanding of the varying business environments and local cultures, and produces attractive margins and returns from them.

Typically, emerging markets exhibit accelerating consumer spending on products that require the type of packaging that Amcor produces, as incomes rise and consumer needs develop. Over the long term, Amcor expects those evolving needs – in areas like food safety, extended shelf life and individual portion packs – will continue to drive strong growth in emerging markets.

Figure 4.1 — Amcor's shareholder value creation model — metrics for annual cash flow deployment



Profile of Amcor *continued*

*(3) **Acquisition growth***

Given the high number of competitors across the product portfolios where Amcor chooses to operate, there is a rich pipeline of acquisition opportunities available for Amcor to pursue. Amcor expects to continue to grow through a pragmatic, but disciplined approach to mergers and acquisitions.

(e) **Competitive strengths**

*(1) **Globally diversified earnings base with leading global positions***

Amcor has grown to become a leader with global scale in flexibles packaging and rigid plastics packaging. These leading positions are supported by Amcor's focus on technology and innovation, through which Amcor strives to develop leading packaging solutions for its customers, who operate predominately in the food, beverage, home and personal care and consumer goods industries.

Amcor currently operates in over 40 countries with a broad footprint across developed markets (including Western Europe, North America (primarily the US) and Australia and New Zealand) and emerging markets (including Asia, Latin America, Eastern Europe and Africa). Amcor believes that its global operating footprint and its proven experience in packaging allow it to leverage relationships with suppliers and customers and to take advantage of economies of scale. Amcor believes that its leading positions and global capability make it a supplier of choice for many of its large global customers. During the year ended 30 June 2018, long-term supply agreements were completed with several multinational companies, reinforcing the value of global supply capabilities. At the same time, with 195 facilities around the world Amcor also has the agility and responsiveness to make it a valuable supplier to smaller, local customers.

*(2) **Defensive and stable earnings***

Amcor's earnings are derived from a range of robust end use areas, including the food, beverage, pharmaceutical, medical device, home and personal care and other consumer goods industries. Amcor believes that the relatively non-cyclical nature of consumer demand for the products in such industries, when coupled with the diversity of its customer base and its broad geographic footprint, provides a platform for comparatively stable sales revenue throughout the economic cycle.

*(3) **Blue chip diversified customer base***

Amcor's largest customers include some of the world's most recognised global brands.

Amcor has built long-term relationships with these and other customers, in many cases across multiple geographies and products. Amcor has also supported many of its customers as they have expanded their operations into new regions as part of Amcor's "follow our customer" approach to development.

*(4) **Diversified product mix and innovation leader in packaging products***

Amcor provides a broad and diverse product mix, including flexible packaging products and rigid plastic containers.

Amcor's portfolio of products has been built through its continuous focus on innovation. Amcor works so that its customers place greater emphasis on Amcor as an innovation leader for the products it sells and for the industry generally. Amcor does this by, among other things, seeking to reduce the weight of its packaging, enhancing barrier properties and developing packaging technologies to give products a longer shelf life, improving product safety, enhancing the functionality of packaging products with convenient features such as easy open and reseal, as well as creating systems and technologies to more efficiently employ resources in the production process and reduce waste.

For the years ended 30 June 2018, 30 June 2017 and 30 June 2016, Amcor spent US$65.5 million, US$69.1 million and US$67.4 million, respectively, in research costs (based on Australian Accounting Standards principles), the majority of which related to new product development and implementation, material and analytical sciences to support development activities and new technology.

Amcor is regularly recognised for its new product innovation and as an industry leader in responsible corporate practices. For instance, in the last three years Amcor has earned recognition through more than 30 awards for innovation. In 2018, Amcor won two honours in the Dow Awards for Packaging Innovation. Amcor's Liquiform® technology applied to Nature's Promise hand soap was a diamond finalist, recognised for its ability to reduce supply chain costs and improve packaging consistency and lowering the carbon effects associated with filling and packaging. Amcor also received a silver award for the easy-opening flexible PushPop® pouch for Mentos brand gum.

*(5) **Sustainability leadership***

Amcor believes plastic packaging is vital to assuring the safety and performance of thousands of products. Amcor packaging protects food, beverages, medicines and many other essential goods. It minimises spoilage or breakage, preserves the resources that customers invest in their products and gets products to consumers fit and safe for their intended use. Amcor believes that sustainability and growth are complementary. Both are necessary to be competitive and to meet customer needs now and in the future.

Amcor's commitment to environmental stewardship and product responsibility have helped Amcor achieve widespread recognition as a sustainability leader. For example:

- Amcor is included in the Dow Jones Sustainability Index for the Australia and Asia Pacific Index, the Carbon Disclosure Project Climate Disclosure Leadership Index for Australia, the MSCI Global Sustainability Index and the FTSE4Good Index; and
- Amcor's work with the UN World Food Programme led to Amcor's recognition as one of the top 50 companies in Fortune magazine's annual Change the World report for 2017.

Amcor's approach to sustainability focuses on the three key areas listed below. Amcor's global Sustainability

Leadership Council (**SLC**) coordinates company-wide initiatives in these three areas, in collaboration with Amcor's operations, research and development, sales, marketing and procurement teams. The SLC is led by Amcor's Vice President of Sustainability, and reports to Amcor's Global Management Team (**GMT**) each quarter.

(A) **Products – advancing the sustainability of packaging**

Amcor regularly improves the environmental attributes of its packaging. Amcor collaborates with customers, suppliers and recyclers to create better packaging using data-driven design principles, innovative material selection, light weighting and down gauging, and design for recycling and recovery.

In January 2018, Amcor pledged to develop all its packaging to be recyclable or reusable by 2025 and committed to significantly increasing its use of recycled materials, while working with others to drive consistently greater worldwide recycling of packaging.

(B) **Operations – protecting the environment and reducing the impact on the world**

Amcor is committed to preventing, where possible, and minimising adverse environmental impacts, including waste, emissions and discharges from its operations and products. All Amcor facilities have an environmental management system in place (e.g. ISO 14001 or equivalent) which must be appropriate for the risk associated with the operations at each site and the local regulations associated with the site's geographic location.

(C) **Capabilities – leading and contributing to collaboration that addresses urgent environmental and humanitarian challenges**

Amcor believes that engaged employees behave more safely and productively, are more customer focused and are more likely to remain longer with the organisation. Amcor is focused on attracting top talent through an accelerated career development program, the goal of which is to build a pipeline of future commercial leaders.

*(6) **Strong and disciplined pathways to growth***

Amcor has a long history of growth in its core businesses, which has been derived from both organic and acquisition sources. A focus on meeting its customers' needs and being a leader in packaging innovation continues to drive organic growth. Amcor works closely with its key customers to align growth plans with their expected demand for Amcor's products. This allows Amcor to develop and tailor new projects in response to its customers' needs. Amcor's organic growth is supplemented by a focus on acquiring complementary businesses with strong strategic and financial track records.

Additionally, Amcor's inorganic growth through acquisitions has facilitated its expansion into new geographies and industries. In the last nine years, Amcor has completed over 30 acquisitions ranging from small businesses to larger-scale companies. The transactions which have had a material impact on Amcor's business portfolio in recent years include the acquisitions of Alcan Packaging in February 2010, Ball Plastics Packaging in August 2010, Alusa in June 2016 and the North American rigid plastics blow-moulding operations of Sonoco Products Company in November 2016. In an effort to enhance shareholder value, the company also demerged its Australasia and Packaging Distribution business in December 2013 to enable Amcor to increase its focus and better pursue its growth agenda and strategic priorities.

Amcor believes its ability to integrate acquired entities is central to how Amcor successfully creates value from such acquisitions. To support these integration efforts, Amcor has developed a 'best practice' integration capability to assist in delivering greater consistency across systems and processes with that of each acquired business. Amcor believes this integration capability supports the delivery of expected synergies and assists the ability to outperform those expectations over time.

*(7) **Experienced leadership team***

Amcor Chief Executive Officer and Managing Director Ron Delia and the other members of the GMT are striving to create the leading global packaging company, an organisation committed to winning on behalf of its people, customers, investors and the environment. The GMT consistently applies Amcor's shareholder value creation model — generating and redeploying strong cash flow to deliver superior returns for shareholders over time with low volatility.

Mr Delia has been with Amcor since 2005, serving as Chief Financial Officer, as general manager of the company's rigid containers business in Latin America, and in corporate operations. The GMT prioritises and demonstrates essential capabilities that make up Amcor's differentiated capabilities known as "The Amcor Way": talent, commercial excellence, operational leadership, innovation, and cash and capital discipline. Together, the GMT members average more than a decade with Amcor, in addition to a broad range of experiences and accomplishments with large corporations in the global packaging and other industries.

The members of the Amcor Board have extensive commercial, capital markets and governance experience. As evidenced by the material holding of Amcor Shares by the majority of the Amcor Directors (set out in Section 11.2), the Amcor Board is committed to ensuring its interests are aligned with those of Amcor Shareholders, including when considering transactions such as the Transaction.

Profile of Amcor *continued*

4.2 Directors and management

(a) Amcor Directors

As at the date of this Scheme Booklet, the Amcor Board comprises the following members:

Graeme Liebelt Independent Non-Executive Director and Chairman	Mr Liebelt was previously Managing Director and Chief Executive Officer of Orica Limited, a position he held for six and a half years. Mr Liebelt is Chairman of DuluxGroup Limited and on the boards of the Australia and New Zealand Banking Group Limited, the Australian Foundation Investment Company Limited and Carey Baptist Grammar School.
Dr Armin Meyer Independent Non-Executive Director and Deputy Chairman	Until 2009, Dr Meyer was the Chairman of the Board of Ciba Ltd, a position he had held since 2000. He was also Chief Executive Officer of that company between 2001 and 2007. Dr Meyer is a former director of Zurich Financial Services and Zurich Insurance Company Ltd.
Ron Delia Managing Director and Chief Executive Officer	Mr Delia joined Amcor in 2005. He was appointed to his current role in April 2015 and is based in Zurich. Prior to joining Amcor, Mr Delia was an Associate Principal of McKinsey & Company based in New York and also held senior commercial roles in American National Can Co., based in New Jersey.
Paul Brasher Independent Non-Executive Director	Currently, Mr Brasher is Chairman of Incitec Pivot Limited and Deputy Chairman of Essendon Football Club and a member of the board of not-for-profit organisation, Teach for Australia. Mr Brasher is a former Non-Executive Director of Perpetual Limited (2009–2015). From 1982 to 2009, Mr Brasher was a partner of PricewaterhouseCoopers (PwC), including four years as the Chairman of the Global Board.
Eva Cheng Independent Non-Executive Director	Mrs Cheng is a former Executive Vice President of Amway Corporation responsible for Greater China and South-East Asia (2005–2011). Mrs Cheng is currently an Independent Non-Executive Director of Trinity Limited, Nestlé S.A. and Haier Electronics Group Company Limited and an Executive Director of the non-profit organisation, Our Hong Kong Foundation.
Karen Guerra Independent Non-Executive Director	Mrs Guerra was the former President of Colgate Palmolive France and Chairman and Managing Director of Colgate Palmolive UK. Mrs Guerra is currently a Director of Davide Campari-Milano S.p.A. and a Non-Executive Director of Electrocomponents plc. Mrs Guerra was formerly a Non-Executive Director of Paysafe plc, Inchcape PLC, Samlerhuset BV and Swedish Match AB.
Nicholas (Tom) Long Independent Non-Executive Director	Mr Long was previously Chief Executive Officer of MillerCoors, LLC. He is the former Chief Executive Officer of Miller Brewing Company and was formerly President of Northwest Europe Division of The Coca-Cola Company. Mr Long is a Non-Executive Director of Wolverine World Wide, Inc, Uline, and serves on the Board of Trustees of The Boys and Girls Club of America and Episcopal High School.
Jeremy Sutcliffe Independent Non-Executive Director	A qualified lawyer in Australia and the UK, Mr Sutcliffe previously held positions with Baker & McKenzie and is a former Chief Executive Officer of Sims Metal Management Limited and CSR Limited. Currently, Mr Sutcliffe is a Director and Deputy Chairman of Orora Limited, a former Director and member of the Australian Rugby League Commission Limited and was formerly a Director and the Chairman of CSR Limited.

(b) Amcor senior management

Ron Delia	Managing Director and Chief Executive Officer
Michael Casamento	Executive Vice President, Finance, and Chief Financial Officer
Tom Cochran[18]	President, Amcor Flexibles Americas
Jerzy Czubak	President, Amcor Specialty Cartons
Steve Keogh	Executive Vice President, Human Resources
Peter Konieczny	President, Amcor Flexibles Europe, Middle East & Africa
Julie McPherson	Group General Counsel and Company Secretary
Eric Roegner[19]	President, Amcor Rigid Plastics
Michael Schmitt[19]	Executive Vice President, Amcor Limited
Tracey Whitehead	Senior Vice President, Investor Relations
Ian Wilson	Executive Vice President, Strategy and Development
Michael Zacka	Chief Commercial Officer and President, Amcor Flexibles Asia Pacific

18 Upon completion of the Transaction, the Americas region will be divided into Amcor Flexibles North America led by Fred Stefan (currently President, Bemis North America) and Amcor Flexibles Latin America led by Aluisio Fonseca (currently VP & GM, Amcor Flexibles South America). Tom Cochran will transition into a new Global Sales & Marketing role.

19 Eric Roegner replaced Michael Schmitt as President, Amcor Rigid Plastics effective from mid-November 2018, with Michael Schmitt assuming the new role set out above.

4.3 Historical financial information

(a) **Overview**

Amcor's summarised historical financial information included in this Section 4.3 is intended to present shareholders with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of Amcor. The Amcor Board is responsible for the preparation and presentation of the Amcor historical financial information.

(b) **Basis of preparation – Amcor's historical financial information under AAS**

Amcor's summarised historical financial information has been prepared in accordance with the recognition and measurement principles under Australian Accounting Standards and interpretations adopted by the International Accounting Standards Board (**AAS**). The accounting policies used in preparation of Amcor's summarised historical financial information are consistent with those set out in Amcor's annual report for the year ended 30 June 2018. All amounts disclosed are presented in US dollars and rounded to the nearest 100,000 dollars, or where the amount is 50,000 dollars or less, to zero, unless specifically stated.

Amcor's summarised historical financial information for the years ended 30 June 2018, 30 June 2017 and 30 June 2016, and the half years ended 31 December 2018 and 31 December 2017, is an aggregation of financial information from individual entities that comprise Amcor. The underlying statutory financial information has been extracted from Amcor's 2018 and 2017 annual reports incorporating financial statements for the year ended 30 June 2018, and comparative financial information for the years ended 30 June 2017 and 30 June 2016, and Amcor's half year unaudited reports incorporating financial statements for the half year ended 31 December 2018 and comparative financial information for the half year ended 31 December 2017. This financial information is presented in this Section 4.3 in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information that is required by AAS applicable to annual financial reports prepared in accordance with the requirements of the Corporations Act. All references to earnings throughout this Section 4.3 are made on an underlying earnings basis unless otherwise stated.

Amcor's financial statements for the years ended 30 June 2018, 30 June 2017 and 30 June 2016 have been audited by PricewaterhouseCoopers in accordance with Australian Auditing Standards. PricewaterhouseCoopers issued unqualified audit opinions on these financial statements. Amcor's condensed consolidated financial statements for the half years ended 31 December 2018 and 31 December 2017 are unaudited but have been reviewed by PricewaterhouseCoopers in accordance with the Australian Auditing Standards.

The earnings of the entities that comprise the Amcor group are translated into US dollars using the average exchange rates for the period. Assets and liabilities of the entities that comprise the Amcor group are translated into US dollars at the exchange rate ruling at the balance sheet date.

The information provided in Sections 4.3 and 4.4 includes non-GAAP financial measures under AAS or US GAAP which Amcor believes to be important for investors to consider when evaluating the financial performance of Amcor. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with either AAS or US GAAP.

The non-GAAP financial measures referred to in Sections 4.3 and 4.4 include:

- profit after taxes attributable to owners of Amcor excluding the impact of significant items as described in Section 4.3(c) under AAS (**Underlying PAT**);
- profit before interest and taxes excluding the impact of significant items as described in Section 4.3(c) under AAS (**Underlying PBIT**);
- profit before interest, taxes, depreciation and amortisation, excluding the impact of significant items as described in Section 4.3(c) under AAS (**Underlying PBITDA**);
- profit after taxes attributable to owners of Amcor excluding the impact of significant items as described in Section 4.4(b) under US GAAP, excluding amortisation of acquired intangible assets (**Adjusted PAT**);
- profit before interest and taxes excluding the impact of significant items as described in Section 4.4(b) under US GAAP, excluding amortisation of acquired intangible assets (**Adjusted PBIT**);
- profit before interest, taxes, depreciation and amortisation, excluding the impact of significant items as described in Section 4.4(b) under US GAAP (**Adjusted PBITDA**); and
- constant currency financial information.

Where financial reports have been used to extract historical financial information, complete versions of these reports are available from Amcor's website, www.amcor.com or ASX's website, www.asx.com.au.

Profile of Amcor *continued*

(c) **Income statements prepared under AAS**

Set out below are Amcor's consolidated income statements for the half years ended 31 December 2018 and 31 December 2017, and the years ended 30 June 2018, 30 June 2017 and 30 June 2016.

US$ million	Notes	Half year ended 31 December 2018	Half year ended 31 December 2017	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2016
Sales revenue		4,551.8	4,502.2	9,319.1	9,101.0	9,421.3
Underlying PBITDA		**678.3**	**695.2**	**1,441.8**	**1,447.0**	**1,409.3**
Depreciation and amortisation		(159.2)	(171.8)	(337.0)	(341.1)	(338.9)
Amortisation of acquired intangibles		(9.5)	(9.6)	(19.3)	(17.7)	(15.1)
Underlying PBIT		**509.6**	**513.8**	**1,085.5**	**1,088.2**	**1,055.3**
Net finance costs		(107.7)	(101.7)	(204.8)	(187.0)	(166.8)
Underlying profit before related income tax expense and significant items		**401.9**	**412.1**	**880.7**	**901.2**	**888.5**
Income tax expense		(68.3)	(78.2)	(145.3)	(183.0)	(187.9)
Non-controlling interest		(5.1)	(4.2)	(11.4)	(17.0)	(29.5)
Underlying PAT		**328.5**	**329.7**	**724.0**	**701.2**	**671.1**
Adjustments to Underlying PAT	1	(60.9)	-	-	(104.2)	(427.0)
Statutory profit after taxes attributable to owners of Amcor (PAT)		**267.6**	**329.7**	**724.0**	**597.0**	**244.1**
Underlying basic EPS (US$)		**0.28**	**0.29**	**0.63**	**0.61**	**0.58**

Notes

1 **Amcor reconciliation of statutory earnings to underlying earnings**
Set out below is a summary of adjustments to Amcor's consolidated statutory earnings to arrive at Underlying PBIT and Underlying PAT for the half years ended 31 December 2018 and 31 December 2017 and the years ended 30 June 2018, 30 June 2017 and 30 June 2016.

US$ million	Half year ended 31 December 2018	Half year ended 31 December 2017	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2016
Material restructuring programs	(37.7)	-	-	(135.5)	(94.9)
Material acquisition and transaction costs	(35.1)	-	-	-	-
Impact of hyperinflation	(11.5)	-	-	-	-
Net legal settlements	15.5	-	-	-	-
Impact of deconsolidation of Venezuelan subsidiaries	-	-	-	-	(384.7)
Total Underlying PBIT adjustments	**(68.8)**	**-**	**-**	**(135.5)**	**(479.6)**
Net monetary loss	(5.0)	-	-	-	-
Tax on adjustments	12.9	-	-	31.3	52.6
Total Underlying PAT adjustments	**(60.9)**	**-**	**-**	**(104.2)**	**(427.0)**

Amcor's historical income statements incorporate various adjustments to statutory PBIT and PAT to remove non-recurring expenditure/income (significant items) in order to reflect underlying earnings and represent ongoing operations. Main adjustments include:

- **material restructuring programs:**
  - **Flexibles:** in the context of a protracted low growth environment in developed markets, in June 2016 Amcor announced initiatives to optimise the cost base and drive earnings growth in the Flexibles segment, including plant closures and an overhead cost reduction initiative. These initiatives resulted in adjustments to earnings in the years ended 30 June 2017 and 30 June 2016; and
  - **Rigid Plastics:** in August 2018, Amcor announced a restructuring program in the Rigid Plastics segment aimed at reducing structural costs and optimising the footprint. These initiatives resulted in adjustment to earnings in the half year ended 31 December 2018,
- **material acquisition and transaction costs:** in the half year ended 31 December 2018, Amcor incurred a number of costs related to the Transaction. These costs are separately identified and treated as a significant item;
- **impact of hyperinflation:** beginning 1 July 2018, Amcor began reporting the financial results of its Argentine subsidiaries with a functional currency of the Argentine peso under IFRS hyperinflation accounting. This resulted in an impact of US$16.5 million split between a hyperinflation adjustment of US$11.5 million and a net monetary loss of US$5.0 million;
- **net legal settlements:** in the half year ended 31 December 2018, Amcor settled legal claims which led to a net gain of US$15.5 million, which has been treated as a significant item for the period; and
- **impact of deconsolidation of Venezuelan subsidiaries:** in the year ended 30 June 2016, a number of measures were taken to eliminate Amcor's financial exposure to Venezuela, following a deterioration in economic conditions.

(d) Cash flow statements prepared under AAS

Set out below are Amcor's consolidated cash flow statements for the half years ended 31 December 2018 and 31 December 2017 and the years ended 30 June 2018, 30 June 2017 and 30 June 2016.

US$ million	Half year ended 31 December 2018	Half year ended 31 December 2017	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2016
Underlying PBITDA	678.3	695.2	1,441.8	1,447.0	1,409.3
Interest	(90.0)	(80.7)	(196.9)	(176.7)	(153.4)
Tax	(62.3)	(66.6)	(149.7)	(160.2)	(170.3)
Capital expenditure	(173.4)	(187.1)	(372.1)	(379.2)	(348.9)
Working capital	(213.8)	(275.7)	17.6	159.0	37.2
Segment restructuring	(26.3)	(34.0)	(60.8)	(98.1)	-
Other	2.8	39.7	41.0	(57.4)	17.6
Operating cash flow	**115.3**	**90.8**	**720.9**	**734.4**	**791.5**
Dividends and other equity distributions	(290.6)	(282.2)	(526.8)	(489.1)	(480.3)
Free cash flow	**(175.3)**	**(191.4)**	**194.1**	**245.3**	**311.2**

(e) Balance sheet prepared under AAS

Set out below is Amcor's summary consolidated balance sheet as at 31 December 2018 and 30 June 2018.

US$ million	31 December 2018	30 June 2018
Current assets		
Cash and cash equivalents	490.6	620.8
Trade and other receivables	1,315.6	1,283.5
Inventories	1,387.0	1,358.8
Other financial assets	7.5	8.8
Other current assets	17.1	13.9
Total current assets	**3,217.8**	**3,285.8**
Non-current assets		
Equity method investments	438.7	438.5
Other financial assets	21.6	22.3
Property, plant and equipment	2,623.9	2,698.3
Deferred tax assets	64.5	65.5
Intangible assets	2,361.4	2,387.8
Retirement benefit assets	35.1	50.8
Other non-current assets	105.0	97.7
Total non-current assets	**5,650.2**	**5,760.9**
Total assets	**8,868.0**	**9,046.7**
Current liabilities		
Trade and other payables	2,472.5	2,606.7
Interest-bearing liabilities	1,481.4	1,822.0
Other financial liabilities	13.1	36.5
Current tax liabilities	140.8	139.9
Provisions	84.7	91.7
Total current liabilities	**4,192.5**	**4,696.8**
Non-current liabilities		
Interest-bearing liabilities	3,032.2	2,671.0
Other financial liabilities	0.6	1.3
Deferred tax liabilities	162.6	162.5
Provisions	106.2	111.1
Retirement benefit obligations	289.3	292.2
Other non-current liabilities	27.1	21.3
Total non-current liabilities	**3,618.0**	**3,259.4**
Total liabilities	**7,810.5**	**7,956.2**
Net assets	**1,057.5**	**1,090.5**

Profile of Amcor *continued*

(f) **Segmental underlying earnings**

Set out below are Amcor's underlying earnings by segment for the half years ended 31 December 2018 and 31 December 2017 and the years ended 30 June 2018, 30 June 2017 and 30 June 2016 under AAS.

US$ million	**Half year ended 31 December 2018**		**Half year ended 31 December 2017**	
	Sales revenue	**Underlying PBIT**	**Sales revenue**	**Underlying PBIT**
Flexibles	3,141.8	389.8	3,168.5	396.8
Rigid Plastics	1,410.6	148.9	1,335.8	143.7
Investments/other/intersegment	(0.6)	(29.1)	(2.1)	(26.7)
Total	**4,551.8**	**509.6**	**4,502.2**	**513.8**

US$ million	**Year ended 30 June 2018**		**Year ended 30 June 2017**		**Year ended 30 June 2016**	
	Sales revenue	**Underlying PBIT**	**Sales revenue**	**Underlying PBIT**	**Sales revenue**	**Underlying PBIT**
Flexibles	6,534.6	835.1	6,226.5	804.7	6,065.9	755.9
Rigid Plastics	2,787.5	312.0	2,876.7	342.7	3,357.3	352.5
Investments/other/intersegment	(3.0)	(61.6)	(2.2)	(59.2)	(1.9)	(53.1)
Total	**9,319.1**	**1,085.5**	**9,101.0**	**1,088.2**	**9,421.3**	**1,055.3**

(g) **Management discussion and analysis**

Amcor's annual reports for the years ended 30 June 2018, 30 June 2017 and 30 June 2016 contain a full commentary on the historical results of Amcor for those periods within the operating and financial review section. Amcor's half year reports for the half years ended 31 December 2018 and 31 December 2017 contain some commentary on the historical results of Amcor. Amcor's annual reports and half year reports are available from Amcor's website, www.amcor.com or ASX's website, www.asx.com.au. The following is a summary of the key financial highlights as presented within the Amcor financial statements.

For the financial years presented, approximately 35 percent to 40 percent of earnings were effectively in US dollars. Approximately 25 percent to 35 percent of earnings were generated in euros and the remaining earnings were generated in currencies other than US dollars or euros. The impact of translating euro and other non-US dollar earnings into US dollars for reporting purposes will vary depending on the movement of these currencies from period to period.

(1) ***Results for the half year ended 31 December 2018***

Sales revenue increased 1.1 percent to US$4,551.8 million in the half year ended 31 December 2018. Excluding a 3.2 percent unfavourable currency impact, sales revenue increased by 4.3 percent compared to the prior comparative period. The increase was due to price increases to recover higher raw material costs combined with modest organic volume growth.

Underlying PBITDA, Underlying PBIT and Underlying PAT of US$678.3 million, US$509.6 million and US$328.5 million, respectively, increased by 0.6 percent, 2.4 percent and 3.4 percent on a constant currency basis and decreased by 2.4 percent, 0.8 percent and 0.4 percent on a reported basis.

Net financing costs of US$107.7 million were US$6.0 million higher than the prior comparative period, mainly reflecting the additional interest driven by the higher US funding costs.

Income tax expense decreased to US$68.3 million compared to US$78.2 million in the prior comparative period, which reflected an effective tax rate of 17.0 percent compared to 19.0 percent in prior comparative period.

(A) **Flexibles**

The Flexibles segment delivered Underlying PBIT of US$389.8 million in the half year ended 31 December 2018, up 1.9 percent in constant currency terms compared with the prior comparative period. The earnings growth reflected benefits from acquisitions and strong operating cost performance. This was partially offset by an adverse impact from the normal time lag in recovering higher raw material costs.

(B) **Rigid Plastics**

The Rigid Plastics segment delivered Underlying PBIT of US$148.9 million during the half year ended 31 December 2018, up 5.6 percent in constant currency compared with the prior comparative period. This was mainly driven by improved price and mix.

(2) ***Results for the half year ended 31 December 2017***

Sales revenue increased 0.8 percent to US$4,502.2 million in the half year ended 31 December 2017. Excluding a 2.5 percent favourable currency impact, sales revenue decreased by 1.7 percent compared to the prior comparative period. The decrease was mainly due to modest volume challenges predominantly in the Rigid Plastics segment.

Underlying PBITDA, Underlying PBIT and Underlying PAT of US$695.2 million, US$513.8 million and US$329.7 million, respectively, decreased by 0.1 percent, increased by 0.8 percent and 3.7 percent on a constant currency basis and increased by 2.6 percent, 3.7 percent and 6.8 percent on a reported basis.

Net financing costs of US$101.7 million were US$7.9 million higher than the prior comparative period, mainly reflecting depreciation of the US dollar against currencies in which borrowings have been drawn.

Income tax expense decreased to US$78.2 million compared to US$86.0 million in the prior comparative period, which reflected an effective tax rate of 19.0 percent compared to 21.4 percent the half year before.

(A) **Flexibles**

The Flexibles segment delivered Underlying PBIT of US$396.8 million in the half year ended 31 December 2017, up 2.3 percent in constant currency terms compared with the prior comparative period. The earnings growth reflected benefits from restructuring initiatives along with modest organic growth offset by an adverse impact from the normal time lag in recovering higher raw material costs.

(B) **Rigid Plastics**

The Rigid Plastics segment delivered Underlying PBIT of US$143.7 million during the half year ended 31 December 2017, up 0.4 percent in constant currency compared with the prior comparative period. This was driven by lower volume growth, which was offset by outstanding cost performance and benefits from recently acquired businesses.

(3) ***Results for the year ended 30 June 2018***

Sales revenue increased by 2.4 percent to US$9,319.1 million. Excluding the favourable currency impact, sales revenue decreased by 0.6 percent compared with the prior year. The reduction was largely due to reduced volume in the Rigid Plastics segment.

Underlying PBITDA, Underlying PBIT and Underlying PAT of US$1,441.8 million, US$1,085.5 million and US$724.0 million, respectively, decreased by 3.5 percent, 3.3 percent and 0.2 percent on a constant currency basis. Underlying PBITDA and Underlying PBIT decreased by 0.4 percent and 0.2 percent on a reported basis whereas Underlying PAT increased by 3.3 percent on a reported basis.

Net financing costs of US$204.8 million were US$17.8 million higher than the prior year, mainly reflecting the depreciation of the US dollar against currencies in which borrowings had been drawn and higher funding costs.

Income tax expense for the current year of US$145.3 million included a non-cash net benefit of approximately US$9 million, reflecting the one-off revaluation of the group's US net deferred tax liability, largely offset by a one-off transition tax on unrepatriated foreign earnings.

(A) **Flexibles**

The Flexibles segment delivered Underlying PBIT of US$835.1 million, 1.5 percent lower than the prior period in constant currency terms. This reflected benefits from restructuring initiatives, offset by the normal time lag in recovering higher raw material costs, and lower volumes in parts of South America and Asia Pacific.

(B) **Rigid Plastics**

The Rigid Plastics business delivered Underlying PBIT of US$312.0 million during the year ended 30 June 2018, 7.2 percent lower than the prior period in constant currency terms. The decrease in Underlying PBIT was driven by reduced volumes, offset by strong cost performance and benefits from acquisitions.

(4) ***Results for the year ended 30 June 2017***

Sales revenue declined 3.4 percent to US$9,101.0 million in the year ended 30 June 2017. Excluding a 1.4 percent unfavourable impact of currency, sales revenue was 2.0 percent lower than the prior year. The reduction was due to the impact of deconsolidating the Venezuelan subsidiaries, but partially offset by the Alusa and Sonoco Products Company acquisitions.

Underlying PBITDA, Underlying PBIT and Underlying PAT of US$1,447.0 million, US$1,088.2 million and US$701.2 million, respectively, increased by 7.2 percent, 8.6 percent and 9.6 percent on a constant currency basis[20] and increased by 2.7 percent, 3.1 percent and 4.5 percent on a reported basis.

Net financing costs of US$187.0 million were US$20.2 million higher than the prior year, mainly reflecting the additional interest driven by the higher acquisition-related average debt balances.

Income tax expense decreased slightly to US$183.0 million compared to US$187.9 million in 2016, which reflected an effective tax rate of 20.3 percent compared to 21.1 percent the year before.

(A) **Flexibles**

The Flexibles segment delivered Underlying PBIT of US$804.7 million in the year ended 30 June 2017, up 8.2 percent in constant currency terms compared with the prior period. The strong earnings growth reflected benefits from acquisitions and restructuring initiatives along with modest organic growth across the segment.

(B) **Rigid Plastics**

The Rigid Plastics business delivered Underlying PBIT of US$342.7 million during the year, up 8.6 percent in constant currency compared with the prior year (after adjusting Underlying PBIT for the year ended 30 June 2017 for the impact of deconsolidating the Venezuelan subsidiaries). This was a strong result given economic conditions in Latin America remained challenging through the year. Earnings growth reflected higher volumes, favourable sales mix and benefits from recently acquired businesses.

(5) ***Results for the year ended 30 June 2016***

Sales revenue declined 2.0 percent to US$9,421.3 million in the year ended 30 June 2016. Excluding the unfavourable impact of currency, sales revenue was 3.7 percent higher than the prior year.

Underlying PBITDA, Underlying PBIT and Underlying PAT of US$1,409.3 million, US$1,055.3 million and US$671.1 million, respectively, increased by 6.5 percent, 7.0 percent and 7.5 percent on a constant currency basis and were flat on a reported basis.

Net financing costs of US$166.8 million were marginally lower than the prior year, mainly reflecting the favourable impact of currency movements against the US dollar. This was partly offset by additional interest on higher average debt balances.

Income tax expense remained flat at US$187.9 million compared to US$185.4 million in the year ended 30 June 2015, which reflects an effective tax rate of 21.1 percent compared to 21.0 percent the year before.

(A) **Flexibles**

The Flexibles segment delivered Underlying PBIT of US$755.9 million in the year ended 30 June 2016, with constant currency Underlying PBIT up 7.2 percent. This growth was equally balanced between acquisition benefits and organic growth. Demand from emerging markets was solid and cost performance was excellent across all business groups. Demand in developed markets remained subdued.

(B) **Rigid Plastics**

The Rigid Plastics business delivered Underlying PBIT of US$352.5 million, 9.7 percent higher than the prior period in constant currency. All business units performed strongly

20 Excluding the impact of deconsolidating the Venezuelan subsidiaries.

during the year and delivered earnings which were higher than the same period in the prior year. Growth in underlying business exposures and new business wins underpinned higher volumes and management of operating costs throughout the year was excellent. This was partly offset by an unfavourable sales mix.

(h) **Material changes in Amcor financial position since last accounts published**

To the knowledge of the Amcor Directors as at the last practicable date before the date of this Scheme Booklet, other than:

- the accumulation of profits in the ordinary course of trading; and
- as disclosed in this Scheme Booklet or as otherwise disclosed to ASX by Amcor,

the financial position of Amcor has not materially changed since 31 December 2018, being the date of the reviewed Amcor financial statements for the half year ended 31 December 2018 (released to ASX on 11 February 2019).

Amcor Shareholders may obtain a copy of the reviewed Amcor financial statements for the half year ended 31 December 2018 and Amcor's 2018 annual report free of charge from Amcor's website www.amcor.com, ASX's website www.asx.com.au, or by calling the Amcor Shareholder Information Line on 1300 302 458 (within Australia) or +61 1300 302 458 (outside Australia), Monday to Friday, between 8.00am and 7.30pm (Melbourne time).

Further information about Amcor's financial performance is set out in the Independent Expert's Report in Annexure A.

(i) **Legal proceedings**

In the ordinary course of business, Amcor may be party to legal, regulatory and administrative proceedings. Amcor believes that none of the current proceedings in which the company is involved will, individually or taken together, have a material impact on the business, financial condition or results of operations of Amcor. However, Amcor is exposed to risks that may expose it to significant legal, regulatory or administrative proceedings.

4.4 Reconciliations of AAS to US GAAP

(a) **Summary of historical AAS to US GAAP reconciliation**

Following completion of the Transaction, Amcor will prepare and present its financial information on a quarterly basis under US GAAP.

This Section 4.4 provides information to assist readers in understanding the key differences between historical financial results under AAS and US GAAP. Variations in AAS and US GAAP accounting treatment do not impact the underlying operational performance or cash generation of the business. Key AAS versus US GAAP differences predominantly reflect variances in recognition timing or measurement for transactions which were previously disclosed in Amcor's historical AAS financial results.

Following completion of the Transaction, Amcor intends to present US non-GAAP financial metrics of Adjusted EBITDA, Adjusted EBIT and adjusted net income, which are equivalent to Adjusted PBITDA, Adjusted PBIT and Adjusted PAT respectively presented in the table below and in this Scheme Booklet. These metrics will be reconciled to the nearest financial metric determined in accordance with US GAAP each reporting period. These non-GAAP financial metrics will replace Underlying PBITDA, Underlying PBIT and Underlying PAT previously reported under AAS.

The following table provides a summary of AAS to US GAAP reconciling items for key financial metrics and should be read in conjunction with the additional detail provided in the following pages.

US$ million	Half year ended 31 December 2018				Half year ended 31 December 2017			
	Net sales	PBITDA	PBIT	PAT	Net sales	PBITDA	PBIT	PAT
Underlying AAS	**4,551.8**	**678.3**	**509.6**	**328.5**	**4,502.2**	**695.2**	**513.8**	**329.7**
AAS vs US non-GAAP measures[21]								
Joint venture investment remeasurement	-	-	-	-	-	-	-	-
Deferred gain on property sale	-	-	-	-	-	-	-	-
Reversal of capitalised development costs	-	(1.4)	1.1	0.9	-	-	1.8	1.4
Differences in lease accounting	-	(19.4)	(19.4)	(17.4)	-	(15.0)	(15.0)	(10.5)
Pensions	-	0.4	0.4	(0.7)	-	2.5	2.5	0.9
Amortisation of acquired intangibles[22]	-	-	9.5	7.3	-	-	9.6	7.2
Other	(2.2)	(3.8)	(3.8)	2.2	-	(4.6)	(4.6)	(3.7)
Adjusted US GAAP	**4,549.6**	**654.1**	**497.4**	**320.8**	**4,502.2**	**678.1**	**508.1**	**325.0**

21 Refer to Section 4.4(b) for further details.

22 Following completion of the Transaction, Amcor intends to present Adjusted US non-GAAP earnings metrics prior to the amortisation of acquired intangibles. Measurement of amortisation of acquired intangibles is consistent across AAS and US GAAP.

US$ million	Year ended 30 June 2018				Year ended 30 June 2017				Year ended 30 June 2016			
	Net sales	PBITDA	PBIT	PAT	Net sales	PBITDA	PBIT	PAT	Net sales	PBITDA	PBIT	PAT
Underlying AAS	**9,319.1**	**1,441.8**	**1,085.5**	**724.0**	**9,101.0**	**1,447.0**	**1,088.2**	**701.2**	**9,421.3**	**1,409.3**	**1,055.3**	**671.1**
AAS vs US non-GAAP measures[23]												
Joint venture investment remeasurement	-	-	-	-	-	14.9	14.9	14.9	-	-	-	-
Deferred gain on property sale	-	-	-	-	-	11.1	11.1	9.2	-	31.8	31.8	26.3
Reversal of capitalised development costs	-	(7.2)	(3.6)	(2.5)	-	-	7.0	5.7	-	(2.2)	4.8	3.6
Differences in lease accounting	-	(41.5)	(41.5)	(36.6)	-	(21.6)	(21.6)	(13.8)	-	1.7	1.7	1.1
Pensions	-	5.1	5.1	5.5	-	(29.8)	(29.8)	(24.4)	-	7.8	7.8	6.6
Amortisation of acquired intangibles[24]	-	-	19.3	14.7	-	-	17.7	13.3	-	-	15.1	10.8
Other	-	(8.4)	(8.4)	(7.8)	-	(8.3)	(8.3)	(5.9)	-	(15.1)	(19.1)	(23.6)
Adjusted US GAAP	**9,319.1**	**1,389.8**	**1,056.4**	**697.3**	**9,101.0**	**1,413.3**	**1,079.2**	**700.2**	**9,421.3**	**1,433.3**	**1,097.4**	**695.9**

(b) Reconciliation of historical profit and loss statement for the half years ended 31 December 2018 and 31 December 2017 and the years ended 30 June 2018, 30 June 2017 and 30 June 2016

The following table reconciles Amcor historical profit and loss for the half years ended 31 December 2018 and 31 December 2017 and the years ended 30 June 2018, 30 June 2017 and 30 June 2016. US GAAP adjustments are explained in the accompanying notes and reflect a combination of recognition and measurement (or timing) differences which arise when converting Amcor's AAS results to US GAAP equivalents.

Refer to Section 6.7 for the Pro Forma Historical Income Statement for the Combined Group for the half year ended 31 December 2018 and the year ended 30 June 2018.

US$ million	Half year ended 31 December 2018	Half year ended 31 December 2017	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2016	Notes
Underlying PBITDA under AAS	**678.3**	**695.2**	**1,441.8**	**1,447.0**	**1,409.3**	
US GAAP differences						
Joint venture investment remeasurement	-	-	-	14.9	-	1
Deferred gain on property sale	-	-	-	11.1	31.8	2
Reversal of capitalised development costs	(1.4)	-	(7.2)	-	(2.2)	3
Differences in lease accounting	(19.4)	(15.0)	(41.5)	(21.6)	1.7	4
Pensions	0.4	2.5	5.1	(29.8)	7.8	5
Other	(3.8)	(4.6)	(8.4)	(8.3)	(15.1)	6
Adjusted PBITDA under US GAAP	**654.1**	**678.1**	**1,389.8**	**1,413.3**	**1,433.3**	
Depreciation and amortisation under AAS	(168.7)	(181.4)	(356.3)	(358.8)	(354.0)	
US GAAP differences - Depreciation and amortisation	2.5	1.8	3.6	7.0	3.0	7
Add: Amortisation of acquired intangibles	9.5	9.6	19.3	17.7	15.1	8
Adjusted PBIT under US GAAP	**497.4**	**508.1**	**1,056.4**	**1,079.2**	**1,097.4**	
Net finance costs under AAS	(107.7)	(101.7)	(204.8)	(187.0)	(166.8)	
US GAAP differences - Net finance costs	3.3	4.7	7.9	8.3	7.0	6
Income tax expense under AAS	(68.3)	(78.2)	(145.3)	(183.0)	(187.9)	
US GAAP differences - Income tax expense	3.4	(1.3)	(0.9)	4.1	(20.0)	9
Less: Tax effect of amortisation of acquired intangibles	(2.2)	(2.4)	(4.6)	(4.4)	(4.3)	
Non-controlling interest under AAS	(5.1)	(4.2)	(11.4)	(17.0)	(29.5)	10
Adjusted PAT under US GAAP	**320.8**	**325.0**	**697.3**	**700.2**	**695.9**	
Significant items under AAS (net of income tax expense)	(60.9)	-	-	(104.2)	(427.0)	11
US GAAP differences - Significant items (net of income tax expense)	(15.6)	(41.7)	(107.4)	(18.7)	51.2	11
Total significant items after tax impact	**(76.5)**	**(41.7)**	**(107.4)**	**(122.9)**	**(375.8)**	
Less: Amortisation of acquired intangibles (net of income tax)	(7.3)	(7.2)	(14.7)	(13.3)	(10.8)	8
Statutory PAT under US GAAP	**237.0**	**276.1**	**575.2**	**564.0**	**309.3**	

23 Refer to Section 4.4(b) for further details.

24 Following completion of the Transaction, Amcor intends to present Adjusted US non-GAAP earnings metrics prior to the amortisation of acquired intangibles. Measurement of amortisation of acquired intangibles is consistent across AAS and US GAAP.

Profile of Amcor *continued*

Notes

1 **Joint venture investment remeasurement:** Reflects adjustment to recognise the measurement differences on the equity method investment in Discma AG (**Discma**) under AAS and US GAAP. Amcor held a 50 percent investment in the joint venture Discma until 16 June 2017, when it acquired the remaining 50 percent interest from its joint venture partner. Under US GAAP, development costs that were capitalised by Discma under AAS are expensed as incurred. The consequent reduction in the equity method carrying value of Amcor's investment in Discma resulted in a gain when remeasuring its previously-held equity interest upon acquisition of the remaining 50 percent interest.

2 **Deferred gain on property sale:** Reflects adjustment to defer the gain recognised under AAS upon the sale of Amcor's property in Fairfield, Victoria, Australia due to differences in the timing of recognition of gains on sales of real estate under US GAAP.

3 **Reversal of capitalised development costs:** Reflects adjustment to reverse certain development costs capitalised as intangible assets and amortised over the estimated useful life under AAS. These costs do not meet the relevant capitalisation criteria under US GAAP and are expensed as incurred.

4 **Differences in lease accounting:** Reflects adjustment to defer profits on certain sale and leaseback transactions recognised under AAS. Under US GAAP, certain profits are deferred and amortised over the life of the respective lease.

5 **Pensions:** Reflects adjustments relating to differences in accounting for pensions relating to actuarial gains and losses, prior service costs and discount rates under AAS and US GAAP.

6 **Other and Net finance costs:** Mainly reflects adjustments to finance costs for differences in accounting for leases, and factoring arrangements and the reclassification of certain finance costs in order to present them in accordance with US GAAP.

7 **Depreciation and amortisation:** Reflects adjustment to reverse historical depreciation and amortisation expense related to certain development costs that do not meet the relevant capitalisation criteria under US GAAP described in Note 3 of this Section 4.4(b) above.

8 **Amortisation of acquired intangibles:** Reflects the amortisation of acquired customer relationships, trademarks and trade names, and other technology from business combinations.

9 **Income tax expense:** Reflects the tax effect of the US GAAP adjustments.

10 **Non-controlling interest:** Reflects the non-controlling interest under AAS to reconcile Adjusted PBIT to Adjusted PAT.

11 **Significant items:** Historical statutory PAT under US GAAP includes the impact of the following significant items that are unusual, infrequent or non-recurring or represent non-cash items:

US$ million	Notes	Half year ended 31 December 2018	Half year ended 31 December 2017	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2016
Material restructuring programs	11A	37.7	11.5	14.4	135.4	81.0
Impairment in equity method investments	11B	13.9	25.3	36.5	-	-
Net investment hedges	11C	(1.5)	12.7	83.9	(38.0)	(5.4)
Impact of hyperinflation	11D	18.9	-	-	-	71.5
Impact of deconsolidation	11E	-	-	-	-	271.7
Material impact of pension settlements	11F	-	-	-	55.5	-
Material acquisition and transaction costs	11G	35.1	-	-	-	-
Net legal settlements	11H	(15.5)	-	-	-	-
Total significant items before tax impact		**88.6**	**49.5**	**134.8**	**152.9**	**418.8**
Tax impact of the above	11I	(12.1)	(7.8)	(27.4)	(30.0)	(43.0)
Total significant items after tax impact		**76.5**	**41.7**	**107.4**	**122.9**	**375.8**

A **Material restructuring programs:** Reflects restructuring costs that Amcor considers materially impacted its underlying performance. This includes costs related to Amcor's Rigid Plastics and Flexibles segment restructuring program and is included in 'significant items under AAS', adjusted to reflect different recognition timing under AAS and US GAAP.

B **Impairment in equity method investments:** Reflects adjustment to recognise the difference in approach to impairment testing for equity method investments under AAS and US GAAP. Under AAS, the recoverable amount of an equity method investment is the higher of value in use, and fair value less costs of disposal. For the investment in AMVIG, the value in use is higher than both the carrying value of the investment, and fair value less costs of disposal, and therefore no impairment has been recognised. Under US GAAP, observable market value is required to be used as the basis for assessing impairment, which is lower than the AAS value in use and current carrying value. Such impairments must be recognised under US GAAP when considered other-than-temporary.

C **Net investment hedges:** Reflects adjustment to recognise gains and losses on net investment hedges which did not qualify for hedge accounting under US GAAP. Under AAS, these net investment hedges did qualify for hedge accounting and the related gains and losses were historically recognised in other comprehensive income. Documentation has been amended such that most of Amcor's net investment hedges will qualify for hedge accounting in future periods.

D **Impact of hyperinflation:** Reflects an adverse impact on hyperinflation accounting relating to the Argentinian subsidiaries for the half year ended 31 December 2018 and Venezuelan subsidiaries for the year ended 30 June 2016 under US GAAP. The amount includes the adjustment due to different accounting treatment for hyperinflation under AAS and US GAAP relating to a change in the functional currency from Argentine pesos under AAS to US dollars under US GAAP for Argentinian subsidiaries (US$18.9 million net income before tax) and from Venezuelan bolivars under AAS to US dollars under US GAAP for Venezuelan subsidiaries (US$105.3 million of net income before tax impact less US$33.8 million of non-controlling interest).

E **Impact of deconsolidation:** Reflects the loss from deconsolidation of the Venezuelan subsidiaries under US GAAP. The amount of the loss is different to the loss under AAS due to difference in the measurement of historical performance prior to deconsolidation.

F **Material impact of pensions settlements:** Reflects adjustment to recognise the actuarial losses relating to the settlement of certain defined benefit pension plans under US GAAP.

G **Material acquisition and transaction costs**: Reflects adjustment to recognise the acquisition and transaction costs related to the Transaction.

H **Net legal settlements**: Reflects net amount of non-recurring legal settlements during the period.

I **Tax impact of the above:** Reflects the tax effect as applicable to each of the significant items in the respective jurisdictions.

(c) Reconciliation of historical balance sheet under AAS to US GAAP

Reconciliation of historical balance sheet at 30 June 2018 under AAS to US GAAP

AAS classification	Amcor reported AAS balance sheet	Reclassification adjustments (Note 1)	Balance sheet (US GAAP classification)	US GAAP differences	Notes	Amcor US GAAP balance sheet
Assets			**Assets**			
Cash and cash equivalents	620.8	-	Cash and cash equivalents	-		620.8
Trade receivables and other receivables	1,283.5	(240.1)	Trade receivables, net	335.6	13	1,379.0
Inventories	1,358.8	-	Inventories	-		1,358.8
Other financial assets	8.8	(8.8)		-		-
Other current assets	13.9	248.9	Prepaid expenses and other assets	(1.1)	12	261.7
Total current assets	**3,285.8**	**-**	**Total current assets**	**334.5**		**3,620.3**
Equity method investments	438.5	-	Investments in affiliated companies	(322.2)	2, 3	116.3
Other financial assets	22.3	(22.3)		-		-
Property, plant and equipment	2,698.3	-	Property, plant and equipment, net	0.2	7	2,698.5
Deferred tax assets	65.5	-	Deferred tax assets	5.2	4, 5, 7, 8, 11, 12	70.7
Intangible assets	2,387.8	(2,036.8)	Other intangible assets, net	(26.2)	5	324.8
	-	2,036.8	Goodwill	19.8	9	2,056.6
Retirement benefit assets	50.8	-	Employee benefit asset	1.7	8	52.5
Other non-current assets	97.7	22.3	Other non-current assets	(2.2)	12	117.8
Total non-current assets	**5,760.9**	**-**	**Total non-current assets**	**(323.7)**		**5,437.2**
Total assets	**9,046.7**	**-**	**Total assets**	**10.8**		**9,057.5**
Liabilities			**Liabilities**			
Trade and other payables	2,606.7	(746.4)	Trade payables	0.7	8	1,861.0
Interest-bearing liabilities	1,822.0	(983.8)	Short-term debt	335.6	7, 13	1,173.8
Other financial liabilities	36.5	(36.5)		-		-
Current tax liabilities	139.9	(139.9)		-		-
	-	269.3	Accrued employee costs	-		269.3
	-	745.1	Other current liabilities	21.9	7, 8, 10	767.0
	-	983.9	Current portion of long-term debt	0.2	7	984.1
Provisions	91.7	(91.7)		-		-
Total current liabilities	**4,696.8**	**-**	**Total current liabilities**	**358.4**		**5,055.2**
Interest-bearing liabilities	2,671.0	-	Long-term debt, less current portion	19.4	7	2,690.4
Other financial liabilities	1.3	(1.3)		-		-
Deferred tax liabilities	162.5	-	Deferred tax liabilities	(15.0)	4, 5, 7, 8, 10, 11	147.5
Provisions	111.1	(111.1)		-		-
Retirement benefit obligations	292.2	-	Employee benefit obligation	(5.9)	8	286.3
Other non-current liabilities	21.3	112.4	Other non-current liabilities	49.0	7	182.7
Total non-current liabilities	**3,259.4**	**-**	**Total non-current liabilities**	**47.5**		**3,306.9**
Total liabilities	**7,956.2**	**-**	**Total liabilities**	**405.9**		**8,362.1**
Net assets	**1,090.5**	**-**	**Net assets**	**(395.1)**		**695.4**
Equity			**Equity**			
Contributed equity	1,400.7	(1,400.7)	Ordinary shares	-		-
	-	(10.7)	Treasury shares, at cost	-		(10.7)
	-	807.8	Additional paid-in capital	(23.4)	4	784.4
	-	(658.4)	Accumulated other comprehensive income (loss)	(50.1)	2 to 6, 8 to 12	(708.5)
Reserves	(907.1)	907.1		-		-
Retained earnings	528.1	354.9	Retained earnings	(321.6)	2 to 12	561.4
Total equity attributable to the owners of Amcor	**1,021.7**	**-**	**Total Amcor shareholders' equity**	**(395.1)**		**626.6**
Non-controlling interest	68.8	-	Non-controlling interests	-		68.8
Total equity	**1,090.5**	**-**	**Total shareholders' equity**	**(395.1)**		**695.4**

Reconciliation of historical balance sheet at 31 December 2018 under AAS to US GAAP

AAS classification	Amcor reported AAS balance sheet	Reclassification adjustments (Note 1)	Balance sheet (US GAAP classification)	US GAAP differences	Notes	Amcor US GAAP balance sheet
Assets			**Assets**			
Cash and cash equivalents	490.6	-	Cash and cash equivalents	-		490.6
Trade receivables and other receivables	1,315.6	(295.0)	Trade receivables, net	330.5	13	1,351.1
Inventories	1,387.0	-	Inventories	(0.2)	14	1,386.8
Other financial assets	7.5	(7.5)		-		-
Other current assets	17.1	302.5	Prepaid expenses and other assets	(9.3)	7, 12	310.3
Total current assets	**3,217.8**	**-**	**Total current assets**	**321.0**		**3,538.8**
Equity method investments	438.7	-	Investments in affiliated companies	(336.1)	2, 3	102.6
Other financial assets	21.6	(21.6)		-		-
Property, plant and equipment	2,623.9	-	Property, plant and equipment, net	(7.1)	7, 14	2,616.8
Deferred tax assets	64.5	-	Deferred tax assets	5.2	4, 5, 7, 8, 11, 12	69.7
Intangible assets	2,361.4	(2,021.1)	Other intangible assets, net	(25.1)	5	315.2
	-	2,021.1	Goodwill	20.1	9	2,041.2
Retirement benefit assets	35.1	-	Employee benefit asset	1.7	8	36.8
Other non-current assets	105.0	21.6	Other non-current assets	(2.1)	12, 14	124.5
Total non-current assets	**5,650.2**	**-**	**Total non-current assets**	**(343.4)**		**5,306.8**
Total assets	**8,868.0**	**-**	**Total assets**	**(22.4)**		**8,845.6**
Liabilities			**Liabilities**			
Trade and other payables	2,472.5	(675.8)	Trade payables	0.7	8	1,797.4
Interest-bearing liabilities	1,481.4	(644.7)	Short-term debt	328.2	13	1,164.9
Other financial liabilities	13.1	(13.1)		-		-
Current tax liabilities	140.8	(140.8)		-		-
Provisions	84.7	(84.7)		-		
		222.6	Accrued employee costs	-		222.6
		691.8	Other current liabilities	24.5	7, 8, 10	716.3
	-	644.7	Current portion of long-term debt	0.2	7	644.9
Total current liabilities	**4,192.5**	**-**	**Total current liabilities**	**353.6**		**4,546.1**
Interest-bearing liabilities	3,032.2	-	Long-term debt, less current portion	19.3	7	3,051.5
Other financial liabilities	0.6	(0.6)		-		-
Deferred tax liabilities	162.6	-	Deferred tax liabilities	(17.6)	4, 5, 7, 8, 10, 11	145.0
Provisions	106.2	(106.2)		-		-
Retirement benefit obligations	289.3	-	Employee benefit obligation	(9.3)	8	280.0
Other non-current liabilities	27.1	106.8	Other non-current liabilities	62.3	7	196.2
Total non-current liabilities	**3,618.0**	**-**	**Total non-current liabilities**	**54.7**		**3,672.7**
Total liabilities	**7,810.5**	**-**	**Total liabilities**	**408.3**		**8,218.8**
Net assets	**1,057.5**	**-**	**Net assets**	**(430.7)**		**626.8**
Equity			**Equity**			
Contributed equity	1,421.9	(1,421.9)	Ordinary shares	-		-
	-	(12.2)	Treasury shares, at cost	-		(12.2)
	-	821.5	Additional paid-in capital	(23.4)	4	798.1
	-	(679.6)	Accumulated other comprehensive income (loss)	(63.9)	2 to 6, 8 to 12, 14	(743.5)
Reserves	(905.0)	905.0		-		-
Retained earnings	476.2	387.6	Retained earnings	(343.4)	2 to 14	520.4
Total equity attributable to the owners of Amcor	**993.1**	**0.4**	**Total Amcor shareholders' equity**	**(430.7)**		**562.8**
Non-controlling interest	64.4	(0.4)	Non-controlling interests	-		64.0
Total equity	**1,057.5**	**-**	**Total shareholders' equity**	**(430.7)**		**626.8**

Notes

1 **Reclassification adjustments:** Certain line items presented in the historical financial statements of Amcor under AAS were reclassified in order to present them in accordance with US GAAP.

2 **Impairment in equity method investments:** Reflects adjustment to recognise the difference in approach to impairment testing for equity method investments under AAS and US GAAP. Under AAS, the recoverable amount of an equity method investment is the higher of value in use, and fair value less costs of disposal. For the investment in AMVIG, the value in use is higher than both the carrying value of the investment, and fair value less costs of disposal, and therefore no impairment has been recognised. Under US GAAP, observable market value is required to be used as the basis for assessing impairment, which is lower than the AAS value in use and current carrying value. Such impairments must be recognised under US GAAP when considered other-than-temporary.

3 **Joint venture investment remeasurement:** Reflects adjustment to recognise measurement differences on the equity method investment in Discma under AAS and US GAAP.

4 **Demerger of Orora Limited (Orora):** Reflects adjustment relating to the demerger of the Orora business in the year ended 30 June 2014, consisting of a distribution of the shares that Amcor held in Orora to Amcor Shareholders on a pro rata basis. Amcor recognised a net loss on the demerger and a corresponding reduction of equity under AAS. Under US GAAP, a pro rata demerger of a consolidated subsidiary that meets the definition of a business is recognised at carrying amount, after impairment, if necessary, within shareholders' equity. No gain or loss is recognised.

5 **Reversal of capitalised development costs:** Reflects adjustment to reverse certain development costs, including the related tax impact, capitalised as intangible assets and amortised over the estimated useful life under AAS. These costs do not meet the relevant capitalisation criteria under US GAAP and are expensed as incurred.

6 **Net investment hedges:** Reflects adjustment to recognise gains and losses on net investment hedges which did not qualify for hedge accounting under US GAAP. Under AAS, these net investment hedges did qualify for hedge accounting and the related gains and losses were historically recognised in other comprehensive income.

7 **Differences in lease accounting:** Reflects adjustment to defer profits on certain sale and leaseback transactions, including the related tax impact recognised under AAS. Under US GAAP, certain profits are deferred and are amortised over the life of the respective lease.

8 **Pensions:** Reflects adjustments relating to differences in the accounting for pensions relating to actuarial gains and losses, prior service costs and discount rates under AAS and US GAAP.

9 **Goodwill:** Reflects adjustment to reverse the goodwill amortisation recognised under AAS for the years ended 30 June 2003 and 30 June 2004. Under US GAAP, effective 1 July 2002, goodwill is not amortised and instead the carrying value of goodwill is tested annually for potential impairment. This also includes permanent differences between AAS and US GAAP related to goodwill recognised as a result of a partial sale of part of Amcor's business in prior periods.

10 **Restructuring:** Reflects adjustment due to differences in the timing of recognition under AAS and US GAAP.

11 **Taxes:** Reflects the tax effect of the US GAAP adjustments, as well as differences in applying US GAAP principles to calculate the tax effect of share-based compensation and undistributed foreign earnings of subsidiaries. The balances are presented taking into account any netting available at a jurisdictional level.

12 **Deferred gain on property sale:** Reflects adjustment to defer the gain recognised upon the sale of Amcor's property in Fairfield, Victoria, Australia under AAS due to differences in the timing of recognition of gains on sales of real estate under US GAAP.

13 **Factoring of receivables:** Mainly reflects adjustment to gross up short-term debt and accounts receivable relating to receivables under factoring arrangements which did not meet the criteria for derecognition under US GAAP. Amendments to factoring arrangements are being made such that US GAAP derecognition criteria can be met in certain circumstances in the event that factoring is undertaken after completion of the Transaction.

14 **Impact of hyperinflation**: Reflects the impact of hyperinflation accounting relating to the Argentine subsidiaries under US GAAP. This includes the adjustment due to different accounting treatment for hyperinflation under AAS and US GAAP relating to a change in the functional currency from Argentine pesos under AAS to US dollars under US GAAP.

4.5 Capital structure

As at 1 March 2019, Amcor had the following securities on issue:

- 1,158,141,276 Amcor Shares;
- 1,559,501 Amcor Share Rights;
- 1,743,910 Amcor Performance Rights/Shares; and
- 11,361,163 Amcor Options.

4.6 Substantial shareholders

The following persons have notified Amcor of the fact that they hold substantial holdings (within the meaning of the Corporations Act) in Amcor Shares as at the date of this Scheme Booklet, based on substantial shareholder notice lodgements with ASX, which are available on ASX's website:

Shareholder	Number of securities	Voting interest at time of notice
Blackrock Group	93,901,814	8.1%
Vanguard Group	58,103,725	5.0%

4.7 Public information available for inspection

Amcor is a "disclosing entity" for the purposes of section 111AC(1) of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require Amcor to notify ASX of information about specified matters and events as they arise for the purposes of ASX making that information available to participants in the market. Amcor has an obligation under the ASX Listing Rules (subject to some exceptions) to notify ASX immediately upon becoming aware of any information concerning it, which a reasonable person would expect to have a material effect on the price or value of Amcor Shares.

Pursuant to the Corporations Act and the ASX Listing Rules, Amcor is required to prepare and lodge with ASIC and ASX both annual and half-yearly financial statements accompanied by a statement and report from the Amcor Directors and an audit or review report, respectively. Copies of each of these documents can be obtained free of charge by visiting ASX website at www.asx.com.au. ASIC also maintains a record of documents lodged with it by Amcor, and these may be obtained from, or inspected at, any office of ASIC. Information is also available on Amcor's website at www.amcor.com.

Profile of Bemis

SECTION **5**

5.1 Overview

(a) **Business overview**

Bemis, a Missouri corporation, is a supplier of flexible and rigid plastic packaging used by leading food, consumer products, healthcare and other companies worldwide. Founded in 1858, Bemis reported net sales of US$4.1 billion for the year ended 31 December 2018. Bemis has a strong technical base in polymer chemistry, film extrusion, coating and laminating, printing and converting. Headquartered in Neenah, Wisconsin, Bemis operates 54 facilities and employs approximately 15,700 individuals worldwide.

(b) **Operational overview**

Bemis is a global manufacturer of packaging products. The majority of its products are sold to customers in the food industry. Other customers include companies in the following types of businesses: chemical, agribusiness, medical, pharmaceutical, personal care, electronics, industrial and other consumer goods.

(1) ***Segment overview***

Bemis' business activities are organised around its three reportable business segments:

- US Packaging (66 percent of net sales for the year ended 31 December 2018);
- Latin America Packaging (15 percent of net sales for the year ended 31 December 2018); and
- Rest of World Packaging (19 percent of net sales for the year ended 31 December 2018).

Prior to Bemis reporting its fourth quarter of the year ended 31 December 2017, the Latin America Packaging and Rest of World Packaging segments had been aggregated and named Global Packaging. A summary of the business activities reported by these three reportable business segments follows:

(A) **US Packaging segment**

The US Packaging segment represents all food, consumer and industrial products packaging-related manufacturing operations located in the US. This segment manufactures multilayer polymer, blown and cast film structures which are then converted to produce packaging for processed and fresh meat, dairy, liquids, frozen foods, cereals, snacks, cheese, coffee, condiments, candy, pet food, bakery, lawn and garden, tissue, fresh produce, personal care and hygiene, and agribusiness.

(B) **Latin America Packaging segment**

The Latin America Packaging segment includes all food and non-food packaging-related manufacturing operations located in Latin America. This segment manufactures multilayer polymer, blown and cast film structures to produce packaging sold for a variety of food, medical, pharmaceutical, personal care, electronics and industrial applications. Additional products include injection-moulded and thermoformed plastic. These packaging solutions are used for a variety of applications including processed and fresh meat, dairy, liquids, snacks, cheese, coffee, condiments, candy, bakery, tissue, fresh produce, personal care and hygiene, pet food, pharmaceutical and medical devices.

(C) **Rest of World Packaging segment**

The Rest of World Packaging segment includes all food and non-food packaging-related manufacturing operations located in Europe and Asia Pacific, as well as medical device and pharmaceutical packaging-related manufacturing operations in the US, Europe and Asia. This segment manufactures multilayer polymer, blown and cast film structures to produce packaging sold for a variety of food, medical, pharmaceutical, personal care, electronics and industrial applications. These applications include processed and fresh meat, dairy, liquids, snacks, cheese, coffee, condiments, candy, bakery, tissue, fresh produce, personal care and hygiene, pharmaceutical and medical devices.

(2) ***Marketing, distribution and competition***

While sales of Bemis products are made through a variety of distribution channels, substantially all sales are made by the company's direct sales force. Sales offices and plants are located throughout North America, Latin America, Europe and Asia Pacific to provide prompt and economical service to thousands of customers. Bemis' technically trained sales force is supported by product development engineers, design technicians, field service technicians and a customer service organisation.

During the year ended 31 December 2018 Bemis' net sales by geographic area were as follows:

US$ millions	**Year ended 31 December 2018**
US	2,948.3
Brazil	420.7
Other Americas	207.9
Europe	321.5
Asia Pacific	191.5
Total	**4,089.9**

The areas into which Bemis' products are sold have historically been, and continue to be, highly competitive. The company's leading positions in packaging for perishable food and medical device products reflect its focus on value-added, proprietary products that provide food safety and sterility benefits. Bemis also manufactures products for which its technical know-how and economies of scale offer a competitive advantage.

(c) **Business strategy**

Bemis' long-term strategic objectives are to accelerate profitable growth, focus innovation and continuously improve, all aimed at delivering strong financial performance. During the year ended 31 December 2017, Bemis launched Agility, its three-pronged approach to fix, strengthen and grow its business. This followed Bemis' Restructuring Plan for the year ended 31 December 2016 (**2016 Plan**), which focused on aligning the company's business in Latin America, specifically Brazil, to the economic environment in that region. Bemis' Agility plan aims to improve efficiency and profitability to further position the company for long-term success. The company's vision is: passionate commitment to the growth and success of its customers will make Bemis the clear choice for inspired packaging solutions.

(1) ***Agility***

Agility is an ongoing Bemis initiative intended to fundamentally improve the company's cost structure, capabilities and growth trajectory by:

- fixing its cost structure and improving operational quality and service;
- strengthening its capabilities by simplifying its processes and product portfolio; and
- growing both existing core business and adjacencies that include packaging for medical devices, short-run business and commercial and industrial applications.

These objectives (summarised as "fix, strengthen and grow") were refined during the second half of the year ended 31 December 2017. During Bemis' third quarter of the year ended 31 December 2017, an enterprise project management office was established to enhance ownership and accountability for Agility and an outside consulting firm was engaged to assist.

Several components of Agility involve aligning Bemis' people, processes and assets to excel at short-run business, an initiative which Bemis has named "Agile Lane". As part of Agile Lane, Bemis has implemented a managed product portfolio with a streamlined set of "core specifications" to simplify customer decision-making, a faster price quoting procedure to better serve the timeline and needs of customers and sales and customer service personnel specifically supporting these efforts. Agile Lane is supported by Bemis' asset recapitalisation program that began in the year ended 31 December 2014 which now provides new, efficient equipment dedicated to servicing short-run orders.

(2) ***2017 restructuring plan***

During the second quarter ended 30 June 2017, as part of the "fix" portion of Agility, Bemis initiated restructuring activities to improve efficiency and profitability that further position the company for long-term success, known as the "2017 Plan". Bemis announced the remaining details of the 2017 Plan during the third quarter ended 30 September 2017.

5.2 Competitive strengths

(a) **Innovation in packaging technology**

Bemis is recognised as a technology leader for flexible packaging applications. The company has long-standing success with its robust innovation pipeline, as reflected in its vitality index (new product revenue as a percentage of total revenue) which has been 15 percent or greater since first being measured globally in the year ended 31 December 2015.

Bemis' global research and development team of more than 200 chemical, mechanical, electrical and packaging engineers, as well as food and laboratory scientists, serves both near-term opportunities such as product cost-out and product development, as well as longer-term opportunities like creation of breakthrough technologies and next-generation, differentiated product platform development.

In the year ended 31 December 2015, Bemis opened its new Innovation Center in Neenah, Wisconsin, which now serves as a global hub for collaborative customer engagement and offers customers resources such as collaborative concept development, package design innovation, consumer research, world-class package prototyping, shelf-life testing and technical trials. The Innovation Center can assist customers in reducing the time from concept to product launch.

(b) **Scale in the Americas**

Bemis is recognised as one of the largest players in the fragmented flexible packaging space in the Americas with 42 facilities in North and South America. Customers desiring surety of supply look to Bemis for its ability to service product launches and ongoing packaging needs through the company's expansive plant network that serves as a natural hedge for any disaster-driven or other operational supply issues.

(c) **Strong, long-standing relationships with large customers and growing relationships with emerging customers**

As a flexible packaging leader in the Americas, Bemis has established strong relationships with many well-recognised consumer packaged goods and medical device companies. The majority of these relationships provide for long-term customer contracts that typically range from three to five years in length. These customer relationships are built and strengthened through the company's sales, customer service and field technical service organisations and are enhanced through the customer experience provided at the Innovation Center.

Through the Agility plan, Bemis is expanding its reach to emerging customers through its efforts to penetrate short-run business. By aligning the company's "core spec" product portfolio, its new asset base of efficient converting equipment, and its new staff of regional sales representatives, Bemis is positioned to more deeply penetrate short-run business at customers of all sizes.

(d) **Stable end use areas**

With the majority of the company's revenue coming from food and medical device applications, Bemis' primary end use areas are stable. Within food, the company has a broad and diverse product mix, covering applications for meat, cheese, liquid, dry goods, snacks, confection, produce, frozen foods and many other products.

(e) **Strong global leadership team**

Bemis is managed by a leadership team with extensive expertise across the globe. Beyond the company's strong corporate executive leadership, the presidents in each of the company's primary regions bring a breadth of knowledge and experience to their roles. Three of the five regional presidents are new to the company and their roles within the past three years, bringing fresh and dynamic perspectives to the team.

Profile of Bemis *continued*

Bemis' current regional presidents are as follows:

Fred Stephan	President, Bemis North America (since 2017)
Jorg Schneewind	President, Bemis Healthcare Packaging (since 2016)
Carlos Santa Cruz	President, Bemis Latin America (since 2016)
Filip Lens	President, Bemis Europe (since 2015)
B L Lim	President, Bemis Asia Pacific (since 2005)

5.3 Bemis dividends

Between now and completion of the Transaction, Bemis intends to pay dividends on its common stock in amounts consistent with its existing dividend policy, with such amount per quarter not to exceed US$0.31 per share with respect to quarterly dividends for the year ended 31 December 2018, US$0.32 per share with respect to quarterly dividends for the year ending 31 December 2019 and US$0.33 per share with respect to quarterly dividends for the year ended 31 December 2020 to the extent completion of the Transaction has not occurred at the time such dividends are declared (post-completion of the Transaction, Bemis will no longer pay dividends to Bemis Shareholders). Such dividends are permitted by the terms of the Transaction Agreement.

5.4 Directors and management

(a) Bemis Directors

As at the date of this Scheme Booklet, the Bemis Board is comprised of the following members:

Timothy M Manganello Chairman	Mr Manganello retired as Chief Executive Officer of BorgWarner Inc., a leader in highly engineered components and systems for vehicle powertrain applications worldwide, at the end of 2012 and retired as Executive Chairman of the Board of BorgWarner in 2013, having served in these roles since 2003. Prior to 2003, Mr Manganello held various other roles with BorgWarner Inc.
William F Austen President and Chief Executive Officer	Mr Austen is Bemis' President and Chief Executive Officer, a position he has held since 2014 and having served in other roles with Bemis since 2004. From 2000 to 2004, Mr Austen served as the President and Chief Executive Officer of Morgan Adhesives Company, which, at the time, was a division of Bemis. Prior to joining Bemis, Mr Austen held various positions at General Electric Company from 1980 until 2000.
Katherine C Doyle Director	Ms Doyle is Chief Executive Officer of Swanson Health Products, an e-commerce marketer of a full range of healthy living products, a position she has held since 2016. From 2014 to 2016, Ms Doyle was an adviser to private equity and venture capital firms. Ms Doyle was a Corporate Officer of Abbott Laboratories, a global healthcare company, from 2011 to 2014. Before joining Abbott, Ms Doyle was a Senior Partner at McKinsey & Company from 1989 to 2011.
Adele M Gulfo Director	Ms Gulfo is Chief of Commercial Development for Roivant Sciences, a global bio-pharmaceutical company, a position she has held since May 2018. Prior to her current position, she served as EVP & Head of Global Commercial Development and Chief Strategy Officer of Mylan N.V., a leading global pharmaceutical company, from 2014 until her retirement in 2018. Prior to joining Mylan, Ms Gulfo spent 14 years at Pfizer, Inc. and legacy companies, most recently as President, Latin America. Previously, Ms Gulfo held leadership positions at AstraZeneca Pharmaceuticals, SpectraTech Inc. and Fischer Scientific.
David S Haffner Director	Mr Haffner retired as the Chairman and Chief Executive Officer of Leggett & Platt, Inc., a diversified manufacturing company, at the end of 2015. During his tenure at Leggett & Platt, Mr Haffner served as Chairman of the Board from 2013, Chief Executive Officer from 2006 and in various other roles from 1995 to 2002.
Arun Nayar Director	Mr Nayar is currently a senior adviser with McKinsey & Company as well as BC Partners, roles he has held since 2016. Mr Nayar served as the Executive Vice President and Chief Financial Officer of Tyco International plc, a fire protection and security company from 2012 to 2016. He joined Tyco in 2008 serving in various roles. Prior to joining Tyco, Mr Nayar spent six years at PepsiCo, most recently as Chief Financial Officer of Global Operations. Mr. Nayar is also on the Board of TFI International (listed on the Toronto Stock Exchange) and Rite Aid (NYSE: RAD). As a Senior Adviser to BC Partners, he also serves on the Board of GFL Environmental, a Canadian incorporated company, that is majority owned by BC Partners, a private equity firm.
Guillermo Novo Director	Mr Novo is currently President and Chief Executive Officer of Versum Materials, Inc., an electronic materials supplier to the semiconductor industry, a position he has held since 2016 when Versum separated from Air Products and Chemicals, Inc. From 2012 to 2016, Mr Novo served in various roles with Air Products and Chemicals, Inc. Prior to joining Air Products, Mr Novo held various leadership positions with Dow Chemical Company, including Group Vice President, Dow Coating Materials.
Marran H Ogilvie Director	Ms Ogilvie currently serves as an adviser to the Creditors Committee for the Lehman Brothers International (Europe) Administration, a position she has held since 2008. Ms Ogilvie previously served as a member of Ramius, LLC, an alternative investment management firm, where she served in various capacities, including Chief Operating Officer, General Counsel and Chief of Staff from 1997 to 2010.
David T Szczupak Director	Mr Szczupak served as the Executive Vice President, Global Product Organization, for Whirlpool Corporation, a manufacturer and marketer of major home appliances from 2008 until his retirement in 2017. From 2006 to 2008, Mr Szczupak served as Chief Operating Officer of Dura Automotive Systems, an international automotive supplier. Before joining Dura, Mr Szczupak worked at Ford Motor Company for 22 years in a variety of leadership roles including Group Vice President of Manufacturing.

Holly A Van Duersen Director	Ms Van Deursen was most recently an executive in the petrochemical industry and has held a variety of leadership positions at British Petroleum and Amoco Corporation in Chicago, London and Hong Kong. Ms Van Deursen was Group Vice President of Petrochemicals for British Petroleum from 2003 to 2005 and Group Vice President of Strategy, based in London, from 2001 to 2003.
Philip G Weaver Director	Mr Weaver is currently a consultant to industry and a director of CMC Group, Inc, a private company providing restaurant safety equipment and labels, commercial kitchen data automation systems, including nutritics, custom printed labels and dissolvable paper products. Until his retirement in 2009, Mr Weaver served as Vice President and Chief Financial Officer of Cooper Tire & Rubber Company, a global company specialising in the design, manufacture and sale of passenger car, light truck, medium truck, motorcycle and racing tyres, having held various other roles with the company since 1990.
George W Wurtz III Director	Mr Wurtz is President, Chief Executive Officer and Chairman of Appvion, a manufacturer of coating formulations and applications, a position he has held since June 2018. Prior to his current position, he founded George Wurtz & Associates LLC, a boutique consulting firm, in 2006 where he served as President and Chief Executive Officer. Prior to rejoining George Wurtz & Associates, Mr Wurtz co-founded Soundview Paper Company, a manufacturer of towel and tissue products. From 2007 to 2011, Mr Wurtz served as President and Chief Executive Officer of WinCup, Inc., a manufacturer of disposable, polystyrene cups, bowls and other products.
Robert H Yanker Director	Mr Yanker is a Director Emeritus at McKinsey & Company, a global management consulting firm. He previously served at McKinsey from 1986 to 2013, where he worked on a full range of issues including strategy, portfolio assessment, sales and operations transformation, restructuring and capability building.

(b) Bemis executive officers

William F Austen	President and Chief Executive Officer
Michael B Clauer	Senior Vice President and Chief Financial Officer
Sheri H Edison	Senior Vice President, Chief Legal Officer and Secretary
Timothy S Fliss	Senior Vice President and Chief Human Resources Officer
William E Jackson	Senior Vice President and Chief Technology Officer
Jerry S Krempa	Vice President and Chief Accounting Officer
Fred Stephan	President, Bemis North America

5.5 Historical financial information

(a) Overview

This Section 5.5 contains a summary of Bemis' financial information. All dollar amounts are presented in US dollars.

This Section 5.5 should be read in conjunction with the risks to which Bemis is subject, as set out in Section 7 and Bemis' audited consolidated financial statements for the years ended 31 December 2018, 31 December 2017 and 31 December 2016 and unaudited condensed consolidated financial statements for the half year ended 30 June 2018. Complete versions of these reports are available from Bemis' website, https://investors.bemis.com, or the SEC's website, www.sec.gov.

The consolidated financial statements for the years ended 31 December 2018, 31 December 2017 and 31 December 2016 were audited by PricewaterhouseCoopers LLP as independent registered public accounting firm for Bemis in accordance with the standards of the US Public Company Accounting Oversight Board. The audit opinion relating to these financial statements was unqualified. PricewaterhouseCoopers LLP reviews Bemis' interim condensed consolidated financial statements filed with the SEC in accordance with the standards of the US Public Company Accounting Oversight Board.

(b) Basis of preparation – Bemis' historical financial information

The Bemis historical financial information has been prepared in accordance with US GAAP but is presented in abbreviated form insofar as it does not include all the disclosures, statements or comparative information that are required by US GAAP or AAS.

The information provided in this Section 5.5 includes non-GAAP financial measures under US GAAP which Bemis believes to be important for investors to consider when evaluating the respective financial performance of Bemis. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with US GAAP.

The non-GAAP financial measures referred to in Section 5.5 include:

- earnings before interest and taxes (**EBIT**);
- earnings before interest and taxes excluding the impact of significant items as described in Section 5.5(d) (**Adjusted EBIT**);
- earnings before interest, taxes, depreciation and amortisation, excluding the impact of significant items as described in Section 5.5(d) (**Adjusted EBITDA**);
- organic sales growth (decline); and
- financial information on currency translation impact.

Profile of Bemis *continued*

(c) **Income statements**

Set out below are Bemis' consolidated income statements for the half year ended 30 June 2018 and the years ended 31 December 2018, 31 December 2017 and 31 December 2016.

US$ million	**Half year ended 30 June 2018**	**Year ended 31 December 2018**	**Year ended 31 December 2017**	**Year ended 31 December 2016**
Net sales	2,060.7	4,089.9	4,046.2	4,004.4
Cost of products sold	1,661.0	3,284.8	3,260.0	3,137.9
Gross profit	**399.7**	**805.1**	**786.2**	**866.5**
Operating expenses				
Selling, general and administrative expenses	193.7	377.9	385.2	390.5
Research and development costs	19.4	38.0	42.9	46.5
Restructuring and other costs	34.4	61.9	60.4	28.6
Goodwill impairment charge	-	-	196.6	-
Other operating income	(7.0)	(31.7)	(20.9)	(10.4)
Operating income	**159.2**	**359.0**	**122.0**	**411.3**
Interest expense	37.6	76.1	65.8	60.2
Other non-operating (income) expense	(1.6)	(2.8)	3.5	0.2
Income from continuing operations before income taxes	123.2	285.7	52.7	350.9
Income tax provision (benefit)	28.9	60.0	(41.3)	114.7
Net income	**94.3**	**225.7**	**94.0**	**236.2**
Basic EPS (US$)	**1.03**	**2.48**	**1.03**	**2.51**
Diluted EPS (US$)	**1.03**	**2.47**	**1.02**	**2.48**

(d) **Reconciliation of non-GAAP EBITDA**

Set out below are reconciliations of Bemis' non-GAAP EBITDA for the half year ended 30 June 2018 and the years ended 31 December 2018, 31 December 2017 and 31 December 2016.

US$ million	**Half year ended 30 June 2018**	**Year ended 31 December 2018**	**Year ended 31 December 2017**	**Year ended 31 December 2016**
Net income	94.3	225.7	94.0	236.2
Income tax provision (benefit)	28.9	60.0	(41.3)	114.7
Interest expense	37.6	76.1	65.8	60.2
Other non-operating (income) expense	(1.6)	(2.8)	3.5	0.2
EBIT	**159.2**	**359.0**	**122.0**	**411.3**
Restructuring and other costs	34.4	61.9	60.4	28.6
Goodwill impairment charge	-	-	196.6	-
Brazilian tax credits	-	(15.3)	-	-
Adjusted EBIT	**193.6**	**405.6**	**379.0**	**439.9**
Depreciation	77.1	150.7	152.8	146.1
Amortisation	8.6	16.9	17.0	16.0
Adjusted EBITDA	**279.3**	**573.2**	**548.8**	**602.0**

(e) Cash flow statements

Set out below are Bemis' consolidated cash flow statements for the half year ended 30 June 2018 and the years ended 31 December 2018, 31 December 2017 and 31 December 2016.

US$ million	Half year ended 30 June 2018	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016
Cash flow from operating activities				
Net income	94.3	225.7	94.0	236.2
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortisation	85.7	167.6	169.8	162.1
Goodwill impairment charge	-	-	196.6	-
Excess tax benefit from share-based payment arrangements	-	-	-	(4.5)
Share-based compensation	9.7	19.6	17.4	18.1
Deferred income taxes	0.2	25.5	(131.2)	26.2
Income of unconsolidated affiliated company	(1.3)	(2.3)	(2.9)	(2.2)
Cash dividends received from unconsolidated affiliated company	2.3	2.7	-	2.7
Net (gain) loss on disposal of property and equipment	2.6	(0.1)	6.6	(0.1)
Changes in working capital, excluding effect of acquisitions and currency	(40.9)	22.8	15.6	(0.4)
Changes in other assets and liabilities	8.2	-	13.1	(0.7)
Net cash provided by operating activities	**160.8**	**461.5**	**379.0**	**437.4**
Cash flow from investing activities				
Additions to property and equipment	(82.9)	(143.5)	(188.5)	(208.3)
Business acquisitions and adjustments, net of cash acquired	-	-	(3.9)	(114.5)
Proceeds from sale of property and equipment	1.7	3.6	14.5	11.6
Proceeds from divestitures	-	-	-	-
Net cash used in investing activities	**(81.2)**	**(139.9)**	**(177.9)**	**(311.2)**
Cash flow from financing activities				
Proceeds from issuance of long-term debt	-	-	2.2	299.0
Repayment of long-term debt	(3.3)	(4.2)	-	(23.8)
Net (repayment) borrowing of commercial paper	(30.6)	(188.2)	17.0	(110.0)
Net repayment of short-term debt	(0.2)	(6.1)	(3.0)	(8.1)
Cash dividends paid to shareholders	(57.4)	(113.8)	(111.2)	(113.9)
Common stock purchased for treasury	-	-	(103.8)	(143.9)
Excess tax benefit from share-based payment arrangements	-	-	-	4.5
Stock incentive programs and related tax withholdings	(5.6)	(5.8)	(8.5)	(14.2)
Net cash used in financing activities	**(97.1)**	**(318.1)**	**(207.3)**	**(110.4)**
Effective of exchange rates on cash and cash equivalents	(2.6)	1.5	3.1	(0.8)
Net increase (decrease) in cash and cash equivalents	**(20.1)**	**5.0**	**(3.1)**	**15.0**
Cash and cash equivalents balance at beginning of period	71.1	71.1	74.2	59.2
Cash and cash equivalents balance at end of period	**51.0**	**76.1**	**71.1**	**74.2**

Profile of Bemis *continued*

(f) **Balance sheet**

Set out below is Bemis' consolidated balance sheet as at 31 December 2018, 30 June 2018 and 31 December 2017.

US$ million	31 December 2018	30 June 2018	31 December 2017
Current assets			
Cash and cash equivalents	76.1	51.0	71.1
Trade receivables	443.3	480.8	448.7
Inventories	619.5	615.8	620.2
Prepaid expenses and other current assets	95.7	94.2	97.1
Total current assets	**1,234.6**	**1,241.8**	**1,237.1**
Property and equipment, net	1,250.3	1,272.6	1,318.1
Other long-term assets			
Goodwill	845.2	848.7	852.7
Other intangible assets, net	121.4	130.6	142.3
Deferred charges and other assets	119.5	130.7	149.7
Total other long-term assets	**1,086.1**	**1,110.0**	**1,144.7**
Total assets	**3,571.0**	**3,624.4**	**3,699.9**
Current liabilities			
Current portion of long-term debt	1.8	1.8	5.0
Short-term borrowings	10.2	15.4	16.0
Accounts payable	515.9	484.3	477.2
Employee-related liabilities	94.3	78.9	73.1
Accrued income and other taxes	33.3	26.5	30.5
Other current liabilities	46.1	61.8	64.3
Total current liabilities	**701.6**	**668.7**	**666.1**
Long-term debt, less current portion	1,348.6	1,501.7	1,542.4
Deferred taxes	166.7	157.1	153.5
Other liabilities and deferred credits	138.2	128.3	136.7
Total liabilities	**2,355.1**	**2,455.8**	**2,498.7**
Equity			
Common stock issued (129.3 million shares as at 31 December 2018 and 30 June 2018 and 129.1 million shares as at 31 December 2017)	12.9	12.9	12.9
Capital in excess of par value	604.2	594.5	590.4
Retained earnings	2,456.7	2,362.2	2,324.8
Accumulated other comprehensive loss	(525.5)	(468.6)	(394.5)
Common stock held in treasury (38.3 million shares at cost)	(1,332.4)	(1,332.4)	(1,332.4)
Total equity	**1,215.9**	**1,168.6**	**1,201.2**
Total liabilities and equity	**3,571.0**	**3,624.4**	**3,699.9**

(g) **Management discussion and analysis**

(1) ***Results for the half year ended 30 June 2018***

Net sales for the half year ended 30 June 2018 increased 2.7 percent from the same period of the year ended 31 December 2017. The impact of currency translation reduced net sales by 0.6 percent. The SteriPack acquisition increased net sales by 0.2 percent. Organic sales growth of 3.1 percent reflected favourable selling prices and mix of products sold partially offset by decreased unit volumes of approximately 1 percent.

Gross profit increased due to improved operations and Agility benefits. The decrease in selling, general and administrative expenses was due primarily to Agility savings. Restructuring costs included costs related to the 2016 Plan focused on plant closures in Latin America and the 2017 Plan focused on aligning Bemis' cost structure to the business environment in which it operates.

The difference between Bemis' expected effective income tax rate for the six months ended 30 June 2018 of approximately 23 percent (as at 30 June 2018) and the US statutory rate of 21 percent principally relates to state and local income taxes, net of federal income tax benefits and the differences between tax rates in the various foreign jurisdictions in which it operates. In addition, Bemis' first quarter results in the years ended 31 December 2018 and 31 December 2017, respectively, included a discrete income tax expense of approximately US$0.4 million and an income tax benefit of approximately US$0.9 million, related to employee share-based payment accounting. Bemis expects similar discrete income tax impacts in future years that will vary dependent upon the value of share-based payouts in those years.

Diluted EPS from continuing operations for the half year ended 30 June 2018 was US$1.03 compared to US$0.85 reported in the same period of the year ended 31 December 2017. Results for the six months ended 30 June 2018 included a US$0.28 per share charge for restructuring costs related primarily to planned plant closures in the Latin America and US Packaging segments and reductions in the administrative support cost structure. Results for the same period of the year ended 31 December 2017 included a US$0.21 per share charge for restructuring costs related primarily to planned plant closures in the Latin America and US Packaging segments.

(2) ***Results for the year ended 31 December 2018***

Net sales for the year ended 31 December 2018 increased 1.1 percent from the same period of 2017. The impact of currency translation reduced net sales by 2.4 percent. The Evadix acquisition increased net sales by 0.2 percent in the current year.

Diluted earnings per share for the year ended 31 December 2018 were US$2.47 compared to US$1.02 reported in the same period of 2017. Results for 2018 included a US$0.38 per share charge for restructuring and related costs related primarily to the 2016 Plan focused on plant closures in Latin America and the 2017 Plan focused on aligning Bemis' cost structure to the business environment in which it operates. The 2018 results also included a US$0.09 per share benefit related to the US *Tax Cuts and Jobs Act of 2017* (**TCJA**), a US$0.11 per share benefit related to a final Brazilian court decision related to indirect taxes previously paid and a US$0.14 per share charge comprised of costs related to the pending transaction with Amcor.

Results for 2017 included a US$0.42 per share charge for restructuring costs related primarily to planned plant closures in the Latin America Packaging and US Packaging segments. Results also included a US$1.59 per share charge related to a noncash goodwill impairment in the Latin America Packaging segment. This impairment is a result of the impact on profits from the decline in the economic environment in Brazil during 2017 and the slow economic recovery. A US$0.08 per share charge related to a pension settlement charge was also included in the 2017 results. Bemis initiated a program during the third quarter of 2017 in which it offered terminated vested participants in the US qualified retirement plans the opportunity to receive their benefits early as a lump sum. In addition, results included a US$0.74 per share benefit related to the TCJA. The non-cash benefit recognised is due to the revaluation of deferred tax assets and liabilities from the change in the US Federal statutory tax rate from 35 percent to 21 percent netted against the increase to taxes from the one-time transition tax on unremitted earnings. A US$0.02 per share charge comprised of acquisition costs and hurricane-related expenses incurred at Bemis' Puerto Rico facility are also included in 2017 results.

(3) ***Results for the year ended 31 December 2017***

Net sales for the year ended 31 December 2017 increased by 1 percent from the same period of 2016. The impact of currency translation increased net sales by 0.4 percent. The SteriPack and Evadix acquisitions increased net sales by 0.6 percent in the current year.

Compared to the prior years, gross profit was impacted by previously-negotiated contractual selling price reductions on select products, the challenging economic environment in Brazil, mix of products sold and inefficiencies related to an enterprise resource planning system implementation at one of Bemis' facilities during the second quarter. Selling, general and administrative expenses declined in the year ended 31 December 2017 primarily due to pay-for-performance practices. Restructuring costs include costs related to the 2016 Plan focused on plant closures in Latin America and the 2017 Plan focused on aligning Bemis' cost structure to the business environment in which it operates. Bemis recognised a non-cash goodwill impairment charge related to the Latin America Packaging segment. This impairment was a result of the impact on profits from the decline in the economic environment in Brazil during the year ended 31 December 2017 and the forecasted slow economic recovery. The impairment charge recognised was US$196.6 million pre-tax and US$145.5 million, net of taxes.

The effective tax rate for the year ended 31 December 2017 of (78.4) percent differs from the prior years due primarily to the impairment of the Latin America Packaging segment's goodwill and new tax legislation in the US. In the fourth quarter, Bemis recorded a full impairment of the Latin America Packaging segment's goodwill which included a US$51.1 million deferred tax benefit related to tax deductible goodwill. Bemis also recorded a provisional discrete net tax benefit of US$67.2 million related to the TCJA in the year ended 31 December 2017. This consists of a US$77.8 million net benefit due to the remeasurement of Bemis' deferred tax accounts for the corporate rate reduction and a net expense for the transition tax of US$10.6 million.

Diluted EPS from continuing operations for the year ended 31 December 2017 was US$1.02 compared to US$2.48 reported in the same period of 2016. Results for the year ended 31 December 2017 included a US$0.42 per share charge for restructuring costs, a US$1.59 per share charge related to a non-cash goodwill impairment in the Latin America Packaging segment and a US$0.08 per share charge related to a pension settlement charge. In addition, results included a US$0.74 per share benefit related to the TCJA (the non-cash benefit recognised is due to the revaluation of deferred tax assets and liabilities from the change in the US federal statutory tax rate from 35 percent to 21 percent netted against the increase to taxes from the one-time transition tax on unremitted earnings). A US$0.02 per share charge comprised of acquisition costs and hurricane-related expenses was incurred at Bemis' Puerto Rico facility.

(4) ***Results for the year ended 31 December 2016***

Net sales for the year ended 31 December 2016 decreased 1.6 percent from the same period of 2015. The impact of currency translation reduced net sales by 3.5 percent. The Emplal Participações S.A. and SteriPack acquisitions increased net sales by 2.4 percent in the year ended 31 December 2016.

Gross profit in 2016 and 2015 reflects the benefits of improvements in selling prices and mix and operational efficiencies. Selling, general and administrative expenses declined in the year ended 31 December 2016 primarily due to Bemis' pay-for-performance practices.

The effective tax rate for the year ended 31 December 2016 was 32.7 percent. The difference between Bemis' overall tax rate and the US statutory rate of 35 percent in the year ended 31 December 2016 principally relates to state and local income taxes, net of federal income tax benefits and the differences between tax rates in the various foreign jurisdictions in which it operates.

Diluted EPS from continuing operations for the year ended 31 December 2016 was US$2.48 compared to US$2.47 reported in the same period of 2015. Results for the year ended 31 December 2016 included a US$0.16 per share charge for restructuring costs related primarily to planned plant closures and related severance in Latin America. Results also included a US$0.07 per share charge for acquisition-related costs comprised primarily of costs associated with the Emplal Participações S.A. and SteriPack acquisitions. A US$0.02 per share gain on the sale of land and buildings was also recorded in the year ended 31 December 2016. The net impact of currency translation decreased operating profit during the year ended 31 December 2016 by approximately US$0.06 of total company EPS.

5.6 Capital structure

As at 1 March 2019, Bemis had the following securities:

- 91,211,989 Bemis Shares issued and outstanding;
- 1,251,867 Bemis Shares underlying outstanding Bemis Equity Awards (assuming settlement of all Bemis Equity Awards at the maximum number of Bemis Shares issuable under them);
- 1,378,536 Bemis Shares reserved and available for issuance pursuant to the Bemis equity plans for future Bemis Equity Awards; and
- no shares of preferred stock issued or outstanding.

Profile of Bemis *continued*

As part of the Merger, the Bemis Equity Awards outstanding immediately prior to Merger Closing will be cancelled. Each Bemis RSU and Bemis PSU will be cancelled in exchange for:

- 5.1 New Amcor Shares for each Bemis Share underlying a Bemis RSU or Bemis PSU (which will be deemed to have vested and to have achieved target performance, to the extent previously unvested) immediately prior to the Merger Closing;
- any entitlement to a fraction of a New Amcor Share payable in cash instead; and
- with respect to any Bemis RSU or Bemis PSU that provides for the right to receive dividend equivalents paid on the underlying Bemis Shares, an amount in cash equal to the aggregate amount of the dividends so payable.

Each Bemis Cash-Settled RSU will be cancelled in exchange for an amount in cash equal to:

- 5.1 (being the Merger exchange ratio) multiplied by the number of Bemis Shares subject to such Bemis Cash-Settled RSU immediately prior to the Merger Closing, multiplied by the weighted average price of New Amcor Shares for the three trading dates before this cash payment is made; and
- with respect to any Bemis Cash-Settled RSU that provides for the right to receive dividend equivalents paid on the underlying Bemis Shares, an amount in cash equal to the aggregate amount of the dividends so payable.

From the Merger Closing, the existing Bemis equity plans will be cancelled and no Bemis Shares will remain reserved and available for future issuance.

5.7 Financing arrangements

A summary of Bemis' financing arrangements as at 31 December 2018 is set out below.

US$ million	**Notes**	**Carrying value 31 December 2018**
Commercial paper	1, 2	50.0
6.8% senior unsecured notes maturing 2019	4	400.0
4.5% senior unsecured notes maturing 2021	4	400.0
Senior unsecured term loan maturing 2022	3	200.0
3.1% senior unsecured notes maturing 2026	4	300.0
Other debt, including debt of subsidiaries		7.7
Interest rate swap of 2021 notes		(2.7)
Unamortised discounts and debt issuance costs		(4.6)
Total debt		**1,350.4**
Less: current portion		1.8
Total long-term debt		**1,348.6**

Notes

1 **Commercial paper**: In addition to using cash provided by operating activities, Bemis issues unsecured commercial paper to meet its short-term liquidity needs. As at 31 December 2018, Bemis had US$50.0 million of commercial paper debt outstanding across a range of maturities. Bemis classifies commercial paper as long-term debt to the extent of available long-term credit agreements in accordance with its intent and ability to refinance such obligations on a long-term basis. Bemis maintains a revolving credit facility (see below) to support the periodic refinance of its outstanding commercial paper.

2 **Revolving credit facility:** Bemis' commercial paper issuance program is supported by a US$1.1 billion senior unsecured revolving credit facility with a term ending 22 July 2021. As of 31 December 2018, US$50.0 million of commercial paper outstanding is supported by this credit facility, leaving over US$1.0 billion of available credit. Covenants imposed by the revolving credit facility include limits on the sale of businesses, minimum net worth calculations and a maximum ratio of debt to total capitalisation. The revolving credit agreement includes a combined US$100 million multicurrency limit to support the financing needs of Bemis' international subsidiaries. The multicurrency limit is currently undrawn.

3 **Term loan:** Bemis amended its revolving credit facility on 15 July 2014 to provide for a senior unsecured US$200 million term loan. This term loan is fully drawn, has an eight-year term maturing in August 2022 and is subject to a variable interest rate based on the one-month London Interbank Offered Rate plus a fixed spread.

4 **Senior notes:** As at 31 December 2018, Bemis had on issue US$1.1 billion aggregate principal amount of senior unsecured notes maturing over 2019 to 2026 with fixed interest rates ranging from 3.1 percent to 6.8 percent.

5.8 Litigation

Bemis is involved in a number of lawsuits incidental to its business, including environmental-related litigation and routine litigation arising in the ordinary course of business. Although it is difficult to predict the ultimate outcome of these cases, Bemis believes that any ultimate liability would not have a material adverse effect on New Amcor's consolidated financial condition or results of operations.

5.9 Further information

Bemis files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document Bemis files at the SEC public reference room, located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at +1 800 SEC 0330 for further information on the public reference room. Bemis' SEC filings are also available to the public at the SEC website at www.sec.gov. In addition, you may obtain free copies of the documents Bemis files with the SEC by going to Bemis' website at https://investors.bemis.com. The website address of Bemis is provided as an inactive textual reference only. The information provided in Bemis' SEC filings or available on Bemis' website is not part of this Scheme Booklet and is not incorporated by reference.

Profile of the Combined Group

SECTION 6

6.1 Overview

Through the combination of Amcor and Bemis, the Combined Group will become the global leader in consumer packaging. New Amcor will have an enhanced global footprint and as a result, will have a stronger and more differentiated value proposition for global, regional and local customers through the following:

- comprehensive global footprint with more balanced, profitable exposure to emerging markets;
- greater scale to better serve customers in every region;
- increased exposure to attractive end use and product areas;
- best-in-class operating and innovation capabilities;
- continued strong commitment to environmental sustainability; and
- greater depth of management talent.

Upon completion of the Transaction, it is expected that the Combined Group will have:

- sales revenue of US$13.4 billion;
- Adjusted PBITDA of US$2.1 billion[25]; and
- Adjusted PBIT of US$1.6 billion[26],

calculated for the year ended 30 June 2018 and based on US GAAP, and approximately 245 facilities and 49,000 employees globally in more than 40 countries.

(a) **Geographical footprint**

New Amcor will have a globally diverse operating footprint for its Flexibles and Rigid Plastics reporting segments with flexible packaging, rigid containers, specialty cartons and closure products sold to customers participating in a range of attractive end use areas throughout Europe, North America, Latin America, Africa and the Asia Pacific regions.

(b) **Business overview**

(1) ***Flexibles***

New Amcor will have a comprehensive global flexible packaging footprint, balanced across key geographies with increased scale. This will support a stronger and more differentiated value proposition for global, regional and local customers.

Geographically, each of Amcor's and Bemis' flexibles packaging positions are complementary. Amcor has a leading position in Europe and Asia Pacific, with US$3.0 billion and US$1.2 billion in flexible packaging sales revenue[27], respectively, in the year ended 30 June 2018, while Bemis has a significant footprint in North America with US$2.9 billion of sales revenue in the year ended 30 June 2018.

Figure 6.1 – key flexible packaging products

25 See Footnote 3.

26 See Footnote 4.

27 Excludes specialty carton sales.

Profile of the Combined Group *continued*

Figure 6.2 – the charts below show the percentage breakdown of sales revenue figures for the year ended 30 June 2018 for Amcor Flexibles, Bemis and an estimate for New Amcor by geographical location[28]

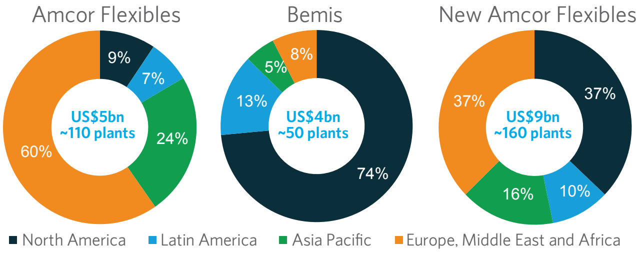
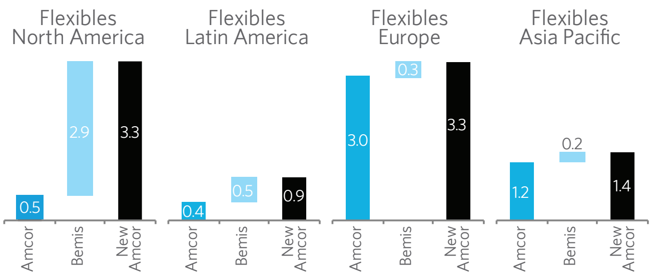


Figure 6.3 – the chart below shows sales revenue for the year ended 30 June 2018 for Amcor and Bemis, and estimated combined sales revenue for the year ended 30 June 2018 for New Amcor, in each case across North America, Latin America, Europe and Asia Pacific (US$ billion)[29]



(2) *Rigid Plastics*

Figure: 6.4 – key Rigid Plastics products

New Amcor will have a Rigid Plastics segment which is substantially the same as that of Amcor prior to the combination with Bemis. Refer to Section 4.1(c)(2) for further information.

Amcor's Rigid Plastics segment is one of the world's largest manufacturers of PET products along with rigid plastic containers and closures using other plastic resins. As at 30 June 2018, the Rigid Plastics segment employed approximately 7,000 employees at 60 facilities in 12 countries.

Total sales revenue generated by Amcor and Bemis (on a combined basis) from the sale of rigid plastic packaging products for the year ended 30 June 2018 is US$2.8 billion, representing 21 percent of total sales revenue for Amcor and Bemis (on a combined basis) for that period.

(c) Business strategy

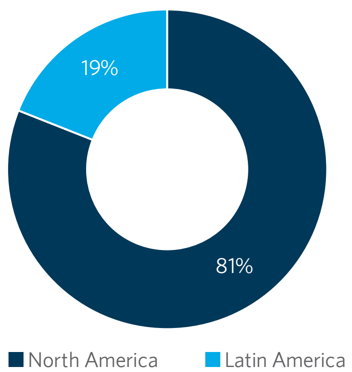
New Amcor intends to continue to implement Amcor's strategy as outlined in Section 4.1(d).

Amcor believes the acquisition of Bemis will enhance New Amcor's ability to meet its strategic objectives through the following:

- **comprehensive global footprint:** a global consumer packaging footprint across key geographies and a larger, more balanced and more profitable emerging markets business, with sales of approximately US$3.7 billion for the year ended 30 June 2018 from around 30 emerging markets;
- **greater scale to better serve customers in every region:** increased economies of scale and resources through Amcor's leading positions in Europe, Asia and Latin America, and Bemis' leading positions in North America and Brazil;
- **increased exposure to attractive end use and product areas:** an enhanced growth profile from greater global participation in protein and healthcare packaging, leveraging innovative technologies in barrier films and foils;
- **best-in-class operating and innovation capabilities:** greater differentiation to innovate and meet customer demands for new and sustainable products through the deployment of proven, industry-leading commercial, operational and research and development capabilities;
- **continued strong commitment to environmental sustainability:** enhanced capabilities and resources to support Amcor's pledge to develop all recyclable or reusable packaging products by 2025. This pledge will be adopted by New Amcor upon completion of the Transaction. Refer to Section 4.1(e)(5) for further information; and
- **greater depth of management talent:** a stronger combined team by bringing the significant strengths and quality of the workforce of both companies.

Strong and consistent execution of this strategy will enhance New Amcor's financial profile and Amcor's existing capital allocation framework, or shareholder value creation model will be maintained and strengthened through this combination.

Figure 6.5 – the chart below shows the breakdown of sales revenue for Amcor's Rigid Plastics segment for the year ended 30 June 2018



28 Bemis' split is based on Amcor's management estimate, and Amcor's split excludes specialty carton sales.

29 Bemis' split is based on Amcor's management estimate, and Amcor's split excludes specialty carton sales.

Amcor and Bemis' combined cash flows from operating activities were in excess of US$1.2 billion for the year ended 30 June 2018. This does not include US$180 million in expected pre-tax annual net cost synergies, nor estimated integration costs or compensation and transactions costs to implement the Transaction. New Amcor expects cash flows post-closing to be used to generate superior returns for shareholders through:

- paying a competitive, progressive dividend (paid quarterly), which is expected to increase over time;
- reinvesting in the business to drive organic growth; and
- pursuing acquisitions at attractive returns, or returning any residual cash to shareholders.

6.2 Board of directors

Following Implementation, the New Amcor Board will initially consist of 11 directors, comprising the following persons.

(a) **Existing Amcor Directors**

Each of the eight existing Amcor Directors will become New Amcor Directors following Implementation. Profiles for each of the existing Amcor Directors are set out in Section 4.2(a). Amcor's current Chairman, Graeme Liebelt, and current Chief Executive Officer, Ron Delia, will continue in those roles for New Amcor after the completion of the Transaction and Mr Delia will serve as the only executive officer on the Board.

(b) **Bemis Directors appointed to expanded New Amcor Board**

New Amcor will invite three Bemis Directors, Arun Nayar, David Szczupak and Philip Weaver, to join the New Amcor Board. Profiles for these three Bemis Directors are set out in Section 5.4(a).

All New Amcor Directors are subject to re-election at the first annual meeting of New Amcor Shareholders following the Implementation Date and, thereafter, annually.

(c) **Changes to the compensation of the Managing Director and Chief Executive Officer**

The Amcor Directors sought input from an external compensation consultant in order to determine appropriate changes to the compensation of the Chief Executive Officer as a result of the Transaction. The Transaction will result in a significantly larger company across several measures including a much greater presence in the US. The Combined Group will continue to be truly global with a significant presence in all regions and the complexity that this brings. The review considered both structural elements and overall compensation levels, and considered the impact of integrating the Bemis organisation (primarily US-based) and its executives into the structure and the ongoing talent implications. The US will also be an increasing source of talent for the Combined Group, so it is critical that due regard is given to prevailing US practices and benchmarks. Benchmark data also considered other key global markets, reflecting the fact that the Chief Executive Officer and senior executives of Amcor have global careers that span multiple jurisdictions.

The review also looked at how to tie compensation closely to the expected benefits of the Transaction and value creation for shareholders. As a result, the Amcor Directors resolved, subject to completion of the Transaction, the following changes to the compensation of the Chief Executive Officer:

Description	Current	Approach following the Transaction
Short-term incentive	Opportunity to earn between 0% to 120% (target 80%) of base salary.	Increased opportunity to earn between 0% to 180% (target 120%) of base salary with the increase linked to Transaction deliverables
Short-term incentive plan (deferred equity)	Opportunity to earn an additional 50% of any short term incentive payment in the form of Amcor Share Rights that are deferred for two years.	No change
Long-term incentive plan	Grant for year ending 30 June 2019, approved by Amcor Shareholders at the 2018 annual general meeting but not yet granted, consisted of a grant of 125% of base salary and issued at fair value.	The grant for the year ending 30 June 2019 will not be made and will be replaced with a new grant as described in Section 11.3. This approach provides the Chief Executive Officer with opportunities that are heavily oriented towards variable performance-based rewards and aligned to the ongoing delivery of value under this transformational opportunity for shareholders. The new grant will be calculated as 250% of base salary and issued at fair value.
Minimum shareholding requirements	One times base salary	Three times base salary

(d) **Changes to the compensation of non-executive directors**

The Amcor Directors sought input from an external compensation consultant to determine appropriate changes to the compensation of directors as a result of the Transaction. The Transaction will result in a significantly larger company across several measures including a much greater presence in the US, a combined US and Australian listing, and a new regulatory environment. Benchmark data were referenced considering prevailing US practices and quantum, the ability to integrate new Bemis directors, and considered the role of equity in overall compensation.

The Amcor Directors resolved, subject to completion of the Transaction, the following director fee levels and structure be adopted for New Amcor:

Profile of the Combined Group *continued*

Description	Current	Approach following the Transaction
Director fees	• Currently denominated in Australian dollars • Consist of fixed retainer, plus additional fees for members and chairs of committees. The retainer for the Chairman represents his total fee. He does not receive additional fees for his involvement with board committees.	• Chair fee (retainer only; no additional fees for involvement with board committees): US$500,000 • Deputy Chair fee (retainer): US$300,000 • Retainer (for directors other than the Chair and Deputy Chair): US$250,000 • Audit Committee Chair fee: US$30,000 • Audit Committee member fee: US$15,000 • Compensation Committee Chair fee: US$20,000 • Compensation Committee member fee: US$10,000 • Nomination Committee Chair fee: US$15,000 • Nomination Committee member fee: US$7,000
Delivery of fee	Cash	50% shares (not capable of being sold for two years from delivery); 50% cash
Minimum shareholding requirements	1,000 shares	Five times cash retainer, built up over five years

6.3 Corporate governance

(a) Overview

New Amcor will be committed to developing effective, transparent and accountable corporate governance practices.

As New Amcor is a Jersey incorporated company that will have a primary listing on NYSE and a listing of CDIs on ASX, the New Amcor Board will adopt corporate governance arrangements that reflect the NYSE listing standards and SEC requirements and any other applicable Australian requirements.

New Amcor is committed to ensuring that its corporate governance systems comply with statutory and stock exchange requirements and to maintaining its focus on transparency, responsibility and accountability.

This Section 6.3 provides an overview of the key corporate governance arrangements, policies and practices that will be adopted by New Amcor. The corporate governance documents referred to in this Section 6.3 will be available on the New Amcor website.

(b) Composition of the New Amcor Board

The New Amcor Board will adopt Corporate Governance Guidelines that set out guiding principles by which the affairs of New Amcor will be governed and provide an overview of the New Amcor Board's structure, composition and responsibilities.

The New Amcor Board's policy will be that a majority of the New Amcor Directors will be independent, based on the definition of "independence" under the NYSE listing standards, which requires the New Amcor Board to affirmatively determine that the director has no material relationship with New Amcor, either directly or as a partner, shareholder or officer of an organisation that has a relationship with New Amcor.

Based on this definition, all New Amcor Directors are expected to be considered to be independent directors, except for Ron Delia, given his role as Chief Executive Officer.

The independence of each New Amcor Director will be reviewed annually by the Nominating and Corporate Governance Committee.

(c) Role of the New Amcor Board

The New Amcor Board will be responsible for the corporate governance of New Amcor and for overseeing, on behalf of shareholders, the conduct of New Amcor's business, to provide advice and counsel to the Chief Executive Officer and senior management, to protect New Amcor's best interests and to foster the creation of long-term value for shareholders.

In carrying out the responsibilities of the New Amcor Board, the New Amcor Directors will exercise their business judgment and act in ways they reasonably believe will be in the best interests of New Amcor and its shareholders.

The New Amcor Board's responsibilities will include:

- reviewing and approving New Amcor's plans, strategies, objectives and policies, as developed by the Chief Executive Officer and senior management, and monitoring and making inquiries about the company's performance in relation to its plans, strategies and financial and non-financial objectives;
- approving the inclusion of New Amcor's annual audited financial statements in New Amcor's Form 10-K annual report;
- approving material investments or divestitures, strategic transactions, related party transactions and other significant transactions outside the ordinary course of New Amcor's business;
- appointing the Chief Executive Officer and monitoring the performance and effectiveness of management;
- monitoring the succession and development plans for key executives, including the Chief Executive Officer;
- taking actions (on recommendation from the Audit Committee) that are necessary to enhance the integrity of New Amcor's accounting and financial reporting systems and that appropriate controls are in place; and
- approving New Amcor Director candidates for election by shareholders at each annual meeting.

(d) Delegation to management

The day-to-day business of New Amcor will be delegated to management and will be conducted by management under the direction of the Chief Executive Officer.

(e) Board committees

The New Amcor Board will establish the following committees to assist it in carrying out its responsibilities:

- Audit Committee;
- Compensation Committee;
- Nominating and Corporate Governance Committee; and
- Executive Committee.

The New Amcor Board may establish other committees from time to time.

Each committee will comply with the independence and other requirements under laws and regulations and will have a charter that outlines its composition and responsibilities.

(1) ***Audit Committee***

The Audit Committee will have oversight responsibility for the integrity and fair presentation of New Amcor's financial reporting.

The main responsibilities of the Audit Committee will include:

- overseeing New Amcor's financial reporting process on behalf of the New Amcor Board and reporting results of its activities to the New Amcor Board;
- annually reviewing the audited financial statements and recommending to the New Amcor Board the inclusion of the financial statements in New Amcor's annual report;
- assisting the New Amcor Board in fulfilling its responsibilities to enhance the corporate accounting and reporting practices of New Amcor are in accordance with all applicable requirements;
- appointing or replacing New Amcor's registered public accounting firm (i.e. external auditor) and approving the terms on which the external auditor is engaged;
- evaluating the external auditor's qualifications, performance and independence;
- adopting the external auditor's audit plan;
- appointing the Vice President, Group Internal Audit and reviewing the responsibilities and performance of New Amcor's internal audit function;
- reviewing New Amcor's policies for risk assessment and risk management;
- reviewing with finance management, the external auditor and the internal auditor New Amcor's annual assessment of the effectiveness of its internal controls over financial reporting and financial risk management and the adequacy of those internal controls; and
- developing, reviewing and overseeing New Amcor's whistleblowing policy and procedures.

Under its charter, the Audit Committee will consist of at least three New Amcor Directors and the Audit Committee's membership will satisfy the applicable independence requirements of NYSE and SEC (it is intended that each member of this committee qualifies as independent under the NYSE listing standards).

The Audit Committee will comprise of Paul Brasher (Chair), Arun Nayar and David Szczupak.

(2) ***Compensation Committee***

The Compensation Committee's role is to assist the Board in:

- annually evaluating the performance of the Chief Executive Officer;
- determining appropriate compensation levels for New Amcor's executive officers;
- evaluating officer and director compensation plans, policies and programs;
- reviewing incentive compensation and benefit plans for officers and employees;
- producing an annual report on executive compensation for inclusion in the New Amcor's proxy statement filed with the SEC; and
- overseeing executive and management succession.

The main responsibilities of the Compensation Committee will include:

- ensuring that the compensation of executive officers is internally equitable, externally competitive, motivates executive officers toward the achievement of business objectives and aligns their focus on the long-term interests of New Amcor's Shareholders;
- reviewing the process and methodology used for the review of the compensation of the Chief Executive Officer;
- reviewing and making recommendations on the compensation of the Chief Executive Officer;
- reviewing and approving the compensation of the Chief Executive Officer's direct reports;
- reviewing and making recommendations on the compensation of non-executive directors;
- reviewing and making recommendations on the structure and terms of any equity-based incentive plans and alterations required to the performance conditions;
- reviewing and approving performance conditions and vesting outcomes of equity-based incentives;
- reviewing the whistle-blower report in relation to human resources actions and recommendations; and
- reviewing the policy for diversity and advising the New Amcor Board on gender, diversity or other inappropriate basis in compensation.

Under its charter, the Compensation Committee will consist of at least three New Amcor Directors and the committee's membership will satisfy the applicable independence requirements of NYSE (it is intended that each member of this committee qualifies as independent under the NYSE listing standards).

The Compensation Committee will comprise of Armin Meyer (Chair), Tom Long and Philip Weaver.

(3) ***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee's primary responsibility will be to oversee the recruitment of new New Amcor Directors and provide a forum for all independent New Amcor Directors to address issues of corporate governance.

The responsibilities of the Nominating and Corporate Governance Committee will include:

- overseeing the Chief Executive Officer succession process and recommending to the New Amcor Board the selection and succession for the Chief Executive Officer;
- overseeing annual evaluations of the New Amcor Board and individual directors;
- identifying and leading the recruitment of candidates for appointment to the New Amcor Board;
- reviewing nominations for new New Amcor Directors from all sources against established recruitment criteria;
- making recommendations to the New Amcor Board on the election of the Chairman and committee Chairs and committee composition; and
- reviewing any New Amcor Director conflict of interest issues and determining how to handle such issues.

Under its charter, the Nominating and Corporate Governance Committee will consist of at least three New Amcor Directors and the committee's membership will satisfy the applicable independence requirements of NYSE (it is intended that each member of this committee qualifies as independent under the NYSE listing standards).

The Nominating and Corporate Governance Committee will comprise of Graeme Liebelt (Chair), Karen Guerra and Tom Long.

(4) Executive Committee

The New Amcor Board will establish an Executive Committee to consider matters referred to it by the New Amcor Board or urgent matters that may not be deferred until the next New Amcor Board meeting.

The Executive Committee will comprise of Graeme Liebelt (Chair), Armin Meyer, Paul Brasher and Ron Delia.

Amcor currently has an Executive Committee that has proven effective in allowing directors to be responsive to the needs of management and the business. New Amcor will similarly adopt an Executive Committee to deliver the benefit of this flexibility. The Executive Committee will keep the New Amcor Board appropriately informed of matters considered and, where possible, defer significant decisions for the full New Amcor Board.

(f) **Securities trading**

The New Amcor Board will adopt an insider trading policy that prohibits any person covered by the policy from buying or selling (or recommending that another person buy or sell) New Amcor securities if the person is aware of material, non-public information about New Amcor. The policy will also prohibit the use of any non-public information about New Amcor for personal benefit.

Under the policy, senior personnel (including officers and directors of New Amcor and its designated subsidiaries) must seek clearance before dealing in New Amcor securities. The policy will also prohibit senior personnel from other types of dealings including short-selling and dealing in derivative securities.

(g) **Disclosure obligations**

New Amcor is committed to observing its disclosure obligations under the Jersey law, US law, NYSE listing standards and ASX Listing Rules.

To assist New Amcor with complying with its US requirements, the New Amcor Board will adopt a Regulation FD (Fair Disclosure) Disclosure Policy, which limits disclosure of material non-public information about New Amcor and its subsidiaries to any person or entity outside the group, unless disclosure of the information is made simultaneously to the public by way of public disclosure.

New Amcor will immediately provide to ASX all information it gives to NYSE that is, or is to be, made public.

There are also related requirements in the insider trading policy, including limits on who is authorised to speak on behalf of New Amcor.

(h) **Code of Business Conduct and Ethics**

The New Amcor Board will adopt a written Code of Business Conduct and Ethics, which applies to all directors, officers, employees and agents of New Amcor and its subsidiaries.

The purpose of the code is to provide a framework for making ethical business decisions in the course of New Amcor's and its subsidiaries' business, to establish the importance of exercising sound, ethical judgment and to recognise the shared values between New Amcor and its customers, shareholders, employees, suppliers and other third parties with whom it does business.

A Code of Ethics for Senior Financial Employees will also be adopted that sets out additional policies in relation to the Chief Executive Officer, Chief Financial Officer, principal accounting officer or controller and other persons performing similar functions for New Amcor.

(i) **Related Party Transactions Policy**

The New Amcor Board will adopt a Related Party Transactions Policy that will regulate transactions between New Amcor and its subsidiaries and their related parties (including directors, officers and substantial security holders in New Amcor).

(j) **Access to information and independent advice**

The New Amcor Board and its committees will have access to independent professional advice at New Amcor's expense on matters they deem necessary or appropriate to assist in the discharge of their responsibilities.

New Amcor Directors will also have additional rights to access and make copies of New Amcor Board papers and books under their deeds of indemnity, insurance and access.

6.4 New 2019 Omnibus Incentive Share Plan

As part of the new US regulatory requirements that will apply to New Amcor, the Amcor Directors have approved the 2019 Omnibus Incentive Share Plan (**Omnibus Plan**), which will be adopted on completion of the Transaction, to provide New Amcor with a framework to deliver equity incentive instruments in the future where the Compensation Committee believes it is appropriate to do so in the best interests of shareholders. This plan would provide a mechanism to grant equity awards under existing equity incentive plans that will now apply to New Amcor:

- short-term incentive plan — deferred equity
- long-term incentive plan
- retention share/payment plan

The terms of the Omnibus Plan are as follows:

(a) **Eligibility**

Employees, directors, contractors and consultants, and potential employees, directors, contractors or consultants, selected by the Compensation Committee may be invited to participate in the Omnibus Plan.

(b) **Term**

The Omnibus Plan terminates 10 years from the date of approval of the plan, unless it is terminated earlier by the New Amcor Board. No awards may be granted after the termination of the Omnibus Plan.

(c) **Award forms and limitations**

The Omnibus Plan authorises the award of share options, restricted share awards, performance-based share awards, cash-based awards and other share-based awards.

(d) **Share reserve**

The aggregate number of New Amcor Shares that may be issued with respect to awards under the Omnibus Plan is 120,000,000. This share reserve was determined based on market norms relating to the overall fair value of grants and likely share usage and considered factors such as (i) the maximum possible performance achievement for all plans assuming the highest level of performance conditions were met consistently over a period of time (ii) the integration of Bemis and the generally more prevalent use of equity plans in the US (this reserve covers participants in all equity plans across the Combined Group) (iii) share options being counted against the share reserve in the same manner as performance shares/restricted shares and (iv) business and pay growth over time and the potential adverse foreign exchange movements as many participants are provided awards in the currency of their location (which may not be US dollars).

The following New Amcor Shares will be available for grant or issuance under the Omnibus Plan:

- shares subject to options or share-based awards that expire, terminate, or cancel for any reason without being exercised;
- shares subject to awards of restricted share, performance-based share awards, or other share-based awards granted under the Omnibus Plan that expire, terminate, or cancel for any reason without being exercised; and
- shares subject to awards that are surrendered or cancelled (but not shares surrendered to pay the exercise price or withholding taxes associated with a share option).

(e) **Administration**

The Omnibus Plan will be administered and interpreted by the Compensation Committee. The Compensation Committee has full authority to grant awards and select eligible individuals to whom awards may be granted, determine the terms of and number of shares to be covered by each award, and make all other determinations necessary or advisable for the administration of the plan. The Compensation Committee may grant awards at such times and subject to such terms and conditions as they may determine.

(f) **Share options**

The Compensation Committee may grant options to acquire shares under the Omnibus Plan. The maximum term of options granted under the Omnibus Plan is 10 years. The exercise price of each share option must be at least equal to the fair market value of one common share on the date of grant. For the purposes of the Omnibus Plan, the fair market value is calculated based on the average closing price for the period up to 30 days prior to the date of grant. Upon a participant's termination of employment, any share options will vest or expire or be forfeited in accordance with the terms and conditions established by the Compensation Committee.

(g) **Share appreciation rights**

The Compensation Committee may grant share appreciation rights under the Omnibus Plan. Share appreciation rights provide for a payment, or payments, in cash or shares, based upon the difference between the fair market value of Amcor's shares on the date of exercise and the stated exercise price of the share appreciation right. The exercise price of each share appreciation right must be at least equal to the fair market value of New Amcor Shares on the date of grant. For the purposes of the Omnibus Plan, the fair market value is calculated based on the average closing price for the period up to 30 days prior to the date of the grant. Upon a participant's termination of employment, any share appreciation rights will vest or expire or be forfeited in accordance with the terms and conditions established by the Compensation Committee.

(h) **Restricted share awards**

The Compensation Committee may grant awards of restricted New Amcor Shares under the Omnibus Plan. The Compensation Committee may determine the number of shares to be awarded, the price (if any) to be paid by the participant, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the award of restricted New Amcor Shares. Holders of restricted New Amcor Shares shall have all of the rights of a holder of New Amcor Shares, including the right to vote such shares and the right to receive, upon vesting of the restricted New Amcor Shares, dividends or other distributions paid with respect to the restricted New Amcor Shares. The Compensation Committee may, in its sole discretion, determine at the time of grant that the payment of dividends shall be deferred until, and conditioned upon, the expiration of the applicable restricted period. Upon a participant's termination of employment, any award of restricted New Amcor Shares will vest or be forfeited in accordance with the terms and conditions established by the Compensation Committee.

(i) **Performance-based awards**

The Compensation Committee may grant share awards or cash awards subject to performance vesting conditions under the Omnibus Plan. Performance awards may provide for the payment of shares or cash upon attainment of specific performance goals, as determined by the Compensation Committee. The Compensation Committee may, at the time of grant, determine that amounts equal to dividends declared during the performance measurement period with respect to the number of shares covered by a performance-based award will be accumulated and paid upon, and subject to, vesting. Upon a participant's termination of employment, any performance-based awards will vest or be forfeited in accordance with the terms and conditions established by the Compensation Committee.

(j) **Other share-based awards**

The Compensation Committee may grant other awards payable in, valued in whole or in part by reference to, or otherwise based on or related to New Amcor Shares, including awards subject to vesting conditions determined by the Compensation Committee, and New Amcor Shares awarded purely as a bonus and not subject to restrictions. Upon a participant's termination of employment, any other New Amcor Share-based awards will vest or be forfeited in accordance with the terms and conditions established by the Compensation Committee.

(k) **Other cash-based awards**

The Compensation Committee may grant cash-based awards in amounts, on such terms and conditions, and subject to vesting conditions determined by the Compensation Committee. Cash-based awards may be awarded purely as a bonus and not subject to restrictions. Upon a participant's termination of employment, any other cash-based awards will vest or be forfeited in accordance with the terms and conditions established by the Compensation Committee.

(l) **Adjustments in connection with corporate transactions**

The existence of, and the awards under, the Omnibus Plan shall not affect or restrict in any way the right of the New Amcor Board, the Compensation Committee, or New Amcor to make or authorise any adjustment, recapitalisation, reorganisation or other change in New Amcor's capital structure, any merger or consolidation of the company, or any other corporate act or proceeding. If New Amcor effects any merger, consolidation, statutory exchange, spin-off, reorganisation, or other corporate transaction or event in which New Amcor's outstanding shares are converted into the right to receive securities or other property, outstanding awards may be adjusted as to the number or kind of securities covered by such award, in a manner deemed appropriate by the Compensation Committee to prevent dilution or enlargement of the rights granted to, or available for, participants under the Omnibus Plan.

The Compensation Committee does not intend to grant single-trigger awards that vest automatically on a change of control, though it reserves the ability to do so if circumstances warrant. In the event of a change in control (as defined in the Omnibus Plan), the Compensation Committee may cause awards to be continued, assumed, or substituted by an acquirer in the change in control; provide for the purchase of any awards by the Company for an amount of cash equal to the excess of the change in control price of the shares subject to the award over the exercise price of such awards; or terminate all outstanding awards effective as of the date of the change of control (provided the Compensation Committee has provided at least 20 days' notice to the holders of outstanding awards and each award holder has had the right to exercise such awards in full). The Compensation Committee may, in its sole discretion, provide for accelerated vesting or lapse of restrictions of an award at any time.

(m) **Additional provisions**

The New Amcor Board may at any time, and from time to time, amend in whole or in part any or all provisions of the Omnibus Plan, or suspend or terminate it entirely, retroactively, or otherwise. However, the rights of a participant with respect to awards granted prior to an amendment may not be impaired without the consent of the participant. No amendment may be made that would increase the aggregate number of shares that may be issued under the plan, change the classification of individuals eligible to receive awards, decrease the exercise price of any share option, or permit the issuance of a replacement share option.

Awards granted under the Omnibus Plan may not be transferred in any manner other than by will or by the laws of descent and distribution, or as determined by our Compensation Committee.

6.5 Intentions for New Amcor and the Combined Group

(a) **Overview**

A review of the integration of Amcor and Bemis covering strategic, financial and operational matters, is ongoing and expected to continue after Implementation. The outcomes of the review will be considered before finalising intentions in respect of the Combined Group. Except as set out in this Section 6.5 or elsewhere in this Scheme Booklet, neither Amcor nor New Amcor has finally formed intentions to vary the conduct of the business of Amcor, redeploy Amcor's fixed assets or vary the employment of present Amcor employees. Any stated intentions regarding the Combined Group are subject to ongoing review of integration and may be subject to change.

(b) **Antitrust remedies**

Consummation of the Transaction is subject to clearance under the antitrust laws of certain required jurisdictions, as detailed in Section 8.1(a).

On 11 February 2019, Amcor and Bemis received clearance from the European Commission. In accordance with the terms of the clearance, Bemis will hold separate and, subject to the completion of the Transaction, divest three plants located in the UK and Ireland that represented approximately US$170 million of revenue during year ended 31 December 2018.

(c) **Intentions upon the Scheme being implemented**

(1) ***Operating structure***

It is expected that the operating structure of the Combined Group will largely follow the operating structure of Amcor, as described in Section 4, which consists of two reportable segments. However, Amcor recognises that Bemis' operating structure and service offering, while similar to that of Amcor, has some key differences, notably based on the strength of Bemis' service offering in certain geographies and products. As such, New Amcor intends to review the operating structure of both Amcor and Bemis post- completion of the Transaction to determine the most suitable operating structure for the Combined Group. That review may result in changes to the operating structure of either or both of Amcor and Bemis, but is not expected to result in a change in the service offering of the Combined Group.

(2) ***Strategy***

New Amcor intends to continue to implement Amcor's strategy as outlined in Section 4.1(d).

Amcor believes the acquisition of Bemis will enhance New Amcor's ability to meet its strategic objectives through:

- **comprehensive global footprint:** creating a global consumer packaging footprint across key geographies and a larger, more balanced and more profitable emerging markets business, with sales revenue of approximately US$3.7 billion for the year ended 30 June 2018 from around 30 emerging markets;
- **greater scale to better serve customers in every region:** increased economies of scale and resources through Amcor's leading positions in Europe, Asia and Latin America, and Bemis' leading positions in North America and Brazil;
- **increased exposure to attractive end use and product areas:** an enhanced growth profile from greater global participation in protein and healthcare packaging, leveraging innovative technologies in barrier films and foils;
- **best-in-class operating and innovation capabilities:** greater differentiation to innovate and meet customer demands for new and sustainable products through the deployment of proven, industry-leading commercial, operational and research and development capabilities;
- **continued strong commitment to environmental sustainability:** enhanced capabilities and resources to support Amcor's pledge to develop all recyclable or reusable packaging products by 2025; and
- **greater depth of management talent:** a stronger combined team by bringing the significant strengths and quality of the workforce of both companies.

Strong and consistent execution of this strategy is expected to drive cash flow. This cash is expected to be used to generate superior returns for shareholders through:

- paying a competitive, progressive dividend, which is expected to increase over time;
- reinvesting in the business to drive organic growth; and
- pursuing acquisitions at attractive returns, or returning any residual cash to shareholders.

(3) ***Dividend policy***

Following Implementation, it is expected that New Amcor (as the parent company of the Combined Group) will have a competitive, progressive dividend that is paid quarterly to New Amcor Shareholders, though the amount of such dividend will be determined, and is subject to adjustment by, the New Amcor Board.

In particular, it is intended that total dividends per share paid by New Amcor for the first financial year post completion of the Transaction will be no less than the total dividends per share paid by Amcor for the last financial year prior to the completion of the Transaction. However, any final determination on dividend rates will be made by the New Amcor Board based on the performance of the Combined Group and other relevant factors, such as available cash, at the time of declaration.

(4) ***Future employment of the present employees of Amcor and Bemis***

The future employment requirements of the Combined Group will be evaluated as part of the integration process and the realisation of the synergies discussed in Sections 1.1(c) and 6.6.

Amcor believes the combination of Amcor and Bemis has the potential to create exciting growth opportunities for employees across the Combined Group. However, the similarity of Amcor's and Bemis' service offerings and their operational geographies will mean some redundancies of Combined Group employees will result from the elimination of duplicated resources and functions. It is not possible to currently predict the exact extent and timing of such redundancies.

The Combined Group may be able to offer suitable alternative roles to some affected employees, but may not be able to do so in all cases. Any employee who is made redundant will receive, on redundancy, payments and other benefits in accordance with their contractual and other legal entitlements.

(5) ***Key locations***

It is expected New Amcor will continue to maintain a critical presence in the same key locations from which Amcor currently operates, as well as at Neenah, Wisconsin and other key Bemis locations.

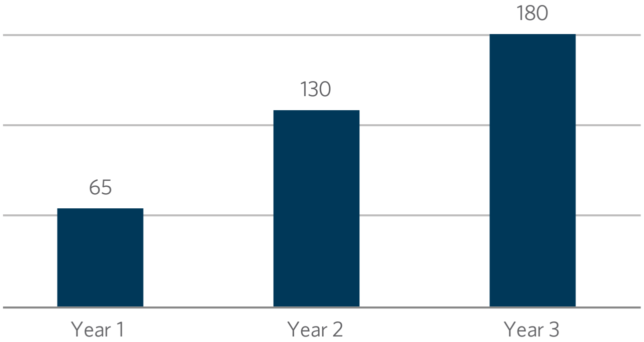
6.6 Overview of potential synergies

(a) Synergies

The Transaction is expected to result in material cost savings for the Combined Group relative to Amcor and Bemis on a standalone basis, which are expected to create significant value for New Amcor Shareholders.

Based on analysis undertaken to date, it is expected that the Combined Group will achieve approximately US$180 million in pre-tax annual net cost synergies from the combination. Net cost synergies are expected to include approximately 40 percent from procurement, 20 percent from operations and 40 percent from general, administration and other. It is estimated that these net cost synergies will be realised by the end of the third year after the completion of the Transaction, with approximately US$65 million realised by the end of year one and US$130 million realised by the end of year two.

Figure 6.6—estimated pre-tax annual net cost synergy realisation (US$ million)



Net cost synergies are expected to be generated from the following areas:

Procurement ~40% of total net cost synergies	Procurement net cost synergies are expected to be achieved by identifying incremental opportunities to optimise the Combined Group's total spend across all direct and indirect categories. Of the total procurement savings identified, just over half relate to direct materials and just under half relate to indirect materials. Procurement savings are expected to be predominantly in North America and Latin America.
Operations ~20% of total net cost synergies	Operations net cost synergies are expected to be achieved by implementing a number of measures, including: • rationalisation of manufacturing footprint; • cost optimisation at an individual facility level; and • optimised logistics services. Rationalisation of the manufacturing footprint is expected to comprise a majority of operating cost savings. Amcor expects to close several plants globally to achieve this goal. This does not include any plants subject to anti-trust remedies, as foreshadowed in Section 6.5(b).
General, administration and other ~40% of total net cost synergies	General, administration and other net cost synergies are expected to be achieved by implementing a number of measures, including elimination of duplication in: • public company corporate costs; and • regional overheads. Potential cost synergies from sales and marketing and research and development have been excluded from the general, administration and other net cost synergy estimates.
Other potential synergies	Following Implementation, there may be the potential for synergies to be realised beyond those identified above. These may include but are not limited to: • potential for additional cost synergies; and • potential revenue synergies from serving the Combined Group's broadened customer base with an expanded product portfolio and geographic presence.

(b) Costs to achieve synergies, and compensation and transaction costs

Amcor anticipates a total of approximately US$150 million in integration-related costs, approximately US$65 million of compensation costs (including Bemis employee entitlement and retention costs) and approximately US$125 million of transaction costs (including acquisition costs, such as advisory, legal and accounting expenses).

Estimated integration-related costs are expected to be predominately incurred in the first and second year following completion of the Transaction. Compensation and transaction costs are expected to be predominately incurred in the first year following completion of the Transaction.

Both integration, and compensation and transaction costs are expected to be funded via capital expenditure and working capital synergies.

(c) **Earnings accretion**

The combination of Amcor and Bemis creates double-digit EPS[30] accretion on a pro forma basis for the year ended 30 June 2018 for all shareholders inclusive of net cost synergies at full run rate[31].

Realisation of earnings accretion may impact the value of New Amcor Shares in a number of ways:

- generate positive share price performance as the Combined Group achieves synergies and integration milestones;
- allow the Combined Group to grow dividends at a higher rate than currently forecast;
- generate additional cash available to fund future investment in the Combined Group's operations; and
- improve the ability of the Combined Group to pursue acquisitions at attractive returns, or return residual cash to shareholders.

6.7 Pro Forma Historical Financial Information

(a) **Introduction**

The financial information set out in this Section 6.7 has been prepared by Amcor and includes the following financial information:

- **Pro Forma Historical Income Statements** for the Combined Group for the year ended 30 June 2018 and half year ended 31 December 2018, as described in Section 6.7(d);
- **Pro Forma Historical Cash Flow Statements** for the Combined Group for the year ended 30 June 2018 and half year ended 31 December 2018, as described in Section 6.7(e); and
- **Pro Forma Historical Balance Sheets** for the Combined Group as at 30 June 2018 and as at 31 December 2018, as described in Section 6.7(f).

The Pro Forma Historical Income Statements, the Pro Forma Historical Cash Flow Statements and the Pro Forma Historical Balance Sheets are together the **Pro Forma Historical Financial Information** for the Combined Group. The Pro Forma Historical Financial Information is unaudited.

As discussed in Section 4.3, the AAS consolidated financial statements for Amcor for the years ended 30 June 2018, 30 June 2017 and 30 June 2016 were audited. Also, the US GAAP consolidated financial statements for Amcor for the years ended 30 June 2018, 30 June 2017 and 30 June 2016 were audited with an unqualified audit opinion issued. PricewaterhouseCoopers also reviewed Amcor's condensed consolidated AAS and US GAAP financial statements for the half years ended 31 December 2018 and 31 December 2017 in accordance with Australian Auditing Standards and the standards of the US Public Company Accounting Oversight Board. As further discussed in Section 5.5, the consolidated financial statements for the years ended 31 December 2018, 31 December 2017 and 31 December 2016 for Bemis were audited by PricewaterhouseCoopers LLP in accordance with the standards of the US Public Company Accounting Oversight Board. PricewaterhouseCoopers LLP reviews Bemis' interim condensed consolidated financial statements filed with the SEC in accordance with the standards of the US Public Company Accounting Oversight Board.

The Amcor Board appointed PricewaterhouseCoopers Securities Ltd as the Investigating Accountant to prepare an Investigating Accountant's Report in relation to the historical financial information for Amcor and Bemis and the Pro Forma Historical Financial Information for the Combined Group. A copy of the Investigating Accountant's Report is contained in Annexure B. Shareholders should note the scope and limitations of the Investigating Accountant's Report.

(b) **Basis of preparation**

The Pro Forma Historical Financial Information has been prepared under US GAAP given that New Amcor Shareholders will receive the financial information of the Combined Group prepared under US GAAP going forward.

The Pro Forma Historical Financial Information has been derived from:

- Amcor's audited AAS consolidated financial statements for the year ended 30 June 2018;
- Amcor's audited US GAAP consolidated financial statements for the year ended 30 June 2018;
- Amcor's unaudited AAS consolidated financial statements for the half year ended 31 December 2018;
- Amcor's unaudited US GAAP consolidated financial statements for the half year ended 31 December 2018; and
- Bemis' audited US GAAP consolidated financial statements for the years ended 31 December 2018 and 31 December 2017 and the unaudited US GAAP consolidated financial statements for the half years ended 30 June 2018 and 30 June 2017.

Amcor assessed the differences between AAS and US GAAP, and determined, based on this analysis, that certain adjustments be made relating to material differences between AAS and US GAAP.

The Pro Forma Historical Financial Information in this Section 6.7 has been prepared in accordance with the recognition and measurement requirements of US GAAP including adjustments to:

- present the financial information consistently in accordance with US GAAP;
- align the financial year end of Bemis to Amcor's financial year end; and

30 Excludes the impact of purchase price accounting.

31 Based on reported financials of Amcor for the year ended 30 June 2018, and financials for Bemis for the year ended 30 June 2018 and after taking into account US$180 million in expected pre-tax annual net cost synergies. The accretion calculation does not account for estimated integration costs or compensation and transaction costs to implement the Transaction.

- reflect the impact of certain transactions as if they had occurred on or before 1 July 2017 in the Pro Forma Historical Income Statements and the Pro Forma Historical Cash Flow Statements, as at 30 June 2018 in the Pro Forma Historical Balance Sheet as at 30 June 2018, or as at 31 December 2018 in the Pro Forma Historical Balance Sheet as of 31 December 2018, including preliminary assessment of the impact of purchase price accounting adjustments and the illustrative impact of the Transaction.

The Pro Forma Historical Financial Information was prepared using the acquisition method of accounting, with Amcor treated as the acquiring entity. Accordingly, the historical financial information has been adjusted to give effect to the impact of the consideration for the acquisition of Bemis in connection with the Transaction. In the Pro Forma Historical Balance Sheet, Amcor's purchase price has been allocated to Bemis' assets acquired and liabilities assumed based on Amcor's preliminary estimate of their respective fair values as at the completion of the Transaction. Any differences between the consideration and the fair value of the assets acquired and liabilities assumed will be recognised as goodwill. The amounts allocated to the assets acquired and liabilities assumed in the Pro Forma Historical Financial Information are based on Amcor's preliminary valuation estimates. The purchase price allocation adjustments reflected in the Pro Forma Historical Financial Information are preliminary, have been made solely for the purposes of preparing the Pro Forma Historical Financial Information for the Combined Group and are subject to revisions based on a final determination of fair value upon the completion of the Transaction.

The Pro Forma Historical Income Statements include certain purchase price accounting adjustments, including items expected to have a continuing impact on the combined results, such as increased depreciation expense related to fair value step-up. The Pro Forma Historical Income Statements do not include the impacts of any revenue, cost or other operating synergies that may result from the Transaction or any related integration or one-off compensation and transaction costs.

The financial information in this Section 6.7 is presented in an abbreviated form insofar as it does not include all of the presentation and disclosure requirements, statements or comparative information as required by US GAAP. Information should be read in conjunction with the risk factors outlined in Section 7 and all other information set out in this Scheme Booklet.

The impact of a number of accounting pronouncements not yet adopted has not been considered in the preparation of the Pro Forma Historical Financial Information.

(c) **Non-GAAP financial measures**

The information provided in this Section 6.7 includes non-GAAP financial measures under US GAAP which Amcor believes to be important for investors to consider when evaluating the respective financial performance of Amcor or the Combined Group. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with US GAAP.

The non-GAAP financial measures referred to in this Section 6.7 include:

- profit before interest and taxes (**PBIT**);
- profit before interest, taxes, depreciation and amortisation (**PBITDA**);
- profit before interest, taxes, depreciation and amortisation, excluding the impact of significant items as described in Sections 4.4(b) and 5.5(d) (**Adjusted PBITDA**);
- profit before interest and taxes excluding the impact of significant items as described in Sections 4.4(b) and 5.5(d) and excluding amortisation of acquired intangible assets (**Adjusted PBIT**); and
- profit after taxes attributable to owners of the Combined Group excluding the impact of significant items as described in Sections 4.4(b) and 5.5(d), and excluding amortisation of acquired intangible assets (**Adjusted PAT**).

(d) **Pro Forma Historical Income Statements**

The Pro Forma Historical Income Statements for the year ended 30 June 2018 and the half year ended 31 December 2018 set out in this Section 6.7(d) assume the Transaction had been implemented on 1 July 2017 and:

- comprise Amcor's consolidated income statement for the year ended 30 June 2018 and the half year ended 31 December 2018, prepared in accordance with the recognition and measurement requirements of US GAAP. Section 4.4(b) provides a reconciliation of Amcor's historical financial information under AAS and US GAAP for the year ended 30 June 2018 and the half year ended 31 December 2018;
- comprise Bemis' consolidated income statement for the year ended 30 June 2018, which is derived by adding the historical unaudited income statement for the half year ended 30 June 2018 extracted from Bemis' Quarterly Report on Form 10-Q for the period ended 30 June 2018, to the audited consolidated income statement for the year ended 31 December 2017, and deducting the historical unaudited income statement for the half year ended 30 June 2017 extracted from Bemis' Quarterly Report on Form 10-Q for the period ended 30 June 2017;
- comprise Bemis' consolidated income statement for the half year ended 31 December 2018, which is derived by deducting the historical unaudited income statement for the half year ended 30 June 2018 extracted from Bemis' Quarterly Report on Form 10-Q for the period ended 30 June 2018 from the audited consolidated income statement for the year ended 31 December 2018;
- include merger adjustments to reflect the Transaction and preliminary estimates of increased amortisation and depreciation following the preliminary allocation of the purchase price to Bemis' assets acquired and liabilities assumed based on Amcor's preliminary estimate of their respective fair values as at the completion of the Transaction; and
- exclude the impact of any cost, revenue or operating synergies that may result from the Transaction or any integration costs.

Profile of the Combined Group *continued*

Pro Forma Historical Income Statement for the Combined Group for the year ended 30 June 2018

US$ million	Amcor US GAAP	Bemis US GAAP (Note 1)	Merger and other adjustments	Notes	Combined Group US GAAP
Sales revenue	9,319.1	4,099.4	-		13,418.5
Adjusted PBITDA	**1,389.8**	**570.8**	**-**		**1,960.6**
Depreciation and amortisation (excluding amortisation of acquired intangibles)	(333.4)	(153.3)	(20.2)	3B	(506.9)
Adjusted PBIT	**1,056.4**	**417.5**	**(20.2)**		**1,453.7**
Finance costs, net	(196.9)	(76.6)	-		(273.5)
Income tax expense	(150.8)	(27.2)	6.1	3C	(171.9)
Non-controlling interest	(11.4)	-	-		(11.4)
Adjusted PAT	**697.3**	**313.7**	**(14.1)**		**996.9**
Less: Significant items (net of income tax expense)	(107.4)	(192.5)	-	2	(299.9)
Less: Amortisation of acquired intangibles (net of income tax expense)	(14.7)	(12.0)	(58.4)	3A	(85.1)
Statutory PAT	**575.2**	**109.2**	**(72.5)**		**611.9**

Reconciliation of US GAAP reported earnings to adjusted earnings for the Combined Group for the year ended 30 June 2018

US$ million	PBITDA	PBIT	PAT[32]	EPS (basic)[33] (US$)	Notes
Reported earnings under US GAAP	**1,562.6**	**935.8**	**611.9**	**0.38**	
Significant items	398.0	398.0	299.9	0.18	2
Amortisation of acquired intangibles	-	119.9	85.1	0.05	
Adjusted earnings	**1,960.6**	**1,453.7**	**996.9**	**0.61**	

Pro Forma Historical Income Statement for the Combined Group for the half year ended 31 December 2018

US$ million	Amcor US GAAP	Bemis US GAAP (Note 1)	Merger and other adjustments	Notes	Combined Group US GAAP
Sales revenue	4,549.6	2,029.2	-		6,578.8
Adjusted PBITDA	**654.1**	**293.9**	**-**		**948.0**
Depreciation and amortisation (excluding amortisation of acquired intangibles)	(156.7)	(73.6)	(13.6)	3B	(243.9)
Adjusted PBIT	**497.4**	**220.3**	**(13.6)**		**704.1**
Finance costs, net	(104.4)	(37.3)	-		(141.7)
Income tax expense	(67.1)	(33.1)	3.1	3C	(97.1)
Non-controlling interest	(5.1)	-	-		(5.1)
Adjusted PAT	**320.8**	**149.9**	**(10.5)**		**460.2**
Less: Significant items (net of income tax expense)	(76.5)	(12.1)	45.1	2, 3D	(43.5)
Less: Amortisation of acquired intangibles (net of income tax expense)	(7.3)	(6.4)	(32.4)	3A	(46.1)
Statutory PAT	**237.0**	**131.4**	**2.2**		**370.6**

Reconciliation of US GAAP reported earnings to adjusted earnings for the Combined Group for the half year ended 31 December 2018

US$ million	PBITDA	PBIT	PAT[34]	EPS (basic)[35] (US$)	Notes
Reported earnings under US GAAP	**896.5**	**592.7**	**370.6**	**0.23**	
Significant items	51.5	51.5	43.5	0.03	2
Amortisation of acquired intangibles	-	59.9	46.1	0.03	
Adjusted earnings	**948.0**	**704.1**	**460.2**	**0.29**	

32 For illustrative purpose, amortisation has been tax effected to reflect the impact of unwinding of deferred taxes that would be recognised in purchase accounting.

33 Based on weighted average number of New Amcor Shares on issue of 1,622.1 million as at 30 June 2018. Adjusted Diluted EPS is 61 cents based on diluted weighted average shares outstanding of 1,629.4 million as at 30 June 2018.

34 For illustrative purpose, amortisation has been tax effected to reflect the impact of unwinding of deferred taxes that would be recognised in purchase accounting.

35 Based on weighted average number of New Amcor Shares on issue of 1,621.7 million as at 31 December 2018. Adjusted Diluted EPS is 28 cents based on diluted weighted average shares outstanding of 1,625.3 million as at 31 December 2018.

Notes

1 **Reclassifications to align Bemis' historical information within the Pro Forma Historical Income Statement and the Pro Forma Historical Cash Flow Statement for the year ended 30 June 2018 and the half year ended 31 December 2018:** Presentation of the financial statements of Bemis has been aligned with New Amcor's accounting policies and certain adjustments have been made to reclassify line items where necessary.

2 **Statutory profit after tax (PAT) includes the impact of the following significant items:**

US$ million	Year ended 30 June 2018		Half year ended 31 December 2018	
	PBIT impact	Net of tax	PBIT impact	Net of tax
Material restructuring programs	14.4	9.5	37.7	27.3
Impairment of equity method investments	36.5	36.5	13.9	13.9
Net investment hedges	83.9	61.4	(1.5)	(1.0)
Material acquisition and transaction costs	-	-	35.1	32.6
Impact of hyperinflation	-	-	19.0	19.2
Net legal settlements	-	-	(15.5)	(15.5)
Total significant items for Amcor[36]	**134.8**	**107.4**	**88.7**	**76.5**
Restructuring and other costs	66.6	47.0	27.5	22.2
Goodwill impairment charge	196.6	145.5	-	-
Brazilian tax credits	-	-	(15.3)	(10.1)
Total significant items for Bemis	**263.2**	**192.5**	**12.2**	**12.1**
Total significant items for the Combined Group	**398.0**	**299.9**	**100.9**	**88.6**
Merger and other adjustment – material acquisition transaction costs for Amcor and Bemis[37]	**-**	**-**	**(49.4)**	**(45.1)**
Total significant items for the Combined Group after adjustment	**398.0**	**299.9**	**51.5**	**43.5**

3 **Merger adjustments**

A **Intangible assets amortisation:** Reflects preliminary adjustments to amortisation of US$83.4 million (US$58.4 million after tax) for the year ended 30 June 2018 and US$42.1 million (US$32.4 million after tax) for the half year ended 31 December 2018, representing an increase in amortisation expense related to the fair value of identified intangible assets with finite lives acquired in the Transaction. The following table shows the pre-tax impact on amortisation expense:

Description	Estimated useful life (years)	Estimated fair value (US$ million)	Amortisation expense Year ended 30 June 2018 (US$ million)	Amortisation expense Half year ended 31 December 2018 (US$ million)
Trademark	6.0	81.0	13.5	6.8
Technology	8.0	121.0	15.1	7.6
Customer relationships	14.0	1,008.0	72.0	36.0
Amortisation expense			100.6	50.4
Less: Bemis historical amortisation expense			(17.2)	(8.3)
Adjustment to amortisation expense			**83.4**	**42.1**

B **Depreciation of property, plant and equipment:** Reflects adjustments to depreciation of US$20.2 million for the year ended 30 June 2018 and US$13.6 million for the half year ended 31 December 2018, representing increased depreciation expense related to the fair value step-up of property, plant and equipment acquired. The following table shows the pre-tax impact on depreciation expense:

Description	Estimated useful life (years)	Estimated fair value (US$ million)	Depreciation expense Year ended 30 June 2018 (US$ million)	Depreciation expense Half year ended 31 December 2018 (US$ million)
Property, plant and equipment, net	8.3	1,447.0	173.5	87.2
Depreciation expense			173.5	87.2
Less: Bemis historical depreciation expense			(153.3)	(73.6)
Adjustment to depreciation expense			**20.2**	**13.6**

C **Income tax expense**: The tax impact relates to unwinding of deferred tax associated with fair value uplifts recognised in purchase accounting for intangibles and plant and equipment as described in Note 9E at the average statutory tax rate in effect for the period. The US$2.5 million associated with the US$35.1 million of non-recurring transaction costs for Amcor and the US$1.8 million associated with the US$14.3 million of non-recurring transaction costs for Bemis have been excluded from the merger adjustments column as these costs have been included as significant items for Amcor and Bemis, as described in Note 3D.

D **Transaction costs:** As of 31 December 2018, Amcor and Bemis have incurred US$32.6 million and US$12.5 million of non-recurring costs, including US$8.6 million related to pre-deal integration work, net of tax, associated with the Transaction, respectively. These costs have been excluded as significant items from the Adjusted PBITDA as they are not expected to have a continuing impact on the results of operations of New Amcor.

36 See Section 4.4(b) for further detail.

37 Material acquisition transaction costs for Amcor and Bemis includes US$35.1 million (US$32.6 million net of tax) of transaction costs incurred by Amcor and US$14.3 million (US$12.5 million net of tax) of transaction costs incurred by Bemis in relation to the Transaction for the half year ended 31 December 2018, which is included in the "restructuring and other costs" as a significant item.

Profile of the Combined Group *continued*

(e) **Pro Forma Historical Cash Flow Statements**

The Pro Forma Historical Cash Flow Statements for the year ended 30 June 2018 and the half year ended 31 December 2018 set out in this Section 6.7(e) assume the Transaction had been implemented on 1 July 2017 and:

- comprise Amcor's consolidated cash flow statement for the year ended 30 June 2018 and the half year ended 31 December 2018, prepared in accordance with the recognition and measurement requirements of US GAAP;
- comprise Bemis' consolidated cash flow statement for the year ended 30 June 2018, which is derived by adding the historical unaudited cash flow statement for the half year ended 30 June 2018 extracted from Bemis' Quarterly Report on Form 10-Q for the period ended 30 June 2018, to the audited consolidated cash flow statement for the year ended 31 December 2017, and deducting the historical unaudited cash flow statement for the half year ended 30 June 2017 extracted from Bemis' Quarterly Report on Form 10-Q for the period ended 30 June 2017;
- comprise Bemis' consolidated cash flow statement for the half year ended 31 December 2018, which is derived by deducting the historical unaudited cash flow statement for the half year ended 30 June 2018 extracted from Bemis' Quarterly Report on Form 10-Q for the period ended 30 June 2018 from the audited consolidated cash flow statement for the year ended 31 December 2018 extracted from Bemis' Form 10-K;
- include merger adjustments to reflect the Transaction and preliminary estimates of increased amortisation and depreciation following the preliminary allocation of the purchase price to Bemis' assets acquired and liabilities assumed based on Amcor's preliminary estimate of their respective fair values as at the completion of the Transaction; and
- exclude the impact of any cost, revenue or operating synergies that may result from the Transaction or any integration costs.

Pro Forma Historical Cash Flow Statement for the Combined Group for the year ended 30 June 2018

US$ million	Amcor AAS	US GAAP differences	Notes	Amcor US GAAP	Bemis	Notes	Merger adjustments	Combined group US GAAP
Adjusted PBITDA	1,441.8	(52.0)	4A	1,389.8	570.8		-	1,960.6
Significant items	-	(134.8)	4B	(134.8)	(263.2)	4H	-	(398.0)
PBITDA	**1,441.8**	**(186.8)**		**1,255.0**	**307.6**		**-**	**1,562.6**
Non-cash items	(87.8)	164.6	4C	76.8	201.3		-	278.1
Movement in working capital and other operating assets and liabilities	(79.0)	(43.5)	4D	(122.5)	(26.0)		-	(148.5)
Dividends received from affiliated companies	8.7	-		8.7	2.3		-	11.0
Net interest received/(paid)	(196.9)	-		(196.9)	(68.9)		-	(265.8)
Income tax paid	(149.7)	-		(149.7)	(77.0)		-	(226.7)
Operating cash flow before capital expenditure/ dividends paid	**937.1**	**(65.7)**		**871.4**	**339.3**		**-**	**1,210.7**
Proceeds from sale of property, plant and equipment and other intangible assets	156.6	(19.6)	4E	137.0	15.7		-	152.7
Capital expenditure	(372.1)	7.1	4F	(365.0)	(174.2)		-	(539.2)
Dividends paid and other	(527.5)	-		(527.5)	(111.9)		-	(639.4)
Free cash flow	**194.1**	**(78.2)**	**4G**	**115.9**	**68.9**		**-**	**184.8**

Pro Forma Historical Cash Flow Statement for the Combined Group for the half year ended 31 December 2018

US$ million	Amcor AAs	US GAAP differences	Notes	Amcor US GAAP	Bemis	Notes	Merger adjustments	Notes	Combined group US GAAP
Adjusted PBITDA	678.3	(24.2)	4A	654.1	293.9		-	4I	948.0
Significant items	(68.8)	(19.8)	4B	(88.6)	(12.2)	4H	49.4	4I	(51.4)
PBITDA	**609.5**	**(44.0)**		**565.5**	**281.7**		**49.4**		**896.6**
Non-cash items	(27.3)	67.4	4C	40.1	6.7		-		46.8
Movement in working capital and other operating assets and liabilities	(205.6)	(17.7)	4D	(223.3)	55.5		(24.5)		(192.3)
Dividends received from affiliated companies	4.7	-		4.7	0.4		-		5.1
Net interest received/(paid)	(90.0)	-		(90.0)	(37.6)		-		(127.6)
Income tax paid	(62.3)	-		(62.3)	(6.0)		-		(68.3)
Operating cash flow before capital expenditure/dividends paid	**229.0**	**5.7**		**234.7**	**300.7**		**24.9**		**560.3**
Proceeds from sale of property, plant and equipment and other intangible assets	60.3	-		60.3	1.9		-		62.2
Capital expenditure	(173.3)	1.3	4F	(172.0)	(60.6)		-		(232.6)
Dividends paid and other	(291.3)	-		(291.3)	(56.4)		-		(347.7)
Free cash flow	**(175.3)**	**7.0**	**4G**	**(168.3)**	**185.6**		**24.9**		**42.2**

Notes

4 **Adjustments to the Pro Forma Historical Cash Flow Statement**

A Refer to notes related to the year ended 30 June 2018 and the half year ended 31 December 2018 in Section 4.4(b).

B Refer to Section 4.4(b) (Note 11).

C Non-cash items mainly include net gains on disposal of non-current assets and other non-cash US GAAP adjustments excluding items in Note 4D below.

D Adjustments mainly relate to restructuring and factoring of receivables and reclassification to align with US GAAP presentation. Refer to Section 4.4(c) (Notes 10 and 13).

E Adjustment relates to the reclassification of proceeds received in sale and leaseback transactions that did not qualify as a sale under US GAAP, to cash inflow in financing activities. Refer to Section 4.4(b) (Note 4).

F Adjustment relates to cash outflow related to development costs that did not meet the criteria for capitalisation and was included as an expense within PBITDA under US GAAP. Refer to Section 4.4(b) (Note 3).

G Decrease in free cash flow under US GAAP compared to AAS for Amcor was mainly due to reclassification of factoring of receivables and proceeds received in sale and leaseback transactions that did not qualify as a sale under US GAAP, to cash inflow in financing activities as described in Notes D and E above.

H Significant items excluding tax impact for Bemis include restructuring costs and goodwill impairment charge. Refer to Note 2 of this Section 6.7.

I Adjustments for non-recurring transaction costs for Amcor and Bemis of US$35.1 million and US$14.3 million, respectively, including US$9.3 million of pre-deal integration work. Refer to Note 3D. The transaction costs that were not paid as of 31 December 2018 of US$24.5 million have been included as a movement in working capital. The remaining transaction costs that were paid as of 31 December 2018 of US$24.9 million have been included as a movement in free cash flow.

(f) Pro Forma Historical Balance Sheets

The Pro Forma Historical Balance Sheet as at 30 June 2018 set out in this Section 6.7(g) assumes the Transaction had been implemented as at 30 June 2018 and comprises:

- Amcor's consolidated balance sheet as at 30 June 2018, prepared in accordance with the recognition and measurement requirements of US GAAP. Section 4.4(c) provides a reconciliation of Amcor's historical financial information under AAS and US GAAP for 30 June 2018;
- Bemis' unaudited consolidated balance sheet as at 30 June 2018, extracted from Bemis' unaudited quarterly financial report 10-Q for the three months ended 30 June 2018, and adjusted to align with the presentation of New Amcor's balance sheet; and
- merger adjustments to reflect the implementation of the Transaction.

The Pro Forma Historical Balance Sheet as at 31 December 2018 set out in this Section 6.7(f) assumes the Transaction had been implemented as at 31 December 2018 and comprises:

- Amcor's consolidated balance sheet as at 31 December 2018, prepared in accordance with the recognition and measurement requirements of US GAAP. Section 4.4(c) provides a reconciliation of Amcor's historical financial information under AAS and US GAAP for 31 December 2018;
- Bemis' audited consolidated balance sheet as at 31 December 2018, extracted from Bemis' Form 10-K filed on 15 February 2019, for the year ended 31 December 2018, and adjusted to align with the presentation of New Amcor's balance sheet; and
- merger adjustments to reflect the implementation of the Transaction.

Pro Forma Historical Balance Sheet for the Combined Group as at 30 June 2018

US$ million	Amcor US GAAP	Bemis US GAAP (Note 5)	Merger adjustments	Notes	Combined Group US GAAP
Assets					
Cash and cash equivalents	620.8	51.0	(2.1)	6	669.7
Trade receivables, net	1,379.0	480.8	-		1,859.8
Inventories	1,358.8	615.8	42.8	7D	2,017.4
Prepaid expenses and other assets	261.7	94.2	-		355.9
Total current assets	**3,620.3**	**1,241.8**	**40.7**		**4,902.8**
Investments in affiliated companies	116.3	-	-		116.3
Property, plant and equipment, net	2,698.5	1,204.0	243.0	7A	4,145.5
Deferred tax assets	70.7	-	-	7E	70.7
Other intangible assets, net	324.8	199.2	1,010.8	7C	1,534.8
Goodwill	2,056.6	848.7	2,785.9	7B	5,691.2
Employee benefit asset	52.5	-	-		52.5
Other non-current assets	117.8	130.7	-		248.5
Total non-current assets	**5,437.2**	**2,382.6**	**4,039.7**		**11,859.5**
Total assets	**9,057.5**	**3,624.4**	**4,080.4**		**16,762.3**
Liabilities					
Current portion of long-term debt	984.1	1.8	1,598.6	7G	2,584.5
Short-term debt	1,173.8	15.4	-		1,189.2
Trade payables	1,861.0	414.3	-		2,275.3
Accrued employee costs	269.3	78.9	-		348.2
Other current liabilities	767.0	158.3	209.7	7E, 7F	1,135.0
Total current liabilities	**5,055.2**	**668.7**	**1,808.3**		**7,532.2**

Profile of the Combined Group *continued*

Long-term debt, less current portion	2,690.4	1,501.7	(1,598.6)	7G	2,593.5
Deferred tax liabilities	147.5	157.1	288.4	7E	593.0
Employee benefit obligation	286.3	42.4	-		328.7
Other non-current liabilities	182.7	85.9	-		268.6
Total non-current liabilities	**3,306.9**	**1,787.1**	**(1,310.2)**		**3,783.8**
Total liabilities	**8,362.1**	**2,455.8**	**498.1**		**11,316.0**
Net assets	**695.4**	**1,168.6**	**3,582.3**		**5,446.3**
Equity					
Ordinary shares	-	12.9	(12.9)	7H	-
Treasury shares, at cost	(10.7)	(1,332.4)	1,332.4	7H	(10.7)
Additional paid-in capital	784.4	594.5	4,358.4	7H	5,737.3
Accumulated other comprehensive (loss) income	(708.5)	(468.6)	468.6	7H	(708.5)
Retained earnings	561.4	2,362.2	(2,564.2)	6, 7F, 7H	359.4
Total shareholders' equity	**626.6**	**1,168.6**	**3,582.3**		**5,377.5**
Non-controlling interests	68.8	-	-		68.8
Total shareholders' equity	**695.4**	**1,168.6**	**3,582.3**		**5,446.3**

Pro Forma Historical Balance Sheet for the Combined Group as at 31 December 2018

US$ million	**Amcor US GAAP**	**Bemis US GAAP (Note 5)**	**Merger adjustments**	**Notes**	**Combined Group US GAAP**
Assets					
Cash and cash equivalents	490.6	76.1	(2.1)	6	564.6
Trade receivables, net	1,351.1	443.3	-		1,794.4
Inventories	1,386.8	619.5	39.1	7D	2,045.4
Prepaid expenses and other assets	310.3	95.7	-		406.0
Total current assets	**3,538.8**	**1,234.6**	**37.0**		**4,810.4**
Investments in affiliated companies	102.6	-	-		102.6
Property, plant and equipment, net	2,616.8	1,177.2	269.8	7A	4,063.8
Deferred tax assets	69.7	-	-	7E	69.7
Other intangible assets, net	315.2	194.5	1,015.5	7C	1,525.2
Goodwill	2,041.2	845.2	2,717.2	7B	5,603.6
Employee benefit asset	36.8	-	-		36.8
Other non-current assets	124.5	119.5	-		244.0
Total non-current assets	**5,306.8**	**2,336.4**	**4,002.5**		**11,645.7**
Total assets	**8,845.6**	**3,571.0**	**4,039.5**		**16,456.1**
Liabilities					
Current portion of long-term debt	644.9	1.8	1,808.8	7G	2,455.5
Short-term debt	1,164.9	10.2	-		1,175.1
Trade payables	1,797.4	460.4	-		2,257.8
Accrued employee costs	222.6	94.3	-		316.9
Other current liabilities	716.3	134.9	159.5	7E, 7F	1,010.7
Total current liabilities	**4,546.1**	**701.6**	**1,968.3**		**7,216.0**
Long-term debt, less current portion	3,051.5	1,348.6	(1,808.8)	7G	2,591.3
Deferred tax liabilities	145.0	166.7	295.6	7E	607.3
Employee benefit obligation	280.0	75.7	-		355.7
Other non-current liabilities	196.2	62.5	-		258.7
Total non-current liabilities	**3,672.7**	**1,653.5**	**(1,513.2)**		**3,813.0**
Total liabilities	**8,218.8**	**2,355.1**	**455.1**		**11,029.0**
Net assets	**626.8**	**1,215.9**	**3,584.4**		**5,427.1**

Equity					
Ordinary shares	-	12.9	(12.9)	7H	-
Treasury shares, at cost	(12.2)	(1,332.4)	1,332.4	7H	(12.2)
Additional paid-in capital	798.1	604.2	4,348.7	7H	5,751.0
Accumulated other comprehensive (loss) income	(743.5)	(525.5)	525.5	7H	(743.5)
Retained earnings	520.4	2,456.7	(2,609.3)	6, 7F, 7H	367.8
Total shareholders' equity	**562.8**	**1,215.9**	**3,584.4**		**5,363.1**
Non-controlling interests	64.0	-	-		64.0
Total shareholders' equity	**626.8**	**1,215.9**	**3,584.4**		**5,427.1**

Notes

5 **Reclassifications to align Bemis' historical balance sheet presentation to Amcor's US GAAP balance sheet presentation:** Certain balances presented in the historical financial statements of Bemis included within the Pro Forma Historical Balance Sheets as at 30 June 2018 and as at 31 December 2018 were reclassified to align their presentation to that of Amcor as indicated in the table below:

	As at 30 June 2018			As at 31 December 2018			
US$ million	Bemis historical	Reclassifi-cations	Bemis reclassified	Bemis historical	Reclassifi-cations	Bemis reclassified	Notes
Assets							
Property, plant and equipment, net	1,272.6	(68.6)	1,204.0	1,250.3	(73.1)	1,177.2	5A
Deferred charges and other assets	130.7	(130.7)	-	119.5	(119.5)	-	5B
Other intangible assets, net	130.6	68.6	199.2	121.4	73.1	194.5	5A
Other non-current assets	-	130.7	130.7	-	119.5	119.5	5B
Total	**1,533.9**	**-**	**1,533.9**	**1,491.2**	**-**	**1,491.2**	
Liabilities and shareholders' equity							
Trade payables	484.3	(70.0)	414.3	515.9	(55.5)	460.4	5C
Accrued income and other taxes	26.5	(26.5)	-	33.3	(33.3)	-	5D
Other current liabilities	61.8	96.5	158.3	46.1	88.8	134.9	5C, 5D
Employee benefit obligations	-	42.4	42.4	-	75.7	75.7	5E
Other non-current liabilities	128.3	(42.4)	85.9	138.2	(75.7)	62.5	5E
Total	**700.9**	**-**	**700.9**	**733.5**	**-**	**733.5**	

A US$68.6 million as at 30 June 2018 and US$73.1 million as at 31 December 2018 of Bemis internal use software reclassified from property, plant and equipment, net to other intangible assets, net.

B US$130.7 million as at 30 June 2018 and US$119.5 million as at 31 December 2018 of Bemis deferred charges and other assets reclassified to other non-current assets.

C US$70.0 million as at 30 June 2018 and US$55.5 million as at 31 December 2018 of Bemis goods received and not invoiced liabilities reclassified from trade payables to other current liabilities.

D US$26.5 million as at 30 June 2018 and US$33.3 million as at 31 December 2018 of Bemis accrued income and other taxes reclassified to other current liabilities.

E US$42.4 million as at 30 June 2018 and US$75.7 million as at 31 December 2018 of Bemis non-current pension and other post-retirement liabilities reclassified from other non-current liabilities to employee benefit obligations.

Merger adjustments

6 **Bemis long-term incentive plan:** Bemis has a long-term incentive plan with its employees that contains clauses which trigger change of control provisions at the consummation of the Transaction. Upon completion of the Transaction, all of the Bemis RSUs outstanding immediately prior to the effective time will be cancelled in exchange for cash and shares, as applicable. Amcor and Bemis expect to settle 0.3 million Bemis RSUs for US$17.4 million in New Amcor Shares and US$1.0 million in cash (including historic dividends on vested Bemis Shares) before adjustment for applicable taxes (0.2 million New Amcor Shares are expected to be issued after adjustment for applicable taxes).

Bemis also has outstanding associated rights to the issuance of additional Bemis Shares that vest upon the achievement of Bemis performance goals (Bemis PSUs). Upon completion of the Transaction, all Bemis PSUs outstanding immediately prior to the effective time will be cancelled in exchange for cash and shares. Amcor and Bemis expect to settle 0.4 million Bemis PSUs for US$24.0 million in New Amcor Shares and US$1.1 million in cash (including historic dividends on vested Bemis Shares) before adjustment for applicable taxes (0.3 million New Amcor Shares are expected to be issued after adjustment for applicable taxes).

7 **Transaction:** The Transaction will be accounted for as a business combination using the acquisition method of accounting in accordance with US GAAP. Under this method, the assets acquired and liabilities assumed have been recorded based on preliminary estimates of fair value and limited information available to date. Significant judgment is required in determining the estimated fair values of definite lived intangible assets, inventory, property, plant and equipment. Such a valuation requires estimates and assumptions including but not limited to, estimating future cash flow and direct costs in addition to developing the appropriate discount rates and current market profit margins. Amcor believes the fair values recognised for the assets to be acquired and the liabilities to be assumed are based on reasonable estimates and assumptions. Preliminary fair value estimates may change as additional information becomes available. The actual fair values will be determined upon the completion of the Transaction and therefore may vary from these estimates.

A **Property, plant and equipment, net purchase price adjustment:** Reflects an increase in the book value for Bemis' property, plant and equipment, net to reflect their acquisition date estimated fair value of US$1,447.0 million. Historical Bemis property, plant and equipment, net at 30 June 2018 was US$1,204.0 million and at 31 December 2018 was US$1,177.2 million. As such, the merger adjustment to increase Bemis property, plant and equipment, net to reflect their acquisition date estimated fair value is US$243.0 million at 30 June 2018 and US$269.8 million at 31 December 2018. Refer to Note 3B in this Section 6.7 for the associated earnings impact.

B **Goodwill adjustment:** Goodwill is calculated as the difference between the purchase consideration and the estimated values assigned to the identifiable tangible and intangible assets acquired and liabilities assumed. See Note 11 in this Section 6.7 for the calculation of the amount of goodwill recognised in connection with the Transaction.

Profile of the Combined Group *continued*

C **Other intangible assets, net purchase price adjustment**: Reflects preliminary estimates of identifiable intangible assets expected to be recognised in connection with the Transaction, consisting of the following:

Description	Estimated fair value (US$ million)	Presentation in Pro Forma Historical Balance Sheet
Trademark	81.0	Other intangible assets, net
Technology	121.0	Other intangible assets, net
Customer relationships	1,008.0	Other intangible assets, net
Total identifiable other intangible assets	**1,210.0**	

Bemis identifiable intangible assets at 30 June 2018 were US$199.2 million and at 31 December 2018 were US$194.5 million. As such, the merger adjustment to increase Bemis identifiable intangible assets to reflect their acquisition date estimated fair value is US$1,010.8 million at 30 June 2018 and US$1,015.5 million at 31 December 2018. Refer to Note 3A in this Section 6.7 for associated earnings impact.

D **Inventory purchase price adjustment:** Reflects an increase in the book value for Bemis inventories to reflect their acquisition date estimated fair value of US$658.6 million. The final fair value determination for inventories may differ materially from this preliminary determination.

US$ million	Fair value as at 30 June 2018	Fair value as at 31 December 2018
Fair value of inventory	658.6	658.6
Less: historical net book value	(615.8)	(619.5)
Adjustment to inventory	**42.8**	**39.1**

E **Deferred taxes:** Reflects the adjustments to record the step up of deferred income tax assets and liabilities resulting from the pro forma fair value adjustments for the assets acquired and liabilities assumed as follows:

Presentation in Pro Forma Historical Balance Sheet	Amount as at 30 June 2018 (US$ million)	Amount as at 31 December 2018 (US$ million)
Current tax liabilities	9.8	9.0
Deferred tax liabilities	288.4	295.6

The deferred tax balances contained within the Pro Forma Financial Information have been calculated by aggregating the existing deferred tax balances for the Amcor and Bemis groups, and adjusting for deferred tax resulting from the pro forma fair value adjustments for the assets acquired and liabilities assumed. This assumes that the pro forma fair value adjustments all relate to US assets and liabilities, and that the tax bases of assets and liabilities remain unchanged as a result of the acquisition. Adjustments to established deferred tax assets and deferred tax liabilities due to refined determination of statutory rates as well as the recognition of additional deferred tax assets and liabilities upon detailed analysis of the acquired assets and assumed liabilities may occur in conjunction with the finalisation of the purchase accounting.

F **Compensation and transaction costs:** As at 30 June 2018, Amcor and Bemis had incurred no significant costs associated with the Transaction. In total, Amcor and Bemis have estimated that, subsequent to 30 June 2018, approximately US$65 million of compensation costs (including Bemis employee entitlement and retention costs) and approximately US$125 million of transaction costs (including acquisition costs, such as advisory, legal and accounting expenses) will be incurred. Amcor also incurred US$9.3 million of pre-deal integration costs subsequent to 30 June 2018; therefore, an adjustment has been made to other current liabilities to accrue for estimated costs related to the Transaction as at 30 June 2018.

As of 31 December 2018, Amcor and Bemis had incurred US$49.4 million of non-recurring costs associated with the Transaction (including the US$9.3 million related to pre-deal integration work). Amcor and Bemis have estimated that approximately US$150 million in costs related to the Transaction will be incurred subsequent to 31 December 2018, including approximately US$65 million of compensation costs (including Bemis employee entitlement and retention costs) and approximately US$85 million of transaction costs (including acquisition costs, such as advisory, legal and accounting expenses). Therefore an adjustment has been made to other current liabilities to accrue for estimated costs related to the Transaction.

While a portion of the costs may be deductible for tax purposes, no deferred tax asset has been recognised in the pro forma balance sheet as an assessment of the deductibility of specific costs will only be completed once compensation and transaction costs are finalised.

G **Reclassification of long-term debt:** Due to change of control provisions, US$1,598.6 million has been reclassified from long-term debt to current portion of long-term debt as at 30 June 2018 (US$1,808.8 million as at 31 December 2018). Of the remaining non-current debt as at 30 June 2018, US$2,559.1 million (US$2,556.1 million as of 31 December 2018) relates to unsecured notes (separately issued by Amcor and Bemis). These notes also include change of control provisions; however, these provisions are only triggered in the event that there is both a change of control event and a credit rating re-rating to below investment grade. New Amcor does not expect a downward re-rating of these notes, and hence they have not been reclassified to current. Refer to Section 6.9.

Amcor	Amount as at 30 June 2018 (US$ million)	Amount as at 31 December 2018 (US$ million)
Bank loans	802.5	1,170.5
Euro notes due 2020	115.6	114.5
US dollar notes due 2021	272.8	273.8
Total Amcor long-term debt reclassified to current portion of long-term debt	**1,190.9**	**1,558.8**

Bemis	Amount as at 30 June 2018 (US$ million)	Amount as at 31 December 2018 (US$ million)
Commercial paper	207.7	50.0
Term loan	200.0	200.0
Total Bemis long- term debt reclassified to current portion of long-term debt	**407.7**	**250.0**
Total Amcor and Bemis long-term debt reclassified to current portion of long-term debt	**1,598.6**	**1,808.8**

H **Elimination of Bemis shareholders' equity**

Item	Amount as at 30 June 2018 (US$ million)	Amount as at 31 December 2018 (US$ million)
Shareholders' equity		
Purchase price adjustments impact on net assets		
Adjustments to total assets	4,082.5	4,041.6
Less: adjustments to total liabilities	(298.2)	(304.6)
	3,784.3	3,737.0
Less: elimination of Bemis shareholders' equity components:		
Ordinary shares	12.9	12.9
Treasury shares, at cost	(1,332.4)	(1,332.4)
Retained earnings	2,362.2	2,456.7
Accumulated other comprehensive income (loss)	(468.6)	(525.5)
Adjustment to additional paid-in capital	**4,358.4**	**4,348.7**

8 **Additional pro forma information:** Management of Amcor and Bemis considered the following assumptions:

A **Existing Bemis management agreements and other compensatory arrangements:** Bemis has management agreements in place with its executive officers. The agreements contain clauses based on which, if the executive officers are terminated without cause or experience a constructive involuntary termination within three months prior to or 36 months subsequent to the completion of the Transaction, they will be entitled to receive certain payments and benefits. For the Bemis "named executive officers" (being William Austen, Michael Clauer, Sheri Edison, Timothy Fliss and William Jackson — see Section 5.4(b) for each of their roles), the aggregate payments and benefits would be US$53.6 million, including cash payments of US$37.9 million, accelerated equity payments of US$15.2 million and value of other benefits of US$0.5 million. The effects of the Bemis management agreements have been reflected in the Pro Forma Historical Financial Information in the estimated compensation costs of approximately US$65 million as at 30 June 2018 and as at 31 December 2018.

Were all Bemis named executive officers terminated within the window of time provided in their respective management agreements, Amcor would be required to make total payments of US$53.6 million in accordance with the management agreements with the Bemis executive officers.

Certain Bemis named executive officers have received retention bonus awards totalling US$1.3 million which will vest and be paid on the one-year anniversary of the completion of the Transaction or such earlier termination of the executive officer's employment other than for misconduct or non-performance. These bonus awards have not been reflected on the Pro Forma Historical Balance Sheet as the necessary service period has not been met for the liability to be paid. Additionally, these bonus awards are not reflected in the Pro Forma Historical Income Statement as they will not have a continuing impact on the results of operations of New Amcor.

Certain non-named executive officers also have management and retention agreements containing provisions similar to those described above. These executives would be entitled to receive aggregate cash payments of US$2.5 million, accelerated equity payments of US$2.7 million and other benefits valued at US$0.1 million. These are not reflected on the Pro Forma Historical Balance Sheet as the necessary service period has not been met for the liability to be paid. Additionally, these are not reflected in the Pro Forma Historical Income Statement as they will not have a continuing impact on the results of operations of New Amcor.

B **Amcor equity share arrangements:** All existing Amcor equity share arrangements will be converted to equal equity share awards in New Amcor in accordance with the description in Section 11.3.

C **Refinancing:** Amcor is likely to refinance some of the existing debt arrangements of Amcor and Bemis as a result of the change of control, as described in Note 7G in this Section 6.7. Amcor is conducting a broader review of the financing arrangements of both Amcor and Bemis and may seek to amend, consolidate, refinance or repay the facilities of either Amcor or Bemis as part of the overall financing strategy for New Amcor. Refer to Section 6.9 for further detail.

(g) Purchase price

For the purposes of preparing the accompanying Pro Forma Historical Balance Sheets as at 30 June 2018 and 31 December 2018, the preliminary estimate of the purchase price was calculated as follows:

(in million shares, except where noted)	Notes	Units	
Estimated number of New Amcor Shares to be delivered to Bemis Shareholders as at 30 June 2018 and 31 December 2018, for the purposes of preparing the Pro Forma Historical Balance Sheet and EPS:			
Bemis Shares	A	million	91.2
Shares related to Bemis stock awards which vest prior to and upon change in control	B	million	0.5
Total adjusted Bemis Shares		million	91.7
Exchange ratio		x	5.1
Total estimated number of New Amcor Shares to be delivered		million	467.7
Preliminary purchase consideration:			
Estimated number of New Amcor Shares to be delivered to Bemis		million	467.7
Multiplied by market price of each Amcor Share on 1 March 2019	C	US$	10.59
Fair value of New Amcor Shares to be issued in exchange for Bemis Shares		US$ million	4,952.9

Notes

A Represents the number of Bemis Shares as at 1 March 2019.

B Includes 0.5 million Bemis Shares expected to be issued on completion of the Transaction. All of Bemis' existing share award grants include a provision in which they immediately vest upon a change of control. See Section 5.6 for further details.

C To determine the preliminary purchase consideration, Amcor's closing price on 1 March 2019 of A$14.95 on ASX has been used, which was translated to US dollars based on the closing exchange rate of 0.71 on that day. The actual purchase price and exchange rate will fluctuate between 1 March 2019 and the completion date of the Transaction. A 10 percent increase in either the value of the Amcor share price or the exchange rate would increase the fair value of the purchase consideration and goodwill by US$495.3 million. A 10 percent decrease in the value of the share price or exchange rate would decrease the purchase consideration and goodwill by US$495.3 million.

9 The estimated purchase price reflected in the Pro Forma Historical Financial Information does not purport to represent what the actual purchase price will be when the Transaction is consummated. In accordance with US GAAP, the fair value of equity securities issued as part of the consideration transferred will be measured on the completion date of the Transaction at the then current market price. This requirement will likely result in a per-share equity component different from the US$54.01 assumed in the Pro Forma Historical Financial Information.

10 The Bemis PSUs and Bemis RSUs include a provision in which they immediately vest upon a change in control, which are expected to result in an additional 0.5 million Bemis Shares being issued and outstanding after adjustment for applicable taxes. As at 1 March 2019 Bemis had 91.2 million Bemis Shares issued and outstanding. The estimated purchase price reflected in the Pro Forma Historical Financial Information includes the Bemis PSUs and Bemis RSUs with the Bemis Shares issued and outstanding as at 1 March 2019.

11 The following is a summary of the preliminary allocation of the above purchase price as reflected in the Pro Forma Historical Balance Sheets as at 30 June 2018 and 31 December 2018.

US$ million	**As at 30 June 2018**	**As at 31 December 2018**
Preliminary purchase consideration	4,952.9	4,952.9
Allocation of preliminary purchase consideration		
Estimated fair value of assets acquired:		
Inventories	658.6	658.6
Property, plant and equipment, net (excluding internal use software)	1,447.0	1,447.0
Identifiable intangible assets	1,210.0	1,210.0
Other assets, which approximate historical carrying value	1,605.4	1,579.8
Total estimated fair values of liabilities assumed, which approximate historical carrying value	(2,455.8)	(2,355.1)
Deferred tax liabilities on fair value adjustments	(298.2)	(304.6)
Goodwill adjustment	**2,785.9**	**2,717.2**

6.8 Capital structure

(a) **Share capital**

New Amcor expects to issue approximately:

- 1,158,141,276 New Amcor Shares to Scheme Shareholders under the Scheme (either directly or by way of New Amcor CDIs)[38];
- 465,387,163 New Amcor Shares to Bemis Shareholders under the Merger[39]; and
- 2,345,475 New Amcor Shares to holders of Bemis Equity Awards in connection with the Merger[40].

As a result, New Amcor will have approximately 1,625,873,914[41] New Amcor Shares on issue post-completion of the Transaction.

(b) **Other securities**

Based on the treatment of the Amcor incentive plans described in Section 11.3, following Implementation, it is expected that New Amcor will also have on issue:

- 1,559,501 "New Amcor Share Rights," issued in New Amcor and otherwise on terms substantially the same as the Amcor Share Rights;
- 1,743,910 "New Amcor Performance Rights/Shares," issued in New Amcor and otherwise on terms substantially the same as the Amcor Performance Rights/ Shares; and
- 11,361,163 "New Amcor Options," issued in New Amcor on terms and otherwise substantially the same as the Amcor Options, but in each case subject to the variations summarised in Section 11.3[42].

6.9 Financing arrangements

Amcor's annual report for the year ended 30 June 2018 and Section 5.7 provide an overview of Amcor's and Bemis' standalone financing arrangements as at 30 June 2018 and 31 December 2018 respectively. Amcor envisages that following Implementation, these standalone financing arrangements will remain in place, with New Amcor assuming the financing arrangements of Bemis, with the exception of some debt arrangements of Amcor and Bemis that are likely to be refinanced due to the change in control (for which Amcor is in the process of developing a refinancing plan).

Amcor is in discussions with a number of its financiers regarding waivers or amendments to the financing arrangements that are required or desirable to implement the Scheme, including as a result of Amcor becoming a subsidiary of New Amcor. Similarly, certain waivers or amendments will be required in respect of Bemis' existing financing arrangements as a result of the Transaction. Amcor currently expects any waivers or amendments required to be secured prior to Implementation. Even if required waivers are not received and lenders require repayment of existing debt, given the amount of debt subject to the required waivers, Amcor management believes New Amcor will have available access to alternate financing arrangements to meet these obligations.

In addition, New Amcor will be required to pay the compensation costs (including Bemis employee entitlement and retention costs) and transaction costs (including acquisition costs, such as advisory, legal and accounting expenses) associated with implementation of the Scheme. Further, following Implementation, Amcor anticipates it will incur one-off costs to integrate the businesses and achieve the estimated level of net cost synergies. It is expected New Amcor will fund these costs out of capital expenditure and working capital synergies, using cash reserves or its existing debt facilities.

Amcor is conducting a broader review of the financing arrangements of both Amcor and Bemis and may seek to amend, consolidate, refinance or repay the facilities of either Amcor or Bemis as part of the overall financing strategy for New Amcor.

6.10 Forward looking statements

This Scheme Booklet includes forward looking statements in respect of the Combined Group, such as the information on potential synergies set out in Sections 1.1(b), 1.1(c) and 6.6(a) to 6.6(c). In addition to those forward looking statements, Amcor has given careful consideration as to whether forecast financial information can and should be included in this Scheme Booklet in respect of Amcor or the Combined Group. In particular, Amcor has considered whether there is a reasonable basis for the preparation and disclosure in this Scheme Booklet of reliable and useful forecast financial statements. Amcor has concluded that forecast financial statements for Amcor or the Combined Group cannot be provided in this Scheme Booklet as Amcor does not have a reasonable basis for such forecasts as required by applicable law and practice, and that inclusion of such forecasts could be potentially misleading. The considerations which have resulted in this conclusion include:

- changes in variables which are beyond the control of Amcor, such as the competitive environment, general economic conditions, exchange rates and the price of supply or inputs, can have a material impact on the reliability of any forecasts produced; and
- at the date of this Scheme Booklet, the extent and timing of opportunities, benefits and costs that are associated with combining Amcor and Bemis are not fully known to Amcor.

For further discussion on the risk factors impacting the Combined Group, refer to Section 7.

38 Assumes 1,158,141,276 Amcor Shares are on issue on the Scheme Record Date.

39 Assumes 91,252,385 Bemis Shares are on issue at Merger Closing.

40 Assumes 459,897 Bemis Shares relating to the Bemis Equity Awards will be cancelled in exchange for New Amcor Shares at Merger Closing. On a change of control all Bemis Equity Awards convert to Bemis Shares as if target performance has been met and assumed resulting Bemis Shares is net of expected applicable taxes.

41 Assumes all New Amcor Shares to be issued to holders of Bemis Equity Awards are issued at the time of Merger Closing. The number of New Amcor Shares that will be on issue immediately following Implementation will be dependent on the number of Amcor Shares and Bemis Shares on issue together with the issue, vesting or forfeiture of Bemis Equity Awards and Amcor Share Rights, Amcor Performance Rights/Shares or Amcor Options prior to Implementation.

42 The number of each security that will be on issue immediately following Implementation will be subject to conversion, vesting or forfeiture of the Amcor Share Rights, Amcor Performance Rights/Shares or Amcor Options in accordance with their terms prior to Implementation.

Risks

The Scheme presents a number of potential risks that Amcor Shareholders should consider when deciding how to vote on the Scheme.

Many of these are risks to which Amcor and, therefore, Amcor Shareholders are already currently exposed, while others arise as a result of the Transaction. In order to facilitate the understanding of the risks described below, the risks have been categorised as Amcor risks, Bemis risks, risks of the Combined Group and other risks. The Bemis risks and the risks of the Combined Group are incremental to the Amcor risks. Further, the risks set out in this Section 7 are not an exhaustive list of all of the risks to which the businesses of Amcor and the Combined Group could be exposed.

This Section 7 should be read in conjunction with Sections 4 and 6, which include further details on Amcor and the Combined Group, respectively, and Section 1, which sets out the advantages and disadvantages of the Transaction. You should read all of this Scheme Booklet, carefully consider your personal circumstances and consult your legal, investment, tax or other professional adviser before deciding how to vote on the Scheme.

7.1 Risks of Amcor

In considering the Scheme, you should be aware that there are a number of general risks, as well as risks specific to Amcor and/or the industries in which it operates, that could materially and adversely affect the future operating and/or financial performance of Amcor and New Amcor.

These risks are currently relevant to Amcor Shareholders and will continue to be relevant to some degree to New Amcor Shareholders and holders of New Amcor CDIs on the basis that after the Scheme is implemented, Amcor will constitute a significant part of the Combined Group's operations. Alternatively, if the Scheme is not implemented, Amcor Shareholders will continue to be subject to these risks.

(a) **Challenging current and future global economic conditions have had, and may continue to have, a negative impact on Amcor's business operations and financial results**

Demand for Amcor's products and services is dependent primarily on consumer demand for packaged food, beverage, healthcare and tobacco products. As a result, general economic downturns in Amcor's key geographic regions and globally can adversely affect Amcor's business operations and financial results. The current global economic challenges, including relatively high levels of unemployment in certain areas in which Amcor operates, low economic growth and difficulties associated with managing rising debt levels and related economic volatility in certain economies, are likely to continue to put pressure on the global economy and on Amcor. In addition, Amcor has recently experienced challenging conditions in parts of South America, where economic conditions have been mixed, and in particular in Argentina, where Amcor has employed hyperinflation accounting for its local subsidiaries, as well as other countries including Russia and the Philippines where Amcor has faced challenges and/or subdued economic conditions, which have impacted Amcor's sales revenue and profitability in those countries.

When challenging economic conditions exist, Amcor's customers may delay, decrease or cancel purchases from Amcor, and may also delay payment or fail to pay Amcor altogether. Suppliers may have difficulty filling Amcor's orders and distributors may have difficulty getting Amcor's products to customers, which may affect Amcor's ability to meet customer demands, and result in a loss of business. Weakened global economic conditions may also result in unfavourable changes in Amcor's product prices and product mix and lower profit margins. All of these factors could have an adverse effect on Amcor's business, cash flow, financial condition and results of operations, and such effect may be material.

(b) **Amcor's international operations subject Amcor to various risks that could adversely affect Amcor's business operations and financial results**

Amcor has operations throughout the world, with 195 facilities in more than 40 countries, including facilities located across emerging markets in Asia, South and Central America, Eastern Europe (excluding the Specialty Cartons operations in Poland) and Africa, as at 30 June 2018. In the year ended 30 June 2018, approximately 70 percent of Amcor's sales revenue came from developed markets (including 32 percent from Western Europe, 33 percent from North America (primarily in the US) and 5 percent from Australia and New Zealand) and 30 percent came from emerging markets. Amcor expects to continue to expand Amcor's operations in the future, particularly into emerging markets in South and Central America and Asia.

Management of global operations is extremely complex, particularly given the often substantial differences in the cultural, political and regulatory environments of the countries where Amcor operates. In addition, many of the countries in which Amcor operates, including India, Indonesia and other emerging markets, have underdeveloped or developing legal, regulatory or political systems, which are subject to dynamic change and civil unrest.

The profitability of each of Amcor's operations in the countries in which Amcor operates may be adversely impacted by, among other things:

- changes in applicable fiscal or regulatory regimes;
- changes in, or difficulties in interpreting and complying with, local laws and regulations, including tax, labour, foreign investment and foreign exchange control laws;
- nullification, modification or renegotiation of, or difficulties or delays in enforcing, contracts with clients or joint venture partners that are subject to local law;
- reversal of current political, judicial or administrative

- policies, policies relating to foreign investment or foreign trade, or relating to the use of local agents, representatives or partners in the relevant jurisdictions; or
- changes in exchange rates and inflation.

Further, sustained periods of legal, regulatory or political instability in the emerging markets in which Amcor operates could have an adverse effect on Amcor's business, cash flow, financial condition and results of operations, and such effect may be material.

The international scope of Amcor's operations, which includes limited sales of Amcor's products to entities located in countries subject to certain economic sanctions administered by the US Office of Foreign Assets Control, the US Department of State, the Australian Department of Foreign Affairs and Trade and other applicable national and supranational organisations, and operations in certain countries that are from time to time subject to these sanctions, also requires Amcor to maintain internal processes and control procedures. Failure to do so could result in breach by Amcor's employees of various laws and regulations, including those relating to money laundering, corruption, export control, fraud, bribery, insider trading, antitrust, competition and economic sanctions, whether due to a lack of integrity or awareness or otherwise. Any such breach could have an adverse effect on Amcor's financial condition and result in reputational damage to Amcor's business, which effect may be material.

(c) **The loss of key customers, a reduction in their production requirements or consolidation among key customers could have a significant adverse impact on Amcor's sales revenue and profitability**

Relationships with Amcor's customers are fundamental to Amcor's success, particularly given the nature of the packaging industry and the other supply choices available to customers. From time to time, a single customer, depending on the current status and volumes of a number of separate contracts in disparate locations, may account for 10 percent or more of Amcor's sales revenue. Customer concentration can be even more pronounced within certain business units, including, in particular, Amcor's North America Beverages (Rigid Plastics) and Specialty Cartons (Flexibles) business units. Consequently, the loss of any of Amcor's key customers or any significant reduction in their production requirements, or an adverse change in the terms of Amcor's supply agreements with them, could reduce Amcor's sales revenue and net profit.

There can be no guarantee that Amcor's key customers will not in the future seek to source some or all of their products or services from competitors, change to alternative forms of packaging, begin manufacturing their packaging products in-house or seek to renew their business with Amcor on terms less favourable than before.

Any loss, change or other adverse event related to Amcor's key customer relationships could have an adverse effect on Amcor's business, cash flow, financial condition and results of operations, which effect may be material.

In addition, over recent years certain of Amcor's customers have acquired companies with similar or complementary product lines. This consolidation has increased the concentration of Amcor's business with these customers. Such consolidation may be accompanied by pressure from customers for lower prices, reflecting the increase in the total volume of products purchased or the elimination of a price differential between the acquiring customer and the company acquired. While Amcor has generally been successful at managing customer consolidations, increased pricing pressures from its customers could have a material adverse effect on its results of operations.

(d) **Amcor is exposed to changes in consumer demand patterns and customer requirements in numerous industries**

Sales of Amcor's products and services depend heavily on the volume of sales made by Amcor's customers to consumers. Consequently, changes in consumer preferences for products in the industries that Amcor serves or the packaging formats in which such products are delivered — whether as a result of changes in cost, convenience or health, environmental and social concerns and perceptions — may result in a decline in the demand for certain of Amcor's products or the obsolescence of some of Amcor's existing products (for example, demand for packaged tobacco products). Although Amcor has adopted certain strategies designed to mitigate the impact of declining sales, there is no guarantee that such strategies will be successful or will offset a decline in demand. Furthermore, any new products that Amcor produces may not meet sales or margin expectations due to many factors, including Amcor's inability to accurately predict customer demand, end user preferences or movements in industry standards or to develop products that meet consumer demand in a timely and cost-effective manner.

Changing preferences for products and packaging formats may result in increased demand for other products Amcor produces (such as PET containers used for water products in place of carbonated soft drinks). However, to the extent changing preferences are not offset by demand for new or alternative products, changes to consumer preferences could have an adverse effect on Amcor's business, cash flow, financial condition and results of operations. Recent consumer and community attention to the use of plastics is an example of such changing preferences. In respect to such attention, Amcor has committed to ensuring all its products can be recycled by 2025.

(e) **Amcor may be unable to expand Amcor's current business effectively through either organic growth, including by product innovation, or acquisitions**

Amcor's business strategy includes both organic expansion of Amcor's existing operations, particularly through (i) efforts to strengthen and expand relationships with customers in emerging markets and (ii) product innovation, and expansion through acquisitions. However, Amcor may not be able to execute Amcor's strategy effectively for reasons within and outside Amcor's control.

Amcor's ability to grow organically may be limited by, among other things, extensive saturation in the locations in which Amcor operates or a change or reduction in Amcor's customers' growth plans due to changing economic conditions, strategic priorities or otherwise. For many of Amcor's businesses, organic growth depends on product innovation, new product development and timely responses to changing consumer demands and preferences. Consequently, failure to develop new or improved products in response to changing consumer preferences in a timely manner may hinder Amcor's growth potential, affect Amcor's competitive position and adversely affect Amcor's business and results of operations.

Additionally, Amcor has made numerous acquisitions in the past decade, including small/bolt-on acquisitions and large/transformational acquisitions, and will continue to actively seek new acquisitions that Amcor believes will provide opportunities for growth. However, there can be no assurance that Amcor will be able to identify suitable acquisition targets in the right geographic regions, and with the right participation strategy, in the future or to complete such acquisitions on acceptable terms or at all. Other companies in the industries and regions in which Amcor operates have similar investment and acquisition strategies to Amcor's, resulting in competition for a limited pool of potential acquisition targets. Due in part to that competition, as well as the recent low interest rate environment, which has made debt funding more appealing and accessible, price multiples for potential targets are currently higher than their historical averages. If, as a result of these and other factors, Amcor is unable to identify acquisition targets that meet Amcor's investment criteria and close such transactions on acceptable terms, Amcor's potential for growth by way of acquisition may be restricted, which could have an adverse effect on achievement of Amcor's strategy and the resulting expected financial benefits.

(f) **Amcor may encounter difficulties in integrating acquisitions and the performance of acquisitions may fall significantly short of Amcor's expectations, either of which could have an adverse impact on Amcor's financial condition and operating results**

The integration of acquisitions presents a number of challenges, including assimilating personnel and, in some cases, learning to operate in new geographies and new products. While Amcor believes Amcor's previous acquisitions have generally improved Amcor's competitiveness and profitability, future acquired businesses may not achieve the expected net cost synergies, levels of revenue, profitability or productivity, or otherwise perform as expected, and such acquisitions may involve significant cash expenditure, debt incurrence, operating losses and expenses and require extensive attention and focus from management and the Amcor Directors. Acquisitions also involve special risks, including the potential assumption of unanticipated liabilities and contingencies.

If Amcor is unable to successfully and effectively integrate acquired businesses or Amcor is required to recognise a significant, unanticipated liability as a result of any acquisitions, this could have an adverse effect on Amcor's business, cash flow, financial condition and results of operations, and such effect may be material. Further, if the actual performance of an acquired business falls significantly below the results Amcor projected for that business, or Amcor's assessment of the value of the business was inaccurate or changes, Amcor may be required to recognise a non-cash impairment charge of goodwill and other intangible assets recognised on the acquisition of a business.

Amcor expects to continue to focus on pursuing further value-creating acquisitions in the future, including small/bolt-on and larger potentially transformational acquisitions, that Amcor believes provide opportunities for growth. The risks associated with acquisitions increase significantly as the size of the acquisition target increases and failure to integrate large or transformational acquisitions in the future could have an adverse effect on Amcor's business, cash flow, financial condition and results of operations.

(g) **Amcor is subject to governmental export and import controls and duties, tariffs or taxes that could subject it to liability or impair its ability to compete in international locations**

Certain of Amcor's products are subject to export controls and may be exported only with the required export licence or through an export licence exception. If Amcor were to fail to comply with export licensing, customs regulations, economic sanctions and other laws, it could be subject to substantial civil and criminal penalties, including fines for Amcor and incarceration for responsible employees and managers, and the possible loss of export or import privileges. In addition, if its distributors fail to obtain appropriate import, export or re-export licences or permits, Amcor may also be adversely affected through reputational harm and penalties. Obtaining the necessary export licence for a particular sale may be time-consuming and may result in the delay or loss of sales opportunities.

Furthermore, export control laws and economic sanctions prohibit the shipment of certain products to embargoed or sanctioned countries, governments and persons. While Amcor trains its employees to comply with these regulations, it cannot ensure that a violation will not occur, whether knowingly or inadvertently. Any such shipment could have negative consequences including government investigations, penalties, fines, civil and criminal sanctions, and reputational harm. In addition, Amcor's global business can be negatively affected by import and export duties, tariff barriers and related local government protectionist measures, and the unpredictability with which these can occur. Any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could impact Amcor's ability to export or sell its products to existing or potential customers with international operations. Any limitation on its ability to export or sell its products could adversely affect Amcor's business, financial condition and results of operations.

(h) **Price fluctuations or shortages in the availability of raw materials, energy and other inputs could adversely affect Amcor's business**

As a manufacturer of packaging products, Amcor's sales and profitability are dependent on the availability and cost of raw materials, labour and other inputs, including energy. All of the raw materials Amcor uses are purchased from third parties, and Amcor's primary inputs include resin, aluminium and fibre-based carton board. Prices for these raw materials are subject to substantial fluctuations that are beyond Amcor's control due to factors such as changing economic conditions, currency and commodity price fluctuations, resource availability, transportation costs, weather conditions and natural disasters, political unrest and instability, and other factors impacting supply and demand pressures. Increases in costs can have an adverse effect on Amcor's business and financial results. Although Amcor seeks to mitigate these risks through various strategies, including by entering into contracts with certain customers which permit certain price adjustments to reflect increased raw material costs or by otherwise seeking to increase Amcor's prices to offset increases in raw material costs, there is no guarantee that Amcor will be able to anticipate or mitigate commodity and input price movements, there may be delays in adjusting prices to correspond with underlying raw material costs, and any failure to anticipate or mitigate against such movements could have an adverse effect on Amcor's business, cash flow, financial condition and results of operations, and such effect may be material.

Supply shortages or disruptions in Amcor's supply chains, including as a result of sourcing materials from a single supplier, could affect Amcor's ability to obtain timely delivery of raw materials, equipment and other supplies from Amcor's suppliers, and, in turn, adversely affect Amcor's ability to supply products to Amcor's customers. Such disruptions could have an adverse effect on Amcor's business and financial results.

(i) **Amcor faces significant competition in the industries and regions in which Amcor operates, which could adversely affect Amcor's business**

Amcor operates in highly competitive geographies and end use areas, each with varying barriers to entry, industry structures and competitive behaviour. Amcor regularly bids for new and continuing business in the industries and regions in which Amcor operates and these continue to change in response to consumer demand. Amcor cannot predict with certainty the changes that may affect Amcor's competitiveness. The loss of business from Amcor's larger customers, or the renewal of business on less favourable terms, may have a significant impact on Amcor's operating results — see Section 7.1(c). In addition, Amcor's competitors may develop disruptive technology or other technological innovations that could increase their ability to compete for Amcor's current or potential customers. No assurance can be given that the actions of established or potential competitors will not have an adverse effect on Amcor's ability to implement Amcor's plans and on Amcor's business, cash flow, financial condition and results of operations.

(j) **Amcor is exposed to foreign exchange risk**

Amcor is subject to foreign exchange rate risk, both transactional and translational, which may negatively affect Amcor's financial performance. Transactional foreign exchange exposures result from exchange rate fluctuations, including in respect of the US dollar, the euro, the Swiss franc and other currencies in which Amcor's costs are denominated, which may affect Amcor's business input costs and proceeds from product sales. Translational foreign exchange exposures result from exchange rate fluctuations in the conversion of entity functional currencies to US dollars, consistent with Amcor's group reporting currency, and may affect the reported value of Amcor's assets and liabilities and Amcor's income and expenses. In particular, Amcor's translational exposure may be impacted by movements in the exchange rate between the euro and US dollar, Amcor's two main currencies. The exchange rate between these two currencies has varied in recent years and is subject to further movement.

Exchange rates between transactional currencies may change rapidly. For instance, the peso, the ruble and the yuan have experienced significant pressures as growth and other concerns have weighed on the Argentine, Russian and Chinese economies, respectively. To the extent currency depreciation continues across Amcor's business, Amcor is likely to experience a lag in the timing to pass through dollar-denominated input costs across Amcor's business, which would adversely impact Amcor's margins and profitability. As such, Amcor may be exposed to future exchange rate fluctuations, and such fluctuations could have an adverse effect on Amcor's reported cash flow, financial condition and results of operations, which effect may be material.

(k) **Amcor is subject to production, supply and other commercial risks, including counterparty credit risks, which may be exacerbated in times of economic downturn**

Amcor faces a number of commercial risks, including (i) operational disruption, such as mechanical or technology failures, each of which could, in turn, lead to production loss and/or increased costs, (ii) shortages in manufacturing inputs due to the loss of key suppliers and (iii) risks associated with development projects (such as cost overruns and delays). In addition, many of the geographic areas where Amcor's production is located and where Amcor conducts Amcor's business may be affected by natural disasters, including earthquakes, snow storms, hurricanes, forest fires and flooding. Any unplanned plant downtime at any of Amcor's facilities would likely result in unabsorbed fixed costs that could negatively impact Amcor's results of operations for the period in which Amcor experienced the downtime.

Additionally, the insolvency of, or contractual default by, any of Amcor's customers, suppliers and financial institutions, such as banks and insurance providers, may have a significant adverse effect on Amcor's operations and financial condition. Such risks are exacerbated in times of economic volatility, either globally or in the geographies and industries in which Amcor and Amcor's customers operate. If a counterparty defaults on a payment obligation to Amcor, Amcor may be unable to collect the amounts owed and some or all of these outstanding amounts may need to be written off. If a counterparty becomes insolvent or is otherwise unable to meet its obligations in connection with a particular project, Amcor may need to find a replacement to fulfil that party's obligations or, alternatively, fulfil those obligations itself, which is likely to be more expensive. The occurrence of any of these risks, including any default by Amcor's counterparties, could have an adverse effect on Amcor's business, cash flow, financial condition and results of operations, and such effect may be material.

(l) **Challenges to or the loss of Amcor's intellectual property rights could have an adverse impact on Amcor's ability to compete effectively**

Amcor's ability to compete effectively depends, in part, on Amcor's ability to protect and maintain the proprietary nature of Amcor's owned and licenced intellectual property. Amcor owns a number of patents on Amcor's products, aspects of Amcor's products, methods of use and/or methods of manufacturing, and Amcor owns, or has licences to use, the material trademark and trade name rights used in connection with the packaging, marketing and distribution of Amcor's major products. Amcor also relies on trade secrets, know-how and other unpatented proprietary technology. Amcor attempts to protect and restrict access to Amcor's intellectual property and proprietary information by relying on the patent, trademark, copyright and trade secret laws of the countries in which Amcor operates, as well as non-disclosure agreements. However, it may be possible for a third party to obtain Amcor's information without Amcor's authorisation, independently develop similar technologies, or breach a non-disclosure agreement entered into with Amcor. Furthermore, many of the countries in which Amcor operates, particularly the emerging markets, do not have intellectual property laws that protect proprietary rights as fully as the laws of the more developed jurisdictions in which Amcor operates, such as the US and the European Union. The use of Amcor's intellectual property by someone else without Amcor's authorisation could reduce certain of Amcor's competitive advantages, cause Amcor to lose sales or otherwise harm Amcor's business. The costs associated with protecting Amcor's intellectual property rights could also adversely impact Amcor's business.

Similarly, while Amcor has not received any significant claims from third parties suggesting that Amcor may be infringing on their intellectual property rights, there can be no assurance that Amcor will not receive such claims in the future. If Amcor were held liable for a claim of infringement, Amcor could be required to pay damages, obtain licences or cease making or selling certain products.

Intellectual property litigation, which could result in substantial cost to Amcor and divert the attention of management, may be necessary to protect Amcor's trade secrets or proprietary technology or for Amcor to defend against claimed infringement of the rights of others and to determine the scope and validity of others' proprietary rights. Amcor may not prevail in any such litigation, and if Amcor is unsuccessful, Amcor may not be able to obtain any necessary licences on reasonable terms or at all. Failure to protect Amcor's patents, trademarks and other intellectual property rights could have an adverse effect on Amcor's business, cash flow, financial condition and results of operations.

(m) **Amcor's employees and operations are subject to various operational hazards and risks**

Due to the inherent nature of Amcor's operations, Amcor's employees may be exposed to potential operational hazards such as fires, malfunction of equipment, accidents, natural disasters and terrorism. Some of these operational hazards may cause personal injury or loss of life, severe damage to or destruction of property and equipment or environmental damage, and may also result in suspension of operations, harm to Amcor's reputation and the imposition of civil or criminal fines or penalties, all of which could have an adverse effect on Amcor's business, financial condition or results of operations, and such effect may be material. These operational hazards and risks may increase as and when Amcor undertakes integration activities associated with acquisitions. For example, Amcor's Lost Time Injury Frequency Rate and Recordable Case Frequency Rate increased in the period following the acquisition of Alusa and have remained elevated since. While Amcor has developed and implemented occupational health and safety management systems designed to remove or minimise such risks and their potential impact on Amcor's employees, property, and operations, there can be no assurance that such hazards and risks will not impact Amcor's operations and employees.

(n) **Amcor is subject to changes in tax regulation and enforcement, including as a result of legislative change or interpretation, and changes to accounting standards**

As at 30 June 2018, Amcor operated in more than 40 countries which have different direct and indirect tax regimes. In some jurisdictions, the application of tax laws and policy to particular facts can be complicated and potentially uncertain. From time to time, Amcor receives assessments for additional taxes from revenue authorities which, having consulted with relevant advisers, Amcor believes are incorrect or unfounded. For example, in respect of Amcor's Brazilian operations, Amcor has received a number of excise and income tax claims from local tax authorities. These claims are subject to proceedings in local courts in Brazil, and Amcor is required to pledge assets, provide letters of credit and/or deposit cash with these courts until these proceedings are resolved. Given the uncertainty of the outcome of these proceedings, Amcor is unable to estimate the amount of any tax assessments that it may be required to pay in the event the claims of the local tax authorities are found to be valid. Any such tax assessments and any related penalties levied on Amcor could have an adverse effect on Amcor's business and cash flow.

In addition, variations in the taxation laws, including further US tax reform, or the interpretation or application of the taxation laws, of the countries in which Amcor operates could have an adverse effect on Amcor's results of operations and financial condition and performance. For example, the impact from the US Tax Cuts and Jobs Act of 2017 (**TCJA**) is continuously being evaluated as formal guidance is released by US Treasury and the Internal Revenue Service. The TCJA may introduce a number of factors which could have an adverse effect on Amcor's results of operations and financial condition and performance (such as non-deductibility of interest and international related party payments). Amcor's preliminary assessment is that any change to its effective tax rate as a result of the TCJA is likely to be immaterial. However, until Amcor's analysis is complete, the full impact of the TCJA on Amcor during future periods is uncertain, and no assurance can be made on any potential impacts.

(o) **An increase in interest rates could reduce Amcor's reported results of operations**

At 30 June 2018, Amcor's variable rate borrowings were US$1,667.5 million. Fluctuations in interest rates can increase borrowing costs and have an adverse impact on results of operations. Accordingly, increases or decreases in short-term interest rates will directly impact the amount of interest Amcor pays.

(p) **Amcor is subject to costs and liabilities related to current and future environmental and health and safety laws and regulations that could adversely affect Amcor's business**

Amcor is required to comply with environmental and health and safety laws, rules and regulations in each of the countries in which it does business. Many of Amcor's products come into contact with the food and beverages they package and therefore Amcor is also subject to certain local and international standards related to such products. Compliance with these laws and regulations can require significant expenditure of financial and employee resources.

In addition, changes to such laws, regulations and standards are made or proposed regularly, and some of the proposals, if adopted, might, directly or indirectly, result in a material reduction in the operating results of one or more of Amcor's operating units. For instance, increase in legislation with respect to litter related to plastic packaging or related recycling programs may result in legislators in some countries and regions in which Amcor's products are sold, to consider banning or limiting certain packaging formats or materials. Additionally, increased regulation of emissions linked to climate change, including greenhouse gas (carbon) emissions and other climate-related regulations, could potentially increase the cost of Amcor's operations due to increased costs of compliance (which may not be recoverable through adjustment of prices), increased cost of fossil fuel inputs and increased cost of energy intensive raw material inputs. However, any such changes are uncertain, and Amcor cannot predict the amount of additional capital expenses or operating expenses that would be necessary for compliance.

Federal, state, provincial, foreign and local environmental requirements relating to air, soil and water quality, handling, discharge, storage and disposal of a variety of substances and climate change are also significant factors in Amcor's business and changes to such requirements generally result in an increase to Amcor's costs of operations. Amcor may be found to have environmental liability for the costs of remediating soil or water that is, or was, contaminated by Amcor or a third party at various facilities owned, used or operated by Amcor (including facilities that may be acquired by Amcor in the future). Legal proceedings may result in the imposition of fines or penalties, as well as mandated remediation programs, that require substantial, and in some instances, unplanned capital expenditure.

The effects of climate change and greenhouse gas effects may adversely affect Amcor's business. A number of governmental bodies have introduced, or are contemplating introducing, regulatory change to address the impacts of climate change, which, where implemented, may have adverse impacts on Amcor's operations or financial results.

Amcor has incurred in the past, and may incur in the future, fines, penalties and legal costs relating to environmental matters, and costs relating to the damage of natural resources, lost property values and toxic tort claims. Provisions are raised when it is considered probable that Amcor has some liability. However, because the extent of potential environmental damage, and the extent of Amcor's liability for such damage, is usually difficult to assess and may only be ascertained over a long period of time, Amcor's actual liability in such cases may end up being substantially higher than the currently provisioned amount. Accordingly, additional charges could be incurred and that would have an adverse effect on Amcor's operating results and financial position, which may be material.

7.2 Risks of Bemis

Many of the risks set out in Section 7.1 apply equally to Bemis' businesses and will continue to be relevant to the Combined Group. Additional risks relating to Bemis and the Combined Group are set out below.

(a) **Restructuring activities — Bemis' restructuring activities and cost saving initiatives may not achieve the results Bemis anticipates**

Bemis is undertaking and may continue to undertake restructuring activities and cost reduction initiatives to optimise Bemis' asset base, improve operating efficiencies and generate cost savings. Bemis cannot be certain that Bemis will be able to complete these initiatives as planned or that the estimated operating efficiencies or cost savings from such activities will be fully realised or maintained over time. In addition, Bemis may not be successful in migrating production from one facility to another.

(b) **Implementing Bemis' enterprise resource planning (ERP) system — Bemis faces risks related to the implementation of Bemis' global ERP system**

Bemis is currently engaged in a multi-year process of conforming the majority of Bemis' operations onto one global ERP system. The ERP system is designed to improve the efficiency of Bemis' supply chain and financial transaction processes, accurately maintain Bemis' books and records, and provide information important to the operation of the business to Bemis' management team. The ERP system will continue to require significant investment of human and financial resources, and Bemis may experience significant delays, increased costs and other difficulties as a result. Any significant disruption or deficiency in the design and implementation of the ERP system could adversely affect Bemis' ability to fulfil and invoice customer orders, apply cash receipts, place purchase orders with suppliers, and make cash disbursements, and could negatively impact data processing and electronic communications among business locations, which may have a material adverse effect on Bemis' business, consolidated financial condition or results of operations. Bemis also faces the challenge of supporting Bemis' older systems and implementing necessary upgrades to those systems while Bemis implements the new ERP system.

During the second quarter of 2017, Bemis experienced manufacturing inefficiencies related to the ERP system implementation at one of Bemis' US plants which was resolved in 2017. While Bemis has invested significant resources in planning and project management, significant implementation issues may arise.

7.3 Risks of the Combined Group

(a) **The pendency of the Transaction could adversely affect Amcor's and Bemis' businesses, results of operations and financial condition**

The pendency of the Transaction could cause disruptions in and create uncertainty surrounding Amcor's and Bemis' respective businesses, including affecting Amcor's and Bemis' relationships with their existing and future customers, suppliers, partners and employees. This could have an adverse effect on Amcor's and Bemis' respective businesses, results of operations and financial condition, as well as the market prices of the Amcor Shares and the Bemis Shares, regardless of whether the Transaction is completed. In particular, Amcor and Bemis could potentially lose important personnel who decide to pursue other opportunities as a result of the Transaction. Any adverse effect could be exacerbated by a prolonged delay in completing the Transaction or if Amcor is unable to decide quickly on the business direction or strategy of New Amcor. Amcor and Bemis could also potentially lose customers or suppliers, existing customers or suppliers may seek to change their existing business relationships or renegotiate their contracts with Amcor or Bemis or defer decisions concerning Amcor or Bemis and potential customers or suppliers could defer entering into contracts with Amcor or Bemis, each as a result of uncertainty relating to the Transaction. In addition, in an effort to complete the Transaction, Amcor and Bemis have expended, and will continue to expend, significant management resources on matters relating to the Transaction, which are being diverted from Amcor's and Bemis' day-to-day operations, and significant demands are being, and will continue to be, placed on the managerial, operational and financial personnel and systems of Amcor and Bemis in connection with efforts to complete the Transaction.

(b) **Third parties may terminate or alter existing contracts or relationships with Amcor or Bemis**

Amcor and Bemis have contracts with customers, suppliers, vendors, distributors, landlords, lenders, licensors, joint venture partners and other business partners which may require Amcor or Bemis to obtain consents from these other parties in connection with the Transaction. If these consents cannot be obtained, the counterparties to these contracts may have the ability to terminate, reduce the scope of or otherwise seek to vary the terms of their relationships or the terms of such contracts with either or both parties in anticipation of the Transaction, or with New Amcor following the Transaction. The pursuit of such rights may result in Amcor, Bemis or New Amcor suffering a loss of potential future revenue, incurring liabilities in connection with breaches of agreements, or losing rights that are material to its respective businesses and the business of New Amcor. In addition, third parties with whom Amcor or Bemis currently have relationships may terminate, reduce the scope of or otherwise seek to vary the terms of their relationship with either party in anticipation of the Transaction. Any such disruptions could limit New Amcor's ability to achieve the anticipated benefits of the Transaction. The adverse effect of such disruptions could also be exacerbated by a delay in the completion of the Transaction or the termination of the Transaction Agreement.

(c) **Completion of the Transaction is subject to receipt of approvals from regulatory and Governmental Entities**

Completion of the Transaction is subject to the satisfaction or waiver of a number of conditions relating to the receipt of approvals from regulatory and Governmental Entities, as well as the absence of any injunctions prohibiting the completion of the Transaction. The required approvals may not be obtained and, as a result, the necessary conditions to completion of the Transaction may not be satisfied. Regulatory and Governmental Entities may impose conditions on the granting of approvals and, if regulatory and Governmental Entities seek to impose conditions, lengthy negotiations may ensue among the regulatory or Governmental Entities, Amcor and Bemis. These conditions and the process of obtaining these approvals could delay the completion of the Transaction and any such conditions may not be satisfied for an extended period of time, if at all.

The conditions imposed by regulatory and Governmental Entities on the granting of approvals may also require divestitures of certain assets of Amcor or Bemis and may impose costs, limitations or other restrictions on the conduct of the business of New Amcor. Under the Transaction Agreement, Amcor has agreed to do all things necessary to promptly obtain the approvals from Governmental Entities listed in the Transaction Agreement, including to agree to divestitures of its or Bemis' businesses that represented up to US$400 million in net sales for the year ended 31 December 2017, if necessary to obtain any approvals required from any Governmental Entity.

Compliance with any conditions imposed by regulatory and Governmental Entities and delays in obtaining their approval may reduce the anticipated benefits of the Transaction, which could also have an adverse effect on New Amcor's business, cash flow and results of operations.

As set out in Section 8.1, the Transaction is subject to the requirements of the HSR Act, which prevents the parties from completing the Transaction until, among other things, Amcor and Bemis have filed notifications with and furnished certain information to the FTC and the Antitrust Division and the 30-calendar day waiting period has expired or been terminated by the FTC or the Antitrust Division. If the FTC or the Antitrust Division issues a request for additional information, during the initial waiting period, Amcor and Bemis must observe a second up to 30-calendar day waiting period beginning from when Amcor and Bemis have substantially complied with the second request. At any time before or after the termination of the statutory waiting periods under the HSR Act, or before or after the completion of the Transaction, the Antitrust Division and others may take action under US antitrust laws, including seeking to enjoin completion of, rescind or unwind the Transaction or to conditionally permit completion of the Transaction. Clearances may also be necessary or recommended in other jurisdictions. The Transaction cannot be completed until the completion conditions relating to applicable filings or clearances under the antitrust laws in the required jurisdictions have been satisfied or waived.

(d) **Amcor may not have discovered certain liabilities or other matters related to Bemis that may adversely affect the future financial performance of New Amcor**

In the course of the due diligence review that Amcor conducted prior to the execution of the Transaction Agreement, Amcor may not have discovered, or may have been unable to properly quantify, certain liabilities of Bemis or other factors that may have an adverse effect on the business, results of operations, financial condition and cash flow of New Amcor after the consummation of the Transaction or on the value of the New Amcor CDIs or New Amcor Shares after the consummation of the Transaction, and holders of New Amcor CDIs or New Amcor Shares will not be indemnified or otherwise compensated for any of these liabilities or other adverse effects resulting from other factors.

(e) **The failure to successfully integrate the business and operations of Bemis in the expected time frame may adversely affect New Amcor's future results**

Historically, Amcor and Bemis have operated as independent companies, and they will continue to do so until the completion of the Transaction. There can be no assurance that their businesses can be integrated successfully. It is possible that the integration process could result in the loss of key Amcor or Bemis employees, the loss of customers, the disruption of either or both companies' ongoing businesses, unexpected integration issues, higher than expected integration costs and an overall post completion integration process that takes longer than originally anticipated. As a result, there is a risk that the estimated synergies and combination benefits may not be realised or that they may be realised over a longer period of time than anticipated.

Specifically, the following issues, among others, must be addressed in integrating the operations of Amcor and Bemis in order to realise the anticipated benefits of the Transaction:

- combining the businesses of Amcor and Bemis and meeting New Amcor's capital requirements in a manner that permits New Amcor to achieve the net cost synergies anticipated to result from the Transaction, the failure of which would result in the anticipated benefits of the Transaction not being realised in the time frame currently anticipated or at all;
- combining the companies' operations and corporate functions;
- integrating and unifying the offerings and services available to customers;
- identifying and eliminating redundant and underperforming functions and assets;
- harmonising the companies' operating practices, employee development and compensation programs, internal controls and other policies, procedures and processes;
- maintaining existing agreements with customers and suppliers and avoiding delays in entering into new agreements with prospective customers and suppliers;
- addressing possible differences in business backgrounds, corporate cultures and management philosophies;
- consolidating the companies' administrative and information technology infrastructure;
- coordinating distribution and marketing efforts;
- managing the movement of certain positions to different locations;
- coordinating geographically dispersed organisations; and
- effecting actions that may be required in connection with obtaining regulatory approvals.

In addition, at times the attention of certain members of either company's or both companies' management and resources may be focused on completion of the Transaction and the integration of the businesses of the two companies and diverted from day-to-day business operations, which may disrupt each company's ongoing business and the business of New Amcor following completion of the Transaction.

(f) **Significant demands will be placed on New Amcor's financial controls and reporting systems as a result of the Transaction**

There are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the Transaction and significant demands will be placed on New Amcor's managerial, operational and financial personnel and systems. The future operating results of New Amcor may be affected by the ability of its officers and key employees to manage changing business conditions and to implement, expand and revise its operational and financial controls and reporting systems in response to the Transaction. For example, while Bemis prepares its financial statements in accordance with US GAAP, Amcor prepares its financial statements in accordance with AAS and New Amcor intends to prepare its financial statements in accordance with US GAAP. The revisions required to consolidate the financial reporting system and to switch Amcor's reporting system to US GAAP will place significant demands on New Amcor's financial controls and reporting systems.

Furthermore, New Amcor will comply with different rules and regulations from those applicable to Amcor, including the reporting requirements of the Exchange Act and the application of the Sarbanes-Oxley Act. It is expected the applicable rules and regulations will result in an increase in legal and financial compliance costs, make certain activities more time-consuming and costly and result in the diversion of management resources.

(g) **Requirements of the Sarbanes-Oxley Act have identified internal controls that need to be addressed**

During the conversion of its historical AAS financial statements to US GAAP, Amcor reviewed the compliance requirements of the Sarbanes-Oxley Act that will be applicable to New Amcor following completion of the Transaction, which include establishing, maintaining and reporting on its internal controls over financial reporting and disclosure controls and procedures. Following Implementation, New Amcor will be required to report in its periodic reports filed with the SEC management's conclusions about the effectiveness of New Amcor's internal controls over financial reporting, including disclosure of any "material weakness", which is defined as a deficiency in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected on a timely basis.

To date, Amcor has specifically identified two such material weaknesses:

- current organisational capabilities (including people, systems and processes) in relation to technical accounting in US GAAP and the disclosure and filing requirements of a US domestic registrant are deficient. To address this, Amcor will initially rely on the assistance of outside advisers with appropriate expertise, while it seeks to recruit and train staff in US GAAP and US domestic reporting requirements and address other gaps in its organisational capabilities; and
- certain deficiencies exist in the design and operating effectiveness of internal controls over the period end financial reporting process. Amcor has commenced a process to identify and address those internal controls requiring amendments.

Neither Amcor nor New Amcor can assure shareholders that the steps proposed to be taken to remedy these matters will be sufficient. Furthermore, additional areas that need to be addressed may be identified.

If Amcor and New Amcor are unable to successfully remedy any existing or future material weaknesses in internal control over financial reporting, New Amcor may be unable to maintain compliance with the requirements regarding the timely filing of periodic reports with the SEC and with the NYSE listing rules. Furthermore, New Amcor may be unable to detect and prevent fraud or error, such that investors may lose confidence in New Amcor's financial reporting, which may affect the price of New Amcor securities.

(h) **The unaudited pro forma condensed combined financial statements included in this Scheme Booklet may not reflect the actual financial condition and results of operations of New Amcor after completion of the Transaction**

This Scheme Booklet includes unaudited pro forma condensed combined financial statements for New Amcor, which present certain impacts of the Transaction and should be read in conjunction with the financial statements and accompanying notes of Amcor and Bemis, complete versions of which are available from Amcor's website, www.amcor.com or ASX's website, www.asx.com.au. The Pro Forma Historical Financial Information is presented for informational purposes only and is not necessarily indicative of what New Amcor's actual financial condition or results of operations would have been had the Transaction been completed on the dates indicated. Accordingly, New Amcor's business, results of operations and financial condition may differ significantly from those indicated by the Pro Forma Historical Financial Information included in this Scheme Booklet.

(i) **New Amcor's estimates and judgments related to the acquisition accounting methods used to record the purchase price allocation related to the Transaction may be inaccurate**

New Amcor's management will make significant accounting judgments and estimates related to the application of acquisition accounting of the Transaction under US GAAP, as well as the underlying valuation models. New Amcor's business, operating results and financial condition could be materially adversely impacted in future periods if the accounting judgments and estimates prove to be inaccurate.

(j) **New Amcor may be unable to retain Amcor and/or Bemis personnel successfully after the Transaction is completed**

The success of the Combined Group will depend in part on New Amcor's ability to retain the talents and dedication of key employees currently employed by Amcor and Bemis. It is possible that these employees may decide not to remain with Amcor or Bemis, as applicable, while the Transaction is pending or with New Amcor after the Transaction is consummated. If key employees terminate their employment, or if an insufficient number of employees is retained to maintain effective operations, New Amcor's business activities may be adversely affected and management's attention may be diverted from successfully integrating Bemis to hiring suitable replacements, all of which may cause New Amcor's business to suffer. In addition, Amcor and Bemis may not be able to locate suitable replacements for any key employees who leave either company, or offer employment to potential replacements on reasonable terms.

(k) **Amcor and Bemis will incur significant costs in connection with the Transaction, regardless of whether the Transaction is completed, and these transaction fees and costs may be greater than anticipated**

Amcor and Bemis have incurred and expect to incur non-recurring costs associated with the Transaction. Some of these costs are payable by Amcor and Bemis regardless of whether or not the Transaction is completed, and may be greater than either party anticipated. While both Amcor and Bemis have assumed that a certain level of expenses would be incurred in connection with the Transaction, there are many factors beyond their control that could affect the total amount or the timing of the integration and implementation expenses. There may also be significant additional, unanticipated costs and charges in connection with the Transaction that New Amcor may not recoup. These costs and expenses could reduce the realisation of the expected benefits of the Transaction. Although Amcor expects that these benefits will offset the Transaction expenses and implementation costs over time, this net benefit may not be achieved in the near term or at all.

(l) **Weakened conditions in the credit and capital markets or other factors may hinder New Amcor's ability to obtain financing on acceptable terms or at all. If New Amcor is unable to access the credit and capital markets, this could impair New Amcor's liquidity, business or financial condition**

Each of Amcor and Bemis relies, and New Amcor expects to continue to rely, on access to the credit and capital markets to finance its operations and refinance existing indebtedness. For example, both Amcor and Bemis currently have revolving credit facilities, which New Amcor may replace with a new revolving credit facility for New Amcor. Should New Amcor be unable to raise money in the credit or capital markets, New Amcor may be required to alter or increase its capitalisation substantially through the issuance of additional equity securities or incurrence of further indebtedness. Additional borrowings would require that a greater portion of New Amcor's cash flow from continuing operations be used for debt service, thereby reducing Amcor's ability to use cash flow to fund working capital, capital expenditure and acquisitions.

New Amcor's cash flow from operations and access to debt and equity capital markets will be subject to a number of variables, including its results of operations, margins and activity levels, the conditions of the global credit and capital markets, market perceptions of New Amcor's creditworthiness and the ability and willingness of lenders and investors to provide capital. For example, New Amcor's access to the credit and capital markets in amounts adequate to finance its activities could be impaired as a result of the absence of information on and a reporting history of New Amcor.

The costs and availability of financing from the credit and capital markets will be dependent on New Amcor's credit ratings. The level and quality of New Amcor's earnings, operations, business and management, among other things, will impact the determination of New Amcor's credit ratings. A decrease in the ratings assigned to New Amcor by the rating agencies may negatively impact New Amcor's access to the debt capital markets and increase its cost of borrowing. New Amcor may not maintain the current creditworthiness or prospective credit ratings of Amcor or Bemis and it may not obtain a credit rating at all, and any actual or anticipated changes or downgrades in any credit ratings assigned to New Amcor may have a negative impact on its liquidity, capital position or access to capital markets.

Both Amcor's and Bemis' borrowings include unsecured notes which are subject to change of control provisions. These provisions are only triggered if both a change of control event occurs and the major rating agencies re-rate the notes to below investment grade or the notes become un-rated. If these conditions are met, the notes become callable.

In recent years, global financial markets have experienced disruptions and general economic conditions have been volatile. Due to this volatility, New Amcor may not be able to obtain the funding it needs on terms acceptable to New Amcor or at all. In addition, New Amcor may not be able to refinance the existing indebtedness of Amcor and Bemis, or indebtedness incurred by New Amcor, as it comes due on terms that are acceptable to New Amcor or at all. If New

Amcor cannot meet its capital needs or refinance its and its subsidiaries' indebtedness, it may be unable to execute its business strategy, or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could have an adverse effect on its business, cash flow, financial condition and results of operations.

7.4 Other risks

(a) Markets and investments in equity capital

There are general risks associated with any investment in a NYSE listed company. As is the case in respect of ASX listed companies, the share prices for many NYSE listed companies have been subject to substantial fluctuations and may experience fluctuations in the future.

The trading price of New Amcor CDIs and New Amcor Shares may fluctuate depending on the financial condition and operating performance of Amcor (and the Combined Group), as well as other external factors over which the New Amcor Directors have no control. These external factors include: general movements in international stock markets; investor sentiment; international economic conditions and outlook, changes in interest rates and the rate of inflation; changes in government regulation and policies; announcement of new technologies; and geo-political instability, including international hostilities and acts of terrorism.

Fluctuation in the price of New Amcor CDIs and New Amcor Shares may cause difficulties in raising capital, attracting analyst coverage, and accessing liquidity and funding.

No assurance can be given that the price of New Amcor CDIs and New Amcor Shares will not be adversely affected by these factors. None of Amcor, the Amcor Board, Bemis, the Bemis Board, New Amcor, the New Amcor Board or any other person guarantees the market performance of New Amcor CDIs or New Amcor Shares.

(b) New Amcor's payment of dividends to its shareholders is subject to the discretion of the New Amcor Board and may be limited by Jersey law

Any determination to pay dividends to New Amcor Shareholders will be at the discretion of the New Amcor Board and will be dependent on then-existing conditions, including the Combined Group's financial condition, earnings, legal requirements, including limitations under Jersey law, and other factors the New Amcor Board deems relevant. The New Amcor Board may, in its sole discretion, commence dividend payments, change the amount or frequency of dividend payments or discontinue the payment of dividends entirely. For these reasons, New Amcor Shareholders will not be able to rely on dividends to receive a return on your investment. Accordingly, realisation of a gain on New Amcor Shares received in the Transaction may depend on the appreciation of the price of the New Amcor Shares, which may never occur.

(c) Adverse global economic conditions

General economic conditions, globally or in one or more of the geographies served by the Combined Group, may adversely affect the Combined Group's financial and operational performance. A number of factors affect the performance of stock markets, which could affect the price at which New Amcor CDIs trade on ASX, and New Amcor Shares trade on NYSE, following Implementation.

Recessionary or low economic growth conditions in their key geographies and the disruption in global financial markets may significantly impact the Combined Group's key customers. As a result, customers may fail to make payments or perform their other obligations on time or at all, increasing the Combined Group's general counterparty credit risk. These factors may affect the Combined Group's operational and financial performance, both in the short and medium term.

Political uncertainty may also contribute to the general economic conditions in one or more geographies in which the Combined Group will operate. For example, the formal process for the UK leaving the European Union has resulted in uncertainty regarding the long-term nature of the UK's relationship with the European Union, causing significant volatility in global financial markets and altering the conduct of market participants. Political developments such as this could potentially disrupt the geographies New Amcor serves and the tax jurisdictions in which New Amcor operates, and may cause New Amcor to lose customers, suppliers and employees.

In addition, poor economic conditions may force customers to cease using the Combined Group's services, as well as force customers to seek protection under bankruptcy laws, potentially affecting both future business and the ability of the Combined Group to collect accounts receivable and may give rise to an increase in the delay of debtor payments. There is no guarantee of the Combined Group being able to obtain damages sufficient to compensate it in full for losses arising as a result.

The Combined Group will be exposed to outsourcing risk where its operations rely on third parties. Market conditions and/or changing business needs may require the Combined Group to reorganise their operations or outsource more activities, which could lead to risk of business disruption.

(d) Exposure to rising interest rates

The Combined Group will be subject to the risk of rising interest rates associated with borrowing on a floating rate basis. The Amcor Board has approved, and the New Amcor Board is expected to approve, a hedging policy to manage the risk of rising interest rates. The level of hedging activity undertaken may change from time to time and New Amcor may elect to change its hedging policy at any time. If New Amcor's hedges are not effective in mitigating its interest rate risk, if New Amcor is under-hedged or if a hedge provider defaults on its obligations under hedging arrangements, it could have an adverse effect on New Amcor's business, cash flow, financial condition and results of operations.

(e) Exposure of earnings to fluctuating foreign exchange rates

The Combined Group will have operations in many jurisdictions. Therefore, it will be exposed to foreign earnings, expenses and borrowings, transaction exposures affecting the value of transactions translated back to the functional currency of the subsidiary and translation exposures affecting the value of assets and liabilities of overseas subsidiaries when translated into US dollars.

The Combined Group may manage the impact of exchange rate movements on both its earnings and balance sheet by entering into hedging transactions, including derivative financial instruments. As the Combined Group may hold some borrowings denominated in a foreign currency, it will therefore be exposed to this risk in the absence of effective hedging.

To the extent the Combined Group does not hedge effectively, or at all, against movements in the exchange rate of these currencies, such exchange rate movements may adversely affect its earnings and/or balance sheet.

(f) **Changes in existing financial accounting standards or practices may adversely affect New Amcor's business, results of operations or financial condition**

Changes in existing accounting rules or practices, new accounting pronouncements or rules or varying interpretations of current accounting pronouncements could harm New Amcor's operating results or the manner in which it conducts its business. Further, such changes could potentially affect New Amcor's reporting of transactions completed before such changes are effective.

Furthermore, US GAAP is subject to interpretation by the US Financial Accounting Standards Board, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on New Amcor's reported financial results and could affect the reporting of transactions completed before the announcement of a change.

(g) **Litigation**

Like any business, disputes or litigation may arise from time to time in the course of the business activities of the Combined Group. There is a risk that any material or costly dispute or litigation could adversely affect the Combined Group's reputation, financial performance or value. In particular, as Amcor is one of the world's largest packaging companies, with the majority of sales in the year ended 30 June 2018 made into the food, beverage, pharmaceutical, medical device, home and personal care and other consumer goods end use areas, any product safety or integrity incident could result in significant litigation exposure.

The Combined Group may also be subject to legal action from New Amcor Shareholders or Bemis Shareholders in respect of the Transaction, which may result in the diversion of resources of the Combined Group or create difficulties in realising the advantages of the Transaction.

(h) **Negative publicity and failure to communicate effectively**

The Combined Group will be subject to the risk that negative publicity, whether true or not, may affect stakeholder perceptions of the Combined Group's past actions and future prospects. Being listed on NYSE and ASX, the Combined Group will be subject to risks relating to market expectations for its business, and financial and operating performance. If the Combined Group does not communicate these expectations in an effective manner, this may give rise to a loss of investor confidence in its business and management.

(i) **Unfavourable changes in taxation laws**

Variation in the taxation laws of the countries where the Combined Group will operate could materially affect the Combined Group's financial performance. The interpretation of taxation laws could also change, leading to a change in taxation treatment of investments or activities. Consistent with other companies of comparable size, financing complexity and diversity, the Combined Group may be the subject of periodic information requests and audit activities by tax authorities in jurisdictions in which the Combined Group operates.

(j) **New Amcor adverse tax consequences**

New Amcor intends to be tax resident solely in the UK. New Amcor intends to meet all requirements to establish UK tax residency by establishing that central management and control of the Combined Group rests in the UK. However, were New Amcor to be treated as tax resident in an alternative or additional jurisdiction, this could increase the aggregate tax burden on New Amcor and its shareholders.

In addition, the Merger and the Scheme, taken together, may fail to qualify as an exchange described under section 351 of the Code, potentially causing US holders of Amcor Shares to recognise a gain for US federal income tax purposes.

Implementation of the Transaction

SECTION **8**

8.1 Transaction Agreement

On 6 August 2018, Amcor entered into a transaction agreement with Bemis, New Amcor and Arctic Corp[43]. (**Transaction Agreement**) to implement the Merger and create the new holding company, New Amcor, through implementation of the Scheme.

A full copy of the Transaction Agreement was lodged with ASX on 7 August 2018 and can be obtained from www.asx.com.au or from www.amcor.com. A summary of the key elements of the Transaction Agreement is set out below.

(a) **Key Conditions Precedent**

Implementation is subject to the satisfaction or waiver (as applicable) of a number of Conditions Precedent, which include the following:

Condition Precedent	Status
FIRB approval: FIRB approval has been obtained.	FIRB approval was obtained on 15 November 2018.
Registration statement: The Form S-4 has become effective under the Securities Act.	It is currently expected that the Form S-4 will become effective on Wednesday, 27 March 2019.
HSR approval: The applicable waiting periods under the HSR Act in connection with the Transaction have expired or been earlier terminated.	On 31 August 2018, Amcor and Bemis each filed a Notification and Report Form for Certain Mergers and Acquisitions with the Antitrust Division and the FTC as required pursuant to the HSR Act. On 26 October 2018, Amcor and Bemis each received a second request for information from the Antitrust Division. Merger control review in the US is ongoing.
Other government approvals: All required consents from Governmental Entities under the antitrust laws of the jurisdictions listed in the Transaction Agreement (as amended by Amcor and Bemis) have been obtained and all applicable waiting periods have expired, lapsed or been terminated.	On 15 November 2018, Amcor and Bemis submitted notification to the European Commission of the Transaction pursuant to Council Regulation (EC) No. 139/2004. The notification was withdrawn and re-submitted on 12 December 2018. On 11 February 2019, Amcor and Bemis received clearance from the European Commission — refer to Section 6.5(b) for further information. As of 12 October 2018, Amcor and Bemis had filed for all other applicable non-US regulatory approvals required for completion of the Transaction. As of 1 March 2019, Amcor and Bemis had received clearance in or confirmed clearance is not required in Australia, Chile, China, Colombia, Kazakhstan, Mexico, Morocco, New Zealand and Serbia. Merger control review in Brazil is ongoing.
Listing approval: NYSE approves the listing of the New Amcor Shares and ASX approves the admission of New Amcor to the official list of ASX and the quotation of New Amcor CDIs.	Relevant applications in respect of admission of New Amcor to NYSE and to the official list of ASX (as an ASX Foreign Exempt Listing), and approval of the New Amcor CDIs for quotation on ASX, are expected to be lodged after the date of this Scheme Booklet.
Bemis Shareholder Approval: The Bemis Shareholder Approval being duly obtained.	The Bemis Special Meeting is expected to be held at 9.00am (US Central time) on Thursday, 2 May 2019.
Amcor Shareholder Approval: The Amcor Shareholders agree to the Scheme by the Requisite Majorities.	The Scheme Meeting to consider the Scheme Resolution is expected to be held at 1.30pm (Melbourne time) on Thursday, 2 May 2019.
Tax confirmation: Amcor and Bemis receive tax advice that since the date of the Transaction Agreement, there has been no change in tax law, the effect of which would cause the Merger and the Scheme to fail to qualify for the Intended Tax Treatment.	It is expected that this advice will be obtained immediately prior to the Court hearing on the Second Court Date.
Court approval: The approval by the Court being obtained at the hearing on the Second Court Date.	The Second Court Date is scheduled for Tuesday, 7 May 2019.

The Merger is subject to conditions precedent set out in section 7.2 of the Transaction Agreement, the key condition being Implementation.

Amcor has agreed to do all things necessary to promptly obtain the approvals from Governmental Entities described above, including to agree to divestitures (if required) of its or Bemis' businesses that generated up to US$400 million in net sales for the year ended 31 December 2017.

43 Arctic Corp. is a Missouri corporation and wholly-owned subsidiary of Amcor which will merge with and into Bemis as part of the Transaction.

(b) **Non-solicitation**

Subject to certain limited exceptions (discussed below), each of Amcor and Bemis has agreed in sections 5.3 and 5.4 of the Transaction Agreement that, except as expressly provided by the Transaction Agreement, it will not directly or indirectly:

- initiate, solicit, knowingly encourage or otherwise knowingly facilitate any inquiries or the making of any proposal or offer, that constitutes, or would reasonably be expected to lead to, any Competing Proposal;
- engage or otherwise participate in any discussions or negotiations with any third party relating to any actual or likely Competing Proposal;
- provide any non-public information or data to any individual or entity in connection with, related to or in contemplation of any proposal or offer that would reasonably be expected to lead to a Competing Proposal;
- enter into any agreement relating to a Competing Proposal (other than a confidentiality agreement); or
- withdraw or modify, in the case of:
  - Bemis, the Bemis Board's recommendation that Bemis Shareholders approve the Transaction Agreement; and
  - Amcor, the Amcor Board's recommendation that Amcor Shareholders vote in favour of the Scheme.

(c) **Responding to Competing Proposals**

The restrictions above are subject to fiduciary exceptions. Prior to the receipt of the Amcor Shareholder Approval, in the case of Amcor, or prior to the receipt of the Bemis Shareholder Approval, in the case of Bemis, the relevant party may:

- provide access to information to a person who has made a Competing Proposal for the party; and
- participate in discussions or negotiations regarding such Competing Proposal,

provided that the party's board of directors first determines in good faith after consultation with outside legal counsel and a financial adviser that the failure to take such action would reasonably be expected to be inconsistent with the directors' fiduciary duties, and such Competing Proposal would reasonably be expected to result in a Superior Proposal.

For a Competing Proposal to constitute a Superior Proposal, it must involve, amongst other things (see the definition of Superior Proposal in Section 12 for further details), a proposal to acquire at least 50 percent of the consolidated assets, or equity or voting securities, of Amcor or Bemis, as applicable.

Following the receipt of the Amcor Shareholder Approval, in the case of Amcor, or the Bemis Shareholder Approval, in the case of Bemis, this ability to provide access to information to or participate in discussions with a person who has made a Competing Proposal will cease to apply.

(d) **Notification**

Each of Amcor and Bemis, as applicable, is required to notify the other promptly, but in any event no later than 24 hours after receipt of, or discussions with respect to, any Competing Proposal (including inquiries or proposals that would reasonably be expected to lead to a Competing Proposal) or requests for non-public information.

(e) **Board change of recommendation**

Prior to the receipt of the Amcor Shareholder Approval, in the case of Amcor, or prior to the receipt of the Bemis Shareholder Approval, in the case of Bemis, each party's board of directors may withdraw or change their respective recommendation and/or enter into an agreement for a Superior Proposal, in either case if:

- there is a Competing Proposal, the Competing Proposal is not withdrawn and the party's board of directors determines in good faith, after consultation with outside legal counsel and a financial adviser, that such Competing Proposal constitutes a Superior Proposal; or
- in circumstances other than in connection with a Competing Proposal, there is an Intervening Event,

and the party's board of directors determines in good faith, after consultation with outside legal counsel and a financial adviser, that the failure to take such action would reasonably be expected to be inconsistent with the directors' fiduciary duties.

Following the receipt of the Amcor Shareholder Approval, in the case of Amcor, or the receipt of the Bemis Shareholder Approval, in the case of Bemis, this ability to change recommendation and/or enter into an agreement for a Superior Proposal will cease to apply.

Each party's board of directors must not withdraw or change their respective recommendation or enter into a definitive agreement for a Superior Proposal, unless the relevant board of directors has given the other party four Business Days to amend the terms of the Transaction Agreement, and after such four Business Days, determined that the Competing Proposal would be a Superior Proposal.

(f) **Termination of the Transaction Agreement**

Prior to the Scheme becoming Effective, the Transaction Agreement may be terminated and the Transaction may be abandoned in certain circumstances set out in section 8.1 of the Transaction Agreement, including but not limited to the following:

*(1) **By either Amcor or Bemis***

Either Amcor or Bemis may terminate the Transaction Agreement if:

- the Scheme has not become Effective or the Merger Closing has not occurred by 5.00pm (US Central time) on 6 August 2019 (unless extended pursuant to the Transaction Agreement);
- any Governmental Entity has issued a final and non-appealable order or law permanently prohibiting the Transaction, provided that, in the case of antitrust laws, the termination right only arises to the extent the violation or contravention of such law or order as in effect would reasonably be expected to result in criminal liability or would have a material and adverse effect on New Amcor;
- the Amcor Shareholder Approval is not obtained at the Scheme Meeting;
- the Bemis Shareholder Approval is not obtained at the Bemis Special Meeting; or
- the Court declines to make the necessary orders at the hearing on the First Court Date or the hearing on the Second Court Date.

*(2) **By Amcor***

Amcor may terminate the Transaction Agreement:

- if Bemis has breached any of its representations or warranties that results in a material adverse effect or failed to perform in all material respects its covenants in the Transaction Agreement, and such breach or failure to perform is either incapable of being cured or is not cured by the earlier of (i) the End Date and (ii) 30 days following written notice by Amcor;

Implementation of the Transaction *continued*

- in order for Amcor to concurrently enter into a definitive agreement with respect to a Superior Proposal; or
- if, prior to obtaining the Bemis Shareholder Approval, the Bemis Board changes, withdraws or adversely amends its unanimous recommendation that Bemis Shareholders approve the Merger or the Bemis Board recommends or adopts a Competing Proposal in respect of Bemis.

*(3) **By Bemis***

Bemis may terminate the Transaction Agreement:

- if Amcor, Artic Corp. or New Amcor has breached any of its representations or warranties that results in a material adverse effect or failed to perform in all material respects its covenants in the Transaction Agreement, and such breach or failure to perform is either incapable of being cured or is not cured by the earlier of (i) the End Date and (ii) 30 days following written notice by Bemis;
- in order for Bemis to enter into a definitive agreement with respect to a Superior Proposal; or
- if, prior to obtaining the Amcor Shareholder Approval, the Amcor Board changes, withdraws or adversely amends its unanimous recommendation that Amcor Shareholders vote in favour of the Scheme or the Amcor Board recommends or adopts a Competing Proposal in respect of Amcor.

(g) **Termination fee**

Amcor has agreed to pay Bemis a termination fee of US$130 million if the Transaction Agreement is terminated:

- by Bemis pursuant to the Bemis termination right for withdrawal or modification of the Amcor Board's recommendation set out in Section 8.1(f)(3);
- by Amcor or Bemis in circumstances where either validly terminates for Implementation or Merger Closing not occurring by the End Date or the Court not making the necessary orders at a time when the Transaction Agreement is terminable by Bemis for withdrawal or modification of the Amcor Board's recommendation set out in Section 8.1(f)(3);
- by Amcor pursuant to the Amcor right to terminate to enter into a Superior Proposal set out in Section 8.1(f)(2); or
- by:
  - either Amcor or Bemis, in circumstances where either may validly terminate for Implementation or Merger Closing not occurring by the End Date, Amcor Shareholder Approval not being obtained or the Court not making the necessary orders; or
  - Bemis, in circumstances where it may validly terminate for Amcor's material breach of covenants, as set out above in Section 8.1(f)(3),

  and prior to such termination, a bona fide Competing Proposal has been made or an intention to make a Competing Proposal announced and within 12 months after the date of termination Amcor consummates a Competing Proposal (provided that solely for the purposes of the right to the termination fee described in this Section 8.1(g), all references to "20 percent or more" in the definition of "Competing Proposal" will be deemed to be references to "more than 50 percent").

Bemis has also agreed to pay Amcor a termination fee of US$130 million if the Transaction Agreement is terminated in certain circumstances.

(h) **Representations, warranties and restrictions on conduct of business in the Transaction Agreement**

The Transaction Agreement contains:

- a number of representations and warranties made by Amcor (as set out in Article 4 of the Transaction Agreement) and Bemis (as set out in Article 3 of the Transaction Agreement); and
- certain restrictions on conduct of business given by each of Amcor (as set out in section 5.2 of the Transaction Agreement) and Bemis (as set out in section 5.1 of the Transaction Agreement),

that are customary for a transaction of this kind.

8.2 Key steps to implement the Scheme

(a) **Deed Poll**

On 25 February 2019, New Amcor executed the Deed Poll pursuant to which it agreed, subject to the Scheme becoming Effective, to comply with its obligations under the Scheme. A copy of the Deed Poll is provided in Annexure D.

(b) **Court hearings**

On Tuesday, 12 March 2019, the Court ordered that Amcor convene the Scheme Meeting to be held at 1.30pm (Melbourne time) on Thursday, 2 May 2019 at the Clarendon Auditorium, Melbourne Convention and Exhibition Centre, 1 Convention Centre Place, South Wharf, Victoria 3006 for the purposes of considering the Scheme. The order of the Court convening the Scheme Meeting is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

If the Scheme is agreed to by the Requisite Majorities, Amcor will apply to the Court (on the Second Court Date) for an order approving the Scheme. The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is agreed to by the Requisite Majorities. The Second Court Date is currently expected to be held on Tuesday, 7 May 2019, though a later date may be sought. Any change to this date will be announced on ASX and notified on Amcor's website (www.amcor.com).

(c) **Actions by Amcor and New Amcor**

If the Court order approving the Scheme is obtained, the Amcor Directors and the New Amcor Directors will take, or procure the taking of, the steps required for the Scheme to proceed.

In particular, Amcor will lodge with ASIC copies of the Court order under section 411 of the Corporations Act, approving the Scheme and the Scheme will become Effective. This is expected to occur on, or on the Business Day following, the Second Court Date.

(d) **Suspension of trading of Amcor Shares**

If the Scheme becomes Effective, it is expected that Amcor Shares will be suspended from trading from the close of trading on the Effective Date (which is expected to be the Second Court Date or the Business Day following the Second Court Date). On a date to be determined by New Amcor, Amcor will apply for the termination of the official quotation of Amcor Shares on ASX.

(e) **New Amcor CDIs to trade on deferred settlement basis**

New Amcor will seek confirmation from ASX that, as from the Business Day after the Effective Date (or such later date as ASX requires), the New Amcor CDIs to be issued as Scheme Consideration will be listed for quotation on the official list of ASX.

The New Amcor CDIs issued as Scheme Consideration are expected to commence trading on ASX, initially on a deferred settlement basis and, with effect from the first Business Day after the Implementation Date (or such later date as ASX requires), on a normal settlement basis.

It is the responsibility of each Scheme Shareholder to confirm their holdings of New Amcor CDIs before they trade them, to avoid the risk of committing to sell more than will be issued to them.

Amcor Shareholders who sell New Amcor CDIs before they receive their holding statements or confirm their holdings of New Amcor CDIs do so at their own risk. Neither Amcor nor New Amcor takes any responsibility for such trading.

If a Scheme Shareholder elects to receive New Amcor Shares instead of New Amcor CDIs as Scheme Consideration (see Section 8.2(g)), the Scheme Shareholder will not be able to trade their New Amcor Shares on a deferred settlement basis on NYSE. Trading on NYSE will commence on the Implementation Date (New York time).

(f) **Determination of who are Scheme Shareholders**

To establish the identity of Scheme Shareholders, dealings in Amcor Shares or other alterations to the Amcor Share Register will only be recognised if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Amcor Share Register as the holder of the relevant Amcor Shares before the Scheme Record Date; and
- in all other cases, registrable transfers or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Amcor Share Register is kept,

and Amcor must not accept for registration, nor recognise for any purpose (except a transfer to New Amcor pursuant to the Scheme and any subsequent transfer by New Amcor or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

For the purposes of determining entitlements to the Scheme Consideration, Amcor will maintain the Amcor Share Register on this basis until the Scheme Consideration has been issued to the Scheme Shareholders. The Amcor Share Register in this form will solely determine entitlements to the Scheme Consideration.

(g) **Form of Scheme Consideration**

Unless they request otherwise, a Scheme Shareholder will receive all their Scheme Consideration in the form of New Amcor CDIs, which are tradeable on ASX and are described in detail in Section 8.5. New Amcor CDIs have the advantage that they can be traded on ASX during Australian business hours using Australian brokers and in Australian dollars, in a similar way to existing Amcor Shares. New Amcor Shares can only be traded on NYSE in US dollars and not on ASX and so may not be appropriate for many Amcor Shareholders.

A Scheme Shareholder can elect to receive all their Scheme Consideration in the form of New Amcor Shares instead of New Amcor CDIs by contacting the Amcor Share Registry on or before the Effective Date (allowing sufficient time for the election form to be received prior to 5.00pm (Melbourne time) on the Effective Date).

Please note that, in all cases, the provision of New Amcor Shares rather than New Amcor CDIs is at the sole discretion of New Amcor.

If an Amcor Shareholder holds one or more parcels of Amcor Shares as trustee or nominee for, or otherwise on account of, another person, that Amcor Shareholder may not make separate elections to receive New Amcor Shares in respect of those parcels. If some of the underlying beneficiaries prefer that the Scheme Consideration is received in the form of New Amcor Shares, while others prefer that the Scheme Consideration is received in the form of New Amcor CDIs, the trustee or nominee must, prior to an election form being submitted, establish separate and distinct holdings in the Amcor Share Register in respect of each parcel of Amcor Shares in order to allow the trustee or nominee to make separate elections in respect of each parcel of Amcor Shares. Accordingly, trustees and nominees should only provide one election form for each registered shareholding of Amcor Shares.

(h) **Provision of Scheme Consideration**

In respect of the Scheme Consideration to be provided as New Amcor CDIs, New Amcor will:

- for the benefit of CHESS Depositary Nominees, issue one New Amcor Share for every New Amcor CDI that is required under the Scheme;
- procure that on the Implementation Date, CHESS Depositary Nominees issues to each Scheme Shareholder the number of New Amcor CDIs to which it is entitled under the Scheme;
- procure that on the Implementation Date, CHESS Depositary Nominees issues to the Sale Nominee appointed by New Amcor such number of New Amcor CDIs as is attributable to Ineligible Foreign Shareholders under the Scheme; and
- procure that on the Implementation Date, the name of each Scheme Shareholder is entered in the records maintained by CHESS Depositary Nominees as the holder of the CDIs issued to that Scheme Shareholder on the Implementation Date.

New Amcor will send, or procure the sending of, a CDI holding statement or confirmation advice to each Scheme Shareholder which sets out the number of New Amcor CDIs held on the CHESS subregister or the issuer sponsored subregister (as applicable) by that Scheme Shareholder (see Section 8.5(a)(2)).

In respect of the Scheme Consideration to be provided as New Amcor Shares:

- New Amcor will issue the New Amcor Shares to the New Amcor Share Registry in the US (as exchange agent), who will transfer them to Cede & Co. (as nominee for DTC), such shares to be held for the benefit of the Amcor Shareholder (the arrangements with Cede & Co. and DTC are discussed further in Section 8.6);
- the Amcor Shareholder must nominate a DTC Participant to receive such New Amcor Shares as part of their election to receive New Amcor Shares;
- the Amcor Shareholder must instruct its DTC Participant to initiate the receipt of the New Amcor Shares in the DTC system (failure to do so within five Business Days of the Implementation Date (New York time) may cause New Amcor to provide the Scheme Consideration in the form of New Amcor CDIs instead); and

- the nominated DTC Participant will provide proof of a holding after it has received the New Amcor Shares on the Amcor Shareholder's behalf.

(i) **Amcor Shares held in joint names**

In the case of Scheme Shares held in joint names:

- the New Amcor CDIs or New Amcor Shares to be issued under the Scheme will be issued to and registered in the names of the joint holders;
- any cheque required to be sent under the Scheme will be made payable to the joint holders and sent to the registered address recorded in the Amcor Share Register as at the Scheme Record Date; and
- any other document required to be sent under the Scheme, will be forwarded to the registered address recorded in the Amcor Share Register as at the Scheme Record Date.

(j) **Existing instructions**

Except for tax file numbers and if not prohibited by law, all instructions, notifications or elections by each Amcor Shareholder to Amcor binding or deemed binding between the Amcor Shareholder and Amcor relating to Amcor or Amcor Shares, including instructions, notifications or elections relating to:

- whether distributions or dividends are to be paid by cheque or into a specific account; and
- notices or other communications from Amcor (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by New Amcor in its sole discretion) to be made by the Amcor Shareholder to New Amcor and to be a binding instruction, notification or election to, and accepted by, New Amcor in respect of any New Amcor CDIs provided to that Amcor Shareholder until and unless that instruction, notification or election is revoked or amended in writing addressed to New Amcor at their Australian share registry.

Such instructions, notifications or elections will not be deemed to be made to New Amcor in respect of any New Amcor Shareholder that elects to receive New Amcor Shares as Scheme Consideration.

(k) **Instructions in relation to participation in any Amcor dividend reinvestment plan**

Amcor operates a dividend reinvestment plan, and New Amcor currently intends to adopt a dividend reinvestment plan in connection with the Transaction. If New Amcor implements a dividend reinvestment plan prior to Implementation, each Scheme Shareholder who receives their Scheme Consideration in the form of New Amcor CDIs and has elected to participate in the Amcor plan will have their election rolled-over to the New Amcor plan, at New Amcor's discretion. Scheme Shareholders that elect to receive their Scheme Consideration in the form of New Amcor Shares will not have their dividend reinvestment plan elections rolled-over, and will need to speak to their DTC Participant to find out how to participate in any New Amcor dividend reinvestment plan. The material terms of any New Amcor dividend reinvestment plan will be announced to ASX, regardless of whether or not it is put in place prior to Implementation. An Amcor Shareholder who has elected to participate in the Amcor dividend reinvestment plan, or a Scheme Shareholder whose election is rolled-over to any New Amcor plan, may withdraw from such plan at any time.

(l) **Ineligible Foreign Shareholders**

New Amcor CDIs to which an Ineligible Foreign Shareholder would have been otherwise entitled to receive under the Scheme will be issued to the Sale Nominee appointed by New Amcor.

New Amcor will:

- procure that, as soon as reasonably practicable (and in any case within no more than 15 Business Days after the Implementation Date), the Sale Nominee sells on market all of the New Amcor CDIs issued to the Sale Nominee; and
- account to each Ineligible Foreign Shareholder for the proportion of the net proceeds from the sale of all of the New Amcor CDIs (i.e. after deduction of any applicable brokerage, stamp duty, currency conversion and other costs, taxes and charges) to which that Ineligible Foreign Shareholder is entitled.

None of Amcor, New Amcor or the Sale Nominee gives any assurance as to the price that will be achieved for the sale of the New Amcor CDIs described above. The sale of the New Amcor CDIs will be at the risk of the Ineligible Foreign Shareholder.

New Amcor will make, or procure the making of, payments to Ineligible Foreign Shareholders by:

- electronic funds transfer in Australian dollars to a bank account with any Australian "Authorised Deposit-taking Institution" (as defined in the Corporations Act) notified to New Amcor by the Ineligible Foreign Shareholder; or
- if a bank account has not been notified to New Amcor, dispatching a cheque for the relevant amount in Australian dollars to the Ineligible Foreign Shareholder by prepaid post to their registered address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder.

If New Amcor receives professional advice that any withholding or other tax is required by law or by a Governmental Entity to be withheld from a payment to an Ineligible Foreign Shareholder, New Amcor is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder. New Amcor must pay any withheld amounts to the relevant tax authorities in accordance with the applicable laws. If requested in writing by the relevant Ineligible Foreign Shareholder, New Amcor will provide a receipt or other appropriate evidence of such payment to the relevant Ineligible Foreign Shareholder.

(m) **Amcor ADR holders**

Certain Amcor Shares are traded in the US in the form of American Depositary Shares (**ADSs**) evidenced by American Depositary Receipts (**ADRs**). Each ADS represents four Amcor Shares.

Subject to the terms of the amended and restated deposit agreement dated 28 February 2017 between Amcor, JPMorgan Chase Bank, N.A. as Depositary (**ADR Depositary**) and holders of ADRs (**Deposit Agreement**), it is anticipated that the ADR Depositary will seek voting instructions from persons registered as Amcor ADR holders on the record date determined by the ADR Depositary. Such Amcor ADR holders may then instruct the ADR Depositary to vote the Amcor Shares underlying their ADSs in the manner so instructed.

Amcor ADR holders who wish to attend or vote in person at the Scheme Meeting (rather than instruct the ADR Depositary to vote the Amcor Shares on their behalf) must ensure that they are registered as Amcor Shareholders on the relevant voting cut-off or record dates applicable to Amcor Shareholders (refer to the "Key dates" Section at the beginning of this Scheme Booklet). Amcor ADR holders should contact the bank, broker or other nominee with whom their ADSs are held or the ADR Depositary for any additional information.

If the Scheme is implemented, the Amcor Shares, including those represented by outstanding ADSs, will automatically be transferred to New Amcor and, in exchange, New Amcor will issue one New Amcor Share in respect of each Amcor Share. In connection with these arrangements, Amcor has instructed the ADR Depositary that, instead of delivering New Amcor Shares through the ADR Depositary and Deposit Agreement, New Amcor's transfer agent will deliver the New Amcor Shares directly to registered holders of Amcor ADSs. Amcor ADR holders holding certificated Amcor ADRs will be required to deliver their Amcor ADRs to the transfer agent for cancellation prior to the New Amcor transfer agent delivering New Amcor Shares to the Amcor ADR holder.

As part of these arrangements, Amcor has instructed the ADR Depositary to terminate the Deposit Agreement following Implementation. Amcor has agreed to pay the ADR Depositary all fees and expenses owing in connection with the Deposit Agreement, including the ADS cancellation fees that would otherwise be paid by the holders of ADSs.

8.3 Key steps to implement the Merger

The Merger Closing will take place as promptly as practicable following the Implementation. At the Merger Closing, each:

- Bemis Share on issue immediately prior to the Merger Closing (but excluding Bemis Shares held as treasury stock by Bemis or by any of its subsidiaries, which will be cancelled for no consideration) will automatically be cancelled and converted into the right to receive 5.1 New Amcor Shares;
- holder of Bemis Shares who would otherwise have been entitled to receive a fraction of a New Amcor Share will receive its proportionate cash entitlement from the sale by a nominee of New Amcor Shares to which those fractional interests relate; and
- Arctic Corp. share will be automatically converted into one fully paid share of the surviving corporation, Bemis, and such shares will constitute the only outstanding shares of the surviving corporation, Bemis, all of which will be held by New Amcor.

As a result of the Merger, Bemis will be a direct, wholly-owned subsidiary of New Amcor and the former Bemis Shareholders will become holders of New Amcor Shares.

8.4 NYSE and ASX listings

New Amcor will be listed on NYSE as its primary listing. New Amcor will be required to comply with the standard listing rules of NYSE.

New Amcor will be listed as an ASX Foreign Exempt Listing. This requires New Amcor to:

- immediately provide to ASX all information it provides to NYSE, that is, or is to be, made public. This information will be prepared in accordance with US law requirements and disclosure standards;
- comply with the NYSE listed company manual;
- comply with certain ASX Listing Rules relating to transfers and registers of New Amcor CDIs; and
- comply with certain ASX Listing Rules relating to procedural and administrative matters, including the manner of lodgement of announcements and trading halts, suspension and removal.

ASX retains the discretion to prescribe additional ASX Listing Rules with which New Amcor, as an ASX Foreign Exempt Listing, must comply. Further details on a comparison of relevant Australian laws that apply to Amcor and the US laws (as well as Jersey law) that will apply to New Amcor are set out in Section 10.

8.5 New Amcor CDIs

A CDI is a financial product quoted on ASX. CDIs represent an interest in the underlying security of a foreign company. This allows investors to trade interests in foreign securities by trading the relevant CDIs on ASX.

In the case of the New Amcor CDIs provided as Scheme Consideration, each New Amcor CDI will represent one New Amcor Share and will confer a beneficial interest in that New Amcor Share.

In essence, a New Amcor CDI entitles the holder to a beneficial interest in an underlying New Amcor Share held for their benefit. The chain of title pursuant to which this beneficial interest is held involves the New Amcor Shares underlying the New Amcor CDIs being held by Cede & Co. (as nominee for DTC) for the benefit of CHESS Depositary Nominees, which is a wholly-owned subsidiary of ASX. CHESS Depositary Nominees is a depositary nominee that will hold beneficial title to those shares on behalf of the holders of the New Amcor CDIs.

New Amcor CDIs will be quoted and traded on ASX in Australian dollars under the symbol AMC.

(a) **Key features of New Amcor CDIs**

(1) ***General***

Except for certain differences noted below, the rights attaching to New Amcor CDIs are economically equivalent to the rights attaching to New Amcor Shares, and New Amcor will generally be required to treat holders of New Amcor CDIs as if they were the holders of the New Amcor Shares represented by those New Amcor CDIs. This means that economic benefits such as dividends, bonus issues and rights issues will generally flow through to holders of New Amcor CDIs as if they were the registered holders of the underlying New Amcor Shares.

In accordance with clause 5.5 of the Scheme, all New Amcor Shares, including those beneficially held by CHESS Depositary Nominees in connection with the New Amcor CDIs, will rank equally in all respects with all New Amcor Shares.

The rights attaching to a New Amcor Share that underlies a New Amcor CDI must be exercised under the direction of CHESS Depositary Nominees.

(2) ***Evidence of ownership***

If New Amcor CDIs are issued to a Scheme Shareholder under the Scheme, the Scheme Shareholder will receive a holding statement in respect of their CDIs rather than a holding statement or share certificate for the underlying New Amcor Shares.

Revised holding statements will be provided on a periodic basis if there is a change in the number of New Amcor CDIs held, to a holder of New Amcor CDIs. New Amcor CDIs may be held on an issuer sponsored subregister or on a CHESS subregister.

New Amcor CDIs will be received on the New Amcor:

- CDI issuer sponsored subregister, to the extent they are issued for Amcor Shares held on the Amcor issuer sponsored subregister; and
- CDI CHESS subregister, to the extent they are issued for Amcor Shares held on the Amcor CHESS subregister.

(3) ***Trading***

Following the listing of New Amcor CDIs on ASX, the CDIs can be traded on ASX. They will not be tradeable on NYSE. If a holder of New Amcor CDIs wishes to trade on NYSE, they must convert the CDIs into shares (see Section 8.5(a)(7)).

(4) ***Communications from New Amcor***

New Amcor will communicate directly with holders of New Amcor CDIs with respect to corporate actions and will send notices and other documents (e.g. notices of meeting) to holders of CDIs at the same time as they are sent to shareholders.

(5) ***Voting***

Holders of New Amcor CDIs will be sent notices of general meeting of New Amcor Shareholders at the same time as they are sent to New Amcor Shareholders. As holders of New Amcor CDIs are not the registered holders of the New Amcor Shares represented by the CDIs, they will not be automatically entitled to vote in person at a general meeting of New Amcor Shareholders.

However, the holder of a New Amcor CDI can direct CHESS Depositary Nominees to have votes cast in a particular manner on their behalf or they can require CHESS Depositary Nominees to appoint the holder (or a person nominated by the holder) as proxy to exercise the votes attaching to the New Amcor Shares represented by the holder's New Amcor CDIs.

Except as mentioned in this Section 8.5(a)(5), if a holder of a New Amcor CDI wishes to attend and vote in person at a general meeting of New Amcor Shareholders, the holder must first convert their CDIs into the underlying shares in sufficient time before the record date for the meeting.

(6) ***Dividends***

New Amcor will distribute any dividend declared on New Amcor Shares directly to holders of New Amcor CDIs.

Dividend record and payment dates will be the same for shares and CDIs.

(7) ***Conversion of New Amcor CDIs into New Amcor Shares***

Holders of New Amcor CDIs may at any time convert their CDIs listed on ASX into New Amcor Shares listed on NYSE by contacting:

- the New Amcor Share Registry, if their New Amcor CDIs are held on the issuer sponsored subregister; or
- their broker, if their New Amcor CDIs are held on the CHESS subregister.

The decision whether to convert New Amcor CDIs to New Amcor Shares will depend on your individual circumstances. Please consult your legal, investment, tax or other professional adviser before deciding whether to convert New Amcor CDIs to New Amcor Shares.

(8) ***Conversion of New Amcor Shares into New Amcor CDIs***

Amcor Shareholders who receive New Amcor Shares instead of New Amcor CDIs may at any time convert them into New Amcor CDIs by contacting the New Amcor Share Registry after Implementation.

The decision whether to convert New Amcor Shares to New Amcor CDIs will depend on your individual circumstances. Please consult your legal, investment, tax or other professional adviser before deciding whether to convert New Amcor Shares to New Amcor CDIs.

(9) ***Takeovers***

CHESS Depositary Nominees must not accept a takeover offer in respect of any New Amcor Shares representing New Amcor CDIs unless otherwise authorised by the CDI holders to accept the offer.

8.6 New Amcor Shares

(a) **General**

In accordance with customary practice for companies listed on a US securities exchange, including NYSE:

- all New Amcor Shares issued under the Scheme (including those underlying the New Amcor CDIs) will be initially registered in the name of DTC nominee, Cede & Co.; and
- DTC will credit book-entry interests in respect of those New Amcor Shares to an institution holding a securities account with DTC (**DTC Participant**) that will initially be either:
  - Computershare, which will hold the New Amcor Shares as custodian for the benefit of CHESS Depositary Nominees and ultimately for the benefit of New Amcor CDI holders; or
  - DTC Participant nominated by the Amcor Shareholder, if the Amcor Shareholder has elected to receive New Amcor Shares and instructed its nominated DTC Participant to receive the shares from the DTC Participant account of the New Amcor Share Registry.

These arrangements will allow New Amcor Shareholders to make use of the clearing and settlement system operated by DTC to the extent they trade or otherwise transfer New Amcor Shares.

As a result of these arrangements with DTC, holders of New Amcor Shares:

- will not have the New Amcor Shares registered in their name in New Amcor's register of members;
- do not receive physical share certificates for their New Amcor Shares; and
- will receive a beneficial book-entry interest in the underlying New Amcor Share, held on their behalf by a DTC Participant, and in turn, registered to Cede & Co.

If a Scheme Shareholder elects to receive New Amcor Shares as Scheme Consideration, but does not within five Business Days of the Implementation Date (New York time) instruct their DTC Participant to receive the New Amcor Shares on their behalf, then New Amcor may arrange for the

Scheme Shareholder to receive the Scheme Consideration in the form of New Amcor CDIs instead.

(b) **Alternatives to holding New Amcor Shares in the form of CDIs available after completion of the Transaction**

After completion of the Transaction, holders of New Amcor Shares may request that their New Amcor Shares be held in book-entry form (i) through the Direct Registration System (**DRS**) implemented by DTC or (ii) by their chosen broker (the latter being known as "street-name registration"). Further details on these alternatives is given below:

- **registered form/DRS:** If a New Amcor Shareholder opts to have their shares transferred to book-entry DRS form, they will be registered on the books of New Amcor as the holder of those shares. Owners of shares under the DRS will receive account information, dividends and communications directly from New Amcor. The DRS will facilitate the sale of New Amcor Shares by either allowing the New Amcor Shares to be sold directly through Computershare (which administers the ownership record on behalf of New Amcor) or to be transferred to a broker for sale; and
- **street-name registration:** A New Amcor Shareholder can nominate a DTC Participant to hold the beneficial interest in the New Amcor Shares. This would allow the DTC Participant to trade the New Amcor Shares in the US and settle through the DTC system on the New Amcor Shareholder's behalf and provide the broker with directions related to the exercise of New Amcor Shareholder's rights.

(c) **Treatment of New Amcor Shareholders holding under DTC arrangements**

As a beneficial owner of New Amcor Shares (assuming the New Amcor Shareholder is not holding shares directly in DRS book-entry form), to exercise any rights as an owner of shares, New Amcor Shareholders will be subject to the procedures of DTC as described below.

The rights attaching to New Amcor Shares beneficially held by New Amcor Shareholders (but held in the name of Cede & Co.) in the form of book-entry interests are economically equivalent to the rights of the registered holder of New Amcor Shares. This means that economic benefits such as dividends will flow through to beneficial holders of New Amcor Shares as if they were the registered holders of the New Amcor Shares.

Below is a description of how certain rights of a registered holder of New Amcor Shares will be conferred on the beneficial holders of New Amcor Shares.

(1) ***Information from New Amcor***

For New Amcor Shareholders who hold under a street-name registration, their DTC Participant will receive information and communications directly from New Amcor and be responsible for distributing such information to them (directly or through a third party service provider).

(2) ***Voting***

For shareholder resolutions in respect of New Amcor, Cede & Co., as the holder of record, will enable New Amcor Shareholders to exercise the right to vote in respect of the shares by issuing an omnibus proxy. The DTC Participants will seek voting instructions from the beneficial holders of New Amcor Shares as to how to exercise their rights with respect to the omnibus proxy (directly or through a third party service provider, including, if desired, by having the beneficial holders for a person nominated by the beneficiary holder) appointed as proxy to exercise the votes attached to the New Amcor Shares in respect of which the person is the beneficial holder.

(3) ***Dividends***

New Amcor will deliver dividend payments to DTC for forwarding to the relevant DTC Participant, and it will be the DTC Participant's responsibility to pass on the payment to the beneficial holder of the New Amcor Share.

(4) ***Other corporate actions***

DTC will disseminate information DTC receives from New Amcor about corporate actions affecting New Amcor to the DTC Participants, including tender offers, rights offers, mergers or other corporate transactions. The DTC Participant will then communicate to the beneficial holder of New Amcor Shares, seeking any required instructions in respect of the corporate action.

8.7 US federal securities law matters

The New Amcor CDIs and New Amcor Shares to be issued in the Transaction to Scheme Shareholders have not been, and are not expected to be, registered under the Securities Act.

If the Court approves the Scheme, its approval will constitute the basis for the New Amcor CDIs and New Amcor Shares to be issued without registration under the Securities Act in reliance on the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) of the Securities Act. The New Amcor CDIs and New Amcor Shares issued pursuant to section 3(a)(10) of the Securities Act will be freely transferable under US federal securities laws, except by any holder of Amcor Shares who may be deemed an "affiliate" of New Amcor post completion of the Transaction for purposes of Rule 144 under the Securities Act. An affiliate is any person that directly or indirectly controls or is controlled by the issuer, which is generally interpreted to include the directors and officers of the issuer.

In the event that New Amcor CDIs or New Amcor Shares are held by affiliates of New Amcor, those holders may resell the New Amcor Shares (i) in accordance with the provisions of Rule 144 under the Securities Act; or (ii) as otherwise permitted under the Securities Act. Rule 144 generally provides that affiliates of New Amcor may not sell securities of New Amcor received in the Transaction unless the sale is effected in compliance with the volume, current public information, manner of sale and timing limitations set forth in such rule. These limitations generally permit sales made by an affiliate in any three-month period that do not exceed the greater of 1 percent of the outstanding New Amcor Shares or the average weekly reported trading volume in such securities over the four calendar weeks preceding the placement of the sale order, provided that the sales are made in unsolicited, open market "broker transactions" and that current public information on New Amcor has been available for at least 90 days.

Tax implications

SECTION 9

This Section 9 provides a summary of the general Australian, US and UK tax consequences for Scheme Shareholders in relation to the Scheme and should be considered in conjunction with the rest of this Scheme Booklet. This Section 9 is not intended to provide a complete analysis of all the possible tax outcomes for Scheme Shareholders. The information contained in this Section 9 is only a general guide and is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of each Scheme Shareholder and should not be relied upon by Scheme Shareholders as tax advice. Scheme Shareholders are strongly advised to seek their own professional advice with respect to the tax implications of the Scheme.

9.1 Australian tax implications

The following is a general summary of the Australian income tax (including capital gains tax (**CGT**)), goods and service tax (**GST**) and stamp duty implications for Scheme Shareholders who hold their Amcor Shares on capital account. This summary does not apply to Scheme Shareholders who hold their Amcor Shares as revenue assets or are subject to the Taxation of Financial Arrangements provisions in Division 230 of the Income Tax Assessment Act 1997 (Cth) (**ITAA 1997**).

The summary has been prepared on the basis of Australian taxation law and administrative practice as at the date of this Scheme Booklet. References to Australian resident Scheme Shareholders are to Scheme Shareholders who are residents of Australia for Australian income tax purposes. References to Scheme Shareholders that are not residents of Australia are to Scheme Shareholders who are not residents of Australia for Australian income tax purposes.

Amcor has lodged a Class Ruling application with the Australian Taxation Office (**ATO**) seeking the Commissioner of Taxation's confirmation on the availability of scrip for scrip roll-over relief for Scheme Shareholders relating to the disposal of Amcor Shares under the Scheme and expects that such roll-over relief will likely be available for Scheme Shareholders. It is anticipated that the views in the Class Ruling should be consistent with the summary in this Section 9.1. The Class Ruling has not been issued by the ATO at the date of this Scheme Booklet. When published, the final Class Ruling will be available on the ATO's website www.ato.gov.au and Amcor will make an ASX announcement in respect of its publication.

(a) Australian resident Scheme Shareholders

(1) Disposal of Amcor Shares

CGT

The transfer of Amcor Shares by Scheme Shareholders on the Implementation Date in exchange for New Amcor CDIs or New Amcor Shares will constitute a disposal of those Amcor Shares by the Scheme Shareholder and result in CGT event A1 arising.

Subject to the availability of CGT roll-over relief (discussed below), Scheme Shareholders should make:

- a capital gain from the CGT event if the capital proceeds from the disposal of their Amcor Shares exceed their cost base; and
- a capital loss if those capital proceeds received are less than the reduced cost base of their Amcor Shares.

Subject to electing CGT roll-over relief, Amcor Shareholders who make a capital gain on disposal of their Amcor Shares will be required to include the net capital gains in their assessable income for the income year in which the Implementation Date occurs unless the Amcor Shareholders have held or are deemed to have held the Amcor Shares as pre-CGT assets, i.e. assets acquired prior to 20 September 1985, in which case any such capital gain should be disregarded.

If the capital proceeds from the disposal of Amcor Shares are less than the reduced cost base of those Amcor Shares for the Amcor Shareholder, the Amcor Shareholder would realise a capital loss and no roll-over relief will apply. Capital losses can only be offset against capital gains realised in the same income year or in a subsequent income year. Specific loss recoupment rules will apply to companies and may restrict their ability to utilise the capital losses in future periods. Amcor Shareholders should seek independent tax advice in relation to the operation of these rules under their own specific circumstances.

Roll-over relief

To the extent that a Scheme Shareholder realises a capital gain from exchanging their Amcor Shares for the New Amcor CDIs or New Amcor Shares under the Scheme, roll-over relief should be available to defer the capital gain should a Scheme Shareholder choose to obtain the roll-over relief. The Class Ruling lodged with the ATO has been requested to confirm that scrip for scrip roll-over relief should apply under Subdivision 124-M of ITAA 1997.

Broadly, the CGT implications of a Scheme Shareholder choosing to apply roll-over relief should be that:

- any capital gain made from the disposal of Amcor Shares in exchange for New Amcor CDIs or New Amcor Shares under the Scheme should be fully deferred;
- the cost base of the New Amcor CDIs or New Amcor Shares received should be equal to the cost base of the original Amcor Shares disposed of under the Scheme; and
- for CGT discount purposes, the Scheme Shareholder will be deemed to have acquired their New Amcor CDIs or New Amcor Shares at the time that they originally acquired, or are deemed to have acquired, their original Amcor Shares. This may be relevant in relation to applying CGT discount on future disposals.

No formal election will be required to obtain roll-over relief. Scheme Shareholders who wish to elect roll-over relief should not include the capital gain attributable to the New

Amcor CDIs or New Amcor Shares received by them in their net capital gain calculation for the income year in which the Implementation Date occurs. The lodgement by Scheme Shareholders of their tax return on this basis should be sufficient to reflect that roll-over relief has been applied.

Scheme Shareholders who are Australian residents but do not wish to choose roll-over relief or are not eligible for roll-over relief should include the full amount of the capital gain realised upon the disposal of their Amcor Shares in their net capital gain calculation for the income year in which the Implementation Date occurs.

Capital proceeds

The capital proceeds received on the disposal of Amcor Shares should be the market value of the New Amcor CDIs or New Amcor Shares received as determined by the market value at the Implementation Date.

Cost base

The cost base of the Amcor Shares disposed should generally be the amount paid to acquire the Amcor Shares plus incidental costs of ownership (i.e. acquisition costs and other costs relating to the holding and disposal of the Amcor Shares provided the costs have not previously been claimed as a tax deduction). The reduced cost base of the Amcor Shares should be determined in a similar, though not identical, manner. The cost base and reduced cost base of each Amcor Share will depend on the individual circumstances of each Amcor Shareholder.

Amcor Shareholders who acquired their Amcor Shares at or before 11.45am on 21 September 1999 may choose to apply indexation based on the CPI movement from the date of their acquisition of the Amcor Shares to 30 September 1999 to increase the cost base of their Amcor Shares. Amcor Shareholders who choose to apply indexation forego the opportunity to apply the CGT discount, where it might otherwise be available.

CGT discount

Individuals, complying superannuation entities or trusts may be entitled to reduce the amount of any capital gain made on the disposal of their Amcor Shares under the "CGT discount" if, among other things, they have held their Amcor Shares for at least 12 months before the Implementation Date. The CGT discount is applied only after any available capital losses have been applied to reduce the capital gain and is not generally available to companies.

The CGT discount rules will enable Amcor Shareholders to reduce their capital gains by 50 percent for individuals and trusts and 33⅓ percent for complying superannuation entities. The CGT discount rules are complex for trusts. However, generally the CGT discount may flow through to presently entitled beneficiaries where the beneficiaries would be entitled to apply the CGT discount. The CGT discount is not available to Amcor Shareholders that are companies.

(2) ***Subsequent disposals of New Amcor CDIs or New Amcor Shares on or after the Implementation Date***

Any subsequent disposal of New Amcor CDIs or New Amcor Shares received pursuant to the Scheme will give rise to a CGT event. The amount of the capital gain or capital loss will depend on the cost base, or reduced cost base, of the New Amcor CDIs or New Amcor Shares received by the Scheme Shareholder. This, in turn, will depend on whether the Scheme Shareholder elected roll-over relief (refer above).

In particular if:

- CGT roll-over relief is available and chosen, for the purposes of calculating the cost base and claiming the CGT discount by the Scheme Shareholder to the subsequent disposal of its New Amcor CDIs or New Amcor Shares, the Scheme Shareholder will be deemed to have acquired the New Amcor CDIs or New Amcor Shares at the time the Scheme Shareholder originally acquired their Amcor Shares. The cost base of each New Amcor CDI or New Amcor Share will be equal to the Scheme Shareholder's original cost base in its Amcor Share plus incidental costs; or
- CGT roll-over relief is not available or not chosen, for the purposes of calculating the cost base and claiming the CGT discount by the Scheme Shareholder to a subsequent disposal of its New Amcor CDIs or New Amcor Shares, the acquisition date will be the Implementation Date. The cost base of each New Amcor CDI or New Amcor Share will be equal to the market value of the New Amcor CDI or New Amcor Share exchanged as determined at the Implementation Date.

Some holders of New Amcor CDIs and New Amcor Shareholders may also need to consider their UK tax implications in relation to the disposal of New Amcor CDIs or New Amcor Shares. Section 9.3 contains a summary of the UK tax implications of disposals of New Amcor CDIs or New Amcor Shares by UK resident Scheme Shareholders and non-UK resident Scheme Shareholders.

(3) ***Holding New Amcor CDIs or New Amcor Shares***

Dividends paid by New Amcor to New Amcor Shareholders and holders of New Amcor CDIs should be included in the assessable income of the Australian resident shareholders and Australian resident CDI holders. However, no franking credits will be available in relation to these dividends as New Amcor is not an Australian tax resident company. No UK dividend withholding tax should arise in respect of any dividends paid by New Amcor. If the dividend is funded from a return of capital, it may not be treated as a dividend for Australian tax purposes in certain circumstances. Where this is the case, the Australian income treatment of the dividend should be confirmed at the time it is paid.

(b) **Scheme Shareholders that are not residents of Australia**

Non-Australian residents who derive a capital gain on the disposal of their Amcor Shares (excluding Scheme Shareholders who have at any time held their Amcor Shares in carrying on a business through a permanent establishment in Australia) should broadly not be subject to CGT unless the Amcor Shares are "taxable Australian property". As the Amcor Shares should not be "taxable Australian property", there should not be any CGT arising on the disposal of the Amcor Shares under the Scheme.

If the Scheme Shareholder has at any time held their Amcor Shares in carrying on a business through a permanent establishment in Australia, any capital gain may be taxable in Australia although roll-over may apply. It is strongly recommended that independent tax advice should be obtained in this regard.

It is also recommended that Amcor Shareholders who are non-Australian residents should seek their own independent tax advice regarding the tax implications of the Scheme in their country of tax residence.

Tax implications *continued*

(c) **Stamp duty**

On the basis that, on or before the Implementation Date, the New Amcor CDIs to be issued as Scheme Consideration will be listed for quotation on the official list of ASX, and the New Amcor Shares will be listed for quotation on the official list of NYSE, no stamp duty should be payable by investors on the disposal of their Amcor Shares or on the acquisition of the New Amcor Shares under the Scheme.

(d) **GST**

Scheme Shareholders will not be liable for (nor be required to pay) GST on the disposal of their Amcor Shares or the acquisition of the New Amcor CDIs or New Amcor Shares. An Australian resident shareholder registered for GST may not be entitled to claim full input tax credits in respect of GST on any expenses incurred relating to the disposal of their Amcor Shares under the Scheme or the acquisition of the New Amcor CDIs or New Amcor Shares (e.g. lawyers' and accountants' fees).

9.2 US tax implications

This Section 9.2 is a summary of US federal income tax considerations generally applicable to US Holders (as defined below) with respect to the implications of the Scheme, including the ownership and disposition of New Amcor CDIs or New Amcor Shares received under the Scheme. This summary applies only to US Holders who exchange their Amcor Shares for New Amcor CDIs or New Amcor Shares under the Scheme, and who hold the Amcor Shares and will hold the New Amcor CDIs or New Amcor Shares as capital assets (generally, property held for investment purposes).

This summary is based on provisions of the Code, US Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as in effect on the date of this Scheme Booklet and all of which are subject to change or differing interpretation, possibly with retroactive effect. This summary does not describe any US state, local, or non-US income or other tax consequences (including estate, gift and Medicare contribution tax consequences) of the Scheme, or of owning or disposing of New Amcor CDIs or New Amcor Shares.

This discussion is not intended to be a complete analysis and does not address all potential tax consequences that may be relevant to a Scheme Shareholder. Moreover, this discussion does not apply to a Scheme Shareholder who is subject to special treatment under the Code, including because the Scheme Shareholder is:

- a foreign person or entity;
- a tax-exempt organisation, financial institution, mutual fund, dealer or broker in securities, or insurance company;
- a trader who elects to mark its securities to market for US federal income tax purposes;
- a person who holds Amcor Shares, or will hold New Amcor CDIs or New Amcor Shares, as the case may be, as part of an integrated investment such as a straddle, hedge, constructive sale, conversion transaction or other risk reduction transaction;
- a person who holds Amcor Shares, or will hold New Amcor CDIs or New Amcor Shares, as the case may be, in an individual retirement or other tax-deferred account;
- a person whose functional currency is not the US dollar;
- an individual who received Amcor Shares, or who acquires New Amcor CDIs or New Amcor Shares, as the case may be, pursuant to the exercise of employee stock options or otherwise as compensation or in connection with the performance of services;
- a partnership or other flow-through entity (including an S corporation or a limited liability company treated as a partnership or disregarded entity for US federal income tax purposes) and persons who hold an interest in such entities; or
- a person subject to the alternative minimum tax.

In addition, this discussion does not address the tax consequences to a Scheme Shareholder who holds Amcor Shares and will own directly, indirectly or constructively through attribution rules, at least 5 percent of either the total voting power or total value of New Amcor immediately after the transaction pursuant to the applicable Treasury Regulations under section 367 of the Code (**five-percent transferee shareholder**). Scheme Shareholders who believe they could become a five-percent transferee shareholder of New Amcor should consult their tax advisers about the special rules and time-sensitive tax procedures, including the requirement to file a gain recognition agreement with the Internal Revenue Service (**IRS**), which might apply regarding their ability to obtain tax-free treatment in the Scheme.

Furthermore, this discussion does not address the tax consequences to a Scheme Shareholder who owns New Amcor CDIs or New Amcor Shares if New Amcor is classified as a passive foreign investment company (**PFIC**), for US federal income tax purposes. Scheme Shareholders are urged to consult their tax advisers concerning the US federal income tax consequences of holding and disposing of New Amcor Shares if Amcor is or New Amcor becomes classified as a PFIC.

For the purposes of this summary, a US Holder is a beneficial owner of Amcor Shares and, after the completion of the Transaction, New Amcor CDIs or New Amcor Shares who is:

- an individual citizen or resident of the US;
- a corporation or other entity taxable as a corporation created in or organised under the laws of the US or any political subdivision thereof;
- an estate the income of which is subject to US federal income tax without regard to its source; or
- a trust if a court within the US is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of the substantial decisions of such trust.

If a partnership, or other entity or arrangement treated as a partnership for US federal income tax purposes, exchanges its Amcor Shares under the Scheme, the tax treatment of a partner in the partnership will depend upon the status of that partner and the activities of the partnership. Partners in a partnership that intends to exchange its Amcor Shares under the Scheme are urged to consult their tax advisers as to the particular US federal income tax consequences applicable to them.

Scheme Shareholders are urged to consult their tax advisers as to the US federal income tax consequences of the Scheme, including the income tax consequences arising from their own facts and circumstances, and as to any estate, gift, state, local or non-US tax consequences arising out of the Scheme, including relating to the ownership and disposition of New Amcor CDIs or New Amcor Shares.

(a) **US federal income tax consequences to US Holders of the Scheme, including the exchange of Amcor Shares for New Amcor CDIs or New Amcor Shares**

The following discussion regarding the US federal income tax consequences of the Scheme assumes that the Scheme will be consummated as described in the Transaction Agreement and this Scheme Booklet and that, following the implementation of the Scheme, applicable reporting requirements set forth in US Treasury regulations will be satisfied.

*(1) **Application of section 351 of the Code***

The parties intend the Merger and the Scheme, taken together, to be treated as an exchange described under section 351 of the Code. If the Merger and the Scheme, taken together, are so treated, then the Scheme will have the following US federal income tax consequences:

- the exchange of Amcor Shares for New Amcor CDIs or New Amcor Shares in the Scheme will not result in the recognition of any gain or loss with respect to a US Holder's Amcor Shares;
- if a US Holder has differing bases or holding periods in respect of its Amcor Shares, the US Holder must determine the bases and holding periods in the New Amcor CDIs or New Amcor Shares received in the Scheme separately for each identifiable block (i.e. stock of the same class acquired at the same time for the same price) of Amcor Shares such US Holder exchanges;
- the aggregate tax basis of any New Amcor CDIs or New Amcor Shares received by a US Holder in exchange for all of its Amcor Shares in the Scheme will be the same as the aggregate tax basis of the US Holder's Amcor Shares; and
- the holding period of any New Amcor CDIs or New Amcor Shares a US Holder receives in the Scheme will generally include the holding period of the Amcor Shares the US Holder exchanged for such New Amcor CDIs or New Amcor Shares.

Until after the implementation of the Scheme, the parties cannot definitively determine the tax treatment of the Scheme. In addition, no assurance can be given that the IRS will not assert, or that a court would not sustain that the Merger and the Scheme, taken together, do not qualify as an exchange within the meaning of section 351 of the Code.

If the IRS were successfully to challenge the qualification of the Merger and Scheme, taken together, as an exchange within the meaning of section 351 of the Code, a US Holder would generally be required to recognise gain or loss equal to the difference between its adjusted tax basis in the Amcor Shares transferred in the Scheme and an amount equal to the fair market value, as at the implementation of the Scheme, of any New Amcor CDIs or New Amcor Shares received or to be received in the Scheme. Any gain or loss so recognised would be long-term capital gain if the US Holder had held the Amcor Shares for more than one year as at Implementation. Generally, in such event, the tax basis in the New Amcor CDIs or New Amcor Shares received by the US Holder in the Scheme would equal the fair market value of such New Amcor CDIs or New Amcor Shares as at Implementation, and the US Holder's holding period for the New Amcor CDIs or New Amcor Shares would begin on the day after the date of the implementation of the Scheme.

Amcor will request that a nationally recognised tax counsel or a "Big 4" accounting firm render its opinion or written advice to Amcor, which will be dated the Second Court Date and based on customary representations and assumptions, that there has been no change in tax law, the effect of which is to cause the Transaction to fail to qualify, at a "should" or higher level of comfort, for the Intended Tax Treatment, including that the Scheme and Merger, taken together, qualify as an exchange within the meaning of section 351 of the Code.

An opinion of counsel represents counsel's best legal judgment but is not binding on the IRS or any court, and there can be no certainty that the IRS will not challenge the conclusions reflected in the opinion or that a court would not sustain such a challenge. Neither Amcor nor New Amcor intends to obtain a ruling from the IRS with respect to the tax consequences of the Scheme. If the IRS were to successfully challenge the "exchange" status of the Merger and the Scheme, taken together, the tax consequences would differ from those described in this Scheme Booklet.

(b) **Tax consequences of the Scheme to Amcor and New Amcor**

Amcor and New Amcor will not be subject to US federal income tax on the Scheme, and New Amcor does not expect to be generally subject to US federal income tax after the Scheme. Consistent with this expectation, the remainder of this discussion assumes that New Amcor will not be treated as a US corporation for US federal income tax purposes.

(c) **US federal income tax consequences for US Holders of holding New Amcor CDIs or New Amcor Shares**

*(1) **Dividends***

Any cash distributions paid on New Amcor CDIs or New Amcor Shares out of New Amcor's current or accumulated earnings and profits, as determined under US federal income tax principles, will generally be includible in the gross income of a US Holder as dividend income. New Amcor does not intend to determine its earnings and profits on the basis of US federal income tax principles, and as a result US Holders should expect that any distribution paid will generally be reported to them as a "dividend" for US federal income tax purposes.

Subject to certain holding period requirements and other conditions, dividends paid to certain non-corporate US Holders may qualify for the preferential rates of taxation if New Amcor is eligible for the benefits of the US-UK Tax Treaty or the New Amcor CDIs or New Amcor Shares are readily tradeable on an established market in the US. Such dividends will not, however, be eligible for the dividends received deduction generally allowed to corporate US Holders.

*(2) **Sale or other disposition of New Amcor CDIs or New Amcor Shares***

A US Holder will generally recognise capital gain or loss upon the sale or other disposition of New Amcor CDIs or New Amcor Shares in an amount equal to the difference between the amount realised upon the disposition and the holder's adjusted tax basis in such New Amcor CDIs or New Amcor Shares. The ability to deduct any loss may be subject to limitations. If the US Holder is an individual, capital gain or loss will generally be long term if its holding period in the New Amcor CDIs or New Amcor Shares is more than one year and will generally be US source gain or loss for US foreign tax credit purposes.

Tax implications *continued*

(d) **Certain reporting requirements**

Certain US Holders may be required to file a statement with their US federal income tax return and retain permanent records with respect to the Transaction, including information regarding the amount, basis, and fair market value of all transferred property.

In addition, certain US Holders may be required to report to the IRS information with respect to their investment in the New Amcor CDIs or New Amcor Shares not held through an account with certain financial institutions. US Holders who fail to report required information could become subject to substantial penalties.

US Holders are urged to consult with their own tax advisers regarding reporting requirements applicable to the Scheme and to the holding of New Amcor CDIs or New Amcor Shares.

9.3 UK tax implications

The following is a general summary of the UK tax implications of the Scheme for Scheme Shareholders who:

- are UK resident Scheme Shareholders;
- hold their Amcor Shares beneficially as an investment (other than under a personal equity plan or an individual savings account); and
- have not (and are not deemed to have) acquired their Amcor Shares by virtue of an office or employment.

The following description has been prepared on the basis of UK taxation law and published tax authority practice as at the date of this Scheme Booklet.

In this summary, references to UK resident Scheme Shareholders are to Scheme Shareholders who are residents of the UK for UK taxation purposes, and references to Scheme Shareholders that are not residents of the UK are to Scheme Shareholders who are not residents of the UK for UK taxation purposes.

This summary assumes that there is no UK resident Scheme Shareholder, who, either alone or together with connected persons, holds more than 5 percent of the securities of Amcor.

(a) **UK taxation of chargeable gains**

(1) ***New Amcor CDIs and New Amcor Shares***

In respect of those Amcor Shares for which that UK resident Scheme Shareholder receives New Amcor CDIs or New Amcor Shares, the Scheme Shareholder should not be treated as having made a disposal of its Amcor Shares for the purposes of UK taxation of chargeable gains. Any gain or loss which would otherwise have arisen on a disposal of Amcor Shares by the Scheme Shareholder should be 'rolled-over' into the New Amcor CDIs or New Amcor Shares and the New Amcor CDIs or New Amcor Shares should be treated as the same asset as the Amcor Shares, acquired at the same time as the Amcor Shares and for the same acquisition cost.

(2) ***Consequences of a future disposal of New Amcor CDIs and New Amcor Shares***

A subsequent disposal of any of the New Amcor CDIs or New Amcor Shares may, depending on the particular circumstances of the holder, give rise to a liability to UK taxation of chargeable gains, calculated by reference to the holder's acquisition cost in the New Amcor CDIs or New Amcor Shares.

A future disposal of New Amcor CDIs or New Amcor Shares by a UK resident Scheme Shareholder may, subject to the holder's circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

For holders subject to UK corporation tax on chargeable gains, indexation allowance should be available to reduce the amount of chargeable gain realised on a disposal of New Amcor CDIs or New Amcor Shares (but not to create or increase any loss). Indexation allowance is designed to eliminate the effect of the inflation on a chargeable gain. However, this was removed with effect from 1 January 2018 such that it is only available for shares held prior to this date (or, where new shares are issued as part of a transaction to which the share reorganisation rules apply, where the original shares were held prior to this date).

Scheme Shareholders who are not residents of the UK will not be subject to UK tax on a gain arising on a disposal of New Amcor CDIs or New Amcor Shares unless:

- they carry on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and, broadly, hold New Amcor CDIs or New Amcor Shares for the purposes of the trade, profession, vocation, branch, agency or permanent establishment; or
- they fall within the anti-avoidance rules applying to individuals who are temporarily not resident in the UK.

(b) **Stamp Duty Reserve Tax (SDRT) and stamp duty**

(1) ***Transfer of the Scheme Shares to New Amcor***

No SDRT should be payable by Scheme Shareholders on the transfer of Amcor Shares to New Amcor under the Scheme.

(2) ***Initial issue of New Amcor CDIs and New Amcor Shares***

No charge to stamp duty should arise for Scheme Shareholders, on the transfer of Scheme Shares to New Amcor.

No stamp duty should arise on the issue of New Amcor Shares to CHESS Depositary Nominees, as nominee for ASX, to Cede & Co., as nominee for DTC or directly to the Scheme Shareholder.

(3) ***Future transfer of New Amcor CDIs or New Amcor Shares traded wholly within ASX in respect of shares listed on ASX***

No stamp duty should be payable on transfers of New Amcor CDIs or New Amcor Shares, provided that there is no instrument of transfer.

No SDRT should be payable in respect of any agreement to transfer New Amcor CDIs or New Amcor Shares, provided that:

- the New Amcor CDIs and New Amcor Shares are not registered and will not become registered in a register kept in the UK by or on behalf of CHESS Depositary Nominees or New Amcor; and
- the New Amcor CDIs and New Amcor Shares are not paired with UK shares.

Amcor currently does not hold any register of the New Amcor Shares in the UK nor does it intend to in the future.

(4) Shares traded wholly within DTC in respect of the shares listed on NYSE

No stamp duty should arise on transfers of New Amcor Shares to Cede & Co. where there is no change in beneficial ownership. No stamp duty should arise on the transfer of New Amcor Shares wholly within DTC provided that there is no instrument of transfer.

Provided the New Amcor Shares are not paired with UK shares, and the share register is not kept in the UK, no SDRT should arise on issuing or transferring New Amcor Shares to Cede & Co. Furthermore, no charge to SDRT should arise on agreements to transfer the New Amcor Shares wholly within DTC.

(5) Future transfers of New Amcor Shares transferred/ agreed to be transferred outside ASX or DTC

Stamp duty may in certain circumstances be required to be paid in respect of written instruments effecting the transfer on sale of New Amcor CDIs or New Amcor Shares to the extent that the instrument is executed in any part of the UK or relates to property situated or any matter or thing done or to be done in the UK. This will generally be at a rate of 0.5 percent (rounded up to the nearest £5).

No SDRT should be payable in respect of any agreement to transfer the New Amcor CDIs or New Amcor Shares provided that the Amcor Shares are not registered and do not become registered in a register kept in the UK by or on behalf of New Amcor and the New Amcor Shares are not paired with UK shares. Amcor has confirmed that it does not currently (and does not intend in the future to) keep such a register in the UK.

(c) Dividends in respect of New Amcor CDIs and New Amcor Shares

The comments below in relation to the taxation of dividends apply to both dividends from retained earnings and distributions made out of share premium, on the understanding that (for distributions from share premium) the share premium is fully and freely distributable in accordance with the Jersey Companies Law and is not treated as forming part of New Amcor's share capital.

Dividends received by an individual UK resident Scheme Shareholder will be subject to UK income tax in the tax year in which they are payable. However, the first £2,000 of dividend income (in aggregate) received in the tax year will fall within the dividend allowance and be exempt from UK income tax. To the extent dividends received (in aggregate) exceed the dividend allowance, the applicable rates of income tax for the 2018/2019 tax year are:

- 7.5 percent for basic rate taxpayers;
- 32.5 percent for higher rate taxpayers; and
- 38.1 percent for additional rate taxpayers.

In determining whether and, if so, to what extent dividend income falls above or below the threshold for the higher rate of income tax or, as the case may be, the additional rate of income tax, the shareholder's total taxable dividend income for the tax year in question (including the part subject to the dividend allowance) will be treated as the highest part of the shareholder's total income for income tax purposes. In addition, dividends within the dividend allowance which would otherwise have fallen within the basic or higher rate bands will use up those bands respectively and so will be taken into account in determining whether the threshold for higher rate or additional rate income tax is exceeded.

UK resident Scheme Shareholders who are subject to UK corporation tax will be subject to corporation tax on dividends, unless (subject to special rules for shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met.

No UK income tax should be withheld on the payment of dividends.

Comparison of shareholder rights and corporate laws

SECTION **10**

Amcor is incorporated in Victoria under Australian law. Amcor Shares are quoted on ASX.

New Amcor is incorporated under the laws of the Bailiwick of Jersey. New Amcor intends to list New Amcor CDIs on ASX and New Amcor Shares on NYSE.

If the Scheme is implemented, the rights of New Amcor Shareholders in respect of New Amcor Shares will be primarily governed by Jersey law and New Amcor's memorandum and articles of association. As a company listed on NYSE, New Amcor will also be subject to US federal securities laws and NYSE listing standards. New Amcor will also be subject to the ASX Listing Rules applicable to entities that have an ASX Foreign Exempt Listing (which exempts the entity from the majority of ASX Listing Rules that apply to entities with a standard listing). In order to enforce the provisions of New Amcor's articles of association, New Amcor Shareholders may be required to take action in the courts of Jersey, which will apply Jersey law.

A comparison of key shareholder rights and some of the material provisions of Australian law, Jersey law and US law as they relate to Amcor and New Amcor is set out below, along with a description of certain securities laws and stock exchange rules where applicable.

References to Australian law where they appear in this Section 10 are references to the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and Australian common law, as applicable. References to Jersey law where they appear in this Section 10 are references to the Jersey Companies Law and Jersey common law, and references to US law are references to the Securities Act, and the rules and regulation of the SEC promulgated thereunder, and the NYSE listing standards.

Since the terms of New Amcor's articles of association, Jersey law and US law are more detailed than the general information provided below, you should rely on the actual provisions of those documents.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. You should seek your own professional legal advice if you require further information.

	Amcor	New Amcor
Shareholder meetings *Requirement for annual meetings; ability to call general meetings*	Under Australian law, the annual general meeting of Amcor is required to be held at least once in each calendar year, and within five months after the end of its financial year. A general meeting of Amcor Shareholders may be called in the circumstances set out below: • by the Amcor Board or individual Amcor Directors from time to time; • when requested to do so by Amcor Shareholders holding at least 5 percent of the votes that may be cast at the meeting, Amcor Directors must call a general meeting within 21 days after the request is given to Amcor, and the meeting must be held not later than two months after the request is given; or • alternatively, Amcor Shareholders holding at least 5 percent of the votes that may be cast at the meeting may themselves call, and arrange to hold, a general meeting of Amcor.	Under the Jersey Companies Law, the annual general meeting of New Amcor is required to be held each year and not more than 18 months may elapse between two successive annual general meetings. Similarly, under NYSE listing standards, New Amcor is required to hold an annual meeting of shareholders during each financial year following its listing on NYSE. Under the Jersey Companies Law, shareholders of New Amcor holding 10 percent or more of the company's voting rights that are entitled to vote at the relevant meeting may require the New Amcor Directors to call a meeting of shareholders. Upon receiving a requisition notice from shareholders, the New Amcor Directors must call a special meeting as soon as practicable but in any case not later than two months after the date of the requisition. If the New Amcor Directors do not do so within 21 days from the date of the deposit of the requisition proceed to call a meeting to be held within two months of that date, the shareholders requisitioning the meeting, or any of them representing more than half of the total voting rights of all of them, may themselves call a meeting, but a meeting so called shall not be held after three months from the date of deposit of the requisition.
Shareholder meetings *Notice of meeting*	As Amcor is listed on ASX, a notice of a general meeting of Amcor must be given at least 28 days before the date of the meeting. Amcor is required to give notice only to Amcor Shareholders entitled to vote at the meeting, as well as Amcor Directors and Amcor's auditor(s).	Under the Jersey Companies Law, a notice of a general meeting of New Amcor must be given at least 14 days before the date of the meeting. The New Amcor articles of association require that each person who is a member of New Amcor be given notice of an annual general meeting. The content of a notice of a general meeting called by the New Amcor Board is to be decided by the New Amcor Board, but it must state the general nature of the business to be transacted at the meeting. Under Jersey law, all matters to be considered at a meeting of the New Amcor Shareholders must be contained in the notice of meeting. Amendments to resolutions contained in a notice of meeting are only permitted in very limited circumstances.

<table>
<tr><th></th><th>Amcor</th><th>New Amcor</th></tr>
<tr><td>Shareholder meetings
Quorum requirements</td><td>The quorum for a meeting under the Amcor constitution is three or more Amcor Shareholders. If within 30 minutes after the time appointed for a meeting, a quorum is not present, the meeting is dissolved unless the Amcor Directors adjourn the meeting to a date, time and place determined by them.
If no quorum is present at any adjourned meeting within 30 minutes after the time for the meeting, the meeting is dissolved.</td><td>New Amcor's articles of association provide that a quorum for a meeting is persons holding or representing by proxy at least a majority of the voting power of the shares entitled to vote on the business of the meeting. Consistent with the Amcor requirements, if within 30 minutes after the time appointed for a meeting, a quorum is not present, the meeting is dissolved unless the Amcor Directors adjourn the meeting to a date, time and place determined by them. If no quorum is present at any adjourned meeting within 30 minutes after the time for the meeting, the meeting is dissolved.</td></tr>
<tr><td>Shareholder meetings
Voting requirements</td><td>Unless the Corporations Act or the company's constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by Amcor Shareholders if not less than 28 days' notice of a general meeting is given, specifying the intention to propose the special resolution and stating the resolution. In order to pass, a special resolution requires approval of at least 75 percent of the votes cast by shareholders entitled to vote. The Corporations Act requires certain matters to be resolved by special resolution, including:
the change of name of the company;
a selective reduction of capital or selective share buy-back;
the conversion of ordinary shares into preference shares; and
a decision to wind up the company voluntarily.
Under the Corporations Act, a special resolution is also required to modify or repeal the Amcor constitution.
Each Amcor Share confers a right to vote at all general meetings. On a show of hands, each Amcor Shareholder present in person, or by proxy, attorney or corporate representative, has one vote. If a poll is held, Amcor Shareholders present in person or by their proxy, attorney or corporate representative will have one vote for every Amcor Share held at 7.00pm (Melbourne time) on the voting record date.</td><td>Similarly, under the New Amcor articles of association, each New Amcor Share confers a right to vote at all general meetings. On a show of hands, each New Amcor Shareholder present has one vote. If a poll is held, New Amcor Shareholders present in person or by proxy, attorney or corporate representative will have one vote for every New Amcor Share held on the voting record date.
Section 8.6 sets out how holders of New Amcor CDIs may exercise the rights that attach to the New Amcor Shares that underlie their New Amcor CDIs.
Unless required by the Jersey Companies Law or the New Amcor articles of association, resolutions are passed by a simple majority of votes cast on the resolution.
Under the Jersey Companies Law, a special meeting or a special meeting of the New Amcor Shareholders generally requires approval by not less than two-thirds of the voting rights represented in person or by proxy at the meeting. Matters requiring a special resolution under the Jersey Companies Law include the following:
altering New Amcor's memorandum (which includes altering its share capital) or articles of association;
changing the name of New Amcor;
varying the class rights of shares, unless otherwise provided for in the articles of association;
carrying out the repurchase of New Amcor Shares, whether such repurchase is conducted through a stock exchange or outside a stock exchange (and in the latter case, notwithstanding that the agreement to repurchase the shares has been approved by a simple majority of New Amcor Shareholders);
reducing share capital;
commencing or terminating a summary or creditors' winding up under the Jersey Companies Law; and
appointing or removing a liquidator.
Certain other matters under the Jersey Companies Law require approval by more than a simple majority of the voting rights represented in person or by proxy at a meeting of shareholders.</td></tr>
<tr><td>Shareholder meetings
Shareholders' rights to bring a resolution before a meeting</td><td>Under the Corporations Act, Amcor Shareholders holding at least 5 percent of the votes that may be cast at a general meeting, may by written notice to Amcor propose a resolution for consideration at the next general meeting occurring more than two months after the date of the notice</td><td>A New Amcor Shareholder who holds a share which confers the right to vote at an annual general meeting may, on giving notice to New Amcor no more than 120 days and no less than 90 days before the anniversary of the date of the previous annual general meeting, require New Amcor to include a resolution to be proposed at the annual general meeting. New Amcor has the ability to refuse a proposal on grounds, such as where the proposal is not a proper matter for member action. Before the business is brought before the annual general meeting, the member must provide to New Amcor details of, among other things:
the shareholder, their shareholding and any arrangement designed to reduce economic risk to New Amcor Shares;
any direct or indirect opportunity to profit derived from increases or decreases in the value of New Amcor Shares;
any proxy or arrangement pursuant to which the shareholder has the right to vote any New Amcor Shares;
certain agreements, arrangements and understandings between such shareholder and certain other persons;
the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and the text of the proposal; and</td></tr>
</table>

Comparison of shareholder rights and corporate laws *continued*

	Amcor	New Amcor
Shareholder meetings *Shareholders' rights to bring a resolution before a meeting* *continued*		• any additional information New Amcor may reasonably request regarding the shareholder or the business the shareholder proposes to bring before the meeting. In addition, a shareholder also has the right to include proposals in the proxy statement for New Amcor's annual general meeting pursuant to Rule 14a-8 of the Exchange Act provided that the shareholder submits the proposal to New Amcor no less than 120 days before the anniversary of the date on which New Amcor's proxy statement for the prior year's annual general meeting was released to shareholders and satisfies certain additional eligibility and procedural requirements of that rule.
Directors *Directors' management of the business of the company*	Under the Amcor constitution, the management and control of the business and affairs of Amcor are vested in the Amcor Directors. The Amcor Directors may exercise all the powers of the company except any powers that the Corporations Act or the Amcor constitution requires the company to exercise in a general meeting. Under the Amcor constitution, an Amcor Director must hold at least 1,000 Amcor Shares.	Under New Amcor's articles of association, the management and control of the business and affairs of New Amcor are vested in the New Amcor Directors. The New Amcor Directors may exercise all the powers of the company except any powers that the Jersey Companies Law or the New Amcor articles of association requires the company to exercise in a general meeting.
Directors *Number and election of directors*	Under the Amcor constitution, Amcor must have no less than three and no more than 15 directors. The Amcor Directors may, at any time, appoint any person as an Amcor Director, either to fill a casual vacancy or as an addition to the existing Amcor Directors (provided the total number of Amcor Directors does not at any time exceed the maximum number of directors described above). An Amcor Director may not hold office without re-election beyond the third annual general meeting following the meeting at which the director was last elected or re-elected. Amcor's Chief Executive Officer is exempt from the retirement and election by rotation procedures under the Amcor constitution.	Under the New Amcor articles of association, New Amcor must have no less than three and no more than 11 directors, until the date of the first annual general meeting of shareholders following the completion of the Transaction, after which time it may be no more than 12. Under the New Amcor articles of association, the New Amcor Board may appoint any person as a director, either to fill a casual vacancy or as an addition to the existing directors (provided the total number of directors does not at any time exceed the maximum number of directors described above). Any director appointed by the New Amcor Board will hold office until the next annual general meeting following his or her appointment. At each annual meeting, all directors are required to retire and New Amcor may by ordinary resolution (being a resolution passed by majority of votes cast by members at the meeting) elect or re-elect those persons proposed in the notice of meeting for election or re-election as directors. Where the number of persons validly proposed for election or re-election as a director is greater than the number of directors to be elected, the persons receiving the most votes (up to the number of directors to be elected) shall be elected as directors and an absolute majority of votes cast shall not be a pre-requisite to the election of such directors. A person is eligible for election as a director at a general meeting only if the person: • is a director immediately before the general meeting and the New Amcor Board has recommended the person's election as a director; • has been nominated by the New Amcor Board for election at the meeting; or • has given notice to New Amcor that they wish to be, or where the person is not a member, a member has given notice to New Amcor nominating that person to be, a candidate for election at that meeting in a timely manner in accordance with the requirements of the New Amcor articles of association. To be timely, a member's notice seeking to nominate a person to be a director must be delivered to New Amcor by: • in the case of an annual meeting, not less than 90 nor more than 120 days prior to the first anniversary of the date on which the previous year's annual meeting was held; and • in the case of a special meeting called for the purposes of electing directors, the close of business on the 10th day following the day on which the notice of meeting was given by New Amcor.

	Amcor	New Amcor
Directors *Number and election of directors* *continued*		Each notice nominating a person to be a director must include, among other things: • as to each person whom the member proposes to nominate, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act; • a description of the agreements during the previous three years between the member and the beneficial owner and the proposed nominee; • a completed questionnaire regarding the background and qualifications of the proposed director; and • such additional information that New Amcor reasonably requests.
Directors *Removal of directors*	The Amcor Shareholders may remove an Amcor Director before their period of office ends by passing a resolution to do so, at a general meeting. The resolution must be passed by a majority of the votes cast by Amcor Shareholders present and voting. Under the Corporations Act, Amcor Directors cannot themselves remove an Amcor Director from their office or require an Amcor Director to vacate their office.	A New Amcor Director may be removed from office by ordinary resolution of New Amcor Shareholders, as a result of the director's: • conviction of serious felony involving moral turpitude or a violation of US federal or state securities law (except vicarious liability); or • personal commission of any material act of dishonesty resulting or intended to result in material personal gain or enrichment at the expense of New Amcor or its subsidiary, which would be reasonably likely to be charged as a felony.
Amendments to constituent documents	Any amendment to the Amcor constitution must be approved by a special resolution passed by Amcor Shareholders present and voting on the resolution. As set out in Section 10 (Shareholder meetings — Voting requirements), a special resolution requires approval of at least 75 percent of the votes cast by Amcor Shareholders entitled to vote.	New Amcor's memorandum of association sets out in respect of New Amcor (among other things) the company's name, that New Amcor is a public company, that New Amcor will be a par value company and the authorised share capital and the amounts into which the shares are divided. New Amcor's articles of association set out the regulations governing the internal management and procedures of the company (including rights attaching to shares) and, together with the memorandum of association, form a binding contract between New Amcor and the New Amcor Shareholders. The articles of association set out matters such as the minimum and maximum number of directors, meetings, elections of the board of directors and appointment of officers, filling of vacancies, notices and other routine conduct. New Amcor may amend its memorandum of association and articles of association by a special resolution passed by a majority of not less than two-thirds of the voting rights represented in person or by proxy at a meeting of the New Amcor Shareholders at which the resolution is proposed or in writing by the New Amcor Shareholders.
Issue of new shares	Subject to specified exceptions (e.g. for pro rata issues), the ASX Listing Rules restrict Amcor from issuing, or agreeing to issue, more equity securities (including shares and options) than the number calculated as follows in any 12-month period without the approval of Amcor Shareholders: • 15 percent of the total of: — the number of Amcor Shares on issue 12 months before the date of the issue or agreement to issue; plus — the number of Amcor Shares issued in the 12 months under a specified exception; plus — the number of partly paid ordinary shares that became fully paid in the 12 months; plus — the number of Amcor Shares issued in the 12 months with shareholder approval; less — the number of Amcor Shares cancelled in the 12 months, • less the number of equity securities issued or agreed to be issued in the 12 months before the date of issue or agreement to issue but not under a specified exception or with Amcor Shareholder approval.	Subject to the Jersey Companies Law, New Amcor is generally authorised by its articles of association to approve the allotment and issue of shares at such times, on such terms and for such consideration as the New Amcor Board thinks fit. At Implementation, New Amcor will have authorised share capital of nine billion shares and one billion preferred shares. In accordance with the Jersey Companies Law, a special resolution of New Amcor Shareholders will be required to increase the authorised share capital of New Amcor, if necessary. Under NYSE listing standards, New Amcor Shareholder approval is required for certain significant issuances of New Amcor Shares, including an issuance: • in connection with new or materially amended equity compensation plans, subject to certain exceptions; • to: — a director, officer or substantial security holder of New Amcor (each a **Related Party** in this Section 10 (Issue of new shares)); — a subsidiary, affiliate or other closely-related person of a Related Party; or — any company or entity in which a Related Party has a substantial direct or indirect interest, subject to certain exceptions;

Comparison of shareholder rights and corporate laws *continued*

	Amcor	New Amcor
Issue of new shares *continued*	Subject to certain exceptions, the ASX Listing Rules require the approval of Amcor Shareholders by ordinary resolution in order for Amcor to issue shares or options to Amcor Directors. Under the Amcor constitution, the Amcor Directors may issue shares, subject to the Corporations Act, the ASX Listing Rules, and any special rights conferred on the holders of any shares or class of shares.	• in any transaction or series of related transactions if: — the New Amcor Shares have, or will have upon issuance, voting power equal to or in excess of 20 percent of the voting power outstanding before the issuance — of such New Amcor Shares or securities convertible into or exercisable for New Amcor Shares; or — the number of New Amcor Shares to be issued is, or will be upon issuance, equal to or in excess of 20 percent of the number of New Amcor Shares outstanding before the issuance of the New Amcor Shares or securities convertible into or exercisable for New Amcor Shares, unless, in either case, the issuance is involving (i) any public offering for cash or (ii) any bona fide private financing, if such financing involves a sale of New Amcor Shares, for cash, at a price at least as great as each of the book and market value of the New Amcor Shares, or securities convertible into or exercisable for New Amcor Shares, for cash, if the conversion or exercise price is at least as great as each of the book and market value of the New Amcor Shares; or • that will result in a change of control of New Amcor[44].
Share buy-backs and redemptions	Under the Corporations Act, different procedures apply to buy-backs of Amcor Shares depending on the type of buy-back. Generally, Amcor may buy back its own shares if the buy-back does not materially prejudice its ability to pay creditors. Generally, if all shareholders are given an equal opportunity to have their shares bought back and the buy-back would result in Amcor, during the 12-month period prior to and including the buy-back, acquiring 10 percent or more of the smallest number of votes attaching to voting shares on issue in Amcor, then an ordinary resolution of Amcor Shareholders would be required. A selective buy-back, where not all shareholders are given an equal opportunity to access the buy-back, would require a special resolution of the Amcor Shareholders whose shares are not being bought back. Amcor Shares that have been bought back must be cancelled.	Subject to the provisions of the Jersey Companies Law and the New Amcor articles of association, New Amcor may purchase its own shares or CDIs pursuant to a special resolution of its shareholders, and may either cancel them or hold them as treasury shares. Under Jersey law, if the purchase is to be made on a stock exchange, the special resolution must specify the maximum number of shares or CDIs to be purchased, the maximum and minimum prices which may be paid, and the date on which the authority to purchase is to expire (which may not be more than five years after the date of the resolution). If the purchase is to be made otherwise than on a stock exchange, the purchase must be made pursuant to a written purchase contract approved in advance by a resolution of shareholders (excluding the shareholder from whom New Amcor proposes to purchase shares or CDIs). Prior to Implementation, Amcor (as the majority shareholder of New Amcor at such time) intends to adopt a special resolution that would give New Amcor the flexibility, should it desire in the future, to be able to repurchase its shares or CDIs for up to five years after the resolution is passed. It is currently expected that the approval will provide authority, should New Amcor decide to repurchase shares in the future, for New Amcor to acquire up to 485 million New Amcor Shares during the five years after Implementation. Issuers listed on NYSE such as New Amcor typically disclose certain information prior to undertaking a purchase of their own shares to ensure compliance with US laws prohibiting fraudulent and manipulative practices relating to their own securities. Information typically disclosed includes the estimated time period during which the acquisition will be made, maximum number of shares proposed to be acquired or amount of funds to be expended and an indication of how the buy-back will be conducted. The New Amcor Shares will not initially be redeemable. The New Amcor Board may, by ordinary resolution, issue or convert existing non-redeemable shares, whether issued or not, into redeemable shares either in accordance with their terms or at the option of New Amcor and/or the holder of such shares, provided that an issued non-redeemable share may only be converted into a redeemable share with the agreement of the holder or pursuant to a special resolution.

44 The NYSE does not define "change of control" and the exchange applies a subjective test on a case-by-case basis. Generally, purchases of more than 30 percent of the outstanding voting shares are presumed to constitute a change of control, and purchases of between 20 percent and 30 percent of the outstanding voting shares may be presumed to constitute a change of control, depending on NYSE's review of the issuer's corporate governance structure, such as board seats, management rights and other control rights of the acquirer of the securities.

	Amcor	New Amcor
Variation of class rights	Under the Corporations Act, rights attaching to any class of share in Amcor may only be varied: • by a special resolution passed at a meeting of the shareholders entitled to vote and holding shares in that class; or • with the written consent of Amcor shareholders with at least 75 percent of the votes in the class.	Under the New Amcor articles of association, the rights attached to a class of shares may only be varied: • with the written consent of the holders of two-thirds of the shares of the class; or • by a special resolution passed at a separate meeting of the holders of shares of the affected class.
Protection of minority shareholders and the oppression remedy	Under the Corporations Act, any Amcor Shareholder can bring an action in cases of conduct which is contrary to the interests of Amcor Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Amcor Shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former Amcor Shareholders can also bring an action if it relates to the circumstances in which they ceased to be an Amcor Shareholder. A statutory derivative action may also be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder, of Amcor. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that: • it is probable that Amcor will not itself bring the proceedings or properly take responsibility for them or for the steps in them; • the applicant is acting in good faith; • it is in the best interests of Amcor that the applicant be granted leave; • if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and • either, at least 14 days before making the application, the applicant gave written notice to Amcor of the intention to apply for leave or the reasons for applying, or it is otherwise appropriate to grant leave.	Under Article 141 of the Jersey Companies Law, a shareholder may apply to court for relief on the grounds that the conduct of the company's affairs, including a proposed or actual act or omission by the company, is "unfairly prejudicial" to the interests of shareholders generally or of some part of shareholders, including at a minimum the shareholder making the application. Under Article 143 of the Jersey Companies Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the Jersey Companies Law), the court may make an order regulating the affairs of a company, requiring a company to refrain from doing or continuing to do an act complained of, authorising civil proceedings and providing for the purchase of shares by a company or by any of its other shareholders. There may also be common law personal actions available to shareholders. Under Jersey law, New Amcor Shareholders may bring a claim on New Amcor's behalf if the persons against whom relief is sought hold and control the majority of the shares and will not permit an action to be brought in New Amcor's name, where: • the act complained of is beyond the legal powers or authority of the company or illegal; • the act complained of constitutes a fraud against the minority of the New Amcor Shareholders and the wrongdoers control New Amcor; • there is an irregularity as to the majority of votes obtained for a resolution as compared against the threshold of votes required; or • the act complained of infringes the personal rights of an individual shareholder. In these circumstances, the Jersey Companies Law gives an aggrieved shareholder the ability to apply to the Royal Court of Jersey for relief on the ground that New Amcor's affairs are being conducted in a manner which is unfairly prejudicial to the interests of some or all of its shareholders. The court may, among other things, authorise civil proceedings to be brought in the name and on behalf of New Amcor.
Source and payment of dividends	Under the Corporations Act, Amcor must not pay a dividend unless: • Amcor's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; • the payment of the dividend is fair and reasonable to Amcor Shareholders as a whole; and • the payment of the dividend does not materially prejudice Amcor's ability to pay creditors. Subject to the Corporations Act, the Amcor constitution and the terms of issue or rights of any shares with special rights to dividends, the Amcor Directors may declare or determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by Amcor to, or at the direction of, each Amcor Shareholder entitled to that dividend.	Under the articles of association, the New Amcor Board may declare and pay any dividend from time to time as it determines, including any interim dividend (which may be half-yearly, quarterly or at other suitable intervals). Under the Jersey Companies Law, dividends may be paid from any source permitted by law (other than from nominal capital account and capital redemption reserve), subject to a requirement for the directors who are to authorise the payment of any dividend to make a statutory solvency statement.

Comparison of shareholder rights and corporate laws *continued*

	Amcor	New Amcor
Remuneration of directors and officers	Under the ASX Listing Rules, the maximum amount to be paid to Amcor Directors for their services as directors (other than the salary of an executive director) is not to exceed the amount approved by Amcor Shareholders. As at the date of this Scheme Booklet, Amcor Shareholders had approved aggregate remuneration for all non-executive directors of A$3,000,000 per annum. Amcor's annual report includes a remuneration report within the directors' report. This remuneration report is required to include a discussion of the Amcor Board's policy in relation to remuneration of key management personnel of Amcor. Under the Corporations Act, a listed company (such as Amcor) must put its remuneration report to a shareholder vote at its annual general meeting. If in two consecutive annual general meetings, 25 percent or more of the votes cast on the resolution vote against adopting the remuneration report, a 'spill resolution' must then be put to shareholders. A spill resolution is a resolution that a spill meeting be held and all directors (other than a managing director who is exempt from the retirement by rotation requirements) cease to hold office immediately before the end of the spill meeting. If the spill resolution is approved by the majority of votes cast on the resolution, a spill meeting must be held within 90 days at which directors wishing to remain directors must stand for re-election.	There is no statutory requirement under Jersey company law regarding the remuneration of directors and officers, but is subject to New Amcor's articles of association. Under the New Amcor articles of association, the board may decide the remuneration from New Amcor to each New Amcor Director. The New Amcor Directors may also reimburse any director for reasonable expenses incurred in attending and returning from meetings of the New Amcor Board, any committee of the New Amcor Board or general meetings or otherwise in connection with the business of New Amcor. As well as requiring certain executive compensation disclosure to be included in the proxy statement, SEC rules will also require New Amcor to hold an advisory vote not less than once every three years on executive compensation. The frequency of the advisory vote on executive compensation has not yet been determined for New Amcor.
Retirement benefits	Under the Amcor constitution, subject to the ASX Listing Rules and Corporations Act, Amcor may pay any person, including an Amcor Director, a benefit in connection with the retirement from office of any officer of the company. The Corporations Act provides that, in respect of termination benefits payable to a company director, senior executive or key management personnel under employment contracts entered into, renewed or varied on or after 24 November 2009, shareholder approval is required if the total value of the benefits exceed one year of that person's base salary.	The New Amcor articles of association provide that the New Amcor Board may make arrangements with any director. In particular, any New Amcor Director may be paid a retirement benefit, as determined by the New Amcor Board. There is no statutory requirement under the Jersey Companies Law regarding retirement benefits. Similarly, NYSE listing standards do not place a limit on, or require shareholder approval for, payment of any termination or retirement benefits to directors or officers. However, SEC rules will require New Amcor to disclose retirement benefits and other post-employment benefits of its directors in proxy statements.
Fiduciary duties of directors and officers	Under Australian law, the directors and officers of Amcor are subject to a range of duties, including duties to: • act in good faith in the best interests of the company; • act for a proper purpose; • not fetter their discretion (in the case of directors only); • exercise care and diligence in the performance of their duties; • avoid conflicts of interest; • not use their position to gain advantage for themselves or someone else, or to cause detriment to the company; • not misuse information which they have gained through their position to gain advantage for themselves or someone else, or to cause detriment to the company; and • otherwise act in accordance with the Corporations Act and, subject to the provisions of the Corporations Act, Amcor's constitution.	New Amcor Directors will be subject to substantially the same duties that applied to Amcor Directors. Under the Jersey Companies Law, the directors and officers of New Amcor are subject to duties to: • act honestly and in good faith with a view to the best interests of the company; • exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; • exercise the powers of a director for a proper purpose; • avoid a conflict of duty and interest; • account for profits from opportunities arising from his or her directorship; and • conduct the business of the company in accordance with its memorandum and articles of association.

	Amcor	New Amcor
Release from liability and indemnification of directors and officers	Under Australian law, Amcor cannot: • exempt an officer or auditor from liability to Amcor incurred in their capacity as an officer or auditor; • indemnify an officer or auditor against a liability owed to Amcor or a Related Body Corporate; or • indemnify an officer or auditor against the legal costs incurred in defending certain legal proceedings, including proceedings in which the person is found liable to Amcor or a Related Body Corporate. The Amcor constitution contains a provision requiring Amcor to indemnify each officer of Amcor (to the maximum extent permitted by law and to the extent they are not otherwise indemnified) out of the property of Amcor against any liability incurred by the officer in, or arising out of, the discharge of the duties of the officer.	To the maximum extent permitted by applicable law, every present or former director or officer of New Amcor must be indemnified by New Amcor against any loss or liability incurred by him or her by reason of being or having been such a director or officer. The New Amcor Board may authorise the purchase or maintenance by New Amcor for any current or former director or officer of such insurance as is permitted by applicable law in respect of any liability which would otherwise attach to such current or former director or officer. The Jersey Companies Law does not contain any provision permitting Jersey companies to limit the liabilities of directors for breach of fiduciary duty. However, a Jersey company may exempt, and indemnify directors and officers for, liabilities: • incurred in defending any proceedings (whether civil or criminal); — in which judgment is given in the person's favour or the person is acquitted; — which are discontinued otherwise than for some benefit conferred by the person or on the person's behalf or some detriment suffered by the person; or — which are settled on terms which include such benefit or detriment and, in the opinion of a majority of the directors of the company (excluding any director who conferred such benefit or on whose behalf such benefit was conferred or who suffered such detriment), the person was substantially successful on the merits in the person's resistance to the proceedings; • incurred otherwise than to the company if the person acted in good faith with a view to the best interests of the company; • incurred in connection with an application made under Article 212 of the Jersey Companies Law in which relief is granted to the person by the court; or • against which the company normally maintains insurance for persons other than directors. New Amcor may also indemnify any director, liquidator or other officer of any of its subsidiaries, provided that in doing so neither New Amcor nor the subsidiary directly or indirectly receives any benefit or suffers any detriment.
Transactions involving directors, officers or other related parties	The Corporations Act prohibits a public company such as Amcor from giving a related party a financial benefit unless it: • obtains the approval of shareholders and gives the benefit within 15 months after receipt of such approval; or • the financial benefit is exempt. A related party is defined by the Corporations Act to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms. The ASX Listing Rules prohibit a listed entity such as Amcor from acquiring a substantial asset (an asset the value or consideration for which is 5 percent or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the entity, unless it obtains the approval of shareholders. The related parties include directors, persons who have or have had (in aggregate with any of their associates) in the prior six-month period an interest in 10 percent or more of the shares in the company and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's length terms. The ASX Listing Rules also prohibit a listed entity such as Amcor from issuing or agreeing to issue shares to a director unless it obtains the approval of shareholders or the share issue is exempt.	There is no statutory requirement under Jersey company law regarding transactions involving directors, officers or other related parties. The New Amcor articles of association further permit a director to contract or enter into an arrangement with New Amcor as vendor, purchaser or in another capacity. A New Amcor Director who has an interest in a matter that is being considered at a meeting of the New Amcor Board may, despite that interest, be present and be counted in a quorum at the meeting, unless that is prohibited by law, but may not vote on the matter if such interest is one which to a material extent conflicts or may conflict with the interests of New Amcor and of which the director is aware. The Jersey Companies Law imposes a statutory duty on directors of New Amcor to disclose to the company the nature and extent of his or her interest, whether direct or indirect, in any transaction entered into or proposed to be entered into by New Amcor where the director's interest conflicts to a material extent with the interests of the company. The disclosure must be made at the first meeting of the directors at which the transaction is considered after the director concerned becomes aware of the circumstances giving rise to his or her duty to make it; or if for any reason the director fails to so disclose as soon as practical after that meeting, by notice in writing delivered to the secretary.

Comparison of shareholder rights and corporate laws *continued*

	Amcor	New Amcor
Transactions involving directors, officers or other related parties *continued*	Exempt share issues include issues made pro rata to all shareholders, under an underwriting agreement in relation to a pro rata issue, under certain dividend or distribution plans or under an approved employee incentive plan. The Corporations Act generally requires an Amcor Director who has a material personal interest in a matter that relates to the affairs of Amcor to give the other Amcor Directors notice of that interest. That Amcor Director must not be present at a meeting where the matter is being considered or vote on the matter unless the other Amcor Directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of an Amcor Director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of a contract in which the Amcor Director has an interest. Amcor Directors, when entering into transactions with Amcor, are subject to the common law and statutory duties to avoid conflicts of interest.	
Disclosure obligations	Amcor is a "disclosing entity" for the purposes of the Corporations Act and subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. Broadly, these obligations include the requirement, subject to exceptions for certain confidential information, to notify ASX immediately of any information of which it becomes aware that a reasonable person would expect to have a material effect on the price or value of Amcor Shares. Amcor is also required to make announcements to ASX on specified issues. Some of these announcements are required on a regular basis, including notifying ASX of proxy voting results at the annual general meeting, providing dividend details and providing copies of notices of meeting. Other one-off announcements are required depending upon a company's individual circumstances at a particular time. These obligations apply in addition to Amcor's continuous disclosure obligations. Amcor is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a directors' declaration and report, and a yearly audit report and half-yearly review report.	New Amcor would be exempt from complying with the Australian continuous disclosure regime set out in ASX Listing Rule 3.1. However, New Amcor must provide to ASX all information the company gives to the SEC that is to be made public, as New Amcor's home exchange. Under US law, New Amcor is not generally required to publicly disclose material price-sensitive information until the next quarterly report or a specific disclosure requirement arises in respect of the matter. New Amcor will be obliged to make a range of specific public disclosures, including: • an annual report on Form 10-K, required following the end of each financial year, containing New Amcor's audited annual financial statements, management's discussion and analysis of those financial statements and information regarding New Amcor's business, risks, properties and material legal proceedings, among other matters; • a proxy statement, including information on shareholding by 5 percent holders, directors and executive officers, certain executive compensation matters and matters to be voted upon by shareholders; • quarterly reports on Form 10-Q, required following the end of each of the first three fiscal quarters of each financial year, containing New Amcor's unaudited quarterly financial statements and management's discussion and analysis of those financial statements; and • current reports on Form 8-K, required as and when certain specified events occur (generally within four business days of a specified event) and also permitted on a voluntary basis to disclose to the investing public generally any information that New Amcor deems to be of importance to shareholders. Under Jersey law, New Amcor will be required to produce audited accounts for the company and the New Amcor Directors must, for each financial period of the company, deliver to the Jersey Companies Registrar: • a copy of New Amcor's accounts for the period signed on behalf of the directors by one of them; and • a copy of the auditor's report on the accounts. New Amcor is also required to lodge an annual return with the Jersey Companies Registrar before the end of February in each year.

	Amcor	New Amcor
Disclosure of substantial shareholders	A person who obtains voting power in 5 percent or more of an ASX listed company is required to publicly disclose that fact within two business days via the filing of a substantial holding notice. A person's voting power consists of their own 'relevant interest' in shares plus the relevant interests of their associates. A further notice needs to be filed within two business days after each subsequent voting power change of 1 percent or more, and after the person ceases to have voting power of 5 percent or more. The notice must attach all documents which contributed to the voting power the person obtained, or provide a written description of arrangements which are not in writing.	Under Jersey law, registered shareholdings above one percent in the register of members are required to be disclosed in the annual return and are publicly available. In addition, a person or group of persons who acquires beneficial ownership of more than 5 percent of a voting class of a company's equity securities registered under section 12 of the Exchange Act, is required to file a Schedule 13D with the SEC. (Depending on the facts and circumstances, the person or group of persons may be eligible to file a more abbreviated Schedule 13G in lieu of the Schedule 13D.) Schedule 13D reports the acquisition and other information and must be filed within 10 days following the acquisition. The Schedule 13D is filed with the SEC and is provided to the company that issued the securities and each exchange where the securities are traded. Any material changes in the facts contained in the schedule (including a material increase or decrease in the percentage of the class of equity securities that are beneficially owned by the person or group of persons making the filing) requires a prompt amendment to the Schedule 13D. An acquisition or disposition of beneficial ownership of securities in an amount equal to one percent or more of the class of securities shall be deemed "material", although acquisitions or dispositions of less than that amount may be material, depending upon the facts and circumstances. Note that the above applies in respect of New Amcor Shares and New Amcor CDIs, as New Amcor CDIs constitute beneficial ownership of New Amcor Shares. As an ASX Foreign Exempt Listing, New Amcor will be required to provide to ASX a copy of any Schedule 13D or Schedule 13G that is filed with the SEC. However, the provisions of the Corporations Act dealing with disclosures of substantial holdings do not apply to entities established outside Australia, such as New Amcor. Moreover, New Amcor has the ability to give notice to a New Amcor Shareholder or anyone thought to have had an interest in a New Amcor Share at any time during the prior three years and require the recipient to provide information about his, her or its interests in New Amcor Shares. If the person to whom such notice is issued does not respond within the requisite time frame, the directors may determine that the member cannot vote and may suspend rights to dividends and transfers.
Takeovers *Takeover requirements*	Australian law restricts a person from acquiring control of voting shares in Amcor where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20 percent or below to more than 20 percent, or from a starting point that is above 20 percent and below 90 percent. Exceptions to this restriction include: • an acquisition of no more than 3 percent of the voting shares in the company within a six-month period; • an acquisition approved by an ordinary resolution (requiring more than 50 percent of votes cast) of shareholders, but with no votes cast in favour by the person proposing to make the acquisition or their associates; • an acquisition made under a takeover bid conducted in accordance with Australian law; or • an acquisition that results from a court-approved compromise or arrangement that requires approval by a majority in number and at least 75 percent of the votes cast by shareholders in each class on which the arrangement will be binding. Takeover bids must treat all shareholders alike and must not involve any collateral benefits. Various restrictions about conditional offers exist and there are also restrictions concerning the withdrawal and suspension of offers. Amcor Shareholders may be required to sell their Amcor Shares: • under compulsory acquisition requirements, such as where a bidder has made a takeover offer for all shares in a class and the bidder acquires a Relevant Interest in at least 90 percent (by number) of shares in the class (having acquired at least 75 percent of the shares the bidder offered to acquire); or • pursuant to a court-approved compromise or arrangement.	There is no takeover legislation that will apply to New Amcor. Therefore, there will be no limitation on the ability of a person to acquire any number of New Amcor CDIs or New Amcor Shares. However, New Amcor is able to adopt takeover protection mechanisms as set out in Section 10 (Takeovers — Takeover protections). Under the Jersey Companies Law, despite there being no takeover prohibition, New Amcor may be subject to a takeover bid or scheme of arrangement, and in the following circumstances New Amcor Shareholders may be required to sell their New Amcor CDIs or New Amcor Shares: • under compulsory acquisition requirements, where a bidder has made a takeover offer to all holders in a class and the bidder receives acceptances that represent no less than 90 percent of the nominal value or number of shares in that class; or • pursuant to a scheme of arrangement binding on all shareholders in a class once it has been approved by a majority representing 75 percent of votes cast at a meeting of New Amcor Shareholders and sanctioned by the court in Jersey. These are similar to the circumstances in which Amcor Shareholders would be required to sell their Amcor Shares described in Section 10 (Takeovers — Takeover protections).

Comparison of shareholder rights and corporate laws *continued*

	Amcor	New Amcor
Takeovers *Takeover protections*	Because of the strong statutory takeover protections that apply to Australian companies under the Australian takeovers legislation and policy, boards of Australian companies are limited in the additional non-statutory defensive mechanisms that they can put in place to discourage or defeat a takeover bid. Therefore, it is likely that the adoption of certain antitakeover mechanisms by the board without shareholder approval, such as a shareholders' rights plan (or so-called 'poison pill'), would give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel if it discouraged or defeated a takeover bid.	Given that there will be no applicable takeovers legislation that will restrict a person from acquiring any number of shares in New Amcor, a person could potentially acquire a significant stake and seek to control New Amcor without making a takeover offer to all shareholders or without seeking the approval of the New Amcor Board. As a safeguard, the articles of association will permit the New Amcor Board to adopt certain takeover defence mechanisms, similar to takeover defence mechanisms adopted by other companies listed on NYSE, designed to avoid control of New Amcor passing without New Amcor Board or shareholders' approval and thereby protect against non-negotiated takeover bids made at unfair or inadequate prices or which rely on coercive or unfair tactics. The articles of association authorise the New Amcor Board to issue, without shareholder approval, additional ordinary shares or preferred shares in such classes and on such terms as the New Amcor Board may approve from time to time. While this authority will provide New Amcor with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise, the New Amcor Board could also issue a class or series of shares that could delay, defer or prevent a transaction or a change of control of New Amcor that might involve a premium price for shareholders or that New Amcor Shareholders may otherwise believe to be in their best interests. For example, the articles of association permit the New Amcor Board to adopt a shareholder rights plan which could have the effect of diluting shareholders that seek to gain control over New Amcor Shares without New Amcor Board approval (subject to Jersey law). Under a shareholder rights plan, New Amcor could issue rights to shareholders to purchase shares at a specified below-market price. These rights would only be exercisable after a person or persons acting in concert acquired a specified percentage of New Amcor Shares (e.g. 20 percent) or announced an intention to make a takeover bid for New Amcor, but would not be exercisable by the person(s) that acquired a specified percentage of New Amcor Shares or made the takeover bid. The prospect of significant dilution means that a prospective bidder would be forced to deal with the New Amcor Board to negotiate an agreed outcome. The terms of any such shareholder rights plan may differ from those described above and would be determined by the New Amcor Board at such time. In exercising this authority, the New Amcor Directors would be required to comply with their directors' duties under Jersey law, including to act honestly and in good faith with a view to the best interests of New Amcor. Under the articles of association, the purposes for which the New Amcor Board is entitled to exercise this power include ensuring, among other things, all New Amcor Shareholders are treated fairly and in a similar manner, and any process which may result in an acquisition of a significant interest or change of control of New Amcor is conducted in an orderly manner. At the date of this Scheme Booklet, the New Amcor Board has not adopted a shareholder rights plan and does not currently intend to do so.
Restrictions on transactions with significant shareholders	ASX Listing Rules contain restrictions on listed companies, such as Amcor, acquiring or disposing of substantial assets from or to a substantial shareholder who, along with their associates, holds at least 10 percent of the company's voting securities (or has in the last six months), without disinterested shareholder approval. Substantial assets are assets that represent at least five percent of the company's equity interests (essentially five percent of its net asset value), as set out in the latest financial statements. Shareholder approval for such transactions requires a simple majority of votes cast by the company's ordinary shareholders, with parties to the transaction (and their associates) not voting.	Under the New Amcor articles of association, New Amcor will be prohibited from engaging in any business combination with any "interested shareholder" for a period of three years following the time that such shareholder became an interested shareholder (subject to certain specified exceptions), unless (in addition to other exceptions): • prior to such business combination the New Amcor Board approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder; or

	Amcor	New Amcor
Restrictions on transactions with significant shareholders *continued*	The Corporations Act also provides that a public company, such as Amcor, or an entity that the public company controls must obtain shareholder approval before giving a financial benefit to a related party (including a person that controls the public company) unless an exception applies, such as where the transaction is on arm's length or less favourable terms to the related party. ASX Listing Rules also prohibit entities from issuing equity securities to a related party or a person whom ASX considers should be treated as a related party, without shareholder approval.	• subsequent to the person becoming an interested shareholder, the business combination is approved by the New Amcor Board and shareholders representing two-thirds of the outstanding voting shares not owned by the interested shareholder. A business combination includes, among other things: • any sale, transfer or other disposition of assets to the interested member where such assets have an aggregate market value equal to 10 percent or more of either the aggregate market value of all the assets of New Amcor determined on a consolidated basis or the aggregate market value of all the outstanding shares of New Amcor; or • a transaction involving New Amcor which has the effect of increasing the interested shareholder's proportionate shareholding. An "interested shareholder" is (subject to certain specified exceptions) any person (together with its affiliates and associates) who (i) owns more than 15 percent of New Amcor's voting shares or (ii) is an affiliate or associate of New Amcor and owned more than 15 percent of New Amcor's voting shares within three years of the date on which it is sought to be determined whether such person is an interested shareholder.
Right to inspect register of shareholders	Under Australian law, the register of shareholders of a company is usually kept at the registered office or principal place of business in Australia and must be available for inspection to shareholders free of charge at all times when the registered office is open to the public. If a person asks Amcor for a copy of the Amcor Share Register (or any part of the Amcor Share Register) and pays the requested fee (up to a prescribed amount), Amcor must give that person the copy within seven days of the date on which Amcor receives such payment.	The register of shareholders and books containing the minutes of general meetings or of meetings of any class of shareholders of a Jersey company, such as New Amcor, must during business hours be open to the inspection of a shareholder of the company without charge.
Right to inspect corporate books and records	Under the Corporations Act, a shareholder must obtain a court order to obtain access to the corporate books. The applicant must be acting in good faith and be making the inspection for a proper purpose.	In addition to the register of shareholders, Jersey law requires the register of directors and secretaries be open to the inspection of a shareholder or director of the company without charge during business hours (subject to such reasonable restrictions as the company may by its articles of association or in general meeting impose, but so that not less than two hours in each business day be allowed for inspection). It is expected that the list of directors and secretaries will be made available for shareholders on New Amcor's website.
Winding up	Under Australian law, an insolvent company may be wound up by a liquidator appointed either by creditors or by the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors as a dividend. The shareholders rank behind the creditors and are, therefore, unlikely to receive any dividend in an insolvent liquidation. Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding up. A meeting at which a decision is made to wind up a solvent company requires at least 75 percent of votes cast by the shareholders present and voting. The Amcor constitution provides that on winding up, the liquidator may divide among all or any of the contributories in specie or kind the whole or any part of Amcor's property. Any division may be otherwise than in accordance with the legal rights of the contributories, but if any such division is determined, any contributory that would be prejudiced has a right to dissent and ancillary rights as if the determination was a special resolution under the Corporations Act relating to the sale or transfer of the company's assets by a liquidator in a voluntary winding up.	A Jersey company may be dissolved and wound up at any time. There are three types of winding up procedure under the Jersey Companies Law: • a summary winding up; • a creditors' winding up; and • a just and equitable winding up. Generally, a summary winding up occurs when the company is solvent and a creditors' winding up occurs when it is insolvent. Both processes are initiated by the company itself passing a special resolution, although a liquidator need not be involved in a summary winding up. The just and equitable winding up process involves the approval of the Royal Court of Jersey following an application which may be made by the company, a director of the company or a shareholder of the company. Upon dissolution, after satisfaction of the claims of creditors, the assets of the company would be distributed to shareholders in accordance with their respective interests, including any rights a holder of preferred shares may have to preferred distributions upon dissolution or liquidation of the company.

Additional information

SECTION **11**

11.1 Overview

This Section 11 sets out the additional information required by section 412(1) of the Corporations Act and Part 3 of Schedule 8 of the Corporations Regulations, as well as some additional information that may be relevant to Amcor Shareholders in deciding how to vote on the Scheme.

11.2 Interests and dealings in securities

(a) **Interests of Amcor Directors in marketable securities of Amcor**

The marketable securities of Amcor which are held or controlled by Amcor Directors are listed below.

Amcor Director	Number of Amcor Shares
Graeme Liebelt	93,565
Ron Delia	898,984
Paul Brasher	28,769
Eva Cheng	11,425
Karen Guerra	46,721
Nicholas (Tom) Long	4,000
Dr Armin Meyer	50,000
Jeremy Sutcliffe	63,093

In addition, Ron Delia holds 1,517,200 Amcor Options, 231,500 Amcor Performance Shares and 62,018 Amcor Rights.

Each Amcor Director intends to vote all Amcor Shares they hold or control in favour of the Scheme.

No Amcor Director acquired or disposed of a Relevant Interest in any marketable securities of Amcor or New Amcor in the four months preceding the date of this Scheme Booklet.

There are no marketable securities of New Amcor held by or on behalf of Amcor Directors as at the date of this Scheme Booklet.

(b) **New Amcor's interests in Amcor Shares**

As at the date of this Scheme Booklet, New Amcor did not have any Relevant Interest or voting power in any Amcor Shares.

(c) **Acquisitions of Amcor Shares by New Amcor or its associates**

Neither New Amcor nor any of its associates has provided, or agreed to provide, consideration for Amcor Shares under any purchase or agreement during the four months before the date of this Scheme Booklet.

(d) **Pre-Scheme benefits**

During the period of four months before the date of this Scheme Booklet, neither New Amcor nor any of its associates gave, offered to give, or agreed to give, a benefit to another person which was likely to induce the other person, or an associate of the other person, to vote in favour of the Scheme or dispose of Amcor Shares, and which is not offered to all Amcor Shareholders.

11.3 Treatment of equity incentives

Amcor has various incentive plans in place that will be affected by the Transaction. The Amcor Directors have considered how the Transaction will affect these plans and the objectives which the incentive plans are designed to achieve.

The treatment of the relevant Amcor incentive plans is described below. Further details regarding the Amcor incentive plans in effect as at the date of this Scheme Booklet are set out in Amcor's 2018 annual report.

(a) **Short-term incentive plan (annual cash component)**

As the anticipated completion of the Transaction is close to the end of the year ended 30 June 2019, the Amcor Directors have determined that the metrics, and the assessment of such metrics, applicable to the annual cash component of the short term incentive plan for the year ended 30 June 2019 will remain unchanged if the Transaction completes. However, to help facilitate an appropriate and fair assessment, the metrics will be assessed by reference to the Amcor business performance excluding (i) any impact that the Bemis business may have for the final remaining months of the year and (ii) costs and expenses related to the Transaction.

(b) **Short-term incentive plan (deferred equity)**

The Amcor Directors have determined that, subject to completion of the Transaction, previously granted awards under the deferred equity component of the Amcor short term incentive plan will be converted to share rights over either NYSE-listed New Amcor Shares or ASX-listed New Amcor CDIs. No other change will be made to the terms of the share rights issued under the Amcor short-term incentive plan, including in respect of the vesting terms.

(c) **Long-term incentive plan**

*(1) **Previously granted awards***

The Amcor Directors have determined that, subject to completion of the Transaction, previously granted awards under the Amcor long-term incentive plan will be converted to share options and performance shares or performance rights (as applicable) over either NYSE-listed New Amcor Shares or ASX-listed New Amcor CDIs. In respect of share options over NYSE-listed New Amcor Shares, the underlying exercise price will be converted to US dollars at an appropriate exchange rate at the time of the completion of the Transaction.

In respect of the award for the year ended 30 June 2017 (awarded late in 2016, covering the three year period ending 30 June 2019), as the anticipated completion of the

Transaction is close to the end of the plan performance period, the metrics applicable to this plan and their assessment will remain unchanged. However, to help facilitate an equitable and comparative assessment, the metrics will be assessed by reference to the Amcor business performance excluding (i) any impact that Bemis may have for the final remaining months of the year ending 30 June 2019 and (ii) costs and expenses related to the Transaction. In addition, Bemis will be excluded from the international packaging total shareholder return (**TSR**) comparator group assessment, consistent with the approach applied to other companies in the past.

In respect of the award for the year ending 30 June 2018 (awarded late in 2017, covering the three year period ending 30 June 2020), the period up to 30 June 2019 will be assessed in the same manner as described above. For the year ended 30 June 2020 (the last year of the plan performance period), the metrics will be assessed based on the performance of the Combined Group. The Amcor Directors have determined that the primary performance conditions of adjusted EPS growth and relative TSR will remain unchanged (Bemis will be excluded from the international packaging total shareholder return comparator group assessment). The supplementary gateway measure, adjusted return on average funds employed (adjusted **RoAFE**), will be reduced from 18 percent to 12 percent; a reduction that recognises the short term impact of the Transaction only.

*(2) **Approved but as yet not awarded grants***

In 2018, the Amcor Directors approved a new grant for the year ending 30 June 2019 (covering the three year period ending 30 June 2021). The grant to the Chief Executive Officer was subsequently approved by Amcor Shareholders at the 2018 annual general meeting. This grant was approved on the basis of "business as usual" and would be granted if the Transaction did not proceed. The Amcor Directors have approved a replacement grant that has the same features of the previously approved plan and will now be awarded following completion of the Transaction. This award will be provided to both Amcor and Bemis participants shortly after Transaction completion to increase alignment across the organisation. The Amcor Directors have determined that the primary performance conditions of adjusted EPS growth and relative TSR will remain the same as the previously approved grant, although the adjusted EPS growth hurdle will increase from 5 percent to 8 percent, to 5 percent to 10 percent and be measured over the two financial years following Transaction completion (up to the end of the plan performance period on 30 June 2021). The TSR comparator group will consist of an appropriate blend of companies in a relevant international index and industry peers, consistent with the previously approved plan. The supplementary gateway measure (adjusted RoAFE) will be reduced from 18 percent to 12 percent; a reduction that recognises the short term impact of the Transaction only.

The replacement grant will be delivered as share options (50 percent of award) and performance rights/shares (50 percent of award) and will be in place through to 30 June 2021 (to align both Amcor and Bemis participants on completion of the Transaction and for vesting schedules of plans to remain in line with the current schedule for Amcor participants). The share option exercise price will also be set using a 20-day volume weighted average price at grant. These features are consistent with the previously approved grant.

(d) **Retention share/payment plan**

The Amcor Directors have determined that, subject to completion of the Transaction, previously granted awards under this plan will be converted to shares (or their cash equivalent) over either NYSE-listed New Amcor Shares or ASX-listed New Amcor CDIs. Otherwise, there would be no change to terms of the retention share/payment plan including vesting term.

11.4 Payments or other benefits to Amcor Directors, officers or executives

(a) **Benefits in connection with retirement from office**

There is no payment or other benefit that is proposed to be made or given to any director, secretary or executive officer of Amcor (or any of its Related Bodies Corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Amcor (or any of its Related Bodies Corporate) in connection with the Scheme.

(b) **Agreements connected with or conditional on the Scheme**

Except as set out in this Scheme Booklet, there are no other agreements or arrangements made between any Amcor Director and any other person in connection with, or conditional on, the outcome of the Scheme.

Each of the Amcor Directors will join the New Amcor Board if the Scheme is implemented (three Bemis Directors will also be invited to join the New Amcor Board).

The Amcor Board has resolved to pay Paul Brasher A$30,000 in part in recognition of the increased time and effort exerted serving as chairman of the committee responsible for overseeing the preparation of this Scheme Booklet. This fee is not conditional on the Scheme being implemented.

(c) **Interests in contracts with New Amcor**

None of the Amcor Directors has any interest in any contract entered into with New Amcor.

(d) **Benefits under the Scheme or from New Amcor**

Except as otherwise disclosed in this Scheme Booklet, there is no payment or other benefit that is proposed to be made or given:

- to any Amcor Director from New Amcor which is conditional on, or is related to, the Scheme;
- to any Amcor Director or proposed director of New Amcor to induce them to become, or to qualify as, a director of the Combined Group; or
- for services provided by any Amcor Director or person named in Section 4.2(b) in connection with the formation or promotion of the Combined Group or the offer of New Amcor CDIs or New Amcor Shares under the Scheme.

11.5 International offer restrictions

This Scheme Booklet does not constitute an offer of shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person and no New Amcor CDIs nor New Amcor Shares may be offered or sold, in any country outside Australia, except to the extent provided below.

(a) **Argentina**

The Argentine Securities Exchange Commission (*Comisión Nacional de Valores de la República Argentina*, **CNV**) has not approved this document or the offer of New Amcor CDIs or New Amcor Shares as no such authorisation is required.

Additional information *continued*

The New Amcor Shares and CDIs have not been and will not be publicly issued, placed, distributed, offered or registered in the Argentine capital markets, and as a result, have not been and will not be registered with the CNV. Neither this nor any other offering material related to the offering of the New Amcor CDIs or New Amcor Shares may be utilised in connection with any general offering to the public within Argentina. Any Argentine resident who acquires the New Amcor CDIs or New Amcor Shares will do so under his/her/its own responsibility under the terms of a private offering to him/her/it, from outside Argentina. This document does not constitute a public offering in Argentina and may only be distributed in Argentina to existing Amcor Shareholders.

(b) **The Bahamas**

This Scheme Booklet is not available for distribution to the public in The Bahamas, nor are the New Amcor CDIs or New Amcor Shares being publicly offered in The Bahamas. This Scheme Booklet is not directed to persons resident in The Bahamas other than Amcor Shareholders with registered addresses in The Bahamas, and any other use, distribution or transmission in or into The Bahamas is unauthorised.

Neither this Scheme Booklet nor any other offering or marketing material relating to the New Amcor CDIs and New Amcor Shares have been or will be registered or filed with or approved by any regulatory authority in The Bahamas.

(c) **Canada**

The New Amcor CDIs and New Amcor Shares will be issued by New Amcor in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada.

No securities commission in Canada has reviewed or in any way passed upon this document or the merits of the Scheme.

(d) **European Economic Area — Belgium, Germany and Spain**

The information in this document has been prepared on the basis that all offers of New Amcor CDIs and New Amcor Shares will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in Member States of the European Economic Area (each, a **Relevant Member State**), from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Amcor CDIs and New Amcor Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC) (**MiFID II**) and the MiFID II Delegated Regulation (EU) 2017/565;
- to any legal entity that satisfies two of the following three criteria:
  (1) balance sheet total of at least €20,000,000;
  (2) annual net turnover of at least €40,000,000; and
  (3) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements),

  unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II;
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive), subject to the prior consent of Amcor; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Amcor CDIs and New Amcor Shares shall result in a requirement for the publication by either of Amcor or Amcor plc of a prospectus pursuant to Article 3 of the Prospectus Directive.

(e) **France**

This Scheme Booklet is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers (**AMF**). The New Amcor CDIs and New Amcor Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This Scheme Booklet and any other offering material relating to the Scheme have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Such offers, sales and distributions have been and shall only be made in France:

- in a transaction that, in accordance with Article L. 411-2-I of the French Monetary and Financial Code and Article 211-2 of the General Regulation of the AMF, does not constitute a public offering of financial securities;
- to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2°, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation; and/or
- to a restricted number of non-qualified investors (*cercle restreint d'investisseurs*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2°, D.411-4, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Amcor CDIs and New Amcor Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

(f) **Hong Kong**

***WARNING** – The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong.*

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Scheme Booklet may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Amcor Shareholders in connection with the Scheme, and no steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use it for any purpose in Hong Kong other than in connection with the consideration of the Scheme by the person to whom this Scheme Booklet is addressed.

(g) **India**

This Scheme Booklet is neither a document offering shares to the public nor a prospectus under the Companies Act, 2013 (India), as amended, or an advertisement, and should not be circulated to any person other than to whom the offer is made. This Scheme Booklet has not been, and will not be, registered as a prospectus with the Registrar of Companies in India. This Scheme Booklet may not be issued, circulated or distributed, directly or indirectly, in India. Further, the New Amcor CDIs and New Amcor Shares may not be offered, directly or indirectly, in India, to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is being made strictly on a private and confidential basis and is limited to existing Amcor Shareholders and is not an offer to the public in India. This issue is a private placement and the Scheme Booklet is not intended to be circulated to more than 200 persons in India on an aggregate basis (including all other private placements of Amcor Shares made in this financial year; a financial year being the 12-month period commencing on 1 April and ending on 31 March of the following year) and each copy of this Scheme Booklet is individually and serially numbered. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the aforesaid securities to the public in general.

This Scheme Booklet has been prepared solely to provide general information about Amcor to identified and eligible investors to whom it is addressed. This Scheme Booklet does not purport to contain all the information that any eligible investor may require. Further, this Scheme Booklet has been prepared for informational purposes relating to the Scheme only.

Apart from this Scheme Booklet, no offer document or prospectus has been prepared in connection with this offer or in relation to Amcor nor is such offer document or prospectus required to be registered under applicable laws or regulations. Accordingly, this Scheme Booklet has neither been delivered for registration nor is it intended to be registered with any authority.

This Scheme Booklet is intended to be used only by Amcor Shareholders. It is not intended for distribution to any other person and should not be reproduced by the recipient.

(h) **Ireland**

This Scheme Booklet does not constitute a prospectus under any Irish laws or regulations and has not been filed with, or approved by, any Irish regulatory authority as this document has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (**Prospectus Regulations**).

The New Amcor CDIs and New Amcor Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 150 natural or legal persons who are not qualified investors.

(i) **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of the New Amcor CDIs and New Amcor Shares. The New Amcor CDIs and New Amcor Shares may not be issued or transferred in Malaysia except to persons who are Amcor Shareholders in compliance with the Scheme.

(j) **New Zealand**

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). The offer of New

Amcor CDIs and New Amcor Shares under the Scheme is being made to existing Amcor Shareholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

(k) **Singapore**

This Scheme Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of New Amcor CDIs and New Amcor Shares have not been and will not be registered as a prospectus with the Monetary Authority of Singapore and this offering is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act, Cap. 289 (**SFA**) will not apply.

This Scheme Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of New Amcor CDIs and New Amcor Shares may not be offered, sold or distributed, or be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to New Amcor CDIs and New Amcor Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

Neither this document nor any copy of it may be taken or transmitted into any country where the distribution or dissemination is prohibited. This document is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person.

The investments contained or referred to in this document may not be suitable for you and it is recommended that you consult an independent investment adviser if you are in doubt about such investments or investment services. Nothing in this document constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Neither Amcor nor New Amcor is in the business of dealing in securities or holds itself out, or purports to hold itself out, to be doing so. As such, Amcor and New Amcor are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

(l) **South Africa**

The Scheme does not constitute an offer of securities to the public in terms of the South African Companies Act and accordingly, this document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act.

(m) **Switzerland**

The New Amcor CDIs and New Amcor Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This Scheme Booklet has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Scheme Booklet nor any other offering or marketing material relating to the New Amcor CDIs and New Amcor Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Scheme Booklet nor any other offering or marketing material relating to the New Amcor CDIs and New Amcor Shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this Scheme Booklet will not be filed with, and the offer of New Amcor CDIs and New Amcor Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

This Scheme Booklet is personal to the recipient only and not for general circulation in Switzerland.

(n) **Thailand**

This Scheme Booklet is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This Scheme Booklet has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Scheme Booklet and any other document relating to the Scheme may not be circulated or distributed, nor may the New Amcor CDIs and New Amcor Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public in Thailand.

(o) **UK**

Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the UK and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Amcor CDIs and New Amcor Shares.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue of the New Amcor CDIs and New Amcor Shares has only been communicated, and will only be communicated, in the UK in circumstances in which section 21(1) of the FSMA does not apply to Amcor. In the UK, this Scheme Booklet is being distributed only to, and is directed at, persons to whom it may lawfully be distributed or directed within the circumstances described in Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and/or any other persons to whom it may lawfully be communicated (all such persons being referred to as **Relevant Persons**).

The investment to which this Scheme Booklet relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Scheme Booklet or any of its contents.

(p) **US**

Amcor and New Amcor intend to rely on an exemption from the registration requirements of the Securities Act provided by section 3(a)(10) thereof in connection with the consummation of the Scheme and the issuance of New Amcor CDIs and New Amcor Shares. Approval of the Scheme by the Court will be relied upon by Amcor and New Amcor for the purposes of qualifying for the section 3(a)(10) exemption.

US shareholders of Amcor should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia and the ASX Listing Rules. The Scheme is subject to disclosure requirements of Australia that are different from those of the US.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws since Amcor's headquarters is located outside the US and most of its officers and directors are not residents of the US. You may not be able to sue Amcor or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel Amcor and its affiliates to subject themselves to a US court's judgment.

You should be aware that Amcor may purchase securities otherwise than under the Scheme, such as in open market or privately negotiated purchases.

This Scheme Booklet has not been filed with or reviewed by the SEC or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of this Scheme Booklet. Any representation to the contrary is a criminal offence.

The New Amcor CDIs and New Amcor Shares to be issued pursuant to the Scheme have not been, and will not be, registered under the Securities Act or the securities laws of any US state or other jurisdiction. The Scheme is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

11.6 ASIC relief

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires an explanatory statement to set out whether, within the knowledge of the Amcor Directors, the financial position of Amcor has materially changed since the date of the last balance sheet laid before Amcor Shareholders in accordance with sections 314 or 317 of the Corporations Act, being 30 June 2018. ASIC has granted Amcor relief from this requirement so that this Scheme Booklet only need set out whether, within the knowledge of the Amcor Directors, the financial position of Amcor has materially changed since 31 December 2018 (being the last date of the period to which the financial statements for the half-year ended 31 December 2018 relate).

11.7 Consents

(a) **Consent to be named**

The following parties have given and have not, before the time of registration of this Scheme Booklet by ASIC, withdrawn their written consent to be named in this Scheme Booklet in the form and context in which they are named:

- Bemis;
- New Amcor;
- KPMG Financial Advisory Services (Australia) Pty Ltd as the Independent Expert;
- PricewaterhouseCoopers Securities Ltd as the Investigating Accountant;
- PricewaterhouseCoopers as Amcor's auditor;
- PricewaterhouseCoopers LLP as Bemis' auditor;
- UBS AG, Australia Branch as joint financial adviser to Amcor;
- Moelis & Company LLC as joint financial adviser to Amcor;
- Herbert Smith Freehills as Australian legal adviser to Amcor;
- Kirkland & Ellis LLP as US legal adviser to Amcor and as the author of Section 9.2;
- Ernst & Young as the author of Section 9 (except for Section 9.2);
- Link Market Services Limited as the Amcor Share Registry; and
- Computershare Investor Services Pty Limited, Computershare Trust Co., N.A. and Computershare Investor Services (Jersey) Limited collectively as the New Amcor Share Registry.

(b) **Consent to the inclusion of information**

Bemis has given and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of Bemis Information and other statements in this Scheme Booklet said to be based on Bemis Information or statements made by Bemis, in each case in the form and context in which they appear in this Scheme Booklet.

New Amcor has given and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of statements made by New Amcor in this Scheme Booklet, in each case in the form and context in which they appear in this Scheme Booklet.

KPMG Financial Advisory Services (Australia) Pty Ltd has given and has not, before the date of this Scheme Booklet, withdrawn its written consent to be named as the Independent Expert in this Scheme Booklet and to the inclusion of the Independent Expert's Report set out in Annexure A, and other statements in this Scheme Booklet said to be based on statements made by KPMG Financial Advisory Services (Australia) Pty Ltd, in each case in the form and context in which they appear in this Scheme Booklet.

PricewaterhouseCoopers Securities Ltd has given and has not, before the date of this Scheme Booklet, withdrawn its written consent to be named as the Investigating Accountant in this Scheme Booklet and to the inclusion of the Investigating Accountant's Report set out in Annexure B and references to the Investigating Accountant's Report, in the form and context in which they appear in this Scheme Booklet.

PricewaterhouseCoopers has given and has not, before the date of this Scheme Booklet, withdrawn its written consent to be named as Amcor's auditor in this Scheme Booklet and to the inclusion of statements in this Scheme Booklet in relation to its role in respect of Amcor's financial reports, in the form and context in which they appear in this Scheme Booklet.

PricewaterhouseCoopers LLP has given and has not, before the date of this Scheme Booklet, withdrawn its written consent to be named as Bemis' auditor in this Scheme Booklet and to the inclusion of statements in this Scheme Booklet in relation to its role in respect of Bemis' financial reports, in the form and context in which they appear in this Scheme Booklet.

Additional information *continued*

Ernst & Young has given and has not, before the time of registration of this Scheme Booklet by ASIC, withdrawn its written consent to the inclusion of Section 9 (except for Section 9.2) in the form and context in which it is included and to all references in this Scheme Booklet to that Section (excluding Section 9.2) in the form and context in which they appear.

Kirkland & Ellis LLP has given and has not, before the time of registration of this Scheme Booklet by ASIC, withdrawn its written consent to the inclusion of Section 9.2 in the form and context in which it is included and to all references in this Scheme Booklet to that Section in the form and context in which they appear.

11.8 Fees

The fees set out in this Section 11.8 only relate to fees paid or payable by Amcor in connection with the Transaction. As at 1 March 2019, such fees include amounts paid or payable to:

- UBS AG, Australia Branch for acting as joint financial adviser of up to approximately US$17.5 million;
- Moelis & Company LLC for acting as joint financial adviser of up to approximately US$17.5 million;
- Herbert Smith Freehills for acting as Australian legal adviser of approximately US$1.8 million. Further amounts may be paid to Herbert Smith Freehills in accordance with its time-based charge-out rates;
- Kirkland & Ellis LLP for acting as US legal adviser of approximately US$6.5 million. Further amounts may be paid to Kirkland & Ellis LLP in accordance with its time-based charge-out rates;
- KPMG Financial Advisory Services (Australia) Pty Ltd for acting as the Independent Expert and for providing the Independent Expert's Report of approximately US$0.6 million. Further amounts may be paid to KPMG Financial Advisory Services (Australia) Pty Ltd in accordance with its time-based charge-out rates;
- PricewaterhouseCoopers Securities Ltd for acting as the Investigating Accountant of approximately US$0.6 million. Further amounts may be paid to PricewaterhouseCoopers Securities Ltd in accordance with its time-based charge-out rates;
- Ernst & Young for providing tax advice to Amcor of approximately US$1.1 million. Further amounts may be paid to Ernst & Young in accordance with its time-based charge-out rates;
- Link Market Services Limited for acting as the Amcor Share Registry and providing various other services of approximately US$0.2 million; and
- Computershare Investor Services Pty Limited, Computershare Trust Co., N.A. and Computershare Investor Services (Jersey) Limited for acting as the New Amcor Share Registry and providing various other services of approximately US$0.4 million.

In aggregate, if the Scheme is not implemented, Amcor expects to pay approximately US$45.0 million in transaction costs.

11.9 Disclosure of interests of certain persons

Except as disclosed elsewhere in this Scheme Booklet, no Amcor Director holds as at the date of this Scheme Booklet or held at any time during the preceding two years, any interest in:

- the formation or promotion of New Amcor;
- the property acquired or proposed to be acquired by New Amcor in connection with its formation or promotion or the offer of the New Amcor CDIs and New Amcor Shares under the Scheme; or
- the offer of New Amcor CDIs or New Amcor Shares under the Scheme.

11.10 Disclaimers

Each person referred to in Section 11.7:

- does not make, or purport to make, any statement in this Scheme Booklet other than those statements made in the capacity and to the extent the person has provided its consent, as referred to above; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet other than as described in this Section 11.10 with that person's consent.

11.11 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Amcor Director that has not previously been disclosed to Amcor Shareholders.

11.12 Supplementary information

Amcor will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Scheme Meeting:

- a material statement in this Scheme Booklet is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Amcor may circulate and publish any supplementary document by:

- approaching the Court for a direction as to what is appropriate in the circumstances;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document on the Amcor website; or
- making an announcement to ASX.

11.13 Date of Scheme Booklet

This Scheme Booklet is dated 12 March 2019.

Definitions and interpretation

SECTION **12**

12.1 Definitions

Term	Meaning
AAS	Australian Accounting Standards.
Adjusted EBIT	as defined in Section 5.5(b).
Adjusted EBITDA	as defined in Section 5.5(b).
Adjusted PAT	as defined in Sections 4.3(b) and 6.7(c).
Adjusted PBIT	as defined in Sections 4.3(b) and 6.7(c).
Adjusted PBITDA	as defined in Sections 4.3(b) and 6.7(c).
ADR	as defined in Section 8.2(m).
ADR Depositary	as defined in Section 8.2(m).
ADS	as defined in Section 8.2(m).
Amcor	Amcor Limited (ACN 000 017 372).
Amcor Board	the board of directors of Amcor.
Amcor Director	a director of Amcor.
Amcor Information	all information included in this Scheme Booklet, other than the Bemis Information, the Independent Expert's Report and the Investigating Accountant's Report.
Amcor Option	an option to acquire an Amcor Share in accordance with the terms of the Amcor long-term incentive plan.
Amcor Performance Right/Share	a right to acquire or receive an Amcor Share in accordance with the terms of the Amcor long-term incentive plan.
Amcor Share	a fully paid ordinary share in the capital of Amcor.
Amcor Share Register	the register of members of Amcor.
Amcor Share Registry	Link Market Services Limited (ACN 083 214 537).
Amcor Share Right	a right to acquire an Amcor Share in accordance with the terms of the Amcor short-term incentive plan.
Amcor Shareholder	a holder of an Amcor Share from time to time.
Amcor Shareholder Approval	a vote in favour of the Scheme by the Requisite Majorities at the Scheme Meeting.
AMVIG	AMVIG Holdings Limited.
Antitrust Division	the Antitrust Division of the US Department of Justice.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.
ASX Foreign Exempt Listing	the admission of a company to the official list of ASX as an ASX Foreign Exempt Listing pursuant to ASX Listing Rule 1.11.
ASX Listing Rules	the listing rules of ASX from time to time as modified by any express written waiver or exemption given by ASX.
Bemis	Bemis Company, Inc.
Bemis Board	the board of directors of Bemis.
Bemis Cash-Settled RSU	a restricted stock unit of Bemis required to be settled solely in cash.
Bemis Director	a director of Bemis.
Bemis Equity Award	any Bemis Cash-Settled RSU, Bemis PSU or Bemis RSU.
Bemis Information	the information regarding Bemis and the Combined Group provided by Bemis to Amcor in writing for inclusion in this Scheme Booklet, being Sections 5 and 7.2.
Bemis PSU	a stock-settled restricted stock unit of Bemis that vests upon the achievement of Bemis performance goals.
Bemis RSU	a stock-settled restricted stock unit of Bemis that is not a Bemis PSU.
Bemis Share	a share of common stock of Bemis.
Bemis Shareholder	a holder of a Bemis Share from time to time.

Definitions and interpretation *continued*

Term	Meaning
Bemis Shareholder Approval	the affirmative vote of the holders of at least two-thirds of the outstanding Bemis Shares entitled to vote on the approval of the Transaction Agreement at the Bemis Special Meeting.
Bemis Special Meeting	the special meeting of Bemis Shareholders, currently scheduled for 9.00am (US Central time), Thursday, 2 May 2019 (US Central time), for Bemis Shareholders to consider and vote upon a proposal to approve the Transaction Agreement.
Business Day	any day other than: 1 a Saturday or a Sunday; or 2 a day on which banking and savings and loan institutions are authorised or required by law to be closed in New York, New York, US, Jefferson City, Missouri, US, or Melbourne, Victoria, Australia.
CDI	a CHESS Depositary Interest, being a unit of beneficial interest in shares of a foreign company registered in the name, or held for the benefit, of CHESS Depositary Nominees.
CHESS	the Clearing House Electronic Subregister System for the electronic transfer of Amcor Shares and other financial products operated by ASX Settlement Pty Limited (ACN 008 504 532).
CHESS Depositary Nominees	CHESS Depositary Nominees Pty Limited (ACN 071 346 506).
Code	US *Internal Revenue Code of 1986*.
Combined Group	New Amcor following Implementation.
Competing Proposal	other than the Transaction, any offer or proposal from any person or group of persons, other than, in the case of Bemis, Amcor and its "Subsidiaries" (as defined in the Transaction Agreement), or in the case of Amcor, New Amcor and its "Subsidiaries" (as defined in the Transaction Agreement), relating to: 1 any direct or indirect acquisition or purchase of 20 percent or more of the consolidated assets of Bemis or Amcor, as applicable, and their "Subsidiaries" (as defined in the Transaction Agreement) or 20 percent or more of any class of equity or voting securities of Bemis or Amcor, as applicable, in each case, by such person or group of persons; 2 any takeover bid for Amcor or tender or exchange offer for Bemis that, if completed, would result in such person or group of persons (or their shareholders) beneficially owning 20 percent or more of any class of equity or voting securities of Bemis or Amcor, as applicable; or 3 a merger, consolidation, share exchange, business combination, sale of all or substantially all of the assets, reorganisation, recapitalisation, liquidation, dissolution or other similar transaction involving Bemis or Amcor, as applicable, or any of their "Subsidiaries" (as defined in the Transaction Agreement) that would result in such person or group of persons beneficially owning 20 percent or more of the consolidated assets of Bemis or Amcor, as applicable, and their "Subsidiaries" (as defined in the Transaction Agreement) or 20 percent or more of any class of equity or voting securities of Bemis or Amcor, as applicable.
Computershare	Computershare Trust Co., N.A.
Condition Precedent	a condition precedent to the Scheme set out in out in Exhibit A to the Transaction Agreement.
Corporations Act	*Corporation Act 2001* (Cth).
Corporations Regulations	*Corporations Regulations 2001* (Cth).
Court	Federal Court of Australia.
Deed Poll	the deed poll executed by New Amcor in favour of Amcor Shareholders in the form set out in Annexure D.
Deposit Agreement	as defined in Section 8.2(m).
DRS	as defined in Section 8.6(b).
DTC	The Depository Trust Company.
DTC Participant	as defined in Section 8.6(a).
EBIT	earnings before interest and taxes.
EBITDA	earnings before interest, taxes, depreciation and amortisation.
Effective	when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme by lodgement of same with ASIC.
Effective Date	the date on which the Scheme becomes Effective.
End Date	6 August 2019, as extended in accordance with the Transaction Agreement.
Exchange Act	US *Securities Exchange Act of 1934*
EPS	earnings per share.
FIRB	the Foreign Investment Review Board.
First Court Date	Tuesday, 12 March 2019.
Form S-4	the registration statement on Form S-4 filed with the SEC by New Amcor, constituting both a prospectus of New Amcor under section 5 of the Securities Act, and a proxy statement of Bemis.
FTC	the US Federal Trade Commission.

Term	Meaning
GMT	Amcor's Global Management Team, consisting of the Chief Executive Officer and his direct reports, who collectively provide strategic direction and management oversight of the day-to-day activities of Amcor.
Governmental Entity	any: 1 national, federal, state, county, municipal, local or foreign government or any entity exercising executive, legislative, judicial, regulatory, taxing or administrative functions of, or pertaining to, government, including any arbitral body (public or private); 2 public international governmental organisation; or 3 agency, commission, division, bureau, department or other political subdivision of any government, entity or organisation described in item 1 or 2 of this definition.
HSR Act	US *Hart-Scott-Rodino Antitrust Improvements Act of 1976*.
Implementation	the issuing (as applicable) of the Scheme Consideration to Scheme Shareholders and the transfer of the Scheme Shares to New Amcor pursuant to the Scheme.
Implementation Date	the third ASX trading day after the Scheme Record Date, or such other date as agreed in accordance with the terms of the Transaction Agreement.
Independent Expert	KPMG Financial Advisory Services (Australia) Pty Ltd (ACN 007 363 215).
Independent Expert's Report	the report from the Independent Expert in respect of the Transaction, a copy of which is set out in Annexure A.
Ineligible Foreign Shareholder	an Amcor Shareholder: 1 whose address shown in the Amcor Share Register as at the Scheme Record Date is in a jurisdiction other than Australia or its external territories, Argentina, The Bahamas, Belgium, Canada, France, Germany, Hong Kong, India, Ireland, Malaysia, New Zealand, Singapore, South Africa, Spain, Switzerland, Thailand, the UK or the US; and 2 who Amcor determines (in its absolute discretion) that it would be unlawful, unduly onerous or unduly impracticable to issue the Scheme Consideration to in the relevant jurisdiction.
Intended Tax Treatment	that: 1 the Merger qualifies as a "reorganisation" under section 368(a) of the Code; 2 the Merger and the Scheme, taken together, qualify as an exchange described in section 351(a) of the Code; and 3 the Merger does not result in gain being recognised under section 367(a)(1) of the Code (other than for any shareholder that would be a "five-percent transferee shareholder" (as defined in Treasury Regulations section 1.367(a)-3(c)(5)(ii)) of New Amcor following the Merger that does not enter into a five-year gain recognition agreement in the form provided in Treasury Regulations section 1.367(a)-8(c)).
Intervening Event	with respect to either Amcor or Bemis, a material event, development, circumstance, occurrence or change in circumstances or facts (including any material change in probability or magnitude of circumstances) that was not known to such party's board of directors on the date of the Transaction Agreement (or if known, the consequences of which were not known on the date of the Transaction Agreement).
Investigating Accountant	PricewaterhouseCoopers Securities Ltd (ACN 003 311 617).
Investigating Accountant's Report	the report from the Investigating Accountant in respect of the Scheme, a copy of which is set out in Annexure B.
Jersey	the Bailiwick of Jersey.
Jersey Companies Law	*Jersey Companies (Jersey) Law 1991*.
Merger	the transaction pursuant to which Arctic Corp. merges with and into Bemis, with Bemis surviving the merger as a wholly-owned subsidiary of New Amcor.
Merger Closing	the closing of the Merger in accordance with section 2.3 of the Transaction Agreement.
New Amcor	Amcor plc.
New Amcor Board	the board of directors of New Amcor.
New Amcor CDI	a CDI in respect of a New Amcor Share.
New Amcor Director	a director of New Amcor.
New Amcor Share	a fully paid ordinary share in the capital of New Amcor.
New Amcor Share Registry	in: 1 Australia, Computershare Investor Services Pty Limited (ACN 078 279 277); 2 the US, Computershare; and 3 Jersey, Computershare Investor Services (Jersey) Limited.
New Amcor Shareholder	a holder of a New Amcor Share from time to time.
Notice of Scheme Meeting	the notice of meeting relating to the Scheme Meeting, which is contained in Annexure E.
NYSE	New York Stock Exchange.
PAT	profit after taxes attributable to owners of Amcor or the Combined Group.
PBIT	profit before interest and taxes.
PBITDA	profit before interest, taxes, depreciation and amortisation.

Definitions and interpretation *continued*

Term	Meaning
Pro Forma Historical Financial Information	as defined in Section 6.7(a).
Proxy Form	the proxy form for the Scheme Meeting accompanying this Scheme Booklet, or the electronic version of that proxy form, utilised for electronic proxy lodgement at www.amcor.com or www.linkmarketservices.com.au.
Related Body Corporate	in respect of a corporation, a related body corporate of that corporation within the meaning of section 50 of the Corporations Act.
Relevant Interest	the meaning given in sections 608 and 609 of the Corporations Act.
Requisite Majorities	in relation to the Scheme Resolution, the Scheme Resolution being passed by: 1 unless the Court orders otherwise – a majority in number of Amcor Shareholders present and voting at the Scheme Meeting (in person, or by proxy, attorney or corporate representative); and 2 at least 75 percent of the total number of votes cast on the Scheme Resolution (in person, or by proxy, attorney or corporate representative) at the Scheme Meeting.
Sale Nominee	a person appointed by Amcor to sell the New Amcor CDIs that are attributable to Ineligible Foreign Shareholders, as described in Section 8.2(l).
Sarbanes-Oxley Act	US *Sarbanes-Oxley Act of 2002*.
Scheme	the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Amcor and the Amcor Shareholders, the form of which is contained in Annexure C, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed in writing by Amcor and New Amcor in accordance with the terms of the Transaction Agreement.
Scheme Booklet	this booklet, including the Annexures.
Scheme Consideration	the consideration to be provided by New Amcor to each Scheme Shareholder for the transfer to New Amcor of each Scheme Share, being (subject to clauses 5.2, 5.3 and 5.4 of the Scheme) one New Amcor CDI or one New Amcor Share in respect of each Scheme Share.
Scheme Meeting	the meeting of the Amcor Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm (Melbourne time) on the second ASX trading day after the Effective Date, or such other time and date agreed in accordance with the terms of the Transaction Agreement.
Scheme Resolution	the resolution to be put to Amcor Shareholders at the Scheme Meeting to approve the Scheme, as set out in the Notice of Scheme Meeting.
Scheme Share	an Amcor Share held by a Scheme Shareholder.
Scheme Shareholder	an Amcor Shareholder recorded in the Amcor Share Register as at the Scheme Record Date.
SEC	the US Securities and Exchange Commission.
Second Court Date	the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Securities Act	US *Securities Act of 1933*.
Superior Proposal	a bona fide written Competing Proposal that did not result from a breach of the non-solicitation provisions of the Transaction Agreement (with references to 20 percent being deemed to be replaced with references to 50 percent), which the board of directors of Bemis or Amcor, as applicable, determines in good faith after consultation with outside legal counsel and a financial adviser of nationally recognised reputation to be: 1 more favourable to the Bemis Shareholders or the Amcor Shareholders, as applicable, from a financial point of view than the Transaction; and 2 reasonably capable of being completed as proposed, in each case, taking into account all financial, legal, regulatory and other aspects of the Transaction Agreement and the Transaction (including any changes to the terms of the Transaction Agreement and the Transaction proposed by Amcor or Bemis, as applicable, in response to such Competing Proposal or otherwise) and such Competing Proposal.
Transaction	the transaction contemplated by the Transaction Agreement, including the Merger and the Scheme.
Transaction Agreement	the transaction agreement between Amcor, Arctic Corp., New Amcor and Bemis dated 6 August 2018.
Treasury Regulations	the Treasury regulations promulgated under the Code.
Underlying PAT	as defined in Section 4.3(b).
Underlying PBIT	as defined in Section 4.3(b).
Underlying PBITDA	as defined in Section 4.3(b).
US	United States of America.
UK	United Kingdom.
US GAAP	accounting principles generally accepted in the US.

12.2 Interpretation

In this Scheme Booklet, unless the context otherwise requires:

(a) words and phrases have the same meaning (if any) given to them in the Corporations Act;

(b) words importing the singular include the plural and vice versa and a word of any gender includes the corresponding words of any other gender;

(c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

(d) the word including or any other form of that word is not a word of limitation;

(e) a reference to a person or an expression importing a natural person includes an individual, the estate of an individual, a corporation, a regulatory authority, an incorporated or unincorporated association or parties in a joint venture, a partnership and a trust;

(f) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;

(g) a reference to a Section or Annexure is a reference to a Section of or Annexure to this Scheme Booklet, and a reference to this Scheme Booklet includes all annexures to it;

(h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (obsolete body), means the agency or body which performs most closely the functions of the obsolete body;

(i) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it;

(j) a reference to a statute includes any regulations or other instruments made under it (delegated legislation) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;

(k) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;

(l) a reference to time is a reference to time in Melbourne, Victoria, Australia;

(m) a reference to writing includes facsimile transmissions; and

(n) a reference to dollars, US$, cents and currency is a reference to the lawful currency of the US.

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The Directors
Amcor Limited
Level 11
60 City Road
Southbank VIC 3006

12 March 2019

Dear Directors

INDEPENDENT EXPERT REPORT AND FINANCIAL SERVICES GUIDE

PART ONE –INDEPENDENT EXPERT REPORT

1 Introduction

On 6 August 2018, Amcor Limited (Amcor) entered into a definitive agreement (Transaction Agreement) with Bemis Company, Inc. (Bemis), Amcor plc (New Amcor) and Arctic Corp. under which New Amcor, a new holding company, would acquire all of the shares in Amcor by way of a scheme of arrangement (Scheme) and Bemis would then be acquired in an all-stock combination by way of a merger of Bemis into a subsidiary of New Amcor (the Merger) (together, the Transaction). Consequently, New Amcor will become the new holding company of Amcor and Bemis. The Transaction includes:

- **the Scheme**: for each Amcor share (Amcor Share) held, Amcor shareholders (Amcor Shareholders)[1] will receive one New Amcor Australian Securities Exchange (ASX) listed CHESS Depository Interest (New Amcor CDI), representing a beneficial ownership interest in one share of New Amcor (New Amcor Share) or, at their election, one New York Stock Exchange (NYSE) listed New Amcor Share (Scheme Consideration), and
- **the Merger**: a subsidiary of New Amcor will merge with and into Bemis, with Bemis surviving the merger as a wholly owned subsidiary of New Amcor, and Bemis shareholders (Bemis Shareholders) will receive 5.1 New Amcor Shares for each Bemis share (Bemis Share) held.

The Merger is conditional on the Scheme closing.

As a result of the Transaction, Amcor and Bemis will be direct, wholly-owned subsidiaries of New Amcor and the former Amcor and Bemis shareholders will become holders of New Amcor CDIs or New Amcor Shares. Implementation of the Transaction will result in Amcor and Bemis shareholders holding

[1] Except for any Ineligible Foreign Shareholders.

approximately 71% and 29% of New Amcor, respectively. New Amcor will be incorporated in the Bailiwick of Jersey in the Channel Islands and tax domiciled in the United Kingdom. It will have a primary listing on the NYSE and an exempt foreign listing on the ASX.

Implementation of the Transaction requires Amcor Shareholder approval of the Scheme and Bemis Shareholder approval of the Merger and is subject to the satisfaction of a number of other conditions precedent. Further details in relation to the Transaction and the conditions precedent are outlined in Section 5 of this report and are set out in the Transaction Agreement, which was lodged with the ASX on 7 August 2018, and in the Scheme Booklet.

Amcor is a leading global packaging company focused on flexible plastics, rigid plastics, specialty cartons and closures. Its registered office is in Melbourne, Australia and its corporate headquarters are in Zurich, Switzerland. It has a primary listing on the ASX. As at 3 August 2018 (the last trading day on the ASX prior to market speculation in relation to the Transaction), Amcor had a market capitalisation of approximately A$17.7 billion[2] (US$13.1 billion[3]).

Bemis is a leading global packaging company focused on flexible packaging predominantly for the food industry in the United States. It is headquartered in Neenah, Wisconsin, United States, and listed on the NYSE. As at 2 August 2018 (the last trading day on the NYSE prior to media speculation in relation to the Transaction), Bemis had a market capitalisation of approximately US$4.2 billion.[4]

The Board of Directors of Amcor (Amcor Board) has requested KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (KPMG Corporate Finance) to prepare an independent expert's report for Amcor Shareholders in relation to the Transaction. The purpose of the report is to set out whether, in our opinion, the Transaction, including the Scheme, is in the best interests of Amcor Shareholders.

The specific terms of the resolutions to be approved by Amcor Shareholders in relation to the Scheme (Scheme Resolutions) are set out in the Notice of Meeting annexed to the Scheme Booklet, to which this report is also annexed. This report should be considered in conjunction with and not independently of the information set out in the Scheme Booklet.

Further information regarding KPMG Corporate Finance as it relates to the preparation of this independent expert's report is set out in Appendix 1. KPMG Corporate Finance's Financial Services Guide is contained in Part Two of this report.

2 Requirements for our report

Section 412(1) of the Corporations Act 2001 (Cth) (the Corporations Act) requires that an explanatory statement issued in relation to a proposed scheme of arrangement under Section 411 of the Corporations Act, includes information that is material to the making of a decision by a member as to whether or not to agree with the scheme. In this regard, the Amcor Board has requested KPMG Corporate Finance to prepare an independent expert's report to satisfy the requirements of Section 411.

In undertaking our work, we have referred to guidance provided by the Australian Securities and Investments Commission (ASIC) in its Regulatory Guides, in particular Regulatory Guide 111 'Content of expert reports' (RG 111) which outlines the principles and matters which it expects a person preparing an independent expert's report to consider. RG 111 distinguishes between the analysis required for control transactions and other transactions. In the absence of a change of control, change in the

[2] Calculated as Amcor closing share price on 3 August 2018 of A$15.28 multiplied by 1,158,141,276 Amcor Shares outstanding as at 3 August 2018.

[3] Based on an exchange rate of A$1=US$0.7411 as at 3 August 2018.

[4] Calculated as Bemis' closing share price on 2 August 2018 of US$46.31 multiplied by 91,015,307 Bemis Shares outstanding as at 2 August 2018.

underlying economic interests of security holders or selective treatment of different security holders, the expert should provide an opinion as to whether the advantages outweigh the disadvantages.

The Transaction does not result in a change of control for Amcor Shareholders. Accordingly, we consider the Transaction, including the Scheme, will be in the best interests of Amcor Shareholders, if Amcor Shareholders as a whole are assessed as being, on balance, better off, or, at least not worse off, if the Transaction proceeds than if it does not.

The Transaction does, however, result in a change in Amcor Shareholders' underlying economic interest as a result of the Merger with Bemis. Consequently, in evaluating the advantages and disadvantages of the Transaction to Amcor Shareholders, it is necessary to compare the assessed value of Amcor Shares on a minority interest basis relative to the assessed value of New Amcor Shares[5] on a minority interest basis, inclusive of synergies that are expected to be derived from the Transaction including annual cost synergies of $180 million (full run-rate) net of dis-synergies (Net Cost Synergies) and working capital and capital expenditure savings net of transaction and integration costs (together, Net Synergies) ('fairness'). This interpretation of 'fairness' (that is, including the Net Synergies arising from the Transaction that are specifically available to Amcor in the valuation of New Amcor) differs from the definition of 'fairness' within RG111.11, which considers fairness only within the context of fairness to 'target' shareholders under a control transaction or in the context of a 'merger of equals' (RG 111.31). We do, however, consider it appropriate to use 'fairness' as a terminology as inherently 'fairness' is about whether, in a financial sense, shareholders are better off. We believe our analysis of the financial outcome for shareholders is consistent with the concept.

In this context our assessment of fairness forms part of the overall judgement on whether the Transaction is in the best interests of Amcor Shareholders.

The Transaction includes the Scheme and the Merger. The Merger is conditional on the Scheme and consequently, in arriving at this opinion, we have considered the implications for Amcor Shareholders of the Transaction as a whole.

Further details of the relevant technical requirements and the basis of assessment in forming our opinion are set out in Sections 6.1 and 6.2 of this report.

3 Opinion

3.1 Summary of opinion

In our opinion, we consider the Transaction, including the Scheme, is in the best interests of Amcor Shareholders.

The combination of Amcor and Bemis is expected to result in a range of financial, strategic and other benefits for Amcor Shareholders as set out below.

Financial benefits

Amcor Shareholders (and Bemis Shareholders) are expected to benefit from the Net Synergies and particularly the Net Cost Synergies (full run-rate of $180 million). The Net Synergies form part of our assessed value of New Amcor as at a current date and result in our assessed value of a New Amcor Share[5] on a minority basis exceeding the assessed value of an Amcor Share as at a current date on a minority, stand-alone basis and consequently, the Transaction is fair to Amcor Shareholders (refer to Section 3.2.1 of this report).

Following the implementation of the Transaction, Amcor Shareholders and Bemis Shareholders will hold 71% and 29% of New Amcor, respectively. Relative to Amcor Shareholders' collective ownership

[5] Noting that a New Amcor CDI represents a beneficial interest in one New Amcor Share.

interest in New Amcor, they are contributing a greater proportion of assessed equity value[6] although the same proportion of total assets and adjusted PBITDA and a lower proportion of net sales. This is expected, since Bemis Shareholders are giving up control (whereas Amcor Shareholders are not).

It is important to note that our valuation of New Amcor does not take into account any revenue synergies, the achievement of which would further increase the financial benefits to Amcor Shareholders.

Strategic benefits

The Transaction provides for a number of strategic benefits which are not directly quantifiable but which are expected to enhance New Amcor's organic revenue growth (refer to Section 3.2.2) including:

- a comprehensive global footprint in flexible packaging and greater capability to supply large, global customers
- greater scale and ability to leverage overheads and research and development expenditure over a wider range of products
- greater exposure to faster growing/resilient product areas (flexible packaging) and end-markets (protein, healthcare)
- an opportunity to further differentiate its products by having access to Bemis' innovation capabilities
- increased capability to achieve commitment to environmental sustainability, and
- greater depth of management talent.

New Amcor's NYSE listing will provide increased flexibility to pursue accretive acquisitions in future.

Liquidity

Relative to trading in Amcor Shares on the ASX, liquidity in New Amcor Shares is expected to be enhanced as a result of New Amcor's NYSE listing, expanded shareholder base, greater scale and expected S&P 500 Index inclusion. However, depending on the proportion of Amcor Shareholders that elect to receive New Amcor Shares rather than receive New Amcor CDIs, it is possible, though unlikely, that trading in New Amcor CDIs may be less liquid than current trading in Amcor Shares (refer to Section 3.2.3).

Amcor tax position

New Amcor is expected to be a UK tax resident. The United Kingdom has a well-established fiscal regime and a territorial tax system suitable to multinational groups, which will provide flexibility in New Amcor's long-term future decision making. New Amcor will derive revenue from a broad range of jurisdictions. As a UK tax resident, Amcor expects New Amcor will be able to repatriate earnings from key jurisdictions of New Amcor and distribute those earnings to its shareholders efficiently and without adverse tax implications.

Shareholder protection

As a Jersey incorporated company, New Amcor is not expected to be subject to any legislative takeover protection. However, there will be takeover protection safeguards in New Amcor's articles of association which will be similar to those adopted by other NYSE listed companies, the purpose which is to protect shareholders in relation to takeover bids (refer to Section 3.2.5).

[6] Based on both the mid-point of our assessed value range for Amcor and Bemis' equity on a minority, stand-alone basis and Amcor and Bemis' market capitalisation prior to media speculation in relation to the Transaction.

3.2 Advantages and disadvantages

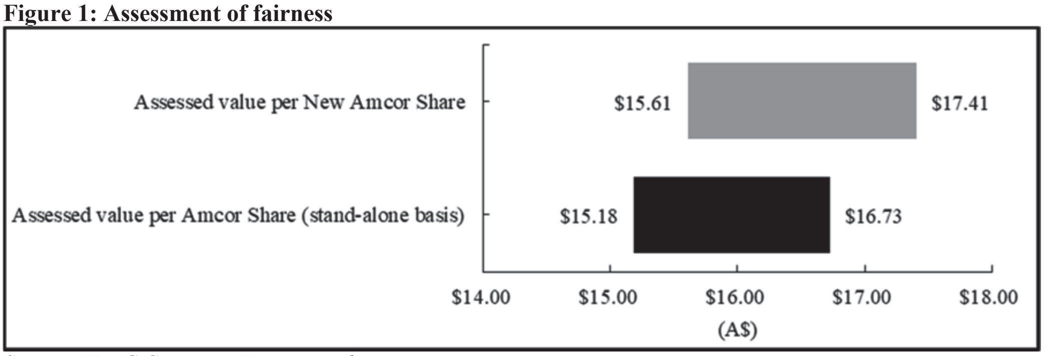
3.2.1 Financial benefits

Taking into account expected Net Synergies, the Transaction is fair to Amcor Shareholders

Amcor Shareholders will receive one New Amcor CDI for every Amcor Share held or, at their election, one New Amcor Share. KPMG Corporate Finance has assessed the value of an Amcor Share[7] on a minority, stand-alone basis as A$15.18 to A$16.73 and the relative value of a New Amcor Share on a minority basis (taking into account the Net Cost Synergies[8]) as A$15.61 to A$17.41. These values are as at a current date and effectively take into account the movement in an index comprising the market capitalisation of comparable listed plastic packaging companies (Comparable Companies Index)[9] since the media speculation in relation to the Transaction commenced.

As the assessed value range for a New Amcor Share (or New Amcor CDI) exceeds the assessed value range for an Amcor Share on a stand-alone basis, the Transaction, including the Scheme, is fair to Amcor Shareholders.

Figure 1: Assessment of fairness



Source: KPMG Corporate Finance analysis.

We have assessed the value of a New Amcor Share[7] as at a current date based on a 'sum of the parts' approach, which aggregates:

- the assessed value of Amcor's equity on a minority, stand-alone basis
- the assessed value of Bemis' equity on a minority, stand-alone basis, and
- the net present value (NPV) of the expected Net Synergies.[10]

The aggregate value of New Amcor's equity as at a current date has then been divided by the diluted number of New Amcor Shares and New Amcor CDIs to arrive at an assessed value per New Amcor Share[7] in the range of US$11.06 to US$12.34, or A$15.61 to A$17.41 (assuming an exchange rate of A$1=US$0.70867).

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[7] Noting that a New Amcor CDI represents a beneficial interest in one New Amcor Share

[8] Our valuation of New Amcor also includes working capital and capital expenditure savings net of integration, compensation and transaction costs, which are broadly equivalent.

[9] Comparable Companies Index includes Berry, Sonoco, Sealed Air, Winpak and Huhtamaki. It is calculated by KPMG Corporate Finance on the basis of the aggregate market capitalisations of these companies as at 1 January 2016. Movements in the index are calculated as changes in relative market capitalisations to the total market capitalisation as at 1 January 2016.

[10] Net Synergies include Net Cost Synergies and working capital and capital expenditure savings net of integration, compensation and transaction costs.

Table 1: Summary of assessed value of New Amcor Shares[11]

	Section reference	Equity value (US$ Low	High
Assessed value of Amcor's equity on a minority, stand-alone basis	12	12,484.8	13,757.5
Assessed value of Bemis' equity on a minority, stand-alone basis	13	4,087.3	4,506.5
NPV of Net Synergies	14.2	1,440.3	1,820.4
Assessed value of New Amcor's equity on a minority basis (inclusive of synergies)		**18,012.4**	**20,084.4**
Diluted number of New Amcor Shares[1]	10.5	1,628.2	1,628.2
Assessed value per New Amcor Share (US$)		**$11.06**	**$12.34**
Assessed value per New Amcor Share (A$)[2]		**$15.61**	**$17.41**

Source: KPMG Corporate Finance analysis.
Notes:
1. *Refer to Section 10.5 of this report for calculation of the number of diluted New Amcor Shares/CDIs.*
2. *Based on the A$/US$ exchange rate on 1 March 2019 of A$1=US$0.70867.*

In forming our view as to the value of a New Amcor Share, we have also considered the potential impact of the divestment of operations in accordance with possible anti-trust requirements. On 12 February 2019, Amcor announced the intended divestment of three plants in the United Kingdom and Ireland with combined sales of US$170 million. The sale of the plants is expected to close after the completion of the Transaction. Merger control review is ongoing in the United States and Brazil. Based on discussions with Amcor management KPMG Corporate Finance understands that any divestment plants are expected to be attractive to a potential acquirer. Currently, the expected sale price is not expected to be dilutive to the value of New Amcor (noting, in particular, that New Amcor has been valued on a minority interest basis and that any sale would be on a controlling basis).

The primary method for assessing the value of Amcor and Bemis shares on a minority, stand-alone basis is their respective share trading up until 3 or 2 August 2018, respectively.[12] Share trading prior to these dates reflects the price at which Amcor or Bemis minority shareholders could realise the value of their investment in the absence of the Transaction, subject to any company or sector-specific events that have occurred since those dates.

As such, we have selected base value ranges for Amcor's and Bemis' shares which reflects their respective share trading up until 3 or 2 August 2018 (and excluding any accrued distributions as at that date) and considered adjustments in order estimate the value per Amcor and Bemis share as at a current date, including:

- ***sector-specific factors*** that have occurred post 3 or 2 August 2018. We have considered changes in relevant indices, raw material prices and the 10-year United States Government Bond yield. Any adjustment is complex and involves judgement. We consider that sector-specific factors influence both Amcor and Bemis and it is not possible to distinguish the individual impact. Consequently, we have adjusted the base value range for both Amcor and Bemis for the movement in the Comparable Companies Index[9] from 2 August 2018 to 1 March 2019 (an increase of 2.1%), and
- ***company-specific events*** (e.g. Amcor's FY18 full year and Bemis' Q3 CY18 results announcement) that have occurred post 3 or 2 August 2018. No adjustments have been made for Amcor's or Bemis' earnings results since a number of comparable companies have announced similar results and as such, we consider the impact of the earnings decline is reflected in the movement in the Comparable Companies Index. An adjustment has been made to reflect the depreciation of the Australian dollar against the US dollar from 3 August 2018 to 1 March 2019.

[11] Noting that a New Amcor CDI represents a beneficial interest in one New Amcor Share.

[12] Media speculation about the Transaction commenced after trading on the ASX closed on 3 August 2018, which was prior to the NYSE opening on 3 August 2018. Consequently, the last trading day prior to media speculation about the Transaction is 3 August 2018 for Amcor and 2 August 2018 for Bemis.

The multiples implied by our adjusted range of values per share for Amcor, Bemis and New Amcor have been cross-checked against multiples at which listed, global plastic packaging companies are trading. As a further cross-check, KPMG Corporate Finance has undertaken a high level discounted cash flow (DCF) analysis of Amcor, Bemis and New Amcor.

The Scheme Meeting is not expected to occur until 2 May 2019. In this regard, we note that:

- sector-specific factors are likely to change up until the Meeting Date, however, any changes in the Comparable Companies Index are expected to impact the US dollar assessed value of Amcor and Bemis Shares equally
- factors specific to Amcor and the A$/US$ exchange rate are also expected to change the assessed values of both Amcor and New Amcor, although they would have a greater impact on the assessed value per share of Amcor than New Amcor, and
- factors specific to Bemis or the Net Cost Synergies would change the relative valuations as they would impact the assessed value of New Amcor but not the assessed value of Amcor on a stand-alone basis.

The combination of Amcor and Bemis is expected to result in substantial Net Cost Synergies

New Amcor is expected to achieve Net Cost Synergies of $180 million per annum (full run-rate) including savings in procurement, operations, general and administrative (G&A) and other costs net of dis-synergies (refer to Section 10.3.1 of this report). KPMG Corporate Finance has valued the Net Synergies[13] in the range of US$1.4 billion to US$1.8 billion based on a DCF analysis (refer to Section 14.2 of this report).

There is a risk that not all Net Cost Synergies, working capital savings or capital expenditure savings are achieved, there are delays in achieving those savings or integration or compensation and transaction costs are greater than expected. Mitigating factors include that the assumed Net Cost Synergies are at the conservative end of management's initial estimates (and below estimates provided by an external consultant), are net of certain assumed dis-synergies and are in line with or below savings achieved in Amcor's previous acquisitions as well as in other transactions in the packaging industry. We also note that management has assumed no savings in selling or research and development costs on the basis these costs would be required to achieve revenue synergies, however, revenue synergies have not been included. Our value range captures 90% to 100% of Net Cost Synergies, 80% to 90% of the working capital and capital expenditure savings and 100% of the integration, compensation and transaction costs. KPMG Corporate Finance has assessed risk weightings for the synergies that are an overall judgement, taking into account the risk of achieving the savings as well as the mitigating factors.

Actual Net Synergies could be higher or lower than those assumed. In this regard, we note that there are significant risks associated with realisation of the synergies as well as potential upside opportunities (e.g. revenue synergies) that have not been quantified. The range of assessed values per New Amcor Share for changes in the assumed percentage of Net Cost Synergies achieved is illustrated in the following table.

Table 2: Sensitivity of New Amcor value per share to percentage of Net Cost Synergies achieved

Percentage of Cost Synergies achieved	70%	80.0%	90.0%	100.0%	110.0%	120.0%
Value per New Amcor Share - Low (A$)	$15.25	$15.43	**$15.61**	$15.79	$15.97	$16.15
Value per New Amcor Share - High (A$)	$16.82	$17.01	$17.21	**$17.41**	$17.60	$17.80

Source: KPMG Corporate Finance analysis.

[13] Net Synergies include Net Cost Synergies and working capital and capital expenditure savings net of integration, compensation and transaction costs.

EPS accretion, potential for dividend growth and increased net assets per share

New Amcor's basic pro forma FY18 EPS before amortisation of US$0.61 (excluding significant items such as compensation and transaction costs and Net Cost Synergies) is higher than Amcor's US GAAP[14] basic EPS before amortisation of US$0.60. We note that statutory EPS in the first year following the close of the Transaction will be negatively impacted by after-tax transaction and integration costs as well as the estimated impact of purchase price adjustments. However New Amcor's EPS is expected to increase as the benefits of Net Cost Synergies (US$142.5 million after tax based on New Amcor's assumed effective tax rate of 20.8%[15]) are realised over a three year period.

Amcor has advised that New Amcor is expected to pay a competitive, progressive dividend that is paid quarterly and is expected to increase over time, although the amount of such dividend will be determined, and is subject to adjustment by, the New Amcor Board. Total dividends per share paid by New Amcor for the first financial year post-completion of the Transaction are expected to be no less than the total dividend per share paid by Amcor in the last financial year prior to completion of the Transaction, however, any final determination on dividend rates will be made by the New Amcor Board based on the performance of New Amcor and other relevant factors, such as available cash, at the time of declaration.

New Amcor's pro forma net assets per share as at 31 December 2018 of US$3.31 are substantially higher than for Amcor as a stand-alone entity. However, we note that the majority of the increase is due to the estimated purchase price accounting adjustments to intangible asset balances.

Integration, compensation and transaction costs are substantial

The costs to implement the Transaction are substantial and include estimated integration costs of US$150 million, approximately US$65 million of compensation costs and approximately US$125 million of transaction costs[16] (excluding GST). Both integration and transaction cash costs are expected to be broadly offset by savings in capital expenditure and working capital over a similar time period (refer to Sections 10.3.2 and 10.3.3 of this report). A significant portion of transaction costs (US$45 million[17]) will be incurred by Amcor (stand-alone) regardless of whether the Transaction is implemented.

Relative to their combined shareholding in New Amcor, Amcor Shareholders are contributing more to the assessed value of New Amcor but less earnings

Based on the number of Amcor and Bemis shares outstanding and Bemis' stock settled PSUs and RSUs and the exchange ratios, approximately 1,625.9 million New Amcor Shares (and New Amcor CDIs) are expected to be issued under the Transaction (approximately 1,627.8 million New Amcor Shares/CDIs on an diluted basis). Amcor Shareholders will collectively hold a 71% interest in New Amcor (refer to Section 10.5 of this report).

Relative to Amcor Shareholders' collective ownership interest in New Amcor, they are contributing a greater proportion of assessed equity value[18] although the same proportion of total assets and adjusted PBITDA and a lower proportion of net sales.

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[14] Prepared under accounting principles generally accepted in the United States.

[15] The historical blended rate for Amcor and Bemis provided by Amcor management.

[16] Compensation costs comprise Bemis employee entitlement and retention costs and transaction costs reflect acquisition costs, such as advisory, legal and accounting expenses.

[17] Estimated costs to be incurred up to the Scheme Meeting on 2 May 2019.

[18] Based on the mid-point of KPMG Corporate Finance's value range and their market capitalisation prior to media speculation in relation to the Transaction.

Table 3: Contribution of Amcor and Bemis to New Amcor

US$ million unless otherwise stated	Absolute contribution Amcor	Absolute contribution Bemis	Percentage contribution Amcor	Percentage contribution Bemis
FY18 net sales (US GAAP)	9,319.1	4,099.4	69%	31%
FY18 adjusted PBITDA (US GAAP)[1]	1,389.8	570.8	71%	29%
Total assets at 31 December 2018 (US GAAP)	8,845.6	3,571.0	71%	29%
Market capitalisation prior to media speculation of the Transaction[2]	13,114.8	4,214.9	76%	24%
Assessed value of equity on a minority, stand-alone basis (mid-point)[3]	13,121.1	4,296.9	75%	25%

Source: KPMG Corporate Finance analysis.
Notes:
1. *Adjusted PBITDA is profit before interest, tax, depreciation, amortisation and significant items.*
2. *Amcor's market capitalisation is based on a closing price on 3 August 2018 of A$15.28, 1,158.1 million shares outstanding and an exchange rate on 3 August 2018 of A$1=US$0.7411. Bemis' market capitalisation is based on a closing price of US$46.31 on 2 August 2018 and 91.0 million shares outstanding.*
3. *Refer to Table 1 above for the assessed value of Amcor's and Bemis' equity.*

It is to be expected that Bemis Shareholders would receive a greater share of assessed equity value than Amcor Shareholders as they are giving up control, whereas Amcor Shareholders are not giving up control. Bemis Shareholders are receiving a value uplift in the order of 26% to 27% based on our valuation of New Amcor Shares (including the Net Synergies) of US$11.06 to US$12.34, our valuation of Bemis Shares of US$44.78 to US$49.38, an exchange rate of A$1=US$0.70867 and the exchange ratio of 5.1. This is consistent with premiums paid in acquisitions of large global packaging companies, which have been in the range of 5% to 44.6% with a median of 24.4% and a mean 22.5%.[19]

3.2.2 Strategic benefits

The Transaction provides a number of strategic benefits which are not directly quantifiable but which are expected to enhance organic revenue growth

The Transaction provides for a number of strategic benefits which are not directly quantifiable but which are expected to enhance New Amcor's organic revenue growth over time (refer to Section 10.2 of this report and Sections 1.1 and 6.1 of the Scheme Booklet). As they are not directly quantifiable, our valuation of New Amcor does not take into account these strategic benefits. Strategic benefits include:

- ***a comprehensive global footprint in flexible packaging:*** Amcor's Flexibles segment generates only 9% of FY18 sales from North America whereas New Amcor's Flexibles segment is expected to generate 37% of FY18 pro forma sales from North America. New Amcor will have greater capability to supply large, global customers that seek to simplify and harmonise packaging specifications across geographies. This extended footprint will also allow New Amcor to benefit from the opportunity to supply new entrants that may emerge around the world and in high growth geographies, such as Asia[20]
- ***increased economies of scale:*** as a result of its larger scale, New Amcor will be able to more efficiently leverage overheads and research and development expenditure over a wider range of products[21]

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[19] Based on premium of offer price to one month VWAP prior to announcement of the transaction, sourced form S&P Capital IQ. Transactions include the acquisition of KapStone Paper and Packaging Corporation (transaction value US$5.1 billion, announced 28 January 2018), Multi Packaging Solutions International Limited (US$2.3 billion, 23 January 2017), Rexam PLC (US$9.1 billion, 19 February 2015), WestRock MWV, LLC (US$11.6 billion, 25 January 2015), Temple-Inland, LLC (US$4.4 billion, 17 May 2011), Smurfit-Stone Container Corp (US$4.4 billion, 23 January 2011).
[20] Refer to Section 7.7 of this report for the benefits of geographical diversification.
[21] Refer to Section 7.7 of this report for the competitive advantages of scale.

- ***increased exposure to faster growing/resilient product areas and end-markets:*** New Amcor will have a greater exposure (66%) to the faster growing Flexibles segment relative to Amcor stand-alone (54%) and an increased exposure to the faster growing protein and healthcare end-markets and be able to leverage Bemis' technologies in barrier films[22]
- ***greater innovation capabilities and commitment to sustainability:*** By combining Bemis' technical ability with Amcor's own and deploying it across geographies, New Amcor expects to capture significant opportunities. In January 2018 Amcor became the first global packaging company to pledge to develop all packaging to be recyclable or reusable by 2025. This strategy will remain in place in New Amcor. Given that both Amcor and Bemis have research facilities dedicated to develop more sustainable products, New Amcor expects this will result in the acceleration of its ability to design packaging that uses less material and, therefore, capture more sustainable packaging opportunities.[23]
- ***greater depth of management talent:*** New Amcor is expected to have a greater depth of management talent by bringing together the strengths and quality of the workforce across both Amcor and Bemis.

NYSE listing enhances New Amcor's ability to pursue future accretive acquisitions

A key aspect of New Amor's shareholder value creation model is the pursuit of accretive acquisitions. New Amcor's NYSE listing will provide increased flexibility to execute this strategy through the ability to provide NYSE-listed scrip as consideration for acquisitions, since NYSE listed scrip is more attractive to shareholders of global companies than ASX listed scrip.

3.2.3 Liquidity

New Amcor Shares will likely be more liquid than Amcor Shares

New Amcor will have a primary listing on the NYSE and a foreign exempt listing on the ASX. Capital markets in the United States are the largest and most liquid markets in the world. New Amcor will have a larger shareholder base and together with the NYSE listing, this is expected to result in higher liquidity for New Amcor Shares.

New Amcor will have greater relevance to equity investors through increased scale relative to Amcor. Its SEC registration and NYSE listing may also attract new investors. Based on a market capitalisation of US$17.2 billion,[24] New Amcor is expected to be included in the S&P 500 Index on the NYSE. This is expected to result in an increased daily trading volume for New Amcor in comparison to Amcor on a stand-alone basis. It is expected that initially, New Amcor will have a 100% free float (as does Amcor).

New Amcor's greater scale and diversification relative to Amcor as well as its exposure to faster growing segments have the potential to result in New Amcor trading at higher multiples than Amcor, although this may be offset to the extent that Bemis has historically traded at lower multiples than Amcor.

ASX listed New Amcor CDIs may be less liquid than Amcor Shares

Amcor Shareholders will receive ASX listed New Amcor CDIs in exchange for their Amcor Shares, unless they elect to receive New Amcor Shares. CDIs represent an interest in the underlying security of a foreign company. Each New Amcor CDI will confer a beneficial interest in one New Amcor Share.

Rights associated with New Amcor CDIs are economically equivalent to the rights attaching to New Amcor Shares. The key features of the New Amcor CDIs are set out in Section 10.6.1 of this report and

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[22] Refer to Section 7.6 of this report for growth by end market and Section 7.8 for the outlook by geography.
[23] Refer to Section 7.7 of this report for competitive advantages of product differentiation.
[24] Based on approximately 1,627.8 million New Amcor Shares (diluted basis) expected to be on issue if the Transaction is implemented and the Amcor closing price on 1 March 2019 of A$14.95 and exchange rate on 1 March 2019 of A$1=US$0.70867.

Section 8.5 of the Scheme Booklet. In particular, New Amcor CDI holders can convert their New Amcor CDIs listed on the ASX into New Amcor Shares listed on the NYSE and vice versa.

New Amcor CDIs will be traded on the ASX while New Amcor Shares will be traded on the NYSE. The capitalisation of New Amcor CDIs on the ASX will depend on the extent to which Amcor Shareholders elect to take up New Amcor Shares and the extent to which New Amcor CDI holders convert their New Amcor CDIs into New Amcor Shares listed on the NYSE (or New Amcor Shareholders convert their shares into New Amcor CDIs) over time.

Assuming all Amcor Shareholders receive New Amcor CDIs and taking into account Amcor Shareholders' initial 71% holding in New Amcor, the capitalisation of New Amcor CDIs on the ASX would initially be A$17.3 billion.[25] We note that to the extent New Amcor CDIs are converted to New Amcor Shares, liquidity may fall and vice-versa, potentially impacting inclusion or exclusion in indices. However, we note that:

- potentially, Amcor Shareholders who reside outside Australia will choose to maintain Australian listed securities rather than NYSE listed securities, particularly since the New Amcor CDIs are expected to comprise a majority of New Amcor's listing, and
- Amcor Shareholders will receive New Amcor CDIs as the default option. They will only receive New Amcor Shares if they elect to receive them.

3.2.4 New Amcor's withholding tax position is not expected to be impacted

It is intended that New Amcor will be a tax resident of the United Kingdom whereas it is currently an Australian tax resident. The United Kingdom tax regime is stable and competitive and has several features that are advantageous for companies established as holding companies, such as New Amcor. Benefits of the United Kingdom tax regime include no withholding taxes in relation to the payment of dividends from a United Kingdom company to any shareholder regardless of shareholder class or country of residence, and no withholding taxes on payments of dividends to a United Kingdom parent company from key jurisdictions such as the United States, the European Union and Australia. Since New Amcor will derive revenue from a broad range of jurisdictions and will pay dividends from the United Kingdom holding company to its shareholders, it is expected that shareholders will be no worse off than they are currently from these aspects of the legislation.

3.2.5 Changes in shareholder protection (takeover laws)

As a Jersey incorporated company, New Amcor will not be subject to the Australian takeover laws or equivalent Jersey laws that prevent a party from acquiring control of New Amcor without making a takeover offer to all shareholders or without seeking the approval of the New Amcor Board. As a safeguard, New Amcor's articles of association will permit the New Amcor Board to adopt certain takeover defence mechanisms, similar to those adopted by other companies listed on NYSE (e.g. a shareholder rights plan), designed to avoid control of New Amcor passing without New Amcor Board or shareholder approval and thereby protect against non-negotiated takeover bids made at unfair or inadequate prices or which rely on coercive or unfair tactics. A comparison of the takeover laws and defence mechanisms applicable to Amcor and New Amcor is set out in Section 10.17 of the Scheme Booklet.

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[25] Calculated as 71% of the estimated market capitalisation of New Amcor (calculated as 1,627.8 million New Amcor Shares (diluted basis) expected to be on issue if the Transaction is implemented multiplied by the Amcor closing price on 1 March 2019 of A$14.95).

3.3 Other considerations

3.3.1 Corporate tax rates for New Amcor

New Amcor's effective tax rate will reflect the various tax rates of the countries in which it operates. The FY18 effective tax rate of New Amcor is estimated to be 20.8%[26].

3.3.2 No significant tax consequences for individual shareholders

Section 9 of the Scheme Booklet sets out a general description of the tax consequences for:

- Australian resident Amcor Shareholders that hold their Amcor Shares on capital account
- United States Amcor Shareholders according to United States federal income tax legislation, and
- United Kingdom resident Amcor Shareholders that hold their Amcor Shares beneficially as an investment and have not acquired their Amcor Shares by virtue of an office or employment.

Australian resident Amcor Shareholders (Amcor Shareholding on capital account)

If the Scheme is implemented, Australian resident Amcor Shareholders will be deemed to have disposed of their Amcor Shares in exchange for a New Amcor Share of New Amcor CDI and the disposal will constitute a capital gains tax event. To the extent that a capital gain is realised, roll-over relief, which defers the capital gain, should be available if the Amcor Shareholder chooses to obtain the relief. Amcor has lodged a Class Ruling with the Australian Taxation Office (ATO) in this respect, which is expected to be published after the Scheme becomes effective. Refer to Section 9.1 of the Scheme Booklet for further details.

The change in tax jurisdiction means that Australian resident tax payers will not be entitled to receive the benefit of franking credits. However, Amcor does not currently generate franking credits nor does it expect to in the near future, which means New Amcor Shareholders are no worse off.

Other Amcor Shareholders

If the Merger and Scheme are treated together as an exchange within the meaning of Section 351 of the Code (United States federal tax law), the exchange of Amcor Shares for New Amcor Shares or New Amcor CDIs will not result in any gain or loss for a United States Shareholder[27]. Amcor cannot definitely determine the tax treatment of the Scheme until after the implementation and will therefore request a nationally recognised tax counsel or Big 4 accounting firm to render its opinion or written advice to Amcor (dated the Second Court Date) that there has been no change in tax law which would cause the Merger and Scheme to fail to qualify as an exchange. Please refer to Section 9.2 of the Scheme Booklet for further details.

United Kingdom resident Amcor Shareholders should not be treated as having made a disposal of their Amcor Shares for New Amcor Shares or New Amcor CDIs for the purpose of the United Kingdom taxation of chargeable gains with any gain or loss that would have arisen rolled-over into the New Amcor Shares or New Amcor CDIs and the New Amcor Shares or New Amcor CDIs should be treated as the same asset as the Amcor Shares. Please refer to Section 9.3 of the Scheme Booklet for further details.

Amcor Shareholders who are tax residents of a country other than Australia should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

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[26] The historical blended rate for Amcor and Bemis provided by Amcor management.

[27] Please refer to Section 9.2 of the Scheme Booklet for further details what United States Amcor Shareholders should consider depending on their specific circumstances.

Amcor Shareholders should consider their individual circumstances, review Section 9 of the Scheme Booklet for further information where it applies to their circumstances and should seek the advice of their own professional adviser.

3.3.3 Change in management and Board structure

New Amcor intends to continue to implement Amcor's strategy as outlined in Section 8.2 of this report. The Amcor Board currently comprises eight Directors. The New Amcor Board will comprise eleven Directors, eight of whom will be from the Amcor Board and three of whom will be from the Bemis Board and will be nominated by Bemis (but subject to approval by Amcor). It is expected that Bemis will nominate the current Bemis Directors, Arun Nayar, David Szczupak and Philip Weaver. Amcor's current Chairman, Mr Graeme Liebelt, will continue to serve as initial Chairman of New Amcor. Amcor's current Chief Executive Officer (CEO), Mr Ron Delia, will continue to serve as CEO and as the only Executive Director on the New Amcor Board. The policy of the New Amcor Board will be that a majority of the New Amcor Directors will be independent.

3.3.4 Change in risk profile

There is a risk that integration costs may be greater than anticipated, Net Cost Synergies may not be fully realised or may be delayed and working capital and capital expenditure savings may not be achieved such that integration, compensation and transaction costs need to be funded. These risks may be mitigated as an Amcor management dedicated team will manage the integration and leverage Amcor's experience of integrating previously acquired businesses of scale (e.g. the acquisition of Alcan's Food Europe, Food Asia, global Pharmaceuticals and global Tobacco divisions for US$1.9 billion in February 2010). In addition, Amcor's and Bemis' operations are largely complementary, with limited geographical overlap for flexibles (mainly in the United States and Brazil).

Revenue may be lost (dis-synergies) following the Transaction (e.g. as a result of customers negotiating the lowest rate of Amcor and Bemis), however, estimated Net Cost Synergies are net of assumed dis-synergies.

New Amcor will also be exposed to certain risks associated with Bemis, including risks associated with certain end-markets (e.g. Brazil) and risks associated with implementation of Bemis' 2017 Plan that relates to the "fix" pillar of Agility to improve Bemis' efficiency and profitability. Details on the 2017 Plan were announced in Q3 CY17 and as at 30 June 2018, approximately 75% of the total savings were yet to be achieved. There is a risk that savings will not be fully realised and/or will be delayed and/or implementation costs will be greater than anticipated.

3.3.5 Ineligible Foreign Shareholders

Ineligible Foreign Shareholders[28] will not be entitled to receive New Amcor Shares or New Amcor CDIs. Instead, New Amcor CDIs that would otherwise be issued to Ineligible Foreign Shareholders will be issued to a sale nominee appointed by Amcor who will sell those shares on market. While the sale of the New Amcor CDIs is intended to be undertaken as soon as practicable should the Transaction be implemented, the Ineligible Foreign Shareholders will not receive any assurance as to the price that will be achieved from the sale of the CDIs. Based on Amcor's share register at 1 March 2019, Ineligible

[28] Ineligible Foreign Shareholders are defined as Amcor shareholders whose address is recorded in the Amcor share register as the date of the Scheme in a jurisdiction other than Australia or its external territories, Argentina, Bahamas, Belgium, Canada, France, Germany, Hong Kong, India, Ireland, Malaysia, New Zealand, Singapore, South Africa, Spain, Switzerland, Thailand, United Kingdom and United States, and who Amcor determines at its discretion that it would be unlawful, unduly onerous or unduly impracticable to issue the Scheme Consideration to in the relevant jurisdiction.

Shareholders represent 0.03% of Amcor Shares. Information in relation to this point is provided in Section 8.2 of the Scheme Booklet.

3.4 Consequences of not accepting the Scheme

As noted previously, the Merger is conditional on the Scheme closing. As such, even if Amcor Shareholders approve the Scheme, the Transaction may not proceed.

If the Transaction does not proceed:

- Amcor will continue to pursue its strategy
- Amcor Shareholders will not benefit from the expected Net Cost Synergies associated with the Transaction
- Amcor Shareholders will not benefit from the strategic benefits associated with the Transaction
- Amcor will not incur an estimated US$150 million of integration costs and will not incur approximately US$65 million of compensation costs and approximately US$125 million of transaction costs, however, it will have already incurred US$45 million[29] of transaction costs
- its ability to pursue large accretive acquisitions will be limited to the extent that it can only offer ASX listed scrip or cash (which would increase leverage)
- its ASX listed shares are likely to continue to be relatively liquid, and
- Amcor's primary listing will not change from the ASX to the NYSE, its country of incorporation will not change from Australia to Jersey and its tax domicile will not change to the United Kingdom (and the associated enhanced liquidity of New Amcor Shares and tax benefits will not be achieved). In this regard, Amcor does not currently have plans to pursue a re-domicile in the event that the Transaction does not proceed.

4 Other matters

In forming our opinion, we have considered the interests of Amcor Shareholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of individual Amcor Shareholders. It is not practical or possible to assess the implications of the Scheme on individual Amcor Shareholders as their financial circumstances are not known.

The decision of Amcor Shareholders as to whether or not to approve the Scheme is a matter for individuals based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position. Individual Amcor Shareholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to vote for or against the proposed Scheme Resolutions may be influenced by his or her particular circumstances, we recommend that individual Amcor Shareholders seek their own independent professional advice.

Our independent expert's report has been prepared solely for the purpose of assisting Amcor Shareholders in considering the Scheme. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose. Our opinion should not be construed to represent a recommendation as to whether or not Amcor Shareholders should elect to vote in favour of the Scheme.

Neither the whole nor any part of our independent expert's report or its attachments or any reference thereto may be included in or attached to any document, other than the Notice of Meeting and the Scheme Booklet to be sent to Amcor Shareholders in relation to the Scheme, without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears. KPMG Corporate Finance

[29] Estimated costs to be incurred up to the Scheme Meeting on 2 May 2019.

consents to the inclusion of our independent expert's report in the form and context in which it appears in the Scheme Booklet.

'FY' is used to denominate the 12 months to 30 June, 'CY' refers to the 12 months to 31 December, 'H' refers to half year and 'Q' refers to financial quarter. US$ is US dollars, A$ is Australian dollars, € is Euros and R$ is Brazilian Real.

The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully

Ian Jedlin
Authorised Representative

Adele Thomas
Authorised Representative

Contents

5 Summary of the Transaction

On 6 August 2018, Amcor entered into a definitive agreement (Transaction Agreement) with Bemis, New Amcor and Arctic Corp. under which New Amcor, a new holding company, would acquire all of the shares in Amcor by way of a scheme of arrangement and Bemis would then merge into a subsidiary of New Amcor (the Merger) (together, the Transaction). Consequently, New Amcor will become the new holding company of Amcor and Bemis. The Transaction includes:

- **the Scheme**: for each Amcor Share held, Amcor Shareholders[30] will receive the Scheme Consideration of one ASX listed New Amcor CDI, representing a beneficial ownership interest in one New Amcor Share or, at their election, one New Amcor Share, and
- **the Merger**: a subsidiary of New Amcor will merge with and into Bemis, with Bemis surviving the merger as a wholly owned subsidiary of New Amcor, and Bemis Shareholders will receive 5.1 New Amcor Share for each Bemis Share held.

The Merger is conditional on the Scheme proceeding.

Ineligible Foreign Shareholders will not receive the Scheme Consideration. Instead, the New Amcor CDIs that would have otherwise been issued to all Ineligible Foreign Shareholders will be sold, and each Ineligible Foreign Shareholder will receive a proportion of the net proceeds from such sale that corresponds to the New Amcor CDIs they would have otherwise been entitled to.

As a result of the Transaction, Amcor and Bemis will be direct, wholly-owned subsidiaries of New Amcor and the former Amcor and Bemis shareholders will become holders of New Amcor Shares. Implementation of the Transaction will result in Amcor and Bemis shareholders holding approximately 71% and 29% of New Amcor, respectively. New Amcor will be incorporated in the Bailiwick of Jersey in the Channel Islands and tax domiciled in the United Kingdom. It will have a primary listing on the NYSE and an exempt foreign listing on the ASX. Amcor Shares will be delisted from the ASX. New Amcor will not be required to comply with the continuous disclosure requirements under the Corporations Act and most listing rules of the ASX.

Bemis stock-settled performance stock units (Bemis PSUs[31]) and Bemis stock-settled restricted stock units (Bemis RSUs[31]) will be cancelled in exchange for 5.1 New Amcor Shares for each Bemis Share underlying a Bemis PSU or Bemis RSU (which will be deemed to have vested, to the extent previously unvested) plus cash equal to any entitlement to a fraction of a New Amcor Share. Bemis cash-settled restricted stock units (Bemis Cash-Settled RSUs) and cash-settled performance stock units (Cash-Settled PSUs[31]) will be settled in cash.[32]

5.1 Conditions precedent

Implementation of the Scheme is subject to a number of conditions as set out in Exhibit A of the Transaction Agreement and Section 8.1 of the Scheme Booklet, including:

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[30] Except for any Ineligible Foreign Shareholders

[31] Bemis PSUs, Bemis RSUs (including directors 2018 RSUs), Bemis Cash-Settled RSUs and Bemis Cash-Settled PSUs will automatically vest, to the extent previously unvested, at the effective time with performance assumed at target performance level.

[32] Calculated as the number of Bemis Cash-Settled RSUs or Bemis Cash-Settled PSUs multiplied by 5.1 multiplied by the applicable share price, which is the weighted average price of the New Amcor Shares on the three trading days before settlement of the equity award (Applicable Share Price) net of expected applicable taxes.

- approval of the Scheme by the requisite majorities of Amcor Shareholders at the Scheme Meeting[33]
- Court approval of the Scheme
- approval of the Merger by at least two thirds of the outstanding Bemis Shares entitled to vote at the Bemis Special Meeting
- NYSE approval for the listing of New Amcor Shares and ASX approval for the admission of New Amcor to the official list of the ASX
- expiration or termination of waiting periods under the HSR Act[34] that are required to be observed after certain anti-trust filings have been made in the United States in respect of the merger
- required governmental consents under antitrust laws of certain jurisdictions listed in the Transaction Agreement or as otherwise agreed between the parties have been obtained or applicable waiting periods have expired, lapsed or been terminated
- the Form S-4 has become effective under the United States Securities Act of 1933 (Securities Act)
- Foreign Investment Review Board (FIRB) approval has been obtained
- Amcor and Bemis have received tax advice that since the date of the Transaction Agreement, there has been no change in tax law that would cause the Merger and the Scheme to fail to qualify for the intended tax treatment, including that the Merger is treated as an exchange and does not give rise to recognition of a gain for certain US tax purposes[35]
- no governmental entity has enacted a law or order that prohibits or makes illegal the consummation of the Transaction
- the Transaction Agreement has not been terminated in accordance with its terms
- the obligations of a party to effect the Scheme are also subject to the satisfaction (or waiver by such party) of the following conditions:
- accuracy of representations and warranties made by the other party, subject to applicable materiality standards, and
- performance by the other party of such party's obligations and covenants in all material respects.

As at the date of this report, Amcor is not aware of any reason why the conditions precedent will not be satisfied or waived.

The Transaction Agreement also includes certain exclusivity provisions that apply to both Amcor and Bemis including 'no shop', 'no talk', 'no due diligence' and a notification obligation and matching right, subject (in the case of the 'no talk' restriction) to the Directors' fiduciary obligations. In certain circumstances, a termination fee of US$130 million is payable by either Bemis or Amcor to the other. Further details of the exclusivity provisions are contained in Sections 8.1(b) and (c) of the Scheme

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[33] A majority in number (i.e. more than 50%) of Amcor Shareholders present and voting at the Scheme Meeting (either in person or by proxy or representative) and at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting (either in person or by proxy or by representative).

[34] The United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated under it.

[35] That under the United States Internal Revenue Code of 1986 1) the Merger qualifies as a 'reorganisation' under Section 368(a); 2) the Merger and the Scheme, taken together, qualify as an exchange described in Section 351(a); and 3) the Merger does not result in gain being recognised under Section 367(a)(1) other than for any shareholder that would be defined as a "five-percent transferee shareholder".

Booklet and Sections 5.3 and 5.4 of the Transaction Agreement. Further details of the termination fees are contained in Section 8.1(f) of the Scheme Booklet and Section 8.2 of the Transaction Agreement.

Amcor Shareholders should also be aware that the Transaction Agreement may be terminated in certain circumstances as detailed in Section 8.1I of the Scheme Booklet and Section 8.1 and 8.2 of the Transaction Agreement.

If the Transaction Agreement is terminated or the conditions are not satisfied or waived, the Transaction will not proceed.

6 Scope of Report

6.1 Purpose

The Transaction includes a scheme of arrangement in accordance with the Corporations Act that requires approval of Amcor Shareholders. Section 412(1) of the Act requires that an explanatory statement issued in relation to a proposed scheme of arrangement include any information that is material to the making of a decision by a member as to whether or not to approve the scheme.

Part 3 Schedule 8 of the Corporations Regulations specifies that the information to be lodged with the Australian Securities and Investments Commission (ASIC) must include a report prepared by an expert:

- if the other party to a reconstruction in a scheme of arrangement holds at least 30% of the company, or
- where the parties to the reconstruction have common directors.

The report prepared by the expert must state whether, in the expert's opinion, the proposed scheme of arrangement is in the best interests of the members of the body as a whole and set out the expert's reason(s) for forming that opinion.

Even where an independent expert's report is not strictly required by the law, it is not uncommon for directors to commission one to ensure they are providing the information that is material to the making of a decision by a creditor or member. In accordance with this practice, the Amcor Board has engaged KPMG Corporate Finance to prepare the independent expert's report.

6.2 Basis of assessment

Regulatory Guide (RG) 111 "Content of expert reports", issued by ASIC, indicates the principles and matters which it expects a person preparing an independent expert's report to consider. RG 111 distinguishes between the analysis required for control transactions and other transactions.

It has long been accepted in Australian mergers and acquisitions practice that the words 'fair and reasonable' in s640 Corporations Act establish two distinct criteria for an expert analysing a control transaction:

(a) is the offer 'fair', and

(b) is it 'reasonable'?

That is, 'fair and reasonable' is not regarded as a compound phrase (RG 111.10).

Under this convention, an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This analysis assumes 100% ownership of the 'target' (i.e. a control basis) and excludes 'special value' of the target to a particular bidder (RG 111.11).

Furthermore, RG111.31 states that, "The comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

(a) the acquirer is obtaining or increasing control of the target; and

(b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

However, the expert may need to assess whether a scrip takeover is in effect a merger of entities of equivalent value when control of the merged entity will be shared equally between the 'bidder' and the 'target'. In this case, the expert may be justified in using an equivalent approach to valuing the securities of the 'bidder' and the 'target'."

RG 111.18 states that where a scheme of arrangement is used as an alternative to a takeover bid under Chapter 6 of the Corporations Act, the form of analysis undertaken by the expert should be substantially the same as for a takeover bid even though the wording of the opinion will also be whether the proposed scheme is 'in the best interests of the members of the company'. That form of analysis considers whether the transaction is 'fair and reasonable' and, as such, incorporates issues as to value.

RG 111.35 and 111.36 state that in the absence of a change of control, change in the underlying economic interests of security holders or selective treatment of different security holders, the issue of 'value' may be of secondary importance. The expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages. RG 111.37 states that where such a transaction involves a scheme of arrangement and the expert concludes that the advantages of the transaction outweigh the disadvantages, the expert should say that the scheme is in the best interests of the members.

The Transaction does not result in a change of control for Amcor Shareholders. Accordingly, we do not consider it appropriate to treat the Transaction as a control transaction. Rather, we consider the Transaction, including the Scheme, will be in the best interests of Amcor Shareholders, if Amcor Shareholders as a whole are assessed as being, on balance, better off, or, at least not worse off, if the Transaction proceeds than if it does not.

The Transaction does, however, result in a change in Amcor Shareholders' underlying economic interest as a result of the Merger with Bemis. Consequently, in evaluating the advantages and disadvantages of the Transaction to Amcor Shareholders, it is necessary to compare the assessed value of Amcor Shares on a minority interest basis relative to the assessed value of New Amcor Shares[36] on a minority basis, including the Net Synergies[37] (i.e. 'fairness'). This interpretation of 'fairness' (that is, including the Net Synergies arising from the Transaction that are specifically available to Amcor in the valuation of New Amcor) differs from the definition of 'fairness' within RG111.11, which considers fairness only within the context of fairness to 'target' shareholders under a control transaction or in the context of a 'merger of equals' (RG 111.31). We do, however, consider it appropriate to use 'fairness' as a terminology as inherently 'fairness' is about whether, in a financial sense, shareholders are better off. We believe our analysis of the financial outcome for shareholders is consistent with the concept.

In this context, the assessment of fairness forms part of the overall judgement on whether the Transaction is in the best interests of Amcor Shareholders.

[36] Noting that a New Amcor CDI represents a beneficial interest in one New Amcor Share.

[37] Net Synergies include Net Cost Synergies and working capital and capital expenditure savings net of integration, compensation and transaction costs.

Whilst the method required for evaluating the transaction contemplated by the Scheme is not specified in RG 111, RG 111.8-34 establishes that any assessment by an expert should focus on the substance of the transaction rather than its legal form.

The Transaction includes the Scheme and the Merger. The Merger is conditional on the Scheme and consequently, KPMG Corporate Finance considers it appropriate to focus on the implications of the Transaction as a whole for Amcor Shareholders.

In forming our opinion as to whether the Transaction, including the Scheme, is in the best interests of Amcor Shareholders, we have considered the following advantages and disadvantages:

Financial benefits

- a comparison of the assessed value of Amcor Shares on a minority, stand-alone basis with the assessed value of the equivalent number of New Amcor Shares on a minority basis (taking into account the Net Synergies expected to be generated through the Transaction)
- level of available Net Cost Synergies
- the financial implications for Amcor Shareholders (including earnings per share, distribution per share and net assets per share)
- transaction and integration costs, and
- the relative contribution to the assessed value of New Amcor to be made by Amcor and Bemis shareholders, relative to their shareholding in New Amcor (i.e. reasonableness of the exchange ratio).

Strategic and other considerations

- strategic benefits expected to be achieved as a result of the Transaction (i.e. global reach and scale, innovation capability, revenue synergies)
- flexibility to pursue acquisitions utilising NYSE listed scrip
- any change in strategy, management and Board structure
- potential for change in the trading multiple or sharemarket re-rating, including potential for index inclusion
- differences between the rights of a New Amcor Share and a New Amcor CDI
- liquidity of New Amcor Shares and New Amcor CDIs
- tax implications for Amcor and Amcor Shareholders
- any changes to shareholder protection
- risk profile of New Amcor relative to Amcor, and
- implications if the Scheme or Merger are not approved.

In forming our opinion, we consider the interests of Amcor Shareholders as a whole. As an individual shareholder's decision to vote for or against the Scheme Resolutions may be influenced by his or her particular circumstances, our independent expert's report will recommend they each consult their own financial advisor.

6.3 Limitations and reliance on information

In preparing this report and arriving at our opinion, we have considered the information detailed in Appendix 2 of this report. In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying it.

Nothing in this report should be taken to imply that KPMG Corporate Finance has in any way carried out an audit of the books of account or other records of Amcor or Bemis for the purposes of this report.

Furthermore, we note that an important part of the information base used in forming our opinion is comprised of the opinions and judgements of Amcor management. In addition, we have also had discussions with Amcor's management in relation to the nature of Amcor and Bemis' business operations, specific risks and opportunities, historical results and prospects for the foreseeable future. This type of information has been evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Amcor has been responsible for ensuring that information provided by it or its representatives is not false or misleading or incomplete. Complete information is deemed to be information which at the time of completing this report should have been made available to KPMG Corporate Finance and would have reasonably been expected to have been made available to KPMG Corporate Finance to enable us to form our opinion.

We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters which an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

The information provided to KPMG Corporate Finance included forward-looking financial information in relation to the potential Net Cost Synergies that are expected to result from the Transaction.

KPMG Corporate Finance has relied upon this forward-looking financial information in preparing this report and Amcor remains responsible for all aspects of this forward-looking financial information. The forward looking information as supplied to us is based upon assumptions about events and circumstances which have not yet transpired. We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information.

KPMG Corporate Finance has undertaken various enquires in relation to the Net Cost Synergies. In this regard, KPMG Corporate Finance has held discussions with Amcor management in regard to the assumptions underlying the Net Cost Synergies. We have reviewed the key assumptions in the context of our understanding of the Amcor and Bemis businesses. KPMG Corporate Finance is of the view that the forward-looking information has been prepared on a reasonable basis and, therefore, is suitable as a basis for including in our valuation of New Amcor. In making this assessment, we have taken into account the following:

- in developing the Net Cost Synergies, Amcor management initially developed Net Cost Synergies estimates on the basis of publicly available information on Bemis. These estimates were updated and refined over time. In this regard, we note that Amcor operates in similar areas to Bemis
- in May 2018, Amcor and Bemis management held a management session in which assumptions underlying the Net Cost Synergies were discussed
- in June/July 2018, Amcor management commenced due diligence in relation to Bemis. Amcor management further refined the estimated Net Cost Synergies, taking into account Bemis' site locations and G&A costs and confirmed that there was no overlap with Bemis' Agility Program savings
- in order to cross-check Amcor management's estimates of Net Cost Synergies, Amcor hired an external consultant experienced in such matters. The external consultant provided an estimate of potential revenue and cost synergies on a top-down and bottom up-approach. Net Cost Synergies were also benchmarked across similar transactions. The expert's estimate of cost synergies was in excess of the Net Cost Synergies estimated by Amcor management

- subsequently, a joint Clean Team Integration Planning Group was formed comprised of both Amcor and Bemis employees and facilitated by the external consultant (governed by Clean Team Integration Planning Group protocols) to review each of the key categories of cost savings (Procurement, Operations, G&A and Other) in further detail. Their procedures included analysing key categories of input costs (by region), conducting site visits with subject matter experts and further reviewing operating cost savings. Refer to Section 10.3.1 of this report for further details
- the estimated Net Cost Synergies have been reviewed by the Amcor Board
- the estimated Net Cost Synergies are net of certain assumed dis-synergies
- the estimate of Net Cost Synergies is conservative and takes into account a degree of execution risk
- the synergies announced are cost-related only. Amcor management has assumed no savings in selling or research and development costs on the basis that these costs would be required to achieve revenue synergies. However, revenue synergies, which are typically less certain than Net Cost Synergies, have also been excluded from the synergy estimate
- costs of achieving synergies have been taken into account. Cash integration, compensation and transaction costs are expected to be broadly offset by working capital and capital expenditure savings, and
- the quantum of Net Cost Synergies is comparable to those achieved by Amcor in previous transactions and those achieved in other large transactions in the packaging industry.

Notwithstanding the above, KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the forecast period. Any variations in the forward looking financial information may affect our valuation and opinion.

It is not the role of the independent expert to undertake the commercial and legal due diligence that a company and its advisers may undertake. KPMG Corporate Finance provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process, which is outside our control and beyond the scope of this report. We have assumed that the due diligence process has been and is being conducted in an adequate and appropriate manner.

The opinion of KPMG Corporate Finance is based on prevailing market, economic and other conditions at the date of this report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

6.4 Disclosure of information

In preparing this report, KPMG Corporate Finance has had access to all financial information considered necessary in order to provide the required opinion. Amcor and Bemis have requested KPMG Corporate Finance limit the disclosure of some commercially sensitive information relating to Amcor and Bemis. This request has been made on the basis of the commercially sensitive and confidential nature of the operational and financial information of the operating entities comprising Amcor. As such the information in this report has been limited to the type of information that is regularly placed into the public domain by Amcor and Bemis.

7 Packaging Industry

7.1 Overview

In CY17, the global packaging industry generated US$882 billion in revenue.[38] The industry comprises companies involved in the design and manufacture of boxes, containers, wrapping and other protective enclosures used by various end-markets (e.g. food & beverage, consumer products, pharmaceutical, healthcare & medical, industrial and tobacco) to display and sell products to consumers. The industry can be divided into three distinct sub-industries based on the input used: plastic packaging (e.g. plastic water bottles, stand-up pouches), fibre packaging (e.g. container board) and glass, metal and other packaging. The industry is becoming increasingly dynamic, with shorter cycles/more rapid change and fast, bold reactions from customers, competitors and suppliers.

Amcor's and Bemis' principal activities comprise the development and production of flexible packaging and rigid plastic packaging for food & beverage, consumer product goods, pharmaceutical, healthcare & medical, and other end-markets. In order to provide a context for assessing the prospects and relative strengths and weaknesses of Amcor, Bemis and New Amcor, we have set out in the following sections an overview of the global plastic packaging industry.

7.2 Industry structure

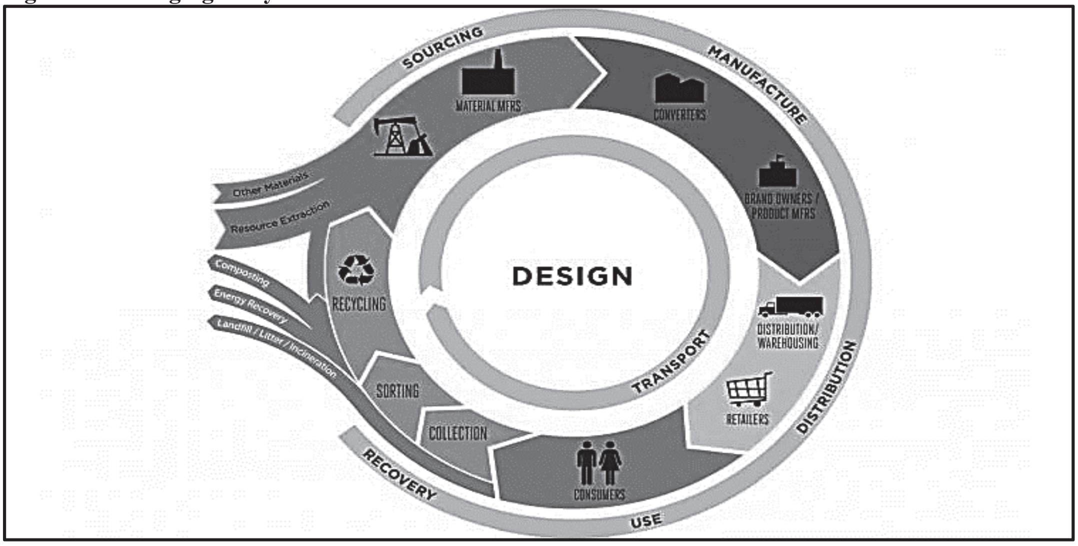
In CY17, the global plastic packaging industry generated US$296 billion in revenue (33.5% of the total packaging industry revenue). There are two main categories of plastic packaging:

- ***flexible plastic packaging*** (e.g. films and stand-up pouches), which generated US$136 billion in revenue (46.1% of plastic packaging industry revenue and 63.3% of overall flexible packaging industry) in CY17. It combines the qualities of plastic, paper and aluminium foil to deliver versatile packaging while employing a minimum amount of material. It can be moulded into various shapes (e.g. bags, pouches, liners or overwraps). Such advances in packaging innovation adds value for end-markets through marketability and customisability to food and non-food products, and
- ***rigid plastic packaging*** (e.g. plastic bottles, boxes, containers and trays), which generated US$159 billion in revenue (53.9% of plastic packaging industry revenue) in CY17[39]. It is utilised by end-markets to stack and display and to support and protect the product inside. It safeguards the product from crushing, tearing and leaking while still being able to display the contents clearly. Recent innovation within rigid packaging has increased the uses of the packaging to secondary uses (e.g. a display stand or a measuring cup for products). A key aspect of rigid packaging is that it provides the consumer with a durable storage option after its initial use.

The lifecycle of plastic packaging is illustrated as follows:[40]

[38] Smithers Pira, The Future of Packaging: Long-Term Strategic Forecasts to 2028, 5 September 2018.
[39] Smithers Pira, The Future of Packaging: Long-Term Strategic Forecasts to 2028, 5 September 2018.
[40] Elipso (les enterprises de l'embalage plastique et souple), life cycle of plastic packaging and flexible packaging.

Figure 2: Packaging lifecycle



Source: Sustainable Brands| The Bridge to Better Brands.

The lifecycle has evolved over the years to focus on design and reusability to provide a product that is sustainable while improving the consumer experience. The key stages are described as follows:

- ***packaging design***: with the growing popularity of flexible plastic packaging, the design phase has become one of the most important aspects of the lifecycle. The versatility of flexible packaging allows manufacturers and end-markets to work together to design innovative and customised packaging. Furthermore, with an increasing focus on sustainable packaging, the design phase is instrumental in assisting manufacturers reduce their environmental footprint and determine the best end of life solution
- ***sourcing***: the main material utilised by plastic packaging manufacturers is plastic resin, which is either used by itself or in conjunction with other materials (e.g. aluminium) to provide unique features. Raw material pricing is described in Section 7.4 of this report
- ***manufacturing***: various methods are utilised to produce and decorate the packaging for the various end-markets (e.g. blow extrusion, calendaring[41], thermoforming[42], lamination and printing). Packaging is then sent to the customer to package their products. End-markets usually include food & beverage, consumer product goods, pharmaceutical, healthcare & medical, industrial and tobacco as summarised in Section 7.6 of this report
- ***distribution***: packaged products follow different distribution and marketing channels based on the product and consumer (e.g. short circuits, large distribution, wholesale, export)
- ***use***: depending on the type, packaging can be used as a one-time product or multiple times, and
- ***recovery***: once the product is consumed, the packaging is collected and sorted for various end-of-life uses (e.g. reused, recycled, composted or used in energy production). The end-of-life application of the plastic packaging is defined by the design and materials used in creating the packaging, thus underlining the importance of the design phase in the lifecycle (e.g. biodegradable plastics may be composted).

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[41] Refers to a speciality process by which high pressure rollers are used to finish or smooth a sheet or film of plastic.

[42] Refers to the process of heating a thermoplastic material and shaping it in a mould and then trimming it.

7.3 Trends

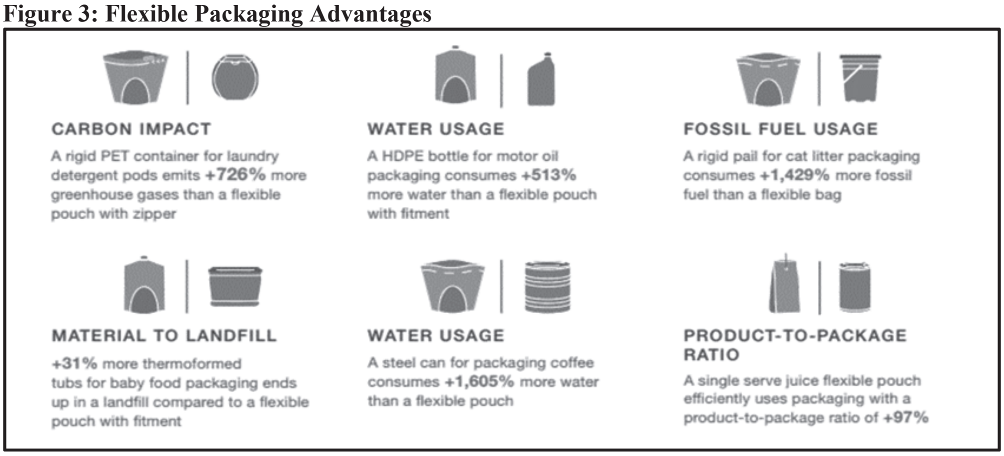
Global flexible packaging sales are growing at a faster rate than rigid packaging sales as a result of the following:

- ***sustainable packaging**:* Public and political pressure for sustainable packaging is expected to increase demand for lightweight packaging that utilises less material, recycled or recyclable materials and increased use of bio plastic. Legislation to ban single use plastic has been increasing, particularly in the European Union.[43] In North America, legislation to date has tended to be on a state or city-wide basis with certain states such as California spearheading legislation to limit plastic usage.

  Flexible packaging provides significant reductions in raw material and transport costs, as well as performance advantages over rigid packaging. Not only does flexible packaging take up less space when empty, it can also be constructed on the spot from roll materials at the filling location, minimising transportation of ready-formed empty packaging.

  Six case studies conducted by the Flexible Packaging Association, as summarised in the following chart, show that flexible packaging when compared to other packaging formats, has preferable environmental attributes for carbon impact, fossil fuel usage, water usage, product to package ratio and material to landfill ratio. This has and will contribute to the shift towards flexible packaging.

  Figure 3: Flexible Packaging Advantages



  Source: Flexible Packaging Association.

- ***technology**:* a key trend in food packaging is the shift towards high-performance barrier film structures that are less permeable to oxygen and moisture to increase shelf life and enhance flavours. Items packaged in rigid containers are being transitioned to high-barrier flexible packages. For example, a heat-resistant retort stand-up pouch is made of laminated plastic and metal films and can be filled, heat sealed and sterilised by pressure cooking. As a result, the retort pouch contains heat-treated, cooked food which is safe from micro-organisms and has an extended shelf life. In addition, due to their thinner dimensions, it takes less time to cook food in a flexible pouch than in other forms of rigid packaging (e.g. cans and jars). Foods currently using retort stand-up pouches include ready meals, soups, rice, vegetables and sauces

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[43] Source: Earth Day Network, https://www.earthday.org/plasticban/. The European Commission proposed on May 2018 new EU-wide rules to target the 10 single-use plastic products and under the new plans (implemented January 16, 2018), all plastic packaging in the European Union will be recyclable by 2030, the consumption of single-use plastics will be reduced and the intentional use of microplastics will be restricted.

- ***holistic design****:* due to the versatility of flexible packaging, manufacturers are able to work with end-markets more closely during the design process to create customised packaging products that give each package type a unique style, visual appeal and functionality[44]
- ***consumer preference****:* consumers are increasingly concerned about health and wellness, promoting demand for packed fresh fruits and vegetables, dietary supplements, organic and additive free products. This is boosting demand for flexible packaging. End-markets are increasing their use of concise labelling on packages to emphasise the ingredients and health benefits in their product
- ***urbanisation****:* is leading to busy lifestyles in which consumers seek convenience and portability. Demand is rising for microwaveable packaging, single-serve packs, carry-away packs, resealable packaging, easy-open packs and longer shelf lives. Increasing 'on-the-go' consumption suggest that more packaging will need to be designed for portability and packaging for products eaten at home that are then reusable, and
- ***growth of supermarkets****:* demand for flexible packaging is expected to benefit from growth in large retail chains worldwide, particularly in developing regions (e.g. Asia, South America and Eastern Europe) as they introduce packaged foods and drinks with increased focus on cost reduction and shelf-life extension.

7.4 Raw material prices

Plastic resin accounts for 50% to 60% of cost of goods sold for the plastic packaging companies[45] and changes in resin prices can have a material impact on the profitability of plastic packaging companies in the short to medium term since although packaging companies are generally able to pass on price increases to customers, there can be a delay depending on the contract. The two main types of plastic resin, polyethylene and polypropylene, are produced during crude oil refining. Another key raw material for flexible packaging is aluminium, which is used in conjunction with plastics to make packaging for food & beverage, pharmaceutical, healthcare & medical end-markets. Plastic resin is generally sourced from suppliers locally and from the two low-cost producing areas: Middle-East and the United States. Spot prices are tracked in US$/lb, US$/mT or €/mT by S&P Global Platts and other indices. Aluminium is sourced locally and spot prices are tracked by the London Metal Exchange (LME) in US$/tonne.

From 1 January 2015 to 1 March 2019, the prices of polyethylene and polypropylene (US$/lb) have been volatile and have generally tracked in line with the changes in the price of crude oil as illustrated in the following chart. United States polypropylene prices increased strongly between July 2018 and October 2018 as capacity did not increase as fast as capacity for polyethylene, before easing in line with the decline in crude oil prices. While polyethylene can be produced from both crude oil and natural gas, polypropylene can only be produced from crude oil. As a result, polypropylene has been more subject to supply outages over the past few years.[46] This has led to an increase in imports from Asia, as buyers in the United States recognise arbitrage opportunities to minimise their raw material costs. Further given the lower resin prices in Asia, local buyers in Europe increased their demand for Asian sourced resin and Middle-East suppliers have shifted exports to Europe from Asia, which has driven the down the prices for Euro resin. Crude oil prices are expected to increase at an average of 4.4% per annum over the next five years (2018-2023) and, therefore, it is expected that plastic resin prices will also increase.[47]

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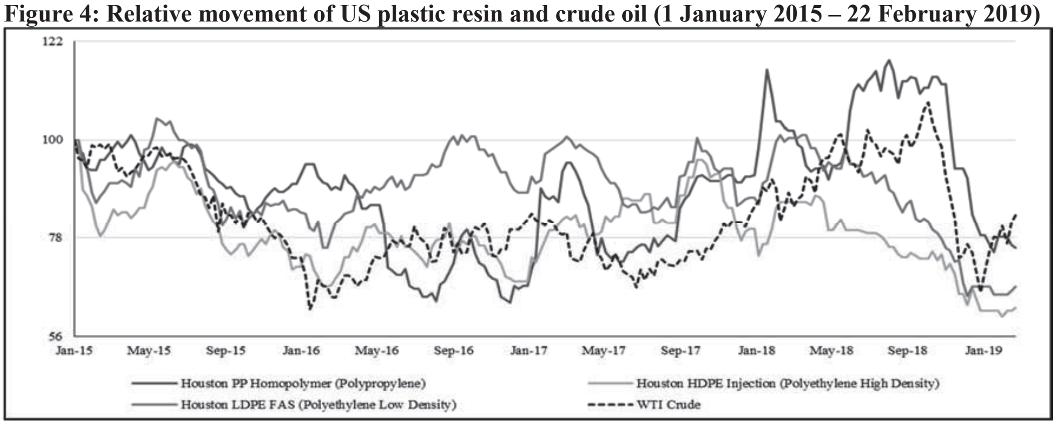
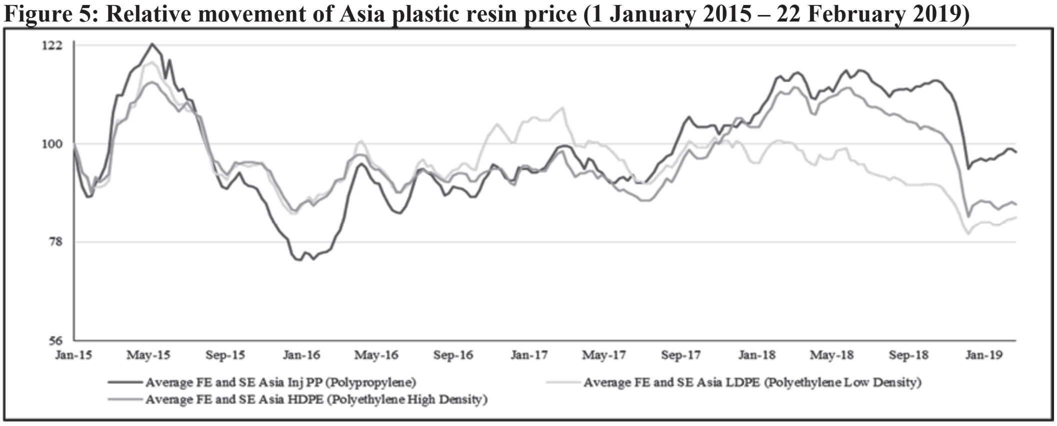
[44] Trends in Food Packaging, Supply Chain and Beyond, June 2016.
[45] S&P Global Ratings, Key Credit Factors For the Containers and Packaging Industry, March 2013, Rev. March '18.
[46] United States Propylene market to remain volatile through 2015, https://www.icis.com/resources/news/2018/07/12/10240640/us-propylene-market-to-remain-volatile-through-2018/
[47] World price of crude oil, IBISWorld, 2018

Figure 4: Relative movement of US plastic resin and crude oil (1 January 2015 – 22 February 2019)



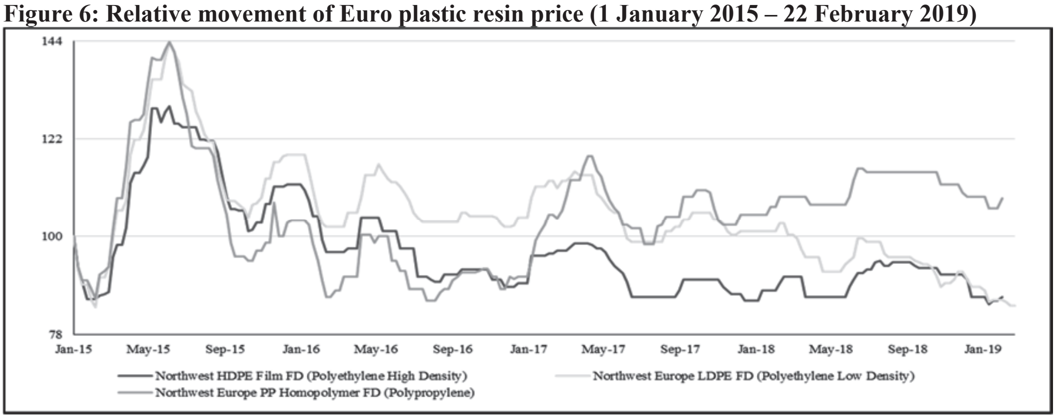
Source: Bloomberg, KPMG Corporate Finance. Weekly data.

Figure 5: Relative movement of Asia plastic resin price (1 January 2015 – 22 February 2019)



Source: Bloomberg, KPMG Corporate Finance. Weekly data.
Note: Southeast (SE) Asia includes resin sourced from Asian countries, excluding China. Fareast (FE) Asia refers to resin sourced from China only.

Figure 6: Relative movement of Euro plastic resin price (1 January 2015 – 22 February 2019)



Source: Bloomberg, KPMG Corporate Finance. Weekly data.

7.5 Foreign exchange rates

Amcor and Bemis are exposed to foreign exchange rate risk to the extent that sales are generated in multiple jurisdictions and since raw materials (i.e. plastic resin) are usually priced in US dollars or Euros. Furthermore, Bemis' recent financial performance has been adversely impacted by the depreciation of the

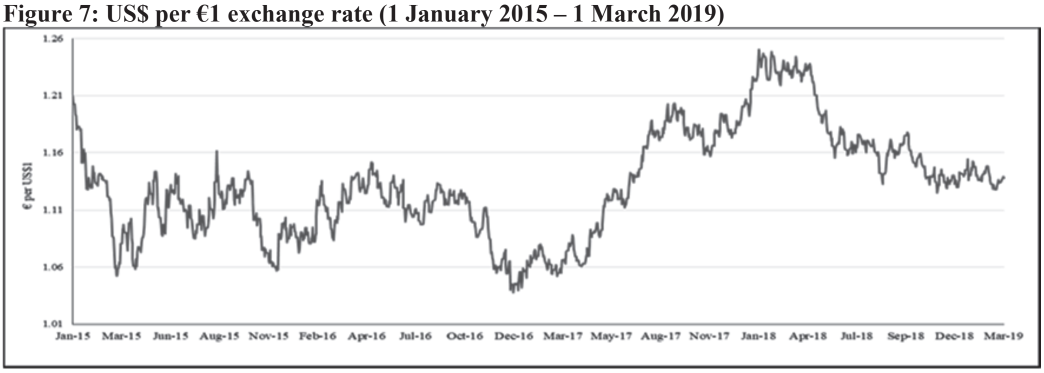
Brazilian Real and Argentinian Peso as a result of challenging political and economic conditions. Recent trade tensions between the United States and China have impacted the Euro and Australian dollar.

Table 4: Changes in key foreign exchange rates

Foreign exchange	1 January 2015 to 1 March 2019	Month to 1 March 2019 (Average)
US$/€	€1 = US$1.209 to €1 = US$1.1378| € depreciated by 6.0%	€1 = US$1.1351
US$/R$	R$1 = US$0.3762 to R$1 = US$0.2642 \| R$ depreciated by 29.8%	R$1 = US$0.2686
US$/A$	A$1 = US$0.8170 to A$1 = US$0.7087 \|A$ depreciated by 13.3%	A$1 = US$0.7141

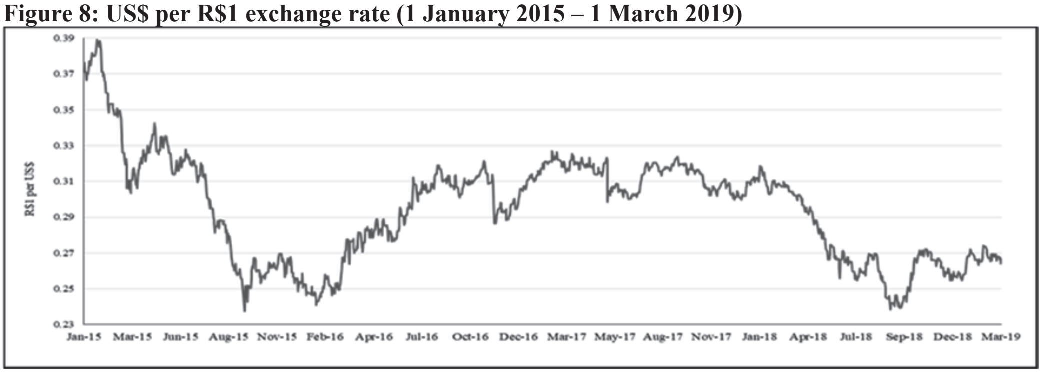
Source: S&P Capital IQ, KPMG Corporate Finance.

Figure 7: US$ per €1 exchange rate (1 January 2015 – 1 March 2019)



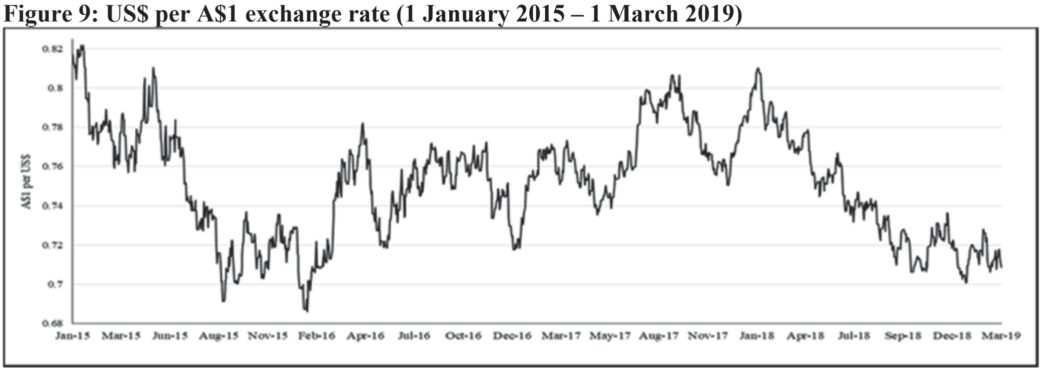
Source: S&P Capital IQ, KPMG Corporate Finance.

Figure 8: US$ per R$1 exchange rate (1 January 2015 – 1 March 2019)



Source: S&P Capital IQ, KPMG Corporate Finance.

Figure 9: US$ per A$1 exchange rate (1 January 2015 – 1 March 2019)

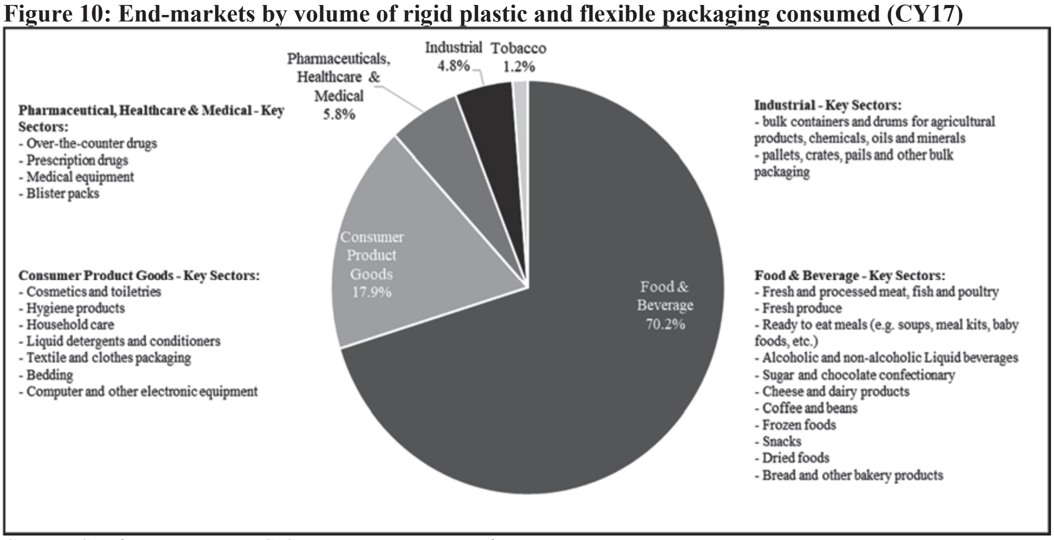


Source: S&P Capital IQ, KPMG Corporate Finance.

7.6 End-markets

Flexible packaging materials comprise plastic (63.3% of flexible packaging consumed in CY17), paper (31.3%) and foil (5.6%). The end-markets for the flexible plastic packaging and rigid plastic packaging industry mainly include food & beverage (70.2%) and consumer product goods (17.9%).[48] Pharmaceuticals, healthcare & medical, industrial and tobacco comprise smaller shares.

Figure 10: End-markets by volume of rigid plastic and flexible packaging consumed (CY17)



Source: Smithers Pira, KPMG Corporate Finance analysis.
Note 1: Includes volume consumed by all flexible packaging material types (plastic, paper and foil). Plastic accounts for 64.3% of the total volume consumed under flexible packaging materials.
Notes 2: Volume is based on CY17 estimates from Smithers Pira.

Each of these end-markets have varying degrees of resilience and expected growth:

- ***resilience:*** most end-markets (food & beverage and pharmaceutical, healthcare & medical) are fairly resilient to economic cycles as they involve necessities for which demand is relatively inelastic. Household care and industrial end-markets, on the other hand, tend to be cyclical, and
- ***growth:*** globally, the pharmaceutical, healthcare & medical end market is expected to experience the strongest growth from CY18 to CY23 (4.8%), followed by consumer products (2.9%) and food & beverage (2.4%). Industrial end-markets are expected to grow more slowly (3.1%)[39]

Rapid urbanisation and changes in consumer lifestyle are increasing demand for plastic packaging, mainly from the food & beverage end-market. Other factors driving growth are summarised as follows.

Table 5: Growth drivers of end market growth

End market	Food & beverage	Consumer product goods	Pharmaceuticals, healthcare and medical	Industrial
Key drivers of growth	- Urbanisation and growing disposable income in developing regions - Growth in supermarkets - Consumer demand for convenience	Cosmetics: - Ageing population - Growth of single person/parent households demanding smaller packaging	- Ageing population - Increased health awareness (vitamins and supplements) - Rising disposable income - Demand for convenience features	- Lower cost of rigid plastic drums compared to metal drums (less materials and lower cost of shipping) - Additional corrosive resistance compared to metal packaging

[48] Smithers Pira, The Future of Flexible Packaging 2022 and The Future of Rigid Plastic Packaging 2022, September 2017.

End market	Food & beverage	Consumer product goods	Pharmaceuticals, healthcare and medical	Industrial
	- Growth in gourmet frozen foods (developed countries) - Demand for bottled water	- Demand for value add packaging and differentiation - Demand for product differentiation	- Demand for flexible packaging to maintain potency	- Reusability of plastic drums

Source: Smithers Pira, KPMG Corporate Finance.

7.7 Competition

The plastic packaging industry is competitive and fragmented with only a handful of large and/or global packaging manufacturers (e.g. Amcor, Bemis, Sealed Air Corporation (Sealed Air), Berry Global Group, Inc. (Berry), RPC Group Plc (RPC), Sonoco Products Company (Sonoco), Huhtamaki Oyj (Huhtamaki) and Winpak Ltd (Winpak)). The 10 largest companies account for an estimated 15.6% of industry revenue[49] and typically offer a range of products to a number of end-markets, are diversified by geography and benefit from economies of scale. There are also a number of specialised operators that target niche areas and generally have shorter production runs (e.g. ALPLA, Plastipak Holdings, Inc., Constantia Flexibles Group GmbH, Coveris Holdings S.A. and Reynolds Group Holdings Limited).

Operating efficiency, product differentiation, scale and diversification are all important determinants of competitiveness depending upon customer requirements.

Operating efficiency

The level of operating efficiency is defined by a company's:

- ***ability to maintain an effective cost position:*** a focus on operating efficiency enhancements and cost reductions is critical to preserving profitability over time. Key drivers of an effective cost position are the proximity of manufacturing facilities to customer locations (to reduce shipping costs) and efficiency of logistics. Flexible packaging businesses have a more effective cost position than their rigid packaging peers as flexible packaging is lighter/more compact which reduces transportation costs, less raw material is required and utilisation at manufacturing facilities is higher, and
- ***ability to pass through raw material costs***: the most critical factor in operating efficiency for packaging companies. As raw materials, mainly plastic resins, account for about 50% to 60% of the cost of goods sold, an ability to pass volatile raw material prices through to customers is essential.

Product differentiation

Product differentiation refers to the degree to which a packaging company distinguishes itself from competitors through value-added products, unique product designs or proprietary technology. Convenience features, unique product designs, functionality and graphics are key differentiators and strong product innovation and technology serve as entry barriers and enable packaging companies to build stronger relationships with customers. This is particularly important in certain end use areas (e.g. consumer products where packaging products are used as advertising at the point of sale, pharmaceutical products where safety features are important or food where convenience and extended shelf life are important). A higher level of product differentiation typically results in higher margins. The ability to provide environmentally sustainable products is an increasingly important point of differentiation.

Scale and diversification

Scale and diversification are also key competitive differentiators.[45] In particular:

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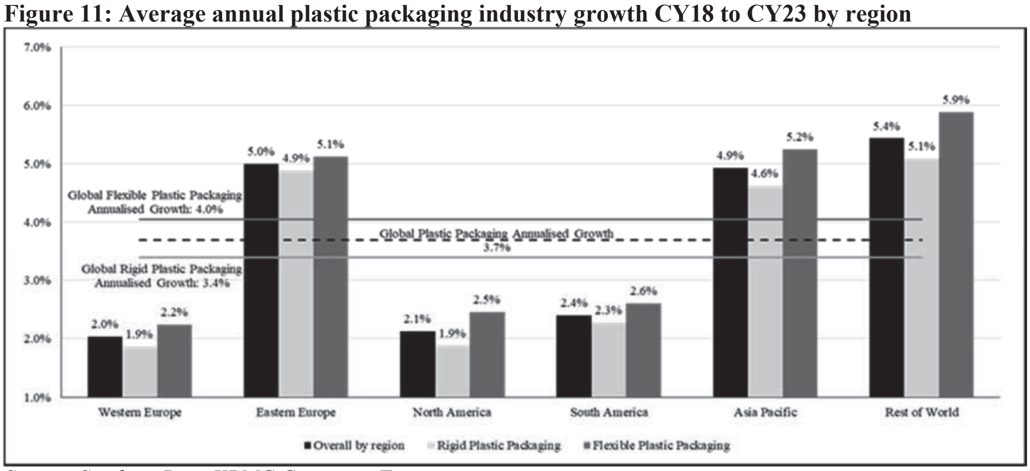
[49] Smithers Pira, KPMG Corporate Finance. Total industry revenue as calculated by Smithers Pira. Company market share based revenue for the 12 months to 31 December 2017.

- ***scale**:* companies of substantial scale can better serve customers globally and more efficiently leverage overheads and research and development spending over a wider range of products
- ***product diversification**:* a broad product mix can result in more stable earnings as they are less vulnerable to competitive pressures, substitution from alternative materials and changes in customer preferences. Exposure to resilient end-markets (rather than cyclical areas) also reduces risk while companies that are exposed to faster growing end-markets will generally experience higher growth
- ***geographical diversification**:* although a significant portion of the packaging companies have a United States or European focus, a number of companies benefit from globally diversified operations. Companies with global leadership positions in their respective geographies can also better serve the growing needs of their multinational food & beverage product customers that are choosing to work with fewer packaging companies. Companies that have successfully expanded into developing economies benefit from stronger growth in demand, although are potentially exposed to country risk (e.g. political, economic, regulatory) and foreign exchange risks, and
- ***diversification of customers**:* a more diversified customer base can reduce exposure to the risks associated with the performance of any particular customer and can increase pricing flexibility. However, sole-supplier arrangements with customers are favourable, and product development and proprietary technologies often result in longstanding relationships with customers.

7.8 Outlook

Over the five years to 2023, global packaging industry revenue is expected to grow at an average of 2.9% per annum to US$1,046 billion.[50] Plastic packaging is expected to experience the strongest growth compared to other types of packaging, increasing by an average of 3.7% per annum to US$367 billion,[39] as a result of the increasing popularity of plastics such as PET[51] that provide a more lightweight option to meet the dual goal of reduced material consumption and cost and reduced carbon footprint during transit. This is further supported by demand from consumers as they perceive smaller and more lightweight packaging as being more environmentally friendly. The projected annual average growth in the plastic packaging industry by region is illustrated as follows.

Figure 11: Average annual plastic packaging industry growth CY18 to CY23 by region



Source: Smithers Pira, KPMG Corporate Finance.

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[50] Smithers Pira, The Future of Packaging: Long-Term Strategic Forecasts to 2028, 5 September 2018.

[51] Refers to Polyethylene terephthalate commonly abbreviated PET, PETE, or the obsolete PETP or PET-P. Plastic bottles are made from PET and are widely used for soft drinks and water.

Flexible plastic packaging revenue is expected to increase by an average of 4.0% per annum over the next five years compared to rigid plastic packaging which is expected to grow by 3.4% per annum.[39] The strongest growth in plastic packaging (rigid and flexible) is expected in the Rest of World[52] (5.4%) followed by the Eastern Europe region (5.0%) and Asia Pacific (4.9%), primarily as a result of an increase in living standards and personal disposable income in these regions. Slower growth is expected in South America (2.4%), North America (2.1%) and Western Europe (2.0%).

8 Profile of Amcor

8.1 Background

Amcor is a leading global packaging company focused on flexible plastics, rigid plastics, specialty cartons and closures, with around 195 facilities and more than 33,000 employees in over 40 countries (including 30 emerging markets) on five continents. In FY18, it generated more than US$9.0 billion in revenue. Its registered office is in Melbourne, Australia and its corporate headquarters are in Zurich, Switzerland. It has a primary listing on the ASX and a market capitalisation of A$17.7 billion on 3 August 2018.[53]

Amcor was founded in Australia in the 1860s as a paper milling business and was listed on the ASX in 1969. To expand and diversify its activities, it added a range of packaging interests in the 1970s and 1980s and was renamed 'Amcor Limited' in 1986. Amcor has over time transformed from a predominantly Australian based packaging company with exposure to fibre packaging into a global leader in flexible and rigid plastics packaging through:

- demerging of its paper activities as a separate ASX listed company, PaperlinX Limited, in April 2000
- acquiring a number of large packaging businesses that generated synergies in the range of 5% to 10% of acquired sales, including:
  - Food Europe, Food Asia, global Pharmaceuticals and global Tobacco businesses of Alcan Holdings Switzerland AG (Alcan) in February 2010 for US$1.95 billion, providing Amcor with leading global positions in the strategic growth areas for flexible packaging and carton packaging for tobacco. Around the same time, Bemis acquired Alcan's Food Americas for US$1.2 billion
  - Ball Corporation's Plastics Packaging Americas business for US$280 million in August 2010, which provided an exposure to new growth opportunities
  - Aperio Group Pty Limited, one of Asia Pacific's leading producers of flexible packaging for A$238 million in May 2012, adding further capability in Asia Pacific
  - AGI-Shorewood Group US, LLC's tobacco packaging and specialty folding carton operations for US$115 million in February 2013, expanding Amcor's operations in Asia and the Americas
  - Alusa S.A. (Alusa), the largest flexible packaging business in South America for US$435 million in June 2016
  - the North American rigid plastics blow moulding operations of Sonoco, a global manufacturer of specialty rigid plastic containers, for US$280 million in November 2016, and
- demerging the Australasia and Packaging Distribution business into a separate ASX listed company, Orora Limited, in December 2013.

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[52] Rest of World includes countries located in Africa and the Middle East.

[53] The last trading day on the ASX prior to media speculation about the Transaction.

In June 2016, Amcor announced a restructure of its Flexibles segment to accelerate the pace of adapting the organisation within developed markets. In August 2018, it announced initiatives to reduce costs and better position Rigid Plastics to be able to capture the benefits of operating leverage.

8.2 Strategy

Amcor states that its aspiration is to be the leading global packaging company. Its strategy is focused on making thoughtful choices based on the following three elements:

- a focused portfolio of businesses
- differentiated capabilities, and
- a winning aspiration.

Amcor seeks to ***grow shareholder value*** through generating strong, stable cash flows from its defensive end-markets (refer to Section 8.3.5 of this report) and deploying that cash in a disciplined manner to deliver strong and consistent shareholder returns of 10% to 15% each year by:

- ***paying dividends***[54] of around US$500 million per annum (a yield of around 4% historically)
- ***reinvesting in the business to drive organic growth*** via US$400 million of capital expenditure generating organic EPS growth of ~3% to 4% to support productivity initiatives, enhance customer relationships, innovation and sustainability and build a presence in emerging markets, and
- ***acquisitions and/or buy-backs***: US$200 to US$300 million of accretive acquisitions and/or buy-backs, generating EPS growth of ~2% to 7%.

Amcor sees substantial growth potential in four areas: flexible packaging in the Americas; flexible packaging in Asia; speciality rigid plastic containers; and capsules and closures. It is currently underweight in these areas (relative to Amcor customers' focus and its presence in other areas), although the areas have attractive fundamentals (e.g. relative growth) and provide an opportunity to differentiate.[55]

8.3 Business operations

8.3.1 Overview

Amcor has a significant global network comprising around 195 facilities as illustrated below.

[54] Amcor also operates a dividend reinvestment plan.

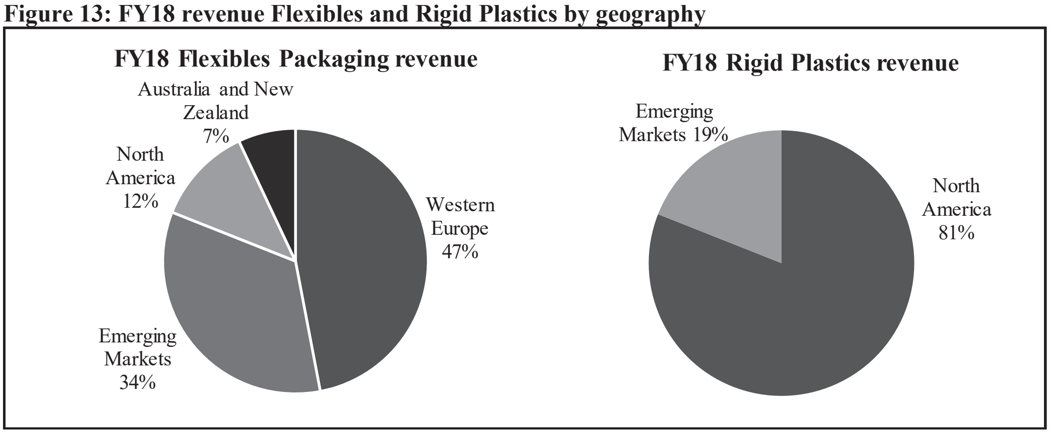
[55] Amcor Annual Report for FY18, p.12.

Figure 12: Amcor's global presence of facilities as at 30 June 2018

Source: Amcor website. Approximate numbers.

Amcor has two reporting segments: Flexibles and Rigid Plastics. In FY18, 70% of revenue was generated from Flexibles and 30% from Rigid Plastics. Its Flexibles operations are primarily located in Western Europe and emerging markets where it has a number of leading positions (Europe, Asia and Latin America[56]). Its rigid packaging operations are primarily in North America.

Figure 13: FY18 revenue Flexibles and Rigid Plastics by geography



Source: Amcor Annual Report for FY18, p.11.

As a result of its global operations, Amcor is exposed to foreign exchange risk both in terms of its functional currency[57] and translation of earnings to its US dollar reporting currency. Between FY16 and FY18, Amcor's profit after tax (PAT) exposure to the Euro was approximately 25% to 35% and its businesses managed in US dollars as a functional currency was approximately 35% to 40%.[58] The impact

[56] Leading position in Latin America refers to the regions Amcor is operating in.

[57] Functional currency being the currency in which Amcor generates most of its income and expenses.

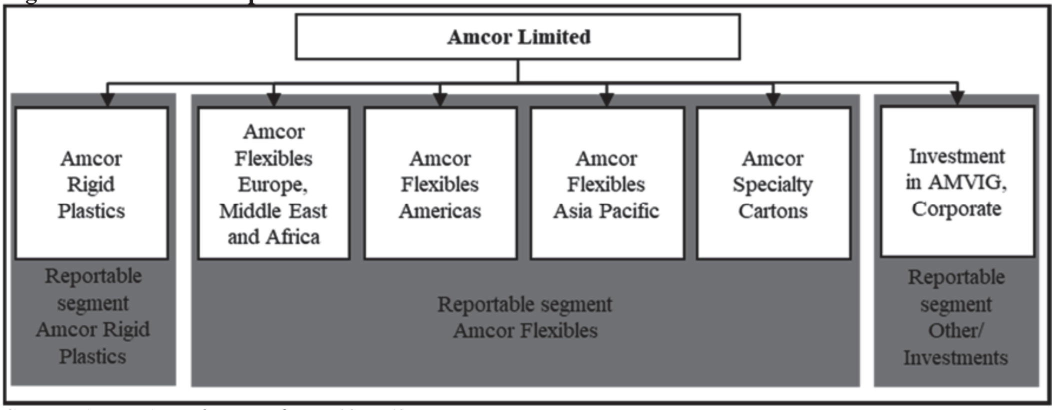
[58] Source: Amcor Full Year Results Presentation for FY15 to FY18.

of translation varies depending on the movement of exchange rates from period to period. Movements in the US dollar have a greater impact on the US dollar earnings of Flexibles, since only 12% of revenue in FY18 was generated in North America (compared with 81% for Rigid Plastics, including Bericap).[59]

8.3.2 Organisational structure

The current organisational structure of Amcor is shown in the following figure.

Figure 14: Amcor's corporate structure

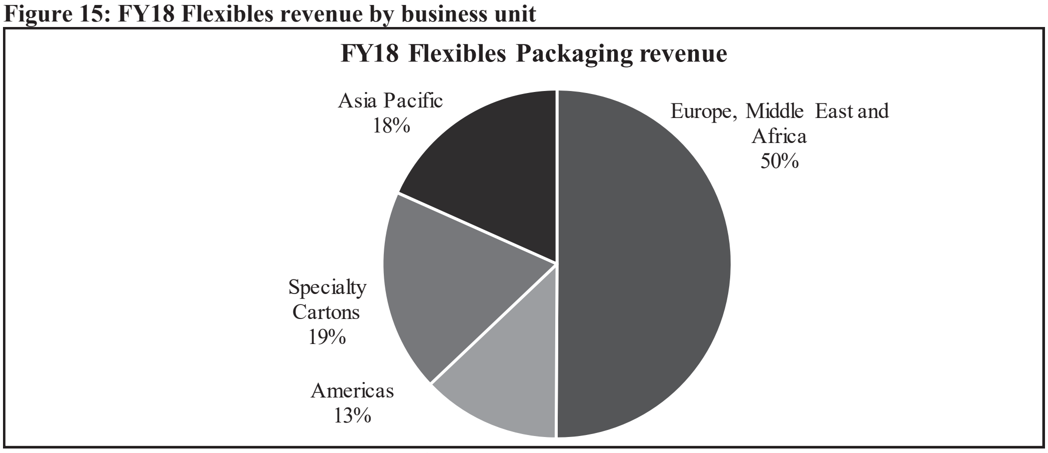


Source: Amcor Annual Report for FY18, p.63.

Flexibles

Flexibles has around 130 facilities in 37 countries and approximately 26,000 employees across four business groups: Amcor Flexibles Europe, Middle East and Africa; Amcor Flexibles Americas; Amcor Flexibles Asia Pacific; and Amcor Specialty Cartons. Flexibles has a higher margin than Rigid Plastics and consequently, although Flexibles accounted for 70% of total revenue in FY18, it accounted for 77% of underlying PBIT. The primary focus of Flexibles is the manufacture of flexible and film packaging, primarily for the food & beverage, consumer products and healthcare end-markets. The Specialty Carton business produces speciality packaging primarily for the tobacco end-market. The revenue contribution of the business groups to the Flexibles reporting segment is shown as follows:

Figure 15: FY18 Flexibles revenue by business unit



Source: Amcor Full Year Results Presentation for FY18, p.39. Contribution shown is based on external sales only.

[59] In US dollars, based on Flexible Packaging and Rigid Plastics sales shown in Amcor Annual Report FY18, p.11.

Amcor has identified the Americas and Asia Pacific as key areas where it is currently underweight but which have attractive fundamentals and provide an opportunity to differentiate. In line with this strategy, Amcor acquired Deluxe Packages in December 2015 and Alusa in June 2016 to bolster its flexible service offerings in the West Coast of the United States and in South America[60], respectively. As part of the acquisition of Alusa, Amcor announced PBIT benefits of US$65 million by FY19 including synergies of US$25 million and growth in the underlying businesses, which, as a result of a challenging environment in FY18, as further outlined in Section 8.4.1, are now assumed to be realised one year later.

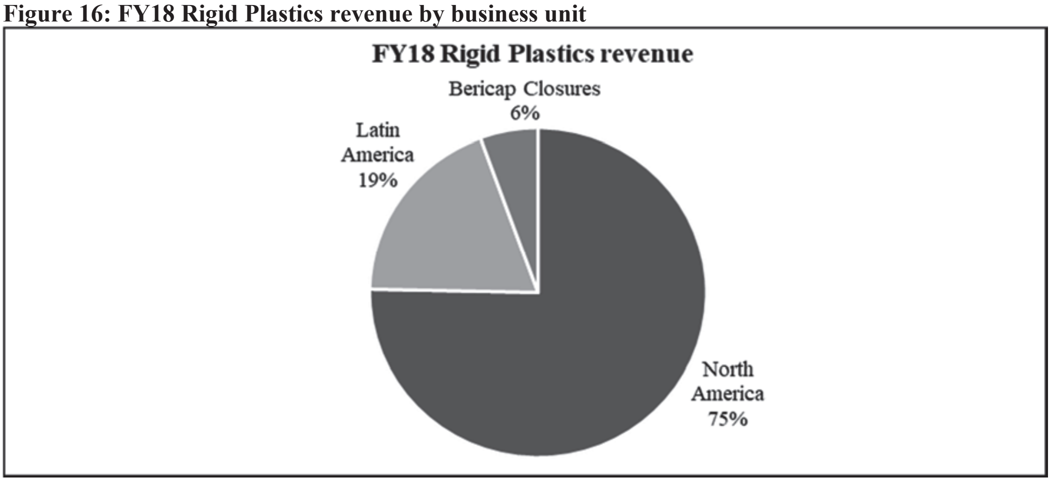
In FY17, Amcor reached an agreement with a large multinational customer to build a dedicated greenfield plant in India which has provided Amcor with the opportunity to improve its product offering with the investment being underpinned by a long-term contract. The commissioning is currently underway.

Amcor's restructuring plan for the Flexibles segment announced in June 2016 is focused on optimising the cost base (through footprint optimisation) and driving earnings growth (through streamlining of the organisation to enable customer focus and increase speed to market) of the Flexibles segment in developed markets. The restructuring was expected to result in PBIT growth as a result of the savings of US$40 million to US$50 million by FY19 which were subsequently increased to US$50 million to US$60 million. Amcor reached a run rate of US$60 million at the end of FY18 and achieved an additional US$5 million of savings in 1H19.

Rigid Plastics

Rigid Plastics has around 60 facilities in 12 countries and approximately 7,000 employees across the following business units: North America (comprising North America Beverages and North America Specialty Containers); Latin America; and Bericap Closures. It provides PET packaging, containers and closures primarily for food & beverage end-markets with the primary focus in carbonated soft drinks, water, dairy beverages, beer, foods and wine and spirits. It also provides packaging to the healthcare and consumer packaged goods end-markets. The revenue contribution by business unit is shown as follows.

Figure 16: FY18 Rigid Plastics revenue by business unit



Source: Amcor Full Year Results Presentation for FY18, p.41.

Amcor has also identified Specialty Rigid Plastic Containers and Closures as areas where it is currently underweight but which have attractive fundamentals and provide an opportunity to differentiate. Since 2010, it has acquired six companies in the beverage and specialty business units totalling US$1.13 billion in revenue including the acquisition of the North American rigid plastics blow moulding operations of Sonoco in November 2016 (assumed to add approximately US$50 million of PBIT by FY20 including

[60] Source: Amcor announcements. Includes operations primarily in Chile, Peru, Colombia and Argentina.

US$20 million of synergies and underlying market growth). The acquisitions have allowed Rigid Plastics to diversify its capabilities and service offerings to customers. In addition, it has also allowed the business to increase the use of more sustainable raw materials (i.e. HDPE and PP).

In FY18, Rigid Plastics experienced lower volumes in North American Beverages. On 21 August 2018, the business announced a restructuring program to commence in December 2018 aimed to further reduce structural costs and improve earnings leverage through optimisation of its manufacturing footprint, improvement of productivity and reduction of overhead costs with expected full run rate benefits of approximately US$15 million to US$20 million by FY20. Amcor expects a favourable impact on earnings in FY19 of US$5 to US$10 million with after-tax costs of US$50 million to US$60 million (pre-tax US$60 million to US$70 million) mostly to be incurred during FY19. In 1H19, Amcor incurred approximately US$30 million (US$35 million pre-tax) in costs.

Investment in AMVIG Holdings Limited

Amcor holds a 47.6% interest in Hong Kong Stock Exchange listed AMVIG Holdings Limited (AMVIG), the leading and profitable tobacco packaging specialist in China. Trading in AMVIG is relatively illiquid and it has a limited free float (52% as at 5 February 2019). In addition, the next top three shareholders collectively own an additional 30% which effectively reduces the free float further.

8.3.3 Innovation and Sustainability

A key focus of Amcor is innovation (i.e. creating packaging that is more functional, attractive, useful and better for the environment) in order to meet the growing demand for sustainable packaging (refer to Section 7.3). Amcor has more than 1,700 active patents[61] and in the three years to FY18, it has invested US$201.7[62] million in research and development and won more than 30 awards for innovation. Furthermore, the acquisition of Sonoco's North American rigid plastics blow moulding added specialised technologies along with several capabilities[63] developed in-house.

Amcor collaborates with major global brands, retailers and non-governmental organisations to address sustainability of packaging. It has created 17 research centres across 10 countries including a centre of excellence in Europe which works on developing more sustainable laminates and single layer films. In January 2018, Amcor became the first global packaging company to pledge to develop all packaging to be recyclable or reusable by 2025.

8.3.4 Raw materials

Amcor's cost base is heavily dependent on the supply and prices of its raw materials including polymer resins and films, paper, inks adhesives, aluminium and chemicals. Amcor's key inputs as a proportion of FY18 revenue are resin (73%), aluminium (14%) and fibre (13%).[64] Raw materials are usually purchased under long-term contracts with major global suppliers with prices set on commodity markets. Amcor has a professional global procurement organisation with local teams that generally source raw materials within the region (e.g. European operations source raw materials within Europe).

The price risk of raw materials is ordinarily ultimately passed on to customers directly under the terms of contracts with customers. In the case of Rigid Plastics, changes in the price of raw materials are generally

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[61] Source: Amcor Annual Report for FY18, p. 13.

[62] Based on AAS.

[63] Including more extensive extrusion blow moulding and injection technologies, expertise in producing polyethylene, polypropylene and multi-layer containers and additional decorating capabilities. Source: Amcor acquisition announcement.

[64] Source: Amcor results presentation for FY18, p.37.

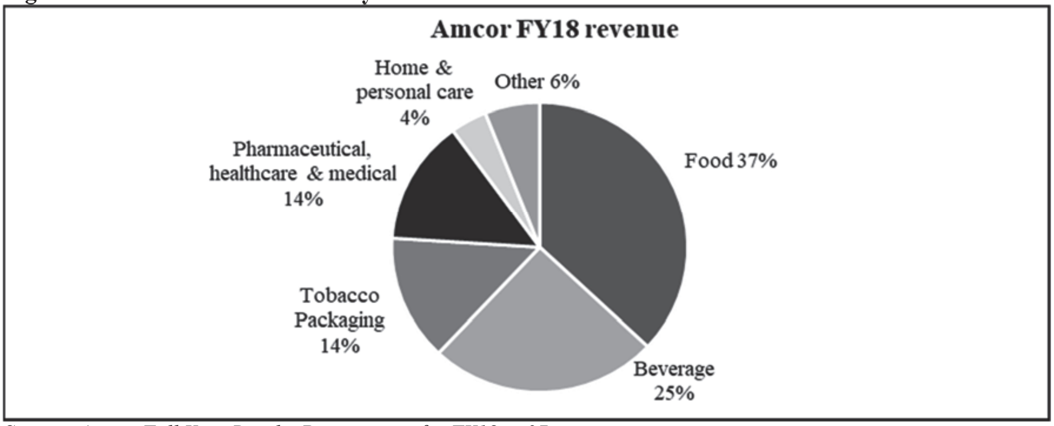
passed on to customers within 30 days, however, the time lag for Flexibles is between three and six months (depending on the region). In the case of aluminium, Amcor hedges price risk on behalf of certain customers through fixed price swaps, with all related benefits and costs contractually required to be passed on to the customer upon maturity of the transaction.

As described in Section 7.4 of this report, the cost of raw materials utilised in rigid and flexible packaging increased substantially during the period from the end of FY17 to March 2018, before easing slightly in recent months. In FY18, the prices of Flexibles' raw materials increased substantially: resin (ex PET) inputs increased by 15% across all regions, aluminium increased by 19% and liquids increased by up to 50%.[65] As a result, Amcor has increased its product prices throughout FY18 and into FY19. As part of its 1H19 results announcement on 11 February 2019, Amcor advised that raw material costs had flattened in Q1 FY19 and started to decline in November/December 2018 with the negative impact from raw material cost increases in 1H19 expected to be reversed in 2H19. As a result, Amcor expects no impact on FY19 results, maintaining its FY19 guidance. In addition, Amcor confirmed that it had been able to pass on the past rises to customers through in-built pricing mechanisms.

8.3.5 Customers and end-markets

Amcor's products are sold to customers in a variety of end-markets, the largest of which is food & beverage as shown in the following chart.

Figure 17: Amcor FY18 revenue by end market



Source: Amcor Full Year Results Presentation for FY18, p.37.

Amcor's end-markets are diversified and a significant proportion are made to defensive end-markets. Consequently, cash flows are inherently stable in constant currency terms. Amcor's largest end-markets (i.e. food, beverage and pharmaceutical, healthcare & medical) are expected to experience the strongest growth going forward (Refer to Section 7.6 for growth of each end market).

Amcor has strong relationships with customers that are generally governed by long-term contracts. It is focused on winning large, global fast moving consumer goods customers based on innovation, leading positions and its ability to supply them around the world while at the same time expanding appeal to small and medium-sized customers by providing tailored packaging solutions. Amcor's top ten customers accounted for approximately 40% of sales in FY18. From time to time, a single customer, depending on the current status and volumes of a number of separate contracts in disparate locations, may account for 10% or more of Amcor's sales revenue. In addition, some business units have higher customer concentrations, in particular North American Beverage and Specialty Cartons.

[65] Source: Amcor results presentation for FY18 p.40.

8.4 Financial performance

The Australian Accounting Standards (AAS) financial performance of Amcor for FY15, FY16, FY17, FY18 and unaudited 1H19 is summarised as follows.

Table 6: Financial performance of Amcor

Period US$ million unless otherwise stated	FY15 AAS	FY16 AAS	FY17 AAS	FY18 AAS	1H19 AAS
Sales revenue:					
Flexibles	6,294.6	6,064.0	6,224.3	6,531.6	3,141.2
Rigid Plastics	3,317.2	3,357.3	2,876.7	2,787.5	1,410.6
Sales revenue	**9,611.8**	**9,421.3**	**9,101.0**	**9,319.1**	**4,551.8**
Cost of goods sold	(7,679.6)	(7,426.5)	(7,189.2)	(7,462.3)	(3,702.6)
Gross profit	**1,932.2**	**1,994.8**	**1,911.8**	**1,856.8**	**849.2**
EBITDA	**1,251.0**	**1,299.8**	**1,337.7**	**1,360.6**	**639.2**
Share of net profit of equity accounted investments	20.7	17.3	14.1	19.0	7.0
Other income[1]	136.9	92.2	95.2	98.1	58.8
Restructuring/integration costs	-	-	-	(35.9)	(26.7)
Underlying PBITDA[2]	**1,408.6**	**1,409.3**	**1,447.0**	**1,441.8**	**678.3**
Depreciation and amortisation	(341.6)	(338.9)	(341.1)	(337.0)	(159.2)
Amortisation of acquired intangibles	(13.6)	(15.1)	(17.7)	(19.3)	(9.5)
Underlying PBIT:					
Flexibles	772.7	755.9	804.7	835.1	389.8
Rigid Plastics	321.3	352.5	342.7	312.0	148.9
Other	(40.7)	(53.1)	(59.2)	(61.6)	(29.1)
Underlying PBIT[3]	**1,053.3**	**1,055.3**	**1,088.2**	**1,085.5**	**509.6**
Net interest expense	(169.2)	(166.8)	(187.0)	(204.8)	(107.7)
Profit before related income tax expense and significant items	**884.1**	**888.5**	**901.2**	**880.7**	**401.9**
Income tax expense[4]	(185.4)	(187.9)	(183.0)	(145.3)	(68.3)
Non-controlling interests[5]	(27.6)	(29.5)	(17.0)	(11.4)	(5.1)
Underlying PAT[6]	**671.1**	**671.1**	**701.2**	**724.0**	**328.5**
Significant items (net of income tax expense)	9.2	(427.0)	(104.2)	-	(60.9)
Statutory profit attributable to Amcor Shareholders	**680.3**	**244.1**	**597.0**	**724.0**	**267.6**
Statistics:					
Average exchange rate (US$1= €)	*0.8310*	*0.9011*	*0.9180*	*0.8383*	*0.8682*
Average exchange rate (A$1= US$)	*0.8366*	*0.7280*	*0.7539*	*0.7750*	*na*
Sales revenue growth (%)	*(3.5%)*	*(2.0%)*	*(3.4%)*	*2.4%*	*1.1%*
Underlying PBITDA growth (%)	*na[7]*	*0.0%*	*2.7%*	*(0.4%)*	*(2.4%)*
Underlying PBIT growth (%)	*na[7]*	*0.2%*	*3.1%*	*(0.2%)*	*(0.8%)*
Gross margin (%)	*20.1%*	*21.2%*	*21.0%*	*19.9%*	*18.7%*
Underlying PBITDA margin (%)	*14.7%*	*15.0%*	*15.9%*	*15.5%*	*14.9%*
Underlying PBIT margin (%)	*11.0%*	*11.2%*	*12.0%*	*11.6%*	*11.2%*
Underlying PBITDA interest cover (times)[7]	*8.3*	*8.4*	*7.8*	*7.0*	*6.3*

Source: Amcor Annual Reports for FY15, FY16, FY17, FY18, 1H19 half yearly report, Scheme Booklet Section 4.3 (c), and KPMG Corporate Finance analysis.

Notes:

1. *Other income comprises net gain on disposal of property, plant and equipment, net foreign exchange gains, curtailment gains, settlement and plan amendments, rebates, incentives and claims and royalties, government subsidies and other non-core income.*
2. *Underlying PBITDA is profit before interest, tax, depreciation, amortisation and significant items.*
3. *Underlying PBIT is profit before interest, tax and significant items.*
4. *Income tax expense excludes tax on significant items (where applicable).*
5. *Predominantly relates to the Bericap business with the decrease in FY16 resulting from the deconsolidation of its Venezuelan operations.*
6. *Underlying PAT is profit after tax before significant items.*
7. *Interest cover is underlying PBITDA divided by net interest.*
8. *FY15 is first year where PBIT is shown as underlying PBIT excluding significant items.*

As outlined in Section 7.5, the US dollar appreciated against the Euro in FY15, FY16 and FY17 and depreciated in FY18 before slightly appreciating again in 1H19, which contributed to the following:

- overall US dollar sales decreased in FY15, FY16 and FY17 albeit Flexibles achieved sales growth each year in Euro terms and Rigid Plastics increased sales in FY16 (Sections 8.4.1 and 8.4.2), and
- although US dollar sales and underlying PBIT for Rigid Plastics and Euro sales and underlying PBIT for Flexibles decreased in FY18 (refer to Sections 8.4.1 and 8.4.2), Amcor's US dollar sales increased and earnings remained relatively flat. Compared to 1H18, 1H19 sales and underlying PBIT were negatively impacted by the appreciation of the US dollar against the Euro and other currencies.

The following table summarises the foreign exchange translation impact on Amcor's earnings between FY15 and 1H19 and Amcor's underlying PBIT growth based on a constant currency basis.

Table 7: Foreign exchange rate translation impact

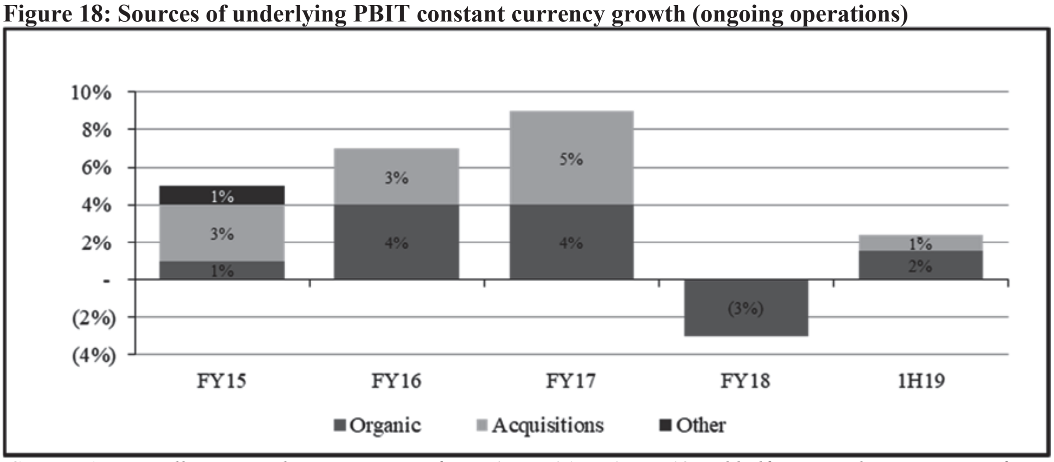
Foreign exchange translation impact US$ million unless otherwise stated	FY15	FY16	FY17	FY18	1H19
US$/€ impact on PAT	(24)	(14)	(4)	23	(3)
Other currencies impact on PAT	(23)	(37)	(10)	1	(9)
PAT	**(47)**	**(51)**	**(14)**	**24**	**(12)**
Underlying PBIT[1]	**(67)**	**(71)**	**(18)**	**34**	**(17)**
Underlying PBIT[1] constant currency growth	*5%*	*7%*	*5%*	*(3%)*	*2%*
Underlying PBIT[1] constant currency growth - continuing operations[2]	*5%*	*7%*	*9%*	*(3%)*	*2%*
Appreciation/(depreciation) of weighted average US$ to €	*13%*	*8%*	*2%*	*(9%)*	*2%*
Weighted average appreciation/(depreciation) of US$ to other currencies than US$ and €	*9%*	*14%*	*4%*	*<(1%)*	*9.0%*

Source: Amcor Annual Reports and Results Presentations for FY15, FY16, FY17, FY18, 1H19 and KPMG Corporate Finance analysis.
Notes:
1. *Underlying PBIT is profit before interest, tax and significant items.*
2. *Amcor deconsolidated its Venezuelan operations in FY17 resulting in a one-time negative impact on constant currency growth.*

Constant currency underlying PBIT growth (ongoing operations)

Amcor's constant currency earnings growth reflects a mix of acquisitions and organic growth as set out in the following chart.

Figure 18: Sources of underlying PBIT constant currency growth (ongoing operations)



Source: Amcor Full Year Results Presentations for FY15, FY16, FY17, FY18 and half year results presentation for 1H19. Percentage shown is rounded.

Since FY15, Amcor has completed 13 acquisitions[66] including two in Flexibles in FY15, eight in FY16 and three in FY17 across both of Amcor's segments, which have contributed to Amcor's growth in addition to organic growth.

Both Flexibles and Rigid Plastics contributed to underlying PBIT growth (constant currency basis) in FY15, FY16 and FY17. Emerging markets were a key source of organic growth in FY15 (6%) and FY16 (8%), after which growth from emerging markets slowed to 1% in FY17. Developed markets contributed to 5% organic growth in FY16 and 7% in FY17.[67] FY17 underlying PBIT for the Rigid Plastics business excluded a one-time negative impact related to the inability to source resin and obtain currency exchange approvals on a regular basis in its Venezuelan operations during the months leading up to 30 June 2016 due to various measures introduced by the government to deal with a deteriorating Venezuelan economy.

In FY18, growth slowed and underlying PBIT declined by 3% (constant currency basis). Underlying PBIT declines occurred across developed and emerging markets with a greater decline (7% decline) for Rigid Plastics than Flexibles (2% decline).[68]

In 1H19, Amcor's underlying PBIT increased by 2% on a constant currency basis compared to 1H18 underpinned by recoveries of higher raw material costs throughout FY18 that were passed through to customers with a time lag, growth within its multinational as well as regional beverage customers in the United States and in healthcare packaging globally. Whilst earnings remained flat in developed markets, emerging markets' underlying PBIT increased by 9% (on a constant currency basis) driven by a strong performance in Asia as well as growth across Europe and Latin America. Both, Flexibles and Rigid Plastics contributed 2% and 6% underlying PBIT growth respectively compared to 1H18 (on a constant currency basis). Sections 8.4.1 and 8.4.2 set out the performance of each of Amcor's segments in more detail.

Other items

Amcor's corporate costs increased from US$62 million in FY15 (net of benefits from changes to pension plans and legal claims) to US$80.6 million in FY18 primarily due to foreign exchange movements and share based payments. In 1H19, corporate costs were US$36.1 million.

Depreciation represents approximately 95% of depreciation and amortisation charges and primarily relates to buildings, plant and equipment and finance leases. Amortisation charges relate to customer relationships, computer software, product development and other intangible assets recognised as part of Amcor's numerous acquisitions.

Share of equity accounted investments primarily relates to Amcor's 47.6% interest in AMVIG.

Net interest expense mainly comprises borrowing costs, partly offset by finance income related to funds invested and related to defined benefit plans. Net financing costs increased in FY17 due to acquisition driven debt balances and increased in FY18 primarily due to the depreciation of the US dollar against currencies in which borrowings have been drawn and higher floating interest rates in the United States that also impacted financing costs in 1H19.

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[66] Amcor Annual Reports and Full Year Results Presentation for FY18, slide 45.

[67] Source: Amcor Full Year Results Presentation for FY15 to FY18.

[68] Source: Amcor FY18 Full Year Results Presentation, p.29.

Amcor has identified the following significant items.

Table 8: Amcor significant items

Period US$ million unless otherwise stated	FY15 AAS	FY16 AAS	FY17 AAS	FY18 AAS	1H19 AAS
Sale of surplus land in Turkey	11.8	-	-	-	-
Material restructuring programs	-	(94.9)	(135.5)	-	(37.7)
Impact of deconsolidation of Venezuelan subsidiaries	-	(384.7)	-	-	-
Material acquisition transaction costs	-	-	-	-	(35.1)
Impact of hyperinflation	-	-	-	-	(11.5)
Net legal settlements	-	-	-	-	15.5
Net monetary loss	-	-	-	-	(5.0)
Total significant items	**11.8**	**(479.6)**	**(135.5)**	**-**	**(73.8)**
Tax on significant items	(2.6)	52.6	31.3	-	12.9
Significant items after tax	**9.2**	**(427.0)**	**(104.2)**	**-**	**(60.9)**

Source: Amcor Annual Reports for FY15, FY16, FY17, FY18, 1H19 half yearly report, results presentations for FY15, FY16, FY17, FY18, 1H19 and KPMG Corporate Finance analysis.

Material restructuring programs in FY16 and FY17 relate to cost base optimisation initiatives within Flexibles (announced in June 2016 with no further costs expected going forward) and in 1H19 to investments to optimise Rigid Plastics' manufacturing footprint, improve productivity and reduce overhead costs (announced in August 2018). Impact of deconsolidation of Venezuelan subsidiaries relates to an overall one-time charge due to the challenging business environment in the country as outlined above leading to deconsolidation. As a result of Argentina being designated a hyperinflationary economy as of 1 July 2018 and Amcor changing to hyperinflation accounting for its Argentinian operations, a hyperinflation adjustment and net monetary loss was recognised in 1H19.[69] Material acquisition transaction costs relate to a number of costs incurred in 1H19 in relation to the Transaction. Net legal settlements relate to settled legal claims in 1H19.

Amcor is subject to income taxes in Australia and foreign jurisdictions resulting in a degree of estimation and judgement in its tax charge. Current income tax and expected tax payable uses tax rates enacted or substantially enacted at the reporting date. Amcor had an effective tax rate of 17.5%[70] in FY18 and 17% in 1H19, which is lower compared to previous periods as a result of an ongoing net benefit from a lower United States federal corporate tax rate and a widening of its tax base.

As a result of organic growth and accretive acquisitions and buybacks in FY15 to FY17, Amcor achieved growth in underlying basic EPS. Amcor declares dividends in US dollars and pays dividends in a variety of currencies based on prevailing exchange rates. Its dividend payout ratio has remained at approximately 70% of underlying basic EPS between FY15 and FY18 and increased to approximately 75% in 1H19, with no franking credits available over the same timeframe due to low Australian income in comparison to Amcor's global operations and tax losses available to offset income generated. Between FY15 and 1H19, dividends to non-resident shareholders were sourced from Amcor's Conduit Foreign Income Account, meaning the dividend paid was not subject to Australian withholding tax. Subsequent to 31 December 2018, Amcor declared a dividend of US$0.215 per share (A$0.2978 per share) on 11 February 2019. The ex-dividend date is 4 March 2019 and the dividend will be paid on 1 April 2019.

[69] Amcor has applied AASB 129 (Financial Reporting in Hyperinflationary Economies) to its Argentinian operations from 1 July 2018 which means that the financial statements for its Argentinian operations are price level adjusted before being translated and included in the consolidated financial statements.

[70] Excluding a one-off revaluation adjustment in relation to its United States deferred tax liability (largely offset by a corresponding one-off transition tax on unrepatriated foreign earnings) due to the tax reform measures announced in the United States in December 2017.

Table 9: Amcor EPS and dividends per share

Period	FY15 AAS	FY16 AAS	FY17 AAS	FY18 AAS	1H19 AAS
Weighted average ordinary shares on issue (million)	1,202.6	1,162.2	1,157.2	1,157.1	1,157.1
Underlying basic EPS (US$)[1]	$0.57	$0.58	$0.61	$0.63	$0.28
Basic EPS (US$)[2]	$0.57	$0.21	$0.52	$0.63	$0.23
Dividends per share (US$)	$0.40	$0.41	$0.43	$0.45	$0.22
Dividend payout ratio (%)[3]	70.7%	71.1%	71.0%	71.9%	75.7%
Dividend franking (%)	0%	0%	0%	0%	0%

Source: Amcor Annual Reports for FY15, FY16, FY17, FY18, 1H19 half yearly report and KPMG Corporate Finance analysis.
Notes:
1. *Underlying basic EPS is calculated by dividing underlying PAT by the weighted number of ordinary shares outstanding during the year.*
2. *Basic EPS is calculated by dividing statutory profit attributable to Amcor Shareholders by the weighted average number of ordinary shares outstanding during the year.*
3. *Payout ratio is dividends per share divided by underlying basic EPS.*

Amcor manages foreign exchange risk, commodity price risk and interest rate risks on its floating interest rate borrowings as follows:

- ***foreign exchange risk (transaction management):*** is managed by using forward exchange contracts to hedge forecast or actual foreign currency exposures, on transactions in currencies other than the entity's functional currency[71]
- ***foreign exchange risk (translation management):*** in foreign operations whose assets are exposed to foreign currency translation, risk is primarily managed through borrowings denominated in the relevant currency
- ***commodity price risk:*** is ordinarily managed by passing through the price risk contractually to customers through rise and fall adjustments with some fixed price swap hedging undertaken for aluminium on behalf of certain customers, and
- ***interest rate risk*** is managed by maintaining an appropriate mix between fixed and floating borrowings (policy of up to 75% fixed debt, 47% as at 31 December 2018), monitoring global interest rates and hedging floating interest rates or borrowings at fixed interest rates through interest rate swaps and forward interest rate contracts.

Amcor reviewed its hedging strategies in relation to foreign exchange risk, interest rate risk and commodity risk during FY18 and concluded that its current practice (except for a slight adaption of internal processes) can continue under AASB 9 Financial Instruments which became effective as at 1 January 2018. There was no material impact on Amcor's financial results from the application of the standard.

[71] Transactions above US$0.5 million and capital expenditure above US$0.1 million must be 100% hedged (or have a hedge strategy in place), activities with contractual uncertainties and timeframes of less than 6 months, 7-12 months, and 1-2 years need to be hedged 75%, 50% and 25% respectively.

KPMG

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8.4.1 Flexibles

The financial performance of Flexibles for FY15, FY16, FY17, FY18 and 1H19 is summarised below.

Table 10: Financial performance of Flexibles

Period US$ million unless otherwise stated	FY15 AAS	FY16 AAS	FY17 AAS	FY18 AAS	1H19 AAS
Sales revenue:					
Europe, Middle East and Africa	3,286	3,092	3,008	3,321	1,566
Americas	514	516	836	850	418
Specialty cartons	1,349	1,366	1,257	1,245	613
Asia Pacific	1,216	1,169	1,202	1,214	597
Eliminations (including inter-segment revenue)	(70)	(79)	(79)	(98)	(53)
Sales revenue	**6,294.6**	**6,064.0**	**6,224.3**	**6,531.6**	**3,141.2**
Underlying PBITDA	**986.4**	**964.9**	**1,024.6**	**1,062.5**	**498.1**
Depreciation and amortisation	(213.7)	(209.0)	(219.9)	(227.4)	(108.3)
Underlying PBIT	**772.7**	**755.9**	**804.7**	**835.1**	**389.8**
Statistics:					
Average exchange rate (US$1= €)	*0.831*	*0.9011*	*0.918*	*0.8383*	*0.8682*
Return on funds employed (%)	*25.1%*	*25.8%*	*24.4%*	*24.1%*	*24.2%*
Sales revenue growth (%)	*(7.1%)*	*(3.7%)*	*2.6%*	*4.9%*	*(0.8%)*
Underlying PBITDA growth (%)	*na*[1]	*(2.2%)*	*6.2%*	*3.7%*	*(2.9%)*
Underlying PBIT growth (%)	*na*[1]	*(2.2%)*	*6.5%*	*3.8%*	*(1.8%)*
Underlying PBITDA margin (%)	*15.7%*	*15.9%*	*16.5%*	*16.3%*	*15.9%*
Underlying PBIT margin (%)	*12.3%*	*12.5%*	*12.9%*	*12.8%*	*12.4%*

Source: Amcor Annual Reports for FY15, FY16, FY17, FY18 and 1H19 half yearly report and KPMG Corporate Finance analysis.
Note 1: FY15 is first year where PBIT is shown as underlying PBIT excluding significant items.

In line with the foreign exchange rate movement outlined in Section 8.4, sales and underlying earnings decreased in US dollars in FY16 and 1H19 and increased in FY18 whilst sales and underlying earnings showed the opposite movement in Euro terms as shown in the following table.

Table 11: Financial performance of Flexibles in Euro terms

Period € million unless otherwise stated	FY15 AAS	FY16 AAS	FY17 AAS	FY18 AAS	1H19 AAS
Sales revenue:					
Europe, Middle East and Africa	2,572	2,785	2,762	2,784	
Americas	556	465	768	713	
Specialty cartons	1,121	1,231	1,154	1,044	
Asia Pacific	1,009	1,053	1,104	1,018	
Eliminations	(26)	(68)	(72)	(81)	
Sales (including inter-segment revenue)	**5,232**	**5,466**	**5,716**	**5,478**	**2,727**
Underlying PBIT	**634**	**681**	**739**	**700**	**338**
Sales revenue growth (%)	*4.7%*	*4.5%*	*4.6%*	*(4.2%)*	*1.2%*
Underlying PBIT growth (%)	*na*[1]	*7.5%*	*8.5%*	*(5.3%)*	*0.3%*

Source: Amcor Annual Reports for FY15, FY16, FY17, FY18 and 1H19 half yearly report and KPMG Corporate Finance analysis.
Note 1: FY15 is first year where PBIT is shown as underlying PBIT excluding significant items.

Flexibles growth since FY15 was underpinned by organic and acquisition growth with two acquisitions in FY15, four in FY16 (including Alusa in South America) and one acquisition in FY17. In FY16, Flexibles benefitted from strong growth in emerging markets, which was partly offset by subdued performance in Western Europe and North America. In FY17, earnings benefitted from the acquisition of Alusa in South America (which contributed €30 million in earnings) and organic growth in Asia, North America and Europe, slightly offset by the weak tobacco packaging performance in Europe and Asia.

Since Flexibles' restructuring program commenced in June 2016, cost management and operational performance have improved, contributing to organic growth with a US$15 million incremental benefit in FY17 and a further US$36 million in FY18, achieving a benefit run rate of US$50 million throughout FY18 and US$60 million at the end of FY18. In 1H19, an additional US$5 million of incremental benefits were achieved.

In FY18, benefits from the Flexibles restructuring program and organic growth were more than offset by lower volumes in South America, underperformance in Asia Pacific and a US$43 million impact from the time lag in raw material cost recovery. In addition, the acquisition of Alusa is tracking behind its announced targets with lower volumes and higher raw material costs more than offsetting realised synergy benefits and customer volume growth. Slight underlying PBIT growth in 1H19 was underpinned by additional restructuring benefits as outlined above, earnings growth in the Americas and organic growth relating to increased sales in the healthcare business and emerging markets and sales growth with large multinational customers, partly offset by the ongoing impact from the time lag in raw material cost recovery.

Overall, Flexibles' underlying PBITDA and PBIT margins increased between FY15 and FY17 primarily as a result of the restructuring initiative, then declined slightly for the reasons set out above.[72] Between FY15 and 1H19, Flexibles achieved a return on funds employed between 24% and 26%, albeit a slight decrease between FY17 and 1H19 due to the acquisition of Alusa which generates a lower return on its average funds employed by comparison to Flexibles overall.

8.4.2 Rigid Plastics

The financial performance of Rigid Plastics for FY15, FY16, FY17 and FY18 is summarised in the following table.

Table 12: Financial performance of Rigid Plastics

Period US$ million unless otherwise stated	FY15 AAS	FY16 AAS	FY17 AAS	FY18 AAS	1H19 AAS
Sales revenue:					
North America	2,078	2,059	2,196	2,100	1,033
Latin America	1,077	1,140	517	533	304
Bericap	163	158	164	155	74
BG/India	(1)	-	-	-	-
Sales revenue	**3,317.2**	**3,357.3**	**2,876.7**	**2,787.5**	**1,410.6**
Underlying PBITDA	**454.4**	**487.8**	**471.7**	**434.6**	**205.9**
Depreciation and amortisation	(133.1)	(135.3)	(129.0)	(122.6)	(57.0)
Underlying PBIT	**321.3**	**352.5**	**342.7**	**312.0**	**148.9**
Statistics:					
Return on funds employed (%)	*20.3%*	*23.3%*	*20.5%*	*17.0%*	*17.6%*
Sales revenue growth (%)	*3.9%*	*1.2%*	*(14.3%)*	*(3.1%)*	*5.6%*
Underlying PBITDA growth (%)	*2.6%*	*7.4%*	*(3.3%)*	*(7.9%)*	*0.1%*
Underlying PBIT growth (%)	*7.7%*	*9.7%*	*(2.8%)*	*(8.9%)*	*3.6%*
Underlying PBITDA margin (%)	*13.7%*	*14.5%*	*16.4%*	*15.6%*	*14.6%*
Underlying PBIT margin (%)	*9.7%*	*10.5%*	*11.9%*	*11.2%*	*10.6%*

Source: Amcor Annual Reports for FY15, FY16, FY17 and FY18 and KPMG Corporate Finance analysis.

We note the following in relation to Rigid Plastics financial performance:

- Rigid Plastics' financial performance is less impacted by foreign exchange rate movements than Flexibles as a majority of sales (81% of its FY18 and 78% of its 1H19 revenue including Bericap) is

[72] Based on margins in US dollar terms set out in Table 11: Financial performance of Flexibles in Euro terms which are the same in Euro terms.

generated in North America. In addition, in its second largest operations in Latin America, Amcor benefits from contracts that allow it to pass through wage increases although it is exposed to foreign exchange risk since its raw materials are paid for in US dollars. On a constant currency basis, Rigid Plastics' underlying PBIT declined by 2.8% and 7.2% in FY17 and FY18 respectively and increased by 5.6% in 1H19 compared to 1H18[73]

- due to contractual arrangements between Rigid Plastics and its customers, raw material costs can be passed through with a minimal 30 day time lag meaning its financial performance in FY18 and 1H19 was not materially impacted by the higher raw material costs throughout FY18
- in FY16 and FY17, sales and underlying PBIT increased as a result of volume increases (7.6% and 2.6%, respectively), favourable sales mix in FY17, strong cost management, and acquisitions (the acquisition of the North American rigid plastics blow moulding operations of Sonoco in FY17 contributed US$12 million PBIT in FY17 and a further US$10 million in 1H18)
- FY17 sales in Latin America were negatively impacted (US$600 million) by measures to eliminate Amcor's financial exposure to Venezuela as at 30 June 2016.[74] Volumes in Latin America declined by 6.8% in FY17 primarily relating to operations in Brazil, Columbia and Argentina as a result of challenging economic conditions, partly offset by a favourable sales mix and strong cost management
- in FY18, sales and underlying PBIT decreased primarily as a result of weak customer demand and volumes (5% decrease in organic beverage volume) in the North American Beverage and Bericap business units, an unfavourable sales/product mix and the segment's limited ability to manage its costs
- in 1H19, sales and underlying PBIT increased by 5.6% and 3.6% respectively mainly as a result of volume growth in beverage end markets, a favourable sales mix and benefits from restructuring initiatives announced in August 2018 to reduce structural costs and position the business for higher earnings leverage going forward. The slight reduction in margins in 1H19 is due to the significant increase in raw material costs which inflated the revenue line to the detriment of percentage margins
- apart from lower underlying PBITDA margins compared to Flexibles due to already completed restructuring initiatives, Rigid Plastics underlying PBIT margins are slightly lower due to higher depreciation charges as a result of larger capital requirements, and
- return on funds employed increased strongly in FY16 to 23.3%, then declined to 17.0% in FY18, the first full year of earnings from the acquisition of the North American rigid plastics blow moulding operations of Sonoco (acquired in November 2016). In 1H19, return on funds employed recovered slightly to 17.6%.

[73] Source: Amcor Annual Reports for FY16, FY17, FY18 and 1H19 half yearly report.

[74] Source: Amcor Annual Reports for FY17 p.16.

8.5 Financial position

The AAS financial position of Amcor as at 30 June 2015, 30 June 2016, 30 June 2017, 30 June 2018 and unaudited 31 December 2018 is summarised in the following table.

Table 13: Financial position of Amcor

As at US$ million unless otherwise stated	30 June 2015 AAS	30 June 2016 AAS	30 June 2017 AAS	30 June 2018 AAS	31 Dec 2018 AAS
Debtors	1,468.5	1,411.6	1,405.2	1,283.5	1,315.6
Inventories	1,213.9	1,244.4	1,305.5	1,358.8	1,387.0
Creditors and tax liabilities[1]	(2,464.1)	(2,495.5)	(2,694.4)	(2,746.6)	(2,613.3)
Net working capital	**218.3**	**160.5**	**16.3**	**(104.3)**	**89.3**
Property, plant and equipment	2,566.7	2,690.9	2,765.3	2,698.3	2,623.9
Intangibles	1,845.3	2,102.1	2,409.3	2,387.8	2,361.4
Equity accounted investments	458.2	446.5	411.9	438.5	438.7
Deferred tax assets	77.9	47.5	66.7	65.5	64.5
Derivatives (net)	(64.2)	3.0	(8.8)	(6.7)	15.4
Deferred tax liabilities	(230.0)	(211.6)	(215.4)	(162.5)	(162.6)
Other current assets	13.5	9.0	5.6	13.9	17.1
Other non-current assets (net)	128.4	133.3	81.8	76.4	77.9
Retirement benefit obligations (net)	(365.4)	(431.6)	(331.2)	(241.4)	(254.2)
Current and non-current provisions	(181.3)	(274.7)	(282.3)	(202.8)	(190.9)
Total funds employed	**4,467.4**	**4,674.9**	**4,919.2**	**4,962.7**	**5,080.5**
Cash and cash equivalents	704.9	515.7	561.5	620.8	490.6
Total borrowings	(3,585.3)	(4,345.1)	(4,611.0)	(4,493.0)	(4,513.6)
Net borrowings	**(2,880.4)**	**(3,829.4)**	**(4,049.5)**	**(3,872.2)**	**(4,023.0)**
Net assets	**1,587.0**	**845.5**	**869.7**	**1,090.5**	**1,057.5**
Non-controlling interest[2]	(120.8)	(61.6)	(69.6)	(68.8)	(64.4)
Net assets attributable to Amcor shareholders	**1,466.2**	**783.9**	**800.1**	**1,021.7**	**993.1**
Statistics:					
Shares on issue at period end (million)	*1,181.4*	*1,158.1*	*1,158.1*	*1,158.1*	*1,158.1*
Net assets per share (US$)[3]	*$1.24*	*$0.68*	*$0.69*	*$0.88*	*$0.86*
Leverage ratio (times)[4]	*2.0*	*2.6*	*2.7*	*2.7*	*na*
Gearing (%)[5]	*64.5%*	*81.9%*	*82.3%*	*78.0%*	*79.2%*

Source: Amcor Annual Reports for FY15, FY16, FY17 and FY18 and KPMG Corporate Finance analysis.
Notes:
1. *FY17 trade payables and current tax liabilities have been restated due to an unsupported debit balance in the accrual accounting for resin purchases related to periods prior to 1 July 2016.*
2. *Predominantly relates to the Bericap business with the decrease in FY16 resulting from the deconsolidation of its Venezuelan operations.*
3. *Net assets per share is calculated as net divided by the number of Amcor Shares at period end.*
4. *Leverage ratio is net debt divided by underlying PBITDA. Underlying PBITDA was only available for the six months to 31 December 2018. As a result, leverage ratio as at 31 December 2018 is not meaningful.*
5. *Gearing represents net borrowings divided by the sum of net borrowings and net assets.*

In relation to Amcor's financial position, we note:

- inventory comprises raw materials and stores, work in progress and finished goods which represented approximately 45%, 15% and 40% of inventory as at 31 December 2018, respectively. Raw materials are measured based on purchase cost on a first-in-first-out or weighted average basis. Approximately 70% of inventory is attributable to Flexibles and the remainder to Rigid Plastics

- Amcor's working capital requirement is seasonal with higher levels of working capital at 31 December and lower levels at 30 June primarily due to a build-up of inventory (particularly in Rigid Plastics) during the colder periods to ensure capacity to meet demand for summer months in the United States
- as at 31 December 2018, property, plant and equipment represented 54% of total funds employed . A larger amount of average funds employed sits within Rigid Plastics compared to Flexibles in comparison to overall earnings contribution
- Amcor had substantial intangible assets at 31 December 2018 (US$2.4 billion) as a result of acquisitions, mainly including US$2.0 billion of goodwill as well as US$0.4 billion of identifiable intangible assets (including customer relationships, computer software, development and other)
- as at 31 December 2018, Amcor had restructuring provisions primarily related to restructurings in relation to past acquisitions. Other current and non-current provisions include insurance and other claims, onerous contracts and asset restoration[75]
- retirement benefit obligations relate to a number of defined benefit pension plans maintained by Amcor. As at 31 December 2018, Amcor maintained a number of statutory and mandated defined benefit arrangements and voluntary defined benefit schemes than can either be funded (Amcor and in some countries employees make cash contributions) or unfunded (Amcor is responsible for benefit payments as they fall due)
- equity accounted investments at 31 December 2018 relates to Amcor's 47.6% interest in AMVIG. The AAS carrying value of the investment is supported by a value calculation utilising cash flow projections and exceeds the value of AMVIG's investment based on the quoted share price (based on a Hong Kong dollars like-for-like comparison)[76] as Amcor believes that it does not reflect the fundamental value of the business in respect as AMVIG is thinly traded and has limited free float (52%)
- Amcor uses derivative financial instruments, specifically forward exchange contracts, commodity contracts, and interest rate swaps, to hedge its exposure to forecast or actual foreign currency translation exposures, on transactions in currencies other than the entity's functional currency. The net balance of derivatives as at 31 December 2018 was an asset of US$15.4 million including a net asset of US$21 million related to interest rate swaps, and
- Amcor has operating lease commitments in relation to motor vehicles, plant and equipment and property primarily either payable between one and five or after more than five years. Amcor performed a preliminary assessment of its 3,000 lease contracts in relation to the impact from the new leasing standard AASB 16 which showed that 90% of the value of its leased assets is represented by Amcor's approximately 160 property leases. The actual impact on its balance sheet will depend on Amcor's lease portfolio in FY20 and the discount rates applicable at that time. The expected net impact on Amcor's balance sheet and PAT will be nil, however, PBIT is expected to increase by approximately US$20 million offset by a corresponding increase in interest expense. Further, Amcor's ratings are not expected to be impacted as rating agencies already take Amcor's off balance sheet items in relation to leases into account in their rating determination.

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[75] Asset restoration comprises make good provisions included in lease agreements and decommissioning costs associated with environmental risks relating to areas of contamination caused by past practice of operations prior to Amcor's ownership. Source: Amcor Annual Report for FY18.

[76] Approximately US$101 million, calculated as 47.6% of AMVIG's market capitalisation at 31 December 2018 of HK$1,663 million (929,047,000 shares multiplied by HK$1.79) and an exchange rate of 1US$=HK$7.8338.

The US GAAP financial position of Amcor as at 31 December 2018 is summarised in the following table.

Table 14: US GAAP financial position of Amcor as at 31 December 2018

As at US$ million unless otherwise stated	31 December 2018 US GAAP
Debtors	1,351.1
Inventories	1,386.8
Creditors and tax liabilities	(1,938.2)
Net working capital	**799.7**
Property, plant and equipment	2,616.8
Intangibles	2,356.4
Equity accounted investments	102.6
Deferred tax assets	69.7
Derivatives (net)	15.4
Deferred tax liabilities	(145.0)
Other current assets/(liabilities) (net)	(482.1)
Other non-current assets/(liabilities) (net)	(92.9)
Retirement benefit obligations (net)	(243.2)
Total funds employed	**4,997.5**
Cash and cash equivalents	490.6
Interest bearing liabilities	(4,861.3)
Net borrowings	**(4,370.7)**
Net assets	**626.8**
Non-controlling interest[1]	(64.0)
Net assets attributable to Amcor Shareholders	**562.8**
Statistics:	
Shares on issue at period end (million) [2]	*1,158*
Net assets per share (US$) [3]	*$0.49*
Leverage ratio (times) [4]	*na*
Gearing (%) [5]	*87.5%*

Source: Scheme Booklet Section 4.4 (c), KPMG Corporate Finance analysis.
Notes:
1. *Predominantly relates to the Bericap business.*
2. *Net assets per share is calculated as net assets divided by number of Amcor Shares at the end of the quarter.*
3. *Leverage ratio as at 31 December 2018 is not available.*
4. *Gearing represents net borrowings divided by the sum of net borrowings and net assets.*

In relation to Amcor's financial position under US GAAP, we note:

- at 31 December 2018, Amcor had current restructuring provisions primarily related to previously announced restructuring programs (in Flexibles and Rigid Plastics) and acquisitions. Other current and non-current provisions include insurance and other claims, onerous contracts and asset restoration
- equity accounted investments at 31 December 2018 of US$102.6 million under US GAAP relates to Amcor's 47.6% interest in AMVIG
- at 31 December 2018, Amcor's US GAAP other non current liabilities comprised an accrual of US$15.9 million relating to Amcor's Brazil operations that have received a series of excise and income tax claims from the local tax authorities which are being challenged via a court process. Amcor estimates a reasonable possible loss exposure in excess of the accrual of US$23 million. As at 31 December 2018, Amcor provided letters of credit of US$44.9 million and deposited cash of US$13.6 million with the courts in order to continue to be able to defend the cases

- Amcor uses derivative financial instruments, specifically forward exchange contracts, commodity contracts, and interest rate swaps, to hedge its exposure to forecast or actual foreign currency translation exposures, on transactions in currencies other than the entity's functional currency. The net balance of derivatives as at 31 December 2018 under US GAAP was an asset of US$15.4 million including a net asset of US$21.0 million related to interest rate swaps
- net assets per share as at 31 December 2018 under US GAAP of US$0.49 are lower compared to net assets per share under AAS as at 31 December 2018 of US$0.86 due to US GAAP differences to assets and liabilities (net assets per share under US GAAP as at 30 June 2018 were US$0.54) as well as higher net debt as at 31 December 2018, and
- receivables under factoring represent a debt-like item under US GAAP and therefore increases Amcor's total borrowing under US GAAP as further illustrated in the *Borrowings* section below.

Refer to Section 4.4 of the Scheme Booklet for further details on Amcor's US GAAP financial position as at 31 December 2018.

Borrowings

Amcor has access to diverse capital markets. Details of the financing facilities available as at 31 December 2018 are set out in the following table.

Table 15: Amcor financing facilities as at 31 December 2018

US$ million	Total facililty	Amount drawn	Amount undrawn
Bank loans[1]	3,019.3	1,170.5	1,132.5
US Dollar Notes	273.8	273.8	-
Euro notes	114.5	114.5	-
Eurobond	993.8	993.8	-
144A senior uncesured notes	1,091.6	1,091.6	-
Total commited borrowings	**5,493.0**	**3,644.2**	**1,132.5**
Commercial paper	1,022.8	716.3	na[2]
Australia 11am	56.0	-	na[2]
Europe bilateral facilities	432.7	-	na[2]
Cash pools	154.8	83.4	na[2]
Line of credit	105.0	22.9	na[2]
Total uncommitted borrowings	**1,771.3**	**822.6**	**-**
Bank overdrafts, other loans and lease liabilities	49.4	49.4	-
Borrowing fees	(2.6)	(2.6)	
Total borrowings per AAS		**4,513.6**	
US GAAP adjustments			
Receivables under factoring arrangements	na	328.2	na
Sale & lease back transasctions	na	19.4	na
Total US GAAP adjustments		**347.7**	
Total borrowings per US GAAP		**4,861.3**	

Source: Amcor 31 December 2018 Borrowings Summary, Amcor management and KPMG Corporate Finance analysis.
Notes:
1. *Amounts undrawn under Amcor's bank facilities are backstopped by commercial paper outstanding.*
2. *Uncommitted lines.*

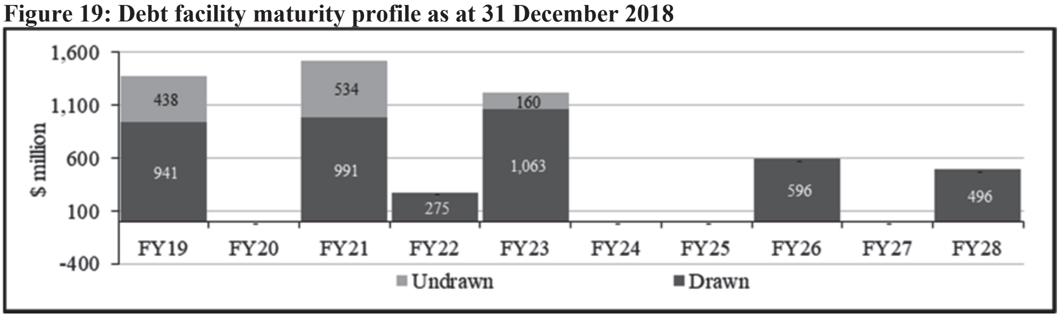
We note the following in relation to Amcor's borrowings:

- as at 31 December 2018, Amcor had US$490.6 million of cash (before bank overdrafts) resulting in net debt of US$4.4 billion based on US GAAP

- margins of Amcor's bank loans range between 20 basis points (bps) and 130 bps either over the BBSY, LIBOR or the EURIBOR with borrowing costs on US dollar notes and Eurobonds ranging between 275 bps and 580 bps
- only approximately 39% of Amcor's bank loans were drawn as at 31 December 2018 providing Amcor with further investment capacity albeit limited by its already high gearing ratio
- as at 31 December 2018, 46% of Amcor's interest bearing liabilities was denominated in US dollars, 33% in Euros and 20% in Australian dollars with the remainder spread across other currencies.[77] In US dollar terms, 48% of Amcor's borrowings were in the Australian, 42% in the North American and 9% in the European region,[78] and
- Amcor aims to maintain up to 75% of its financing in the form of fixed rate loans, as at 31 December 2018 such loans represented only approximately 47%.

Details of Amcor's debt maturity profile as at 31 December 2018 are set out in the following table.

Figure 19: Debt facility maturity profile as at 31 December 2018



Source: Amcor 31 December 2018 Borrowings Summary and KPMG Corporate Finance analysis.
Note 1: Includes Amcor's commercial paper in FY21 which is classified as current interest bearing liability and backstopped by certain bank facilities maturing in April 2019 and July 2020. Further, the profile does not include small debt balances relating to bank overdrafts, subsidiary working capital loans, leases etc.

As at 31 December 2018, Amcor had US$1.4 billion of borrowings expiring in FY19 comprising US$750 million of bank debt at borrowing costs of 150 pbs[79] over the LIBOR (of which US$438 million was undrawn) and €550 million relating to its 8 year Eurobond at all in borrowing costs of 463 bps. Amcor's average maturity of its non current interest bearing facilities was 5.1 years as at 31 December 2018.

Amcor seeks to maintain an investment grade rating. In order to achieve this objective, Amcor considers a wide range of financial ratios, with its primary ratios being set out in the following table.

Table 16: Financial ratios

Financial ratios	Management Policy	30 June 2015	30 June 2016	30 June 2017	30 June 2018	31 Dec 2018
Leverage ratio (net debt/underlying PBITDA)	2.25 to 2.75	2.0	2.6	2.7	2.7	2.8
Underlying PBITDA interest cover	greater than 6.0	8.4	8.4	7.8	7.0	6.8

Source: Amcor Annual Reports for FY15, FY16, FY17, FY18, 1H19 half yearly results presentation and KPMG Corporate Finance analysis.

We note the financial ratios represent management policy and not bank covenants. Historically, Amcor had a conservative leverage ratio which was less than its management policy. This has increased since FY15 but has remained within Amcor's leverage management policy ratio, albeit towards the upper end. Acquisitions funded with the additional debt are expected to yield earnings and synergies and thereby

[77] Source: Amcor management.

[78] Source: Amcor 30 June 2018 Borrowings Summary

[79] Margin of 130 bps and commitment fee of 20 bps. Source: Amcor 31 December 2018 Borrowings Summary.

reduce the leverage ratio over time. Amcor's interest cover was above its target (greater than 6.0 times) between FY15 and 1H19 albeit declining. It has a BBB Standard & Poor's credit rating and Moody's Baa2 rating, both with a stable outlook which has not changed since the announcement of the Transaction.

8.6 Cash flows

The AAS cash flow statement for Amcor for FY15 to 1H19 are summarised in the following table.

Table 17: Cash flow statement of Amcor

Period US$ million unless otherwise stated	FY15 AAS	FY16 AAS	FY17 AAS	FY18 AAS	1H19 AAS
EBITDA	**1,251.0**	**1,299.8**	**1,337.7**	**1,360.6**	**639.2**
Cash impact of significant items[1]	-	-	(98.1)	(95.8)	(26.3)
Changes in working capital and other	40.0	103.7	117.8	10.2	(236.3)
Dividends received	31.8	19.6	6.9	8.7	4.7
Interest paid (net)	(165.8)	(153.4)	(176.7)	(196.9)	(90.0)
Tax paid	(154.7)	(170.3)	(160.2)	(149.7)	(62.3)
Cash flow from operations	**1,002.3**	**1,099.4**	**1,027.4**	**937.1**	**229.0**
Capital expenditure	(323.0)	(348.9)	(379.2)	(372.1)	(173.4)
Proceeds from disposal of property, plant and equipment	83.5	30.4	82.8	156.6	60.3
Other	15.6	10.6	3.4	(0.7)	(0.6)
Operating cash flow[2]	**778.4**	**791.5**	**734.4**	**720.9**	**115.3**
Dividends and other equity distributions	(480.1)	(480.3)	(489.1)	(526.8)	(290.6)
Free cash flow[3]	**298.3**	**311.2**	**245.3**	**194.1**	**(175.3)**
Acquisitions (net of divestments)	(97.6)	(496.6)	(336.2)	(13.2)	(1.0)
Proceeds from share issues	45.9	39.5	23.6	28.1	12.1
Payments for shares bought back and payments for treasury shares net of proceeds from capital contributions	(420.7)	(349.1)	(83.6)	(74.7)	(33.1)
Venezuela adjustment[4]	-	(184.2)	-	-	-
Foreign exchange rate changes and hedges and other	(22.6)	(170.5)	(19.5)	(10.4)	(7.7)
Cash increase in net debt[5]	**(196.7)**	**(849.7)**	**(170.4)**	**123.9**	**(205.0)**
Acquired debt (Alusa)	-	(104.0)	-	-	-
Foreign exchange impact on borrowings	329.7	4.7	(49.7)	53.4	54.2
Change in net debt per financial position	**133.0**	**(949.0)**	**(220.1)**	**177.3**	**(150.8)**
Net borrowings - opening balance	***(3,013.4)***	***(2,880.4)***	***(3,829.4)***	***(4,049.5)***	***(3,872.2)***
Net borrowings - closing balance	***(2,880.4)***	***(3,829.4)***	***(4,049.5)***	***(3,872.2)***	***(4,023.0)***

Source: Amcor Annual Reports and Full Year Results Presentations for FY15, FY16, FY17, FY18, 1H19 half yearly report and KPMG Corporate Finance analysis.

Notes:

1. *Includes Flexibles restructuring (US$98.1 million in FY17, US$60.8 in FY18 and US$12.3 million in 1H19), Rigid Plastics restructuring in 1H19 of US$14.0 million, US$35 million in restructuring and integration costs of prior period acquisitions in FY18, but does not include cash impact of the Bemis transaction and integration costs and net legal settlements in 1H19.*
2. *Operating cash flow is "cash from operating activities" from the statutory accounts less capital expenditure plus proceeds on disposal of property, plant and equipment plus other items.*
3. *Free cash flow is operating cash flow less dividends and other equity distributions.*
4. *Venezuela adjustment is related to cash balance at 30 June 2016.*
5. *Includes foreign exchange rate impact on net assets, other than on net debt.*

The cash increase in net debt includes the foreign exchange rate movement on net assets (other than net debt) and effectively represents the constant currency movement in net borrowings. The cash increase in net debt differs from the movement in net borrowings on the statement of financial position as a result of foreign exchange impacts on borrowings.

In FY15 to FY17, Amcor generated strong, stable cash flow from operations. Consistent with its shareholder value creation model as outlined in Section 8.2, after paying dividends in the range of US$480 to US$489 million, cash flows were invested as follows:

- capital expenditure to support organic growth in the range of US$323 million to US$379 million.
- 13 acquisitions with acquisition payments (net of divestments) of US$930.4 million, the most notable being the Alusa and Sonoco acquisitions in FY16 and FY17, respectively, and
- buy backs, in particular a US$500 million buyback (and settlement of forward contracts and shares purchased to satisfy employee incentive plans) in FY15 and FY16 which reduced the weighted number of shares on issue from 1,181.4 million to 1,158.1 million.

In FY18, cash flows from operations declined as a result of lower EBITDA (as a result of the aforementioned decline in organic growth and delays in passing through raw material prices), an increase in net interest paid, continued restructuring cash costs for Flexibles (with FY18 being the last year of cash outlays from the Flexibles restructuring), US$35 million of restructuring and integration cash outlays related to prior period acquisitions and stronger working capital performance. These factors were partially offset by lower tax paid as a result of tax reforms introduced in the United States and deductions on restructuring costs. In FY18, acquisitions represented US$13 million, shares purchased on-market and settlement of forward contracts US$39 million and payments for treasury shares US$36 million, with the acquisition payment reflecting deferred payments associated with prior period acquisitions.

In 1H19, cash flow from operations increased compared to 1H18 as a result of a favourable working capital development (due to an effective management of receivables and payables), lower restructuring cash costs (relating to Flexibles and Rigid Plastics) and lower tax paid, partly offset by slightly higher interest expense due to higher US floating debt interest rates as referred to earlier in this report. The difference in working capital between the FY18 and 1H19 is primarily due to the seasonality of Amcor's working capital referred to in Section 8.5. During 1H19, Amcor completed US$28.5 million of on-market share purchases and settlement of forward contracts and paid US$8.2 million for treasury shares.

8.7 Shareholder return

As a result of organic growth and accretive acquisitions and buybacks in FY15 to FY17, Amcor achieved strong growth in underlying EPS (constant currency, ongoing operations). Together with dividend yields in the range of 3.7% to 5.2%, returns to Amcor Shareholders (EPS growth plus dividend yield) ranged from 12.7% to 15.3%. In FY18, a decline in organic growth and raw material price increases, and limited acquisitions and buybacks resulted in an EPS decline (constant currency, ongoing operations) of 0.2%. Combined with a dividend yield of 3.6%, returns to Amcor Shareholders were 3.4%. In 1H19, Amcor achieved a 3.4% EPS growth compared to the 1H18 primarily as a result of growth within recently acquired businesses, restructuring benefits, organic growth and a strong cost performance.

Table 18: Shareholder value creation for Amcor

Period	FY15 AAS	FY16 AAS	FY17 AAS	FY18 AAS	1H19 AAS
Dividend (US$)	0.40	0.41	0.43	0.45	0.22
Dividend (A$)	0.53	0.55	0.55	0.59	0.30
Amcor share price (as at end of prior year) (A$)	10.28	13.72	14.93	16.21	13.25
Dividend yield (%)	5.2%	4.0%	3.7%	3.6%	2.2%
EPS growth (constant currency, ongoing operations) (%)	7.5%	11.3%	10.1%	(0.2%)	3.4%
Shareholder value creation (%)	**12.7%**	**15.3%**	**13.8%**	**3.4%**	**5.6%**

Source: Amcor Annual Reports, Full year results presentations for FY15, FY16, FY17, FY18 and 1H19.

8.8 Outlook

8.8.1 Guidance

Amcor has not publicly released specific PBIT and PBITDA forecasts for FY19 or beyond, however, in August and September 2018, it provided the following guidance which was reaffirmed at the Annual General Meeting on 11 October 2018 and at its 1H19 results release on 11 February 2019:

- expected overall constant currency earnings growth supported by modest volume improvements in North America beverage business unit and emerging markets growth with slowing earnings headwinds in some regions related to the passing on of higher raw material costs. The negative impact in 1H19 is expected to be reversed in 2H19 and therefore no impact on the full year income statement is expected in line with previous guidance released. In addition, Amcor provided more specific guidance for each segment as outlined below:
- ***Flexibles*** is expected to deliver solid PBIT growth (on a constant currency basis) supported by:
  - modest organic growth (e.g. from commissioning of Indian plant) assuming no earnings impact related to movements in raw material costs
  - a net benefit from prior period acquisitions of approximately US$10 million (including net benefits assumed to be achieved from Alusa acquisition), and
  - incremental final restructuring benefits of approximately US$10 million (reflecting the US$60 million full run rate compared to a run rate of US$50 million during FY18).
- ***Rigid Plastics*** is also expected to deliver solid PBIT growth supported by:
  - modest organic growth (e.g. Bericap North America's new facility in Mexico is expected to become commercially operational in December 2018)
  - a net benefit from prior period acquisition of approximately US$5 million to US$10 million (including net benefits assumed to be achieved in relation to the acquisition of the North American rigid plastics blow moulding operations of Sonoco), and
  - approximately US$5 million to US$10 million from restructuring initiatives (total benefits of US$15 million to US$20 million by the end of FY20) with total after-tax costs for the restructuring program expected to be between US$50 million and US$60 million with the majority being incurred in FY19.
- net financing costs of US$200 million to US$210 million in constant currency terms. Interest costs are expected to be lower in the second half of FY19 compared to FY18 due to the maturity of high cost fixed rate debt in the United States and Europe and expected refinancing at lower rates
- effective tax rate between 17.0% and 18.0% with cash tax representing 85% to 95% of its income statement charge (which is in line with the actual percentage over the most recent years)
- corporate costs of US$85 million to US$95 million in constant currency terms, and
- free cash flow[80] of US$200 million to US$300 million.

[80] Free cash flow is after capital expenditure and dividend payments

8.8.2 Broker forecasts

In order to provide an indication of the expected future financial performance of Amcor, KPMG Corporate Finance has also considered brokers' forecasts for Amcor. As far as KPMG Corporate Finance is aware, Amcor is followed by 13 brokers of which 12[81] have released updated earnings forecasts following the announcement of its FY18 results on 21 August 2018. Eight of these brokers provided stand-alone forecasts for Amcor (i.e. excluding the impact of the Transaction), however, one of these brokers is restricted, leaving seven broker estimates for Amcor.

We note that none of the seven brokers has updated forecasts since the release of the 1H19 results, possibly because Amcor results were in line with consensus or as a result of the Transaction. As such, all seven brokers who had published estimates following the release of the FY18 results have been included in the broker consensus forecast. The broker forecasts are summarised in the following table and set out in detail in Appendix 3.

Table 19: Broker consensus forecast

US$ million unless otherwise stated	Actual FY18	Broker Consensus (median) FY19	FY20	FY21
Sales Revenue:				
Flexibles	6,531.6	6,664.2	7,046.0	7,208.0
Rigid Plastics	2,787.5	2,851.6	2,952.1	3,026.0
Sales revenue	**9,319.1**	**9,497.0**	**9,818.0**	**10,095.7**
Gross Profit	**1,856.8**	**1,746.5**	**1,827.5**	**1,611.0**
EBITDA	**1,360.6**	**1,362.6**	**1,462.2**	**1,516.1**
Share of net profit of equity accounted investments	19.0	19.4	19.8	20.2
Other income	98.1	98.1	90.0	90.0
Restructuring/integration costs	(35.9)	-	-	-
Underlying PBITDA:				
Flexibles	1,062.5	1,088.9	1,159.7	1,185.8
Rigid Plastics	434.6	454.2	480.1	495.7
Other	(55.3)	(62.6)	(64.1)	(63.3)
Underlying PBITDA	**1,441.8**	**1,480.0**	**1,572.0**	**1,626.3**
Depreciation and amortisation	(356.3)	(361.0)	(374.0)	(377.5)
Underlying PBIT:				
Flexibles	835.1	858.6	917.5	944.9
Rigid Plastics	312.0	330.0	351.4	363.8
Other	(61.6)	(69.5)	(70.4)	(70.0)
Underlying PBIT	**1,085.5**	**1,121.0**	**1,186.9**	**1,239.3**
Statistics:				
Average exchange rate (A$1= US$)	*0.78*	*0.76*	*0.74*	*0.74*
Average exchange rate (US$1= €)	*0.84*	*0.85*	*0.86*	*0.85*
Sales revenue growth (%)	*2.4%*	*2.2%*	*-6.0%*	*12.1%*
Gross profit margin (%)	*19.9%*	*18.4%*	*18.6%*	*16.0%*
Underlying PBITDA margin (%)	*15.5%*	*15.6%*	*16.0%*	*16.1%*
Underlying PBIT margin (%)	*11.6%*	*11.8%*	*12.1%*	*12.3%*

Source: Broker reports for Amcor and Amcor Annual Report for FY18.
Note 1: Segment revenue, underlying PBIT and underlying PBITDA are the median for brokers and Amcor revenue, underlying PBIT and underlying PBITDA are the median for brokers and consequently, the sum of segment revenue (and PBIT and PBITDA) does not tie to consensus Amcor PBIT.

Each of these seven brokers has also factored in the impact of the restructuring programs into their earnings estimates. Most brokers have made specific reference to the cost savings anticipated to be

[81] One broker has released updated forecasts in Australian dollars without disclosing the assumed foreign exchange rates. This broker has therefore been excluded from our analysis.

realised from Rigid Plastics restructuring program and the remaining incremental restructuring benefit expected in Flexibles in FY19.

8.9 Amcor Board

The Amcor Board comprises seven Independent Non-Executive Directors and one Executive Director, Mr Ron Delia, who is Amcor's CEO. Details of the Amcor Board are summarised in the following table.

Table 20: Amcor Board

Board members	
Ron Delia	Managing Director & Chief Executive Officer
Graeme Liebelt	Independent Non-Executive Director & Chairman
Dr Armin Meyer	Independent Non-Executive Director & Deputy Chairman
Nicholas (Tom) Long	Independent Non-Executive Director
Eva Cheng	Independent Non-Executive Director
Karen Guerra	Independent Non-Executive Director
Paul Brasher	Independent Non-Executive Director
Jeremy Sutcliffe	Independent Non-Executive Director

Source: Scheme Booklet.

8.10 Share capital and ownership

As at 1 March 2019, Amcor had 1,158,141,276 ordinary shares on issue (including 483,856 Amcor Restricted Shares).

As at 1 March 2019, there were 86,612 registered Amcor Shareholders. As at 1 March 2019, the top 20 registered Amcor Shareholders accounted for approximately 78.61% of shares on issue and primarily included institutional nominees and custodian companies. Retail investors (holdings of up to 5,000 shares) accounted for 89.3% of Amcor Shareholders and only 8.9% of Amcor Shares on issue.

It is estimated that foreign investors hold at least 51.7% of Amcor Shares (although this may be higher to the extent that foreign investors account for a portion of unknown or unanalysed shares) and are primarily located in North America (28%), the United Kingdom (11%), Asia (7%) and Europe (4%) and New Zealand (1%).[82]

As at 1 March 2019, Amcor had received substantial shareholder notices from the following substantial shareholders.

Table 21: Substantial shareholder notices as at 1 March 2019

Substantial shareholder	Date of notice	Number of shares	Percentage interest[1]
BlackRock Group	15 January 2018	93,901,814	8.10%
The Vanguard Group, Inc.	12 June 2018	58,103,725	5.02%

Source: ASX announcements.
Note 1: As at date of notice.

Amcor operates a number of employee share plans. The granted and vested share based incentives outstanding as at 1 March 2019 under these plans are as follows.

[82] Source: Orient Capital Pty Ltd. Represents number of Amcor Shares held by foreign institutions and foreign brokers as a proportion of shares analysed and allocated. Approximately 11% of shares are unanalysed and 1% of shares were unknown.

Table 22: Entitlements in Amcor as at 1 March 2019

	On issue	Unvested	Vested
Amcor Share Rights	1,559,501	1,559,501	-
Amcor Options	11,361,163	9,488,175	1,872,988
Amcor Performance Rights/Shares	1,743,910	1,734,950	8,960
Amcor Phantom Shares	283,827	271,327	12,500
Total entitlements	**14,948,401**	**13,053,953**	**1,894,448**

Source: Amcor management.

Amcor Share Rights are time restricted (two years) and dependent on continuation of employment. Amcor Options and Amcor Performance Rights/Shares are time restricted (three years), dependent on continuation of employment and vesting outcomes, which are determined as follows:

- half of the vesting outcome is based on average constant currency EPS growth with a condition of return on average funds employed at or above 18%, and
- the other half of the vesting outcome is based on relative total shareholder return performance against two peer groups (ASX-based group and international packaging group).

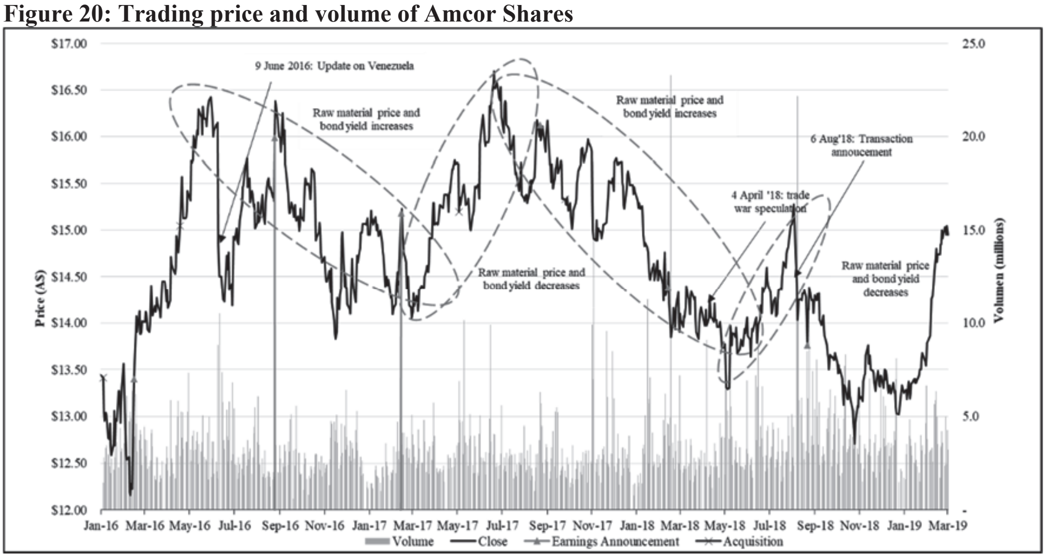
Amcor Phantom Shares are cash settled with performance conditions including safety indicators (5%), financial indicators (EPS, PBIT, cash flow, working capital, return on average funds employed – 55% to 75%) and project goals linked to strategic initiatives (20% to 40%).

8.11 Amcor share price performance

8.11.1 Recent trading in Amcor Shares

The trading price and volume of Amcor Shares from 1 January 2016 to 1 March 2019 is illustrated below.

Figure 20: Trading price and volume of Amcor Shares



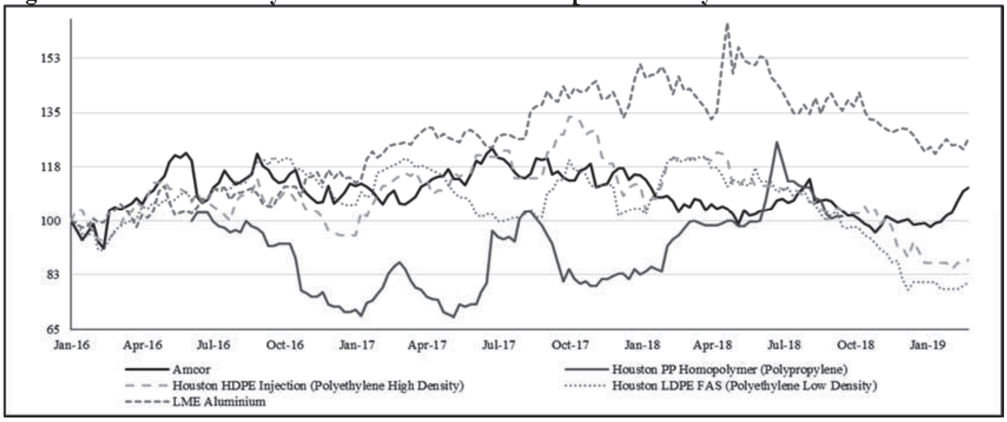
Source: S&P Capital IQ; KPMG Corporate Finance analysis.

Amcor is a defensive stock. It typically provides stable earnings and reliable dividends notwithstanding the point in the economic cycle, which is attractive over the long-term and in particular, during times of uncertainty. As such, Amcor is also considered as an alternative to an investment in bonds (which typically offer more stable returns than shares). Nevertheless, its share price has experienced some relatively wide swings since 1 January 2016. In addition to factors specific to the company (e.g. earnings results and acquisition activity), the Amcor share price appears to have been influenced by:

- ***exposure to developing markets:*** which accounted for 30% of FY18 revenue and are subject to higher growth but higher risk. Supply and demand shocks in these regions can impact on Amcor's earnings in these regions and may influence investors' appetite to invest in companies such as Amcor
- ***movements in foreign exchange rates:*** Amcor generates its earnings in a variety of currencies, reports its financial results in US dollars and its shares are traded in Australian dollars
- ***raw material price volatility:*** movements in raw material prices may impact Amcor's earnings (to the extent there is delay in the pass-through to customers) and consequently, its share price, and
- ***changes in bond yields:*** as Amcor is viewed as an alternative to bonds, an increase in bond yields can make Amcor Shares relatively less attractive.

Between June 2017 and October 2018, the price of the main raw materials that Amcor uses (i.e. plastic resin and aluminium) increased rapidly to historically high levels, before declining as the price of crude oil declined and supply constraints eased for key resins. It appears that the Amcor share price has been heavily influenced by fluctuations in the price of these raw materials as illustrated below.

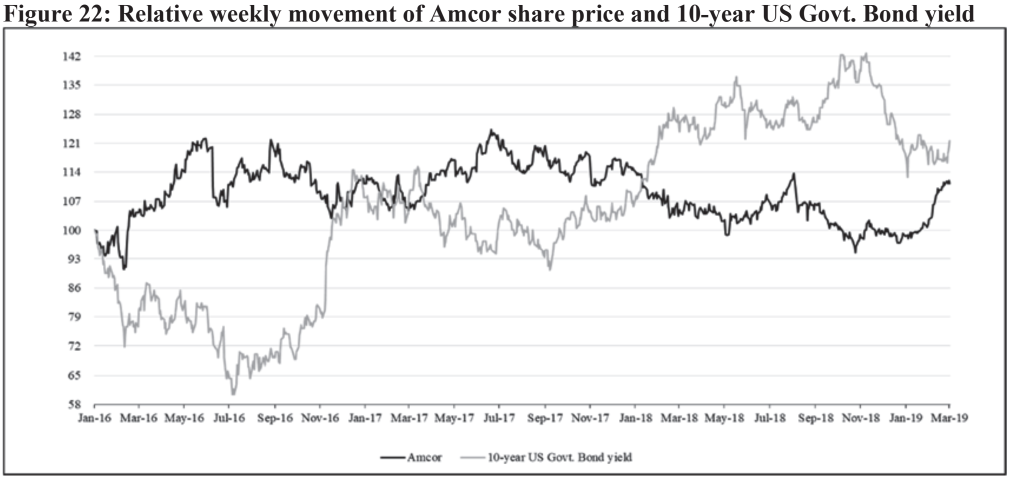
Figure 21: Relative weekly movement of Amcor share price and key raw materials



Source: Bloomberg; KPMG Corporate Finance analysis.

Since January 2016, 10-year United States Government Bond yields increased by 97 bps from 2.27% to 3.24% on 8 November 2018 before easing by 48 bps to 2.76% on 1 March 2019. The increase in bond yields to 8 November 2018 is likely a factor in the decline in the Amcor share price over that period, particularly around November 2016 and throughout 2018 when yields increased substantially.

Figure 22: Relative weekly movement of Amcor share price and 10-year US Govt. Bond yield



Source: S&P CapitalIQ; KPMG Corporate Finance analysis.

From a high of A$16.43 on 22 August 2017, the Amcor share price declined by 20.1% to a low of A$13.12 on 4 May 2018, potentially reflecting:

- increases in raw material prices and a deterioration in industry conditions and customer performance. The share price declined by 5% following 16 October 2017 when Amcor announced a 5% to 10% price increase on its flexible products following the disruption in the supply chain then declined by 6% following 1 November 2017 when Amcor cautioned that in Q1 FY18, business conditions and customer performance had deteriorated and raw material costs had increased. In a presentation on 2 May 2018, Amcor advised that cost inflation for its raw materials was substantial between June 2017 and March 2018 and the share price declined by 4% to A$13.31 the next day
- cautionary outlook on 16 October 2017 on achieving full integration benefits of Alusa acquisition, and
- an increase in the 10-year United States Government Bond yield in January and February 2018.

The share price declined by 2% on 8 September 2017 to close at A$15.45 following initial speculation that Amcor was interested in acquiring Bemis.

From May 2018, the Amcor share price increased strongly as raw material prices eased. On 7 May 2018, it issued US$500 million of new debt notes maturing in 2028 which was heavily oversubscribed and the share price increased by 5% in the following two days. The share price closed at A$15.28 on 3 August 2018, prior to media speculation in relation to the Transaction and remained in a trading halt until the announcement of the Transaction on 7 August 2018, after which it declined by 8% in the two trading days and closed at A$14.03 on 8 August 2018.

From 3 August 2018 until 1 March 2019, the Amcor share price declined by 2.2%, likely reflecting:

- a decline in overall sharemarket prices
- announcement on 21 August 2018 of Amcor's FY18 full year results and cautious guidance for FY19
- payment of the 2H18 dividend of US$0.24 per share (A$0.3265). As expected, the Amcor share price declined following the ex-distribution date on 7 September 2018 (by A$0.29 cents or 2.0%), and
- potentially, concerns related to the Transaction (e.g. achievement of the Net Synergies, remaining regulatory approvals).

Amcor's share price has increased by 10.4% since 30 January 2019, reflecting an increase in the Comparable Company Index (likely reflecting an increase in the overall sharemarket and a decrease in raw material prices), announcement of Amcor's 1H19 results on 11 February 2019 and announcement on 12 February 2019 that Amcor had received European Commission approval for the Transaction.

8.11.2 Relative share price performance

Amcor is a top 20 ASX listed company and a member of most major indices, including the S&P/ASX 50 Index (1.3% weighting) and S&P/ASX 100 Industrials Index (1.5%). It is also a member of seven international indices provided by MSCI, Inc, including the MSCI World ESG Index (0.1%), MSCI World ex US ESG Index (0.2%), MSCI EAFE ESG Index (0.2%), MSCI KOKUSAI ESG PR Index (0.1%), MSCI Pacific ESG Index (0.5%), MSCI AC Asia Pacific Index (0.3%) and MSCI Australia USD Index (1.2%). The performance of Amcor Shares from 1 January 2016 to 1 March 2019, relative to the S&P/ASX 100 Industrials Index and the Comparable Companies Index[83] is illustrated as follows.

[83] Comparable Companies Index includes Berry, Sonoco, Sealed Air, Winpak and Huhtamaki. It is calculated by KPMG Corporate Finance on the basis of the aggregate market capitalisations of these companies as at 1 January

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Figure 23: Relative share price performance since 1 January 2015 to 1 March 2019

Source: S&P Capital IQ; KPMG Corporate Finance analysis. Amcor share price and indices rebased to 100.

As indicated previously, the Amcor share price appears to be inversely related to the price of the key raw materials and bond yields, each of which is captured in the Comparable Companies Index. The share price and Comparable Companies Index underperformed the S&P/ASX 200 Industrials Index until March 2017, coinciding with an increase in resin prices and bond yields (in November 2016), then outperformed until June 2017 as resin prices eased. The share price and Comparable Companies Index then underperformed from June 2017 until May 2018 coinciding with strong increases in resin prices and bond yields (in January 2018), a series of disappointing earnings results for the constituents of the Comparable Companies Index and an expectation that increases in raw material prices would adversely impact Amcor's earnings. After this, the share price and the Comparable Companies Index outperformed until 3 August 2018 as resin and aluminium prices slightly eased. From 3 August 2018 until 1 March 2019, Amcor has broadly tracked the S&P/ASX 100 Industrials Index (the Amcor share price declined by 2.2% and the index decreased by 2.7%) while the Comparable Companies Index increased by 2.1%.

8.11.3 Liquidity

An analysis of the volume of trading in Amcor Shares, including the VWAP for the period up to 3 August 2018 (the last trading day prior to market speculation in relation to the Transaction) is set out below.

Table 23: Volume of trading in Amcor Shares

Period	Price (low) (A$)	Price (high) (A$)	Price VWAP (A$)	Cumulative value (A$ million)	Cumulative volume (million)	% of issued capital
Period ended 3 August 2018[1]						
1 day	15.15	15.37	15.29	36.2	2.4	0.2
1 week	14.86	15.37	15.16	254.6	16.8	1.5
1 month	14.04	15.37	14.60	1,091.4	74.8	6.5
3 months	13.12	15.37	14.16	3,274.2	231.2	20.0
6 months	13.12	15.37	14.12	6,369.1	451.2	39.0
12 months	13.12	16.43	14.70	12,526.1	852.2	73.7

Source: S&P Capital IQ; KPMG Corporate Finance analysis.
Note 1: Last trading day prior to market speculation in relation to the Transaction.

2016. Movements in the Comparable Companies Index is calculated as changes in relative market capitalisations to the total market capitalisation as at 1 January 2016.

During the 12 month period to 2 August 2018, 73.7% of issued shares were traded. This level of trading indicates that there is an active market for Amcor Shares.

9 Profile of Bemis

9.1 Background

Bemis is a leading global packaging company focussed predominantly on flexible packaging, with the majority being used in the food industry in the United States. It has operations in 12 countries and approximately US$4 billion in revenue, 54 plants and 15,700 employees. It is headquartered in Neenah, Wisconsin, United States and is listed on the NYSE. It had a market capitalisation of US$4.2 billion[84] on 2 August 2018 (the last trading prior to media speculation about the Transaction).

Bemis was founded in Missouri in 1858 as a machine-sewn textile bag manufacturing business and later expanded into cotton mills. Between the 1950s and the 1980s, Bemis' textile business was gradually replaced by its current packaging business and from the 1990s and 2010s, it commenced providing packaging for healthcare end-market and expanded into South America, Europe and Asia. Recent key events in Bemis' corporate history include:

- from 2005 to 2011, Bemis acquired in stages Dixie Toga, a leading packaging company in South America, for approximately US$400 million
- in 2010, it acquired Alcan's Food Americas division for US$1.2 billion
- between 2013 and 2014, it sold its global Pressure Sensitive Materials business for US$150 million and Paper Packaging businesses for US$79 million
- after several years of lacklustre performance, Bemis held an inaugural 'Investor Day' in March 2015 where it announced a new, detailed performance improvement strategy
- in December 2015, it acquired the rigid plastic packaging operations of Emplal Participações S.A. (Emplal), a Brazilian manufacturer of plastic packaging for US$66 million
- in April 2016, Bemis acquired the medical device packaging operations and related value-added services of SteriPack Group for US$115.5 million
- in July 2016, following the acquisition of newer facilities as part of the Emplal acquisition and taking into consideration reduced consumer spending in Brazil, Bemis announced a restructure of its Latin America Packaging operations (2016 Plan)
- in March 2017, certain of Bemis' large core customers notified it to expect lower order volumes for the foreseeable future as their own businesses adjusted to the changing consumer tastes. In late March/early April 2017, Bemis eliminated a number of manufacturing sites in the United States and took action to reduce its administrative costs in the United States which formed part of its 2017 restructure plan that was announced in June 2017 to improve efficiency and profitability (2017 Plan)
- during Q3 CY17, Bemis established an enterprise project management office that took ownership of 'Agility', an initiative that comprises three pillars i.e. to 'fix, strengthen and grow' Bemis' business (Agility). The 2017 Plan is part of the 'fix' pillar of Agility which focuses on optimising Bemis' cost base and improving operational quality and service whilst the 'strengthen' pillar focuses on strengthening Bemis' capabilities by simplifying its processes and product portfolio and the 'grow' pillar on organic growth

[84] Calculated as Bemis' closing share price on 2 August 2018 of US$46.31 multiplied by 91,015,307 Bemis Shares outstanding as at 2 August 2018.

- between November 2017 and March 2018, Starboard Value LP (Starboard), an activist investor increased its interest in Bemis to approximately 3.3%. In March 2018, Bemis announced it had reached an agreement with Starboard to add three new independent directors initially identified by Starboard, in addition to a new independent director who had previously been identified by Bemis. In addition, two existing directors would retire from the Bemis Board, and
- in April 2018, Standard & Poor's downgraded Bemis' credit rating from a BBB stable to BBB- citing lower sales in the United States and Latin America in CY17.

9.2 Strategy

Bemis' main strategic objectives[85] are to accelerate growth, focus on innovation and continuously improve in order to deliver robust cash flow and returns to shareholders as follows:

- ***accelerate growth***: predicated on a shift from being inwardly focused to being more customer centric. Growth is to be achieved equally through:
  - ***organic growth:*** from the industry-wide trend of conversion to flexible packing; enhanced collaboration with customers; enhanced pricing and data analytics; product globalisation and enhanced product commercialisation processes. Bemis has traditionally focused on large consumer packaged goods customers. As part of Agility, Bemis has started to cater for smaller, regional customers to generate additional growth in the US Packaging segment, and
  - ***acquisitions:*** in adjacent industries (e.g. a films company acquired in Foshan, China, has since expanded into the electronics arena where the films are used in flat panel devices); emerging economies with higher growth (e.g. Brazil and China); and access to technology and healthcare.
- ***a focus on innovation:*** to extend shelf life, food safety, freshness, consumer convenience, sustainability and lower the cost of production. From CY15 to CY18, Bemis invested approximately US$38 million to US$47 million per annum in research and development.
- ***continuously improve:*** through executing disciplined product launches, deploying world class systems, enhancing cost discipline and modernising asset base and processes with new equipment which has faster run speeds, lower waste and quicker changeover times. As part of Agility, Bemis is optimising manufacturing capacity by closing ageing plants and moving business to more efficient or newer facilities. It is also simplifying its product portfolio to a streamlined set of core specifications, simplifying its organisational structure and rebalancing research and development efforts to focus on manufacturing improvements. Bemis has reduced its workforce by approximately 10%, from 17,500 employees globally in CY15 to 15,700 employees as at 31 December 2018, and
- ***returns to shareholders:*** Bemis is committed to returning free cash flow to shareholders through dividends and share repurchases. Since CY12, Bemis has returned over US$1 billion to Bemis Shareholders through dividends and share repurchases. As at 31 December 2018, Bemis had remaining board authorisation to repurchase an additional 18.2 million shares.

9.3 Business operations

9.3.1 Overview

Bemis has a significant global network, with approximately 54 facilities, some of which are co-located with Bemis' offices and innovation centres. Bemis' operations are divided into three geographic segments i.e. US Packaging, Latin America Packaging and Rest of World Packaging.

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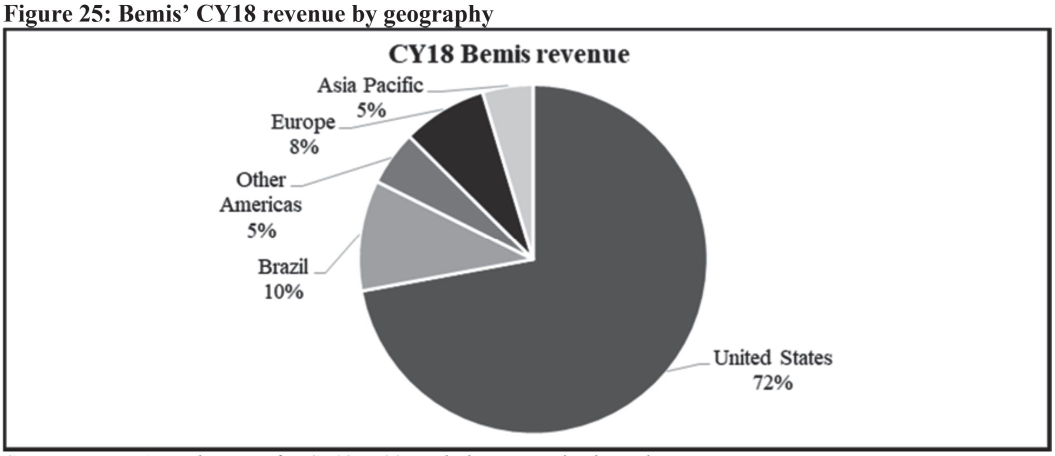
[85] First announced in the March 2015 Investor Day

Figure 24: Bemis' global presence as at 31 December 2018

Source: Bemis Annual Report for CY18. Approximate numbers.

In CY18, Bemis generated its revenue predominantly from flexible packaging. Its packaging operations are primarily located in North America and Latin America (where it has leading positions[86]). In total, approximately 72% of all Bemis revenue is derived in the United States. It also has a strong presence in Brazil and other countries in the Americas. It has a smaller presence in Europe and Asia Pacific.

Figure 25: Bemis' CY18 revenue by geography



Source: Bemis Annual Report for CY18, p.22. Includes external sales only.

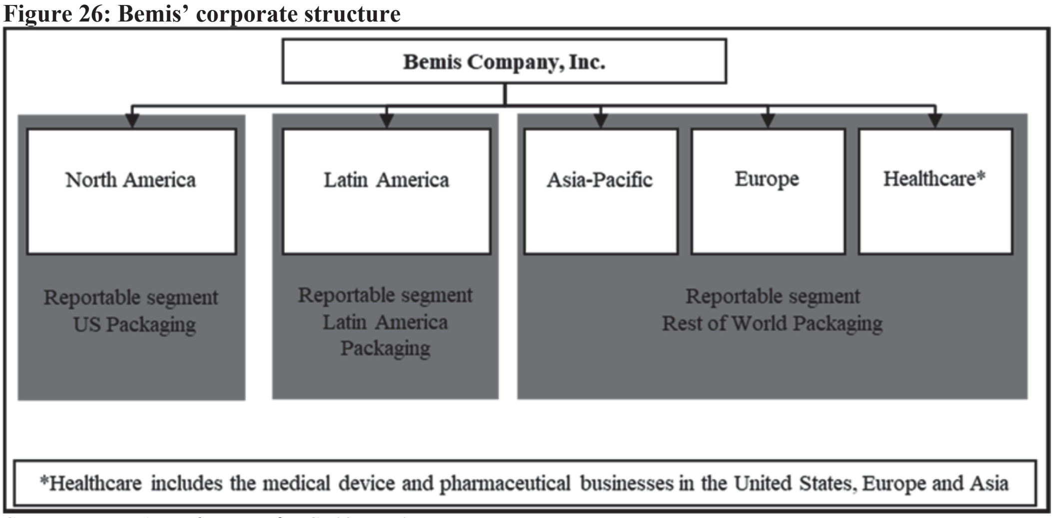
Although Bemis' operations are predominantly located in the United States and its reporting currency is US dollar, volatile exchange rates in emerging markets (particularly Brazil), have had an adverse impact on the US dollar performance of its Latin America Packaging segment.

[86] Leading position in Latin America refers to the regions Bemis is operating in.

9.3.2 Organisational Structure

Bemis' business activities are organized around three reportable business segments: US Packaging, Latin America Packaging and Rest of World Packaging. The Rest of World Packaging segment includes three divisions: Asia Pacific, Europe and Healthcare. The healthcare division includes packaging for medical device and pharmaceutical end-markets in the United States, Europe and Asia.

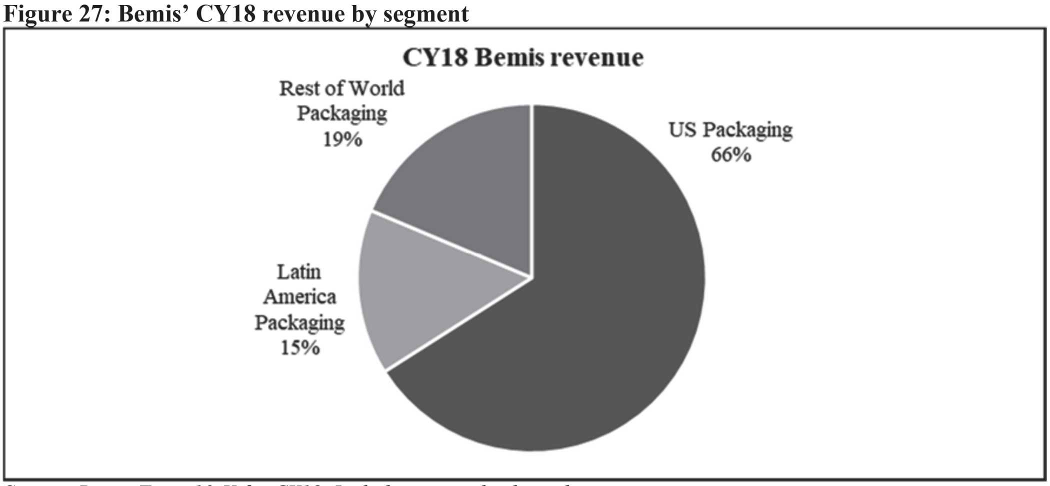
Figure 26: Bemis' corporate structure



Source: Bemis Annual Report for CY18, p. 71.

The contribution of each of these segments to Bemis' CY18 revenue is illustrated in the following chart.

Figure 27: Bemis' CY18 revenue by segment



Source: Bemis Form 10-K for CY18. Includes external sales only.

US Packaging

The US Packaging segment represents manufacturing operations for all food, consumer and industrial product end-markets located in the United States. This segment has approximately half of Bemis' facilities which are located in 13 states. As a result of its substantial scale, US Packaging has a relatively high PBIT margin (13% of CY18 revenue). Although it accounted for 66% of CY18 revenue, it accounted for 76% of PBIT.[87]

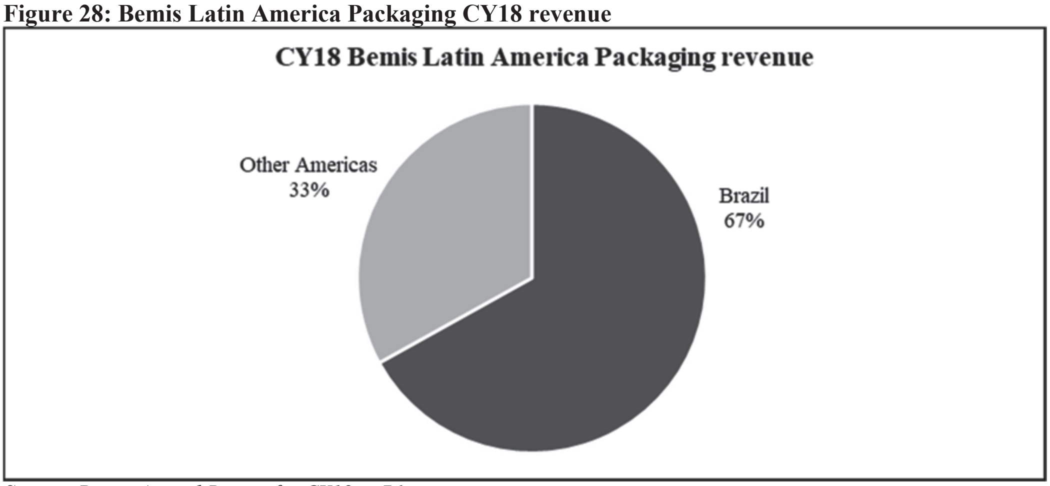
Historically, Bemis' customers have been large consumer products companies. Food related products accounted for the majority of US Packaging's CY18 sales. Over the last few years, volumes have come under pressure due to consumers' shift in preferences towards fresh food at the expense of processed food. In many categories, volumes at Bemis' customers have decreased by between 2% and 3% per annum whereas Bemis has been able to maintain relatively flat volumes by increasing its share of customers' packaging expenditure.

As noted in Section 9.1 of this report, Bemis launched Agility during 2017 and announced further details in relation to its 2017 Plan (which became part of Agility's 'fix' pillar) during Q3 CY17 including closing four plants and relocating the business to other facilities, consolidating office space, removing 500 administrative positions and reducing other costs (e.g. storage, transport and travel). The total cost to implement the 2017 Plan is estimated to be US$110 million to US$125 million with an annual pre-tax savings run rate of US$65 million by CY19. Bemis reached a run rate of US$35 million in CY18 in line with expectations.

Latin America Packaging

Latin America Packaging includes all food and non-food manufacturing operations located in Latin America. This segment manufactures flexible packaging sold for a variety of food, healthcare, personal care, electronics and industrial end-markets including injection moulded and thermoformed plastic as well as folding carton packaging. The segment has approximately a quarter of Bemis' facilities which are located in Brazil, Argentina and Mexico. Brazil accounted for 67% of CY18 sales.

Figure 28: Bemis Latin America Packaging CY18 revenue



Source: Bemis Annual Report for CY18, p.76.

Latin American Packaging generated a relatively low (5%) PBIT margin in CY18. Consequently, although it accounted for 15% of CY18 revenue, it accounted for only 7% of PBIT.[88] The segment has been adversely affected by the impact of Hurricane Harvey on resin prices and challenging economic conditions in Brazil and a nationwide truck driver strike. Raw materials are generally purchased in US dollars. The Brazilian Real has depreciated and the price of resin and other raw materials have increased substantially,[89] such that Brazilian Real raw material costs have increased substantially. At the same time,

[87] Excluding corporate costs.

[88] Excluding corporate costs.

[89] Refer to Section 7.4 of this report for a discussion on movements in raw material prices.

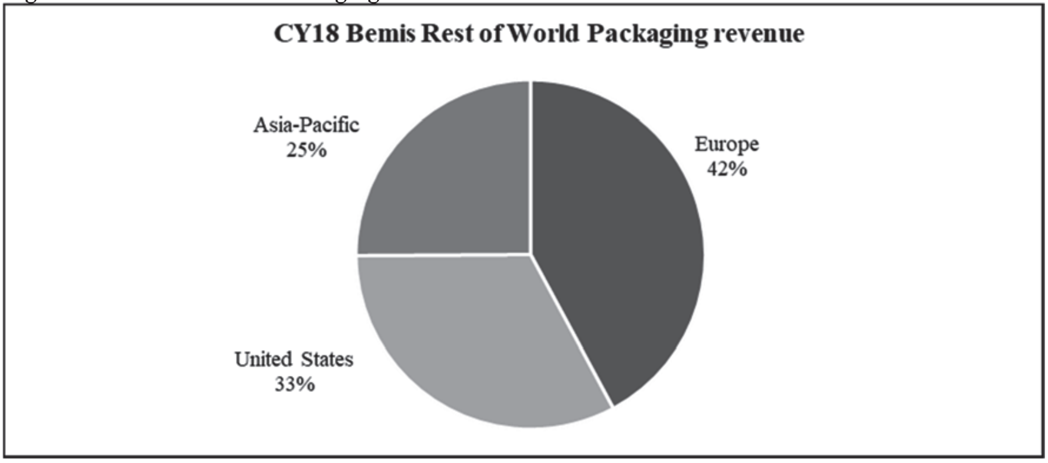
weak consumer demand has created difficulty in passing through higher costs to customers such that the segment has experienced lower unit volumes and margins as customers switch to cheaper alternatives.

As noted in Section 9.1 of this report, in July 2016, following the acquisition of newer facilities as part of the Empial acquisition, Bemis announced the 2016 Plan, which involved closing four legacy plants (two in December 2016 and two in 2017) and moving most production to the newer facilities. It was expected to cost between US$28 million to US$30 million and result in annual savings of around US$16 million.

Rest of World Packaging (including global healthcare)

Rest of World Packaging includes all food and non-food manufacturing operations located in Europe and Asia-Pacific as well as healthcare manufacturing operations in the United States, Europe and Asia. The segment manufactures flexible packaging for a variety of food, healthcare, personal care, electronics and industrial applications. It has approximately a quarter of Bemis' facilities which are located in the United States, the Commonwealth of Puerto Rico and eight other countries. CY18 revenues were generated fairly evenly between Europe, the United States and the Asia Pacific.

Figure 29: Rest of World Packaging CY18 revenue



Source: Bemis Annual Report for CY18, p.76.

As a result of its smaller scale, Rest of World Packaging generates a relatively low PBIT margin (11% in CY18). Consequently, although it accounted for 19% of CY18 revenue, it only accounted for 17% of PBIT.[90] Rest of World Packaging includes global healthcare where increasing volumes has been a key driver of the segment's revenue and PBIT over the last few years.

9.3.3 Innovation and Sustainability

Bemis has a strong reputation as a material sciences innovator and technology leader, with particular expertise in barrier films. It has a significant number of patents, licenses and trademarks and has won numerous awards for innovation. One of Bemis' strengths is in its Flow-Tite and Form-Tite brands, which are flat shrink rollstock films for wrapping proteins and allow the automation of packaging fresh meats (as opposed to more common Shrink Bags which is more labour intensive). Bemis has a dedicated technology and innovation centre in Neenah, Wisconsin where it collaborates with customers to develop new products. The facility has packaging equipment on the laboratory floor, where Bemis can make samples for customers in real time during the course of a visit. Bemis is also focused on developing

[90] Excluding corporate costs.

sustainable packaging (through reducing material weight and volume) and reducing food waste (through extending the shelf life of its packaging).

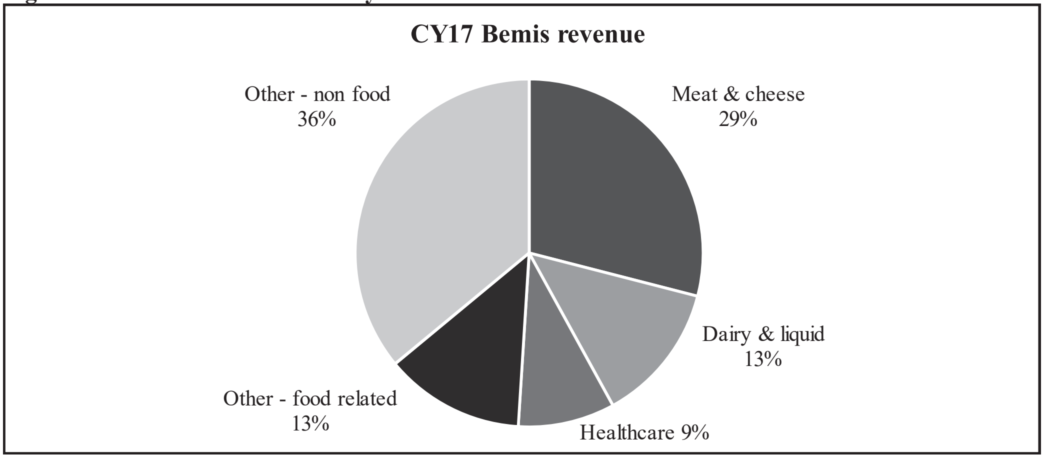
9.3.4 Raw materials

Bemis' products are manufactured from a range of raw materials, with the key inputs being polymer resins and films, paper, inks, adhesives, aluminium, and chemicals. Raw materials are purchased under long term contracts from a range of global suppliers with prices set on commodity markets. Approximately 85% of US customers and 50% of international customers are on long term contracts with different arrangements for pass through of raw material costs. Generally, the time lag of pass through of raw material costs is approximately 90 days. The remaining customers are not subject to contractual pass-through provisions and are exposed to market and discretionary price changes. Bemis' ability to pass through higher raw material prices is similar to Amcor.

9.3.5 Customers and end-markets

Bemis' customer base includes companies such as Kraft, Nestle, Kimberly Clark, Coca-Cola, Unilever, Johnson & Johnson, Mars, Kellogg's, Pepsico, Colgate and P&G. Sales to Kraft accounted for approximately 11% of sales in CY18. No other customer constituted more than 10% of sales. Over the last several years Bemis has experienced a consolidation of its customer base as many of Bemis' largest customers have acquired companies with similar or complementary product lines, which has increased the buying power of Bemis' largest customers and exerts pricing pressure on Bemis. Bemis' key end-markets primarily include food and healthcare as shown in the following figure.

Figure 30: Bemis' CY17 revenue by end market



Source: Bemis management
Note: We understand based on discussions with Bemis management that CY18 revenue by end market is broadly in line with CY17.

9.4 Financial performance

The US GAAP financial performance of Bemis for CY15, CY16, CY17 and CY18 is summarised in the following table.

Table 24: Financial performance of Bemis

Period US$ million unless otherwise stated	CY15 US GAAP	CY16 US GAAP[1]	CY17 US GAAP[1]	CY18 US GAAP[1]
Sales revenue [2]				
US Packaging	2,747.5	2,621.1	2,626.0	2,698.5
Latin America Packaging	693.1	703.1	711.4	628.6
Rest of World Packaging	630.8	680.2	708.8	762.8
Sales revenue	**4,071.4**	**4,004.4**	**4,046.2**	**4,089.9**
Cost of goods sold	(3,198.0)	(3,137.9)	(3,260.0)	(3,284.8)
Gross profit	**873.4**	**866.5**	**786.2**	**805.1**
EBITDA	**583.6**	**602.0**	**548.8**	**573.2**
Adjusted EBITDA[3]	**583.6**	**602.0**	**548.8**	**573.2**
Depreciation	(143.8)	(146.1)	(152.8)	(150.7)
Amortisation	(14.3)	(16.0)	(17.0)	(16.9)
Adjusted EBIT:				
US Packaging	391.8	400.0	352.5	360.2
Latin America Packaging	60.9	50.0	30.0	32.8
Rest of World Packaging	55.6	64.0	61.1	81.2
General corporate expenses	(82.8)	(74.1)	(64.6)	(68.6)
Adjusted EBIT[4]	**425.5**	**439.9**	**379.0**	**405.6**
Net interest expense	(47.9)	(57.7)	(63.0)	(73.4)
Other non operating income[5]	(1.6)	(2.7)	(6.3)	0.1
Significant and non-recurring items	(12.1)	(28.6)	(257.0)	(46.6)
Profit from continuing operations before income tax	**363.9**	**350.9**	**52.7**	**285.7**
Income tax expense	(122.0)	(114.7)	41.3	(60.0)
Profit from continuing operations	**241.9**	**236.2**	**94.0**	**225.7**
Loss from discontinued operations[6]	(2.6)	-	-	-
Net profit attributable to Bemis Shareholders	**239.3**	**236.2**	**94.0**	**225.7**
Statistics:				
Sales revenue growth (%)	*(6.3%)*	*(1.6%)*	*1.0%*	*1.1%*
Adjusted EBITDA growth (%)	*(0.8%)*	*3.2%*	*(8.8%)*	*4.4%*
Adjusted EBIT growth (%)	*4.4%*	*3.4%*	*(13.8%)*	*7.0%*
Return on funds employed (%) [7]	*16.2%*	*16.7%*	*14.0%*	*16.2%*
Gross margin (%)	*21.5%*	*21.6%*	*19.4%*	*19.7%*
Adjusted EBITDA margin (%)	*14.3%*	*15.0%*	*13.6%*	*14.0%*
Adjusted EBIT margin (%)	*10.5%*	*11.0%*	*9.4%*	*9.9%*
Adjusted EBITDA interest cover (times) [8]	*12.2*	*10.4*	*8.7*	*7.8*

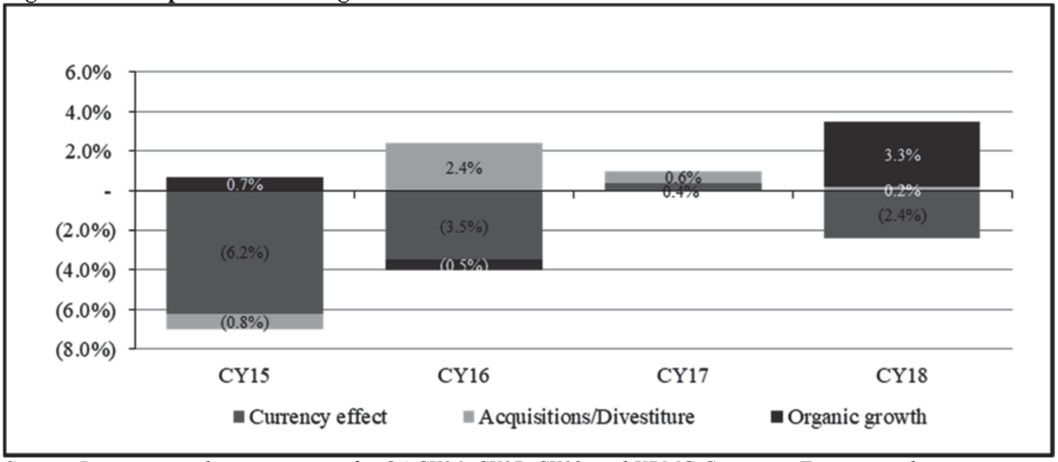
Source: Bemis Financial Reports for CY16, CY17 and CY18, Scheme Booklet Section 5.5 (d) and KPMG Corporate Finance analysis.

Notes:

1. *CY16 and CY17 have been retrospectively revised to reflect changes to presentation of costs associated with defined benefit pension and other postretirement benefit plans under US GAAP pursuant to guidance issued in March 2017 and adopted by Bemis in Q3 CY18. CY15 has not been revised to reflect these changes.*
2. *Sales to external customers.*
3. *Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and significant items.*
4. *Adjusted EBIT is earnings before interest and tax and significant items.*
5. *Includes gain on sale of land (CY15) and foreign exchange loss (CY16).*
6. *Related to the finalisation of impairment charges, net of tax, in relation to the closure of the Bemis Healthcare Packaging Plant in Pennsylvania.*
7. *Return on funds employed calculated as adjusted EBIT divided by average of total funds employed.*
8. *Interest cover is adjusted EBITDA divided by net interest.*

Although the majority of Bemis' sales are generated in the United States (approximately 65% in CY18[91]), sales growth since CY15 has been negatively impacted by exchange rate movements, which mostly offset organic growth and growth from acquisitions in CY15, CY16 and CY18 as illustrated in the following figure.

Figure 31: Components of sales growth



Source: Bemis quarterly presentations for Q4 CY16, CY17, CY18, and KPMG Corporate Finance analysis.
Note 1: HY18 shows the relative change to the first six months of CY17.

In the following we have outlined the performance of each segment and the currency effects contributing to overall sales and earnings growth of Bemis. We note that Bemis announced that all its operating segments performed in line with expectations and met their Agility objectives during CY18.

US Packaging

US Packaging' sales were relatively flat in CY16 and CY17 driven by weak volumes, product mix and pricing pressure from major customers. In CY18 sales increased by 2.8% compared to CY17 primarily as a result of higher sale prices and an improved sales mix, which more than offset lower volumes that were driven by Bemis' planned exit of the infant care business in the United States. In FY16, margins increased slightly as a result of operational improvements relating to manufacturing efficiencies from Bemis' asset recapitalisation program. In CY17, however, margins were impacted by issues experienced in one of the manufacturing facilities as a result of the implementation of a new enterprise resources planning (ERP) system and product mix. In CY18, margins remained broadly in line with CY17 with cost savings achieved from Bemis' 2017 Plan partially offset by higher freight costs, customer incentive costs and payments in relation to employee benefit plans.

Latin America Packaging

Latin America Packaging sales increased in CY16 as a result of higher selling prices, which were partly offset by a negative currency effect and lower volumes. In contrast, sales growth in CY17 was primarily attributable to a positive currency effect with organic growth being negatively impacted by lower volumes and an unfavourable sales mix in Brazil due to a challenging economic environment as also outlined in Section 9.3.2. This challenging environment and a forecast slow economic recovery led to an impairment of goodwill in CY17.

Whilst sales increased, profit margins of Latin America Packaging declined in CY16 and CY17 due to operational inefficiencies in one of its healthcare facilities in CY16 and the challenges within its Brazilian

[91] Including Global Healthcare's sales in the United States.

operations as outlined above. In CY18, sales declined by 11.6%, primarily due to a negative currency impact and the impact from implementing high inflation accounting in Bemis' Argentinian operations which was partly offset by 4.5% organic growth relating to higher sales prices and a better sales mix, which was partly offset by lower volumes driven by the exit from laundry detergent packaging in Brazil. Profit margins slightly increased in CY18 driven by continued variable and fixed cost reductions implemented in light of the challenging economic environment in Brazil and as part of the initiatives announced in July 2016 and the 2017 Plan.

Rest of World Packaging (including healthcare)

Sales in the Rest of World Packaging increased in CY16 and CY17 due to increased selling prices, increased volumes and the acquisition of SteriPack Group, which was partly offset by negative currency effects. In CY18, increased selling prices, a favourable sales mix, higher volumes in healthcare and positive currency effects resulted in an increase in sales of 7.6%. Whilst the increase in sales in CY16 resulted in a corresponding increase in margins, CY17 margins were negatively impacted by rising raw material prices (refer to Section 7.4) and the product mix. In CY18, profit margins recovered above CY16 levels as a result of positive currency effects and increased volumes in healthcare.

Other items

Depreciation represents approximately 90% of depreciation and amortisation charges and primarily relates to machinery, equipment, buildings and leasehold improvements. Amortisation charges mainly relate to customer and technology-based intangible assets recognised as part of Bemis' acquisitions.

Net interest expense increased from CY15 to CY17 as a result of an increase in net borrowings and average interest rates (3.6% to 4.3%). In CY18, interest rates on commercial and other variable rate debt increased compared to CY17. Corporate and other expenses declined from US$86.6 million in CY15 to US$68.6 million in CY18 as a result of the implementation of the 2016 Plan and 2017 Plan.

As a result of the Tax Cuts and Jobs Act of 2017 enacted in December 2017, Bemis recorded a US$67.2 million non-cash tax benefit in CY17, driven primarily by the revaluation of deferred tax liabilities under the new legislation, partially offset by a one-time transition tax on unremitted earnings. Bemis' effective tax rate decreased from 35% in CY17 to 21% in CY18, lower than the effective tax rate of 23% expected, but in line with the 21% corporate tax rate enacted with the impact from various state and local income taxes, federal income tax benefits and the difference between tax rates in various foreign jurisdictions in which it operates mostly offsetting each other.

Bemis has consistently increased its dividends since 1992 with an average increase of 3.5% per annum. This resulted in a significant increase in Bemis' payout ratio in CY17 before it decreased in CY18. In line with this, Bemis' shareholder return (EPS growth and dividend yield) sharply decreased in CY17 with the increase in dividends being more than offset by the sharp decline in EPS before it increased sharply in CY18 due a strong increase in EPS as a result of an increase in profits.

Bemis aims to at least maintain or modestly increase its quarterly dividends each year. Consistent with its dividend policy, it declared quarterly dividends of US$0.31 per share for Q2 CY18, Q3 CY18 and Q4 CY18 on 3 May 2018, 2 August 2018 and 1 November 2018 respectively which is permitted under terms of the Transaction Agreement. The dividends were paid on 1 June 2018, 4 September 2018 and 3 December 2018 respectively. On 7 February 2019, Bemis declared a quarterly dividend of US$0.32 per share for Q1 CY19, consistent with its policy and as permitted under the terms of the Transaction Agreement. The dividend was paid on 1 March 2019.

Table 25: Bemis EPS and dividends per share

Period US$ million unless otherwise stated	CY15 US GAAP	CY16 US GAAP[1]	CY17 US GAAP[1]	CY18 US GAAP[1]
Weighted average ordinary shares on issue (million)	97.9	95.1	91.9	91.5
Basic EPS (US$)[1]	$2.50	$2.51	$1.03	$2.48
Dividends per share (US$)	$1.12	$1.16	$1.20	$1.24
Dividend payout ratio (%)	44.8%	46.2%	116.5%	50.0%

Source: Bemis Financial Reports for CY16, CY17 and CY18, and KPMG Corporate Finance analysis.
Note 1: Basic EPS is calculated by dividing net operating profit by the weighted average number of ordinary shares outstanding during the year.

Bemis does not expect a material impact from the new leasing standard due to only a small proportion of its properties, buildings and equipment being leased.

Bemis has identified the following significant items.

Table 26: Bemis significant items

Period US$ million unless otherwise stated	CY15 US GAAP	CY16 US GAAP[1]	CY17 US GAAP[1]	CY18 US GAAP[1]
Goodwill impairment charge	-	-	(196.6)	-
Restructuring and other costs	(12.1)	(28.6)	(60.4)	(61.9)
Brazilian tax credit	-	-	-	15.3
Total significant items	**(12.1)**	**(28.6)**	**(257.0)**	**(46.6)**

Source: Bemis Financial Reports for CY16, CY17 and CY18 and KPMG Corporate Finance analysis.
Note 1: CY16 and CY17 have been restated to reflect changes to presentation of costs associated with defined benefit pension and other postretirement benefit plans under US GAAP in March 2017.

The goodwill impairment charge in CY17 of US$196.6 million relates to the continued decline in the economic environment in Brazil. Restructuring and other costs in CY16 represents the 2016 Plan whereas costs in CY17 and CY18 reflect the implementation of the 2017 Plan. In October 2018, a Brazilian subsidiary of Bemis received a final decision in relation to certain indirect taxes that were incorrectly required to be paid between 2001 and 2017. As a result, Bemis expects a tax credit that can be used to offset various Brazilian federal taxes in the future and has recorded a US$15.3 million benefit in CY18 (offset by US$5.2 million of income tax). The company is still working on the estimate for credits for the years 2001 to 2008 and expects further benefits in 2019.

We note that as a result of the inflationary developments in Argentina, Bemis applied ASC 830 (Foreign Currency Matters) to its Argentinian operations from Q3 CY18 which means that financial statements of its Argentinian operations are remeasured as if Bemis' reporting currency was its functional currency.

9.5 Financial position

The US GAAP financial position of Bemis as at 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 is summarised in the following table.

Table 27: Financial position of Bemis

As at US$ million unless otherwise stated	31 Dec 2015 US GAAP	31 Dec 2016 US GAAP	31 Dec 2017 US GAAP	31 Dec 2018 US GAAP
Debtors	451.3	461.9	448.7	443.3
Inventory	525.9	549.4	620.2	619.5
Creditors and tax liabilities	(370.0)	(409.2)	(507.7)	(549.2)
Net working capital	**607.2**	**602.1**	**561.2**	**513.6**
Property, plant and equipment	1,206.3	1,283.8	1,318.1	1,250.3
Intangibles	1,099.3	1,184.0	995.0	966.6
Equity accounted investments	5.4	6.2	8.9	6.9
Other non current assets	50.8	71.4	89.3	75.4
Derivatives (net)	5.2	1.3	(0.6)	(2.7)
Deferred tax liabilities (net of assets)	(168.6)	(216.2)	(102.0)	(129.5)
Retirement benefit obligations (net)	(99.8)	(59.5)	(47.6)	(75.7)
Other current assets/(liabilities) (net)	(101.1)	(69.6)	(40.3)	(44.7)
Other non current liabilities	(67.2)	(72.9)	(88.5)	(59.8)
Total funds employed	**2,537.5**	**2,730.6**	**2,693.5**	**2,500.4**
Cash and cash equivalents	59.2	74.2	71.1	76.1
Total borrowings	(1,389.3)	(1,545.1)	(1,563.4)	(1,360.6)
Net borrowings	**(1,330.1)**	**(1,470.9)**	**(1,492.3)**	**(1,284.5)**
Net assets attributable to Bemis shareholders	**1,207.4**	**1,259.7**	**1,201.2**	**1,215.9**
Statistics:				
Shares on issue at period end (million)	*94.7*	*92.7*	*91.0*	*91.0*
Net working capital as a percentage of sales	*14.9%*	*15.0%*	*13.9%*	*12.6%*
Net assets per share (cents) [1]	*12.7*	*13.6*	*13.2*	*13.4*
Gearing [2]	*52.4%*	*53.9%*	*55.4%*	*51.4%*

Source: Bemis Financial Reports for CY17 and CY18 and KPMG Corporate Finance analysis.
Notes:
1. *Net assets per share is calculated as net divided by the number of Bemis Shares at period end.*
2. *Gearing represents total loans and borrowings divided by net assets.*

In regards to the financial position of Bemis as illustrated in the preceding table, we note:

- working capital fluctuates throughout the year depending on customer volumes and market conditions. Net working capital as a percentage of sales increased in CY16 but has remained relatively stable since. Relative to Amcor, Bemis has a higher average working capital as percentage of sales[92]
- inventory comprises raw materials and supplies and work in process and finished goods which represented approximately 30% and 70% of inventory respectively as at 31 December 2018. In CY17, inventory increased by 13% compared to CY16's single digit changes following an unexpected reduction in customer orders
- at 31 December 2018, other current liabilities comprised US$94.3 million of employee related liabilities and US$14.4 million of accruals mainly related to restructuring activities (2017 Plan)

[92] Source: Amcor management.

- as at 31 December 2018 property, plant and equipment represented 50% of funds employed and increased between CY15 and CY17 as capital expenditure to modernise plants was greater than the impact of plant closures completed during CY17 in relation to Bemis' 2017 Plan. In CY18, capital expenditure slightly decreased with a corresponding slight decrease in property, plant and equipment
- equity accounted investments primarily relate to Bemis joint venture in Brazil (Laminor S.A.)
- intangible assets primarily consist of goodwill and customer based intangible assets arising from business acquisitions. Intangible assets decreased in CY17 primarily as a result of the impairment associated with Latin American Packaging
- deferred tax liabilities decreased in CY17 as a result of the revaluation of deferred tax liabilities related to the change in United States tax legislation as outlined in Section 9.4
- retirement benefit obligations relate to a defined pension plan maintained by Bemis which primarily comprises United States pension plans (approximately 92% in CY18)
- as at 31 December 2018, Bemis had US$61.3 million of minimum future lease obligations generally expiring within the next 15 years
- Bemis is subject to a tax dispute in Brazil in relation to the amortisation of goodwill associated with the acquisition of Dixie Toga. The amount under dispute for 2009 to 2011 is approximately US$9.8 million and Bemis expects that the post 2011 amount could be similar. In May 2017, Bemis received a favourable administrative decision, however, the Brazilian government is appealing the decision and the final outcome may take several years. Based on the advice Bemis has received from its advisors, it does not expect the final resolution to have a material impact on Bemis' financial position. In addition, Bemis is involved in a number of lawsuits related to environmental litigation and routine litigation arising from the ordinary course of business, and
- Bemis uses derivative financial instruments to manage its foreign currency and interest rate risk including interest rate swap contracts to economically convert a portion of its fixed rate debt to variable rate debt and forward exchange contracts to manage foreign currency exchange rate exposure associated with certain foreign currency denominated receivables and payables. The net balance (mark-to-market) of its interest rate swap as at 31 December 2018 was a liability of US$2.7 million.

Borrowings

Bemis has access to diverse capital markets. Details of its financing facilities available as at 31 December 2018 are set out in the following table.

Table 28: Bemis financing facilities as at 31 December 2018

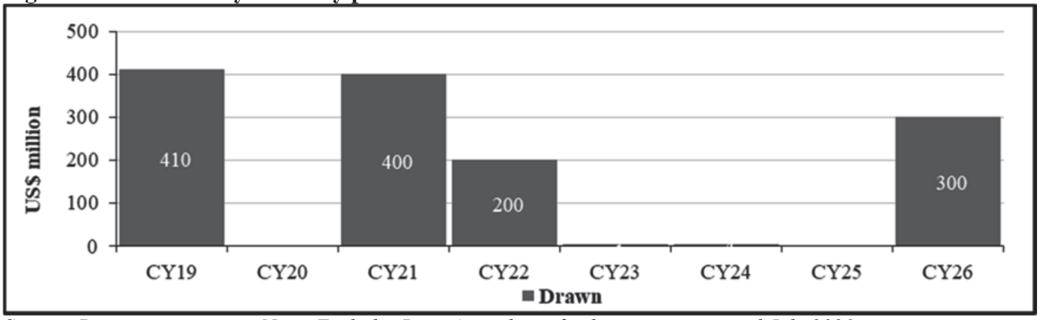
US$ million	Total facility	Amount drawn	Available facility
Commercial paper - revolving facility	1,100.0	50.0	1,050.0
Term loan	200.0	200.0	-
Senior notes			
Fixed interest rate of 6.8%	400.0	400.0	-
Fixed interest rate of 4.5%	400.0	400.0	-
Fixed interest rate of 3.1%	300.0	300.0	-
Other debt (current, short-term , debt of subsidiaries etc.)[1]	13.3	13.3	-
Interest rate swap in relatio to 4.5% senior notes	(2.7)	(2.7)	
Total borrowings per financial position		**1,360.6**	

Source: Bemis 10K for CY18 and KPMG Corporate Finance analysis. Note: Includes unamortised discounts and debt issuance costs.

Bemis issues commercial paper to meet its short-term liquidity needs. In July 2016, Bemis extended the term of its US$1.1 billion revolving facility agreement from August 2018 to July 2021. If Bemis is not able to issue commercial paper to cover financial liquidity needs, it expects to cover these on the bank market, however, this would increase its borrowing costs. Overall, approximately 70% of Bemis' drawn debt is fixed and 30% is variable. Bemis' eight year term loan has a variable interest rate based on the one-month LIBOR plus a fixed spread. In 2011, Bemis entered into fixed for floating swaps in relation to its US$400 million of 4.5% coupon notes due in 2021. Bemis' only undrawn amount relates to its revolving commercial paper facility that is primarily used to serve its short-term liquidity needs.

Details of Bemis' debt maturity profile as at 31 December 2018 are set out in the following chart.

Figure 32: Debt facility maturity profile as at 31 December 2018



Source: Bemis management. Note: Excludes Bemis' revolving facility agreement until July 2021.

As at 31 December 2018, Bemis had US$400 million of its 6.8% senior notes expiring in CY19 and US$400 million of its 4.5% senior notes in CY21. Its weighted average maturity was approximately 3.6 years.[93] Bemis has a Baa2 stable Moody's credit rating and a BBB- Standard & Poor's credit rating. On 6 August 2018, Standard & Poor's placed Bemis on credit watch with positive implications following the announcement of the Transaction. Bemis seeks to maintain its investment grade rating to be able to issue commercial paper at favourable rates going forward. Its US$1.1 billion revolving credit facility has the financial covenants shown in the following table.

Table 29: Revolving commercial paper covenants

Covenant	Threshold	CY15 US GAAP	CY16 US GAAP	CY17 US GAAP	CY18 US GAAP
Debt/capitalisation	Maximum 55%	41.3%	43.3%	45.3%	40.7%
Net worth	Minimum US$1.55 billion	1.8	1.9	1.8	1.9

Source: Bemis management.

The table above shows the covenants based on Bemis' balance sheet. We note that Bemis was in compliance with its commercial paper covenants in all years shown.

[93] Including an assumed one year maturity of Bemis' US$50 million commercial paper rollover facility drawn as at 31 December 2018.

9.6 Cash flows

The US GAAP cash flow statements for Bemis for CY15, CY16, CY17 and CY18 are summarised in the following table.

Table 30: Cash flow statement of Bemis

Period US$ million unless otherwise stated	CY15 US GAAP	CY16 US GAAP	CY17 US GAAP	CY18 US GAAP
EBITDA	**583.6**	**602.0**	**548.8**	**588.5**
Interest paid (net)	(48.5)	(57.4)	(63.8)	(74.0)
Tax paid	(84.7)	(93.1)	(73.5)	(44.0)
Dividends received	1.7	2.7	-	2.7
Changes in working capital and other	100.3	(8.5)	(10.3)	8.6
Cash impact of significant and non-recurring items	-	(8.3)	(22.2)	(20.3)
Cash flow from operations	**552.4**	**437.4**	**379.0**	**461.5**
Capital expenditure	(219.4)	(208.3)	(188.5)	(143.5)
Proceeds from disposal of property, plant and equipment	9.6	11.6	14.5	3.6
Operating cash flow	**342.6**	**240.7**	**205.0**	**321.6**
Dividends and other equity distributions	(109.7)	(113.9)	(111.2)	(113.8)
Free cash flow	**232.9**	**126.8**	**93.8**	**207.8**
Acquisitions (net of divestments and acquired cash)[1]	(57.1)	(114.5)	(3.9)	-
Payments for shares bought back[2]	(159.3)	(153.6)	(112.3)	(5.8)
Contributions to defined benefit pension plans	(2.9)	(20.7)	(4.0)	(2.1)
Foreign exchange impact and other	(47.9)	21.2	5.0	7.9
Change in net debt per financial position	**(34.3)**	**(140.8)**	**(21.4)**	**207.8**
Net borrowings - opening balance	***(1,295.8)***	***(1,330.1)***	***(1,470.9)***	***(1,492.3)***
Net borrowings - closing balance	***(1,330.1)***	***(1,470.9)***	***(1,492.3)***	***(1,284.5)***

Source: Bemis Annual Reports and Full Year Results Presentations for CY15, CY16, CY17 and CY18 and KPMG Corporate Finance analysis.
Notes:
1. *Includes deferred payments for business acquisitions.*
2. *Includes common stock purchased for the treasury, stock incentive programs and related withholdings net of excess tax benefit from share-based payment arrangements.*

Despite reasonably steady EBITDA in CY15, CY16 and CY17, cash flow from operations declined by 31% as a result of:

- an increase in interest paid (net) as borrowings and interest rates increased
- an increase in working capital in CY17 as Bemis accumulated US$70 million more inventory as a result of unexpected changes in customers' forward orders, and
- cash outlays in CY16 and CY17 associated with the 2016 Plan (CY16) and 2017 Plan (CY17).

The acquisition of Steripack medical device packaging operations in CY16 was mainly funded by an increase in borrowings. Capital expenditure was curtailed between CY16 and CY18, and no further acquisitions were made from CY17, however, Bemis continued to pay dividends and buy back shares. From CY15 to CY17, US$430.8 million of shares were bought back with no share buy backs in CY18 except for Bemis' stock incentive programs. In CY18, cash flow from operations increased by 22% (and exceeded prior guidance of between US$410 million to US$430 million) primarily related to higher earnings, lower income taxes paid (as a result of the reduction of the United States federal corporate tax rate to 21%) and improved working capital management.

9.7 Outlook

Bemis has not publicly released specific earnings forecasts for any period beyond CY18.

As far as KPMG Corporate Finance is aware, Bemis is ordinarily followed by 19 brokers. Of these 19 brokers, one broker ceased coverage of Bemis following the announcement of the Transaction and two of the brokers are restricted as a result of their role in advising parties to the Transaction. Of the remaining 16 brokers, only 8 have released updated earnings forecasts for Bemis following its following its CY18 financial results announcement on 31 January 2019. The broker forecasts are summarised in the following table and set out in detail in Appendix 3.

Table 31: Broker consensus forecast

US$ million unless otherwise stated	Actual CY18	Broker Consensus (median) CY19	CY20
Sales revenue	**4,089.9**	**4,107.9**	**4,145.9**
Gross Profit	**805.1**	**849.2**	**868.3**
EBITDA	**573.2**	**599.9**	**620.5**
Adjusted EBITDA	**573.2**	**599.9**	**620.5**
Depreciation and amortisation	(171.0)	(169.8)	(163.0)
Adjusted EBIT	**405.6**	**434.0**	**450.5**
Statistics:			
Sales revenue growth (%)	*1.0%*	*1.4%*	*2.5%*
Gross profit margin (%)	*19.7%*	*20.7%*	*20.9%*
Adjusted EBITDA margin (%)	*14.0%*	*14.6%*	*15.0%*
Adjusted EBIT margin (%)	*9.9%*	*10.6%*	*10.9%*

Source: Broker reports for Bemis and Bemis Annual Report for CY18.

We note that all brokers have made direct reference to Agility, however there are no clear differences in expected PBITDA margins between the brokers that mention Agility and those who do not make any reference to it in their reports. Consequently, all eight broker forecasts have been included.

9.8 Bemis Board

The Bemis Board comprises eleven Independent Directors, one Executive Director and one Non-Executive Chairman. Details of the Bemis Board are summarised in the following table.

Table 32: Bemis Board

Board members	
Manganello, Timothy M.	Non-Executive Chairman
Austen, William F.	President, CEO & Director
Haffner, David S.	Independent Director
Nayar, Arun	Independent Director
Van Deursen, Holly A.	Independent Director
Weaver, Philip G.	Independent Director
Doyle, Katherine C.	Independent Director
Gulfo, Adele M.	Independent Director
Novo, Guillermo	Independent Director
Ogilvie, Marran Humphrey	Independent Director
Szczupak, David T.	Independent Director
Wurtz III, George William	Independent Director
Yanker, Robert H.	Independent Director

Source: Bemis management.

9.9 Share capital and ownership

As at 1 March 2019, Bemis had 91,211,989 ordinary shares on issue. The top 20 registered Bemis Shareholders accounted for approximately 50% of shares on issue[94] and primarily included institutional nominees and custodian companies. As at 1 March 2019, retail investors accounted for only approximately 20% of Bemis Shares on issue. As at 1 March 2019, Bemis had received notices from the following substantial shareholders.

Table 33: Substantial shareholder notices as at 1 March 2019

Substantial shareholder	Date of notice	Number of shares	Percentage interest
The Vanguard Group, Inc	11-Feb-19	9,127,456	10.3%
BlackRock, Inc	4-Feb-19	8,281,577	9.1%
State Street Global Advisors, Inc	13-Feb-19	7,233,376	7.7%

Source: S&P Capital IQ and KPMG Corporate Finance analysis.
Note 1: Substantial shareholders with more than 5% shareholding based on SEC Filing Forms SC 13G. Percentage Interest shown as at date of notice.

Bemis operates a number of employee incentive share plans. The stock awards outstanding as at 1 March 2019 are as follows.

Table 34: Bemis stock awards as at 1 March 2019

Bemis stock awards	On issue	Vested	Unvested
Time based (stock settled restricted stock units (RSU))	321,525	55,678	265,847
Time based (RSU) - cash settled	6,440	-	6,440
Directors 2018 RSU (to be settled in May 2019)	40,396	-	40,396
Performance based (performance stock units (PSU))	444,973	-	444,973
Performance based (PSU) - cash settled	2,420	-	2,420
Total stock awards	**815,754**	**55,678**	**760,076**

Source: Bemis management.
Note 1: The Scheme Booklet shows a total of 1,251,867 Bemis Shares underlying outstanding Bemis stock awards based on an assumed vesting of PSUs at maximum target that results in a 200% conversion i.e. two Bemis Shares for each of the stock settled PSUs plus one Bemis Share for each of the stock settled RSUs. However, in the event of a change of control, stock settled PSUs convert at 100% i.e. one Bemis Share for each stock settled PSU. In addition, the conversion of Bemis PSUs and RSUs is net of expected applicable taxes (currently assumed at a tax rate of 40% as advised by Bemis management), except for directors 2018 RSUs which are granted gross i.e. no tax adjustment.

Bemis RSUs vest when the relevant employee reaches a certain age, PSUs vest based on Bemis' total shareholder return (assuming reinvestment of dividends) relative to the performance of Bemis' comparative group over a three-year period. All stock awards vest on a change of control.

Under the Transaction, stock settled Bemis PSUs, stock settled Bemis RSUs and directors 2018 RSUs will be cancelled and holders will receive 5.1 New Amcor Shares for each Bemis Share underlying the Bemis PSU or RSU held plus any cash equal to any entitlement to a fraction of a New Amcor Share.[95] Bemis Cash-Settled RSUs and PSUs will be cancelled and settled in cash.[96]

[94] Based on the estimated equitable rather than legal ownership as provided by Bemis management.
[95] The New Amcor Shares to be issued will be net of expected applicable taxes and will be calculated for each individual shareholder, which varies depending on individual circumstances and location (currently assumed at a tax rate of 40% which is used as proxy to derive the estimated number of shares), except for directors 2018 RSUs which are granted gross i.e. without adjustment for taxes.
[96] Similarly to the conversion of stock settled RSUs and PSUs into New Amcor Shares, the cash settlement is net of expected applicable taxes (please refer to footnote above).

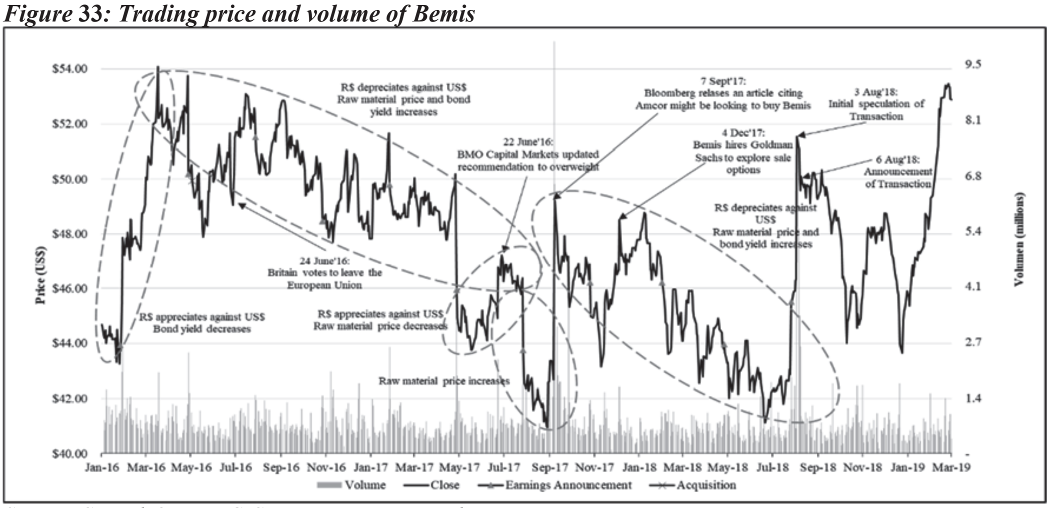
In addition, Bemis has 1,378,536 Bemis Shares reserved and available for issuance pursuant to Bemis' employee incentive plan. A limited number of additional grants are expected to be made from this reserve prior to the Transaction (and are permitted by the Transaction Agreement), however, there is a level of uncertainty if there will be a further grant or how many will be granted. The employee incentive plans, and the remaining portion of such reserve will be cancelled under the Transaction and no Bemis Shares will remain reserved and available for future issuance.

9.10 Bemis share price performance

9.10.1 Recent trading in Bemis Shares

The trading price and volume of Bemis Shares from 1 January 2016 to 1 March 2019 is illustrated below.

Figure 33: Trading price and volume of Bemis

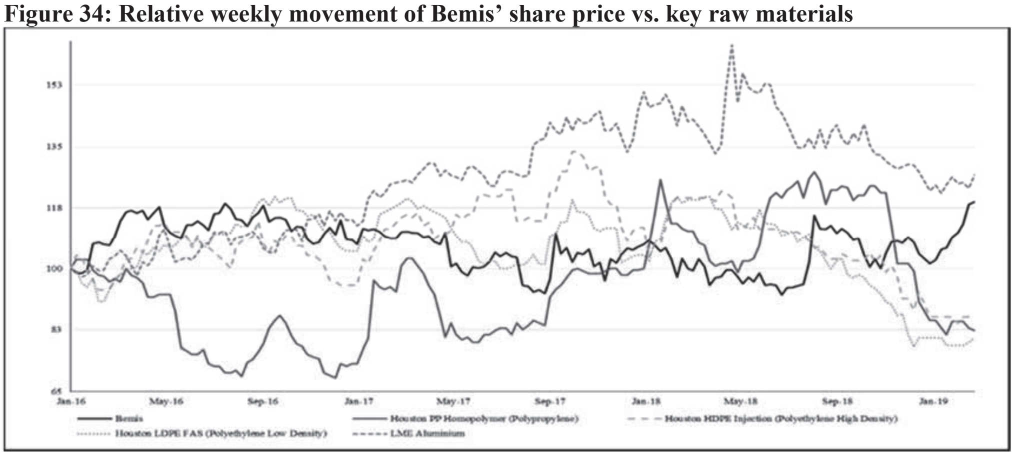


Source: CapitalIQ; KPMG Corporate Finance analysis.

Similar to Amcor, Bemis is a defensive stock that typically provides stable earnings (although earnings have declined in recent years) and reliable dividends notwithstanding the point in the economic cycle and subject to similar influences. As such, similar to Amcor, Bemis is potentially also considered as an alternative to an investment in bonds and like Amcor despite this, the share price has experienced relatively wide swings since 1 January 2016. Bemis' foreign exchange exposure is related to currencies in Latin America such as the Brazilian Real, Argentinian Peso, and Mexican Peso.

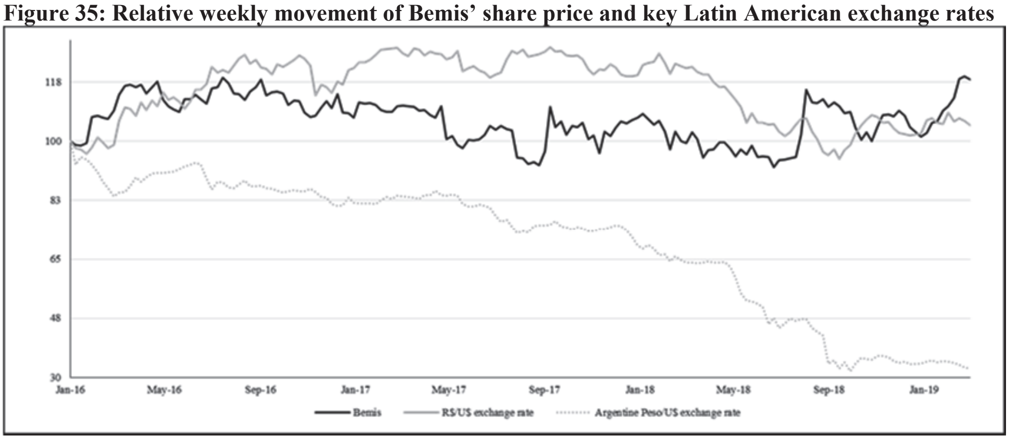
Between June 2017 and October 2018, the price of the raw materials that Bemis uses (in particular, plastic resin and aluminium) increased to historically high levels, before declining as the price of crude oil decreased and supply constraints eased for key resins. Further, over the same period the Brazilian Real depreciated against the US dollar. As a result, it appears that the Bemis share price has been heavily influenced by fluctuations in the prices of these raw materials and key Latin American exchange rates as illustrated in the following charts.

Figure 34: Relative weekly movement of Bemis' share price vs. key raw materials



Source: CapitalIQ; Bloomberg; KPMG Corporate Finance analysis.

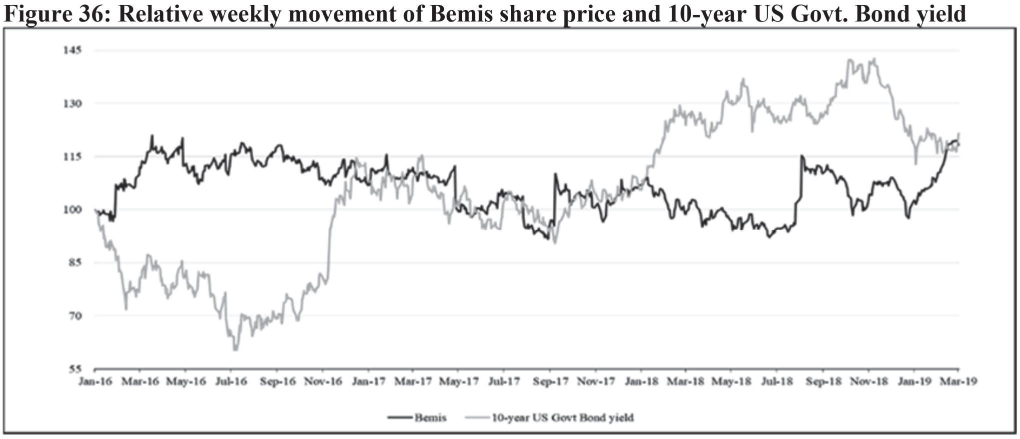
Figure 35: Relative weekly movement of Bemis' share price and key Latin American exchange rates



Source: CapitalIQ; KPMG Corporate Finance analysis.

As mentioned in Section 8.11, since January 2016, the 10-year United States Government Bond yield increased by 97 bps from 2.27% to a high of 3.24% on 8 November 2018, before easing to 2.76% on 1 March 2019.

Figure 36: Relative weekly movement of Bemis share price and 10-year US Govt. Bond yield



Source: CapitalIQ; KPMG Corporate Finance analysis.

From a high of US$54.19 on 17 March 2016, the share price declined by 18.7% to reach a low of US$44.07 on 3 May 2017, reflecting:

- a series of disappointing earnings releases as a result of lower volume expectations in US Packaging due to customer delays, increasing raw material prices, a challenging economic environment in Brazil and unfavourable currency translation from Latin America
- increasing raw material prices from 1 August 2016 as high demand from buyers pushed up prices following the decline of raw materials prices in the preceding quarter, and
- an increase in the yield on the 10-year United States Government Bond.

The share price declined a further 7.9% to reach a low of US$40.60 on 29 August 2017 following:

- the announcement on 30 June 2017 of its 2017 Plan. Further, given the challenging economic environment in Brazil (the Brazilian Real depreciated by 6% against the US dollar over Q2 CY17), Bemis expanded the scope of Agility to its global operations, and
- the announcement of its Q2 CY17 results on 27 July 2017, which indicated an EPS decline of 28.4% due to the challenging economic environment in Brazil.[97] Bemis lowered its EPS guidance to a range of US$2.35 to US$2.50 and the share price declined by 8% in the following two days.

From a low of US$40.60 on 29 August 2017, the share price increased by 23% to reach a high of US$49.84 on 7 September 2017 following media speculation[98] that Amcor was interested in acquiring Bemis. Approximately 16.7 million shares were traded on 7 and 8 September 2017.

From this high, the share price declined by 18% to reach a low of US$41.01 on 25 June 2018, likely reflecting an expectation that a transaction with Amcor would not proceed as well as:

- an increase in raw material prices
- further depreciation of the Brazilian Real against the US dollar (by 18%)
- the announcement on 27 October 2017 of its Q3 CY17 results, which indicated although earnings were in line with guidance, management continued to be cautious about the environment in Brazil
- the announcement of CY17 financial results on 1 February 2018, which indicated an EPS of US$2.39 (in line with guidance) as unfavourable currency translation from Latin America (the Brazilian Real depreciated by 5% against the US dollar in Q4 CY17) and flat volumes across the business were offset by an increase in sales from acquisitions and other favourable currency translations
- the increasing yield on the 10-year United States Government Bond
- the announcement of a definitive agreement with Starboard Value LP (Starboard) to add four independent directors to Bemis' board on 16 March 2018, and
- the ratings downgrade in April 2018 from a BBB Stable to a BBB Negative by Standard and Poor's.

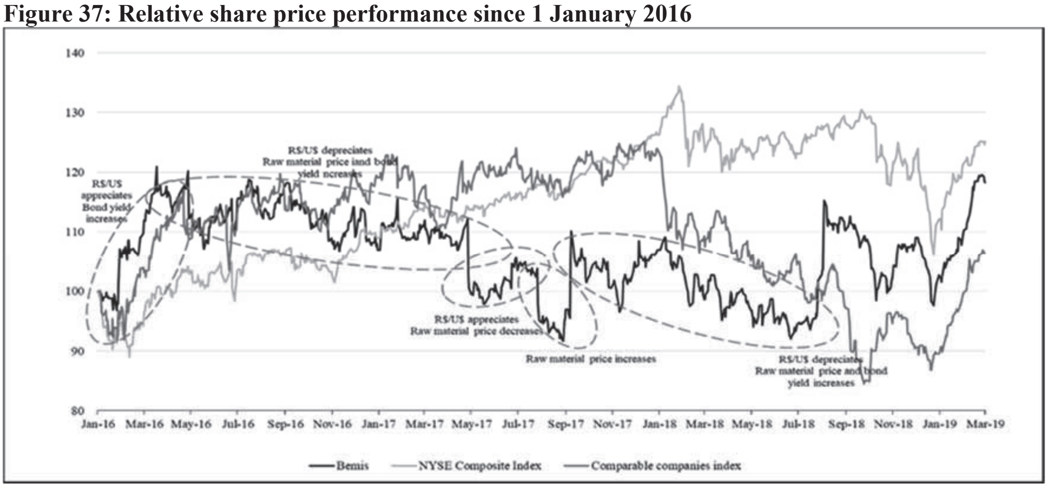
From then until 31 July 2018, the share price increased by 10% mainly driven by the announcement of the Q2 CY18 results on 26 July 2018, which indicated a US$20 million increase in operating profit driven by savings from the 2017 Plan and an improvement in currency translation from Latin America.

The Brazilian Real continued to appreciate against the US dollar from July 2018. The Bemis share price increased strongly to close at US$46.31 on 2 August 2018, the last trading day prior to media speculation in relation to the Transaction. Following media speculation on 3 August 2018, the share price increased by 11% to close at US$51.53. On the announcement of the Transaction on 6 August 2018, the share price declined by 0.9% (likely as the sharemarket had already taken into account the impact of the Transaction) and closed at US$51.06. Overall, from 2 August 2018 until 1 March 2019, the Bemis share price has increased by 14.2%, likely reflecting the impact of the Transaction following the earlier speculation and an increase in the Comparable Companies Index.

9.10.2 Relative share price performance

Bemis is a member of a number of indices including the NYSE Composite Index. The performance of Bemis Shares from 1 January 2016 to 1 March 2019, relative to the NYSE Composite Index and as the Comparable Companies Index[99] (rebased to 100) is illustrated in the following chart.

Figure 37: Relative share price performance since 1 January 2016



Source: CapitalIQ; KPMG Corporate Finance analysis.

As indicated in the preceding section, the Bemis share price appears to be inversely related to the price of key raw materials and bond yields (each of which is captured in the Comparable Companies Index), and directly related to the strength of the Brazilian Real against the US dollar. The share price and the Comparable Companies Index underperformed from mid-March 2016 until June 2018 (other than a brief period in September 2017 when the Bemis share price outperformed as a result of media speculation regarding a potential transaction with Amor) likely reflecting a combination of increasing raw material costs, disappointing earnings announcements for Bemis and its peers and increasing yield on the 10-year United States Government Bond. For Bemis, the decline likely also reflects the deprecation of the Brazilian Real against the US dollar. From 2 August 2018 until 1 March 2019, Bemis has outperformed the Comparable Companies Index, and the NYSE Composite Index reflecting the impact of the announced Transaction. The Bemis share price increased by 14.2%, whereas the Comparable Companies Index increased by 2.1%.

9.10.3 Liquidity

An analysis of the volume of trading in Bemis Shares, including the VWAP for the period up to 2 August 2018 (the last trading day prior to market speculation in relation to the Transaction) is set out as follows.

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[99] Comparable Companies Index includes Berry, Sonoco, Sealed Air, Winpak and Huhtamaki. Calculated by KPMG Corporate Finance on the basis of the aggregate market capitalisations of these companies as at 1 January 2016. Movements in index is calculated as changes in relative market capitalisations to the total market capitalisation as at 1 January 2016.

Table 35: Volume of trading in Bemis Shares

	Price (low) (US$)	Price (high) (US$)	Price (VWAP) (US$)	Cumulative value (US$'000)	Cumulative volume (US$'000)	Percentage of issued capital
Period ended 2 August 2018[1]						
1 day	45.20	46.37	46.16	27.6	0.6	0.7
1 week	45.20	46.54	46.01	230.8	5.0	5.5
1 month	41.51	46.54	43.98	668.6	15.2	16.7
3 months	40.86	46.54	43.08	1,719.7	39.9	43.9
6 months	40.86	46.59	43.72	3,435.1	78.6	86.4
12 months	40.60	49.84	44.98	8,589.5	191.0	210.2

Source: S&P Capital IQ; KPMG Corporate Finance analysis.
Note 1: Last trading day prior to market speculation in relation to the Transaction.

During the 12 month period to 2 August 2018, 210.2% of issued shares were traded. This level of trading indicates that there is an active market for Bemis Shares.

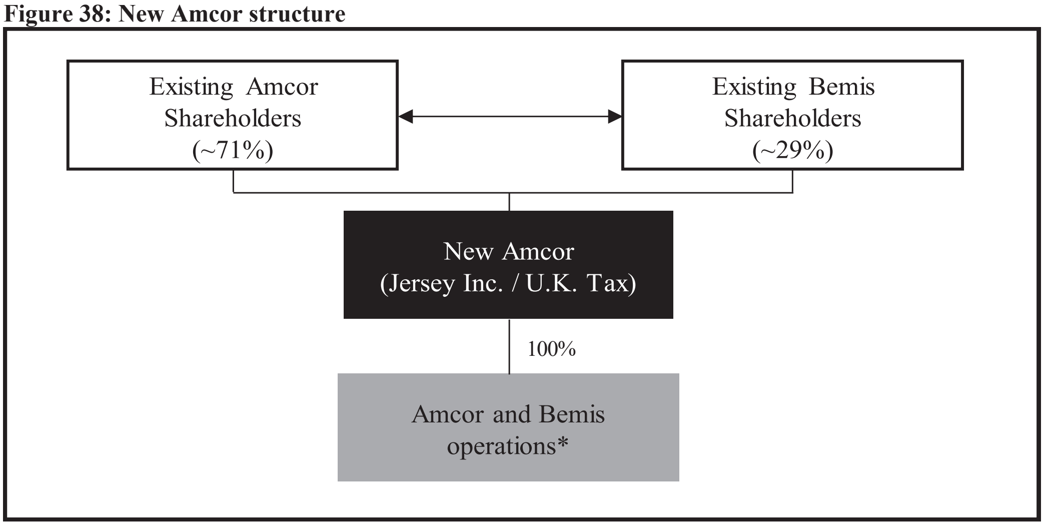
10 Profile of the New Amcor

10.1 Overview

New Amcor will be named 'Amcor plc' and will be the global leader in consumer packaging with leading positions in all major markets. It will have US$13.4 billion of pro forma revenue in FY18, approximately 245 facilities in more than 40 countries (including around 30 emerging markets) and approximately 49,000 employees. New Amcor will be incorporated in the Bailiwick of Jersey in the Channel Islands and tax domiciled in the United Kingdom. It will have a primary listing on the NYSE and a foreign exempt listing on the ASX. While New Amcor will seek to rationalise part of its plant footprint, it will continue to maintain a critical presence in the same key locations from which Amcor currently operates, as well as at Neenah, Wisconsin and other key Bemis locations.

As a result of the Transaction, Amcor and Bemis will be direct, wholly-owned subsidiaries of New Amcor and former Amcor and Bemis shareholders will become holders of New Amcor CDIs and New Amcor Shares. Amcor and Bemis shareholders will hold approximately 71% and 29% of New Amcor.

Figure 38: New Amcor structure



Source: S4, page 18
**Following the completion of the Transaction, New Amcor will hold all of the equity in the legacy Amcor and Bemis entities.*

Amcor Shareholders will have exposure to the characteristics of New Amcor, including:

- ***Strategic***
  - a comprehensive global footprint in flexible packaging
  - greater scale
  - increased exposure to faster growing/resilient product areas and end-markets
  - an opportunity to further differentiate its products by having access to Bemis' innovation capabilities
  - increased capability to achieve commitment to environmental sustainability, and
  - greater depth of management talent.
- ***Financial***
  - the ability to realise benefits from Net Cost Synergies and revenue synergies
  - improved operating margins (including Net Cost Synergies)
  - EPS accretion and potential for dividend growth, and
  - a continuing strong balance sheet and financial flexibility.
- ***Governance***
  - change in legal and regulatory framework
  - change in tax jurisdiction
  - Board changes, and
  - different laws governing takeovers.
- ***Enhanced share liquidity***
- ***Change in risk profile***

Summarised in the following sections are key characteristics of New Amcor and the associated change in the investment characteristics from the perspective of Amcor Shareholders. Section 6 of the Scheme Booklet contains further information regarding the profile and financial information for New Amcor and Section 7 sets out the risks of New Amcor.

10.2 Strategic

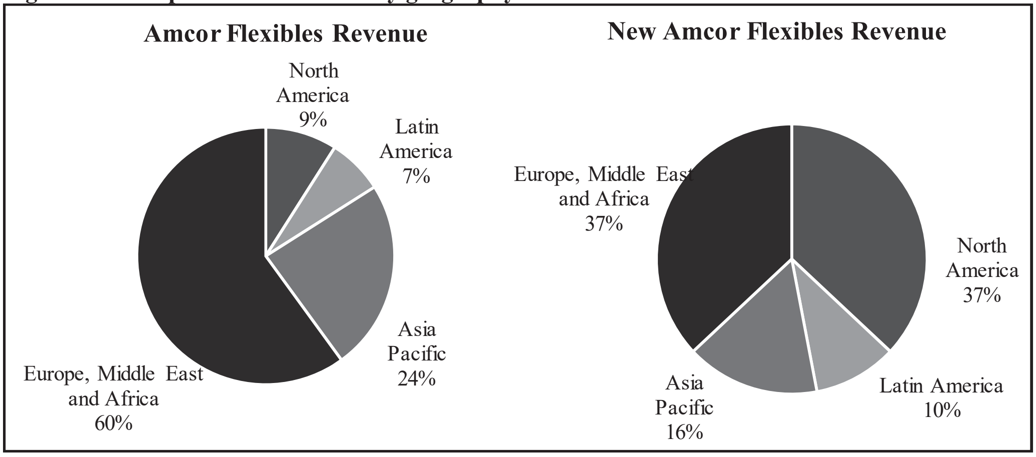
10.2.1 Strategy

New Amcor intends to continue to implement Amcor's strategy as outlined in Section 8.2 of this report and section 4.1(d) of the Scheme Booklet. Amcor expects that the Transaction will enhance its ability to meet its strategic objectives as set out in the following sections.

10.2.2 Comprehensive global footprint in Flexible Packaging

New Amcor will have US$9 billion of FY18 flexible packaging revenue and around 160 plants. Amcor and Bemis have complementary positions in flexible packaging. Amcor has a leading position in Europe and Asia Pacific, with US$3.0 billion and US$1.2 billion of FY18 flexible packaging sales, respectively while Bemis has a significant footprint in North America with US$2.9 billion of FY18 sales. The increased diversification by geography of New Amcor's flexible packaging operations relative to Amcor stand-alone is illustrated in the following chart.

Figure 39: Composition of revenue by geography



Source: Scheme Booklet, Figure 6.3.

The chart demonstrates the significant increase in New Amcor's flexible packaging exposure to North America and Emerging Markets, including Latin America. This should enhance New Amcor's capability to supply large, global customers that seek to simplify and harmonise packaging specifications across geographies. This extended footprint will also allow New Amcor to benefit from the opportunity to supply new entrants that may emerge around the world and in high growth geographies, such as Asia.

10.2.3 Increased economies of scale

Relative to Amcor stand-alone, New Amcor will be substantially larger with US$13.4 billion in pro forma FY18 revenue (compared to Amcor's stand-alone revenue of US$9 billion in FY18). As discussed in Section 7.7 of this report, companies of substantial scale can better serve customers globally and can more efficiently leverage their overheads and research and development spending over a wider range of products.

10.2.4 Increased exposure to faster growing/resilient product areas and end-markets

New Amcor's exposure to the faster growing Flexibles business will be greater (66%) relative to Amcor stand-alone (54%) and its share of revenue from the slower growing Rigid Plastics segment will be reduced (22%, relative to Amcor stand-alone of 29%). New Amcor will also have an increased exposure to the faster growing protein and healthcare end-markets and be able to leverage Bemis' technologies in barrier films. The food end-market will comprise a greater share of revenue, while the beverages end-market will represent a lower share of total sales than for Amcor stand-alone.

10.2.5 Greater innovation capabilities and commitment to sustainability

By combining Bemis' technical ability with Amcor's own and deploying it across geographies, New Amcor expects to capture significant opportunities. In January 2018 Amcor became the first global packaging company to pledge to develop all packaging to be recyclable or reusable by 2025. This strategy will remain in place in New Amcor. Given that both Amcor and Bemis have research facilities dedicated to develop more sustainable products, New Amcor expects this will result in the acceleration of its ability to design packaging that uses less material and, therefore, capture more sustainable packaging opportunities.

10.2.6 Greater depth of management talent

New Amcor is expected to have a greater depth of management talent by bringing together the strengths and quality of the workforce across both Amcor and Bemis.

10.3 Financial impact

10.3.1 Net Cost Synergies

One of the key value propositions underpinning the Transaction is the achievement of Net Cost Synergies Amcor estimates it will be able to extract from the integration of Bemis. Amcor expects to achieve Net Cost Synergies of at approximately $180 million per annum (pre-tax basis, full run-rate) representing approximately 4.4% of Bemis' FY18 sales. The Net Cost Synergies are expected to be achieved over a three year period following implementation of the Transaction as follows.

Table 36: Net Cost Synergies

US$ million	Year 1	Year 2	Year 3
Cost Synergies	65.0	130.0	180.0

Source: Scheme Booklet

In regard to the Net Cost Synergies, KPMG Corporate Finance notes the following:

- Net Cost Synergies are expected to be derived from:
  - ***Procurement:*** (approximately 40% of total Net Cost Synergies i.e. $72 million) expected to be achieved by implementing a number of measures, including:
    - aligning supply terms between the two companies, and
    - efficiencies through scale benefits of New Amcor (e.g. being able to negotiate lower input prices by making larger purchases).

    The Clean Team Integration Planning Group analysed key cost categories (by region), including direct materials (e.g. resin) and indirect materials (e.g. travel, professional services). Of the total procurement savings identified, just over half relate to direct materials and just under half relate to indirect materials. Procurement savings are expected to be predominantly in North America and Latin America.
  - ***Operations:*** (approximately 20% of total Net Cost Synergies i.e. $36 million) expected to be achieved by implementing a number of measures, including:
    - rationalising manufacturing footprint (i.e. plant closures)
    - cost optimisation at an individual facility level (e.g. leveraging best practices across the plant network), and
    - optimised logistics services (i.e. optimising proximity of operations to customers to reduce freight costs).

    Rationalisation of the manufacturing footprint is expected to comprise a majority of operating cost savings. Members of the Clean Team Integration Planning Group visited numerous Amcor and Bemis plants globally with subject matter experts and developed various scenarios for the achievement of operating cost savings. Amcor expects to be able to close several plants globally to achieve this goal. This does not include any plants subject to anti-trust remedies.
  - ***G&A and other costs:*** (approximately 40% of total Net Cost Synergies i.e. $72 million) expected to be achieved by implementing a number of measures, including:

- elimination of duplicated corporate costs when two public companies merge (e.g. instance of duplicated roles include two Boards of Directors costs, two CEOs), and
- elimination of business management, administrative and other costs when running two regional offices.

G&A and other costs do not include any sales and marketing or research and development cost savings.

- the Net Cost Synergies are incremental to Bemis' expected savings from Agility (i.e. the 2017 Plan that relates to the "fix" pillar of Agility to improve Bemis' efficiency and profitability)
- there is a potential for further synergies (either revenue or cost synergies). Revenue synergies, which are typically less certain than cost synergies, have been excluded from the synergy estimate. Potential revenue synergies include the ability to apply Bemis' technology and product range to Amcor's customers and vice versa and the ability to supply large, global customers that seek to simplify and harmonise packaging specifications across geographies
- although revenue synergies have not been included, Amcor management has assumed no savings in selling or research and development costs on the basis that these costs would be required to achieve revenue synergies, and
- the estimated Net Cost Synergies are net of certain assumed negative synergies (dis-synergies) associated with the Transaction.

10.3.2 Integration, compensation and transaction costs

Amcor anticipates the following costs as a result of the Transaction:

- ***integration costs*** (i.e. to achieve synergies) of approximately US$150 million, which are expected to be predominantly incurred in the first two years following the close of the Transaction, and
- ***compensation and transaction costs*** comprising approximately US$65 million of compensation costs (including Bemis employee entitlement and retention costs) and approximately US$125 million of transaction costs (including acquisition costs, such as advisory, legal and accounting expenses) (excluding GST), which are expected to be predominantly incurred in the first year following the close of the Transaction.

These cash costs are expected to be broadly offset by working capital and capital expenditure savings over a similar time frame.

10.3.3 Capital expenditure and working capital synergies

Total capital expenditure synergies are estimated at US$200 million (US$65 million per year) over a three-year period.

Bemis has higher average working capital requirements than Amcor. Amcor expects to be able to reduce Bemis' working capital by 2.5% of sales over the first three years following the close of the Transaction, which represents a total saving of approximately US$100 million (2.5% of Bemis' FY17 sales of US$4,042.6 million).

10.3.4 Pro forma financial information

Section 6.7 of the Scheme Booklet sets out the pro forma financial information of New Amcor for FY18 and 1H19 (including a description of the assumptions and adjustments made) assuming the Transaction is implemented. We note the following:

- the pro forma financial performance of New Amcor for FY18 and 1H19 has been prepared under US GAAP and is derived from AAS financial statements for Amcor for FY18 and 1H19 and Bemis' US GAAP financial statements for CY17, reviewed financial statements for 1H17 and 1H18 and financial statements for CY18
- pro forma financial performance for FY18 include adjustments to:
  - present the financial information consistently in US GAAP
  - align the financial year end to Amcor's year end
  - reflect the impact of certain transactions had they occurred between 1 July 2017 and 30 June 2018 in the Pro Forma Historical Income Statement and Pro Forma Historical Cash Flow Statement or as at 30 June 2018 in the Pro Forma Balance Sheet
  - show a preliminary assessment of the impact of purchase price accounting adjustments and to show the illustrative impact of the Transaction
- the financial performance does not include the impact of any revenue, cost or operating synergies or integration costs. The impact of compensation and transaction costs is included in the Pro Forma Balance Sheet, but not in the Pro Forma Historical Income Statement or Pro Forma Historical Cash Flow Statement, and
- pro forma financial information for 1H19 have been prepared based on Amcor's and Bemis' financial information under US GAAP with adjustments to Bemis' US GAAP financial information to present information consistently.

Income statement

The Pro Forma Historical Income Statements for FY18 and 1H19 is summarised in the following table.

Table 37: New Amcor Pro Forma Historical Income Statement for FY18 and 1H19

Period	FY18		1H19	
Company	Amcor	New Amcor	Amcor	New Amcor
US$ million unless otherwise stated	US GAAP	US GAAP	US GAAP	US GAAP
Sales revenue	9,319.1	13,418.5	4,549.6	6,578.8
Cost of goods sold	(7,462.3)	(10,780.4)	(3,701.0)	(5,310.5)
Gross profit	**1,856.8**	**2,638.1**	**848.6**	**1,268.3**
EBITDA	**1,367.8**	**1,916.8**	**635.4**	**904.6**
Share of net profit/(loss) of equity accounted investments	19.0	19.0	7.0	7.0
Other income[1]	43.2	65.0	26.4	51.1
Restructuring/integration other[2]	(40.2)	(40.2)	(14.7)	(14.7)
Adjusted PBITDA[3]	**1,389.8**	**1,960.6**	**654.1**	**948.0**
Depreciation and amortisation	(333.4)	(506.9)	(156.7)	(243.9)
Adjusted PBIT[4]	**1,056.4**	**1,453.7**	**497.4**	**704.1**
Net interest expense	(196.9)	(273.5)	(104.4)	(141.7)
Profit before related income tax expense and significant items	**859.5**	**1,180.2**	**393.0**	**562.4**
Income tax expense[5]	(150.8)	(171.9)	(67.1)	(97.1)
Non-controlling interests[6]	(11.4)	(11.4)	(5.1)	(5.1)
Adjusted PAT[7]	**697.3**	**996.9**	**320.8**	**460.2**
Significant items (net of income tax expense)	(107.4)	(299.9)	(76.5)	(43.5)
Amortisation of acquired intangibles (net of income tax)	(14.7)	(85.1)	(7.3)	(46.1)
Statutory PAT	**575.2**	**611.9**	**237.0**	**370.6**
Statistics:				
Weighted average ordinary shares on issue (million)	*1,154.4*	*1,622.1*	*1,154.0*	*1,621.7*
Basic EPS before amortisation of acquired intangibles (US$)[8]	*$0.60*	*$0.61*	*$0.28*	*$0.29*
Basic EPS (US$)[9]	*$0.50*	*$0.38*	*$0.20*	*$0.23*
Dividend per share	*$0.45*	*$0.39*	*$0.24*	*$0.21*
Adjusted PBITDA margin (%)	*14.9%*	*14.6%*	*14.4%*	*14.4%*
Adjusted PBIT margin (%)	*11.3%*	*10.8%*	*10.9%*	*10.7%*
Adjusted PBITDA interest cover (times)[10]	*7.1*	*7.2*	*6.3*	*6.7*

Source: Scheme Booklet Section 6.7 (d), KPMG Corporate Finance Analysis.

Notes:

1. *Other income comprises net gain on disposal of property, plant and equipment, amortisation of deferred gain on sale and lease backs, royalties, rebates, dividend income and other immaterial items. 1H19 other income of Amcor has been adjusted for US$15.5 million of net settlements included in significant items.*
2. *Restructuring/integration other does not include costs in relation to material restructuring programs included in significant items. US$14.8 million in 1H19 does only relate to restructuring costs.*
3. *Adjusted PBITDA is profit before interest, tax, depreciation, amortisation and significant items.*
4. *Adjusted PBIT is profit before interest, tax, amortisation of acquired intangibles and significant items.*
5. *Income tax expense after tax benefit excludes tax on significant items (where applicable) and on amortisation of acquired intangibles.*
6. *Predominantly relates to the Bericap business.*
7. *Adjusted PAT is profit after tax before significant items and amortisation of acquired intangibles.*
8. *Basic EPS before amortisation of acquired intangibles is calculated by dividing adjusted PAT before amortisation of acquired intangibles (tax effected at 30%) by the weighted number of ordinary shares outstanding during the year.*
9. *Basic EPS is calculated by dividing statutory profit attributable to Amcor Shareholders by the weighted average number of ordinary shares outstanding during the year*
10. *Interest cover is adjusted PBITDA divided by net interest.*

Adjusted PBITDA, PBIT and PAT are before the following significant items:

Table 38: New Amcor significant items for FY18 and 1H19

Period	FY18		1H19	
Company	Amcor	New Amcor	Amcor	New Amcor
US$ million unless otherwise stated	US GAAP	US GAAP	US GAAP	US GAAP
Impairment in equity method investments	(36.5)	(36.5)	(13.9)	(13.9)
Material restructuring programs	(14.4)	(81.0)	(37.7)	(50.9)
Bemis goodwill impairment	-	(196.6)	-	-
Material acquisition and transaction costs	-	-	(35.1)	-
Impact of hyperinflation	-	-	(19.0)	(19.0)
Net investment hedges	(83.9)	(83.9)	1.5	1.5
Net legal settlements	-	-	15.5	15.5
Bemis Brazilian tax credit	-	-	-	15.3
Total significant items	**(134.8)**	**(398.0)**	**(88.7)**	**(51.5)**
Tax on significant items	27.4	98.1	12.2	8.0
Significant items after tax	**(107.4)**	**(299.9)**	**(76.5)**	**(43.5)**

Source: Scheme Booklet Section 6.7 (d), KPMG Corporate Finance Analysis.

In regard to the New Amcor Pro Forma Historical Income Statement for FY18 and the six months to 31 December 2018, we note the following:

- New Amcor's adjusted PBITDA margins (excluding any Net Cost Synergies) are in line with Amcor's adjusted PBITDA margins for the six months to 31 December 2018, but New Amcor's margins are expected to increase in the future as a result of the Net Cost Synergies
- amortisation of acquired intangibles (net of income tax) for New Amcor comprises estimated purchase price accounting adjustments related to the Transaction of US$32.4 million and existing amortisation of acquired intangibles (net of income tax) for Amcor (US$7.3 million) and Bemis (US$6.4 million)
- adjusted PBITDA interest cover for New Amcor is 6.7 times, which compares to Amcor's interest cover of 6.3 times as a stand-alone entity (US GAAP basis), and
- New Amcor's full year FY18 basic EPS before amortisation of US$0.61 (excluding significant items such as compensation and transaction costs) is higher than Amcor's US GAAP basic EPS before amortisation of US$0.60 (which is in line with the difference between New Amcor's and Amcor's US GAAP EPS before amortisation for 1H19 of US$0.29 and US$0.28 respectively). We note that basic EPS in the first year following the close of the Transaction will be negatively impacted by after-tax transaction and integration costs as well as the estimated impact of purchase price adjustments. However New Amcor's EPS is expected to increase as the benefits of Net Cost Synergies (US$142.5 million after tax based on New Amcor's assumed effective tax rate of 20.8%[100]) are realised over a three year period.

[100] The historical blended rate for Amcor and Bemis provided by Amcor management.

Balance sheet

The Pro Forma Historical Balance Sheet as at 30 June 2018 and 31 December 2018 is summarised in the following table.

Table 39: New Amcor Pro Forma Historical Balance Sheet as at 30 June and 31 December 2018

As at	30 June 2018		31 December 2018	
Company US$ million unless otherwise stated	Amcor US GAAP	New Amcor US GAAP	Amcor US GAAP	New Amcor US GAAP
Debtors	1,379.0	1,859.8	1,351.1	1,794.4
Inventories	1,358.8	2,017.4	1,386.8	2,045.4
Creditors and tax liabilities	(2,000.9)	(2,451.5)	(1,938.2)	(2,407.6)
Net working capital	**736.9**	**1,425.7**	**799.7**	**1,432.2**
Property, plant and equipment	2,698.5	4,145.5	2,616.8	4,063.8
Intangibles	2,381.4	7,226.0	2,356.4	7,128.8
Equity accounted investments	116.3	116.3	102.6	102.6
Deferred tax assets	70.7	70.7	69.7	69.7
Derivatives (net)	(6.7)	(15.1)	15.4	12.7
Deferred tax liabilities	(147.5)	(593.0)	(145.0)	(570.1)
Other current assets/(liabilities) (net)	(607.0)	(923.4)	(482.1)	(766.1)
Other non-current assets/(liabilities) (net)	(85.9)	(32.7)	(92.9)	(70.4)
Retirement benefit obligations (net)	(233.8)	(276.2)	(243.2)	(318.9)
Total funds employed	**4,922.9**	**11,143.8**	**4,997.5**	**11,084.4**
Cash and cash equivalents	620.8	669.7	490.6	564.6
Interest bearing liabilities	(4,848.3)	(6,367.2)	(4,861.3)	(6,221.9)
Net borrowings	**(4,227.5)**	**(5,697.5)**	**(4,370.7)**	**(5,657.3)**
Net assets	**695.4**	**5,446.3**	**626.8**	**5,427.1**
Non-controlling interest[1]	(68.8)	(68.8)	(64.0)	(64.0)
Net assets attributable to Amcor Shareholders	**626.6**	**5,377.5**	**562.8**	**5,363.1**
Statistics:				
Shares on issue at period end (million)[2]	*1,158*	*1,622*	*1,158*	*1,622*
Net assets per share (US$)[3]	*$0.54*	*$3.31*	*$0.49*	*$3.31*
Leverage ratio (times)[4]	*3.0*	*2.9*	*na*	*na*
Gearing (%)[5]	*85.9%*	*51.1%*	*87.5%*	*51.0%*

Source: Scheme Booklet Section 6.7 (f), KPMG Corporate Finance Analysis.
Notes:
1. *Predominantly relates to the Bericap business with the decrease in FY16 resulting from the deconsolidation of its Venezuelan operations.*
2. *Shares on issue at period end for New Amcor are based on number of Amcor Shares outstanding at period end and Bemis Shares outstanding at period end times the conversion ratio of 5.1.*
3. *Net assets per share is calculated as net divided by the number of Amcor Shares/New Amcor Shares at period end.*
4. *Adjusted PBITDA was only available for the six months as at 31 December 2018. As a result, leverage ratio as at 31 December 2018 is not meaningful.*
5. *Gearing represents net borrowings divided by the sum of net borrowings and net assets.*

In regard to the New Amcor Pro Forma Historical Balance Sheet, we note the following:

- estimated purchase price accounting adjustments[101] as at 31 December 2018 result in an US$39.1 million increase in inventories, US$9.0 million increase in current tax and US$295.6 million in non

[101] Purchase price accounting adjustments are preliminary and are subject to change.

current deferred tax liabilities, US$269.8 million in property, plant and equipment and US$3,732.7 million in intangibles

- other current assets and liabilities include Amcor operating lease liabilities (that represented off balance sheet items for Amcor according to AAS) and accrued employee costs. New Amcor other current assets and liabilities also include a provision for US$150 million of estimated remaining compensation and transaction costs as at 31 December 2018 (comprising approximately US$65 million of compensation costs including Bemis employee entitlements and retention costs and approximately US$85 million of transaction costs including acquisition costs such as advisory, legal and accounting expenses)
- New Amcor's equity accounted investment of US$102.6 million reflects Amcor's investment in AMVIG which was adjusted under US GAAP to recognise the difference in the fair value measurement of equity accounted investments between US GAAP and AAS
- other non-current assets and liabilities of New Amcor comprise Bemis' equity accounted investment in Laminor S.A. of US$6.9 million as at 31 December 2018 and US$14.4 million of restructuring reserves and provisions. The balance has been adjusted for non-current derivatives shown separately (asset of US$21.6 million and liability of US$0.6 million for Amcor and net liability of US$2.7 million for Bemis) as at 31 December 2018
- New Amcor cash has been adjusted for cash settlements in relation to Bemis' long term incentive plan as a result of the Transaction
- pro forma net assets per New Amcor Share is US$3.31 is substantially higher than US$0.49 per Amcor Share. This is primarily the result of estimated purchase price accounting adjustments to intangible assets of New Amcor as referred to above
- New Amcor's pro forma leverage ratio was lower compared to Amcor as a stand-alone entity (2.9 versus 3.0) as at 30 June 2018 and its gearing is lower (51.0% versus 87.5% as at 31 December 2018), indicating a continued strong balance sheet for future investments, and
- New Amcor's cost of financing and credit rating is not expected to change materially as a result of the Transaction.

Cash flows

New Amcor's Pro Forma Historical Cash Flow Statement for FY18 and 1H19 is summarised below.

Table 40: New Amcor Pro Forma Historical Cash Flow Statement for FY18 and 1H19

Period	FY18		1H19	
Company	Amcor	New Amcor	Amcor	New Amcor
US$ million unless otherwise stated	US GAAP	US GAAP	US GAAP	US GAAP
EBITDA	**1,367.8**	**1,916.8**	**635.4**	**904.6**
Cash impact of significant items[1]	(95.8)	(119.9)	(26.3)	(46.6)
Changes in working capital and other	(62.7)	(104.7)	(226.8)	(106.9)
Dividends received	8.7	11.0	4.7	5.1
Interest paid (net)	(196.9)	(265.8)	(90.0)	(127.6)
Tax paid	(149.7)	(226.7)	(62.3)	(68.3)
Cash flow from operations	**871.4**	**1,210.7**	**234.7**	**560.3**
Proceeds from disposal of property, plant and equipment	137.0	152.7	60.3	62.2
Capital expenditure	(365.0)	(539.2)	(172.0)	(232.6)
Dividends paid and other	(527.5)	(639.4)	(291.3)	(347.7)
Free cash flow	**115.9**	**184.8**	**(168.3)**	**42.2**

Source: Scheme Booklet Section 6.7 (e), KPMG Corporate Finance Analysis
Note 1: 1H19 only includes cash impact in relation to material restructuring programs.

In regard to the New Amcor Pro Forma Historical Cash Flow Statement, we note the following:

- Amcor's capital expenditure under US GAAP was adjusted for US$1.3 million relating to development costs that did not meet the criteria for capitalisation, and
- New Amcor's free cash flow increases compared to Amcor on a stand-alone basis primarily due to the free cash flow attributable to Bemis of US$185.6 million as well as minor merger adjustments. Free cash flow is expected to increase further in future as Net Cost Synergies are realised.

10.3.5 Dividend policy

Amcor has advised that New Amor is expected to have:

- a competitive, progressive dividend that is paid quarterly to New Amcor Shareholders, which is expected to increase over time, although the amount of such dividend will be determined, and is subject to adjustment by, the New Amcor Board
- total dividends per share paid by New Amcor for the first financial year post-completion of the Transaction that are no less than the total dividend per share paid by Amcor in the last financial year prior to completion of the Transaction. However, any final determination on dividend rates will be made by the New Amcor Board based on the performance of New Amcor and other relevant factors, such as available cash, at the time of declaration, and
- an ongoing capital allocation philosophy consistent with Amcor's shareholder value creation model (refer to Section 8.2 of this report).

10.4 Governance

10.4.1 Legal and regulatory framework

New Amcor is a Jersey incorporated company that will have a primary listing on the NYSE and an exempt foreign listing on the ASX, as opposed to Amcor which is incorporated in Australia with a standard listing on the ASX. The legal and regulatory framework applicable to New Amcor will reflect its incorporation and listing, and as a consequence New Amcor will be subject to the corporate laws of Jersey, United States federal securities laws and NYSE listing standards. Given the listing of CDIs in

Australia, certain ASX listing rules will continue to apply (though given it will have a foreign exempt listing, New Amcor is expected to be exempt from the majority of ASX listing rules).

A comparison of shareholder rights and corporate laws applicable to Amcor and New Amcor is contained in Section 10 of the Scheme Booklet. This comparison outlines the differences in a number of areas including matters relating to:

- shareholder meetings – including notices, quorums, voting requirements
- directors – including appointment, removal, remuneration, retirement benefits fiduciary duties, release of liability of directors, transactions involving directors
- shares – including issue of new shares, share buy backs and redemptions, variation of class rights, source and payment of dividends
- disclosure obligations – including general obligations and substantial shareholdings
- governance including amendment to constituent documents, takeovers, right to inspect register of shareholders, right to inspect corporate books and records, and
- corporate actions – including takeovers and winding up.

Whilst these differences are significant, it should be recognised that the legal and regulatory framework applicable to New Amcor are relatively sophisticated, and Amcor Shareholders will benefit from an advanced governance regime that will apply to New Amcor.

10.4.2 Change in tax jurisdiction

New Amcor will be a tax resident of the United Kingdom whereas it is currently an Australian tax resident. There are not expected to be any major changes as a consequence of this change. Amcor already derives revenue from a broad range of tax jurisdictions as will New Amcor. New Amcor is expected to be able to repatriate earnings from key jurisdictions and distribute those earnings efficiently and without adverse tax implications. The change in tax jurisdiction does mean that Australian resident tax payers will not be able to receive the benefit of franking credits. However, Amcor currently does not generate franking credits nor does it expect to do so in the near future.

10.4.3 New Amcor Board composition

The Amcor Board currently comprises eight Directors. The New Amcor Board will initially comprise eleven Directors, eight of whom will be from the Amcor Board and nominated by Amcor, and three of whom will be from the Bemis Board and will be nominated by Bemis (subject to Amcor's prior written approval). Amcor's current Chairman, Mr Graeme Liebelt, will continue to serve as initial Chairman of New Amcor. Amcor's current CEO, Mr Ron Delia, will continue to serve as CEO and as the only executive officer on the New Amcor Board. All New Amcor Directors are subject to re-election at the first annual New Amcor Shareholders' meeting following the Implementation Date and, thereafter, annually. The New Amcor Board intends to nominate the eight Amcor Directors and three Bemis Directors referred to above who become New Amcor Directors on Implementation for re-election at the first annual meeting of New Amcor Shareholders.

The policy of the New Amcor Board will be that a majority of the New Amcor Directors will be independent.

10.4.4 Different takeover laws

As a Jersey incorporated company, New Amcor will not be subject to the Australian takeover laws or equivalent Jersey laws that prevent a party from acquiring control of New Amcor without making a takeover offer to all shareholders or without seeking the approval of the New Amcor Board. As a safeguard, New Amcor's articles of association will permit the New Amcor Board to adopt certain takeover defence mechanisms, similar to takeover defence mechanisms adopted by other companies listed on NYSE (e.g. a shareholder rights plan), designed to avoid control of New Amcor passing without New Amcor Board or shareholders' approval and thereby protect against non-negotiated takeover bids made at unfair or inadequate prices or which rely on coercive or unfair tactics. A comparison of the takeover laws and defence mechanisms applicable to Amcor and New Amcor is set out in Section 10 of the Scheme Booklet.

10.5 Capital structure and ownership

Based on the number of Amcor and Bemis shares outstanding and Bemis' stock settled PSUs and RSUs and the exchange ratios, approximately 1,625.9 million New Amcor Shares (and New Amcor CDIs) are expected to be issued under the Transaction (approximately 1,627.8 million New Amcor Shares/CDIs on an diluted basis after taking into account Amcor's vested entitlements). The following table summarises the ownership structure immediately following implementation of the Transaction.

Table 41: Shareholder ownership pre and post Transaction

Shareholder	Pre-Transactions issued shares million	Exchange Ratio	Post-Transactions issued shares New Amcor million	%
Amcor Shares	1,158.1	1.0	1,158.1	71.1%
Bemis Shares	91.2	5.1[1]	465.2	28.6%
Bemis stock settled PSUs and RSUs	0.8	5.1[2]	2.6	0.2%
New Amcor Shares (undiluted)	**1,250.1**		**1,625.9**	
Amcor vested entitlements	1.9	1.0	1.9	0.1%
New Amcor Shares (diluted)	**1,252.0**		**1,627.8**	**100.0%**

Source: ASX Announcements, Scheme Booklet and KPMG Corporate Finance Analysis.

Notes:

1. *A fraction of New Amcor Shares resulting from the conversion of Bemis Shares is settled in cash.*
2. *The conversion of Bemis stock settled RSUs and PSUs in New Amcor Shares is net of expected applicable taxes, except for directors 2018 RSUs which are granted gross i.e. without adjustment for taxes. In line with the conversion of Bemis Shares, the fraction of New Amcor Shares resulting from the 5.1 times conversion of Bemis' stock settled RSUs and PSUs is settled in cash.*
3. *We have not included any of the Bemis Shares reserved and available for issuance pursuant to Bemis' employee incentive plan considering these have not yet been granted and it is uncertain if or how many will be granted. We note that the additional possible number of Bemis Shares is limited and does not have a material impact on assessed value.*

10.6 Enhanced liquidity of New Amcor Shares

New Amcor will have a primary listing on the NYSE and a foreign exempt listing on the ASX via New Amcor CDIs. Capital markets in the United States are the largest and most liquid markets in the world. New Amcor will have a larger shareholder base and together with the NYSE listing, is expected to result in higher liquidity for New Amcor Shares.

New Amcor will have greater relevance to equity investors through increased scale relative to Amcor. NYSE listing may attract new investors. Based on a market capitalisation of US$17.2 billion,[102] New Amcor is expected to be included in the S&P 500 Index on the NYSE. This is expected to result in an increased daily trading volume for New Amcor in comparison to Amcor on a stand-alone basis. It is expected that initially, New Amcor will have a 100% free float (as does Amcor).

[102] Based on approximately 1,627.8 million New Amcor Shares (diluted basis) expected to be on issue if the Transaction is implemented and the Amcor closing price on 1 March 2019 of $14.95 and exchange rate on 1 March 2019 of A$1=US$0.70867.

10.6.1 CHESS Depository Interests

Amcor Shareholders will receive ASX listed New Amcor CDIs in exchange for their Amcor Shares, unless they elect to receive New Amcor Shares. CDIs represent an interest in the underlying security of a foreign company. Each New Amcor CDI will confer a beneficial interest in one New Amcor Share.

Rights associated with New Amcor CDIs are economically equivalent to the rights attaching to New Amcor Shares. The key features of the New Amcor CDIs are set out in Section 8.5 of the Scheme Booklet. In particular, we note that New Amcor CDI holders can convert their New Amcor CDIs listed on the ASX into New Amcor Shares listed on the NYSE and vice versa.

The main differences between New Amcor CDIs and New Amcor Shares are:

- CDI holders are not registered shareholders. The holder of a CDI will have through CHESS Depository Nominees an indirect, beneficial interest in a New Amcor share. However a holder of a CDI will not own a New Amcor Share
- CDI holders must exercise their rights through CHESS Depository Nominees. Since CDI holders will not own New Amcor Shares, they will have to instruct CHESS Depository Nominees in matters such as voting in New Amcor general meetings, and
- New Amcor CDIs will be traded on the ASX only, and New Amcor Shares will be traded on the NYSE.

10.7 Change in risk profile

The risk profile of Amcor Shareholders will change moderately, should they become New Amcor Shareholders. While relative to Amcor, the business operations of New Amcor will be fundamentally similar in terms of revenue composition by type of products (being plastic packaging) and exposure to the trends, challenges and opportunities within the packaging industry, the size and scope of the operations will be much larger and more complex. In our view the key changes in the risk profile for Amcor Shareholders will include:

- ***integration risk*****:** integration costs may be greater than expected, Net Cost Synergies may not be fully realised or may be delayed and working capital and capital expenditure savings may not be achieved such that integration, compensation and transaction costs need to be funded. These risks are mitigated as an Amcor management dedicated team will manage the integration, and leverage Amcor's experience of integrating previously acquired businesses of scale (e.g. the acquisition of Alcan's Food Europe, Food Asia, global Pharmaceuticals and global Tobacco divisions for US$1.9 billion in February 2010). In addition, Amcor and Bemis' operations are largely complementary, with limited geographical overlap for flexibles (mainly in in the United States and Brazil)
- ***revenue dis-synergies:*** revenue may be lost (dis-synergies) following the Transaction (e.g. as a result of customers negotiating the lowest rate of Amcor and Bemis), however, estimated Net Cost Synergies are net of assumed dis-synergies
- ***risk in implementing Agility (i.e. the 2017 Plan):*** relative to Amcor, New Amcor will be also be exposed to the risk of implementing Bemis' 2017 Plan that relates to the "fix" pillar of Agility to improve Bemis' efficiency and profitability. Details of the plan were announced in Q3 CY17 and as at 30 June 2018, approximately 75% of the total savings were yet to be achieved. There is a risk that savings will not be fully realised and/or will be delayed and/or implementation costs will be greater than anticipated.
- ***risk in certain regions or end-markets:*** relative to Amcor, New Amcor will be significantly more exposed to North America and Latin America. While North America is one of the largest and more developed consumer spaces in the world, Latin America as a region has historically experienced

volatile economic conditions. In particular, Bemis recorded an impairment charge in CY17 related to Latin America Packaging as a result of the impact on profits from the decline in the economic environment in Brazil during CY17 and the forecasted slow recovery. Bemis has indicated in its Q2 CY18 financial report that conditions in Brazil remain challenging, and

- ***termination of third party contracts:*** Amcor and Bemis have contracts with third parties (e.g. customers, suppliers, lenders, joint venture partiers) that may require Amcor or Bemis to obtain consents from these third parties in connection with the Transaction. If these consents cannot be obtained, the counterparties to these contracts may have the ability to terminate, reduce the scope of or otherwise materially adversely alter their relationships or terms of such contracts with either or both parties in anticipation of the Transaction, or with New Amcor following the Transaction.

11 Valuation Approach

As discussed in Section 6.2 of this report, the Transaction does not result in a change of control for Amcor Shareholders. The Transaction does, however, result in a change in Amcor Shareholders' underlying economic interest as a result of the Merger with Bemis and expected Net Synergies.[103] Consequently, in evaluating the Transaction as a whole, it is necessary to consider the assessed value of Amcor Shares on a minority, stand-alone basis relative to the assessed value of New Amcor Shares[104] on a minority basis (including Net Synergies) (i.e. 'fairness'). This interpretation of 'fairness' (that is, including the Net Synergies arising from the Transaction that are specifically available to Amcor in the valuation of New Amcor) differs from the definition of 'fairness' within RG111.11, which considers fairness only within the context of fairness to 'target' shareholders under a control transaction or in the context of a 'merger of equals' (RG 111.31). In this context, the assessment of fairness forms part of the overall judgement of whether the Transaction is in the best interests of Amcor Shareholders.

Amcor Shareholders will receive one New Amcor CDI for every Amcor Share held or, at their election, one New Amcor Share. KPMG Corporate Finance has compared the assessed value of an Amcor Share on a minority, stand-alone basis with the assessed value of a New Amcor Share on a minority basis (taking into account the expected Net Synergies).

We have assessed the value of a New Amcor Share as at a current date based on a 'sum of the parts' approach, which aggregates:

- the value of Amcor's equity on a minority, stand-alone basis (refer to Section 12 of this report)
- the value of Bemis' equity on a minority, stand-alone basis (refer to Section 13 of this report), and
- NPV of the expected Net Synergies (refer to Section 14 of this report).

The aggregate value of New Amcor equity as at a current date has then been divided by the diluted number of New Amcor Shares and New Amcor CDIs to arrive at an assessed value per New Amcor Share in the range of US$11.06 to US$12.34, or A$15.61 to A$17.41 (assuming an exchange rate of A$1=US$0.70867). These assessed values are as at a current date and effectively take into account movement in the Comparable Companies Index since the media speculation in relation to the Transaction commenced.

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[103] Net Synergies include Net Cost Synergies and working capital and capital expenditure savings net of integration, compensation and transaction costs.

[104] Noting that a New Amcor CDI represents a beneficial interest in one New Amcor Share.

Table 42: Assessed Value of New Amcor Shares

	Section reference	Equity value (US$ Low	High
Assessed value of Amcor's equity on a minority, stand-alone basis	12	12,484.8	13,757.5
Assessed value of Bemis' equity on a minority, stand-alone basis	13	4,087.3	4,506.5
NPV of Net Synergies	14.2	1,440.3	1,820.4
Assessed value of New Amcor's equity on a minority basis (inclusive of synergies)		**18,012.4**	**20,084.4**
Diluted number of New Amcor Shares[1]	10.5	1,628.2	1,628.2
Assessed value per New Amcor Share (US$)		**$11.06**	**$12.34**
Assessed value per New Amcor Share (A$)[2]		**$15.61**	**$17.41**

Source: KPMG Corporate Finance analysis.
Notes:
1. *Refer to Section 10.5 of this report for calculation of the number of diluted New Amcor Shares/ CDIs.*
2. *Based on the A$/US$ exchange rate on 1 March 2019 of A$1=US$0.70867.*

In forming our view as to the value of a New Amcor Share, we have also considered the potential impact of the divestment of operations in accordance with possible anti-trust requirements. On 12 February 2019, Amcor announced the intended divestment of three plants in the United Kingdom and Ireland with combined sales of US$170 million. The sale of the plants is expected to close after the completion of the Transaction. Merger control review is ongoing in the United States and Brazil. Based on discussions with Amcor management KPMG Corporate Finance understands that any divestment plants are expected to be attractive to a potential acquirer. Currently, the expected sale price is not expected to be dilutive to the value of New Amcor (noting, in particular, that New Amcor has been valued on a minority interest basis and that any sale would be on a controlling basis).

The primary method for assessing the value of Amcor and Bemis shares on a minority, stand-alone basis is their respective share trading up until 3 or 2 August 2018.[105] Share trading prior to these dates reflects the price at which Amcor or Bemis minority shareholders could realise the value of their investment in the absence of the Transaction, subject to any company or sector-specific events that have occurred since those dates. As such, we have selected base value ranges for Amcor's and Bemis' shares which reflect their respective share trading up until 3 or 2 August 2018 (adjusted for any accrued distributions as at that date) and considered adjustments in order to roll forward the valuations to a current date, including:

- ***sector-specific factors*** that have occurred post 3 or 2 August 2018. We have considered changes in relevant indices, raw material prices and the 10-year United States Government Bond yield. Any adjustment is complex and involves judgement. We consider that sector-specific factors influence both Amcor and Bemis and it is not possible to distinguish the individual impact. Consequently, we have adjusted the base value range for both Amcor and Bemis for the movement in the Comparable Companies Index[106] since 2 August 2018 (a 2.1% increase), and
- ***company-specific events*** that have occurred post 3 or 2 August 2018 (e.g. Amcor's FY18 full year and 1H19 and Bemis' Q3 CY18 and CY18 results announcements). No adjustments have been made for Amcor's FY18 or Bemis' Q3 CY18 earnings results since a number of comparable companies announced similar results and as such, we consider the impact of the earnings decline is reflected in the movement in the Comparable Companies Index. No adjustment has been made for Amcor's 1H19

[105] Media speculation about the Transaction commenced after trading on the ASX closed on 3 August 2018, which was prior to the NYSE opening on 3 August 2018. Consequently, the last trading day prior to media speculation about the Transaction is 3 August 2018 for Amcor and 2 August 2018 for Bemis.
[106] Comparable Companies Index includes Berry, Sonoco, Sealed Air, Winpak and Huhtamaki. It is calculated by KPMG Corporate Finance on the basis of the aggregate market capitalisations of these companies as at 1 January 2016. Movements in index is calculated as changes in relative market capitalisations to the total market capitalisation as at 1 January 2016.

and Bemis' CY18 results announcements since earnings were in line with guidance. An adjustment to Amcor's base value range has been made for movements in the A$/US$ exchange rate from 3 August 2018 to 1 March 2019.

The multiples implied by our adjusted range of values per share for Amcor, Bemis and New Amcor as at a current date have been cross-checked against multiples at which listed, global plastic packaging companies are trading. As a further cross-check, KPMG Corporate Finance has undertaken a high level DCF analysis of Amcor, Bemis and New Amcor.

We consider EBITDA to be the most appropriate earnings metric on which to calculate multiples. EBITDA differs from Amcor's definition of underlying PBITDA as it is before income from associates, other income and all non-recurring items. In regard to multiples calculated on the basis of other earnings metrics, we note that:

- EBIT multiples are distorted to the extent that certain companies have higher amortisation charges as a result of greater acquisition activity, and
- EBITA multiples appropriately take into account differences in depreciation charges between companies while excluding the impact of amortisation from acquisitions, however, brokers do not generally forecast depreciation and amortisation separately and consequently, only historical EBITA multiples are available.

12 Valuation of Amcor Shares

12.1 Approach

As discussed in Section 11 of this report, we consider the primary method for assessing the value of Amcor Shares on a minority, stand-alone basis should be based on Amcor's sharemarket trading up until 3 August 2018.[107] This is because the prices at which Amcor Shares traded reflect the price at which Amcor minority shareholders could realise the value of their investment in the absence of the Transaction, subject to any company or sector-specific events that have occurred since 3 August 2018.

We consider this approach to be appropriate for determining our base value range for an Amcor Share on a minority, stand-alone basis since:

- the trading price of Amcor Shares reflects the value of portfolio interests and is commonly assumed to exclude a premium for control
- as noted in Section 8.11 of this report, we consider trading in Amcor Shares up until 3 August 2018 to be liquid, with no apparent impediments to trading and, therefore, share prices can reasonably be taken to be representative of the price at which a portfolio shareholder could have realised their investment in the absence of the Transaction
- we consider that there is an informed market with sufficient information on Amcor since:
  - ***disclosure requirements:*** as Amcor is publicly listed, any information that would have a material impact on its share price should have been disclosed to the market. As a minimum, Amcor releases earnings results on a half yearly basis. Amcor is also required to disclose significant events to the market as and when they occur. From 1 January 2018 until 3 August 2018, Amcor made over 19 public announcements. Whilst not to the level of detail available within the company, this level of public disclosure provides the market with an understanding of Amcor's

[107] The last trading day in Amcor Shares prior to market speculation in relation to the Transaction.

financial performance, strategy and outlook, enabling market participants to make informed decisions regarding an investment in Amcor, and

- ***broker coverage:*** Amcor is broadly followed by brokers that provide market participants with additional information including commentary, financial forecasts, target prices and recommendations. It also has a number of institutional investors (approximately 11% of Amcor Shareholders and 91% of Amcor Shares held) (refer to Section 8.10 of this report).

We have considered adjustments to our base value range in order to roll forward the valuation to a current date, including:

- ***sector-specific factors:*** (i.e. movements in the relevant indices, raw material prices and the 10 year United States Government Bond yield). We have adjusted the base value range for Amcor by the movements in the Comparable Companies Index since 3 August 2018, noting that Amcor Shares have historically been fairly correlated with the index, and
- ***company-specific events:*** (e.g. release of the FY18 full year financial results for Bemis on 21 August 2018 and 1H19 results on 11 February 2019 for Amcor) and movement in the A$/US$ exchange rate from 3 August 2018 until 1 March 2019.

Amcor is a defensive stock. However, as a result of recent macroeconomic and sector-specific events, the share price has experienced fairly wide swings (refer to Section 8.11.1 of this report). As a result, a relatively wide range of value per share has been selected.

In order to cross-check the range of assessed values as at a current date derived from our analysis of trading in Amcor Shares, we have:

- compared the multiples implied by our range of assessed values range to multiples at which comparable listed entities are trading, and
- compared the selected value range to the value per share derived from a high level DCF analysis, after applying a minority discount.

12.2 Analysis of trading in Amcor Shares

In utilising the price of Amcor Shares up until 3 August 2018 as a basis for estimating the value of Amcor Shares on a stand-alone basis, we have considered the following:

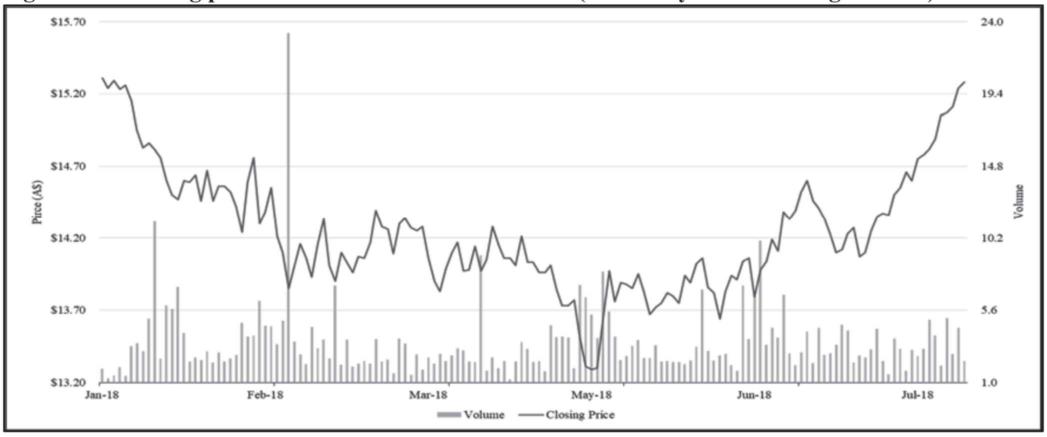
- trading in Amcor Shares up until 3 August 2018
- the performance of Amcor Shares relative to the broader sharemarket
- the performance of the 10-year United States Government Bond yield
- the performance of Amcor Shares relative to the price of key raw materials, and
- broker target prices.

Our analysis of each of these factors is outlined as follows.

Recent trading in Amcor Shares

The trading price and volume of Amcor Shares from 1 January 2018 to 3 August 2018 is illustrated below.

Figure 40: Trading price and volume of Amcor Shares (1 January 2018 to 3 August 2018)



Source: S&P Capital IQ; KPMG Corporate Finance analysis.

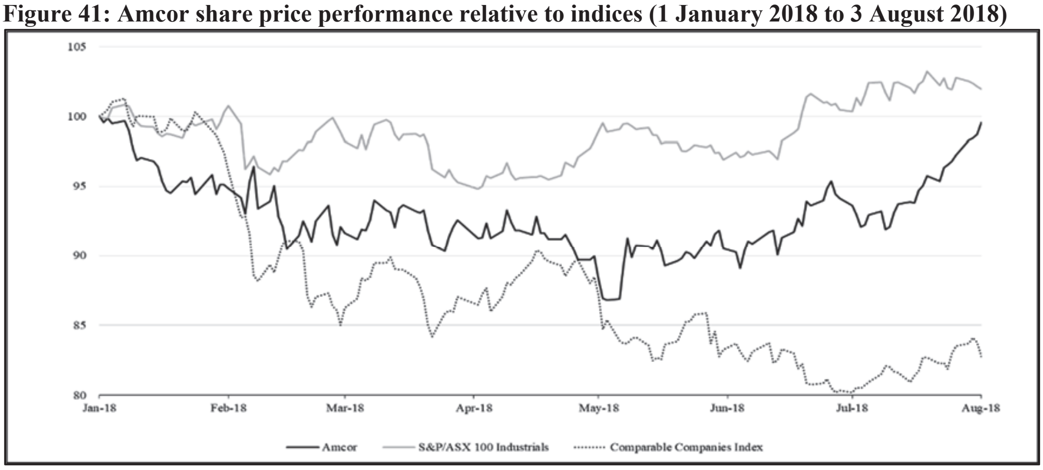
With regard to the above chart, we note:

- Amcor's share price performance up until 3 August 2018 is discussed in Section 8.11 of this report
- the Amcor share price declined by 13.8% from A$15.42 on 1 January 2018 to a low of A$13.29 on 4 May 2018 as resin prices increased, Amcor advised (on 2 May 2018) that cost inflation for its raw materials was substantial between June 2017 and March 2018[108] and there was press speculation that certain plastics raw materials would be impacted by the trade war between the United States and China,[109] and
- the Amcor share price increased to close at A$15.28 on 3 August 2018, likely reflecting an easing of resin prices and potentially also the depreciation of the Australian dollar against the US dollar.

Amcor Share trading relative to indices

The performance of Amcor Shares from 1 January 2018 to 3 August 2018, relative to the S&P/ASX 100 Industrials Index and Comparable Companies Index is illustrated in the following chart.

Figure 41: Amcor share price performance relative to indices (1 January 2018 to 3 August 2018)



Source: S&P Capital IQ; KPMG Corporate Finance analysis.

[108] 11% to 17% for resin, 20% for aluminium and 26% and 67% for two liquids

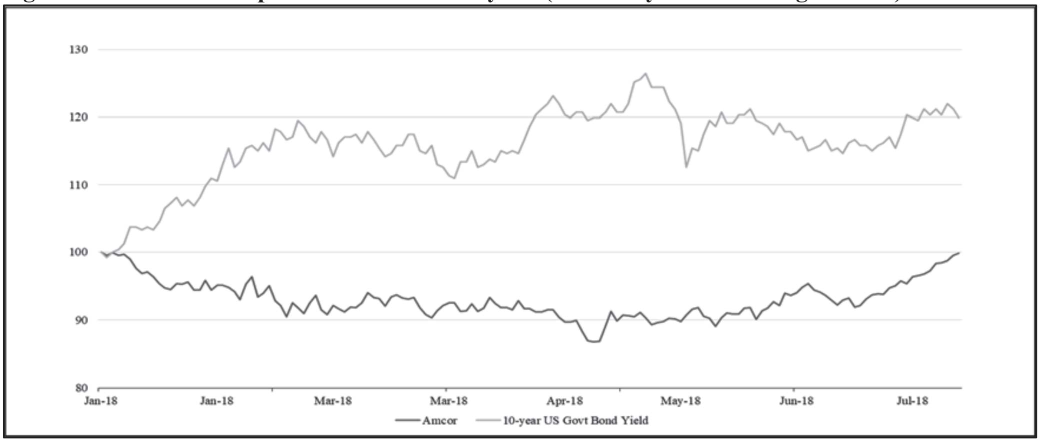
[109] Source: "U.S.-China trade war hits plastics industry", Plastics Today, 5 April 2018

Amcor's share price and the Comparable Companies Index underperformed the S&P/ASX 100 Industrials Index from 1 January 2018 until March 2018 coinciding with strong increases in resin prices and an increase in bond yields. The Amcor share price outperformed the Comparable Companies Index from May 2018 until 3 August 2018 potentially reflecting a depreciation of the Australian dollar against the US dollar.

Amcor share trading relative to bond yields

The performance of Amcor Shares from 1 January 2018 to 3 August 2018 relative to the 10-year United States Government Bond yield is illustrated in the following chart.

Figure 42: Amcor share price relative to bond yield (1 January 2018 to 3 August 2018)



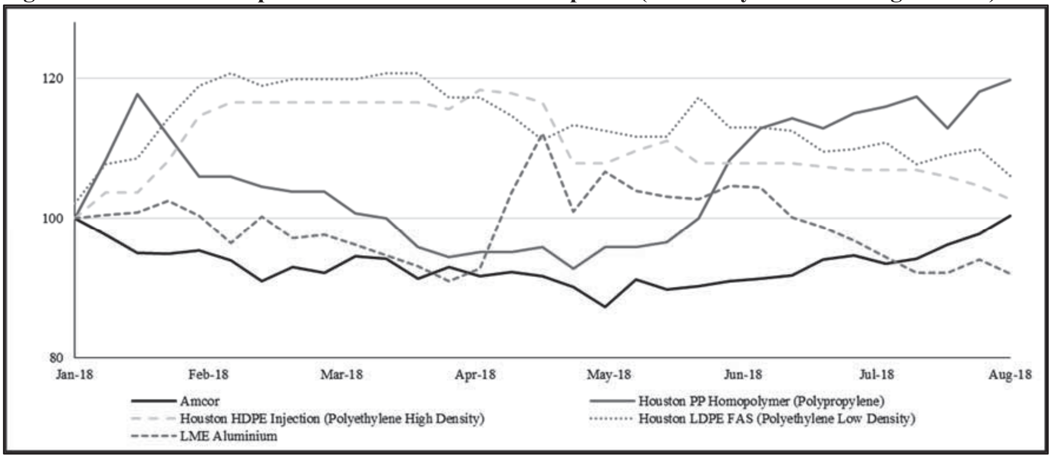
Source: United States Department of Treasury; S&P Capital IQ; KPMG Corporate Finance analysis.

As discussed in Section 8.11.1, Amcor is a defensive stock (i.e. it has stable free cash flow and dividends and has a negative correlation with the United States 10-year Government Bond yield as it is regarded as a substitute to bonds). The increase in bond yields from 1 January 2018 until May 2018 may have contributed to the decline in the Amcor share price in the period to May 2018.

Amcor share trading relative to raw material prices

The Amcor share price relative to raw material prices from 1 January 2018 until 3 August 2018 is illustrated in the following chart.

Figure 43: Amcor share price relative to raw material prices (1 January 2018 to 3 August 2018)



Source: Bloomberg; S&P Capital IQ; KPMG Corporate Finance analysis.

As discussed in Section 8.11.1, Amcor's share price is impacted by movements in key raw material prices (resin and aluminium). US plastic resin prices increased between January 2018 and July 2018 as inventories of polypropylene resin has declined sharply as a result of supply shortages. However, since July 2018 resin prices have come down due to increased imports from Asia, as buyers in the United States took advantage of arbitrage opportunities to minimise their raw material costs. Aluminium prices have increased since May 2018 as new tariffs imposed by the United States Government have taken affect.[110]

Broker target prices

Prior to the media speculation about the Transaction, broker target prices were in the range of A$13.50 to A$17.00 with a median of A$15.33 (refer to Appendix 3 of this report).

Conclusion

Taking into account recent share trading, movements in indices, bond yields and raw material prices, as well as the existence of an informed and liquid market for Amcor Shares, KPMG Corporate Finance is of the view that the closing share price of A$15.28 on 3 August 2018 is an appropriate starting point for selecting a value for Amcor Shares (prior to any adjustment for subsequent events). KPMG Corporate Finance has selected a value range of A$14.55 to A$16.00 for Amcor Shares on a stand-alone, minority basis (prior to taking into account any subsequent events). This range straddles the closing price of Amcor Shares on 3 August 2018 and is consistent with broker target prices at that date (a median of A$15.33).

On 21 August 2018, Amcor announced a dividend of US$0.24 per Amcor Share (A$0.3265 per Amcor Share) with respect to 2H18 earnings. The value range for Amcor Shares of A$14.55 to A$16.00 has been adjusted to exclude the distribution (which had been accrued but not yet been paid as at 3 August 2018) of A$0.3265 per Amcor Share to arrive at a base value range for Amcor Shares of A$14.22 to A$15.67.

12.3 Subsequent events

KPMG Corporate Finance has sought to roll forward the base value range for Amcor Shares to a current date based on company and sector-specific factors (other than the impact of the Transaction) that have occurred since 3 August 2018. A discussion of these factors follows.

Sector-specific subsequent events

We have considered whether there are any sector-specific subsequent events influencing the Amcor share price since 3 August 2018. As discussed in Section 8.11.2, from 3 August 2018 to 1 March 2019:

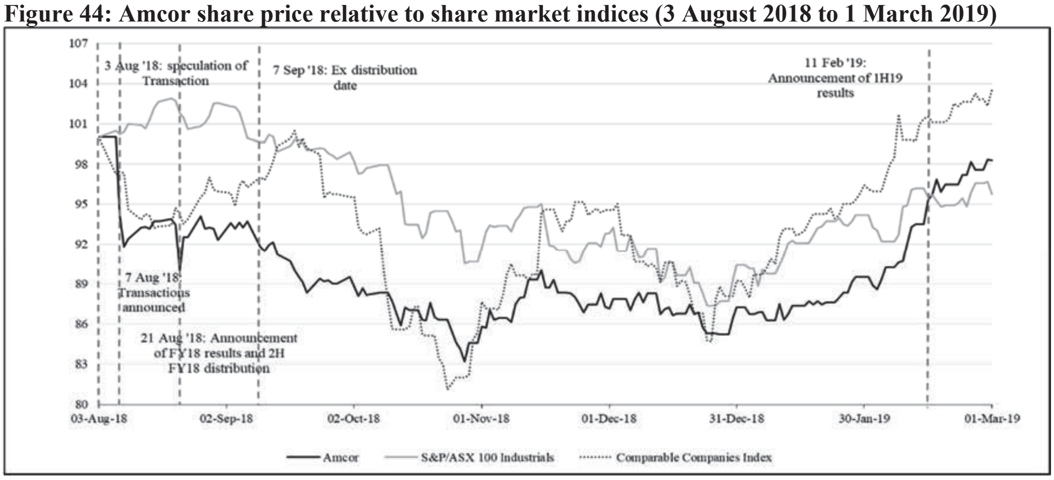
- the United States 10-Year Government Bond yield decreased from 2.95% to 2.76%, and
- key resin prices decreased by between 17.9% and 35.7% (depending on the type of resin) as crude oil price decreased by 14.7%. Aluminium prices decreased by 5.7%

As set out in Section 8.11.2 of this report, we consider that each of these factors (i.e. movement in raw material prices and bond yields) is captured in the movement in the Comparable Companies Index. Consequently, we have considered an adjustment to the base value range for Amcor Shares taking into account the movement in this index since 3 August 2018. Notwithstanding the specific differences between each company and Amcor, these companies are affected by the same sector-specific factors as Amcor and Amcor's share price has historically been correlated with this index.

[110] Why Aluminium Prices Could Still Go Up in H2 2018, Aluminium Insider, 13 July 2018.
https://aluminiuminsider.com/aluminium-prices-h2-2018-increase/

A comparison of the Amcor share price relative to the S&P/ASX 100 Industrials Index and the Comparable Companies Index (refer to Section 8.11.2) from 3 August 2018 until 1 March 2019 is set out in the following chart.

Figure 44: Amcor share price relative to share market indices (3 August 2018 to 1 March 2019)



Source: S&P Capital IQ; KPMG Corporate Finance analysis.

Notwithstanding that since the announcement of the Transaction on 7 August 2017, the Amcor share price has broadly tracked the S&P/ASX 100 Industrials Index (declining by 12.4% and 10.2%, respectively), we consider it more appropriate to roll forward the Amcor base value range for the movement in the Comparable Companies Index. From 3 August 2018 until 1 March 2019, the Comparable Companies Index increased by 2.1%. Consequently, an adjustment of 2.1% has been made to our selected base value range for Amcor Shares.

Company-specific subsequent events

On 21 August 2018, Amcor released the FY18 full year financial results, which indicated:

- relative to guidance, free cash flow (US$194.1 million) was slightly below the middle of the range of guidance (US$150 million to US$250 million), net interest (US$196.9 million) was towards the low end of the range of guidance (US$195 million to US$205 million) and corporate costs (of US$80.6 million) were slightly above the mid-point of the range of guidance (US$75 million to US$85 million), and
- relative to broker consensus forecasts, the FY18 underlying PBITDA (under AAS) was 3.6% lower than the consensus forecast.

Amcor also released guidance for FY19 which indicated modest organic growth and excluded any benefits from a 'catch up' of product prices from raw material price increases (refer to Section 8.8.1 of this report). Following the earnings release:

- the Amcor share price decreased by 3.6%, however, returned to its prior trading range the next day
- a number of brokers revised downward their forecasts for Amcor's earnings in subsequent years. The decline in median broker forecast underlying PBITDA was 6.8% for FY19 and 5.9% for FY20, and
- brokers generally revised down their target prices for Amcor. The median target price was lowered from A$15.33 to A$14.70 per share (a 4.1% decline).[111]

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[111] Refer to Appendix 3 of this report for a comparison of broker target prices pre and post the earnings release.

On 11 February 2019, Amcor released 1H19 results, which were in line with guidance.

In considering whether to make an adjustment to the base value range for Amcor Shares (of A$14.22 to A$15.67), we note that a number of companies in the Comparable Companies Index announced disappointing results in late 2018 which caused brokers to revise their forecasts and target prices downwards.[112] We note that Amcor's 1H19 results were in line with guidance and broker forecasts and target prices for Amcor were maintained. In addition, in the early months of CY19, a number of the companies in the comparable index released earnings that were also in line with forecasts. Consequently, we consider that these events are reflected in the movement in the Comparable Companies Index and no further adjustment has been made to the base value range for Amcor Shares.

No adjustment has been made for the dividends in subsequent periods since the estimated implementation date of the Transaction is not until Q4 FY19 by which time further earnings would have been accrued and dividends paid (the ex distribution date for the 1H19 distribution is 4 March 2019).

An adjustment has been made to reflect the 4.6% depreciation of the Australian dollar against the US dollar from A$1=US$0.7411 at 3 August 2018 to A$1=US$0.70867 at 1 March 2019.

Adjustments for subsequent events

KPMG Corporate Finance has adjusted the base value range of A$14.22 to A$15.67 for Amcor Shares on a minority, stand-alone basis (which reflects share trading up until 3 August 2018) to take into account sector-specific events (based on the movement in the Comparable Companies Index from 2 August 2018 until 1 March 2019) and depreciation of the Australian dollar against the US dollar over this period to arrive at an adjusted value range for Amcor Shares as at a current date of A$15.18 to A$16.73.

Table 43: Adjusted value per Amcor Share

	Value range	
A$ per share	Low	High
Base value range per Amcor Share on a minority, stand-alone basis	**$14.22**	**$15.67**
Adjustment for sector-specific subsequent events	2.1%	2.1%
Movement in A$/US$ exchange rate	4.6%	4.6%
Adjusted value per Amcor Share on a minority, stand-alone basis	**$15.18**	**$16.73**

Source: CapitalIQ; KPMG Corporate Finance analysis as at 1 March 2019.
Note: Adjustment for sector-specific subsequent events based on the movement in the Comparable Companies Index since 3 August 2018 to 1 March 2019.

12.4 Comparison to sharemarket evidence

In order to cross-check our selected valuation range for Amcor Shares as at a current date, we have compared the implied EBITDA multiples to sharemarket evidence derived from listed packaging

[112] Sealed Air released Q2 CY18 results on 2 August 2018, which resulted in a 0.1% to 0.5% decline in consensus EBITDA forecasts and 0.7% to 2.2% decline in consensus EBIT forecasts. Berry released June quarter 2018 results on 3 August 2018, which resulted in a 1.4% to 3.3% decline in consensus EBITDA forecasts and 2.7% to 4.7% decline in consensus EBIT forecasts. The median target price declined 6.2% from US$65 to US$61. Sonoco released Q3 CY18 results on 19 October 2018, which resulted in a 0.1% to 2.2% decline in consensus EBITDA forecasts while the change in EBIT forecasts ranged from (1.2%) to 0.6%. Huhtamaki released Q3 CY18 results on 25 October 2018, which resulted in a 2.5% to 6.5% decline in consensus EBITDA forecasts and 2.1% to 7.9% decline in consensus EBIT forecasts. The median target price declined 3.4% from €32.10 to €31.0. Winpak released Q3 CY18 results on 25 October 2018, which resulted in a 1.2% to 1.7% decline in consensus EBITDA forecasts and 2.2% to 2.7% decline in consensus EBIT forecasts. The median target price declined by 3.7% from US$41.67 to US$40.44.

companies. The selected range of assessed values per share of A$15.18 to A$16.73 corresponds to a value for Amcor's operating business of US$17.4 billion to US$18.6 billion.

Table 44: Implied value of Amcor's operating business

US$ millions unless otherwise stated	Section reference	Amcor Low	Amcor High
Adjusted value per Amcor Share (A$)	**12.3.3**	**$15.18**	**$16.73**
A$/US$ exchange rate[1]		0.71	0.71
Adjusted value per Amcor Share (US$)		**$10.76**	**$11.85**
Diluted number of Amcor Shares outstanding (millions)[2]	8.10	1,160.0	1,160.0
Implied value of Amcor's equity		**12,479.3**	**13,751.5**
Outside equity interests as at 31 December 2018	10.3.4	64.0	64.0
Net borrowings as at 31 December 2018[3]	10.3.4	4,370.7	4,370.7
Debt related derivatives as at 31 December 2018[4]	10.3.4	(21.0)	(21.0)
Amcor distribution to be paid after 31 December 2018[5]	8.4	249.0	249.0
Net cash received for entitlements[6]	8.10	(18.6)	(18.6)
Implied enterprise value of Amcor		**17,123.4**	**18,395.5**
Value of 47.6% interest in AMVIG Holdings Limited as at 31 December 2018[7]	10.3.4	(102.6)	(102.6)
Pension liabilities (net) as at 31 December 2018[8]	10.3.4	243.2	243.2
Non-operating provisions as at 31 December 2018[9]	10.3.4	101.8	101.8
Implied value of Amcor's operating business		**17,365.8**	**18,638.0**

Source: KPMG Corporate Finance analysis.
Notes:
1. *A$/US$ exchange rate as at 1 March 2019 of A$1=US$0.70867.*
2. *Diluted number of Amcor Shares outstanding including Amcor Shares of 1,158,141,276, vested Amcor Options of 1.9 million and vested Amcor Performance Rights/Shares of 8,960.*
3. *Amcor US GAAP net borrowings as at 31 December 2018 (latest publicly available for Amcor).*
4. *Debt related derivatives relate to Amcor's interest rate swaps.*
5. *Distributions paid relate to US$0.215 declared and to be paid per Amcor Share on 1 April 2019.*
6. *Comprises cash received from exercise of vested Amcor Options (based on exercise price provided by Amcor) less cash settlement of Amcor Phantom Shares (based on the selected value range for Amcor).*
7. *Based on the value reflected on Amcor's US GAAP balance sheet as at 31 December 2018.*
8. *Pension liabilities (net) is projected benefit obligation (under US GAAP) as at 31 December 2018 of US$280 million less fair value of plan assets as at 31 December 2018 of US$36.8 million.*
9. *Provisions (non-operating) includes provisions (under US GAAP) relating to insurance and other claims, onerous contracts, asset restoration, restructuring and other as at 31 December 2018.*

The EBITDA multiples implied by our selected valuation range for an Amcor Share as at a current date are presented in the following table.

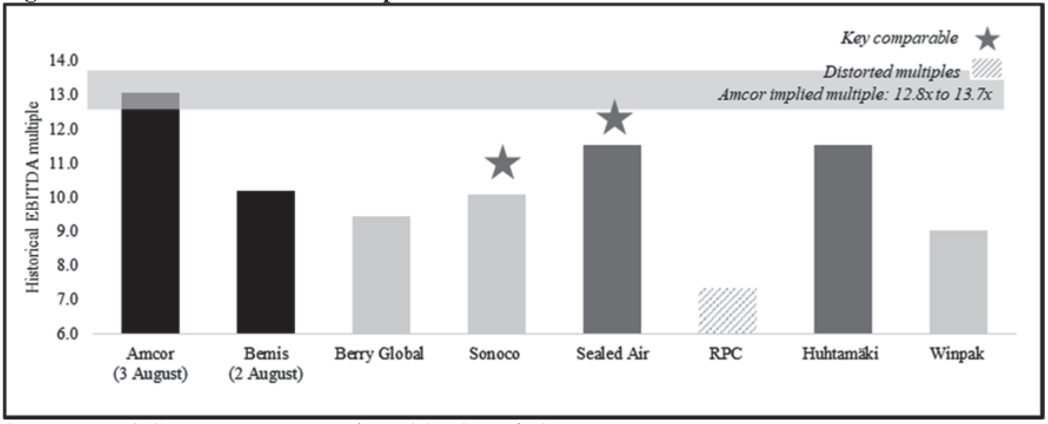
Table 45: Amcor implied multiples cross-check

	Parameter (US$ million)	Low	High
Implied value of Amcor's operating business (US$ million)		**$17,365.8**	**$18,638.0**
FY18 EBITDA (AAS)	1,360.6	12.8	13.7
FY19 EBITDA (broker consensus)	1,362.6	12.7	13.7
FY20 EBITDA (broker consensus)	1,462.2	11.9	12.7
FY21 EBITDA (broker consensus)	1,516.1	11.5	12.3

Source: KPMG Corporate Finance analysis.
Notes:
1. *Latest broker consensus forecasts as at 1 March 2019. Refer to Section 8.8.2 and Appendix 3 of this report.*
2. *EBITDA excludes associates, other income and all non-recurring items as set out in Section 8.8.2 of the report.*

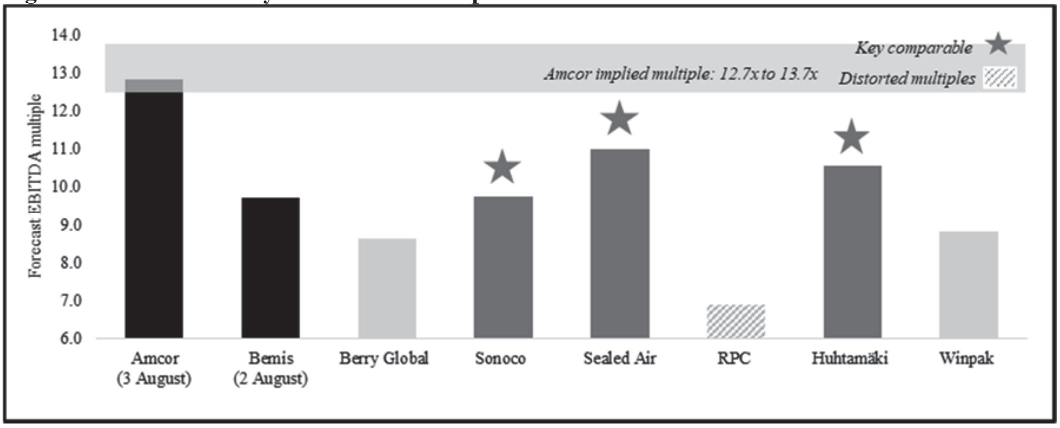
The implied EBITDA multiples for Amcor are towards the high end of the range observed for the various listed packaging companies as illustrated in the following chart:

Figure 45: Historical EBITDA multiples



Source: KPMG Corporate Finance analysis; S&P Capital IQ.
Note 1: Market data sourced from S&P Capital IQ as at 1 March 2019, except for Amcor (3 August), Bemis (2 August) and RPC Group (7 September to reflect pre takeover speculation share price). Refer to Appendix 5.

Figure 46: First forecast year EBITDA multiples



Source: KPMG Corporate Finance analysis; S&P Capital IQ.
Note 1: Market data sourced from S&P Capital IQ as at 1 March 2019, except for Amcor (3 August), Bemis (2 August) and RPC Group (7 September to reflect pre takeover speculation share price). Refer to Appendix 5.

Winpak, RPC and Berry are considered to be less comparable to Amcor since:

- Winpak has significant exposure to flexible packaging (46% of CY17 revenue), however, it is less geographically diversified (it focuses on North America) and is vertically integrated as both a specialist in extrusion technology and a converter. This unique position gives Winpak more control over its supply chain, allowing it to maintain a highly effective cost position and thus higher margins (a historical EBITDA margin of 22.9%)
- RPC operates primarily in the United Kingdom and Europe (78% of revenue) and whilst it has recently established a foothold in flexibles, it is mainly present in rigid plastic packaging as well as other non-packaging solutions[113]. In addition, RPC operates under a more decentralised model than Amcor and its North American peers, by which each market across Europe operates more as a stand-alone, specialised business. The company announced in September 2018 that it was in 'preliminary

[113] Non packaging solutions include temporary storage systems for waste and recycling, and technical components for the automotive and heavy vehicles industries products

discussions' with a potential acquirer. It announced in January 2019 that it had received a takeover offer from Apollo Global Management. Berry also announced on 31 January 2019 that it had acquired an interest in RPC. As a result of this activity, the pre-takeover speculation price on 7 September 2018 has been used to calculate multiples for RPC, and

- Berry is primarily a rigid plastics packaging company with a similar focus on food & beverage and health care and hygiene end-markets (approximately 68% revenue). However, Berry's consumer product goods end-market exposure is primarily in the United States (82% of revenue) where the company is primarily a rigid packaging provider (has only recently just established a foothold in flexibles), making its trading multiples less comparable to Amcor.

Sonoco, Huhtamaki and Sealed Air are considered most comparable to Amcor since:

- Sonoco has historically been viewed as a tubes and cores[114] producer, with significant exposure to industrial end-markets, however, it has recently rationalised its fibre operations in order to steadily expand into its consumer packaging area (now 43% of revenue), particularly in the faster growing flexible plastics for fresh foods within the food & beverage end-market. Its recent rapid expansion into flexible packaging, increased exposure to similar end-markets and its inorganic growth strategy (multiple bolt on acquisitions, similar to Amcor) makes Sonoco comparable to Amcor
- Huhtamaki utilises similar raw materials in flexible plastics (31% of CY18 revenue) and fibre (9% of revenue), however, it has greater exposure to low margin, less resilient paper and plastic disposable tableware, which are key products in North America[115] (32% of revenue) and Food-Service – Europe, Asia and Oceania (28% of revenue) segments, which likely accounts for its relatively low multiples. Nevertheless, Huhtamaki is exposed to similar end-markets (food, fresh food, hygiene and health care) and a similar level of geographical diversification (North America (39% of revenue), Europe (33% of revenue) and Asia-Pacific (25% of revenue)[116]), and
- Sealed Air produces primarily flexible plastic packaging with similar exposure to food end-markets via its food care segment (61% of revenue) (namely fresh red meat, smoked and processed meats, and poultry) as well as an exposure to consumer product goods end-markets via its product care segment (39% of revenue). The company is also reasonably diversified (North America (54% of revenue), Europe, Middle East and Asia (EMEA) (22% of revenue), Asia Pacific (15% of revenue) and South America (9% of revenue).

Conclusion

Relative to EBITDA multiples observed for the three most comparable listed plastic packaging companies (i.e. Sonoco, Huhtamaki and Sealed Air), the implied multiples for Amcor are:

- above the high end of the range of multiples of historical EBITDA, and
- above the high end of the range of multiples of first forecast year EBITDA.

This is reasonable since:

[114] Sonoco tubes and cores range from: construction columns; folding paper cartons; storage and mailing tubes; mill, fill, label and carpet cores; and plastic cores, including injection-moulded plastic cores.
[115] The North American food segments segment serves local markets with disposable tableware products, foodservice packaging products, as well as ice-cream containers and other consumer goods packaging products. The segment has production in the United States and Mexico.
[116] Other accounts for 3% of revenue and include the United Arab Emirates

- Amcor is substantially larger than the most comparable companies and as such, it can more efficiently leverage overheads and research and development spending over a wider range of products (refer to Section 7.7 of this report)
- Amcor has greater focus on flexible packaging (with the exception of Sealed Air which has a similar focus) and is more diversified by product than the most comparable companies, which enables it to generate more stable earnings as it is less vulnerable to competitive pressures, substitution from alternative materials and changes in customer preferences (refer to Section 7.7 of this report)
- Amcor is more geographically diversified than the most comparable companies (with the exception of Huhtamaki which shares a similar level of geographical diversification), which enables it to better serve the growing needs of multinational food & beverage product customers and diversify risk between countries and currencies (refer to Section 7.7 of this report), and
- similar to the most comparable companies, Amcor has a high exposure to resilient end-markets although a lower exposure than Huhtamaki and Sealed Air to fast growing end regions (both have greater exposure to Asia Pacific) (refer to Section 7.8 of this report).

Consequently, we consider that the sharemarket evidence derived from listed plastic packaging companies supports our selected valuation range for Amcor Shares.

12.5 High level DCF analysis

Amcor management has not provided detailed forecasts for Amcor for FY19 or beyond, however, it has provided high level forecasts of revenue, EBITDA, capital expenditure, depreciation and working capital for FY19, FY20 and FY21. No details as to underlying inputs (e.g. volume, price) were provided and Amcor provides no assurance or warranty that future performance will be consistent with the assumptions adopted.

KPMG Corporate Finance has used these high level forecasts as the basis for a DCF analysis to derive the value of an Amcor Share (on a minority basis), which we have used as a further cross check of our selected value range for an Amcor Share. .

KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the forecast period. Any variations in the forward looking financial information may affect our valuation and opinion. Nevertheless, KPMG Corporate Finance has satisfied itself of the reasonableness of these high level forecasts for Amcor by:

- comparing revenue growth in the high level forecasts to industry forecasts for the geographic regions and product categories in which Amcor operates (refer to Section 7.8 of this report), Amcor's guidance for FY19 (Section 8.8.1) and broker forecasts of revenue growth for Amcor (Appendix 3). In each case, we note that revenue growth rates in the high level forecasts are broadly consistent with these growth rates
- comparing PBITDA margins in the forecasts with those of other listed packaging companies (as calculated by KPMG Corporate Finance) and notes that the PBITDA margins are broadly consistent, taking into account the specific attributes of Amcor, and
- comparing capital expenditure and working capital requirements as a percentage of revenue with Amcor's historical requirements and the requirements for listed packaging companies (as calculated by KPMG Corporate Finance) and note that the requirements in the high level forecasts are broadly consistent.

A terminal value is calculated using a perpetual growth rate of 2% to 3% based on the expected growth within the plastic packaging industry where Amcor primarily operates (refer to Section 7 and 8 of this report) and a discount rate in the range of 7.5% to 8.2% as set out in Appendix 6. The key assumptions underlying the high level cash flow forecasts are:

- utilises FY18 actual results as a base line
- modest revenue growth
- PBITDA margins improve from historical levels as a results of Amcor's cost optimisation programs
- depreciation is relatively consistent with historical levels, resulting in solid PBIT growth
- capital expenditure as a percentage of revenue is in line with historical requirements, and
- working capital requirements as a percentage of revenue declines slightly over the forecast period as a result of a reduction in inventory arising from cost optimisation.

The resulting range of assessed values for Amcor's business operations has been adjusted by deducting US GAAP net borrowings, derivatives, net cash from entitlements, equity interests, Amcor's investment in AMVIG, pension liabilities and non-operating provisions (refer to Table 39 of this report) to arrive at a range of values for Amcor's equity on a control basis. A minority discount in the range of 17% to 23% (equivalent to a premium of 20% to 30%) has been applied to reflect the minority interest in Amcor based on the premiums paid in acquisitions of large, global packaging companies.[117] The value of Amcor's equity on a minority basis has been divided by the diluted number of Amcor Shares to arrive at an assessed value per Amcor Share on a minority, stand-alone basis.

The DCF results in a NPV (minority basis) in the range of US$8.4 to US$11.8 per Amcor Share. This range encompasses the valuation range derived from our primary valuation methodology. The range is relatively wide, however, we consider that it does not indicate that the values derived from our primary valuation methodology are not appropriate.

13 Valuation of Bemis Shares

13.1 Approach

As discussed in Section 11 of this report, we consider the primary method for assessing the value of Bemis Shares on a minority, stand-alone basis should be based on Bemis' sharemarket trading up until 2 August 2018[118]. This is because the prices at which Bemis Shares traded reflect the price at which Bemis minority shareholders could realise the value of their investment in the absence of the Transaction, subject to any company or sector-specific events that have occurred since 2 August 2018.

We consider this approach to be appropriate for determining our valuation range for a Bemis Share on a minority, stand-alone basis since:

- the trading price of Bemis Shares reflects the value of portfolio interests and is commonly assumed to exclude a premium for control
- as noted in Section 9.10 of this report, we consider trading in Bemis Shares up until 2 August 2018 to be liquid, with no apparent impediments to trading and, therefore, share prices can reasonably be

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[117] Based on premium of offer price to one month VWAP prior to announcement of the transaction, sourced form S&P Capital IQ. Transactions include the acquisition of KapStone Paper and Packaging Corporation (transaction value US$5.1 billion, announced 28 January 2018), Multi Packaging Solutions International Limited (US$2.3 billion, 23 January 2017), Rexam PLC (US$9.1 billion, 19 February 2015), WestRock MWV, LLC (US$11.6 billion, 25 January 2015), Temple-Inland, LLC (US$4.4 billion, 17 May 2011), Smurfit-Stone Container Corp (US$4.4 billion, 23 January 2011).

[118] The last trading day in Bemis Shares prior to market speculation in relation to the Transaction.

taken to be representative of the price at which a portfolio shareholder could have realised their investment in the absence of the Transaction

- we consider that there is an informed market with sufficient information on Bemis since:
  - ***disclosure requirements*** associated with being publicly listed suggest that any information that would have a material impact on its share price should have been disclosed to the market. As a minimum, Bemis releases earnings results on a quarterly basis. Bemis is also required to disclose significant events to the market as and when they occur. From 1 January 2018 until 2 August 2018, Bemis made over 80 public announcements, and
  - ***broker coverage:*** Bemis is broadly followed by brokers that provide market participants with additional information including commentary, financial forecasts, target prices and recommendations.

We have considered adjustments to our base value range to roll forward the valuation to a current date, including:

- ***sector-specific factors:*** (i.e. movements in the relevant indices, raw material prices and the 10 year United States Government Bond yield). Similar to Amcor, we have adjusted the base value range for Bemis by the movements in the Comparable Companies Index since 2 August 2018,.noting that Bemis Shares have historically been fairly correlated with this index, and
- ***company-specific events:*** e.g. Q3 CY18 and CY18 results announcement.

Similar to Amcor Shares, trading in Bemis Shares have experienced fairly wide swings (refer to Section 9.10.1 of this report). Consequently, a relatively wide range of assessed value per share has been selected.

In order to cross-check the valuation range derived from our analysis of trading in Bemis Shares, we have:

- compared the multiples implied by our selected valuation range to multiples at which comparable listed entities are trading, and
- compared the selected value range to the assessed value per share derived from a high level DCF analysis, after applying a minority discount.

13.2 Analysis of trading in Bemis Shares

In utilising the price of Bemis Shares up until 2 August 2018 as a basis for estimating the value of Bemis Shares on a stand-alone basis, we have considered the following:

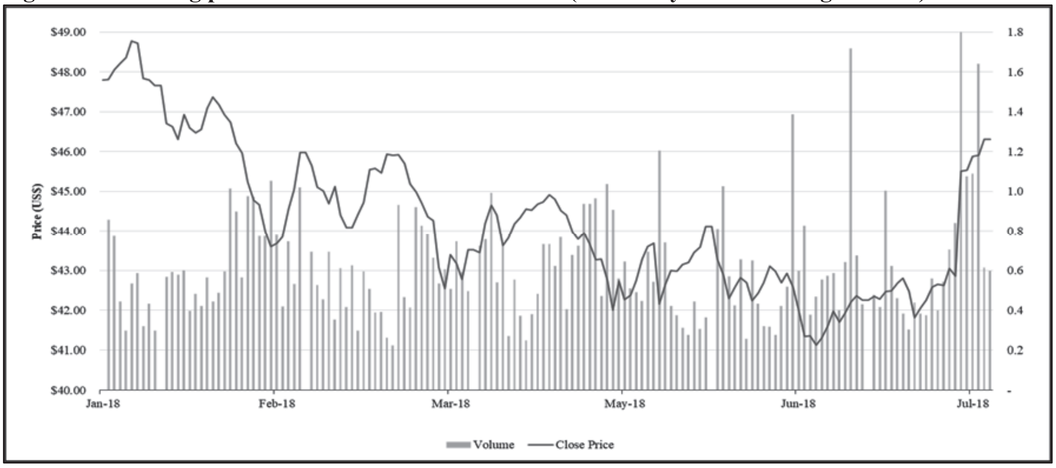
- trading in Bemis Shares up until 2 August 2018
- the performance of Bemis Shares relative to the broader sharemarket
- the performance of the 10-year United States Government Bond yield
- the performance of Bemis Shares relative to the price of key raw materials,
- the performance of Bemis Shares relative to key Latin American exchange rates, and
- broker target prices.

Our analysis of each of these factors is outlined as follows.

Recent trading in Bemis Shares

The trading price and volume of Bemis Shares from 1 January 2018 to 2 August 2018 is illustrated in the following chart.

Figure 47: Trading price and volume of Bemis Shares (1 January 2018 to 2 August 2018)



Source: S&P Capital IQ, KPMG Corporate Finance analysis.

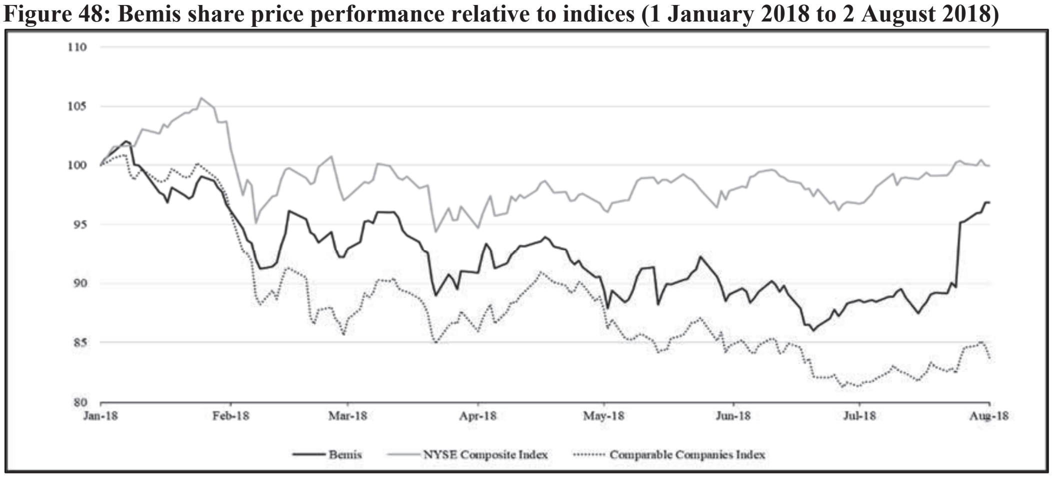
With regard to the above chart, we note:

- Bemis' share price performance up until 2 August 2018 is discussed in Section 9.10 of this report, and
- the Bemis share price declined by 14.2% from US$47.79 on 1 January 2018 to a low of US$41.01 on 25 June 2018 reflecting an increase in resin prices, depreciation of the Brazilian Real against the US dollar, release of the CY17 financial results on 1 February 2018 (which indicated EPS in line with guidance but towards the lower end of expectations) and downgrade of Bemis' credit rating from a BBB Stable to BBB- in April 2018
- the share price then increased to close at US$46.31 on 2 August 2018 as resin prices eased, the Brazilian Real appreciated and Bemis announced its Q2 CY18 which indicated a US$20 million increase in profit as a result of savings from the 2017 Plan and an improvement in currency translation from Latin America (Brazilian Real and Argentinian Peso).

Bemis Share trading relative to indices

The performance of Bemis Shares from 1 January 2018 to 2 August 2018 relative to the NYSE Composite Index and Comparable Companies Index is illustrated in the following chart.

Figure 48: Bemis share price performance relative to indices (1 January 2018 to 2 August 2018)



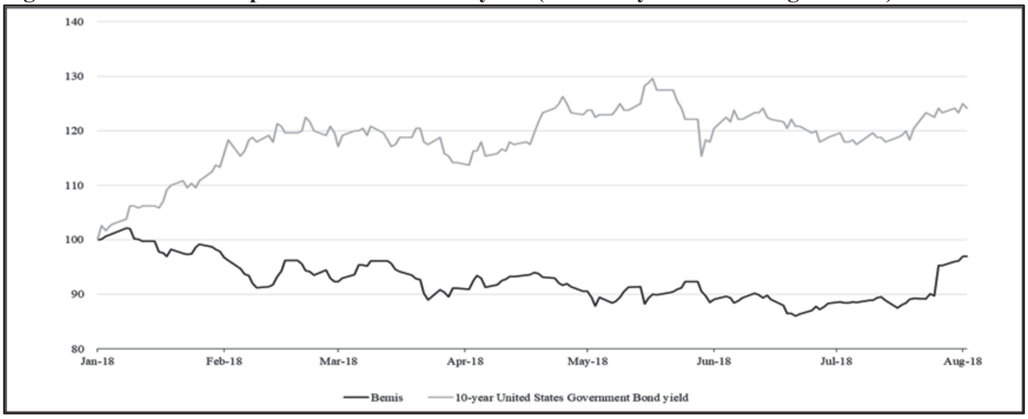
Source: S&P Capital IQ; KPMG Corporate Finance analysis.

Bemis' share price and the Comparable Companies Index underperformed the NYSE Composite Index from 1 January 2018 until March 2018 coinciding with a strong increase in resin prices, an increase in bond yields, lower than expected earnings for Bemis and a number of constituents of the Comparable Companies Index and a depreciation of the Brazilian Real. The Bemis share price and Companies Index underperformed the NYSE Composite Index in April/May 2018 as a result of a strong increase in resin prices and an increase in bond yields. The Bemis share price outperformed each of the indices from 26 July 2018 until 2 August 2018 as key raw material prices eased and Bemis announced Q2 CY18 results that indicated it had achieved $20 million of cost savings under the 2017 Plan.

Bemis share trading relative to bond yields

The performance of Bemis Shares from 1 January 2018 to 2 August 2018 relative to the 10-year United States Government Bond yield is illustrated in the following chart.

Figure 49: Bemis share price relative to bond yield (1 January 2018 to 2 August 2018)



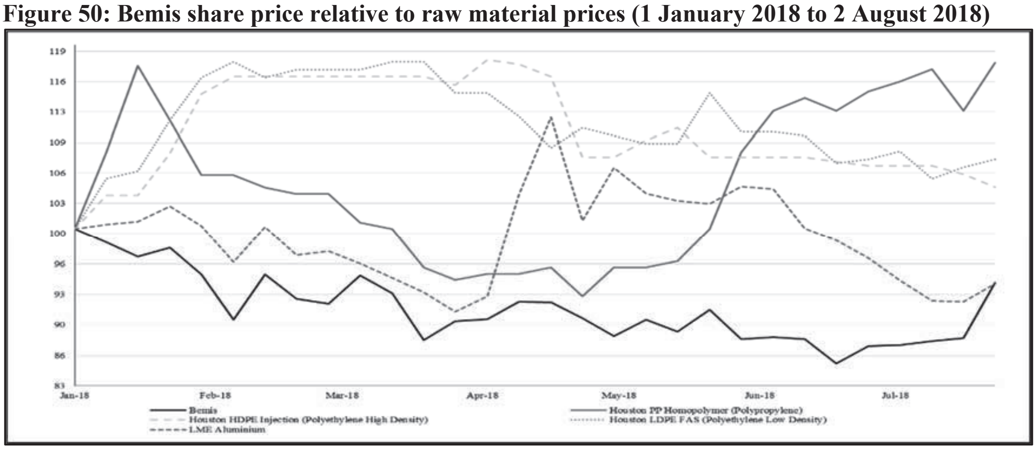
Source: United States Department of Treasury; S&P Capital IQ; KPMG Corporate Finance analysis.

Similar to Amcor, Bemis is considered to be a defensive stock (i.e. it has stable free cash flow and dividends and a negative correlation to the United States 10-year Government Bond yield as it is regarded as a substitute to bonds) (refer to Section 9.10.1). The increase in bond yields from 1 January 2018 to May 2018 may have contributed to the decline in the Amcor share price in the period to May 2018.

Bemis share trading relative to raw material prices

The Bemis share price relative to raw material prices from 1 January 2018 until 2 August 2018 is illustrated in the following chart.

Figure 50: Bemis share price relative to raw material prices (1 January 2018 to 2 August 2018)



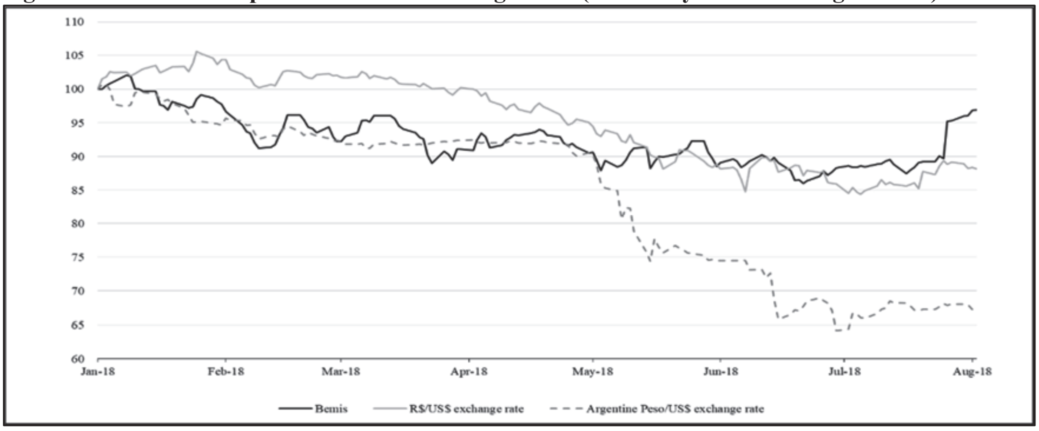
Source: Bloomberg; S&P Capital IQ; KPMG Corporate Finance analysis.

Similar to Amcor, Bemis' share price is impacted by movements in key raw material prices (resin and aluminium) (refer to Section 9.10.1 of this report). US plastic resin prices increased between January 2018 and July 2018, then decreased from July 2018. Aluminium prices have increased since May 2018.

Bemis share trading relative to key Latin American exchange rates

The Bemis Share price relative to Brazilian Real and Argentinian Peso exchange rate from 1 January 2018 until 2 August 2018 is illustrated in the following chart.

Figure 51: Bemis share price relative to exchange rates (1 January 2018 to 2 August 2018)



Source: Bloomberg; S&P Capital IQ; KPMG Corporate Finance analysis.

As discussed in Section 9.10.1, Bemis' share price appears to be influenced by movements in key Latin American exchange rates, primarily the Brazilian Real and the Argentinian Peso. Since 1 January 2018, the Brazilian Real and Argentinian Peso have depreciated against the United States Dollar by 12% and 33%, respectively. We note since May 2018, that the Bemis share price appears to have been influenced by movements in the Brazilian Real, however, appears to be less correlated to movements in the Argentinian Peso, likely reflecting that Bemis generates a greater share of revenue in Brazilian Real than Argentinian Pesos as well as an increasing expectation that companies with operations in Argentina would adopt inflation accounting from 1 July 2018 (such that for a period of time, financial statements will be reported in the reporting currency of the parent company (i.e. US$ for Bemis) at a set exchange rate, which will limit the Argentinian Peso risk). [119]

Broker target prices

Prior to the media speculation about the Transaction, broker target prices were in the range of US$39.50 to US$52.00 with a median of US$46.00 (refer to Appendix 3 of this report).

Conclusion

Taking into account recent share trading, movements in indices, bond yields, raw material prices and key Latin American exchange rates, as well as the existence of an informed and liquid market for Bemis Shares, KPMG Corporate Finance is of the view that the closing share price of US$46.31 on 2 August 2018 is an appropriate starting point for selecting a value for Bemis Shares (prior to any adjustment for subsequent events). KPMG Corporate Finance has selected a value range of US$44.00 to US$48.50 for Bemis Shares on a stand-alone, minority basis (prior to taking into account any subsequent events). This

[119] Monitoring inflation in Argentina, PricewaterhouseCoopers (PwC), 26 June 2018. https://www.pwc.com/us/en/cfodirect/publications/in-brief/argentina-highly-inflationary.html

range straddles the closing price of Bemis Shares on 2 August 2018 and is consistent with broker target prices at that date (a median of US$46.00).

We note that Bemis was subject to takeover speculation in September 2017, which resulted in a strong price increase, however, the share price subsequently declined to previous trading levels and consequently, it does not appear to have included a control premium as at 2 August 2018 (refer to Section 9.10.1 of this report). We also note that the Bemis share price increased by 11.3% on 3 August 2018, the date on which media speculation in relation to the Transaction commenced.

On 2 August 2018, Bemis announced a dividend of US$0.31 per Bemis Share with respect to earnings for Q3 CY18. The value range for Bemis Shares of US$44.00 to US$48.50 has been adjusted to exclude the accrued distribution as at 2 August 2018 of US$0.12[120] per Bemis Share to arrive at a base value range for Bemis Shares of US$43.88 to US$48.38.

13.3 Subsequent events

KPMG Corporate Finance has sought to roll forward the value range for Bemis Shares to a current date based on company and sector-specific factors (other than the impact of the Transaction) that have occurred since 3 August 2018. A discussion of these factors follows.

Sector-specific subsequent events

We have considered whether there are any sector-specific subsequent events influencing the Bemis share price since 2 August 2018. As discussed in Section 9.10.2, from 2 August 2018 to 1 March 2019,

- the United States 10-Year Government Bond yield decreased from 2.95% to 2.76%
- key resin prices decreased by between 17.9% and 35.7% (depending on the type of resin) as crude oil price decreased by 14.7%. Aluminium prices decreased by 5.7%, and
- the Brazilian Real remained relatively flat against the United States dollar (depreciated by 0.8%) and the Argentinian Peso depreciated against the United States Dollar by 30.4%.

As set out in Section 9.10.2 of this report, we consider that the movement in raw material prices and bond yields is captured in the movement in the Comparable Companies Index. Consequently, we have considered an adjustment to the base value range for Bemis Shares taking into account the movement in the Comparable Companies Index since 2 August 2018. Notwithstanding the specific differences between each company and Bemis, these companies are affected by the same sector-specific factors as Bemis and Bemis' share price has historically been reasonably correlated with this index.

As noted in Section 13.2, the impact on Bemis from the Argentinian Peso is limited going forward due to a change in accounting policies under US GAAP. Further, we note that the movement in the Brazilian Real has remained relatively flat against the US dollar. Consequently, no adjustment has been made for movements in Latin American exchange rates.

A comparison of the Bemis share price relative to the NYSE Composite Index and the Comparable Companies Index from 2 August 2018[118] until 1 March 2019 is set out in the following chart.

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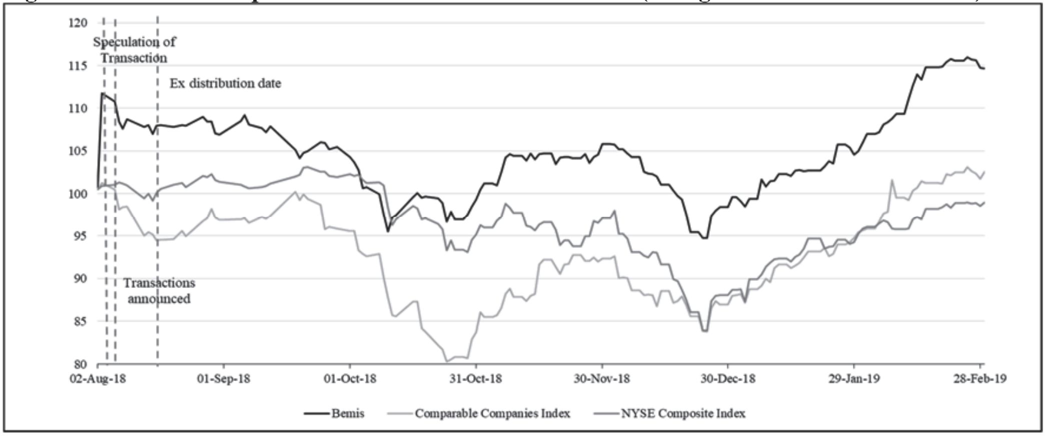
[120] Calculated as 37 days from 1 July 2018 to 2 August 2018 inclusive, divided by 92 days in Q3 CY18, multiplied by US$0.31.

Figure 52: Bemis share price relative to sharemarket indices (2 August 2018 to 1 March 2019)



Source: S&P Capital IQ; KPMG Corporate Finance analysis.

The Bemis share price increased by 11.3% on 3 August 2018 and then increased by 14.2% over the period to 1 March 2019. We consider it appropriate to roll forward the Bemis base value range on the basis of the Comparable Companies Index. As illustrated in the above figure, from 2 August 2018[118] until 1 March 2019, the Comparable Companies Index increased by 2.1%. Consequently, an adjustment of 2.1% has been made to the base value range for Bemis Shares.

Company-specific subsequent events

On 26 October 2018, Bemis released the Q3 CY18 financial results. The Q3 CY18 actual EBITDA was 2.0% lower and other metrics (EBIT and EPS) were 1% lower than the broker consensus forecast. Bemis also narrowed its CY18 EPS guidance from a range of US$2.75 to US$2.85 to a range of US$2.77 to US$2.82 and the mid-point was unchanged. Following the earnings release:

- the Bemis share price decreased marginally, however, returned to its prior trading range the next day
- one broker provided a revised forecast. There were no material changes in EBITDA and EBIT was 2.0% lower in CY19 and CY20, and
- certain brokers revised their target prices, however, these revisions also reflect the movement in the overall market.

A decline of 2.0% in earnings is consistent with the results announced by a number of other companies in the Comparable Companies Index and consequently, no adjustment has been made to the base value range for Bemis Shares (of US$43.88 to US$48.38).

Bemis released the CY18 financial results on 31 January 2019. The reported CY18 EPS of US$2.79 was in line with guidance and brokers maintained their forecasts and target prices for Bemis. As a result, no adjustment has been made to the base value range for Bemis Shares.

No adjustment has been made for the dividends paid in subsequent periods since the estimated implementation date of the Transaction is not until Q2 CY19 by which time further earnings would have been accrued and dividends paid.

Adjustments for subsequent events

KPMG Corporate Finance has adjusted the base value range of US$43.88 to US$48.38 for Bemis Shares on a minority, stand-alone basis (which reflects share trading up until 2 August 2018) to take into account sector-specific events (based on the movement in the Comparable Companies Index from 2 August 2018 until 1 March 2019) to arrive at an adjusted value range for Bemis Shares at a current date of US$44.78 to US$49.38.

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Table 46: Adjusted value per Bemis Share

US$ per share	Value range Low	High
Base value range per Bemis Share on minority, stand-alone basis	**$43.88**	**$48.38**
Adjustment for sector-specific subsequent events	2.1%	2.1%
Adjusted value per Bemis Share on a minority, stand-alone basis	**$44.78**	**$49.38**

Source: CapitalIQ; KPMG Corporate Finance analysis as at 1 March 2019.
Note: Adjustment for sector-specific subsequent events based on the movement in the Comparable Companies Index from 2 August 2018 to 1 March 2019.

13.4 Comparison to sharemarket evidence

In order to cross-check our selected range of values for a Bemis Share as at a current date, we have compared the implied EBITDA multiples to sharemarket evidence derived from listed packaging companies. The selected range of value per Bemis Share of US$44.78 to US$49.38 corresponds to a value for Bemis' operating business of US$5.5 billion to US$5.9 billion.

Table 47: Implied value of Bemis' operating business

US$ millions unless otherwise stated	Section reference	Bemis Low	High
Adjusted value per Bemis Share (US$)	13.3	**$44.78**	**$49.38**
Diluted number of Bemis Shares outstanding (millions)[1]	9.9	91.3	91.3
Implied value of Bemis' equity		**4,087.3**	**4,506.5**
Net borrowings as at 31 December 2018[2]	9.5	1,284.5	1,284.5
Debt related derivatives at 31 December 2018	9.5	2.7	2.7
Bemis Q1CY19 distribution paid after 31 December 2018	9.4	29.2	29.2
Cash paid for cash settled stock awards[3]	9.9	-	-
Implied enterprise value of Bemis		**5,403.7**	**5,822.9**
Market value of equity accounted investments as at 31 December 2018	9.5	(6.9)	(6.9)
Pension liabilities (net) as at 31 December 2018[4]	9.5	75.7	75.7
Non-operating provisions as at 31 December 2018[5]	9.5	14.4	14.4
Implied value of Bemis' operating business		**5,486.9**	**5,906.1**

Source: KPMG Corporate Finance analysis
Notes:
1. *Diluted number of Bemis Shares outstanding including Bemis Shares of 91,211,989 and vested RSUs as at 1 March 2019 of 55,678.*
2. *Bemis US GAAP net borrowings as at 31 December 2018 (latest publicly available for Amcor).*
3. *Cash paid for cash settled stock awards relate to vested cash settled Bemis RSU and vested cash settled Bemis PSU based on the selected value range for Bemis. We note that there were no vested cash settled stock awards as at 1 March 2019.*
4. *Pension liabilities (net) reflects Bemis' projected benefit obligation as at 31 December 2018.*
5. *Provisions (non-operating) reflects restructuring reserves as at 31 December 2018.*

The EBITDA multiples implied by our selected valuation range for a Bemis Share as at a current date are presented in the following table.

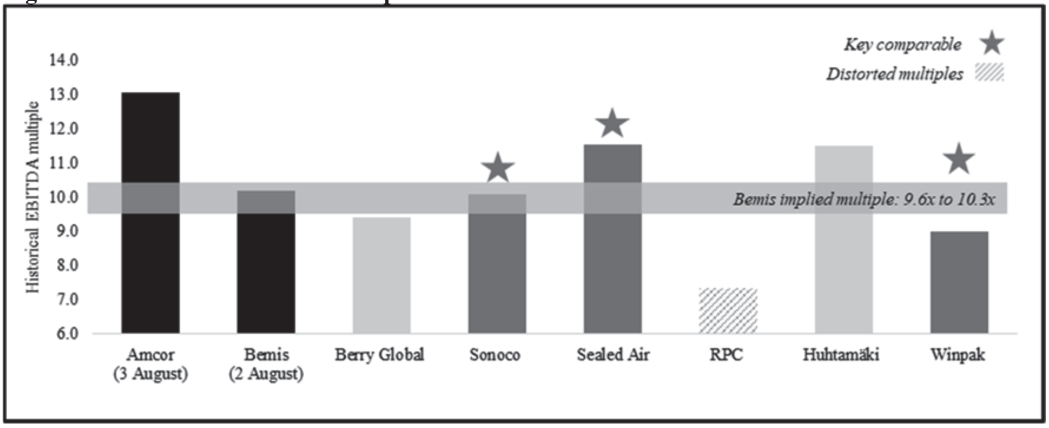
Table 48: Bemis implied multiples cross-check

	Parameter (US$ million)	Low	High
Implied value of Bemis' operating business (US$ million)		**$5,486.9**	**$5,906.1**
CY18 EBITDA (actual)	573.2	9.6	10.3
CY19 EBITDA (broker consensus)	599.9	9.1	9.8
CY20 EBITDA (broker consensus)	620.5	8.8	9.5

Source: KPMG Corporate Finance analysis.
Notes:
1. *Latest broker consensus forecasts as at 1 March 2019. Refer to Section 9.7 and Appendix 3 of this report.*
2. *EBITDA excludes significant and all non-recurring items as set out in Section 9.7 of the report.*

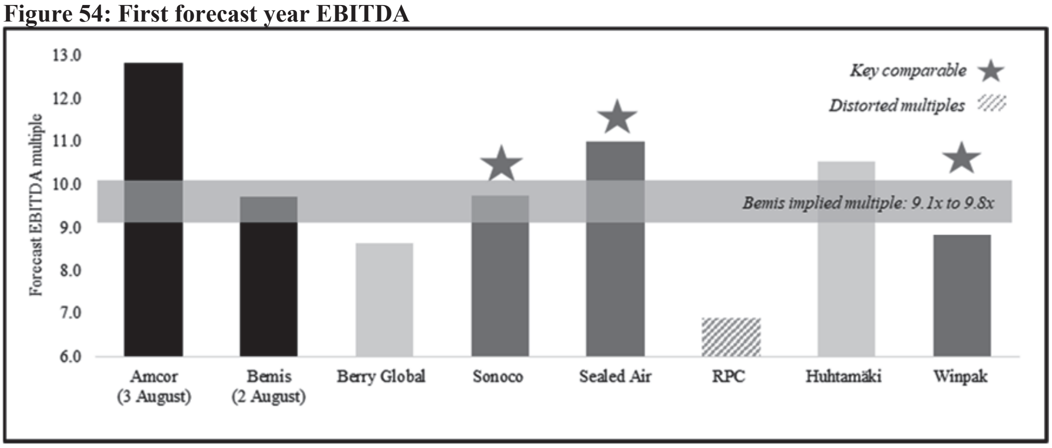
The implied EBITDA multiples for Bemis fall within the range of multiples observed for the various listed packaging companies as illustrated in the following chart:

Figure 53: Historical EBITDA multiples



Source: KPMG Corporate Finance analysis; S&P Capital IQ.
Note 1: Market data sourced from S&P Capital IQ as at 1 March 2019, except for Amcor (3 August), Bemis (2 August) and RPC Group (7 September to reflect pre takeover speculation share price). Refer to Appendix 5.

Figure 54: First forecast year EBITDA



Source: KPMG Corporate Finance analysis; S&P Capital IQ.
Note 1: Market data sourced from S&P Capital IQ as at 1 March 2019, except for Amcor (3 August), Bemis (2 August) and RPC Group (7 September to reflect pre takeover speculation share price). Refer to Appendix 5.

The following companies have been considered less comparable to Bemis:

- unlike Bemis, RPC and Huhtamaki have limited exposure to North America (RPC, 12%; Huhtamaki, 33%), and
- Berry focuses on similar food & beverage end-markets to Bemis, however, its main focus is on the health care & hygiene (41% of revenue) and industrial (20% of revenue) end-markets. In addition, despite increasing its presence in flexible packaging, the company is still mainly present in rigid packaging making it less comparable to Bemis (which is 95% flexibles).

Sonoco, Sealed Air and Winpak are considered to be most comparable to Bemis given the following:

- Sonoco has significant exposure to food & beverage end-markets (mainly in the fresh food and beverages sector) with a goal of expanding its exposure to the end-market (along with consumer product goods) to 55% of revenue by 2020 (currently 41%)

- Sealed Air is primarily a flexible packaging provider in North America and Latin America and its largest end-market to food packaging (63% of revenue) (e.g. packaging for fresh meats, smoked and processed meats and poultry), and
- Similar to Bemis, Winpak's operations are focused on North America (95% of revenue) and it has similar end-markets in perishable foods, beverages and healthcare. It also has a relatively high focus in flexible packaging (~46% of revenue[121]), albeit significantly lower than Bemis.

Conclusion

Relative to EBITDA multiples observed for the three most comparable listed plastic packaging companies (i.e. Sealed Air, Sonoco and Winpak), the implied multiples for Bemis are:

- in the range of multiples of historical EBITDA, although towards the lower end compared to Sealed Air and Sonoco but above Winpak, and
- in the range of multiples of first forecast year EBITDA, although towards the lower end compared to Sealed Air and Sonoco but above Winpak.

This is reasonable since:

- Bemis is substantially smaller than Sealed Air and Sonoco (although larger than Winpak) and as such, it can less efficiently leverage overheads and research and development spending (refer to Section 7.7)
- Bemis is focused on a single product area, flexible packaging, and its end-markets are relatively narrow, which results in less stable earnings as it is more vulnerable to competitive pressures, substitution from alternative materials and changes in customer preferences (refer to Section 7.7)
- Bemis is more geographically diversified than Winpak (95% of sales are generated in North America), however, less geographically diversified than Sonoco and Sealed Air, which reduces its ability to serve the growing needs of multinational food & beverage product customers and reduces its ability to diversify risk associated with certain countries (i.e. Brazil) and currencies (i.e. Brazilian Real) (refer to Section 7.7), and
- similar to the most comparable companies, Bemis has a high exposure to resilient end-markets, although a lower exposure to fast growing end regions than Sealed Air (which has greater exposure to Asia Pacific) (refer to Section 7.8).

Consequently, we consider that the sharemarket evidence derived from listed plastic packaging companies supports our selected valuation range for Bemis Shares.

13.5 High level DCF analysis

Amcor management has not provided detailed forecasts for Bemis for FY19 or beyond, however, it has provided high level forecasts of revenue, EBITDA, capital expenditure, depreciation and working capital for CY19, CY20 and CY21 which were originally prepared by Bemis management. No details as to underlying inputs (e.g. volume, price) were provided. Neither Amcor nor Bemis provide any assurance or warranty that future performance will be consistent with the assumptions adopted.

KPMG Corporate Finance has used these high level forecasts as the basis for a DCF analysis to derive the value of a Bemis Share (on a minority basis), which we have used as a further cross check of our selected value range for a Bemis Share.

[121] This is sourced from management's breakdown

KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the forecast period. Any variations in the forward looking financial information may affect our valuation and opinion. Nevertheless, KPMG Corporate Finance has satisfied itself of the reasonableness of these high level forecasts for Bemis by:

- comparing revenue growth in the high level forecasts to industry forecasts for the geographic regions and product categories in which Bemis operates (refer to Section 7.8 of this report) and broker forecasts of revenue growth for Bemis (Appendix 3). In each case, we note that revenue growth rates in the high level forecasts are consistent with these growth rates. Revenue growth is broadly consistent with historical revenue growth for Bemis (Section 9.4) and at the low end of revenue growth for listed packaging companies
- we note that Bemis CY18 actual results were in line with guidance and relatively consistent with the high level forecast for Bemis for CY18, suggesting the forecasts remain appropriate
- comparing PBITDA margins in the forecasts with those of other listed packaging companies (as calculated by KPMG Corporate Finance). We note that as expected, the PBITDA margins are broadly consistent but towards the lower end of PBITDA margins for listed packaging companies, and
- comparing capital expenditure and working capital requirements as a percentage of revenue with Bemis' historical requirements. We note that the requirements in the high level forecasts are relatively consistent with historical requirements.

A terminal value is calculated using a perpetual growth rate of 2% to 3% based on the long-term growth rate for the plastic packaging industry where Bemis operates (refer to Section 7 and 9 of this report) and a discount rate in the range of 7.6% to 8.2% as set out in Appendix 6. The key assumptions underlying the high level cash flow forecasts are:

- based on CY18 guidance released by Bemis management as a base line (noting that actual CY18 results were consistent with guidance) and the high level forecast for Bemis for CY18
- revenue growth remains subdued and reflects Bemis' continued underperformance relative peers
- PBITDA margins improve from historical levels as a result of Bemis' cost optimisation programs but remain relatively low (compared with peers)
- capital expenditure as a percentage of revenue is in line with historical requirements and depreciation is consistent with historical levels, and
- working capital requirements as a percentage of revenue are consistent with historical requirements.

The resulting range of values for Bemis' business operations has been adjusted by deducting net borrowings, derivatives, equity accounted investments, pension liabilities and non-operating provisions (refer to Table 27) to arrive at a range of values for Bemis' equity on a control basis. A minority discount in the range of 17% to 23% (equivalent to a premium of 20% to 30%)[122] has been applied to reflect the minority interest in Bemis. The value of Bemis' equity on a minority basis has been divided by the diluted number of Bemis Shares to arrive at an assessed value per Bemis Share on a minority, stand-alone basis.

The DCF results in an NPV (minority basis) in the range of US$38.3 to US$50.5 per Bemis Share. This range straddles the valuation range derived from our primary valuation methodology. This range is relatively wide, however, we consider that it does not indicate that the values derived from our primary valuation methodology are not appropriate.

[122] Based on premiums paid for acquisitions of large, global packaging companies.

14 Valuation of New Amcor Shares

14.1 Summary of value

Upon implementation of the Transaction, the Scheme Consideration received by Amcor Shareholders will represent minority interests in New Amcor Shares. As such, any assessment of the value of New Amcor Shares[123] should be prepared on a minority interest basis. We have assessed the current relative value of a New Amcor Share based on a 'sum of the parts' approach, which aggregates:

- the assessed value of Amcor's equity on a minority, stand-alone basis (refer to Section 12 of this report)
- the assessed value of Bemis' equity on a minority, stand-alone basis (refer to Section 13 of this report), and
- the NPV of the Net Synergies (this Section of this report).

The aggregate value of New Amcor's equity has been divided by the diluted number of New Amcor Shares to arrive at an assessed value per New Amcor Share at a current date in the range of A$15.61 to A$17.41, or US$11.06 to US$12.34 (assuming an exchange rate of A$1=US$0.70867).

Table 49: Assessed Value of New Amcor Shares

	Section reference	Equity value (US$	
		Low	High
Assessed value of Amcor's equity on a minority, stand-alone basis	12	12,484.8	13,757.5
Assessed value of Bemis' equity on a minority, stand-alone basis	13	4,087.3	4,506.5
NPV of Net Synergies	14.2	1,440.3	1,820.4
Assessed value of New Amcor's equity on a minority basis (inclusive of synergies)		**18,012.4**	**20,084.4**
Diluted number of New Amcor Shares[1]	10.5	1,628.2	1,628.2
Assessed value per New Amcor Share (US$)		**$11.06**	**$12.34**
Assessed value per New Amcor Share (A$)[2]		**$15.61**	**$17.41**

Source: KPMG Corporate Finance analysis.
Notes:
1. *Refer to Section 10.5 of this report for calculation of the number of diluted New Amcor Shares/ CDIs.*
2. *Based on the A$/US$ exchange rate on 1 March 2019 of A$1=US$0.70867.*

The assessed value range per New Amcor Share as at a current date has been cross-checked using the following methodologies:

- multiples at which listed, global plastic packaging companies are trading
- a high level DCF analysis of New Amcor, and
- trading in Amcor Shares post the announcement of the Transaction.

14.2 Net Synergies

The Net Synergies expected to be achieved as a result of the Transaction include:

- Net Cost Synergies of US$180 million per annum (pre-tax basis, full run-rate) representing approximately 4.4% of Bemis sales expected to be achieved over a three year period following the implementation of the Transaction (refer to Section 10.3.2 of this report)
- working capital savings of $100 million and capital expenditure synergies of US$200 million over a three year period (US$65 million per annum) (refer to Section 10.3.3 of the report), net of

[123] Noting that a New Amcor CDI represents a beneficial interest in one New Amcor Share.

- pre tax integration costs of approximately US$150 million predominantly in the first two years following the close of the Transaction, approximately US$65 million of compensation costs and approximately US$125 million of transaction costs (both pre-tax), both predominantly in the first year following the close of the Transaction (refer to Section 10.3.4 of this report).

KPMG Corporate Finance has undertaken various enquires in relation to the Net Synergies. In this regard, KPMG Corporate Finance has held discussions with Amcor management in regard to the assumptions underlying the Net Cost Synergies. We have analysed the timing of the various synergies and the domicile of the Net Cost Synergies to assess country and currency risk and reviewed the key assumptions in the context of our understanding of the Amcor and Bemis businesses.

KPMG Corporate Finance is of the view that the forward-looking information has been prepared on a reasonable basis and, therefore, is suitable to be included in our valuation of New Amcor. In making this assessment, we have taken into account the following:

- in developing the Net Cost Synergies, Amcor management initially developed Net Cost Synergies estimates on the basis of publicly available information on Bemis. These estimates were updated and refined over time. In this regard, we note that Amcor operates in similar areas to Bemis
- in May 2018, Amcor and Bemis management held a management session in which assumptions underlying the Net Cost Synergies were discussed
- in June/July 2018, Amcor management commenced due diligence in relation to Bemis. Amcor management further refined the estimated Net Cost Synergies, taking into account Bemis' site locations and G&A costs and confirmed that there was no overlap with Bemis' Agility Program
- in order to cross-check Amcor management's estimates of Net Cost Synergies, Amcor hired an external consultant experienced in such matters. The external consultant provided an estimate of potential revenue and cost synergies on a top-down and bottom up-approach. Net Cost Synergies were also benchmarked across similar transactions. The expert's estimate of cost synergies was in excess of the Net Cost Synergies estimated by Amcor management
- subsequently, a joint Clean Team Integration Planning Group was formed comprised of both Amcor and Bemis employees and facilitated by the external consultant (governed by Clean Team Integration Planning Group protocols) to review each of the key categories of cost savings (Procurement, Operations, G&A and Other) in more detail. Their procedures included analysing key categories of input costs (by region), conducting site visits with subject matter experts and further reviewing operating cost savings
- the estimated Net Cost Synergies have been reviewed by the Amcor Board
- the estimated Net Cost Synergies are net of certain assumed dis-synergies
- the estimate of Net Cost Synergies is conservative and takes into account a degree of execution risk
- the synergies announced are cost-related only. Amcor management has assumed no savings in selling or research and development costs on the basis that these costs would be required to achieve revenue synergies. However, revenue synergies, which are typically less certain than Net Cost Synergies, have been excluded from the synergy estimate
- costs of achieving synergies have been taken into account. Integration, compensation and transaction costs are expected to be broadly offset by working capital and capital expenditure savings, and
- the quantum of Net Cost Synergies is comparable to those achieved by Amcor in previous transactions and those achieved in other large transactions in the packaging industry.

Valuation of Net Synergies

KPMG Corporate Finance has assessed the value of the Net Synergies in the range of US$1.4 billion to US$1.8 billion based on a DCF analysis. The analysis takes into account Net Cost Synergies estimated by Amcor over a three year period following the estimated completion date of the Transaction, tax effected at New Amcor's assumed tax rate of 20.8%[124] as well as the working capital and capital expenditure savings which are broadly offset by tax effected integration, compensation and transaction costs. A terminal value is calculated based on a nil perpetual growth rate and a discount rate in the range of 7.3% to 7.9% as set out in Appendix 6.

There is a risk that not all Net Cost Synergies, working capital savings or capital expenditure savings are achieved, there are delays in achieving those savings or integration, compensation and transaction costs are greater than expected. Our value range captures 90% to 100% of Net Cost Synergies, 80% to 90% of working capital and capital expenditure savings and 100% of integration, compensation and transaction costs. In assessing these probabilities, KPMG Corporate Finance has undertaken the following:

- we have considered Amcor's strong history of achieving substantial synergies in large acquisitions. Since 2010, Amcor has achieved Net Cost Synergies in the range of 5% to 10% of acquired sales, with a mean of 7.4% and a median of 6.8%.

  Table 50: Net Cost Synergies achieved by Amcor in prior transactions

Date	Target	Transaction value ($ million)	Synergies as a percentage of acquired sales
Nov '16	Sonoco Products Company's North American rigid plastics blow molding operations	US$280	9.5%
Jun '16	Alusa S.A., the largest flexible packaging business in South America	US$435	6.7%
Feb '13	AGI-Shorewood tobacco packaging and specialty folding carton operations	US$115	10.0%
May '12	Aperio Group, one of Asia Pacific's leading producers of flexile packaging	A$238	7.0%
Aug '10	Ball Corporation's Plastics Packaging Americas business	US$280	6.0%
Feb '10	Alcan's Food Europe, Food Asia, global Pharmaceuticals and global Tobacco divisions[1]	US$1,948	5.0%
Mean			**7.4%**
Median			**6.8%**

  Source: Amcor announcements, KPMG Corporate Finance analysis.

  The expected Net Cost Synergies represent approximately 4.4% of Bemis' CY18 sales (or 4.0% to 4.4% after applying a 90% to 100% risk weighting), which is below the low end of the range of savings achieved by Amcor in previous transactions. This is not unexpected given the limited geographical overlap of Amcor and Bemis' flexibles packaging operations and as the Net Cost Synergies do not include any savings in sales costs or research and development expenditure

- the Net Cost Synergies are low in comparison to savings that were expected to be achieved in acquisitions of global packaging companies since 2011. In these transactions, the acquirer expected to achieve synergies of 1.7% to 17.8% of acquired sales, with a mean of 5.7% and median of 5.0%.

[124] The historical blended rate for Amcor and Bemis provided by Amcor management.

Table 51: Net Cost Synergies in large packaging industry transactions

Announced Date	Target	Transaction value ($ million)	Synergies as a percentage of acquired sales
20-Dec-18	Caraustar Industries, Inc	US$1,800	3.2%
28-Jan-18	KapStone Paper and Packaging Corporation	US$4,900	6.0%
24-Oct-17	Graphic Packaging Holding Company	US$1,800	1.7%
23-Jan-17	Multi Packaging Solutions International Limited	US$2,280	5.1%
23-Jan-17	WestRock Specialty Closures and Dispensing Systems business	US$1,025	2.7%
19-Feb-15	Rexam Plc	US$8,400	5.0%
25-Jan-15	MeadWestvaco Corporation	US$8,287	17.8%
06-Sep-11	Temple-Inland LLC	US$4,400	7.6%
23-Jan-11	Smurfit-Stone Container Corp.	US$5,000	2.4%
Mean			**5.7%**
Median			**5.0%**

Source: Company announcements, S&P Capital IQ, KPMG Corporate Finance analysis.
Note 1: Excludes Apollo Global Management's acquisition of RPC Group Plc which is pending and which involves a financial buyer.

- the Net Cost Synergies are conservative and take into account a degree of execution risk. The assumed Net Cost Synergies are at the conservative end of management's initial estimated savings and are below the estimates provided by a third party consultant
- there are a range of strategic benefits (revenue synergies) which are expected to result from the transaction as set out in Section 10 of this report, which are compelling, however, have not been included in the DCF analysis, including:
  - New Amcor's comprehensive global footprint in flexible packaging is expected to increase its capability to supply large, global customers
  - its greater scale is expected to provide New Amcor with an ability to more efficiently leverage overheads and research and development spending over a wider range of products
  - exposure to faster growing/resilient product areas and end-markets (e.g. healthcare, protein), and
  - an opportunity to further differentiate its products by having access to Bemis' innovation capabilities.
- Amcor management has assumed no savings in selling or research and development costs on the basis that these costs would be required to achieve revenue synergies (even though these revenue synergies are not included in the estimate).

Actual Net Synergies could be higher or lower than those assumed. In this regard, we note that there are significant risks associated with realisation of the synergies as well as potential upside opportunities (e.g. revenue synergies) that have not been quantified. The range of values per New Amcor Share for changes in the assumed percentage of Net Cost Synergies achieved is illustrated in the following table.

Table 52: Sensitivity of assessed value per New Amcor Share to % of Net Cost Synergies achieved

Percentage of Cost Synergies achieved	70%	80.0%	90.0%	100.0%	110.0%	120.0%
Value per New Amcor Share - Low (A$)	$15.25	$15.43	**$15.61**	$15.79	$15.97	$16.15
Value per New Amcor Share - High (A$)	$16.82	$17.01	$17.21	**$17.41**	$17.60	$17.80

Source: KPMG Corporate Finance analysis.

Cross-check

The value of the Net Synergies[125] is in the range of US$1.4 billion to US$1.8 billion (noting that the value of the working capital and capital expenditure savings broadly offsets the integration, compensation and transaction costs). This value range implies a multiple of Net Cost Synergies (at the full run-rate of US$180 million per annum) in the order of 8.1 to 10.1 times, which is reasonable since:

- the range is conservative relative to multiples at which the most comparable companies are trading (10.0 to 11.5 times historical EBITDA and 9.2 to 10.9 times first forecast year EBITDA) noting we would expect Amcor to trade at a higher multiple as a result of its greater scale and diversification
- the range is below the multiples at which Amcor was trading prior to the announcement of the Transaction of 13.0 times historical EBITDA and 12.7 times first forecast year EBITDA, and
- the value of the synergies captures a degree of execution risk.

14.3 Comparison to sharemarket evidence

As a cross-check of our selected valuation range for New Amcor Shares, we have compared the implied EBITDA multiples to sharemarket evidence derived from listed packaging companies. The implied range of value per New Amcor Share of A$15.61 to A$17.41 corresponds to a value for the operating business of New Amcor of US$24.6 billion to US$26.6 billion as set out in the following table.

Table 53: Implied value of New Amcor operating business

US$ million unless otherwise stated	Section reference	Low	High
Assessed value of New Amcor's equity	**14.1**	**18,006.9**	**20,078.4**
Outside equity interests as at 31 December 2018[1]	10.3.4	64.0	64.0
Net borrowings as at 31 December 2018[2]	10.3.4	5,657.3	5,657.3
Debt related derivatives as at 31 December 2018	9.5,8.5	(18.3)	(18.3)
Distributions paid/to be paid after 31 December 2018[3]	8.4,9.4	278.2	278.2
Net cash paid/(received) for entitlements/stock awards[4]	8.10,9.9	(18.6)	(18.6)
Implied enterprise value of New Amcor		**24,247.7**	**26,319.1**
Equity accounted investments as at 31 December 2018	10.3.4, 9.5	(109.5)	(109.5)
Pension liabilities (net) as at 31 December 2018	10.3.4	318.9	318.9
Provisions (not operating) as at 31 December 2018	10.3.4,9.5	116.2	116.2
Implied value of New Amcor's operating business		**24,573.2**	**26,644.7**

Source: KPMG Corporate Finance analysis.
Notes:

1. *Outside equity interests relate to Amcor's Bericap business.*
2. *New Amcor US GAAP net borrowings as at 31 December 2018 (latest publicly available information).*
3. *Distributions paid/to be paid relate to 1H19 dividend of US$0.215 per Amcor Share to be paid on 1 April 2019 and Q1 CY19 dividend of US$0.32 per Bemis Share paid on 1 March 2019.*
4. *Includes cash received from exercise of vested Amcor Options (based on exercise price) less cash settlement of Amcor Phantom Shares (based on our value range for Amcor). Expected payments in relation to Bemis stock awards as a result of the change of control event have been reflected in net borrowings of New Amcor as at 31 December 2018. Please refer to Section 6.7 (f) Merger adjustments note 6 in the Scheme Booklet.*
5. *No adjustment has been made for integration, compensation and transaction costs associated with the Transaction since these are expected to be broadly offset by savings in working capital and capital expenditure.*

[125] Net Synergies include Net Cost Synergies and working capital and capital expenditure savings net of integration, compensation and transaction costs.

The EBITDA multiples implied by our selected valuation range for New Amcor Shares are presented below.

Table 54: New Amcor implied multiples cross-check

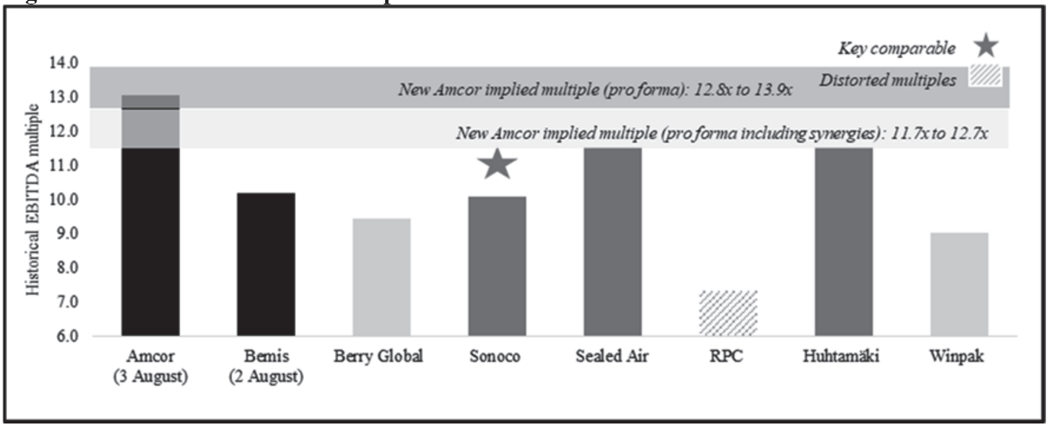
	Parameter ($ million)	Low	High
Implied value of New Amcor's operating business		**24,573.2**	**26,644.7**
FY18 EBITDA (US GAAP, pro forma[1])	1,916.8	12.8	13.9
FY18 EBITDA (US GAAP, pro forma including synergies[2])	2,096.8	11.7	12.7

Source: KPMG Corporate Finance analysis
Notes:
1. *Refer to Section 10.3.4 of this report. Includes the full year impact of Bemis but excludes Net Cost Synergies.*
2. *Includes the full year impact of Bemis and $180 million of Net Cost Synergies.*

We have not included multiples based on broker consensus forecasts for New Amcor since there are only three broker forecasts for New Amcor and furthermore, none of the periods for which broker forecasts are included reflect the full impact of the expected Net Cost Synergies (refer to Appendix 3).

The implied EBITDA multiples for New Amcor in comparison to the multiples observed for the various listed packaging companies are illustrated in the following chart:

Figure 55: Historical EBITDA multiples



Source: KPMG Corporate Finance analysis; S&P Capital IQ.
Note 1: Market data sourced from S&P Capital IQ as at 1 March 2019.

As set out in Section 10 of this report, New Amcor will be the global leader in consumer packaging. It will be more geographically diversified and will have leading positions in all major regions, which will enable it to better supply large, global customers. Relative to Amcor, it will have substantially greater scale (US$13.4 billion of FY18 pro forma revenue), an increased exposure to faster growing product areas (flexibles in North America) and end-markets (protein, healthcare) and a greater ability to differentiate through access to Bemis' technology.

Sealed Air, Sonoco and Huhtamaki are, in our view, the most comparable companies for New Amcor. In relation to the comparability of these companies:

- Sealed Air's level of geographical diversification is the most similar to that of Amcor. Sealed Air shares a similar proportion of operations in North America (54% of revenue), EMEA (22%), South America (9%) Asia Pacific (15%). In addition, Sealed Air is mostly focused on flexible plastic packaging and shares a similar exposure to end-markets
- Sonoco's geographical diversification is more closely aligned to that of New Amcor (relative to Amcor) with prominent operations in North America (70%) and Europe (19%). The company's

strategic direction of increasing its presence in flexible packaging and exposure to consumer product goods (43% of revenue) make it comparable to New Amcor, and

- Huhtamaki is slightly less comparable to New Amcor, given the increase of New Amcor's presence in North American markets (New Amcor 45% versus Huhtamaki 39%) and increase in flexible packaging (New Amcor 78% versus Huhtamaki 31%). Nevertheless, Huhtamaki's exposure to Europe and Asia Pacific (which New Amcor will still derive a combined 32% of revenue) and similar end-markets (food, fresh food, hygiene and health care) make trading multiples comparable.

Conclusion

Relative to EBITDA multiples observed for the three most comparable listed plastic packaging companies (i.e. Sonoco, Huhtamaki and Sealed Air), New Amcor's implied multiples of pro forma FY18 EBITDA (including the full year impact of Bemis and the full run rate of Net Cost Synergies) are at or above the high end of the range of multiples of historical EBITDA and are similar to (albeit slightly below) multiples for Amcor stand-alone based on our selected value range for Amcor. This is reasonable since:

- New Amcor is substantially larger than the most comparable companies (and Amcor stand-alone) and as such, it can more efficiently leverage overheads and research and development spending over a wider range of products (refer to Section 10.2.3)
- New Amcor is more diversified by product than the most comparable companies, which enables it to generate more stable earnings as it is less vulnerable to competitive pressures, substitution from alternative materials and changes in customer preferences (refer to Section 7)
- New Amcor is more geographically diversified than the most comparable companies (with the exception of Huhtamaki which shares similar geographical diversification), which enables it to better serve the growing needs of multinational food & beverage product customers and diversify risk between countries and currencies (refer to Section 10.2.2), and
- similar to the most comparable companies, New Amcor has a high exposure to resilient end-markets. Similar to Huhtamaki and Sealed Air, it has a significant exposure to fast growing end-markets (and a greater exposure to fast growing end markets than Amcor stand-alone) (refer to Section 10.2.4).

Consequently, we consider that the sharemarket evidence derived from listed plastic packaging companies supports our selected valuation range for New Amcor Shares.

14.4 High level DCF analysis

As a further cross-check, we have compared our selected value range for New Amcor Shares to the value of a New Amcor Share (on a minority basis) derived from a high-level DCF analysis. The analysis takes into account forecasts for New Amcor including applicable Net Synergies[126] for FY19, FY20, and FY21. A terminal value is calculated using a perpetual growth rate of 2% to 3% based on the long-term growth rate for end-markets where New Amcor will primarily operate (refer to Sections 7 and 10) and a discount rate in the range of 7.3% to 7.9% as set out in Appendix 6.

The valuation aggregates the cash flows for Amcor and Bemis described in Sections 12.5 and 13.5 and the NPV of the Net Synergies. The resulting range of values for New Amcor's business operations have been adjusted by deducting net borrowings, derivatives, net cash from entitlements, equity interests, equity accounted investments, pension liabilities, non-operating provisions and distributions paid since 30 June 2018 (refer to Table 39) to arrive at a range of values for New Amcor's equity on a control basis. A

[126] Net Synergies include Net Cost Synergies and working capital and capital expenditure savings net of integration ,compensation and transaction costs.

minority discount in the range of 17% to 23% (equivalent to a premium of 20% to 30%)[127] has been applied to reflect a minority interest in New Amcor. The value of New Amcor's equity on a minority basis has been divided by the diluted number of New Amcor Shares to arrive at a value per New Amcor Share on a minority basis. The DCF results in a NPV (minority basis) in the range of US$9.3 to US$12.2 per New Amcor share. This range straddles the valuation range for New Amcor Shares derived from our primary valuation methodology. This range is relatively wide, however, we consider that it does not indicate that the values derived from our primary valuation methodology are not appropriate.

14.5 Analysis of trading in Amcor Shares post 3 August 2018

It is common practice to utilise the post announcement market price as a basis for estimating the value of an offer with a scrip component, as this represents the value at which Amcor Shareholders can realise their interest post implementation of the Transaction when the market has confidence that the Transaction will proceed. We consider this approach to be reasonable as a cross-check of the selected value range under the primary valuation methodology as noted in Section 11.1 of this report:

- the trading price of Amcor Shares reflects the value of portfolio interests and is commonly assumed to exclude a premium for control
- trading in Amcor Shares subsequent to the announcement of the Transaction continues to be liquid, with no apparent impediments to trading and, therefore, share prices can reasonably be taken to be representative of the price at which a portfolio shareholder could realise their investment in New Amcor. Approximately 5.6% of shares were traded in the month to 1 March 2019 which compares to 6.5% in the month to 3 August 2018 and as such, Amcor Shares continue to be liquid. In our view, the frequency and level of trading in Amcor Shares since the announcement of the Transaction is sufficient to suggest that Amcor's recent performance and prospects are reflected in current trading prices.

Table 55: Volume of trading in Amcor Shares post announcement

Period	Price (low) $	Price (high) $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital
1 day	14.92	15.04	14.97	48.2	3.2	0.3
1 week	14.86	15.07	14.99	241.1	16.1	1.4
1 month	13.73	15.09	14.63	941.3	64.3	5.6
7 August 2018 to 1 March 2019	12.67	15.09	13.70	6,392.2	466.5	40.3

Source: CapitalIQ; KPMG Corporate Finance analysis.
Note 1: Last practicable date prior to finalisation of our report.

- we consider that there is an informed market with sufficient information on Amcor since:
  - the disclosure requirements associated with being publicly listed are that any information in relation to Amcor's stand-alone business that would have a material impact on its share price should have been disclosed to the market. We consider there to be sufficient information in the public domain to enable a well-informed market to form a rational view on the impact of the Transaction. Amcor provided detailed information on the Transaction (including Net Cost Synergies) on the announcement of the Transaction on 7 August 2018, at the FY18 results presentation (21 August 2018), CLSA Conference Presentation (11 September 2018), Annual General Meeting (11 October 2018), Baird Conference Presentation (8 November 2018) and at the 1H19 results release on 11 February 2019 (which reconfirmed FY19 guidance), and

[127] Based on premiums paid in acquisitions of large, global packaging companies.

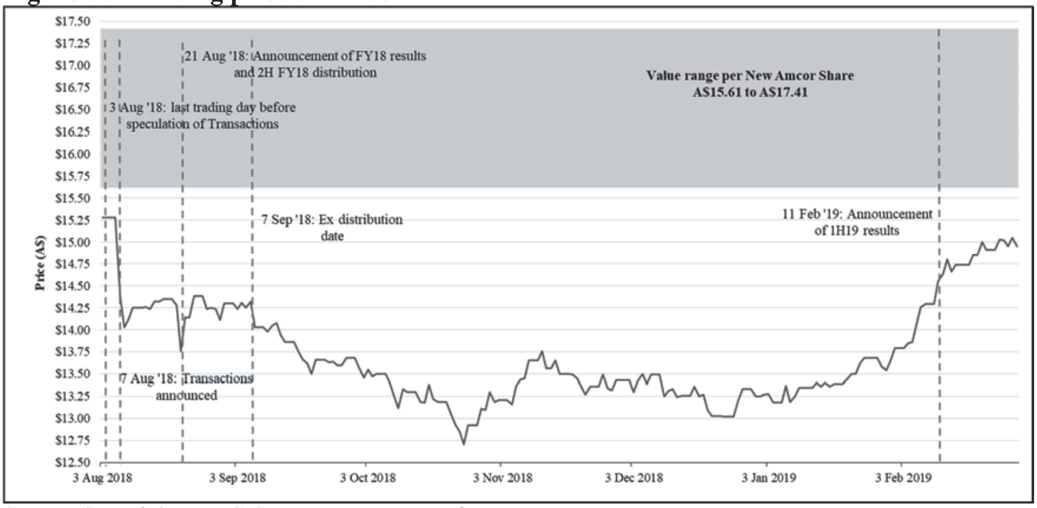
- Amcor is broadly followed by brokers, each of which has provided commentary on the Transaction, and

- there has been sufficient time and information available for the market to assess the Transaction and its expected implications for Amcor. Therefore, the current trading in Amcor Shares should reflect the estimated impacts associated with the Transaction, albeit the market may also take into account the implementation and integration risks associated with the Transaction, particularly the required regulatory approvals and the level, timing and quantum of the Net Synergies.

Recent trading in Amcor Shares

Recent share trading in Amcor Shares relative to the range of assessed value per New Amcor Share of A$15.61 to A$17.41 is illustrated in the following chart.

Figure 56: Trading price of Amcor



Source: CapitalIQ; KPMG Corporate Finance analysis.

We consider trading in the month to 1 March 2019 to be most representative of the current value of New Amcor Shares since it reflects the impact of the FY18 results announced on 21 August 2018, 1H19 results announcement on 11 February 2019 and current sector-specific factors (e.g. recent easing in raw material prices). In the month to 1 March 2019, Amcor Shares have traded in the range of A$13.73 to A$15.09, at a VWAP of A$14.63. This trading range is below the selected value range for New Amcor Shares of A$15.61 to A$17.41. The relatively lower trading range potentially reflects:

- perceived execution risk associated with the transaction (e.g. regulatory, shareholder or Court approval). In particular, we note that the Transaction is subject to the approval of Bemis Shareholders on 2 May 2019[128], and

- the market's expectation that not all Net Savings will be achieved, there are delays in achieving Net Savings or integration costs are greater than expected.

Conclusion

On balance, we consider that recent trading in Amcor Shares supports the selected range of value per New Amcor Share on a minority interest basis of A$15.61 to A$17.41.

[128] US Central time.

Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (APESB). The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Ian Jedlin, Adele Thomas and Celeste Oakley. Simone Stanton, Pranav Bahl, Sebastian Clemens and other staff have assisted in the preparation of the report. Ian is a member of Chartered Accountants Australia and New Zealand, a Senior Fellow of the Financial Securities Institute of Australasia and holds a Master of Commerce. Adele is a member of Chartered Accountants Australia and New Zealand and holds Bachelor degrees in Commerce and Accounting. Celeste holds a CFA designation and Bachelors degrees in Economics and Law. Each has a significant number of years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Transaction, including the Scheme, is in the best interests of Amcor Shareholders. KPMG Corporate Finance expressly disclaims any liability to any Amcor Shareholders who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Scheme Booklet or any other document prepared in respect of the Transaction. Accordingly, we take no responsibility for the content of the Scheme Booklet as a whole or other documents prepared in respect of the Transaction.

We note that the forward-looking financial information prepared by Amcor and Bemis does not include estimates as to the potential impact of any future changes in taxation legislation in Australia. Future taxation changes are unable to be reliably determined at this time.

Independence

KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently.

In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of Amcor and Bemis for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Consent

KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Scheme Booklet to be issued to Amcor Shareholders. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

Appendix 2 – Sources of information

In preparing this report we have been provided with and considered the following sources of information:

Publicly available information:

- the Scheme Booklet (including Amcor's financial performance for 1H19 and FY18 and 1H19 and FY18 pro forma financial performance for New Amcor)
- Form S-4 filed with the United States Securities and Exchange Commission (SEC) by New Amcor
- the Transaction Agreement released to the ASX on 6 August 2018
- annual reports of Amcor for FY15 to FY18 and 1H19 half yearly report for Amcor and corresponding results presentations
- annual reports of Bemis for CY15 to CY18 and 10Qs for Bemis for Q1, Q2, Q3 and Q4 of CY18
- press releases, public announcements, media and analyst presentations material and other public filings by Amcor and Bemis, including information available on each company's website
- brokers' reports and recent press articles on Amcor and Bemis
- various reports on the plastic packaging industry including from Smithers Pira and S&P Global Ratings, IBISWorld
- security market data and related information regarding listed companies engaged in plastic packaging industry, and
- financial information from S&P Capital IQ, Bloomberg, ThomsonONE and Connect4.

Non-public information

- Board papers, presentations, working papers and other confidential documents of Amcor

In addition, we have held discussions with, and obtained information from, the senior management of Amcor and its advisors.

Appendix 3 – Broker consensus forecasts

Amcor

Amcor has not publically released numerical earnings guidance for FY19 or beyond. In order to provide an indication of the expected future financial performance of Amcor on a stand-alone basis, KPMG Corporate Finance has had regard to the broker forecasts for Amcor for FY19, FY20 and FY21.

Set in the tables on the following pages is a summary of the forecasts (both on a consolidated level as well as the individual segments) prepared by brokers that follow Amcor. When reviewing this data it should be noted that:

- the forecasts represent the latest available broker forecasts for Amcor as at 1 March 2019
- as far as KPMG Corporate Finance is aware, Amcor is currently followed by around 13 brokers of which 12[129] have released updated earnings forecasts for Amcor following the announcement of its FY18 full year financial results on 21 August 2018
- We note that a number of brokers have started to incorporate Bemis into their financial forecasts. Of the 12 brokers, eight have provided stand-alone forecasts for Amcor (i.e. excluding the impact of the Transaction), however, one of these brokers is restricted as a result of their role as an advisor to parties in the Transaction, leaving seven broker estimates for Amcor
- none of the seven brokers have updated forecasts since the release of the 1H19 results, possibly because Amcor results were in line with consensus and as a result of the Transaction. As such, all seven brokers have been included in the Broker consensus forecast
- each of these seven brokers has also factored in the impact of the restructuring programs into their earnings estimates. Most brokers have made specific reference to the cost savings anticipated to be realised from Rigid Plastics restructuring program and the remaining incremental restructuring benefit expected in Flexibles in FY19
- KPMG Corporate Finance has estimated segment depreciation and amortisation expense for the forecast period by apportioning the median brokers' forecast of Amcor's depreciation and amortisation expense based on the proportion of FY18 depreciation and amortisation contributed by each segment, and
- the following table presents the target prices released by the brokers that follow Amcor prior to media speculation in relation to the Transaction (up to and including 3 August 2018) and post-announcement of the CY18 financial results. Restricted brokers have been excluded. 11 brokers have provided price targets for Amcor as set out in the following table.[130]

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[129] One broker has released updated forecasts in Australian dollars without disclosing the assumed foreign exchange rates. This broker has therefore been excluded from our analysis.

[130] We note that the number of brokers who have provided target prices prior to 3 August 2018 may not match the number of brokers who have provided forecast information as these brokers either have not released an updated broker forecast or this information was not available.

Table 56: Brokers' Price Estimates for Amcor

	Prior to speculation on the Transaction		Post release of FY18 financial results[1]	
	Date of report	Price target	Date of report	Price target
Broker 1	na[2]	na	21/08/2018	16.5
Broker 2	2/05/2018	14.2	na	na
Broker 3	2/05/2018	14.9	21/08/2018	14.5
Broker 4	1/08/2018	17.0	21/08/2018	16.7
Broker 5	25/07/2018	15.8	21/08/2018	15.5
Broker 6	24/07/2018	13.5	21/08/2018	13.3
Broker 7	29/07/2018	15.8	21/08/2018	15.2
Broker 8	21/06/2018	14.0	24/08/2018	14.6
Broker 9	20/06/2018	15.7	na	na
Broker 10	na	na	21/08/2018	14.4
Broker 11	na	na	21/08/2018	14.7
Minimum		**13.5**		**13.3**
Maximum		**17.0**		**16.7**
Average		**15.1**		**15.0**
Median		**15.3**		**14.7**

Notes:

1. *Post release of FY18 financial results price target information only include brokers that have provided price target information for Amcor stand-alone (not New Amcor).*
2. *'na' is not available.*

Table 57: Brokers' revenue, underlying PBITDA, underlying PBIT and statutory NPAT forecasts for Amcor (stand-alone)

		Sales Revenue (US$ million)				Underlying PBITDA (US$ million)				Underlying PBIT (US$ million)				Statutory NPAT (US$ million)			
Broker	Report date	FY18	FY19	FY20	FY21	FY18	FY19	FY20	FY21	FY18	FY19	FY20	FY21	FY18	FY19	FY20	FY21
Broker 1	21/08/2018	9,232.0	9,704.0	10,008.0	10,333.0	1,442.0	1,502.0	1,578.0	1,642.0	1,086.0	1,121.0	1,186.0	1,238.0	724.0	730.0	785.0	831.0
Broker 2	11/10/2018	9,319.0	9,497.0	9,997.0	10,231.0	1,442.0	1,476.0	1,572.0	1,611.0	1,086.0	1,114.4	1,197.2	1,234.6	724.0	738.4	809.5	847.0
Broker 3	7/01/2019	9,322.0	9,381.0	9,551.0	9,724.0	1,442.0	1,459.0	1,500.0	1,533.0	1,085.5	1,107.0	1,146.0	1,177.0	724.0	730.0	760.0	790.0
Broker 4	12/02/2019	9,319.1	9,387.0	9,606.0	10,019.0	1,442.0	1,480.0	1,579.0	1,695.0	1,086.0	1,138.0	1,230.0	1,330.0	724.0	687.0	842.0	929.0
Broker 5	21/08/2018	9,319.1	9,511.9	9,818.0	10,172.4	1,441.8	1,487.3	1,560.7	1,627.6	1,085.5	1,125.0	1,186.9	1,240.6	724.0	747.7	817.7	872.7
Broker 6	10/02/2019	9,323.0	9,224.0	3,537.0	9,676.0	1,442.0	1,466.0	1,591.0	1,625.0	1,086.0	1,110.0	1,217.0	1,247.0	724.0	736.0	839.0	872.0
Broker 7	7/01/2018	9,319.0	9,894.0	10,073.0	na[1]	1,448.0	1,506.0	1,537.0	na	1,032.0	1,136.0	1,159.0	na	747.0	787.0	784.0	na
Minimum		**9,232.0**	**9,224.0**	**3,537.0**	**9,676.0**	**1,441.8**	**1,459.0**	**1,500.0**	**1,533.0**	**1,032.0**	**1,107.0**	**1,146.0**	**1,177.0**	**724.0**	**687.0**	**760.0**	**790.0**
Maximum		**9,323.0**	**9,894.0**	**10,073.0**	**10,333.0**	**1,448.0**	**1,506.0**	**1,591.0**	**1,695.0**	**1,086.0**	**1,138.0**	**1,230.0**	**1,330.0**	**747.0**	**787.0**	**842.0**	**929.0**
Average		**9,307.6**	**9,514.1**	**8,941.4**	**10,025.9**	**1,442.8**	**1,482.3**	**1,559.7**	**1,622.3**	**1,078.1**	**1,121.6**	**1,188.9**	**1,244.5**	**727.3**	**736.6**	**805.3**	**857.0**
Median		**9,319.1**	**9,497.0**	**9,818.0**	**10,095.7**	**1,442.0**	**1,480.0**	**1,572.0**	**1,626.3**	**1,086.0**	**1,121.0**	**1,186.9**	**1,239.3**	**724.0**	**736.0**	**809.5**	**859.5**
Average growth		*2.4%*	*2.2%*	*(6.0%)*	*12.1%*	*(0.4%)*	*2.7%*	*5.2%*	*4.0%*	*(0.2%)*	*4.0%*	*6.0%*	*4.7%*	*15.0%*	*1.3%*	*9.3%*	*6.4%*

Note 1: 'na' is not available.

Table 58: Brokers' adjusted EPS and DPS forecasts and foreign exchange rate assumptions for Amcor (stand-alone)

		EPS (adjusted) (US$)				DPS (US$)				A$1=US$X				A$1=€X			
Broker	Report date	FY18	FY19	FY20	FY21	FY18	FY19	FY20	FY21	FY18	FY19	FY20	FY21	FY18	FY19	FY20	FY21
Broker 1	21/08/2018	62.6	63.0	67.8	71.7	45.0	50.4	54.2	57.4	na[1]	na	na	na	na	na	na	na
Broker 2	11/10/2018	62.6	63.8	69.9	73.1	45.0	46.0	51.0	53.0	0.74	0.74	na	na	0.64	0.64	na	na
Broker 3	7/01/2019	62.6	63.1	65.7	68.3	na	na	na	na	na	na	na	na	na	na	na	na
Broker 4	12/02/2019	62.0	66.0	72.0	80.0	45.0	48.0	52.0	58.0	na	na	na	na	na	na	na	na
Broker 5	21/08/2018	62.5	64.6	70.6	75.4	45.0	45.8	50.1	53.5	0.78	0.75	0.74	0.74	0.66	0.65	0.63	0.63
Broker 6	10/02/2019	62.0	60.0	71.0	75.0	45.0	46.0	52.0	54.0	na	na	na	na	na	na	na	na
Broker 7	7/01/2018	60.0	68.0	67.0	na	58.0	64.0	64.0	na	na	na	na	na	na	na	na	na
Minimum		**60.0**	**60.0**	**65.7**	**68.3**	**45.0**	**45.8**	**50.1**	**53.0**	**0.74**	**0.74**	**0.74**	**0.74**	**0.64**	**0.64**	**0.63**	**0.63**
Maximum		**62.6**	**68.0**	**72.0**	**80.0**	**58.0**	**64.0**	**64.0**	**58.0**	**0.78**	**0.75**	**0.74**	**0.74**	**0.66**	**0.65**	**0.63**	**0.63**
Average		**62.0**	**64.1**	**69.1**	**73.9**	**47.2**	**50.0**	**53.9**	**55.2**	**0.76**	**0.74**	**0.74**	**0.74**	**0.65**	**0.64**	**0.63**	**0.63**
Median		**62.5**	**63.8**	**69.9**	**74.1**	**45.0**	**47.0**	**52.0**	**54.0**	**0.76**	**0.74**	**0.74**	**0.74**	**0.65**	**0.64**	**0.63**	**0.63**
Average growth		*na*	*3.3%*	*7.9%*	*6.9%*	*4.7%*	*6.1%*	*7.7%*	*2.4%*	*2.8%*	*(2.0%)*	*(0.4%)*	*0.0%*	*na*	*(0.8%)*	*(2.0%)*	*0.0%*

Note 1: 'na' is not available.

Table 59: Brokers' revenue, underlying PBIT and underlying PBITDA forecasts for Flexibles

		Sales Revenue (US$ million)				Underlying PBITDA (US$ million)				Underlying PBIT (US$ million)			
Broker	**Report date**	**FY18**	**FY19**	**FY20**	**FY21**	**FY18**	**FY19**	**FY20**	**FY21**	**FY18**	**FY19**	**FY20**	**FY21**
Broker 1	21/08/2018	6,630.0	6,966.1	7,223.8	7,469.4	1,062.5	1,114.2	1,167.1	1,214.4	na[1]	870.0	914.0	953.0
Broker 2	11/10/2018	6,535.0	6,618.0	7,046.0	7,208.0	1,062.2	1,087.4	1,159.7	1,187.9	835.0	857.0	921.0	947.0
Broker 3	7/01/2019	na	na	na	na	na	na	na	na	na	na	na	na
Broker 4	12/02/2019	na	na	na	na	1,062.3	na	na	na	835.1	na	na	na
Broker 6	21/08/2018	6,535.0	6,664.2	6,870.0	7,127.7	1,062.3	1,090.5	1,140.5	1,183.6	835.1	860.1	901.8	942.7
Broker 7	10/02/2019	na	na	na	na	1,062.2	1,074.4	1,159.7	1,178.9	835.0	844.0	921.0	938.0
Broker 8	7/01/2018	na	na	na	na	na	na	na	na	na	na	na	na
Minimum		**6,535.0**	**6,618.0**	**6,870.0**	**7,127.7**	**1,062.2**	**1,074.4**	**1,140.5**	**1,178.9**	**835.0**	**844.0**	**901.8**	**938.0**
Maximum		**6,630.0**	**6,966.1**	**7,223.8**	**7,469.4**	**1,062.5**	**1,114.2**	**1,167.1**	**1,214.4**	**835.1**	**870.0**	**921.0**	**953.0**
Average		**6,566.7**	**6,749.4**	**7,046.6**	**7,268.4**	**1,062.3**	**1,091.6**	**1,156.7**	**1,191.2**	**835.1**	**857.8**	**914.5**	**945.2**
Median		**6,535.0**	**6,664.2**	**7,046.0**	**7,208.0**	**1,062.3**	**1,088.9**	**1,159.7**	**1,185.8**	**835.1**	**858.6**	**917.5**	**944.9**
Average growth		*4.9%*	*2.8%*	*4.4%*	*3.1%*	*3.7%*	*2.8%*	*6.0%*	*3.0%*	*3.8%*	*2.7%*	*6.6%*	*3.4%*

Note 1: 'na' is not available.

Table 60: Brokers' revenue, underlying PBIT and underlying PBITDA forecasts for Rigid Plastics

		Sales Revenue (US$ million)				Underlying PBITDA (US$ million)				Underlying PBIT (US$ million)			
Broker	**Report date**	**FY18**	**FY19**	**FY20**	**FY21**	**FY18**	**FY19**	**FY20**	**FY21**	**FY18**	**FY19**	**FY20**	**FY21**
Broker 1	21/08/2018	2,788.0	2,737.6	2,783.7	2,863.3	434.6	451.7	474.9	491.0	na[1]	320.0	342.0	355.0
Broker 2	11/10/2018	2,788.0	2,882.0	2,953.0	3,026.0	434.5	452.2	475.7	486.9	312.0	328.0	347.0	357.0
Broker 3	7/01/2019	na	na	na	na	na	na	na	na	na	na	na	na
Broker 4	12/02/2019	na	na	na	na	na	na	na	na	na	na	na	na
Broker 6	21/08/2018	2,788.0	2,851.6	2,952.1	3,048.9	434.5	458.1	484.5	500.4	312.0	333.9	355.8	370.5
Broker 7	10/02/2019	na	na	na	na	434.5	456.2	491.7	507.9	312.0	332.0	363.0	378.0
Broker 8	7/01/2018	na	na	na	na	na	na	na	na	na	na	na	na
Minimum		**2,788.0**	**2,737.6**	**2,783.7**	**2,863.3**	**434.5**	**451.7**	**474.9**	**486.9**	**312.0**	**320.0**	**342.0**	**355.0**
Maximum		**2,788.0**	**2,882.0**	**2,953.0**	**3,048.9**	**434.6**	**458.1**	**491.7**	**507.9**	**312.0**	**333.9**	**363.0**	**378.0**
Average		**2,788.0**	**2,823.7**	**2,896.3**	**2,979.4**	**434.5**	**454.6**	**481.7**	**496.5**	**312.0**	**328.5**	**352.0**	**365.1**
Median		**2,788.0**	**2,851.6**	**2,952.1**	**3,026.0**	**434.5**	**454.2**	**480.1**	**495.7**	**312.0**	**330.0**	**351.4**	**363.8**
Average growth		*(3.1%)*	*1.3%*	*2.6%*	*2.9%*	*(7.9%)*	*4.6%*	*6.0%*	*3.1%*	*(9.0%)*	*5.3%*	*7.1%*	*3.7%*

Note 1: 'na' is not available.

Table 61: Brokers' underlying PBITDA and underlying PBIT forecasts for Amcor's Investments/ Other segment

		Sales Revenue (US$ million)				Underlying PBITDA (US$ million)				Underlying PBIT (US$ million)			
Broker	**Report date**	**FY18**	**FY19**	**FY20**	**FY21**	**FY18**	**FY19**	**FY20**	**FY21**	**FY18**	**FY19**	**FY20**	**FY21**
Broker 1	21/08/2018	na[1]	na	na	na	na	na	na	na	na	(70.0)	(70.0)	(70.0)
Broker 2	11/10/2018	(3.0)	(3.0)	(3.0)	(3.0)	(55.7)	(64.6)	(64.4)	(63.3)	(62.0)	(71.0)	(71.0)	(70.0)
Broker 3	7/01/2019	na	na	na	na	na	na	na	na	na	na	na	na
Broker 4	12/02/2019	(3.0)	na	na	na	na	na	na	na	na	na	na	na
Broker 6	21/08/2018	(3.9)	(4.0)	(4.1)	(4.2)	(55.3)	(62.6)	(64.1)	(65.9)	(61.6)	(69.0)	(70.7)	(72.6)
Broker 7	10/02/2019	na	na	na	na	(55.7)	(59.6)	(60.4)	(62.3)	(62.0)	(66.0)	(67.0)	(69.0)
Broker 8	7/01/2018	na	na	na	na	na	na	na	na	na	na	na	na
Minimum		**(3.9)**	**(4.0)**	**(4.1)**	**(4.2)**	**(55.7)**	**(64.6)**	**(64.4)**	**(65.9)**	**(62.0)**	**(71.0)**	**(71.0)**	**(72.6)**
Maximum		**(3.0)**	**(3.0)**	**(3.0)**	**(3.0)**	**(55.3)**	**(59.6)**	**(60.4)**	**(62.3)**	**(61.6)**	**(66.0)**	**(67.0)**	**(69.0)**
Average		**(3.3)**	**(3.5)**	**(3.5)**	**(3.6)**	**(55.6)**	**(62.3)**	**(63.0)**	**(63.9)**	**(61.9)**	**(69.0)**	**(69.7)**	**(70.4)**
Median		**(3.0)**	**(3.5)**	**(3.5)**	**(3.6)**	**(55.7)**	**(62.6)**	**(64.1)**	**(63.3)**	**(62.0)**	**(69.5)**	**(70.4)**	**(70.0)**
Average growth		*na*	*6.1%*	*1.4%*	*1.4%*	*12.2%*	*12.1%*	*1.1%*	*1.4%*	*4.1%*	*11.5%*	*1.0%*	*1.0%*

Note 1: *'na' is not available.*

Bemis

Bemis has also not publically released detailed earnings guidance for 2018 or beyond. In order to provide an indication of the expected future performance of Bemis, KPMG Corporate Finance has had regard to the broker forecasts for Bemis for CY18, CY19 and CY20.

Set in the table on the following pages is a summary of the forecasts prepared by Brokers that follow Bemis. When reviewing this data it should be noted that:

- the forecasts represent the latest available broker forecasts for Bemis as at 1 March 2019
- as far as KPMG Corporate Finance is aware, Bemis is ordinarily followed by 19 brokers. Of these 19 brokers, one broker ceased coverage of Bemis following the announcement of the Transaction and two of the brokers are restricted as a result of their role in advising parties to the Transaction. Of the remaining 16 brokers, only 8 have released updated earnings forecasts for Bemis following its following its Q4 CY18 financial results announcement on 31 January 2019.
- from a review of the brokers reports, KPMG Corporate Finance has identified that most (10 out of the 12) brokers have made direct reference to Agility, however there are no clear differences in expected PBITDA margins between the brokers that mention the Agility program and those who do not make any reference to it in their reports. Consequently, all 12 broker forecasts have been included, and
- the following table presents the target prices released by the brokers that follow Bemis prior to media speculation in relation to the Transaction (up to and including 2 August 2018).[131]

Table 62: Brokers' Price Targets for Bemis

	Prior to speculation on the Transaction	
	Date of report	Price target
Broker 1	na	na[1]
Broker 2	26/07/2018	52.0
Broker 3	27/04/2018	46.0
Broker 4	26/07/2018	46.0
Broker 5	27/07/2018	44.0
Broker 6	na	na
Broker 7	26/07/2018	49.0
Broker 8	30/07/2018	48.0
Broker 9	23/05/2018	48.2
Broker 10	26/04/2018	46.0
Broker 11	27/07/2018	45.0
Broker 12	26/07/2018	39.5
Broker 13	21/05/2018	40.6
Broker 14	5/02/2018	49.0
Broker 15	6/02/2018	45.0
Minimum		**39.5**
Maximum		**52.0**
Average		**46.0**
Median		**46.0**

Note 1: 'na' refers to information that was not available.

[131] We note that the number of brokers who have provided target prices prior up to and including 2 August 2018 may not match the number of brokers who have provided forecast information as these brokers either have not released an updated broker forecast or this information was not available.

Table 63: Brokers' sales, adjusted EBITDA and adjusted EBIT forecasts for Bemis

		Sales Revenue (US$ million)			Adjusted EBITDA (US$ million)			Adjusted EBIT (US$ million)		
Broker	**Report date**	**CY18**	**CY19**	**CY20**	**CY18**	**CY19**	**CY20**	**CY18**	**CY19**	**CY20**
Broker 1	4/02/2019	4,090.0	4,056.0	4,128.0	573.0	600.0	621.0	406.0	433.0	453.0
Broker 2	31/01/2019	4,072.0	na	na	608.0	na	na	437.0	na	na
Broker 3	31/01/2019	4,089.9	4,148.4	4,267.9	573.2	599.8	623.5	405.6	432.2	na
Broker 4	6/02/2019	4,089.9	4,180.6	na	573.2	600.9	na	405.6	436.9	na
Broker 5	31/01/2019	4,084.2	4,097.7	4,145.9	575.7	607.1	620.5	406.7	437.1	450.5
Broker 6	18/02/2019	na	na	na	na	na	na	na	na	na
Broker 7	31/01/2019	4,083.9	4,118.0	4,186.7	569.0	597.0	611.0	402.0	434.0	448.0
Broker 8	4/02/2019	4,023.4	4,028.7	4,090.2	577.4	598.3	606.8	na	na	na
Minimum		**4,023.4**	**4,028.7**	**4,090.2**	**569.0**	**597.0**	**606.8**	**402.0**	**432.2**	**448.0**
Maximum		**4,090.0**	**4,180.6**	**4,267.9**	**608.0**	**607.1**	**623.5**	**437.0**	**437.1**	**453.0**
Average		**4,076.2**	**4,104.9**	**4,163.7**	**578.5**	**600.5**	**616.6**	**410.5**	**434.6**	**450.5**
Median		**4,084.2**	**4,107.9**	**4,145.9**	**573.2**	**599.9**	**620.5**	**405.8**	**434.0**	**450.5**
Average growth		*0.7%*	*0.7%*	*1.4%*	*4.8%*	*3.8%*	*2.7%*	*7.5%*	*5.9%*	*3.6%*

Note 1: 'na' is not available

Table 64: Brokers' NPAT, EPS and DPS forecasts for Bemis

		NPAT (US$ million)			EPS (US$)			DPS (US$)		
Broker	**Report date**	**CY18**	**CY19**	**CY20**	**CY18**	**CY19**	**CY20**	**CY18**	**CY19**	**CY20**
Broker 1	4/02/2019	255.0	276.0	289.0	2.79	3.00	3.15	na	na	na
Broker 2	31/01/2019	273.0	na	na	2.99	na	na	na	na	na
Broker 3	31/01/2019	254.8	275.8	na	2.79	3.00	na	na	na	na
Broker 4	6/02/2019	254.0	272.8	na	2.79	3.00	3.20	na	na	na
Broker 5	31/01/2019	na	na	na	2.80	3.05	3.20	na	na	na
Broker 6	18/02/2019	na	na	na	2.79	2.95	3.10	na	na	na
Broker 7	31/01/2019	253.0	285.0	298.0	2.77	3.11	3.26	1.24	1.28	1.32
Broker 8	4/02/2019	na	na	na	2.80	3.00	3.10	na	na	na
Minimum		**253.0**	**272.8**	**289.0**	**2.77**	**2.95**	**3.10**	**1.24**	**1.28**	**1.32**
Maximum		**273.0**	**285.0**	**298.0**	**2.99**	**3.11**	**3.26**	**1.24**	**1.28**	**1.32**
Average		**258.0**	**277.4**	**293.5**	**2.82**	**3.02**	**3.17**	**1.24**	**1.28**	**1.32**
Median		**254.8**	**275.9**	**293.5**	**2.79**	**3.00**	**3.18**	**1.24**	**1.28**	**1.32**
Average growth		*17.6%*	*7.5%*	*5.8%*	*18.0%*	*7.1%*	*5.1%*	*3.3%*	*3.2%*	*3.1%*

Note 1: 'na' is not available.

Appendix 4 – Overview of valuation methodologies

Capitalisation of earnings

An earnings based approach estimates a sustainable level of future earnings for a business (maintainable earnings) and applies an appropriate multiple to those earnings, capitalising them into a value for the business. The earnings bases to which a multiple is commonly applied include revenue, EBITDA, EBIT and NPAT.

In considering the maintainable earnings of the business being valued, factors to be taken into account include whether the historical performance of the business reflects the expected level of future operating performance, particularly in cases of development, or when significant changes occur in the operating environment, or the underlying business is cyclical.

With regard to the multiples applied in an earnings based valuation, they are generally based on data from listed companies and recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples derived for comparable quoted companies are generally based on security prices reflective of the trades of small parcels of securities. As such, multiples are generally reflective of the prices at which portfolio interests change hands. That is there is no premium for control incorporated within such pricing. They may also be impacted by illiquidity in trading of the particular stock. Accordingly, when valuing a business en bloc (100%) we would also reference the multiples achieved in recent mergers and acquisitions, where a control premium and breadth of purchaser interest are reflected.

An earnings approach is typically used to provide a cross-check to the conclusions reached under a theoretical DCF approach or where the entity subject to valuation operates a mature business in a mature industry or where there is insufficient forecast data to utilise the DCF methodology.

Discounted cash flow

Under a DCF approach, forecast cash flows are discounted back to the Valuation Date, generating a net present value for the cash flow stream of the business. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the Valuation Date to give an overall value for the business.

In a DCF analysis, the forecast period should be of such a length to enable the business to achieve a stabilised level of earnings, or to be reflective of an entire operation cycle for more cyclical industries. Typically a forecast period of at least five years is required, although this can vary by industry and by sector within a given industry.

The rate at which the future cash flows are discounted (the Discount Rate) should reflect not only the time value of money, but also the risk associated with the business' future operations. This means that in order for a DCF to produce a value that can be relied on as a primary approach, the importance of the quality of the underlying cash flow forecasts is fundamental.

The Discount Rate most generally employed is the WACC, reflecting an optimal (as opposed to actual) financing structure, which is applied to unleveraged cash flows and results in an Enterprise Value for the business. Alternatively, for some sectors it is more appropriate to apply an equity approach instead, applying a cost of equity to leveraged cash flows to determine equity value.

In calculating the terminal value, regard must be had to the business' potential for further growth beyond the explicit forecast period. This can be calculated using either a capitalisation of earnings methodology or the 'constant growth model', which applies an expected constant level of growth to the cash flow forecast in the last year of the forecast period and assumes such growth is achieved in perpetuity.

Net assets or cost based

Under a net assets or cost based approach, total value is based on the sum of the net asset value or the costs incurred in developing a business to date, plus, if appropriate, a premium to reflect the value of intangible assets not recorded on the balance sheet.

Net asset value is determined by marking every asset and liability on (and off) the entity's balance sheet to current market values.

A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, positioning and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the 'book' net asset value, to give a price to net assets, which can then be compared to that of similar transactions or quoted companies.

A net asset or cost based methodology is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies). A net asset approach is also useful as a cross-check to assess the relative riskiness of the business (e.g. through measures such as levels of tangible asset backing).

Enterprise or equity value

Depending on the valuation approach selected and the treatment of the business' existing debt position, the valuation range calculated will result in either an enterprise value or an equity value being determined.

An enterprise value reflects the value of the whole of the business (i.e. the total assets of the business including fixed assets, working capital and goodwill/intangibles) that accrues to the providers of both debt and equity. An enterprise value will be calculated if a multiple is applied to unleveraged earnings (i.e. revenue, EBITDA, EBITA or EBIT) or unleveraged free cash flow.

An equity value reflects the value that accrues to the equity holders. To compare an enterprise value to an equity value, the level of net debt must be deducted from the enterprise value. An equity value will be calculated if a multiple is applied to leveraged earnings (i.e. NPAT) or free cash flow, post debt servicing.

Appendix 5 – Sharemarket evidence

The following table sets out the implied EBITDA and EBIT multiples for selected listed companies operating in the plastic packaging industry.

Table 65: Sharemarket evidence – plastic packaging companies, EBITDA and EBIT multiples

	Market Capitalisation	EBITDA multiple[2]				EBIT multiple[3]			
	($ million)[1]	Historical[4]	Forecast Year 1	Forecast Year 2	Forecast Year 3	Historical[4]	Forecast Year 1	Forecast Year 2	Forecast Year 3
Amcor Limited (3 August)[5]	***A$17,770***	***13.1***	***12.8***	***12.0***	***11.4***	***16.4***	***15.8***	***14.6***	***13.8***
Bemis Company, Inc. (2 August)[6]	***US$4,215***	***10.2***	***9.7***	***9.3***	***9.1***	***14.8***	***14.1***	***13.2***	***12.6***
North America									
Berry Global Group, Inc.	US$6,938	9.4	8.6	8.4	8.3	15.6	13.5	13.1	12.8
Sonoco Products Company	US$5,810	10.1	9.8	9.5	9.4	14.8	14.5	14.0	13.7
Sealed Air Corporation	US$6,851	11.5	11.0	10.5	9.7	13.5	14.4	13.4	12.6
Winpak Ltd.	US$2,044	9.0	8.8	8.5	n/a	11.4	11.1	10.7	n/a
United Kingdom and Europe									
RPC Group Plc[7]	£2,769	7.3	6.9	6.6	6.5	11.7	9.7	9.2	9.0
Huhtamäki Oyj	€3,349	11.5	10.5	9.7	9.1	18.2	15.4	13.9	12.9
Minimum		**7.3**	**6.9**	**6.6**	**6.5**	**11.4**	**9.7**	**9.2**	**9.0**
Maximum		**13.1**	**12.8**	**12.0**	**11.4**	**18.2**	**15.8**	**14.6**	**13.8**
Average		**10.3**	**9.8**	**9.3**	**9.1**	**14.5**	**13.6**	**12.8**	**12.5**
Median		**10.1**	**9.7**	**9.4**	**9.1**	**14.8**	**14.2**	**13.3**	**12.8**

Source: S&P Capital IQ, Merger Market, Company Announcements, Company financial statements, KPMG Corporate Finance analysis.

1. *Market capitalisation is calculated using closing prices on 1 March 2019 except for Amcor Limited (3 August) and Bemis Company, Inc. (2 August).*
2. *EBITDA multiple is calculated by dividing Enterprise Value by EBITDA. EBITDA is earnings before net interest, tax, depreciation, amortisation, share of profit from associates, other income and significant and non-recurring items. The Enterprise Value is the market capitalisation plus net debt, preferred equity and minority interest, less investments accounted for using the equity method. EBITA multiple is calculated by dividing Enterprise Value by EBITA.*
3. *EBIT multiple is calculated by dividing Enterprise Value by EBIT. EBIT is earnings before net interest, tax, share of profits from associates, other income and significant and non-recurring items.*
4. *Historical multiples are calculated using the last financial year end for each company, with the exception of Winpak which, at the time of this report, has not released CY18 results and as such, broker estimates for CY18 have been used to calculate historical multiples.*
5. *Historical and forecast multiples are calculated as at 3 August 2018*
6. *Historical and forecast multiples are calculated as at 2 August 2018*
7. *Enterprise Values for RPC Group have been calculated using the pre takeover speculation share price from 7 September 2018*

Table 66: Sharemarket evidence – plastic packaging companies, revenue and earnings growth and margins

	Revenue CAGR 3Y		EBITDA CAGR 3Y		EBITDA margin	
	Historical	Forecast	Historical	Forecast	Historical	Forecast
Amcor Limited (3 August)	***(3.0)%***	***4.0%***	***(1.2)%***	***17.8%***	***15.0%***	***14.2%***
Bemis Company, Inc. (2 August)	***(2.3)%***	***0.6%***	***(2.1)%***	***4.0%***	***13.6%***	***14.1%***
North America						
Berry Global Group, Inc.	17.3%	2.6%	19.8%	4.3%	17.3%	18.0%
Sonoco Products Company	2.8%	2.1%	5.8%	2.4%	13.7%	13.6%
Sealed Air Corporation	2.4%	2.8%	2.9%	6.0%	18.8%	19.4%
Winpak Ltd.	4.1%	1.1%	9.6%	0.5%	22.9%	21.7%
United Kingdom and Europe						
RPC Group Plc	45.3%	2.5%	54.1%	4.2%	15.4%	16.0%
Huhtamäki Oyj	4.4%	5.6%	3.3%	(100.0)%	12.2%	12.4%
Minimum	**(3.0)%**	**0.6%**	**(2.1)%**	**(100.0)%**	**12.2%**	**12.4%**
Maximum	**45.3%**	**5.6%**	**54.1%**	**17.8%**	**22.9%**	**21.7%**
Average	**8.9%**	**2.7%**	**11.5%**	**(7.6)%**	**16.1%**	**16.2%**
Median	**3.4%**	**2.6%**	**4.5%**	**4.1%**	**15.2%**	**15.1%**

Source:S&P Capital IQ, Merger Market, Company Announcements, Company financial statements, KPMG Corporate Finance analysis.

We have considered the broader global packaging group, however, we have only included those companies that focus on rigid and flexible plastic packaging. Other packaging companies have been excluded as follows:

- packaging companies that primarily utilise other substrates such as fibre (e.g. WestRock Company, International Paper Company, Graphic Packaging Holding Company), metals (e.g. Crown Holdings Inc, Silgan Holdings Inc) and glass (e.g. Owens-Illinois Inc). Relative to Amcor, Bemis and New Amcor, these companies are exposed to different raw material prices, have products that are less differentiated or their operations are more or less capital intensive, and
- companies that have highly specialised product lines that are unrelated to either Amcor, Bemis or New Amcor (e.g. Aptar Group Inc which has a focus on pumps and other unrelated products).

The companies have a variety of year ends. The companies listed in North America and Huhtamaki generally have a 31 December year end, except for Berry, which has a 30 September year end. Amcor has a 30 June year end and RPC has a 31 March year end. For Winpak, broker forecasts for CY18 have been used to calculate historical multiples.

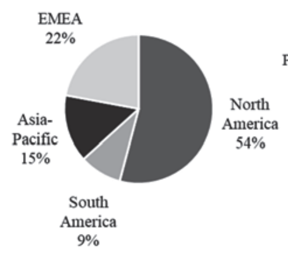
We also understand that multiples may be impacted by the differing accounting standards of AAS and US GAAP (e.g. pensions, lease classification, hedge accounting, research and development costs). With respect to this, we note that All North American companies report under US GAAP whilst all United Kingdom and Europe and Australia and New Zealand companies report under AAS. No adjustment has been made to multiples for differences in accounting standards.

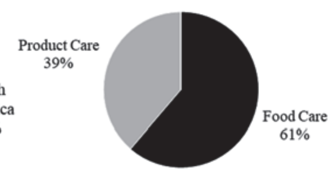
We consider EBIT multiples to be less relevant as the companies have different levels of amortisation as a result of intangibles recognised on acquisition.

Company	Geographical diversification	Product mix
North America		

Sealed Air Corporation

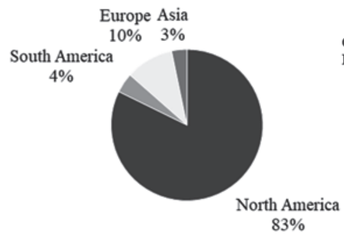
Sealed Air produces a wide variety of resin packaging, protective shipping materials and integrated packaging systems and is mainly focused on flexible plastic packaging. It is present in 58 countries and has a sales and distribution network in 122 countries. In CY18, it generated 46% of revenue from outside North America. It provides packaging products to food & beverage, consumer product goods and industrial end-markets via its food care (61% of revenue) and product care (39% of revenue) segments, respectively. Both segments benefit from a razor-and-blade model i.e. customers have Sealed Air equipment on-site, making switching between packaging suppliers more difficult for customers. As a result, it likely has more pricing power than its peers (which may contribute to its relatively high historical EBITDA margin of 18.8%). Sealed Air's food segment is expected to benefit from an increase in beef consumption, while its product care segment is well positioned for the global transition to e-commerce. Its relatively high EBITDA multiples may reflect its high margins, exposure to faster growing markets (particularly those in flexible packaging), geographical diversification, substantial scale and future benefits expected to come from its restructuring plan to reduce its cost base (with US$130-US$150 million of incremental cost savings expected by end of 2019). Sealed Air has relatively low depreciation (2.4% of revenue), likely reflecting that flexible packaging is less capital intensive than rigid packaging. In CY17, Sealed Air divested its Diversey Care division and Food Hygiene and Cleaning division. Earnings from these businesses are included in discontinued operations in the historical periods and brokers have excluded these earnings from their forecasts. As such, no adjustment has been made.

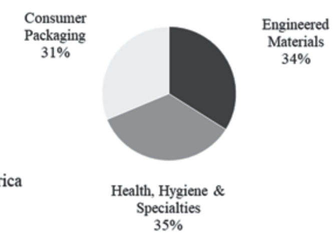




Berry Global Group, Inc.

Berry has been a successful industry consolidator (over 40 acquisitions over the past 30 years). It is focused on the North American market and, mostly, as a rigid plastic packaging provider. Berry currently has 130 global locations. In the 12 months to 30 September 2018, it generated 85% of revenue in North America. Berry mainly focuses on food & beverage and health care and hygiene end-markets (approximately 69% revenue). In the 12 months to 30 September 2015, flexible packaging represented 19% of revenue. Since then, product lines in this segment have been allocated to its current three operating segments: Health, Hygiene & Specialities (35% of revenue) which includes non-woven specialty materials used in hygiene, personal care and industrial solutions; Consumer Packaging (31% of revenue) which includes containers, foodservice items, bottles and tubes; and Engineered Materials (34% of revenue) which include tapes and adhesives, polyethylene-based film and specialty coated and laminated products. The company has experienced declining organic volumes in recent years due to the weak North American food packaging market and portfolio rationalisation (a shift away from rigid packaging towards flexible packaging). This change in direction has resulted in an improved product mix, with increased exposure to personal and health care. Berry has diversified into faster growing end-markets (i.e. pharmaceutical, healthcare and medical, and consumer packaged goods), however, it remains relatively highly leveraged with net debt at approximately 4 times EBITDA for the 12 months to 30 September 2018. This constraint on the company's growth, in combination with its limited geographical diversification and greater exposure to the slower growing rigid plastics market in North America, likely explains its relatively low EBITDA multiples. As primarily a rigid packaging provider, Berry's operations are more capital intensive than its peers, which results in a higher depreciation charge. There has also been significant amortisation charges associated with the acquisition of businesses, likely explaining why Berry's EBIT multiples are also in line with peers (even though EBITDA multiples are relatively low). We note that Berry announced interest in RPC on 31 January 2019 and on 19 February 2019 was given a deadline of 13 March 2019 to make a concrete offer.





KPMG

Amcor Limited
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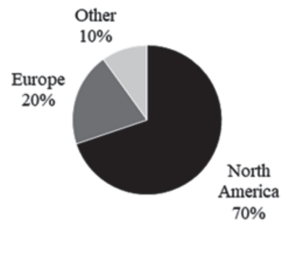
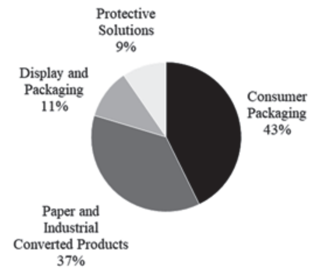
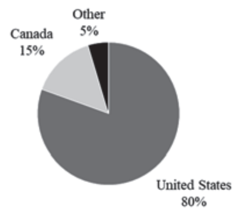
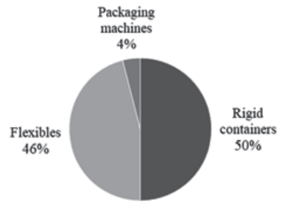
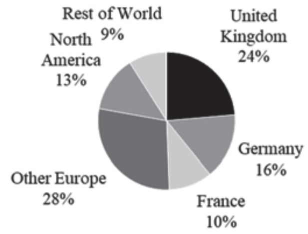
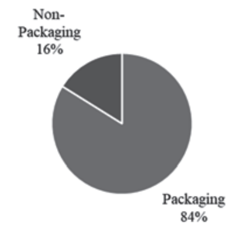
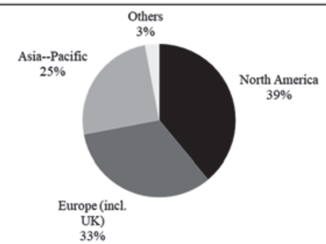
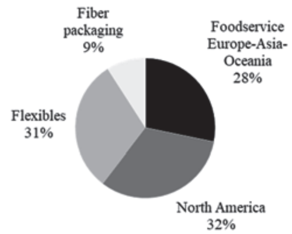
Company	Geographical diversification	Product mix
Sonoco Products Company Sonoco is a diversified packaging company that manufactures plastics and fibre packaging and is focused on the food & beverage, consumer packaged goods and industrial end-markets. Sonoco currently has 330 sites throughout the world. In CY18, around 70% of the revenue was generated in North America. Traditionally, Sonoco has been viewed as a tubes & cores producer, with significant exposure to industrial end-markets. Sonoco has exhibited lower margins (13.7% historical EBITDA margin) as it addresses under capacity in its display and packaging segment, its exposure to higher asset intensive businesses (i.e. tubes and cones) and lower volume growth in its protective solutions. Due to the growth potential in flexible plastic packaging, Sonoco has looked to rationalise its fibre operations and using excess cash flow to steadily expand its consumer packaging segment (now 43% of revenue), especially the faster-growing flexible plastics for fresh foods within the food & beverage end-market. The company has relatively low leverage (CY18 debt is at 1.8 times EBITDA), allowing management balance sheet flexibility to execute its M&A strategy of increasing consumer packaged goods and food & beverage end market exposure to approximately 55% by 2020 (namely fresh foods, fruits/vegetables). Sonoco's rapid and continuing expansion into the flexible plastic packaging business likely explains the company's relatively high EBITDA and EBITA trading multiples despite its exposure to lower margin paper and industrial converted products.		
Winpak Ltd Winpak is a vertically integrated producer[132] of flexible plastic (46% of CY17 revenue) and rigid plastic packaging materials (50% of revenue) and innovative packaging machines, primarily to customers in North American perishable foods, beverages and healthcare end-markets. It is a specialist in extrusion technology and is also a converter (unlike smaller competitors which buy films from suppliers at a mark-up, and convert them). Being vertically integrated, Winpak is able to respond more quickly to changing customer needs and customise film for its customers. While Winpak's technology lowers its own production costs, it also allows the company to play in higher-margin spaces, as reflected by its substantially higher margins than other packaging companies (a historical 22.9% EBITDA margin) as the company is able to control its supply chain to maintain a highly effective cost position and thus capture a higher profit margin. As at 30 June 2018, Winpak had a net cash position of $320 million and with no significant capital expenditure programs underway, it has significant flexibility to make opportunistic acquisitions. The unique vertically integrated operations of Winpak and higher margins likely explain why its EBITDA multiples in forecast year 1 remain high despite the company's weak start to 2018 (interim results show a decline in EBITDA relative to the corresponding period in the prior year). The nature of Winpak's specialist operations result in a relatively high depreciation charge (4.3% of revenue), as reflected in its relatively high EBIT and EBITA multiples.		

132 Winpak company website: "Vertical integration allows Winpak to develop base material structures in-house for special and demanding applications, as well as allowing optimization of base material structures for cost/price containment".

KPMG

Amcor Limited
Independent Expert's Report and Financial Services Guide
12 March 2019

Company	Geographical diversification	Product mix
United Kingdom and Europe		
RPC Group Plc RPC is a plastics solutions company for both packaging (84% of revenue in the 12 months to 31 March 2018, FY18) and non-packaging (16% of revenue and includes temporary storage systems for waste and recycling and technical components for the automotive and heavy vehicles industries products). RPC has operations in 189 global locations in 24 countries with 78% of revenue coming from Europe and the United Kingdom. RPC is mainly present in the rigid packaging market but in recent years has also established a foothold in flexible plastics. It is heavily exposed to the food & beverage end market (42% of revenue) and has recently been diversifying away from the food segment (29% of revenue) and increasing its presence in the faster growing beverages (13% of revenue), non-food (21% of revenue), healthcare (4% of revenue) and technical components (non-packaging) (20% of revenue) segments. Unlike most North American peers, RPC operates a decentralised model throughout its major European markets (Europe and the United Kingdom account for 78% of FY18 revenue). However, RPC has been trading at a significant discount to its peers, even though EBITDA margins (14.2%) remain in line with its peers, potentially as a result of increasing regulation in the European Union regarding increasing plastic recycling and ban of single use plastic packaging which could hinder RPC's growth. The company announcement in September 2018 that it is in 'preliminary discussions' with a potential acquirer is also likely to impact trading multiples. RPC was subsequently made an acquisition offer in January 2019 by Apollo Global Management. As such, the pre takeover speculation share price from 7 September 2018 has been used in the calculation of the enterprise value. We note that Berry also announced interest in RPC on 31 January 2019 and on 19 February 2019 was given a deadline of 13 March 2019 to make a concrete offer. As a rigid packaging provider, RPC operations are more capital intensive, resulting in a relatively high depreciation charge. It also incurs significant amortisation charges associated with the acquisition of various businesses, likely explaining why its EBIT multiples are more in line with peers compared to EBITDA multiples.		
Huhtamaki Oyj Huhtamäki operates in foodservice packaging, flexible packaging and fibre packaging. The company has a highly diversified product mix and end-markets including: flexible packaging (31% of CY18 revenue) sold to end-markets in food, pet food, hygiene and health care; paper and plastic disposable tableware and food service packaging for foodservice end-markets in North America[133] (32% of revenue) and Europe, Asia and Oceania (28% of revenue); and recycled fibre solutions (9% of revenue) for fresh food end-markets (eggs and fruit). The company is also relatively geographically diversified with North America, Europe (including the United Kingdom) and Asia-Pacific accounting for 39%, 33% and 25% of revenue, respectively. The combination of both product and geographical diversification reduces the risk of any market specific or raw material pricing impacts, and is likely reflected in its relatively high EBITDA trading multiples (despite its relatively smaller scale and moderate margins).		

133 The North American food segments segment serves local markets with disposable tableware products, foodservice packaging products, as well as ice-cream containers and other consumer packaged goods products. The segment has production in the United States and Mexico.

Appendix 6 – Discount rate analysis

Where cash flow forecasts consist of free cash flows to all providers of funding, the WACC is commonly employed as the basis for determining an appropriate discount rate. For the purposes of our DCF cross-check analysis, we have adopted the following discount rates:

- Amcor 7.5% to 8.2%
- Bemis 7.6% to 8.2%
- New Amcor 7.3% to 7.9%
- Net Synergies (selected) 7.3% to 7.9%

We consider these ranges appropriately reflect the expected return of a hypothetical knowledgeable, willing, but not anxious buyer, based upon the perceived risks associated with each of the companies.

In addition, for the purposes of estimating the NPV of the synergies expected to be available to New Amcor, we have discounted the risk adjusted net synergy cash flows (i.e. after tax Net Synergies[134]) using a nominal, after tax discount rate. For each category of Cost Savings (i.e. procurement, G&A and manufacturing), Amcor management has provided a broad allocation by country and currency. KPMG Corporate Finance has developed a discount rate for each broad category of Cost Savings that takes into account the foreign exchange risk and country risk associated with the currencies and regions in which those synergies are expected to be realised. The weighted average discount rate calculated for the Net Synergies is 7% to 7.7%, which is lower than the WACC for New Amcor, primarily because a large share of savings are expected to occur in the US (which has a nil inflation differential and CRP). In the interests of conservatism, we have selected a WACC of 7.3% to 7.9% which is consistent with the WACC for New Amcor.

We consider these discount rates appropriately reflect the expected return of a hypothetical prudent purchaser. The risks associated with the achievement of the Net Synergies have been captured in sensitivity analysis.

The selection of an appropriate discount rate to apply to the forecast cash flows of any asset or business operation is fundamentally a matter of judgement rather than a precise calculated outcome. Whilst there is commonly adopted theory that provides a framework for the derivation of an appropriate discount rate, it is important to recognise that given the level of subjectivity involved, the calculated discount rate should be treated as guidance rather than objective truth. Furthermore, discount rate assessments need to consider both current market conditions and future expectations, and to the extent that there are any changes in conditions and expectations over time, an adjustment to the discount rate at a future point in time may be warranted.

In selecting an appropriate discount rate to apply to Amcor, Bemis, New Amcor and the Net Synergies, we have selected a nominal WACC to derive the resultant discounted values. A WACC represents an estimate of the weighted average required return from both debt holders and equity investors. The WACC is derived using the following formula:

$$\mathrm{WACC} = (\mathrm{Wd} * \mathrm{Kd} * (1 - \mathrm{t})) + (\mathrm{We} * \mathrm{Ke})$$

[134] Net Synergies include Net Cost Synergies and working capital and capital expenditure savings net of integration, compensation and transaction costs.

Table 67: WACC parameters

Parameter	Description
Kd	Pre-tax Cost of debt
Wd	Percentage of debt in capital structure
Ke	Cost of equity
We	Percentage of equity in capital structure
t	Company tax rate

Source: *KPMG Corporate Finance analysis.*

The WACC calculation is typically based on assumptions that may not hold in practice, including:

- a constant optimal capital structure, and
- interest payments on debt being tax deductible.

Cost of equity

The cost of equity can be derived using a modified Capital Asset Pricing Model as follows:

$Ke = (Rf + i\Delta) + ß * (Rm – Rf) + CRP + \alpha$

Table 68: Cost of equity parameters

Parameter	Description
Rf	Risk free rate, representing the return on risk-free assets
$i\Delta$	Delta of expected inflation between local currencies and US dollar
Rm	Market rate of return, representing the expected average return on a market portfolio
(Rm – Rf)	Market risk premium, representing the excess return that a market portfolio is expected to generate over the risk free rate
β	Beta factor, being a measure of the systematic risk of a particular asset relative to the risk of a market portfolio
CRP	Country risk premium
α	Specific risk factor, which may be included to compensate for risks which are not adequately captured in either the other discount rate parameters or the cash flows being discounted

Source: KPMG Corporate Finance analysis.

WACC – Amcor, Bemis and New Amcor

KPMG Corporate Finance's rationale for the selection of each of the variables in developing a WACC for Amcor, Bemis and New Amcor is discussed below.

In each case, we have used a US dollar risk free rate as a starting point, since Amcor's and Bemis' reporting currency is the US dollar. To this, we have added an inflation differential to take into account foreign exchange risk where cash flows are generated in a currency other than US dollars.

We have also utilised a Market Risk Premium of 5.5%, which is applicable to the United States. To this, we have included a country risk premium to reflect the risk (e.g. political, legislative, tax, default, etc.) associated with operations outside the United States.

In assessing a WACC for the Net Synergies, we have taken into account the currency and country in which the Net Cost Synergies are expected to be generated.

Risk free rate

The risk free rate of return is the return on a risk free security, typically for a long-term period. In practice, long dated Government bonds are accepted as a benchmark for a risk free security. In the United

States, the 30 year Treasury bond yield is commonly referenced, of which the spot yield was 3.13% as at 1 March 2019.

However, Government bond yields continue to trade at relatively low yields compared to long-term averages. As market evidence indicates that bond yields and the market risk premium are strongly inversely correlated, it is important that any assessment of the risk free rate should be made with respect to the position adopted in deriving the market risk premium. As the market risk premium is based on a long term view of the market, it is also important to take a long term view with regard to the risk free rate to ensure the combination of the risk free rate and market risk premium represents an appropriate return in the current investment environment.

In this regard, KPMG Corporate Finance has adopted a long-term historical market risk premium (MRP) as a proxy for the expected market risk premium and applied a higher risk free rate than the spot yield of the 30 year Treasury bond yield. We have adopted 3.4% as an appropriate risk free rate, which represents a blend of the spot rate of 3.13% as at 1 March 2019 and a forecast long-term bond yield of 4.01%[135].

Inflation differential

An inflation differential is included where the risk free rate is based on Government bonds which are denominated in a currency which is different to the currency of the forecast cash flows to account for future foreign exchange rate risk. As the risk free rate is based on US dollar denominated United States Government bonds and a portion of Amcor's, Bemis' and New Amcor's cash flows are denominated in various other currencies (including Euro and Brazilian Real), we have added a weighted inflation differential between the US dollar and these currencies to the risk free rate as follows:

- for Amcor and Bemis, the weighting is based on its local presence in each country based on the total number of plants operating in each country sourced from Amcor's and Bemis' website. The plants were then categorised by region (e.g. Asia, Australia and New Zealand, North America, etc). A weighted inflation differential was calculated for each region based on the pro-rata share of plants located in each country within the regions. For any particular country, inflation is sourced from Economist Intelligence Unit. An overall weighted inflation differential was calculated by weighting the inflation differential by the revenue contribution for each region as reported in the annual reports for Amcor and Bemis (FY18 revenue for Amcor and CY17 revenue for Bemis)
- we estimate the inflation differential to be 40 bps for Amcor. We note that we have not made any adjustment for the inflation differential associated with the Argentinian Peso as Amcor started to apply AASB 129 (Financial Reporting in Hyperinflationary Economies) to its Argentinian operations from 1 July 2018 which means that it will not be exposed to future foreign exchange movements between the US dollar and the Argentinian Peso until the economy is no longer considered to be hyperinflationary
- for Bemis, we estimate the inflation differential to be 30 bps for Bemis. We note that, consistent with Amcor, we have not made any adjustment for the inflation differential associated with the Argentinian Peso as Bemis has started to apply ASC 830 (Foreign Currency Matters) to its Argentinian operations from Q3 CY18 which means that it will not be exposed to future foreign exchange movements between the US dollar and the Argentinian Peso until the economy is no longer considered to be hyperinflationary, and

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[135] Based on long term bond yields sourced from Oxford Economics

- for New Amcor, the weighting is based on the future local presence of New Amcor in each country and the combined FY18 revenue contribution of each region. We estimate the inflation differential to be 40 bps for New Amcor. We note that we have not made any adjustment for the inflation differential to Argentinian Peso as under US GAAP, New Amcor will apply ASC 830 to its Argentinian operations, and
- for the synergies, the inflation differential is a blend of the currencies in which the synergies are expected to be achieved.

Market Risk Premium

The MRP represents the additional return that investors expect for holding risk in the form of a well-diversified portfolio of risky assets (such as a market index) over risk free assets (such as Government bonds). In this context, the required MRP needs to be distinguished from the historical MRP and the expected MRP. In this regard, asset pricing theory holds that:

- the required MRP forms part of the CAPM
- the historical MRP is the same for all investors and reflects the historical differential return of the stock market over Government bonds, and
- the expected MRP reflects the expected differential return of the stock market over Government bonds. The CAPM assumes the required MRP equals the expected MRP.

As it is difficult to observe the expected/required MRP, it is common practice to base the estimate of the MRP upon historical data. In doing so, it is noted that long term averages may not, in our opinion, reflect market conditions and investor sentiment at any specific valuation date as perceptions that equities are more or less risky than at other times may prevail. In this regard, we note that the expected MRP is a function of expected earnings, the expected growth in those earnings and the risk free rate of return at any given point in time.

Therefore, consistent with our approach to the risk free rate, we have applied a long term view in setting the market risk premium. A market risk premium of 5.5% is regarded as appropriate by KPMG Corporate Finance for the risk free rate selected and the current long-term investment climate in the United States.

Beta

In selecting an appropriate unlevered beta to apply to Amcor, Bemis, New Amcor and the Net Synergies, KPMG Corporate Finance has considered betas for selected listed companies engaged in the packaging providers as provided below, including Bemis and Amcor.

Table 69: Betas and gearing for selected packaging providers

Company name	Market capitalisation (millions)	Levered beta 2-year weekly	Unlevered beta 2-year weekly	Debt to value 2-year avg	Levered beta 5-year monthly	Unlevered beta 5-year monthly	Debt to value 5-year avg
Amcor Limited	***US$12,259***	***0.68***	***0.55***	***25%***	***0.76***	***0.62***	***24%***
Bemis Company, Inc.	***US$4,820***	***0.79***	***0.65***	***24%***	***0.92***	***0.77***	***23%***
North America							
Berry Global Group, Inc.	US$6,938	0.84	0.64	44%	1.01	0.66	49%
Sonoco Products Company	US$5,810	0.85	0.77	17%	1.00	0.91	16%
Sealed Air Corporation	US$6,851	0.90	0.84	30%	1.10	0.80	30%
Winpak Ltd.	US$2,044	0.76	0.74	0%	na	na	0%
United Kingdom and Europe							
RPC Group Plc[3]	£3,223	1.02	0.82	24%	0.93	0.68	22%
Huhtamäki Oyj	€3,349	1.05	0.90	17%	1.09	1.02	16%
Total							
Mean (excluding outliers)		**0.86**	**0.71**	**23%**	**0.97**	**0.78**	**23%**
Median (excluding outliers)		**0.85**	**0.72**	**24%**	**1.00**	**0.77**	**23%**

Source: S&P Capital IQ, KPMG Corporate Finance analysis.
Notes:
1. *Data as at 1 March 2019.*
2. *'na' represents not available or not meaningful due to low statistical significance or for which there are insufficient data points.*
3. *RPC has been subject to takeover speculation since September 2018 with an offer received in January 2019 from Apollo Global Management*

In assessing an appropriate unlevered beta for Amcor, we have considered the following:

- unlevered betas that have a low statistical significance or for which there are insufficient data points have been excluded
- we consider the two year betas to be more relevant than the five year betas as the operating environment for plastic packaging companies has changed over the last few years (i.e. it is becoming increasingly dynamic, with shorter cycles/more rapid change and fast, bold reactions from customers, competitors and suppliers (refer to Section 7.1 of this report)). Furthermore, we note that within the last three years, Sonoco has sought to reduce its exposure to fibre operations and increase its focus on flexible plastic packaging (four bolt on transactions in the past 18 months), making the higher five year beta (0.91) less comparable than the two year beta (0.77)
- we have considered betas based on a MSCI index and local index, however, note that they are not significantly different. Consequently, betas presented above are based on local indices
- in certain cases, structural changes within the business or factors unique to a particular company may result in lower correlation with indices (e.g. Berry's beta is relatively low (0.64), potentially reflecting the structural decline in rigid packaging in North America as well as its portfolio rationalisation (shift from rigid packaging towards flexible packaging))
- some companies are less comparable as a result of their activities outside the packaging industry (e.g. RPC generates 16% of revenue from non-packaging and it is also in discussions with a potential acquirer)
- there are a large number of factors impacting the betas of plastic packaging companies, including:
  - ***exposure to resilient end-markets:*** the plastic packaging companies are generally exposed to defensive end-markets
  - ***scale:*** larger companies can more efficiently leverage overheads and research and development spending over a wider range of products. We expect this would reduce their betas to the extent it results in more stable earnings and cash flows

- **_level of diversification by product and geography:_** companies that are more diversified by product and geography generally have lower betas than those that are more narrowly focused

- two year betas for the remaining companies (i.e. Sonoco, Sealed Air, Winpak and Huhtamaki) are in the range of 0.74 to 0.90. In regard to their betas, we note:
  - Winpak is relatively small in scale and focused on the North American market, however, its products are relatively evenly split across rigid and flexible packaging. Its relatively low beta (0.74) may also be influenced by its high level of vertical integration
  - Sonoco is relatively large, moderately geographically diversified and is diversified across rigid and flexible packaging. Its beta is moderate (0.77)
  - Sealed Air is moderate in scale and diversified by geography although it is focused only on flexible packaging. Its beta is towards the high end of the range (0.84), and
  - The high end of the range (0.90) is represented by Huhtamaki. Huhtamaki is diversified by product and geography, however, it is relatively small in scale. Its relatively high beta may also reflect its greater exposure to more cyclical product areas, including its fibre segment and its paper and plastic disposable tableware, which are key products in North America[136] (32% of revenue) and Food-Service – Europe, Asia and Oceania (28% of revenue).
- most of the plastic packaging companies are considered to be defensive stocks (i.e. that provide stable earnings and reliable dividends notwithstanding the point in the economic cycle) as a result of their exposure to resilient end-markets. Intuitively, we would expect a geared beta of 1 or less than 1

Taking into account the factors detailed above, KPMG Corporate Finance has selected unlevered asset beta ranges for Amcor, Bemis, New Amcor and the Net Synergies as follows:

- an unlevered asset beta of between 0.55 and 0.65 for Amcor. Amcor is substantially larger than all of the comparable companies, is diversified by product (with both flexible and rigid packaging) and geography and generates 95% of revenue from defensive end-markets. This range captures its two-year beta of 0.55
- an unlevered asset beta of between 0.65 and 0.75 for Bemis, reflecting its relatively narrow product range, limited geographical diversification and moderate scale in comparison to Amcor. Similar to Berry, we consider that Bemis' beta (0.65) may be influenced by structural factors specific to the company (specifically, its deteriorating financial performance (until recently) (refer to Sections 9.4, 9.5 and 9.6 of this report) and extensive restructuring initiatives) and, potentially, its exposure to the Brazilian Real. The selected range captures Bemis' two-year beta of 0.65 and takes into consideration the relatively higher two-year betas for Sonoco, Sealed Air and Winpak.
- an ungeared asset beta of between 0.55 and 0.65 for New Amcor. New Amcor will be larger than Amcor, however, more concentrated by product type and geography. Consequently, overall, the stability of its cash flows are expected to be broadly similar to those of Amcor and we would expect the beta to be in line with Amcor, and
- an ungeared asset beta of between 0.55 and 0.65 for Net Synergies in line with the beta selected for New Amcor. We note that the risk associated with the achievement of the Net Synergies has been taken into account in the cash flows.

[136] The North American food segments segment serves local markets with disposable tableware products, foodservice packaging products, as well as ice-cream containers and other consumer goods packaging products. The segment has production in the United States and Mexico.

Gearing

In assessing an appropriate gearing ratio for Amcor, we note:

- the two-year gearing ratios of comparable companies are within a wide range, however, the mean and median ratios are 23% and 24%, respectively. At 44% leverage, Berry is considered overleveraged and this has limited its expansion opportunities
- Amcor's and Bemis' two year net-debt-to-value ratio is 25% and 24%, respectively, however, we note both companies' financial ratios are towards the high end of their financial covenants (refer to Sections 8.5 and 9.5 of this report)
- generally, companies that generate strong, stable earnings and cash flows are assumed to support higher levels of debt. In this regard, we note Amcor's earnings and cash flows are relatively stable and it generates substantial free cash flow (refer to Sections 8.4 and 8.6) while Bemis' earnings and cash flows have declined significantly over the last few years (refer to Sections 9.4 and 9.6 of this report), and
- companies characterised by higher levels of investment in tangible assets can generally support a higher gearing profile. Approximately 29.8% of Amcor's and 35.1% of Bemis' total assets were identified as fixed assets as at 30 June 2018.

Based on the above, we have applied optimal net debt to value ratio in the range of 20% to 25% for Amcor, Bemis and New Amcor and Net Synergies. In conjunction with KPMG Corporate Finance's selected ungeared beta ranges this results in the following:

- for Amcor with an ungeared asset beta of 0.55 to 0.65, this results in a levered beta in the range of 0.70 to 0.78
- for Bemis with an ungeared asset beta of 0.65 to 0.75, this results in a levered beta in the range of 0.82 to 0.89, and
- for New Amcor and Net Synergies with an ungeared asset beta of 0.55 to 0.65, this results in a levered beta in the range of 0.70 to 0.78.

Country risk premium

The risk premium derived from the standard CAPM does not account for higher risks, including political, legislative, tax and default risks, associated with less developed capital markets relative to a mature capital market such as the United States. To incorporate the so-called local country risks in the valuation, a country risk premium (**CRP**) is added in the estimation of the local cost of equity for less developed countries in line with the assumptions of the CAPM, whilst AAA rated countries have a CRP of zero by definition.

Depending on the nature (in terms of currency, liquidity and tenor) of the government bonds available in each respective country, the CRP is determined in either of the ways further outlined below. Due to its mature and liquid capital market in combination with a factual absence of default risk, government bonds of the United States are used as benchmark bonds.

- ***spread in yields of government bonds***: The CRP is determined with reference to the spread in the yield to maturity of US dollar denominated Government bonds of the respective local country and US benchmark bonds with equal time to maturity. By undertaking the yield spread analysis based on local and benchmark Government bonds denominated in the same currency, foreign exchange rate risks are eliminated from the CRP and instead captured through the inclusion of an inflation differential in the determination of the risk free rate to the extent that the currency of the cash flow forecasts differs from the currency in which the benchmark Government bonds are issued, and

- ***spread in yields of countries with same credit rating***: If the spread in yields of government bonds is not directly observable due to the lack of comparable local government bond issuances, the CRP is determined with reference to comparable spreads in the yield to maturity of US dollar denominated Government bonds of countries with the same credit rating as the respective country.

In assessing an appropriate CRP, a longer term average of the yield spread between local and benchmark Government bonds is typically considered to better reflect the mid to long-term character of the CRP, to avoid short term volatility influences and to improve the statistical quality of the model.

Based on our analysis the following CRPs are regarded as appropriate by KPMG Corporate Finance for Amcor, Bemis, New Amcor and the Net Synergies:

- for Amcor and Bemis, the weighting is based on its local presence in each country based on the total number of plants operating in each country sourced from Amcor's and Bemis' website. The plants were then categorised by region (e.g. Asia, Australia and New Zealand, North America etc). A weighted CRP was calculated for each region based on the pro-rata share of plants located in each country within the regions. For any particular country, bond yields utilised in calculating CRPs are sourced from Bloomberg. An overall CRP was calculated by weighting the CRP by the revenue contribution for each region as reported in the annual reports for Amcor and Bemis (FY18 revenue for Amcor and CY17 revenue for Bemis)
- based on the above analysis, a CRP of 0.8% was calculated for Amcor and a CRP of 0.5% was calculated for Bemis
- for New Amcor of 0.7% which considers the weighted average of the CRPs of the countries New Amcor is operating in (the weighting is based on the future local presence of New Amcor in each country and the combined FY18 revenue contribution of each region), and
- for the synergies, the CRP is a blend of the CRPs associated with the countries in which the synergies are expected to be achieved.

Tax rate

We have adopted corporate tax rates for Amcor, Bemis, New Amcor and the Net Synergies based on the following:

- a corporate tax rate of 18% for Amcor which considered Amcor's effective historical tax rate and FY19 guidance of 17% to 18% (refer to Section 8.8.1 of this report)
- a 23% corporate tax rate for Bemis which considered its effective historical tax rate and FY19 guidance of 23% (refer to Section 9.7 of this report)
- a 20.8%[137] corporate tax rate for New Amcor which represents the historical blended rate for Amcor and Bemis as provided by Amcor management and takes into account the weighted average tax rates of the countries in which New Amcor operates (refer to Section 3.3.1 of this report), and
- a 20.8%[138] corporate tax rate for the Net Cost Synergies in line with the tax rate for New Amcor.

Company-specific risk premium

The specific risks of Net Synergies have been captured in the forecast cash flows and through our scenario analysis. Accordingly, to avoid double counting, no further allowance for company-specific risk has been included in the determination of the discount rate.

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[137] The historical blended rate for Amcor and Bemis provided by Amcor management.

[138] The historical blended rate for Amcor and Bemis provided by Amcor management.

Size premium

We have considered whether an adjustment should be made to reflect the smaller scale of Bemis relative to Amcor and New Amcor. No adjustment has been made as we consider that in the plastic packaging industry, risks in relation to size are inherently captured in the beta.

Pre-tax cost of debt

We have adopted a long term, pre-tax cost of debt in the range of 5.7% to 6.2% for Amcor, 5.5% to 5.7% for Bemis, and 5.5% to 6.0% for New Amcor, based on the following considerations:

- current weighted average all-in interest rate on Amcor's and Bemis' debt facilities
- the expectation of a normalisation of interest rate levels over the forecast period as reflected in our risk free rate assessment
- an adjustment for inflation differential and country risk premium to account for the foreign exchange risk associated with the global operations Amcor, Bemis and New Amcor. An adjustment for inflation differential and country risk premium for Net Synergies was based on the location profile of the estimated Net Cost Synergies, as previously discussed in this section.
- for Amcor, New Amcor and the Net Synergies, a credit risk spread of 1.0% to 1.5% based on Amcor's BBB credit rating
- for Bemis, a credit risk spread of 1.2% to 1.5% based on Bemis' BBB- credit rating, and
- the high end of the range for Amcor, Bemis, New Amcor and Net Synergies includes an additional premium of 0.5% to reflect refinancing costs and credit rating sustainability risk.

Franking credits

The inclusion of franking credits in the valuation of an entity is subject to considerable debate. Ultimately the value of franking credits is dependent on the extent that the franking credits can be utilised, which requires an understanding of the personal tax circumstances of the shareholders, including their ability to utilise the franking credits.

Further, given the prevailing tax laws in Australia prevent trading in franking credits, thereby eliminating any open market in franking credits from which the value of such credits can be observed, it is difficult to yield a reliable estimate of the value of franking credits, or to determine whether in fact, investors place any value on franking credits.

In addition, Amcor currently does not generate franking credits nor does it expect to do so in the near future. Consequently, and also considering the WACCs determined are United States based WACCs and franking credits are not applicable to an US based company like Bemis, we have not sought to recognise any value for franking credits either through the discount rate or cash flows.

WACC conclusion

The selected parameters result in a calculated WACC for Amcor, Bemis and New Amcor as follows.

Table 70: Selected WACC parameters for Amcor, Bemis and New Amcor

		Amcor		Bemis		New Amcor	
	Parameter	Low	High	Low	High	Low	High
Cost of Equity							
Risk free rate	Rf	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Inflation differential	iΔ	0.4%	0.4%	0.3%	0.3%	0.4%	0.4%
Equity market risk premium	EMRP	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Ungeared beta		0.55	0.65	0.65	0.75	0.55	0.65
Tax rate		18%	18%	23%	23%	21%	21%
Gearing (debt/equity)		33%	25%	33%	25%	33%	25%
Geared beta	ß	0.70	0.78	0.82	0.89	0.70	0.78
Country risk premium	CRP	0.8%	0.8%	0.5%	0.5%	0.7%	0.7%
Size premium	α	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of equity (post-tax)	**Ke**	**8.5%**	**9.0%**	**8.7%**	**9.2%**	**8.3%**	**8.7%**
Cost of Debt							
Risk free rate	Rf	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Inflation differential	iΔ	0.4%	0.4%	0.3%	0.3%	0.4%	0.4%
Corporate Debt Margin	DM	1.0%	1.5%	1.2%	1.5%	1.0%	1.5%
Country risk premium	CRP	0.8%	0.8%	0.5%	0.5%	0.7%	0.7%
All in rate (pre-tax)		5.7%	6.2%	5.5%	5.7%	5.5%	6.0%
Tax rate	T	18%	18%	23%	23%	21%	21%
Cost of debt (post-tax)	**Kd**	**4.6%**	**5.1%**	**4.2%**	**4.4%**	**4.3%**	**4.7%**
Capital Structure							
Equity as % of value	We	75%	80%	75%	80%	75%	80%
Debt as % of value	Wd	25%	20%	25%	20%	25%	20%
Post-tax WACC							
Calculated range		**7.53%**	**8.22%**	**7.58%**	**8.24%**	**7.30%**	**7.90%**
Midpoint		**7.9%**		**7.9%**		**7.6%**	
Selected range		**7.50%**	**8.20%**	**7.60%**	**8.20%**	**7.30%**	**7.90%**
Midpoint		**7.9%**		**7.9%**		**7.6%**	

Source: S&P Capital IQ, KPMG Corporate Finance analysis.

Other reference points

We have compared our selected WACCs for Amcor and Bemis stand-alone to broker estimates and discounts utilised in impairment testing for Amcor. Discount rates utilised by Bemis for impairment testing have not been publicly disclosed. We note:

- our selected WACC for Amcor stand-alone in the range of 7.5% to 8.2% falls within the range of discount rates estimated by brokers for Amcor of 6.7% to 8.4% and towards the high end of the range of post-tax WACC (approximated by applying a tax rate of 18% to the pre-tax WACC) utilised by Amcor for impairment testing as at 30 June 2018 in the range of 6.3% to 8.1%, and
- our selected WACC for Bemis stand-alone in the range of 7.6% to 8.2% is towards the high end of the discount rate range estimated by brokers for Bemis of 6.0% to 8.1% (only three brokers disclosed a WACC). We note that Bemis has not disclosed a WACC for impairment testing purposes.

KPMG

Amcor Limited
Independent Expert's Report and Financial Services Guide
12 March 2019

Dated 12 March 2019

PART TWO – FINANCIAL SERVICES GUIDE

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by KPMG Financial Advisory Services (Australia) Pty Ltd **ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Corporate Finance is a division) **(KPMG Corporate Finance)** and Mr. Ian Jedlin as an authorised representative of KPMG Corporate Finance, authorised representative number 404177 and Mrs Adele Thomas as an authorised representative of KPMG Corporate Finance, authorised representative number 404180 **(Authorised Representative)**.

This FSG includes information about:

- KPMG Corporate Finance and its Authorised Representative and how they can be contacted
- the services KPMG Corporate Finance and its Authorised Representative are authorised to provide
- how KPMG Corporate Finance and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Corporate Finance and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and the compensation arrangements that KPMG Corporate Finance has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Corporate Finance.
This FSG forms part of an Independent Expert's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Corporate Finance and the Authorised Representative are authorised to provide

KPMG Corporate Finance holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investment schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products.
The Authorised Representative is authorised by KPMG Corporate Finance to provide financial product advice on KPMG Corporate Finance's behalf.

KPMG Corporate Finance and the Authorised Representative's responsibility to you

KPMG Corporate Finance has been engaged by Amcor Limited (Client) to provide general financial product advice in the form of a Report to be included in Scheme Booklet (Document) prepared by the Client in relation to scheme of arrangement involving Bemis Company, Inc. (Transaction).
You have not engaged KPMG Corporate Finance or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Corporate Finance nor the Authorised Representative are acting for any person other than the Client.
KPMG Corporate Finance and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Corporate Finance has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.
You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.
You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Corporate Finance may receive and remuneration or other benefits received by our representatives

KPMG Corporate Finance charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG Corporate Finance approximately $880,000 for preparing the Report. KPMG Corporate Finance and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.
KPMG Corporate Finance officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Corporate Finance's representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any

engagement for the provision of general financial product advice in the Report.
Further details may be provided on request.

Referrals

Neither KPMG Corporate Finance nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Corporate Finance is controlled by and operates as part of the KPMG Partnership. KPMG Corporate Finance's directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Corporate Finance and the Authorised Representative and not by the KPMG Partnership.
From time to time KPMG Corporate Finance, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.
KPMG entities have provided, and continue to provide, a range of tax, audit and advisory services to the Client and to its subsidiaries worldwide for which professional fees are received. Over the past two years professional fees of US$1.9 million have been received from the Client. None of those services have related to the transaction or alternatives to the transaction.
No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Corporate Finance or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.
Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Corporate Finance or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.
Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:
Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001
Telephone: 1300 78 08 08
Facsimile: (03) 9613 6399 Email: info@fos.org.au.
The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Corporate Finance has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Corporate Finance or the Authorised Representative using the contact details:
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Investigating Accountant's Report

The Directors
Amcor Limited
Level 11, 60 City Road
Southbank, Vic, 3006
Australia

The Directors
Amcor plc
83 Tower Road North
Warmley, Bristol BS30 8XP
United Kingdom
(As successor of Amcor Limited)

12 March 2019

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on Amcor, Bemis and the Combined Group's historical and pro forma financial information and Financial Services Guide

We have been engaged by Amcor Limited (**Amcor**) and Amcor plc (**New Amcor**) to report on the historical financial information of Amcor and Bemis Company, Inc (**Bemis**) and the pro forma historical financial information of the new consolidated group consisting of Amcor, New Amcor and Bemis (the Combined Group) (in each case as described below) for inclusion in the scheme booklet dated on or about 12 March 2019 (**Scheme Booklet**) in connection with the proposed transaction under which the shares of Amcor will be acquired by New Amcor by way of a scheme of arrangement (**Scheme**). We understand that, in conjunction with the Scheme, following the approval by shareholders of Bemis, a wholly owned subsidiary of New Amcor will merge with Bemis.

Expressions and terms defined in the Scheme Booklet have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
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pwc

Scope

Historical Financial Information

You have requested PricewaterhouseCoopers Securities Ltd to review the following historical financial information of Amcor and Bemis (the responsible parties) as described below and included in the Scheme Booklet:

a. **Amcor AAS Historical Financial Information** (prepared in accordance with Australian Accounting Standards and Amcor's adopted accounting policies) being the:

- Income statements for Amcor for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 and the half years ended 31 December 2017 and 31 December 2018;
- Cash flow statements of Amcor for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 and the half years ended 31 December 2017 and 31 December 2018; and
- Balance sheet of Amcor as at 30 June 2018 and 31 December 2018.

b. **Amcor US GAAP Historical Financial Information** (prepared in accordance with US GAAP and New Amcor's adopted accounting policies) being the:

- Income statements for Amcor for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 and the half years ended 31 December 2017 and 31 December 2018;
- Cash flow statements of Amcor for the year ended 30 June 2018 and the half year ended 31 December 2018; and
- Balance sheet for Amcor as at 30 June 2018 and 31 December 2018.

c. **Bemis Historical Financial Information** (prepared in accordance with generally accepted accounting principles in the United States (US GAAP) and Bemis' adopted accounting policies) being the:

- Income statements for Bemis for the years ended 31 December 2016, 31 December 2017 and December 2018 and for the half year ended 30 June 2018;
- Cash flow statements of Bemis for the years ended 31 December 2016, 31 December 2017 and December 2018 and for the half year ended 30 June 2018; and
- Balance sheet of Bemis as at 31 December 2017, 30 June 2018 and 31 December 2018.

The basis of preparation for the Historical Financial Information is:

a. The Amcor AAS Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Amcor's adopted accounting policies. The Amcor AAS Historical Financial Information for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 has been extracted from the AAS Financial Reports of Amcor Limited, which have been

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audited by PricewaterhouseCoopers in accordance with the Australian Auditing Standards for which PricewaterhouseCoopers issued an unmodified audit opinion. The Amcor AAS Historical Financial Information for the half years ended 31 December 2017 and 31 December 2018 has been extracted from unaudited AAS Interim Financial Reports for Amcor Limited for the half year ended 31 December 2018. The Amcor AAS Historical Financial Information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

b. The Amcor US GAAP Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the generally accepted accounting principles in the United States (US GAAP) and New Amcor's adopted accounting policies. The Amcor US GAAP Historical Financial Information for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 has been extracted from the US GAAP Financial Report for Amcor Limited, which have been audited by PricewaterhouseCoopers in accordance with the standards of the Public Company Accounting Oversight Board in the United States for which PricewaterhouseCoopers issued an unmodified audit opinion. The Amcor US GAAP Historical Financial Information for the half years ended 31 December 2017 and 31 December 2018 has been extracted from the unaudited US GAAP Interim Financial Reports for Amcor Limited for the half year ended 31 December 2018. The Amcor US GAAP Financial Information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by US GAAP.

c. The Bemis Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the generally accepted accounting principles in the United States (US GAAP) and Bemis' adopted accounting policies. The Bemis Historical Financial Information has been extracted from the financial statements of Bemis for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 and from unaudited consolidated financial statements of Bemis for the six month period ended 30 June 2018. The annual financial statements of Bemis were audited by PricewaterhouseCoopers LLP in accordance with the standards of the Public Company Accounting Oversight Board in the United States for which PricewaterhouseCoopers LLP issued an unmodified audit opinion on the financial statements for the years ended 31 December 2016, 31 December 2017 and 31 December 2018. The Bemis Historical Financial Information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by US GAAP.

Pro Forma historical financial information

You have requested PricewaterhouseCoopers Securities Ltd to review the following pro forma historical financial information included in the Scheme Booklet:

- Pro forma income statements for the Combined Group for the year ended 30 June 2018 and the half year ended 31 December 2018;
- Pro forma cash flow statements of the Combined Group for the year ended 30 June 2018 and the half year ended 31 December 2018; and

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- Pro forma balance sheet of the Combined Group as at 30 June 2018 and 31 December 2018.

(collectively the **Combined Group Pro Forma Financial Information,** prepared in accordance with US GAAP and New Amcor's adopted accounting policies)

The financial information for the Combined Group that is disclosed in the Scheme Booklet is collectively referred to as the Combined Group Pro Forma Financial Information. It includes the pro forma income statement and pro forma cash flow statement as if Amcor and Bemis were owned by New Amcor from 1 July 2017, and the pro forma balance sheet as if Amcor and Bemis were owned by New Amcor from 30 June 2018.

The Combined Group Pro Forma Financial Information has been derived from the aggregated Amcor US GAAP Historical Financial Information and the Bemis Historical Financial Information, after adjusting for the effects of merger adjustments described in section 6 of the Scheme Booklet. The stated basis of preparation is the recognition and measurement principles contained in US GAAP and the Combined Group's adopted accounting policies applied to the historical financial information of Amcor and Bemis and the events or transactions to which the merger adjustments relate, as described in section 6 of the Scheme Booklet. Due to its nature, the Combined Group Pro Forma Financial Information does not represent the Combined Group's actual or prospective financial position, financial performance, or cash flows. The Pro Forma Financial Information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by US GAAP.

Directors' responsibility

The directors of the Amcor are responsible for the preparation of the Amcor US GAAP Historical Financial Information and the Combined Group Pro Forma Financial Information, including its basis of preparation and the selection and determination of merger adjustments made to the historical financial information and included in the Combined Group Pro Forma Financial Information except for the financial information concerning Bemis or to the extent that the Combined Group Pro Forma Financial Information is based on information provided by Bemis, for which Bemis takes responsibility. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information of Amcor as described in section 4 or Bemis as described in section 5 of the Scheme Booklet and comprising:

a. **Amcor AAS Historical Financial Information** (prepared in accordance with Australian Accounting Standards and Amcor's adopted accounting policies) being the:

- Income statements for Amcor for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 and the half years ended 31 December 2017 and 31 December 2018;
- Cash flow statements of Amcor for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 and the half years ended 31 December 2017 and 31 December 2018; and
- Balance sheet of Amcor as at 30 June 2018 and 31 December 2018.

b. **Amcor US GAAP Historical Financial Information** (prepared in accordance with US GAAP and New Amcor's adopted accounting policies) being the:

- Income statements for Amcor for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 and the half years ended 31 December 2017 and 31 December 2018;
- Cash flow statements of Amcor for year ended 30 June 2018 and the half year ended 31 December 2018; and
- Balance sheet of Amcor as at 30 June 2018 and 31 December 2018;

c. **Bemis Historical Financial Information** (prepared in accordance with generally accepted accounting principles in the United States (US GAAP) and Bemis' adopted accounting policies) being the:

- Income statements for Bemis for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 and for the half year ended 30 June 2018;
- Cash flow statements of Bemis for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 and for the half year ended 30 June 2018; and
- Balance sheet of Bemis as at 31 December 2017, 30 June 2018 and 31 December 2018.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation being:

a. in the case of the Amcor AAS Historical Financial Information, the recognition and measurement principles contained in Australian Accounting Standards and Amcor's adopted accounting policies applied to the Amcor AAS Historical Financial Information, as described in section 4 of the Scheme Booklet;

b. in the case of the Amcor US GAAP Historical Financial Information, the recognition and measurement principles contained in US GAAP and New Amcor's adopted accounting policies applied to the Amcor US GAAP Historical Financial Information, as described in section 4 of the Scheme Booklet; and

c. in the case of the Bemis Historical Financial Information, the recognition and measurement principles contained in US GAAP and Bemis' adopted accounting policies applied to the Bemis Historical Financial Information, as described in section 5 of the Scheme Booklet.

Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Combined Group Pro Forma Financial Information as described in section 6 of the Scheme Booklet, and comprising:

- Pro forma income statements for the Combined Group for the year ended 30 June 2018 and the half year ended 31 December 2018;
- Pro forma cash flow statements of the Combined Group for the year ended 30 June 2018 and the half year ended 31 December 2018; and
- Pro forma balance sheet of the Combined Group as at 30 June 2018 and as at 31 December 2018.

  (collectively the **Combined Group Pro Forma Financial Information**, prepared in accordance with US GAAP and New Amcor's adopted accounting policies)

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 6 of the Scheme Booklet being the recognition and measurement principles contained in US GAAP and New Amcor's adopted accounting policies applied to the historical financial information and the events or transactions to which the merger adjustments relate, as described in section 6 of the Scheme Booklet, as if those events or transactions had occurred as at the date of the historical financial information.

Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements. We have not considered the auditing standards or practices of any jurisdictions other than Australia (including the United States of America), except to the extent we have considered US GAAP in relation to the Amcor US GAAP Historical Financial Information and Bemis Historical Financial Information as it relates to the Combined Group Pro Forma Financial Information as described above. Accordingly, this report should not be relied upon as if it had been provided in accordance with or having regard to standards or practice in any other jurisdiction outside Australia.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to sections 4, 5 and 6 of the Scheme Booklet, which describes the purpose of the financial information, being for inclusion in the Scheme Booklet. As a result, the financial information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the Scheme Booklet in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Scheme Booklet. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Scheme Booklet.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

Robert Silverwood
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

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Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 12 March 2019

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572 (**PwCS** or **PwC Securities**) has been engaged by Amcor Limited to provide a report in the form of an Independent Limited Assurance Report (the **Report**) in relation to the proposed transaction under which the shares of Amcor will be acquired by New Amcor by way of a scheme of arrangement for inclusion in the Scheme Booklet dated 12 March 2019.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide (**FSG**) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on a fixed basis and are USD $0.7m.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

PricewaterhouseCoopers is the auditor of Amcor and PricewaterhouseCoopers LLP is the auditor of Bemis.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority ("AFCA"), an external complaints resolution service. AFCA can be contacted by calling 1800 931 678. You will not be charged for using the AFCA service.

8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Robert Silverwood
PwC 2 Riverside Quay, Southbank VIC 3006

Scheme of arrangement

Scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Amcor	**Amcor Limited** ACN 000 017 372 of Level 11, 60 City Road, Southbank, Victoria
Scheme Shareholders	Each person who is registered as a holder of Amcor Shares in the Amcor Share Register as at the Scheme Record Date.

1 Definitions, interpretation and scheme components

1.1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
Amcor Registry	Link Market Services Limited ACN 083 214 537.
Amcor Share	a fully paid ordinary share of Amcor.
Amcor Share Register	the register of members of Amcor maintained in accordance with the Corporations Act.
Amcor Shareholder	each person who is registered as the holder of an Amcor Share in the Amcor Share Register.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 and, where the context requires, the financial market that it operates.
Business Day	any day other than (i) a Saturday or a Sunday or (ii) a day on which banking and savings and loan institutions are authorised or required by Law to be closed in New York, New York or Melbourne, Australia.
CDI	the CHESS Depositary Interest to be issued in connection with the Scheme, representing an interest in one corresponding New Amcor Share.
CDN	CHESS Depositary Nominees Pty Limited ACN 071 346 506.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Cede	Cede & Co, a general partnership formed under the Laws of New York State.
Corporations Act	the *Corporations Act 2001* (Cth).
Court	the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act as agreed in accordance with the terms of the Transaction Agreement.
Deed Poll	a deed poll substantially in the form of Attachment 1 under which New Amcor covenants in favour of the Scheme Shareholders to perform the obligations attributed to New Amcor under the Scheme.
DTC	The Depository Trust Company, a limited purpose trust company formed under the Laws of New York State.
DTC Participant	a financial institution holding a securities account with DTC.
Effective	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which this Scheme becomes Effective.
Election Form	an election form, issued by Amcor at the request of a Scheme Shareholder, to receive New Amcor Shares as Scheme Consideration instead of CDIs.
Implementation Date	the third ASX trading day after the Scheme Record Date, or such other date as agreed in accordance with the terms of the Transaction Agreement.
Ineligible Foreign Shareholder	an Amcor Shareholder: • who has a Registered Address in a jurisdiction other than Australia or its external territories, Argentina, Bahamas, Belgium, Canada, France, Germany, Hong Kong, India, Ireland, Malaysia, New Zealand, Singapore, South Africa, Spain, Switzerland, Thailand, the United Kingdom or the United States; and • who Amcor determines (in its absolute discretion) that it would be unlawful, unduly onerous or unduly impracticable to issue the Scheme Consideration to in the relevant jurisdiction.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
New Amcor	Amcor plc, a public limited company incorporated under the Laws of the Bailiwick of Jersey.
New Amcor Registry	Computershare Trust Co., N.A.
New Amcor Share	an ordinary share of New Amcor.
NYSE	New York Stock Exchange.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to an Amcor Shareholder, the address shown in the Amcor Share Register as at the Scheme Record Date.
Sale Agent	a person appointed by New Amcor to sell the CDIs that are to be issued under clause 5.3(a)(1) of this Scheme.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Amcor and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in accordance with the terms of the Transaction Agreement.

Term	Meaning
Scheme Consideration	the consideration to be provided by New Amcor to each Scheme Shareholder for the transfer to New Amcor of each Scheme Share, being (subject to clauses 5.2, 5.3 and 5.4) one New Amcor Share or one CDI in respect of each Scheme Share.
Scheme Meeting	The meeting of the Amcor Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm on the second ASX trading day after the Effective Date, or such other time and date agreed in accordance with the terms of the Transaction Agreement.
Scheme Share	an Amcor Share held by a Scheme Shareholder.
Scheme Shareholder	a holder of Amcor Shares recorded in the Amcor Share Register as at the Scheme Record Date.
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of New Amcor as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Settlement Rules	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Transaction Agreement	the transaction agreement by and among Amcor, Arctic Corp., New Amcor and Bemis Company, Inc. dated on or about 6 August 2018.

1.2 Interpretation

In this Scheme:

(a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;

(b) the singular includes the plural and the plural includes the singular;

(c) words of any gender include all genders;

(d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;

(e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Governmental Entity as well as an individual;

(f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;

(g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Governmental Entity with legal power to do so);

(h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;

(i) a reference to '$', 'A$' or 'dollar' is to Australian currency;

(j) a reference to any time, unless otherwise indicated, is to the time in Melbourne, Australia;

(k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1 of this Scheme, has the same meaning when used in this Scheme;

(l) a term defined in the Transaction Agreement, and which is not defined in clause 1.1 of this Scheme, has the same meaning when used in this Scheme;

(m) a reference to a party to a document includes that party's successors and permitted assignees;

(n) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:

  (a) which ceases to exist; or

  (b) whose powers or functions are transferred to another body,

  is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(o) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

(p) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(q) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and

(r) a reference to the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Scheme components

This Scheme includes any attachment to it.

2 Preliminary matters

(a) Amcor is a public company limited by shares, incorporated in Australia, and has been admitted to the official list of the ASX.

(b) New Amcor is a public limited company incorporated under the Laws of the Bailiwick of Jersey.

(c) If this Scheme becomes Effective:

  (1) New Amcor must provide the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and

(2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to New Amcor and Amcor will enter the name of New Amcor in the Amcor Share Register in respect of the Scheme Shares.

(d) Amcor and New Amcor have agreed, by executing the Transaction Agreement, to implement this Scheme on the terms and subject to the conditions herein and in the Transaction Agreement.

(e) This Scheme attributes actions to New Amcor but does not itself impose an obligation on it to perform those actions. New Amcor has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including, in accordance to the terms and subject to the conditions of this Scheme, New Amcor's memorandum of association and articles of association and the Transaction Agreement, the provision of the Scheme Consideration to the Scheme Shareholders.

(f) Subject to the terms of this Scheme, the Scheme Consideration is to be provided in the form of CDIs. The Scheme Shareholders' interests in the New Amcor Shares underlying the CDIs are to be held through CDN.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(a) all the conditions in paragraphs 1, 2, 3 and 4 of Exhibit A of the Transaction Agreement (other than the condition relating to Court approval in paragraph 1(b) of Exhibit A) having been satisfied or, to the extent permitted by applicable Law, waived (by the part(ies) entitled to the benefit thereof) in accordance with the terms of the Transaction Agreement;

(b) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to in accordance with the terms of the Transaction Agreement; and

(c) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (as defined in the Transaction Agreement).

3.2 Certificate

(a) Amcor and New Amcor will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clause 3.1(a) have been satisfied or waived.

(b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 Termination of Transaction Agreement

This Scheme will lapse and be of no further force or effect if the Transaction Agreement is terminated in accordance with its terms.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

Amcor must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day in Melbourne after the day on which the Court approves this Scheme, or such later date as may be agreed by Amcor and Bemis.

4.2 Transfer of Scheme Shares

On the Implementation Date:

(a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5 (excluding clause 5.3), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to New Amcor, without the need for any further act by any Scheme Shareholder, by:

(1) Amcor delivering to New Amcor a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Amcor, for registration; and

(2) New Amcor duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Amcor for registration; and

(b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Amcor must enter, or procure the entry of, the name of New Amcor in the Amcor Share Register in respect of all the Scheme Shares transferred to New Amcor in accordance with this Scheme.

5 Scheme Consideration

5.1 Provision of Scheme Consideration

(a) Subject to the terms of this Scheme, the Scheme Consideration will be in the form of CDIs.

(b) Despite clause 5.1(a), New Amcor may arrange for a Scheme Shareholder to receive their Scheme Consideration in the form of New Amcor Shares if the Scheme Shareholder validly completes and returns an Election Form in accordance with the instructions specified on the form so that the Amcor Registry receives it by no later than 5.00pm on the Effective Date.

(c) Subject to clauses 5.2, 5.3 and 5.4, the obligation of New Amcor to provide the Scheme Consideration to Scheme Shareholders will be satisfied by New Amcor:

(1) where the Scheme Consideration is in the form of CDIs:

(A) issuing to the New Amcor Registry (as custodian for CDN) that number of New Amcor Shares as will enable CDN to issue CDIs as required by clause 5.1(c)(1)(C) on the Implementation Date;

(B) procuring that the name and address of the New Amcor Registry is entered into the New Amcor Share register in respect of those New Amcor Shares on the Implementation Date and that an electronic holding confirmation (or equivalent document) in the name of the New Amcor Registry representing those New Amcor Shares is sent to the New Amcor Registry;

(C) procuring that on the Implementation Date, CDN issues to each Scheme Shareholder the number of CDIs to which it is entitled under this clause 5;

(D) procuring that on the Implementation Date, the name of each Scheme Shareholder is entered in the records maintained by CDN as the holder of the CDIs issued to that Scheme Shareholder on the Implementation Date;

(E) in the case of each Scheme Shareholder who held Scheme Shares on the CHESS subregister – procuring that the CDIs are held on the CHESS subregister on the Implementation Date and sending or procuring the sending of a CDI confirmation advice to each Scheme Shareholder which sets out the number of CDIs held on the CHESS subregister by that Scheme Shareholder;

(F) in the case of each Scheme Shareholder who held Scheme Shares on the issuer sponsored subregister – procuring that the CDIs are held on the issuer sponsored subregister on the Implementation Date and sending or procuring the sending of a CDI holding statement to each Scheme Shareholder which sets out the number of CDIs held on the issuer sponsored subregister by that Scheme Shareholder; and

(G) procuring that, on the Implementation Date (New York time), the New Amcor Shares issued to the New Amcor Registry under clause 5.1(c)(1)(A) are transferred to Cede (as nominee for DTC), and DTC credits book entry interests in respect of those New Amcor Shares to the New Amcor Registry (as DTC Participant and custodian for CDN),

and,

(2) where the Scheme Consideration is in the form of New Amcor Shares:

(A) issuing the New Amcor Shares to the New Amcor Registry (as exchange agent) on the Implementation Date;

(B) procuring that from the Implementation Date (New York time), as each DTC Participant nominated in a Scheme Shareholder's Election Form initiates a Deposit/Withdrawal at Custodian instruction (**DWAC**), the New Amcor Registry transfers the relevant New Amcor Shares to Cede (as nominee for DTC) and DTC credits the book entry interests representing those New Amcor Shares to the relevant DTC Participant; and

(C) procuring that the name and address of Cede is entered into the New Amcor Share register in respect of the New Amcor Shares and that an electronic confirmation (or equivalent document) in the name of Cede representing those New Amcor Shares is sent to Cede,

provided that, if a DWAC is not received within five Business Days of the Implementation Date (New York time) in respect of a Scheme Shareholder who validly completes and returns an Election Form under clause 5.1(b), New Amcor may procure that the New Amcor Registry transfers to Cede (as nominee for DTC) the relevant New Amcor Shares and DTC instead credits the book entry interests representing them to the New Amcor Registry (as DTC Participant and custodian for CDN), and CDN issues to the Scheme Shareholder the corresponding number of CDIs.

(d) Despite clauses 5.1(a) to 5.1(c), where the Scheme Shareholder is J.P. Morgan Nominees Australia Pty Limited ACN 002 899 961 (as custodian for JP Morgan Chase Bank, N.A. in its capacity as the depository of Amcor's American depository receipt (**ADR**) program) the Scheme Consideration will be in the form of New Amcor Shares, and the obligation of New Amcor to provide such Scheme Consideration will be satisfied by New Amcor issuing the New Amcor Shares and procuring that the New Amcor Registry delivers them to the registered ADR-holders, in the manner instructed by New Amcor.

5.2 Joint holders

In the case of Scheme Shares held in joint names:

(a) the CDIs or New Amcor Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders;

(b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the registered address as recorded in the Amcor Share Register as at the Scheme Record Date; and

(c) any other document required to be sent under this Scheme, will be forwarded to the registered address as recorded in the Amcor Share Register as at the Scheme Record Date.

5.3 Ineligible Foreign Shareholders

(a) In respect of Ineligible Foreign Shareholders, New Amcor will:

(1) subject to clause 5.4, on the Implementation Date, issue the CDIs which would otherwise be required to be issued to the Ineligible Foreign Shareholders under this Scheme to the Sale Agent;

(2) procure that as soon as reasonably practicable (and in any event not more than 15 Business Days after the Implementation Date), the Sale Agent sells on market all the CDIs issued to the Sale Agent under clause 5.3(a)(1);

(3) account to each Ineligible Foreign Shareholder for the proceeds of the sale of all of the CDIs (after deduction of any applicable brokerage, stamp duty and other costs, taxes and charges) (**Proceeds**); and

(4) as soon as reasonably practicable, remit to each Ineligible Foreign Shareholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

A = (B ÷ C) x D

where

B = the number of CDIs that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which were issued to the Sale Agent;

C = the total number of CDIs which would otherwise have been issued to all Ineligible Foreign Shareholders and which were issued to the Sale Agent; and

D = the Proceeds (as defined in clause 5.3(a)(3)).

(b) The Ineligible Foreign Shareholders acknowledge that none of New Amcor, Amcor or the Sale Agent gives any assurance as to the price that will be achieved for the sale of CDIs described in clause 5.3(a).

(c) New Amcor must make, or procure the making of, payments to Ineligible Foreign Shareholders under clause 5.3(a)(4) by:

(1) depositing or procuring the payment of, the relevant amount in Australian currency by electronic means into an account with any Australian Authorised Deposit-taking Institution (as defined in the Corporations Act) (**ADI**) notified to New Amcor (or an agent of New Amcor which manages the New Amcor share register) by an appropriate authority from the Ineligible Foreign Shareholder;

(2) if, for the purposes of paragraph (1), an account with an Australian ADI has not been notified to New Amcor, or a deposit into such an account is rejected or refunded, dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address, such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2); or

(3) if paragraph (2) applies and the Ineligible Foreign Shareholder does not have a Registered Address or New Amcor believes that the Ineligible Foreign Shareholder is not known at their Registered Address, crediting the amount payable to a separate bank account of New Amcor to be held until the Ineligible Foreign Shareholder claims the amount or the amount is dealt with in accordance with unclaimed money legislation. New Amcor must hold the amount on trust, but any benefit accruing from the amount will be to the benefit of New Amcor. An amount credited to the account is to be treated as having been paid to the Ineligible Foreign Shareholder when credited to the account. New Amcor must maintain records of the amounts paid, the people who are entitled to the amounts, and any transfer of the amounts.

(d) If New Amcor receives professional advice that any withholding or other tax is required by Law or by a Governmental Entity to be withheld from a payment to an Ineligible Foreign Shareholder, New Amcor is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.3(a)(4)). New Amcor must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder.

(e) Each Ineligible Foreign Shareholder appoints New Amcor as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act or any other applicable law.

(f) Payment of the amount calculated in accordance with clause 5.3(a) to an Ineligible Foreign Shareholder in accordance with this clause 5.3 satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.

(g) New Amcor, in complying with the terms of clause 5.3(a) in respect of an Ineligible Foreign Shareholder, will be taken to have satisfied and discharged its obligations to the Ineligible Foreign Shareholders under the Scheme. An Ineligible Foreign Shareholder will have no claim against New Amcor for any entitlement they would have had to the CDIs but for the terms of this Scheme.

5.4 Orders of a court or Governmental Entity

If written notice is given to Amcor (or the Amcor Registry) or New Amcor (or the New Amcor registry) of an Order or direction made by a court of competent jurisdiction or by another Governmental Entity that:

(a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Amcor or New Amcor in accordance with this clause 5, then Amcor or New Amcor shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

(b) prevents Amcor or New Amcor from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Amcor or New Amcor shall be entitled to (as applicable) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration and/or direct CDN or New Amcor not to issue, or to issue to a trustee or nominee, the CDIs or New Amcor Shares (as applicable) that Scheme Shareholder would otherwise be entitled to under clause 5.1,

until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

5.5 Status of New Amcor Shares and CDIs

Subject to this Scheme becoming Effective, New Amcor must:

(a) issue the New Amcor Shares required to be issued by it under this Scheme on terms such that each such New Amcor Share will rank equally in all respects with each other such New Amcor Share;

(b) ensure that each such New Amcor Share is duly and validly issued in accordance with all applicable laws and New Amcor's memorandum of association and articles of association, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under New Amcor's articles of association);

(c) take steps to have the CDIs quoted for trading on the ASX in accordance with the terms of the Transaction Agreement; and

(d) take steps to have the New Amcor Shares quoted for trading on the NYSE in accordance with the terms of the Transaction Agreement.

6 Dealings in Amcor Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Amcor Shares or other alterations to the Amcor Share Register will only be recognised if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Amcor Share Register as the holder of the relevant Amcor Shares before the Scheme Record Date; and

(b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Amcor Share Register is kept,

and Amcor must not accept for registration, nor recognise for any purpose (except a transfer to New Amcor pursuant to this Scheme and any subsequent transfer by New Amcor or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

(a) Amcor must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Amcor to register a transfer that would result in an Amcor Shareholder holding a parcel of Amcor Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).

(b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Amcor shall be entitled to disregard any such disposal.

(c) For the purpose of determining entitlements to the Scheme Consideration, Amcor must maintain the Amcor Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration in accordance with clause 5 has been paid to the Scheme Shareholders. The Amcor Share Register in this form will solely determine entitlements to the Scheme Consideration.

(d) All statements of holding for Amcor Shares (other than statements of holding in favour of New Amcor) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Amcor Share Register (other than entries on the Amcor Share Register in respect of New Amcor) will cease to have effect except as evidence of entitlement to the Scheme Consideration (on the terms contemplated by clause 5) in respect of the Amcor Shares relating to that entry.

(e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Amcor will ensure that details of the names, Registered Addresses and holdings of Amcor Shares for each Scheme Shareholder as shown in the Amcor Share Register are available to New Amcor in the form New Amcor reasonably requires.

7 Quotation of Amcor Shares

(a) Amcor must apply to ASX to suspend trading on the ASX in Amcor Shares with effect from the close of trading on the Effective Date.

(b) On a date after the Implementation Date to be determined by Amcor, Amcor must apply:

  (1) for termination of the official quotation of Amcor Shares on the ASX; and

  (2) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

(a) Amcor may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which consent has been obtained in accordance with the terms of the Transaction Agreement; and

(b) each Scheme Shareholder agrees to any such alterations or conditions which Amcor has consented to.

8.2 Scheme Shareholders' agreements and warranties

(a) Each Scheme Shareholder:

  (1) agrees to the transfer of their Amcor Shares together with all rights and entitlements attaching to those Amcor Shares in accordance with this Scheme;

  (2) agrees to the variation, cancellation or modification of the rights attached to their Amcor Shares constituted by or resulting from this Scheme;

(3) agrees to, on the direction of New Amcor, destroy any holding statements or share certificates relating to their Amcor Shares;

(4) agrees to the Scheme Consideration being issued to them, or to the Sale Agent in the case of Ineligible Foreign Shareholders, to be bound by New Amcor's memorandum of association and articles of association, and, if they receive their Scheme Consideration in the form of CDIs, to be bound by the terms of the CDIs;

(5) who holds their Amcor Shares in a CHESS Holding agrees to the conversion of those Amcor Shares to an Issuer Sponsored Holding and irrevocably authorises Amcor to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and

(6) acknowledges and agrees that this Scheme binds Amcor and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).

(b) Each Scheme Shareholder is taken to have warranted to Amcor and New Amcor on the Implementation Date, and appointed and authorised Amcor as its attorney and agent to warrant to New Amcor on the Implementation Date, that all their Amcor Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all Lien, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Amcor Shares to New Amcor together with any rights and entitlements attaching to those shares. Amcor undertakes that it will provide such warranty to New Amcor as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to New Amcor will, at the time of transfer of them to New Amcor, vest in New Amcor free from all Lien, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

(b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5 or provision of the Scheme Consideration for Ineligible Foreign Shareholders (as applicable) , New Amcor will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Amcor of New Amcor in the Amcor Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5 or provision of the Scheme Consideration for Ineligible Foreign Shareholders (as applicable), and until Amcor registers New Amcor as the holder of all Scheme Shares in the Amcor Share Register, each Scheme Shareholder:

(a) is deemed to have appointed New Amcor as attorney and agent (and directed New Amcor in each such capacity) to appoint any director, officer, secretary or agent nominated by New Amcor as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;

(b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));

(c) must take all other actions in the capacity of a registered holder of Scheme Shares as New Amcor reasonably directs; and

(d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), New Amcor and any director, officer, secretary or agent nominated by New Amcor under clause 8.4(a) may act in the best interests of New Amcor as the intended registered holder of the Scheme Shares.

8.5 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Governmental Entity), all instructions, notifications or elections by a Scheme Shareholder to Amcor that are binding or deemed binding between the Scheme Shareholder and Amcor relating to Amcor or Amcor Shares, including instructions, notifications or elections relating to:

(a) whether dividends are to be paid by cheque or into a specific bank account;

(b) payments of dividends on Amcor Shares, including participation in any dividend reinvestment plan; and

(c) notices or other communications from Amcor (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by New Amcor in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to New Amcor and to be a binding instruction, notification or election to, and accepted by, New Amcor in respect of the New Amcor Shares or CDIs issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to New Amcor at its registry.

8.6 Binding effect of Scheme

This Scheme binds Amcor and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Amcor.

8.7 Authority given to Amcor

Each Scheme Shareholder, without the need for any further act:

(a) on the Effective Date, irrevocably appoints Amcor and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against New Amcor, and Amcor undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against New Amcor on behalf of and as agent and attorney for each Scheme Shareholder; and

(b) on the Implementation Date, irrevocably appoints Amcor and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Amcor accepts each such appointment. Amcor as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.7 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

9 General

9.1 Consent

Each of the Scheme Shareholders consents to Amcor doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Amcor or otherwise.

9.2 Notices

(a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Amcor, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Amcor's registered office or at the office of the Amcor Registry.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by an Amcor Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.3 Governing law

(a) This Scheme is governed by the laws in force in Victoria, Australia.

(b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria, Australia and courts of appeal from them in respect of any proceedings arising out of this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.4 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Amcor, New Amcor nor any director, officer, secretary or employee of Amcor or New Amcor shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Attachment 1 – Deed Poll

Deed Poll

Date 25 February 2019

This deed poll is made

By **Amcor plc (New Amcor)**

of 83 Tower Road North, Warmley, Bristol, BS30 8XP, United Kingdom.

in favour of each person registered as a holder of ordinary shares in Amcor Limited (**Amcor**) in the Amcor Share Register as at the Scheme Record Date.

Recitals

1 Amcor, Arctic Corp., New Amcor and Bemis Company, Inc (**Bemis**) entered into the Transaction Agreement.

2 In the Transaction Agreement, New Amcor agreed to make this deed poll.

3 New Amcor is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations under the Transaction Agreement and the Scheme.

This deed poll provides as follows:

1 Definitions and interpretation

1.1 Definitions

In this deed poll:

(a) '**Transaction Agreement**' means the transaction agreement by and among Amcor, Arctic Corp., New Amcor and Bemis dated 6 August 2018.

(b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Clause 1.2 of the Scheme applies to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

New Amcor acknowledges that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

2 Conditions to obligations

2.1 Conditions

The obligations of New Amcor under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of New Amcor under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect, and New Amcor will be released from its obligations to perform this deed poll, if the Transaction Agreement is terminated in accordance with its terms.

3 Scheme obligations

3.1 Undertaking to issue Scheme Consideration

Subject to clause 2, New Amcor undertakes in favour of each Scheme Shareholder to:

(a) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and

(b) undertake all other actions attributed to it under the Scheme,

subject to and in accordance with the provisions of the Scheme.

3.2 New Amcor Shares to rank equally

New Amcor covenants in favour of each Scheme Shareholder that the New Amcor Shares which are issued in accordance with the Scheme will:

(a) rank equally in all respects with each other such New Amcor Share; and

(b) be duly and validly issued in accordance with all applicable laws and New Amcor's memorandum of association and articles of association, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under New Amcor's articles of association).

4 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

(a) New Amcor has fully performed its obligations under this deed poll; or

(b) the earlier termination of this deed poll under clause 2.

5 Warranties

New Amcor represents and warrants in favour of each Scheme Shareholder that:

(a) it is a corporation validly existing under the laws of its place of registration;

(b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and

(e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its articles of association, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

6 General

6.1 Stamp duty

New Amcor:

(a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and

(b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 6.1(a).

6.2 Governing law and jurisdiction

(a) This deed poll is governed by the law in force in Victoria, Australia.

(b) New Amcor irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria, Australia and courts of appeal from them in respect of any proceedings arising out of this deed poll.

6.3 Waiver

(a) New Amcor may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.

(b) No Scheme Shareholder may rely on words or conduct of New Amcor as a waiver of any right unless the waiver is in writing and signed by New Amcor.

(c) The meanings of the terms used in this clause 6.3(a) are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

6.4 Variation

This deed poll may only be varied in accordance with the terms of the Transaction Agreement.

6.5 Cumulative rights

The rights, powers and remedies of New Amcor and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

6.6 Assignment

(a) The rights and obligations created by this deed poll are personal to New Amcor and each Scheme Shareholder. They must not be dealt with at law or in equity without the prior written consent of Amcor, New Amcor and Bemis.

(b) Any purported dealing in contravention of clause 6.6(a) is invalid.

6.7 Further action

New Amcor must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

Signing page

Executed as a deed poll

New Amcor

SIGNED SEALED AND DELIVERED by **AMCOR PLC** in the presence of:

Seal

sign here [Signed]
Authorised signatory

print name ANDREW J COWPER

sign here [Signed]
Witness

print name DAMIEN CLAYTON

Notice of Scheme Meeting

Notice of Court ordered meeting of Amcor Shareholders

By an order of the Court made on Tuesday, 12 March 2019 pursuant to section 411(1) of the Corporations Act, notice is hereby given that a meeting of Amcor Shareholders will be held at the Clarendon Auditorium, Melbourne Convention and Exhibition Centre, 1 Convention Centre Place, South Wharf, Victoria 3006 at 1.30pm (Melbourne time) on Thursday, 2 May 2019.

Business

The purpose of the meeting is to consider and, if thought fit, agree to a scheme of arrangement under Part 5.1 of the Corporations Act (with or without modifications approved by the Court) to be made between Amcor and Amcor Shareholders.

The meeting will be asked to consider and, if thought fit, pass the following resolution:

> "That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (contained in and the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modifications as approved by the Court)."

The Explanatory Notes, including the notes on voting and proxies, form part of this Notice of Scheme Meeting.

By order of the Court

J McPherson

J F McPherson
Company Secretary
Amcor Limited

12 March 2019

Explanatory Notes

Important notice

To enable you to make an informed voting decision, a copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet which accompanies this Notice of Scheme Meeting. Terms used in this notice have the same meaning as set out in 'Definitions and interpretation' in Section 12 of the Scheme Booklet. Details about your entitlement to vote, how to vote and how to appoint a proxy, attorney or corporate representative are set out in 'What you need to do and how to vote' in Section 3 of the Scheme Booklet, in 'Frequently asked questions' in Section 2 of the Scheme Booklet, and in these Explanatory Notes.

Requisite Majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the resolution must be passed by:

- unless the Court orders otherwise — a majority in number of Amcor Shareholders present and voting at the Scheme Meeting (in person, or by proxy, attorney or corporate representative); and
- at least 75 percent of the total number of votes cast on the Scheme Resolution (in person, or by proxy, attorney or corporate representative) at the Scheme Meeting.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modifications) must be approved by an order of the Court. If the resolution put to this meeting is passed by the Requisite Majorities and the other Conditions Precedent are satisfied or waived (as applicable), Amcor intends to apply to the Court on the Business Day following the Scheme Meeting for the necessary orders to give effect to the Scheme.

Directors' recommendation

The Amcor Directors have considered the advantages and disadvantages of the Scheme and recommend that you vote in favour of the Scheme.

Determination of entitlement to vote

For the purposes of the Scheme Meeting, Amcor Shares will be taken to be held by the persons who are registered as Amcor Shareholders at 7.00pm (Melbourne time) on Tuesday, 30 April 2019.

How to vote

If you are an Amcor Shareholder entitled to attend and vote at the Scheme Meeting, you may vote by:

- attending the Scheme Meeting in person;
- appointing a proxy to attend on your behalf;
- appointing an attorney to vote on your behalf; or
- in the case of a corporation that is an Amcor Shareholder, by appointing an authorised corporate representative to attend on your behalf.

Voting in person

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting to be held at the Clarendon Auditorium, Melbourne Convention and Exhibition Centre, 1 Convention Centre Place, South Wharf, Victoria 3006 at 1.30pm (Melbourne time) on Thursday, 2 May 2019.

All persons attending the Scheme Meeting are asked to arrive at least 30 minutes prior to the time the Scheme Meeting is to commence, so that either their shareholding may be checked against the Amcor Share Register or their appointment as corporate representative can be verified, and their attendance noted.

Voting by proxy

1 An Amcor Shareholder entitled to attend and vote at the Scheme Meeting is also entitled to appoint not more than two proxies. The appointment of one or more proxies will not preclude an Amcor Shareholder from attending and voting at the Scheme Meeting. The Proxy Form is enclosed with this Scheme Booklet.

2 A proxy need not be an Amcor Shareholder. A proxy may be either an individual or a body corporate.

3 Where two proxies are appointed, each proxy may be appointed to represent a specified proportion, or number, of the voting rights of the Amcor Shareholder. If more than one proxy attends the meeting, neither proxy is entitled to vote on a show of hands. If you wish to appoint two proxies, ensure you complete the relevant section on the Proxy Form.

4 If your proxy chooses to vote, he/she must vote in accordance with your directions. If you have directed your proxy to vote, and they fail to attend the Scheme Meeting or they choose to not vote on a poll, then the Chairman of the Scheme Meeting will be deemed to be your proxy and will vote your proxies as directed by you.

5 If you do not mark a box on the Proxy Form, your proxy may vote as they choose on that item subject to any voting exclusions.

6 The Chairman of the Scheme Meeting intends to vote all available undirected proxies in favour of the Scheme Resolution.

7 Completed Proxy Forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned before 1.30pm (Melbourne time) on Tuesday, 30 April 2019 in one of the following ways:

by mail:

Amcor Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

or

online: via www.amcor.com or www.linkmarketservices.com.au

or

by facsimile: +61 2 9287 0309

or

by hand: Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000 during business hours (Monday to Friday, 9.00am to 5.00pm (Melbourne time)).

Voting by corporate representative

Where an Amcor Shareholder is a body corporate, or an Amcor Shareholder appoints a body corporate as proxy, that body corporate will need to appoint an individual as its corporate representative to exercise its powers at the Scheme Meeting. You can obtain a "Certificate of Appointment of Corporate Representative" from the Amcor Share Registry or online at www.linkmarketservices.com.au. Certificates can be lodged with your Proxy Form or provided to the Amcor Share Registry prior to the Scheme Meeting.

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Corporate Directory

Amcor Limited
Registered office
Level 11, 60 City Road
Southbank VIC 3006
Australia
Telephone: +61 3 9226 9000
Facsimile: +61 3 9226 9050

Joint Financial Advisers
UBS AG, Australia Branch
Level 16, Chifley Tower
Sydney NSW 2000
Australia

Moelis & Company LLC
Level 5, 399 Park Avenue
New York NY 10022
United States of America

Australian Legal Adviser
Herbert Smith Freehills
Level 42, 101 Collins Street
Melbourne VIC 3000
Australia

US Legal Adviser
Kirkland & Ellis LLP
601 Lexington Avenue
New York NY 10022
United States of America

Independent Expert
KPMG Financial Advisory Services
(Australia) Pty Ltd
Level 38, Tower Three
300 Barangaroo Avenue
Sydney NSW 2000
Australia

Investigating Accountant
PricewaterhouseCoopers Securities Ltd
2 Riverside Quay
Southbank VIC 3006
Australia

Amcor Share Registry
Amcor Share Registry
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia
Telephone: 1 300 302 458
(available from all locations)
Facsimile: +61 3 9287 0303
Email: amcor@linkmarketservices.com.au

Amcor Shareholder Information Line
1300 302 458 (within Australia)
+61 1300 302 458 (outside Australia)

amcor

amcor

ABN 62 000 017 372

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au or www.amcor.com

BY MAIL
Amcor Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 302 458

X99999999999

PROXY FORM

I/We being a member(s) of Amcor Limited (**Amcor**) and entitled to attend and vote at the Scheme Meeting hereby appoint:

STEP 1

APPOINT A PROXY

☐ **the Chairman of the Scheme Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Scheme Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Scheme Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting to be held at **1:30pm (Melbourne time) on Thursday, 2 May 2019 at the Clarendon Auditorium, Melbourne Convention and Exhibition Centre, 1 Convention Centre Place, South Wharf, Victoria 3006** and at any postponement or adjournment of the Scheme Meeting.

The Chairman of the Scheme Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by Amcor if they are signed and received no later than 48 hours before the Scheme Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions	**For**	**Against**	**Abstain***
1 That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (contained in and the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modifications as approved by the Court).	☐	☐	☐

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This Proxy Form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

Terms definded in the Scheme Booklet have the same meaning in the Proxy Form (unless the context otherwise requires or the term is otherwise defined).

YOUR NAME AND ADDRESS

This is your name and address as it appears on Amcor's Share Register. If this information is incorrect, please make the correction on the Proxy Form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this Proxy Form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Scheme Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Scheme Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of Amcor.

DEFAULT TO CHAIRMAN OF THE SCHEME MEETING

Any directed proxies that are not voted on a poll at the Scheme Meeting will default to the Chairman of the Scheme Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Scheme Meeting will be voted according to the instructions set out in this Proxy Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Scheme Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Amcor Share Registry or you may copy this Proxy Form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that Proxy Form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both Proxy Forms together.

SIGNING INSTRUCTIONS

You must sign this Proxy Form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint holding: where the holding is in more than one name, either shareholder may sign.

Power of attorney: to sign under power of attorney, you must lodge the power of attorney with the Amcor Share Registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

Companies: where the company has a sole director who is also the sole company secretary, this Proxy Form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise this Proxy Form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Scheme Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Scheme Meeting. A form of the certificate may be obtained from the Amcor's Share Registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by **1:30pm (Melbourne time) on Tuesday, 30 April 2019,** being not later than 48 hours before the commencement of the Scheme Meeting. Any Proxy Form received after that time will not be valid for the scheduled Scheme Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE
www.linkmarketservices.com.au or www.amcor.com

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

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C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX

+61 2 9287 0309

BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

or

Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am to 5:00pm)

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE SCHEME MEETING, PLEASE BRING THIS PROXY FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.