Annual Report 2009

AMCOR

Amcor Limited
ABN 62 000 017 372

ANNUAL GENERAL MEETING

The Annual General Meeting of Amcor Limited will be held at the Park Hyatt, 1 Parliament Square, Melbourne at 11.00am (Melbourne time), Thursday 22 October 2009.

Formal notice of the meeting is sent to each shareholder.

Julie McPherson
Company Secretary
Amcor Limited

ABOUT THIS REPORT

Amcor's Full Year Financial Report can be viewed on, or downloaded from, Amcor's website www.amcor.com

With sustainability playing a key role in Amcor's business plan, all publications are available online. You can help save paper by downloading the electronic version of Amcor's publications.

If you previously requested a printed report but now no longer require it in printed form, please advise the share registry, Computershare, in writing of changes to your report mailing preferences.

In this report, 'the year', '2008/09' and '2009' refer to the financial year ended 30 June 2009. Likewise, '2007/08' and '2008' refer to the financial year ending 30 June 2008.

All monetary amounts are in Australian dollars unless otherwise specified.

Amcor's Annual Report complies with the principles contained in the Australian Securities Exchange Guidance Note 10 'Guide to Review of Operations and Activities: Listing Rule 4.10.17'.

The Financial Report was authorised for issue by the directors on 18 August 2009. The directors have the power to amend and reissue the Financial Report.

CONTENTS

1 Message to our shareholders
4 The new Amcor
6 Review of Operations
16 Board of Directors and Company Secretary
18 Directors' Report
52 Auditor's Independence Declaration
54 Income Statements
55 Balance Sheets
56 Statements of Recognised Income and Expense
57 Cash Flow Statements
59 Notes to the Financial Statements
138 Directors' Declaration
139 Independent Audit Report to Members of Amcor Limited
141 Statement of Shareholdings
142 Statistical Summary
143 Investor Information
144 Senior Management and Corporate Directory
145 Financial Calendar

From the Chairman, Mr Chris Roberts and the Managing Director and CEO, Mr Ken MacKenzie

Message to our shareholders

Earnings for the 2009 year were $360.5 million (after tax and before significant items), down 2.3% on the previous year's $369.1 million. Earnings per share (before significant items) were 43.1 cents, up 0.5% on the previous year's 42.9 cents per share. The increase in earnings per share, compared to the reduction in reported profit, was due to lower share capital following a $350 million share buy-back undertaken in the 2007/08 year.

The modest increase in earnings per share was a solid performance in particularly difficult economic conditions. More than 80% of Amcor's sales are to the food, beverage, healthcare and tobacco packaging industries. Although these market segments are not immune to broader economic conditions, they are substantially more resilient than many sectors. Volumes within these segments were typically lower by up to 10% during the 2008/09 year and this reduction included a component of supply chain destocking that occurred at various stages throughout the year.

The Company generated excellent operating cash flow, after the cash cost of significant items and base capital expenditure, of $419.6 million. This follows similarly strong performances in the previous three years of $418 million in 2007/08, $614 million in 2006/07 and $522 million in 2005/06.

The solid earnings per share performance for the year, combined with the strong operating cash flow has enabled the Board to declare a final dividend of 17 cents per share, giving a full year dividend of 34 cents per share.

SIGNIFICANT ITEMS

Significant items for the year were a loss of $148.8 million (after tax), primarily relating to acquisition costs associated with the Alcan Packaging assets and planned restructuring expenses predominantly in the European Flexibles business.

ALCAN PACKAGING ACQUISITION

On 18 August 2009, the Company announced that it had made a binding offer to acquire certain parts of the operations of Alcan Packaging. These businesses comprise:

- Alcan Packaging Food Europe;
- Alcan Packaging Global Pharmaceuticals;
- Alcan Packaging Food Asia; and
- Alcan Packaging Global Tobacco.

Sales of the operations to be acquired are $4.8 billion. This represents an increase of approximately 50% on Amcor's current sales. The businesses to be acquired have 80 plants in 28 countries and 14,000 employees.

The headline purchase price is US$2,025 million, which represents a 5.5 to 5.7 times multiple of earnings before interest, tax, depreciation and amortisation (EBITDA). The final price will be determined by the actual EBITDA earnings of the operations for the 12 months prior to closing. Full details of the acquisition, including the purchase price mechanism, are in the Prospectus which was mailed to shareholders in August.

Following four years of 'The Way Forward', a get fit program, the Company is well positioned to undertake this acquisition.

The most critical component of The Way Forward was the development of the operating business model, 'The Amcor Way' which focuses on core capabilities relating to safety, customer and market focus, capital discipline, low cost and talent management.

Successfully embedding The Amcor Way into the Alcan Packaging operations will be a key focus following completion of the acquisition.

Another important part of The Way Forward was identifying flexible packaging, folding cartons for tobacco packaging, value-add custom PET containers and beverage packaging in Australasia as the nominated strategic growth markets.

The acquisition of parts of Alcan Packaging's operations specifically targets these chosen growth areas, creating leading global positions. Amcor will be one of the global leaders in folding carton packaging for tobacco and flexible packaging.

This is an exciting opportunity that significantly enhances future growth opportunities.

In the short term, this growth will primarily result from the synergy benefits, estimated to be between $200 million and $250 million, obtainable from bringing the businesses together. In the medium term, there is the opportunity to benefit from the broader global reach and enhanced scale to deliver an improved customer value proposition.

Message to our shareholders

The combination of a strong strategic rationale and an attractive purchase price creates the opportunity to generate value for shareholders.

The acquisition will be conservatively financed with approximately 65% of the purchase price funded by equity and approximately 35% funded by debt. Of the debt raised, up to 78% has a five year term which is an excellent outcome and assists in lengthening our debt maturity profile.

The Company will also have approximately $1.1 billion in committed but undrawn bank facilities, ensuring it is well placed as debt is refinanced over the next two years.

In summary, the Amcor Board believes that with the combination of a strong strategic fit, substantial business alignment, considerable synergies and a very attractive purchase price, the Alcan Packaging acquisition will create value for Amcor's stakeholders.

EQUITY RAISING

As part of the funding for the Alcan Packaging acquisition, the Company is raising $1.6 billion in equity from shareholders via a 4 for 9 rights entitlement at $4.30 per share. The institutional component of this equity raising is to be completed on 19 August 2009. The retail component of approximately $400 million is to be completed on 10 September 2009.

The Board would like to thank all shareholders for their support in this equity raising.

THE WAY FORWARD

This program was outlined to shareholders in August 2005 and involves focusing on improving execution in a number of key disciplines and building a business model The Amcor Way.

Over the past 12 months, there has been continued progress across all key metrics. These improvements have made significant contributions to enhancing profit before interest and tax for the business groups.

The main components of The Way Forward agenda are:

- A portfolio review to ensure the Company remains only in those businesses that have strong market positions;
- Building excellence in sales and marketing to help develop a more customer focused organisation;
- Driving costs out of the business;
- Improving all aspects of capital discipline; and
- Changing the culture of the Company.

The portfolio review has resulted in asset sales of more than $1.4 billion and the business portfolio is now focused on those market segments where Amcor has strong market positions and sustainable competitive advantages that will deliver profits over the long term.

Although the review as it was envisaged in August 2005 is complete, the portfolio review is never complete. In August 2009, it was announced that the Company is currently investigating the opportunity to divest the corrugated and manufactured products division of Amcor Sunclipse. A final decision on sale or retention is expected over the next three months.

Apart from the Alcan Packaging acquisition, over $680 million of the proceeds from the asset sales have been used to reinvest in markets which exhibit the highest growth and return opportunities.

Specifically, these growth markets are:

- Custom PET containers in the Americas;
- Flexible packaging for the food and healthcare markets;
- Folding cartons for tobacco packaging; and
- Beverage packaging in Australasia.

The $150 million furnace for the wine bottle plant in Gawler, South Australia (SA) is under construction and due for completion by June 2010. This is the third furnace installed at the site and upon completion, the plant is planned to have production capacity of 600 million bottles per annum. Since commencing operations in 2002, the business has consistently delivered high levels of quality, service and innovation and has received strong support from the wine industry.

A second component of building strong market positions is to improve those businesses that are well positioned in their markets, but have had poor operational performance. There were three business segments in this category and comprehensive turnaround plans were developed for each of them.

The Australasian fibre business is undertaking a $300 million restructuring program to deliver cost savings of $80 million per annum. The first phase, which has been completed, was a comprehensive plant rationalisation program, a reduction of more than 450 co-workers and the installation of new machinery in the converting operations.

The second phase of the program is the construction of a new recycled paper mill at Botany, New South Wales (NSW) scheduled for completion in calendar year 2011.

The flexibles business in Western Europe is moving into the final stages of a comprehensive repositioning program aimed at:

- Strengthening market positions through better leverage of technology and manufacturing capabilities;
- Increasing the weighting in production of lower cost regions, particularly in Southern and Eastern Europe;
- Improving alignment to customer needs and market trends; and
- Creating a strong platform for innovation and continued growth.

Upon completion, the business will have a smaller number of larger plants with improved technology or market focus. The project, as planned, will deliver an improved cost position of €30 million per year for a net cash outlay of €60 million.

During the year, there was substantial progress in this project, including the ongoing rationalisation of the extrusion operations from nine sites to three, based in Spain, Belgium, and the United Kingdom (UK). The business has undertaken extensive product qualification trials enabling manufacturing to transfer to the remaining sites and close the other locations. Over the next 12 months, this process will be completed and the business will manufacture film from three large scale sites, benefiting from expenditure on the new multilayer extruders.

With regard to the converting operations, the business closed a plant in the UK and successfully started up two new plants in Poland, one of which is dedicated to the production of snack food packaging for PepsiCo.

CASH FLOW AND CAPITAL MANAGEMENT

Another important component of The Way Forward agenda has been capital discipline. This involves a focus on all aspects of cash generation and use of cash. Over the past four years, there has been a substantial improvement in capital discipline within Amcor, resulting in an aggregate free cash flow, after the payment of dividends, of $800 million.

A key driver of this improvement has been a significant improvement in working capital. Over this period, the ratio of working capital to sales has reduced from 13.3% in 2004/05 to 9.6% in 2008/09. In the 2008/09 year, the environment for managing working capital was particularly difficult, given the dual impacts of lower demand due to the

‘The Alcan Packaging acquisition is an exciting opportunity that enables Amcor to create value for all its stakeholders.’

slowing economic conditions and substantial inventory destocking in the supply chain. Notwithstanding these impacts, the businesses achieved a reduction in average working capital to sales from 9.8% to 9.6%.

The operating cash flow, after the cash cost of significant items and base capital expenditure, was $419.6 million and the free cash flow after the $288.5 million payment of dividends was $131.1 million.

Interest cover measured as earnings before interest, tax, depreciation and amortisation (EBITDA) to net interest remained constant at six times.

BALANCE SHEET

Following the acquisition of parts of Alcan Packaging’s operations, the Company will have an excellent balance sheet and debt profile.

Gearing measured as debt as a percentage of debt plus equity is forecast to be approximately 43% on closing of the acquisition.

In addition, the Company has $1.1 million in committed, but undrawn debt facilities. Of this amount, US$425 million is committed for three years.

Following the announcement of the Alcan Packaging acquisition, the ratings agency Standard and Poors has reaffirmed Amcor’s BBB investment grade rating and Moody’s reaffirmed the investment grade rating Baa2. These positive confirmations reinforce the strength of the Company’s balance sheet and the appropriateness of the funding approach.

REVIEW OF OPERATIONS

There is a detailed review of operational performance on pages 6 to 15 of this report.

In summary, the PET Packaging operations had a solid year with earnings 7% lower. Volumes were down 8.2% due to a combination of significant customer destocking, particularly in the first half of the year, and economic weakness throughout the full 12 months which negatively impacted consumer demand. The operations in Latin America had a good year with increased earnings and returns.

The Australasian business had a difficult year with earnings down 39.9%. Volumes were lower across most business segments due to weaker economic conditions and supply chain destocking, particularly in the second half of the year.

There were also two specific issues that impacted earnings. They were:

- An adverse product mix in the beverage can business, due to the introduction of new taxes on ready to drink (RTD) products; and
- Losses from November 2008 on the export of old corrugated cartons (OCC) and recycled papers.

The Flexibles operations had a strong year with earnings up 14.1% and returns increasing from 13.2% to 15.3%.

The Flexibles Healthcare and Tobacco Packaging businesses both had strong performances with improved earnings and returns. These businesses have benefited from robust demand over the past 12 months, in the market segments in which they operate.

The Flexibles Food business had a more difficult year with weaker demand and customer destocking resulting in volumes being 5% lower.

The distribution business, Amcor Sunclipse, had a particularly difficult year due to its exposure to the slowing US economy. Although earnings were considerably lower, the benefits from extensive programs implemented over the past three years to develop new customer channels have helped to mitigate the full extent of the economic downturn.

The Asian operations had another good year with the investment in the Hong Kong publicly-listed company, AMVIG, continuing to deliver solid growth.

SUMMARY

Over the past four years, Amcor has implemented The Way Forward agenda and this has better positioned the Company across all aspects of its operations.

In particular, there has been an intensive program for developing capabilities in customer and market focus, capital discipline, cost reductions and talent management. These foundations underpin future growth and, combined with a new culture of greater customer focus and a more disciplined approach to capital, have enabled the Company to have confidence in undertaking the next phase of its growth agenda.

Amcor is well prepared for the Alcan Packaging acquisition. The strong strategic fit and focus on the core growth segment underpins the ability to improve the customer value proposition, reduce costs and create shareholder value.

One of the key drivers for success will be embedding the culture, values and execution disciplines established via The Way Forward into the acquired businesses. There has been extensive planning to fast track this implementation following finalisation of the transaction.

The Company is confident that a successful integration will help to ensure that the new Amcor is not only a larger, but importantly a better company.

Earnings for 2009/10 are likely to be based on a period of approximately six months with the existing operations and the remainder of the financial year with the acquired businesses. Given that it is uncertain when settlement of acquisition will occur, it is not possible to forecast the likely earnings for the 2009/10 year.

The Board is confident, however, that the acquisition will enhance shareholder value from the first full year of ownership, being 2010/11, and that the Company is entering a new and exciting period of growth.

The Board would like to thank all of Amcor’s stakeholders, including customers, shareholders, co-workers and suppliers, for their continued support over the past 12 months and welcome the 14,000 plus new co-workers to the Company during the course of the year.

CHRIS ROBERTS
Chairman

KEN MACKENZIE
Managing Director
and Chief Executive Officer

The new Amcor

The new Amcor will have a more focused portfolio of businesses with approximately 80% of total sales in the flexibles packaging, folding carton packaging for tobacco and custom PET containers divisions.

Sales for the new Amcor will increase by 50% to $14.3 billion and EBITDA by 40% to $1.4 billion.

From a geographic perspective, approximately 37% of sales will be in Western Europe, 30% in North America, 15% in Australasia and 18% in emerging regions.

Sales

A$14 billion

Employees

35,000

Countries

43

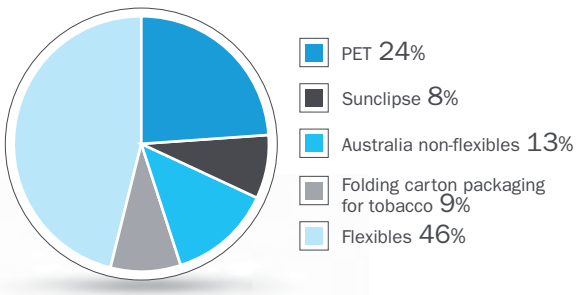
Sites

306

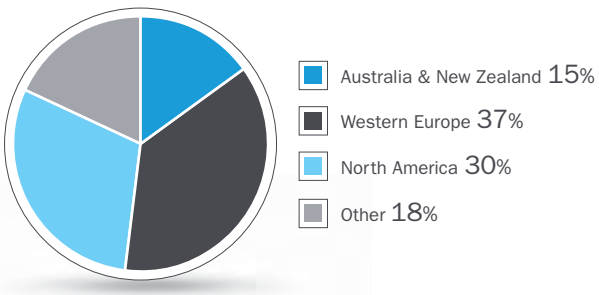
$ million	Amcor pro forma	Alcan pro forma*	**Combined pro forma**
Sales	9,535	4,829	14,364
EBITDA	1,089	448	1,537

* Financial information relating to the Alcan Packaging businesses above combines Interim Full Year 2009 and Interim Calendar Year 2009 financial information.

COMBINED GROUP BUSINESS MIX BY SALES



COMBINED GROUP GEOGRAPHIC MIX BY SALES



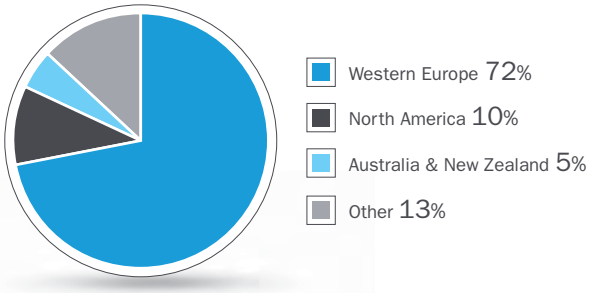
Note: For further details, refer to the Amcor prospectus issued on 20 August 2009.

‘The key advantage of combining the Alcan Packaging businesses with Amcor’s existing operations is the ability to substantially improve the value proposition to customers.’

Flexible packaging

	Amcor	Alcan Packaging businesses	**Combined Group**
Sales (A$ million)	2,738	3,913	**6,651**
Number of plants	49	62	**111**
Countries	22	22	**30**
Employees	7,604	11,716	**19,320**

SALES BY REGION

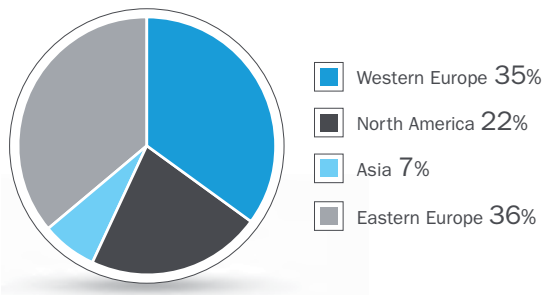


The Acquisition will further enhance Amcor’s presence in emerging regions, with 12% of pro forma flexible packaging sales of the Combined Group in either Eastern Europe, Russia or Asia. There will be 20 plants in 7 countries in these regions, creating a strong platform for future growth.

Folding carton packaging for tobacco

	Amcor	Alcan Packaging businesses	**Combined Group**
Sales (A$ million)	625	684	**1,309**
Number of plants	9	12	**21**
Countries	9	10	**16**
Employees	1,682	1,337	**3,019**

SALES BY REGION



The Combined Group’s folding carton packaging for tobacco operations will have a strong presence in the emerging regions of Eastern Europe, Russia and Asia. This position is further enhanced by Amcor’s 38.9% non-controlling interest in the Hong Kong publicly listed company AMVIG, which is the leading manufacturer of folding carton packaging for tobacco in China. These are attractive regions, underpinned by growth in per capita income and continued population growth.

In the developed regions, there are ongoing opportunities to improve the customer value proposition via avenues including the trend towards higher value-add packaging.

Amcor PET Packaging

PROFIT ALL OPERATIONS

A$	2009	2008
Net sales ($ million)	**3,251**	2,933
Change (%)	**10.8**	
PBIT ($ million)	**242.6**	221.1
Change (%)	**9.7**	
Operating margin (%)	**7.5**	7.5
Average funds employed ($ million)	**2,102**	1,837
PBIT/AFE (%)	**11.5**	12.0
US$		
Net sales ($ million)	**2,475**	2,636
Change (%)	**(6.1)**	
PBIT ($ million)	**184.8**	198.8
Change (%)	**(7.0)**	
Operating margin (%)	**7.5**	7.5
Average funds employed ($ million)	**1,601**	1,651
PBIT/AFE (%)	**11.5**	12.0
Average exchange rate A$/US$	**0.76**	0.90

CASH FLOW ALL OPERATIONS

US$ million	2009
PBITDA	**325.8**
Base capital expenditure	**(97.2)**
Movement in working capital	**33.5**
Significant items	**(11.1)**
Operating cash flow	**251.0**
Growth capital expenditure	**(23.6)**

Amcor PET Packaging is headquartered in Ann Arbor, Michigan US and employs more than 5,000 people at 63 sites, including 33 on or near site manufacturing facilities in 12 countries. Amcor PET Packaging is one of the world's largest producers of PET (polyethylene terephthalate) containers.

It produces PET containers and preforms for a wide variety of food and beverage applications, and supplies PET containers to the personal care, household chemical and agro-chemical industries.

PET PACKAGING GROUP

Amcor PET Packaging had a solid year given the challenging economic environment. Profit before interest and tax (PBIT), expressed in local currency terms, was 7% lower at US$184.8 million.

Total volumes for the year were 8.2% lower at 26.3 billion units.

Custom container volumes were down 7.3%. This reduction was due to significant customer destocking in the first half of the year and economic weakness throughout the full 12 months.

Carbonated soft drink (CSD), and water volumes were down 8.7%, mainly due to reduced demand for these products in the US and Canada.

The business continued to improve the product mix towards higher value-add custom container volumes, representing 32% of the sales volume and 48% of sales value.

During the year, the business continued to achieve excellent operating performance and there was a strong focus on cost control.

Returns, measured as PBIT over average funds employed, decreased from 12% to 11.5%.

Given the difficult economic circumstances that occurred during the year, it was an outstanding effort that returns declined by only 0.5%. This result demonstrates not only the defensive nature of many of the markets in which the business operates but also the ongoing improvements in all aspects of running the business that have been evident over the past few years. It also reinforces the strategy developed four years ago to focus on the higher value-add custom containers.

Capital expenditure was US$120.8 million, comprising US$97.2 million for base capital spending, net of disposals, and US$23.6 million for growth capital to expand capacity for custom containers in Latin America and diversified products and PowerFlex™ in North America. Total capital expenditure was 27.3% lower than the previous period and this trend is expected to continue in the near term.

Working capital continues to be well managed and average working capital to sales for the year was 6.1%. Working capital performance was favourably impacted during the second half by planned inventory reductions aligned with customer demand.

NORTH AMERICA

Total volumes were 13.1% lower, with CSD and water volumes down 15% and custom containers down 10%.

Volumes in the first half of the year were negatively impacted by customer destocking across the entire supply chain and lower underlying demand. During the second half of the year, underlying demand remained weak across most segments.

In the custom container segment, which represented 50.1% of the sales value, there were lower volumes for most major customers and across most products in the hot-fill beverage segment.

There was solid growth in the diversified products segment as this business broadened its customer base and benefited from continued conversion from glass to PET containers, particularly in the liquor segment.

The 15% decline in CSD and water volumes was a result of some customer destocking activities in the first half, and weak overall demand. As some customers continue to move to self-manufacturing of CSD and water containers, merchant supplier volumes are more affected in periods of weak demand as customers move to fully utilise their own assets.

During the year, the focus on improving manufacturing efficiencies and costs has resulted in the reduction in earnings being less than the overall reduction in volumes.

LATIN AMERICA

The business in Latin America had a solid year with total volumes up 1.2% and custom containers up 4.5%.

In Mexico, volumes were modestly lower as demand more closely mirrored the trends in the US. The business had a difficult first half with under-recovery of higher inflationary costs. There was a much stronger performance in the second half with improved pricing performance and a more favourable currency impact.

For the balance of Latin America, volumes were up 1.4%, including 10.7% growth in custom containers. Earnings were

BILL LONG
President and Chief Executive Officer,
Amcor PET Packaging

‘The PET Packaging operations had a solid performance. Volumes were 8.2% lower due to a combination of weaker economic conditions and customer destocking.’

considerably stronger due to a more favourable product mix, improved pricing in some key markets and continued strong operational performance.

Given the relatively low penetration of a number of custom hot-fill products in many Latin American countries, there continues to be opportunities for ongoing growth in this segment.

BERICAP

The majority-owned joint venture, Bericap North America, is managed and reported within the PET Packaging segment. This business has plants in Ontario, Canada, and in the United States in California and South Carolina.

The CSD and water markets are important segments for this business. The business had a difficult year due to weaker consumer demand and the subsequent inability to absorb additional costs related to the new plant in South Carolina.

OUTLOOK

Volumes, particularly custom volumes, continue to be the key driver of profitability. Although there are indications that current volumes are forming a new base, it is too early to predict the future trend given the existing economic conditions.

Amcor Australasia

PROFIT ALL OPERATIONS

A$	2009	2008
Net sales ($ million)	**2,140**	2,297
Change (%)	**(6.8)**	
PBIT ($ million)	**113.2**	196.0
Change (%)	**(42.2)**	
Operating margin (%)	**5.3**	8.5
Average funds employed ($ million)	**1,645**	1,793
PBIT/AFE (%)	**6.9**	10.9

PROFIT CONTINUING OPERATIONS

A$	2009	2008
Net sales ($ million)	**2,140**	2,215
Change (%)	**(3.4)**	
PBIT ($ million)	**113.2**	188.5
Change (%)	**(39.9)**	
Operating margin (%)	**5.3**	8.5
Average funds employed ($ million)	**1,645**	1,744
PBIT/AFE (%)	**6.9**	10.8

CASH FLOW ALL OPERATIONS

A$ million	2009
PBITDA	**239.9**
Base capital expenditure	**11.4**
Movement in working capital	**36.2**
Significant items	**(38.9)**
Operating cash flow	**248.6**
Growth capital expenditure	**(116.0)**

Amcor Australasia is the most diverse of the Group's business units and supplies a broad range of packaging items. Its products include corrugated boxes, cartons and folding cartons, aluminium cans for beverages, flexible packaging, plastic and metal closures, glass wine bottles, multiwall sacks, paper, cartonboard and paper recycling. It has 55 plants throughout Australia and New Zealand and approximately 5,400 co-workers and is headquartered in Hawthorn, Victoria (VIC) Australia.

AUSTRALASIA GROUP

Amcor Australasia had a difficult year with PBIT, on a continuing business basis, 39.9% lower at $113.2 million.

The main impact on earnings for the year was slowing economic conditions that adversely impacted volumes across nearly all divisions. This was particularly prevalent in the second half of the year and included a period of supply chain destocking. During the January to May period, sales were $60 million, or 6%, lower than for the same period last year. For the remaining seven months of the year sales were only 1% lower.

Across the market segments, there was considerably more weakness in those areas exposed to industrial markets, including flexibles and sacks into the building and construction industry, and corrugated boxes sold to a broad range of industrial customers. The combined impact of these factors on the full year earnings was approximately $25 million.

Other specific issues that negatively impacted earnings during the year included:

- Losses, from November 2008, on the export of old corrugated cartons (OCC) and recycled papers; and
- An adverse product mix in beverage can due to the introduction of new taxes on alcoholic RTD products.

The Australasian business has been proactive across all aspects of the operations in responding to the current economic downturn. This has included a 10% reduction in salaried staff which reduced operating costs on an annualised basis by approximately $15 million. This reduction has not impacted the core activities and was in the area of general administration. The benefit from this initiative was evident in the final quarter of the year with a full year benefit to come in 2009/10.

Returns for the continuing operations, measured as PBIT over average funds employed, decreased from 10.8% to 6.9%.

Cash significant items were $38.9 million and predominantly related to the turnaround plan in the fibre packaging business.

Base capital expenditure was a net inflow of $11.4 million. This comprised gross expenditure of $74.7 million and proceeds from disposals of $86.1 million. There was growth capital expenditure of $116 million relating to the new glass plant at Gawler (SA) and the recycled paper mill at Botany (NSW).

Working capital movement, on a continuing business basis, was a $36.2 million decrease for the 12 months to 30 June 2009.

The operating cash flow for the year was $248.6 million.

The Food Can and Aerosol business was sold on 31 October 2007. For the four months to October 2007 the business contributed $7.5 million in PBIT.

On 2 June 2008, the commodity film business located in Perth, Western Australia was sold for $35 million, resulting in a profit on sale for 2007/08 of $7.4 million, net of transaction costs. This business contributed $5 million in PBIT for the 2007/08 year. This business was not treated as a discontinued operation for accounting purposes.

CORRUGATED

The corrugated business has made substantial progress across a number of areas over the past two years following an extensive restructuring program between 2007 and 2008. The business has an improved manufacturing footprint and high levels of quality and service.

Volumes for the year were lower by 2.1%, due predominantly to weak volumes in the January to March period as a result of industry wide supply chain destocking. For the year, the market share remained stable.

The key issue for the business remains the under-recovery of substantial cost increases, particularly paper, starch and labour.

A 12% price increase to recover these costs was implemented for all customers in October 2008 and was successfully passed on to non-contracted customers. The business continues to work with contracted customers to implement this increase. However, it will take time to achieve full recovery given the duration of customer contracts.

RECYCLED PAPER AND OCC EXPORTS

The fibre business exports approximately 200,000 tonnes per annum of OCC and 100,000 tonnes per annum of recycled paper with selling prices generally reflecting

NIGEL GARRARD
Managing Director,
Amcor Australasia

‘The Australian operations were negatively impacted by particularly weak economic conditions in the second half of the year.’

the Asian spot market. In November 2008, these selling prices reduced substantially and the business exported both OCC and recycled paper into Asia at a loss through the balance of the financial year.

The procurement of OCC in the domestic market is typically via long term purchase agreements with price reset mechanisms that vary from spot adjustments to annual resets. This results in a lag in the lower OCC spot price being fully reflected in input costs for the business.

During the second half of the year, a number of strategies were implemented to reduce the input costs, including renegotiating contract prices and reducing tonnages purchased. For the full year, the business experienced a loss of approximately $20 million on the export of OCC and recycled paper.

BOTANY MILL

Over the past six months, the business has been seeking revised tenders for the design and construction work associated with the new recycled paper mill for Botany (NSW) and this process has impacted the project timetable, with completion due in calendar year 2011. Upon completion of final design engineering, the business will be able to fix a large component of the construction costs and these are expected to be more favourable than previous estimates.

The business is still considering proposals for the sale of the Fairfield (VIC) site but no decision has been made and any decision will be dependent on satisfactory terms being achieved.

FLEXIBLES

The flexibles business consists of four operating units: polyethylene, laminations, barrier films and multiwall sacks.

During the year, there was a substantial reduction in higher value-add products relating to the industrial and fresh food sectors. Although these volumes were replaced with new business, there was an adverse change in product mix which negatively impacted earnings.

RIGIDS

The beverage can business had a difficult year with a significant adverse change in the product mix.

Demand for RTD cans, which represented approximately 16% of the total volumes in the 2007/08 declined by 25% in 2008/09 due to the introduction of new taxes on a number of alcoholic RTD products.

Operational inefficiencies, following the installation and upgrading of equipment at the plant in Queensland, negatively impacted earnings in the first half. These issues have been resolved and plant operating efficiencies improved in the second half.

The reduction in RTD can volumes and plant inefficiencies resulted in earnings being approximately $12 million lower for the year. Of this amount, approximately $8 million is likely to be a permanent step change due to lower ongoing RTD volumes.

The glass wine bottle business had another solid year. The emphasis on quality, innovation and service continues to underpin earnings.

The new $150 million glass furnace is on schedule for start-up during the last quarter of the 2010 financial year. This furnace will support ongoing requirements in the wine bottle market and the returns are underpinned by long term customer supply agreements. Upon completion, the Gawler plant will have three furnaces and the production capacity will be 600 million wine bottles per year.

OUTLOOK

The Australasian business was significantly impacted by the economic environment in the 2008/09 year, particularly in the second half of the year. Although the business predominantly services the food and beverage sectors, there is an important industrial component in both the fibre and flexibles businesses.

For 2009/10, volumes are starting the year at a lower level than the start of the 2008/09 year and are likely to remain lower for at least the first half.

There should be a positive benefit from improved export prices for both OCC and recycled papers, compared to the second half of the 2008/09 year.

There will also be a full year benefit of price increases in the corrugated operations and reductions in selling, general and administration overhead costs. These benefits will be largely offset by contracted labour cost increases that will be difficult to recover via higher prices.

In aggregate, if economic conditions remain stable at current levels, earnings are expected to be higher due to the anticipated benefit from improved export paper and OCC prices.

Amcor Flexibles

PROFIT ALL OPERATIONS

A$	2009	2008
Net sales ($ million)	**2,897**	2,872
Change (%)	**0.9**	
PBIT ($ million)	**242.1**	189.9
Change (%)	**27.5**	
Operating margin (%)	**8.4**	6.6
Average funds employed ($ million)	**1,587**	1,439
PBIT/AFE (%)	**15.3**	13.2
€		
Net sales (€ million)	**1,582**	1,753
Change (%)	**(9.8)**	
PBIT (€ million)	**132.2**	115.9
Change (%)	**14.1**	
Operating margin (%)	**8.4**	6.6
Average funds employed (€ million)	**866**	878
PBIT/AFE (%)	**15.3**	13.2
Average exchange rate A$/€	**0.55**	0.61

CASH FLOW ALL OPERATIONS

€ million	2009
PBITDA	**190.7**
Base capital expenditure	**(63.1)**
Movement in working capital	**17.0**
Significant items	**(45.9)**
Operating cash flow	**98.7**
Growth capital expenditure	**(15.4)**

Amcor Flexibles is one of the world's largest suppliers of flexible packaging and folding carton packaging for tobacco. It has three operating divisions: Amcor Flexibles Food, Amcor Flexibles Healthcare and Amcor Rentsch. The business has approximately 7,600 co-workers, 45 plants and supplies a wide range of products to the food, beverage and healthcare markets. These products include packaging for fresh foods such as meat, fish, bread, produce and dairy, processed foods such as confectionery, snack foods, coffee and ready meals, as well as high value-added medical applications, hospital supplies, pharmaceuticals and personal care products.

FLEXIBLES GROUP

Amcor Flexibles had a strong year, with PBIT up 14.1% to €132.2 million. The Healthcare and Tobacco Packaging segments had particularly strong performances, while the Food business was impacted by a slowing economy in Europe and destocking across the supply chain in the second half of the year.

The restructuring program, Flex 1, continued to progress well and is scheduled for completion in 2009/10. The rationalisation of the extrusion sites from nine to three is in the final stages of completion and there was significant activity in the restructuring of the converting plants. This included the closure of a plant in the UK, with volumes transferred to other sites, and the successful start-up in May of a new Greenfield plant in Poland.

A second new plant in Poland, dedicated to PepsiCo for snack food products, also had an excellent start-up. This plant is a global leader in extrusion lamination technology and is well located in a high growth, low cost region. These two new plants in Poland are key components of the strategy to increase production in Eastern Europe and Russia.

Returns, measured as PBIT over average funds employed, increased from 13.2% to 15.3%.

The business continued to deliver solid working capital performance. Average working capital to sales remained constant at 10.9% despite a particularly challenging operating environment.

Base capital expenditure was €63.1 million. Growth capital spending was €15.4 million and included spending on the flexibles packaging plant in Poland.

Significant items were €33.1 million of which €45.9 million was cash. The operating cash flow was €98.7 million.

FOOD

Amcor Flexibles Food is a pan-European business, consisting of 21 plants in 13 countries, serving all the major food segments. The business also coordinates the wider strategy for flexible food packaging across other geographical regions.

Earnings for the year were lower, primarily due to destocking of the supply chain in the second half of the year, weaker economic conditions and an adverse currency impact due to a higher euro against the British pound.

Sales were lower at €759 million (2007/08 €954 million), adversely impacted by the divestment of non strategic plants and foreign currency movement (€140 million) and lower input costs in the second half of the year.

Volumes for the continuing businesses were 5% lower, primarily due to weaker underlying demand in the second half of the year and supply chain destocking in the second and third quarters. From April, volumes have stabilised, albeit at a lower base.

Raw material costs were particularly volatile during the year. During the first three months of the year, input costs increased and these increases needed to be recovered against a backdrop of weaker economic conditions and falling oil prices. The business had good success in recovering these increases.

From the second quarter, raw material costs started to reduce. It took time for these lower costs to be reflected in finished goods and hence the benefit was not evident until well into the second half of the year.

HEALTHCARE

Amcor Flexibles Healthcare comprises flexible packaging activities in the Americas and Europe. Amcor Flexibles Healthcare is one of the leaders in flexible packaging for the medical, personal care and pharmaceutical markets. Headquartered in Chicago US, it employs over 2,200 co-workers at 16 manufacturing facilities in ten countries. In addition, the group coordinates strategy and commercial activity with Amcor's healthcare flexible packaging activities in Asia.

A key component of the strategy for this business is to continually improve the product mix by accelerating sales growth in more technically demanding structures, focusing on enhanced protection, ease of use and high quality graphics.

The Healthcare business had a strong year with steady sales at €491 million and higher earnings. Underlying demand in the medical

‘The Flexibles Group had a good year with higher earnings and returns.’

GÉRARD BLATRIX
Managing Director,
Amcor Flexibles Food

PETER BRUES
President,
Amcor Flexibles Healthcare

JERZY CZUBAK
Managing Director,
Amcor Rentsch

and pharmaceutical segments remains solid, although there has been a softening of demand from personal care customers, particularly in the promotional products segments.

Continuing success in new product development, including improved utilisation of the new gravure press in the US, resulted in earnings being higher in both Europe and the Americas.

During much of the first half, raw material costs increased, however at the end of the second quarter, there was a weakening of the raw material input costs that continued for the balance of the year. The business recovered the majority of the higher raw material costs in the first part of the year and had some benefit from the lower input costs during the balance of the year.

TOBACCO PACKAGING

Amcor Rentsch has strategic leadership of Amcor’s global tobacco packaging business and operational responsibility for the plants in Europe. The business has eight plants focused on folding cartons for tobacco products.

Sales for the year were 7.5% higher at €328 million and earnings were significantly higher. Volumes in the tobacco packaging business have remained strong, particularly in the fourth quarter of the year.

The business benefited from a number of initiatives undertaken in the 2007/08 year. These included:

- The installation of a new printing press at the plant in Russia. The new press commenced operations in July 2008 and by the end of August 2008, had moved to full production capacity;
- A new hot foil stamping machine in Russia that has increased the capability to provide local supply for complex and innovative products;
- A new offset machine for the plant in Poland, which commenced operations in February 2008, and has enabled the plant to meet the growing demand for short run volumes. During 2008, the plant also installed additional cutting and creasing equipment to improve manufacturing efficiency; and
- A new plant in the Ukraine which commenced operations in March 2008. The plant has steadily increased production and there continues to be opportunities for further growth in this market.

As a result of the above investments, there has been considerable improvement in operating efficiency as production has been better balanced across the manufacturing footprint and outsourcing to third parties has been eliminated.

The business has also benefited from the ongoing trend towards producing more value-add products, particularly in Eastern Europe and Russia.

OUTLOOK

In the 2008/09 year, the flexibles business benefited from lower resin prices in the second half of the year. As contract re-pricing occurs, these lower input costs will be passed on to customers and therefore, in 2009/10, the benefit from lower resin costs will not be repeated. Economic conditions also weakened through the year and the run rate entering the 2009/10 year is below the start of the 2008/09 year, hence volumes in the first half of the current year are likely to be lower than the first half of 2008/09.

Within the tobacco packaging business, volumes in the fourth quarter were particularly strong. This resulted in customer orders being brought forward, particularly in the higher value-add packaging. These higher volumes have not continued into the current year.

The restructuring program, Flex 1, delivered benefits during the 2008/09 year and these are expected to increase in 2009/10, which will help mitigate the combined impacts of slower economic activity and the absence of benefits from lower resin costs.

Amcor Sunclipse

PROFIT ALL OPERATIONS

A$	2009	2008
Net sales ($ million)	**1,135**	1,107
Change (%)	**2.5**	
PBIT ($ million)	**39.1**	61.2
Change (%)	**(36.1)**	
Operating margin (%)	**3.4**	5.5
Average funds employed ($ million)	**276**	227
PBIT/AFE (%)	**14.2**	26.9
US$		
Net sales ($ million)	**864**	995
Change (%)	**(13.2)**	
PBIT ($ million)	**29.7**	55.0
Change (%)	**(46.0)**	
Operating margin (%)	**3.4**	5.5
Average funds employed ($ million)	**210**	204
PBIT/AFE (%)	**14.2**	26.9
Average exchange rate A$/US$	**0.76**	0.90

CASH FLOW ALL OPERATIONS

US$ million	2009
PBITDA	**41.2**
Base capital expenditure	**(9.4)**
Movement in working capital	**8.7**
Significant items	**-**
Operating cash flow	**40.5**
Growth capital expenditure	**(2.1)**

ERIC BLOOM
Chief Executive Officer and President, Amcor Sunclipse North America

Amcor Sunclipse, based in California, is Amcor's North American distribution and corrugated manufacturing business unit. It produces packaging products to complement its distribution services and has over 2,100 co-workers at 58 sites throughout the US and Mexico. The distribution unit is a major supplier to businesses in North America, and purchases, warehouses, sells and delivers a wide variety of packaging products and equipment, industrial and janitorial supplies. The manufacturing division produces corrugated sheets and converts these into boxes for use throughout the business. In addition, it designs and produces specialty packaging products including 'Point of Purchase' displays and specialty items tailored to customers' requirements.

SUNCLIPSE GROUP

Amcor Sunclipse had a difficult year with reported PBIT down 46% to US$29.7 million. Returns, measured as PBIT over average funds employed, was 14.2%.

The PBIT result for the 2007/08 year included a net benefit of approximately US$6.4 million from the sale and leaseback of the Amcor Sunclipse head office, partly offset by write-downs and other one-off expenses. After adjusting for this benefit, underlying earnings in 2008/09 were 38.9% lower.

The business commenced the year with solid earnings for the first four months. From the beginning of November, volumes came under significant pressure and were substantially lower through to the end of January. Although there was some improvement in the second half of the year, volumes for the last eight months of the year were considerably lower than for the corresponding period in 2007/08.

The distribution business had a solid first half, however the second half was considerably more challenging as a number of important market segments were negatively impacted by the slowing economic conditions. Sales for the distribution business were 9.3% lower at US$694 million, after being only 3.9% lower in the first half. The strong focus on cost control meant that gross margins reduced by only 0.2%.

A key driver for this solid performance in the distribution business has been the development over the past two years of a channel strategy designed to differentiate the approach to customers across market segments. The success of this strategy has assisted in increasing market share and enabled the fully commissioned external sales people to be more targeted in their efforts.

Within the manufacturing division, the sheet plants had a particularly difficult year. With a declining overall market, there was intense pressure on margins and a move to lower value-add stock boxes. These pressures continued through the second half and into the start of the 2009/10 year.

The corrugated business also had a difficult year. After a solid first quarter, volumes were down 25% through the November to January period. Although market conditions improved in the second half, there was still considerable weakness and it was not possible to flex variable costs to match declining volumes.

The business is currently investigating the opportunity to divest the corrugated and manufactured products divisions. A final decision regarding sale or retention is expected to be made over the next three months.

OUTLOOK

The 2009/10 outlook is dependent on the economy in the US, particularly on the West Coast. The year has started with volumes considerably lower than the first half of 2008/09 and, consequently, the earnings for the first half of 2009/10 are likely to be lower than the first half of 2008/09.

Amcor Asia

PROFIT CONSOLIDATED ENTITIES

SG$	2009	2008
Net sales ($ million)	**137**	152
Change (%)	**(9.9)**	
PBIT ($ million)	**15.5**	11.3
Change (%)	**37.2**	
Operating margin (%)	**11.3**	7.5
Average funds employed ($ million)	**55**	73
PBIT/AFE (%)	**28.2**	15.5
Average exchange rate A$/SG$	**1.11**	1.29

EQUITY ACCOUNTED PROFIT

SG$	2009	2008
PAT ($ million)	**37.7**	35.9
Change (%)	**5.0**	
Average funds employed[2] ($ million)	**389**	192
Average funds employed[1] ($ million)	**581**	382
PAT/AFE[2] (%)	**9.7**	18.7
PBIT/AFE[1] (%)	**6.5**	9.4

(1) Including AMVIG fair value adjustment
(2) Excluding AMVIG fair value adjustment

CASH FLOW ALL OPERATIONS

SG$ million	2009
PBITDA (consolidated entities)	**22.2**
Change (%)	**32.1**
Dividends received	**7.3**
Base capital expenditure	**(5.1)**
Movement in working capital	**13.9**
Significant items	**-**
Operating cash flow	**38.3**
Growth capital expenditure	**-**
Acquisitions	**(122.7)**

BILLY CHAN
Managing Director,
Amcor Asia

ASIAN GROUP

Amcor Asia consists of:

- Two wholly-owned tobacco packaging plants (one in Singapore and one in Malaysia);
- Three wholly-owned flexible packaging plants (two in China and one in Singapore); and
- The investment in the Hong Kong publicly-listed company, AMVIG Holdings Limited (AMVIG).

The profits shown in the tables above are split between the PBIT for the consolidated entities and the equity-accounted profit after tax from the investment in AMVIG.

As AMVIG has not yet reported its half year earnings to 30 June 2009, the profit taken up in Amcor Asia's full year earnings is the actual result for the six months to 31 December 2008, plus management's estimate of earnings for the period January to June 2009, based on publicly available information. Any adjustment required following the announcement of AMVIG's profit will be taken up in Amcor Asia's 2009/10 first half results.

During the year, Amcor's ownership in AMVIG increased from 35.4% to 38.9%. This increase was primarily due to Amcor investing HK$700 million to acquire 78.3 million shares in AMVIG at a price of HK$8.94 per share.

CONSOLIDATED ENTITIES

For the controlled entities, PBIT for the year was 37.2% higher at SG$15.5 million. Returns, measured as PBIT over average funds employed, increased from 15.5% to 28.2%.

The wholly-owned tobacco packaging operations continued to deliver sound operating performance and benefited from the upgrading of the printing capabilities at the plant in Malaysia. The business experienced strong volumes in the first half of the year, however volumes were weaker in the second half due to the loss of some important contract volumes. Although these volumes are being replaced, it is likely that volumes in 2009/10 will be lower.

The flexibles operations continued to deliver solid earnings with the new plant in Southern China creating the opportunity for more accelerated growth in the region.

FOOTNOTE

The funds invested in AMVIG, as reported in Amcor's accounts at 30 June 2009, consist of cash payments of SG$281 million to purchase 424.5 million shares in the publicly-listed company at an average price of HK$5.01 per share, together with the injection of the two tobacco packaging operations in China (Beijing and Qingdao), which had a carrying value of SG$69 million.

The carrying value of AMVIG at 30 June 2009 in Amcor's accounts is SG$589.9 million, with the difference between this amount and the invested funds being predominantly accounting adjustments for 'fair value market up-lift' at the time of exercising options to acquire additional shares.

Sustainability

We take a risk-based approach to identifying our sustainability risks and opportunities. The Amcor Sustainability Framework identifies five aspects of sustainability: Environment, Workplace, Marketplace, Community and Economy. Details of Amcor's activities and performance are included in this year's Sustainability Report (available on Amcor's website, www.amcor.com).

Following are some of Amcor's key highlights for sustainability in 2008/09.

ENVIRONMENT

EnviroAction

EnviroAction is Amcor's global environmental program, designed to address Amcor's operational impacts relevant to climate change and resource issues. EnviroAction focuses all business groups towards the achievement of Amcor's environmental targets, set in 2008.

Amcor targets

Greenhouse gas (GHG) emission reduction

- 10% reduction in GHG emissions per unit of production by 2011 from 2005/06.
- 60% reduction in GHG emissions per unit of production by 2030 from 2005/06.

Waste to landfill reduction

- 30% reduction in waste to landfill per unit of production by 2011 from 2005/06.
- Zero waste to landfill is the long term objective.

Water targets

- Water-stressed regions have defined reduction targets.
- Other regions are implementing water management plans.

EnviroAction Progress

Sustainability Champions from each business group have prepared action plans and coordinate activities towards achieving these targets. Regular conference calls within and between business groups have facilitated sharing of sustainability information and specific ideas aimed at reducing Amcor's operational impacts across the whole Amcor group.

Detailed reporting and analysis of energy, GHG, waste and water use at each Amcor site have allowed Amcor businesses to prioritise programs to improve operational efficiency. See the 2009 Sustainability Report for further details on the EnviroAction programs and an up-to-date status on progress towards targets for 2008/09.

Incidents

In 2008/09, Amcor had no significant spills or other environmental incidents.

WORKPLACE

Talent Management

Amcor seeks to recruit and develop people who are fully engaged and passionate about the business and its customers. Amcor also needs to ensure it manages its employees' performance and assists their careers using world-class practices and tools.

Key areas of focus have been:

Engagement

Surveys to measure co-worker engagement and implementation of actions in response to feedback continue across the businesses.

Talent

Implementation of learning and development initiatives and a supporting system to enable improved induction and training.

Performance

Continuing implementation and enhancement of the performance and career development processes. This focus underlines Amcor's commitment to talent, performance management and development through leadership goal setting, performance reviews and peer reviews.

Safety

Safety framework

Amcor remains committed to its stated goal of 'No injuries'. In order to achieve this goal, the following processes and infrastructure have been put in place:

1. Standards – In 2005, Amcor developed Occupational Health and Safety Standards. These standards form the basis of the safety management system. The Amcor standards are the mandatory, minimum requirements for all Amcor operations and apply to all employees, visitors and contractors on Amcor sites.
2. Reporting – The Amcor Board requires monthly reports from the business groups on compliance with these standards and local legislation, in addition to reports on injury statistics.
3. Auditing – Internal audits of the safety management system are conducted at least annually, and external audits are conducted every three years. There is close alignment between the Amcor standards, AS/NZS 4801 and OSHA 18001.
4. Organisational structure – Each of the business groups has an individual who is responsible for managing safety at their respective business. These individuals are supported by plant and office safety representatives and committees.
5. Global Safety Steering Committee – A Steering Committee has been established this year to investigate, recommend and oversee the implementation of improvements to Group safety policies, processes, and infrastructure. This committee is chaired by the Managing Director, Amcor Rentsch. Members include safety and environmental professionals from every business group. The Committee meets quarterly.

Amcor will continue to review its standards, reporting and auditing regime, and organisational structure to ensure:

- Standards are aligned with international standards and definitions;
- Performance reporting remains as transparent and as accurate as possible;
- Sites receive objective feedback on performance and advice on how to improve; and
- Appropriate human resources are allocated to achieve safety goals.

Fatalities

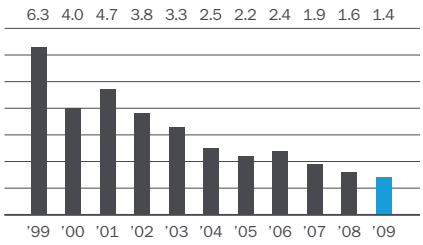
Regrettably, Amcor must report two fatal accidents this year.

One accident involved an employee at the PET packaging facility in Tlazala, Mexico.

The second accident involved a visitor to the Ryco Dies site in Auckland, New Zealand.

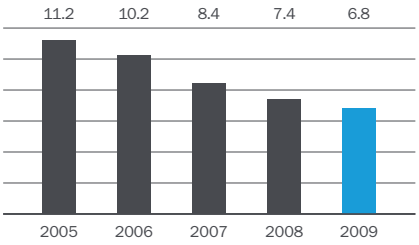
LOST TIME INJURY FREQUENCY RATE

Number of full work days lost per million hours worked



RECORDABLE CASE FREQUENCY RATE

Number of medical treatment injuries and full work days lost per million hours worked



Charges have been laid against Amcor Packaging (New Zealand) Limited in relation to two potential breaches of the *Health and Safety in Employment Act (NZ)*.

A thorough investigation of each incident is underway and lessons learned will be communicated across the Company once the analysis has been completed.

Safety performance

Amcor's safety performance is measured using two criteria – Lost Time Injury Frequency Rate (LTIFR), and Recordable Case Frequency Rate (RCFR).

Amcor's LTIFR is measured by calculating the number of injuries resulting in at least one full work day lost, per million hours worked. In the 2008/09 financial year, the LTIFR was 1.4, compared to the previous financial year's result of 1.6. This represents an overall improvement of 12.5%.

Amcor's RCFR is measured by calculating the number of medical treatment cases and lost time injuries (LTI), per million hours worked. In the 2008/09 financial year, the RCFR was 6.8, compared to the previous financial year's result of 7.4. This represents an overall improvement of 8.1%.

Amcor PET, Amcor Australasia, Amcor Flexibles Food, Amcor Asia and Amcor Flexibles Healthcare all achieved reductions in their numbers of LTI. Amcor Asia did not have any LTIs in 2008/09.

Amcor PET, Amcor Flexibles Food and Amcor Flexibles Healthcare, Amcor Rentsch, Amcor Asia and Amcor Sunclipse also achieved reductions in the number of Recordable Cases (RC). Amcor Asia did not have any Recordable Cases in 2008/09.

TravelSafe

Amcor has entered into a partnership with Control Risks and International SOS to implement its TravelSafe program.

TravelSafe ensures that any Amcor employee travelling for business purposes has access to the following services:

1. Pre-travel – The latest pre-travel advice and risk assessments.
2. Travel tracking – Allows Amcor to understand where all of its travelling employees are at any time. In this way, Amcor can proactively manage any emerging security or medical travel risks as they develop.
3. Incident response – If an employee is adversely impacted by a medical or security risk, then they have immediate access to response from highly qualified security and medical professionals.

MARKETPLACE

Amcor's priorities for Marketplace Sustainability continue to focus on two specific areas:

- Developing a deep understanding of the customers' needs and the markets in which Amcor operates; and
- Becoming the preferred source for sustainable packaging solutions.

Customer focus

Continuing to develop customer and market focus as a critical business competency remained a focus this year. A continuous improvement process of formally surveying Amcor customers at regular intervals and then responding to that feedback assists the businesses to meet and exceed customers' expectations.

An example of changing business practices to meet customers' needs is Amcor PET's 'Imagine' product development process. This has equipped the PET Design and Engineering groups to produce innovative solutions for their customers' packaging needs.

Another example was Amcor Australasia's restructuring of its sales team into a Key Account Management model. This restructure was in direct response to customer feedback that they found dealing with multiple Amcor representatives problematic.

Sustainable packaging and product stewardship

During 2008/09, the focus on partnering with customers to achieve sustainable packaging results saw increased use of software calculators to determine the environmental impact of packaging products. The business groups use regionally-based tools for simplified life-cycle analysis (LCA) or carbon footprint calculations, supported by corporate expertise. These tools are used both internally for concept assessments and for product assessments at the request of customers.

Amcor also continued to engage customers and the packaging market on the topic of sustainability. This has taken the form of either working directly with customers, often in educational roles, or publicly sharing information at conferences and trade shows.

COMMUNITY

Amcor has operations in many locations across the world, with 226 sites in 34 locations. Amcor's community policy states:

'Amcor aims to be a leader in supporting environmental and social initiatives particularly in relation to areas where Amcor business operations and manufactured products have an impact on the community.'

This means that rather than implementing global corporate social responsibility programs at the corporate level, Amcor believes that the operating sites are better placed to engage the local community and build effective partnerships for mutual benefit. The sites are managed by Amcor employees who live in the community and understand the specific needs and sentiments of the community.

Amcor aims to build effective partnerships with the communities in which it operates. Amcor wants to be recognised as a good neighbour, as well as an employer of choice and a preferred supplier.

The Water Giving Project

In Australia, Amcor has built effective partnerships with many organisations to address a major climate change issue – drought.

The Amcor Water Giving Project has resulted in water tanks being installed at five Amcor manufacturing sites. These sites can collectively harvest and donate almost six million litres of rainwater a year. Four different local governments, three water authorities and the Werribee Open Range Zoo are partners in the project.

The water is used to irrigate community sports fields and street trees, as well as being supplied to the hippopotamus enclosure at the Zoo.

Under this project, Amcor will continue to install tanks at other Amcor manufacturing sites across Australia.

The Board of Directors and Company Secretary

C I (CHRIS) ROBERTS

Independent Non-Executive Director and Chairman

BCom.

Skills and experience

Mr Roberts has substantial knowledge of fast moving consumer products, where the packaging component is significant, gained through executive roles in Australia, New Zealand, the UK and Indonesia.

Directorships of listed entities within the last three years, other directorships and offices (current and recent)

- Director of Control Risks Group Holdings Limited (since September 2006)
- Deputy Chairman of The Centre for Independent Studies (since August 2004)
- Director of Australian Agricultural Company Limited (June 2001 to May 2008 and from June 2009)

Board Committee membership

- Chairman of the Executive Committee
- Chairman of the Nomination Committee
- Member of the Audit & Compliance Committee
- Member of the Human Resources Committee

Term of office

- Director since February 1999 – appointed Chairman 2000
- Appointed Executive Chairman from December 2004 to June 2005
- Continues as Non-Executive Chairman from July 2005

K N (KEN) MACKENZIE

Managing Director and Chief Executive Officer

BEng. FIEA.

Skills and experience

Mr MacKenzie has extensive experience across all of Amcor's major packaging business segments in the Americas, Australia, Asia and Europe. Mr MacKenzie joined Amcor in 1992.

Former positions: Group Managing Director, Amcor Rentsch and Closures (2001 to 2005); Group General Manager Amcor Flexibles Australasia (1999 to 2001); General Manager Corporate Sales and Marketing, Amcor Containers Packaging (1997 to 1999); Senior finance and operational roles, Amcor PET Packaging North America (1992 to 1997).

Prior to joining Amcor, Mr MacKenzie was Manager of Manufacturing Strategy Practice, Accenture (1987 to 1992).

Board Committee membership

- Member of the Executive Committee

Term of office

Appointed Managing Director and Chief Executive Officer July 2005.

R K (KEITH) BARTON

Independent Non-Executive Director

BSc, PhD, FTSE.

Skills and experience

As a former Managing Director of James Hardie Industries Ltd (April 1993 to October 1999) and Executive Director CSR Ltd (January 1990 to March 1993), Dr Barton has gained broad management experience in manufacturing in Australia and internatonally.

Directorships of listed entities within the last three years, other directorships and offices (current and recent)

- Director of Coles Group Ltd (July 2003 to November 2007)
- Director of Tower Limited (October 2001 to December 2006)
- Director of Tower Australia Group Ltd (August 2006 to September 2007)
- Director of Air Liquide (Australia) Ltd from 2004
- Director of Vision Australia Ltd from 2004

Board Committee membership

- Member of the Executive Committee
- Member of the Human Resources Committee

Term of office

Director since November 1999.

G J (JOHN) PIZZEY

Independent Non-Executive Director

B.E. (Chem), Dip. Mgt., FTSE.

Skills and experience

Mr Pizzey has extensive knowledge of the international resources industry and general management. Formerly Executive Vice President and Group President Primary Products for Alcoa Inc. and Chairman of London Metal Exchange.

Directorships of listed entities within the last three years, other directorships and offices (current and recent)

- Director of Alumina Ltd (since June 2007)
- Chairman of the Amcor Superannuation Fund (February 2006 to November 2008)
- Deputy Chairman (since July 2009) and Director (since November 2005) of Iluka Resources Ltd

Board Committee membership

- Chairman of the Human Resources Committee
- Member of the Nomination Committee
- Member of the Executive Committee

Term of office

Director since September 2003.

COMMITTEES OF THE BOARD

Executive Committee

Chris Roberts, Chairman
Keith Barton
Ken MacKenzie
John Pizzey

Audit & Compliance Committee

John Thorn, Chairman
Ern Pope
Geoff Tomlinson
Chris Roberts

Human Resources Committee

John Pizzey, Chairman
Chris Roberts
Keith Barton
Ern Pope

Nomination Committee

Chris Roberts, Chairman
John Pizzey
Ern Pope

E J J (ERN) POPE

Independent
Non-Executive Director

BSc.

Skills and experience

Broad international experience over 38 years in the food and beverage manufacturing industries, including senior executive positions based in Australia, the Philippines, US, New Zealand and Switzerland, plus regional responsibilities over many years throughout Europe, Asia, Africa and the Middle East.

This includes 22 years with the Nestlé Group (1983 to March 2005) and 16 years with Kraft Foods Limited (1967 to 1982).

Directorships of listed entities within the last three years, other directorships and offices (current and recent)

- Director of Alesco Corporation Ltd (since December 2004)
- Deputy Chairman and Chairman of Golden Circle Ltd (May 2005 to December 2008)

Board Committee membership

- Member of the Human Resources Committee
- Member of the Nomination Committee
- Member of the Audit & Compliance Committee

Term of office

Director since October 2005.

J G (JOHN) THORN

Independent
Non-Executive Director

FCA.

Skills and experience

Mr Thorn is a professional director and brings expertise to the Board in the areas of accounting and financial services, business advisory, risk and general management. He has had over 37 years' professional experience with PricewaterhouseCoopers, where he was a partner from 1982 to 2003, acting for major international and local companies. During this period, he served as the Managing Partner of PricewaterhouseCoopers' Assurance and Business Advisory Service practice from 1998 to 2001. He was the National Managing Partner of PricewaterhouseCoopers until 2003.

John is a Fellow of the Institute of Chartered Accountants in Australia.

Directorships of listed entities within the last three years, other directorships and offices (current and recent)

- Director of Caltex Australia Limited (since June 2004)
- Director of National Australia Bank Limited (since October 2003) (Audit Committee Chairman)
- Director of Salmat Limited (since September 2003)

Board Committee membership

- Chairman of the Audit & Compliance Committee (since February 2005)

Term of office

Director since December 2004.

G A (GEOFF) TOMLINSON

Independent
Non-Executive Director

BEcon.

Skills and experience

With extensive experience in, and exposure to, the financial services industry in Australia and internationally, Mr Tomlinson is a former Group Managing Director of National Mutual Holdings Ltd (October 1992 to September 1998). Mr Tomlinson is a Director of National Australia Bank Limited and Chairman of National Australia Bank's wealth management business, MLC.

Directorships of listed entities within the last three years, other directorships and offices (current and recent)

- Director of National Australia Bank Ltd (since March 2000)
- Chairman of Programmed Maintenance Services Ltd (since August 1999)
- Chairman of Dyno Nobel Ltd (February 2006 to June 2008)

Board Committee membership

- Member of the Audit & Compliance Committee

Term of office

Director since March 1999.

J F (JULIE) MCPHERSON

Company Secretary and Group General Counsel

Dip Law SAB, M AppFin, LLM.

Skills and experience

As both an investment banker and a lawyer, Mrs McPherson has broad experience in corporate governance, law, finance and commerce. Admitted as a solicitor in NSW and admitted to practice in the High Court of Australia.

Prior to joining Amcor, Mrs McPherson has held executive, legal and commercial positions, including Company Secretary and General Counsel at Goodman Fielder, Deputy Managing Director of Dresdner Kleinwort Benson and Partner, Corrs Chambers Westgarth.

Directorships of listed entities within the last three years, other directorships and offices (current and recent)

- Chairman of the Amcor Superannuation Fund (since November 2008)

Term of office

Company Secretary since April 2005.

Directors' Report

Your Directors present their report together with the financial report of Amcor Limited ('the Company') and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2009 and the independent audit report thereon.

CONTENTS OF DIRECTORS' REPORT

19 Board of Directors
19 Company Secretaries
19 Officers
19 Directors' Meetings
19 Principal Activities
19 Operating and Financial Review
19 State Of Affairs
20 Dividends
21 Events Subsequent to the End of the Financial Year
21 Likely Developments
21 Environmental Performance and Reporting
22 Directors' Interests
22 Unissued Shares Under Option
23 Shares Issued on Exercise of Options
23 Indemnification and Insurance of Officers
23 Non-audit Services
23 Rounding Off
23 Loans to Directors and Executives
24 Remuneration Report
44 Corporate Governance Statement
- Lay solid foundations for management and oversight
- Structure the Board to add value
- Promote ethical and responsible decision-making
- Safeguard integrity in financial reporting
- Make timely and balanced disclosure and respect the rights of shareholders
- Recognise and manage risk
- Remunerate fairly and responsibly

51 Declaration
52 Auditor's Independence Declaration

BOARD OF DIRECTORS

The following persons were Directors of Amcor Limited during the whole of the financial year and up to the date of this report:

C I (Chris) Roberts
R K (Keith) Barton
K N (Ken) MacKenzie
G J (John) Pizzey
E J J (Ern) Pope
J G (John) Thorn
G A (Geoff) Tomlinson

The qualifications, experience, special responsibilities of Directors, and other directorships held by them during the previous three years, are set out on pages 16 to 17 of this report.

COMPANY SECRETARIES

J F (Julie) McPherson was the Company Secretary of Amcor Limited during the whole of the financial year and up to the date of this report. Her qualifications and experience are set out on page 17 of this report.

Ann Stubbings, BA LLB, was appointed as an additional Company Secretary in February 2009. Ms Stubbings also holds a position as Senior Group Legal Counsel. Prior to joining Amcor, Ms Stubbings held legal positions at Insurance Australia Group and has experience as a Company Secretary within the former CGU Insurance Group.

OFFICERS

The names and roles of other Officers of the Company during the year are disclosed in Table 18 in section D of the Remuneration Report on page 36 of this report.

TABLE 1: DIRECTORS' MEETINGS

	Board		Executive Committee		Audit & Compliance Committee		Human Resources Committee		Superannuation Committee		Nomination Committee	
Scheduled Meetings	10		2		4		4		3		-	
Unscheduled Meetings	3		3		-		-		-		2	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
R K Barton	13	13	4	5	2	2	3*	2	-	-	1*	-
K N MacKenzie	13	13	5	5	4*	-	4*	2	-	-	2*	-
G J Pizzey	13	13	4	5	-	-	4	4	-	-	1	2
E J J Pope	13	13	-	-	2	2	4	4	-	-	2	2
C I Roberts	13	13	5	5	4	4	4	4	3	3	2	2
G A Tomlinson	13	13	-	-	4	4	2	2	3	3	2*	-
J G Thorn	12	13	3*	-	4	4	-	-	3	3	2*	-

A Number of meetings attended
B Number of meetings held during the time the Director held office or was a member of the committee during the year

* Indicates that a Director attended some meetings by invitation whilst not being a member of a specific committee. There was some rotation of Committee memberships during the year.

PRINCIPAL ACTIVITIES

The general activities of the consolidated entity (comprising Amcor Limited and its controlled entities) are set out on pages 1 to 15 of this report. There were no significant changes in the nature of the principal activities of the consolidated entity during the year under review.

OPERATING AND FINANCIAL REVIEW

A review of operations of the consolidated entity during the financial year and the results of these operations is contained in pages 1 to 15 of this report.

STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity that occurred during the financial year ended 30 June 2009 were as follows:

- Assets sales included:
  - The finalisation of the sale of flexibles packaging plants in Sweden, the UK and Western Australia announced the prior year; and
  - The sale of the Camvac flexibles plant in the UK announced September 2008.
- Progress with new projects included:
  - Construction of the $150.7 million third glass furnace at the wine bottle manufacturing plant at Gawler (SA), progressed according to plan for a start-up around June 2010; and
  - $13.5 million upgrade of the fibre packaging plant at Townsville, Queensland was commissioned in November 2008.
- Amcor Australasia is still considering proposals for the sale of the Fairfield, (VIC), site but no decision has been made and any decision will be dependent on satisfactory terms being achieved.
- Over the past six months, Amcor Australasia has been seeking revised tenders for the design and construction work associated with the new recycled paper mill for Botany (NSW) and this process has impacted the project timetable with completion due in calendar year 2011. Upon completion of final design engineering, Amcor Australasia will be able to fix a large component of the construction costs and these are expected to be more favourable than previous estimates.
- A new €3.0 million plant for medical and pharmaceutical packaging was opened in Sligo Ireland in September 2008.

- Mr Nigel Garrard commenced his role as Managing Director of Amcor's Australasian business on 11 May 2009.
- On 29 July 2008, the Company acquired a further 78.3 million shares at HK$8.94 each in the Hong Kong listed company AMVIG Holdings Limited. The Company held 38.9% of the shares in AMVIG as at 30 June 2009.
- The Company renewed approximately $1.1 billion in short and medium term committed bank loan facilities and added a US$50.0 million ($62.0 million) Asian Bank Loan Note facility during the year.
- On 21 December 2005, the Australian Competition and Consumer Commission (ACCC) commenced legal proceedings in the Federal Court of Australia against certain Visy Group companies and executives. The ACCC alleged that the Visy parties had engaged in conduct in the corrugated fibreboard container industry with Amcor companies and certain former Amcor executives that was anti-competitive, including engaging in price fixing and market sharing, in contravention of the *Trade Practices Act 1974*.

  Amcor and its former senior executives were granted immunity under the ACCC's Leniency Policy for Cartel Conduct and were not parties to the ACCC's proceedings.

  In October 2007, the ACCC settled its prosecution of the Visy parties on the basis of an agreed statement of facts in which the Visy parties agreed to certain of the alleged conduct. On 2 November 2007, the Federal Court imposed substantial fines on Visy and certain of its officers.

  The immunity from proceedings commenced by the ACCC granted to Amcor and its relevant former executives did not extend to exclude or limit third party claims.
- On 11 April 2006, Jarra Creek Central Packaging Shed Pty Ltd ('Jarra Creek') filed a class action claim in the Federal Court of Australia against three Visy companies, Amcor Limited, Amcor Packaging (Australia) Pty Ltd and Fibre Containers (Queensland) Pty Ltd alleging cartel behaviour and seeking declarations, injunctions and unspecified damages. The proceeding is expressed to have been brought on behalf of all persons or entities that purchased more than $100,000 of corrugated fibreboard packaging products between 1 May 2000 and 5 May 2005.

  The allegations made in the class action are broadly similar to the allegations that were made in the ACCC's proceedings against the Visy parties and assert facts which conform closely with the statement of facts that had been agreed between the ACCC and the Visy parties in the ACCC's proceeding. In broad terms, it is alleged that certain Amcor Group and Visy Group companies engaged in anti-competitive conduct in the corrugated fibreboard container industry, including engaging in price fixing and market sharing, in breach of section 45 of the *Trade Practices Act 1974*. The class members seek, amongst other things, compensation in respect of the alleged effect that the asserted behaviour had on the prices they paid for corrugated fibreboard products during the relevant period.

  Amcor is defending the claims made in the class action and has cross-claimed against the three Visy Group companies, claiming contribution for any damages which may be awarded.

  The Federal Court instituted an 'opt-out' period in April and May of 2008 during which it was open for class members to elect not to participate in the class action. Approximately 350 parties lodged opt-out notices with the Court.

  It is too early for Amcor to provide any reliable assessment of the likely quantum of any damages that may become payable if its defence is unsuccessful in whole or in part or of the extent to which it may obtain contribution from the Visy Group companies in respect of any damages awarded.

  Solicitors for Jarra Creek have asserted in statements in the media that the total damages against both Amcor and Visy, if liability is established, could be in excess of $300.0 million. Those assertions have not been made in the litigation and no particulars have been provided to support them. Amcor is not aware of the basis upon which those estimates are made.

  Although it is not possible at present to establish a reliable assessment of damages, there can be no assurance that any damages that may be awarded will not be material to the results of operations or financial condition of Amcor.
- Cadbury Pty Limited filed a proceeding in the Federal Court of Australia on 15 December 2006 against Amcor Limited and Amcor Packaging (Australia) Pty Ltd alleging cartel behaviour between Amcor and Visy (and related contract claims). Cadbury claimed damages and rectification of certain supply contracts.

  The proceeding involved allegations of cartel conduct in the corrugated fibreboard container industry that were broadly similar to the allegations made in the Jarra Creek proceeding (see above). However, the Cadbury claim also alleged that the cartel conduct extended beyond the corrugated business and affected other product lines. Cadbury opted out of the class action.

  Cadbury's claims have been resolved and the proceeding was concluded by order of the Federal Court on 7 August 2009.

TABLE 2: DIVIDENDS

Dividends paid or declared by the Company to members were as follows:

Type	Cents per share	Total amount $ million	Franked	Conduit foreign income*	Date of payment
Declared and paid during the year:					
- Final 2008	17	142.0	-	100%	3 October 2008
- Interim 2009	17	142.2	-	100%	25 March 2009
Declared after end of year:					
- Final 2009	17	143.3**	-	100%	18 September 2009
Dealt with in the Annual Report as:					
- Dividends (Note 25)		284.2			
- For subsequent report (Note 25)		143.3**			

* 100% of the final dividend for 2008/09, payable on 18 September 2009, will be sourced from the Conduit Foreign Income Account. This is of benefit to foreign shareholders as Australian Withholding Tax on dividends is not payable on the portion sourced from the Conduit Foreign Income Account.

** Approximate amount dependent on variations in share numbers prior to record date.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Dividend

Since the end of the financial year, the Directors have declared a final dividend of 17 cents per share payable on 18 September 2009. The forecast total amount of this dividend is $143.3 million. The financial effect of this dividend has not been brought to account in the Financial Statements for the year ended 30 June 2009 and will be recognised in subsequent financial reports.

Acquisition of Alcan Packaging operations

On 18 August 2009, the consolidated entity announced that it had made a binding offer to acquire certain parts of the operations of Alcan Packaging, a business unit of Rio Tinto plc, for a headline price of $2,439.8 million (US$2,025.0 million), subject to certain adjustments.

The businesses that the consolidated entity has offered to acquire include:

- Alcan Packaging Food Europe;
- Alcan Packaging Global Pharmaceuticals;
- Alcan Packaging Food Asia; and
- Alcan Packaging Global Tobacco.

The acquisition is being funded through a combination of underwritten equity and committed bank debt. This funding structure will provide the consolidated entity with manageable debt refinancing requirements, and the consolidated entity is expected to retain its existing investment grade credit ratings following the acquisition.

As mentioned above, the headline purchase price is subject to certain adjustments calculated at completion. The US$2,025.0 million purchase price requires the audited Earnings before Interest Tax, Depreciation and Amortisation (EBITDA) of the Alcan Packaging businesses to be between US$358.0 million and US$368.0 million for the 12 months ended 31 December 2009, or the last 12 months prior to Completion if Completion occurs before December 2009.

The price will be adjusted upward by US$5.0 million for each US$1.0 million increment in EBITDA above US$368.0 million to a maximum of US$2,125.0 million; or downward by US$5.0 million for each US$1.0 million decrement in EBITDA below US$358.0 million to a minimum of US$1,850.0 million. The unaudited EBITDA of the Alcan Packaging businesses for the six months to 30 June 2009 was US$167.6 million (converted at an exchange rate of €/US$1.31). Full details of the purchase price adjustments are provided in the consolidated entity's Prospectus associated with the Entitlement Offer.

Following the acquisition, the consolidated entity will be among the world's largest packaging companies with a global presence and leading positions in flexible packaging, folding cartons for tobacco and custom PET containers.

LIKELY DEVELOPMENTS

Dr Keith Barton intends to retire as a Director at Amcor's 2009 Annual General Meeting. Amcor has identified a candidate to replace Dr Barton on the Board and is in discussions with that candidate regarding their possible appointment, with the aim of asking shareholders to vote on the candidate's appointment at the 2009 Annual General Meeting.

The Sunclipse business is currently investigating the opportunity to divest its corrugated and manufactured products divisions. A final decision regarding sale or retention is expected to be made over the next three months.

ENVIRONMENTAL PERFORMANCE AND REPORTING

Commentary regarding the Company's performance on environmental regulations is outlined in the Corporate Governance Statement on page 50 and also in the Review of Operations – Sustainability section on pages 14 to 15.

Amcor currently participates in the European Union's Emissions Trading Scheme, the 'Climate Change Agreements' program in the UK, the 'Covenants' program in Belgium and various state-based initiatives in Australia. Amcor also pays carbon taxes in any countries where they are applicable.

Amcor will also participate in the Australian Carbon Pollution Reduction Scheme (CPRS), which is likely to be implemented in 2011. As an emissions intensive trade exposed (EITE) business, Amcor's Australian business operations expect to receive an allocation of free trading permits to offset the potential loss in profitability due to the introduction of the CPRS. In 2009, Amcor worked with the Australian government to assess the level of assistance available as an EITE business.

In Australia, Amcor is subject to the reporting requirements of both the *Energy Efficiency Opportunities (EEO) Act 2006* and the *National Greenhouse and Energy Reporting (NGER) Act 2007*.

The EEO Act requires the Australian business to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Group intends to take as a result. Amcor complied with its reporting obligations under the EEO Act during the reporting period.

The NGER Act requires the Australian business to report its annual greenhouse gas emissions and energy use. Systems and processes have been implemented for the collection and calculation of data required and Amcor will be able to prepare and submit its initial report to the Greenhouse and Energy Data Officer by 31 October 2009.

Directors' Report
Statutory Matters

TABLE 3: DIRECTORS' INTERESTS

The relevant interests of each Director in the share capital of the Company, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the *Corporations Act 2001* at the date of this report, is as follows:

Name	Balance at the beginning of the year	Received during the year on the exercise of performance rights and options	Other changes during the year	Balance at the end of the year
Directors of Amcor Limited				
C I Roberts	164,670	-	-	164,670
K N MacKenzie	12,763	222,000	10,334	245,097
R K Barton	33,899	-	-	33,899
G J Pizzey	18,181	-	-	18,181
E J J Pope	5,731	-	-	5,731
J G Thorn	10,380	-	-	10,380
G A Tomlinson	43,482	-	-	43,482

TABLE 4: UNISSUED SHARES UNDER OPTION

Unissued ordinary shares of Amcor Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price of shares ($)	Number under options
1 November 2002	1 November 2012	8.20*	2,123,000
13 October 2003	1 November 2012	8.20*	79,200
23 March 2004	23 March 2010	7.87	129,940
24 March 2004	24 March 2010	7.87	2,360,280
31 May 2004	24 March 2010	7.87	17,800
2 August 2004	2 August 2010	6.84	2,360,012
2 May 2005	2 August 2010	6.84	25,800
4 August 2006	31 December 2010	6.78	3,172,615
4 August 2006	30 June 2011	6.78	370,000
4 August 2006	31 December 2011	6.78	370,000
22 September 2006	31 December 2010	6.78	103,600
27 October 2005	31 December 2010	6.78	250,000
27 October 2005	30 June 2011	6.78	250,000
27 October 2005	31 December 2011	6.78	250,000
1 November 2007	30 June 2012	7.07	165,000
1 February 2007	31 December 2011	7.19	3,810,576
5 March 2007	31 December 2011	7.19	94,600
1 December 2007	30 June 2012	7.07	1,112,597
31 December 2007	30 June 2012	7.07	63,205
23 April 2008	31 December 2011	7.19	33,300
30 May 2008	31 December 2011	6.74	22,321
1 December 2008	30 June 2013	5.62	2,575,000
2 January 2009	30 June 2013	5.62	110,000
Total			**19,848,846**

* Certain overseas plans are at fixed exchange rates

SHARES ISSUED ON EXERCISE OF OPTIONS

There were no ordinary shares of Amcor Limited issued during the year ended 30 June 2009 on the exercise of options granted.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has agreements with each of the Directors of the Company in office at the date of this report, all former Directors and certain present and former officers of the Company, indemnifying these officers against any liability to any person other than the Company or a related body corporate that may arise from their acting as officers of the Company notwithstanding that they may have ceased to hold office. There is an exception where the liability arises out of conduct involving a lack of good faith or otherwise prohibited by law.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses and insurance contracts, as such disclosure is prohibited under the terms of the contracts.

The Company provided indemnities to Mr Peter Sutton, Mr Peter Brown and Mr Russell Jones for reasonable legal expenses incurred by them in their personal capacity in respect of investigations by the ACCC and the New Zealand Commerce Commission and by the Company into possible breaches of competition law. The indemnities granted to Mr Sutton and Mr Brown are each limited to $100,000. As at 30 June 2009, Mr Sutton has reached the limit of that indemnity, and Mr Brown and Mr Jones have been reimbursed for legal fees in the amount of $14,597 and $15,755 respectively.

NON-AUDIT SERVICES

During the year, PricewaterhouseCoopers, the Company's auditors, performed certain other services in addition to their statutory duties. The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit & Compliance Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit & Compliance Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards. A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* is included in the Directors' Report on page 52.

Details of the amounts paid to the auditors of the Company, PricewaterhouseCoopers, and its related practices for audit and non-audit services provided during the year are set out in Note 8 to the Financial Statements on page 80. A significant proportion of the non-audit services during the year relates to due diligence work on the potential acquisition of the Alcan Packaging assets under investigation during the year.

ROUNDING OFF

The Company is of a kind referred to in Class Order 98/100 dated 10 July 1998 issued by the Australian Securities and Investments Commission. In accordance with that Class Order, amounts in the Financial Statements and the Directors' Report have been rounded off to the nearest $100,000 or, where the amount is $50,000 or less, to zero, unless specifically stated.

LOANS TO DIRECTORS AND EXECUTIVES

Information on loans to Directors and executives, including amounts, interest rates and repayment terms is set out in Note 28 to the Financial Statements.

Directors' Report
Remuneration Report

INTRODUCTION AND SUMMARY OF CONTENTS

The Directors of Amcor Limited ('Amcor' or the 'Company') present the Remuneration Report prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

KEY MANAGEMENT PERSONNEL

For the purpose of this report, Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity of Amcor Limited either directly or indirectly. They include all Directors (executive and non-executive) and selected members of the Global Executive Team reporting to the Managing Director and Chief Executive Officer (CEO) who have authority and responsibility for planning, directing and controlling the activities of the Group. These KMPs also represent the five highest paid executives of the Company and of the consolidated entity and are referred to as Senior Executives in this report.

STRUCTURE OF THIS REPORT

Amcor's 2009 Remuneration Report is divided into the following sections:

A. Overview of Amcor's executive remuneration arrangements

B. Explanation of CEO and Senior Executive remuneration arrangements for the year ended 30 June 2009

C. Company performance – the link to reward

D. Details of CEO and Senior Executive remuneration for the year ended 30 June 2009

E. CEO and Senior Executive service agreements

F. Non-Executive Directors' remuneration

A. OVERVIEW OF AMCOR'S EXECUTIVE REMUNERATION ARRANGEMENTS

Remuneration strategy

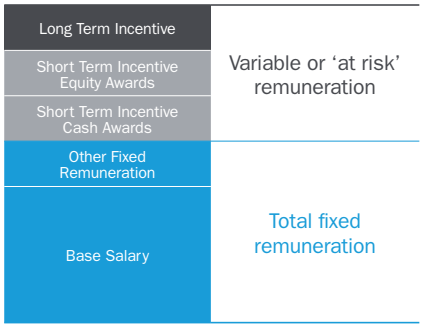
The principles of Amcor's executive remuneration strategy and supporting incentive programs and frameworks are:

- To align rewards to business outcomes which deliver value to shareholders;
- To drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- To ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

Amcor's remuneration strategy is to target salary levels at the median of executives' local salary markets and to position variable or 'at-risk' remuneration to deliver total rewards at lower quartile, market median and upper quartile levels dependent on the level of an executive's performance.

Remuneration structure

The diagram below illustrates the structure of Amcor's executive remuneration arrangements:



Total Fixed Remuneration (TFR)

TFR is made up of both base salary and benefits, and is set by reference to the relevant local salary market for comparable roles and levels of responsibility. This ensures that Amcor pays its executives at competitive levels for their roles.

Variable or 'at risk' remuneration

Short Term Incentive (STI)

The Board Human Resources Committee (HR Committee) considers that a robust performance management system is essential in ensuring a strong link between remuneration and performance. Amcor's performance management process involves the use of annual performance objectives, metrics, performance appraisal and continuing emphasis on living Amcor's values.

The STI program incorporates both cash and equity or share-based components. As such, this forms both the primary performance-linked incentive and equity program for Amcor's general management population.

Details of the STI program are provided in Section B below.

Long Term Incentive (LTI)

Under this Plan, the Board retains the discretion as to whether to make awards in each financial year, the award vehicle to be used and the performance measures to be applied.

Details of the 2009 LTI program are provided in Section B below.

Minimum shareholding policy

To further align the interests of Amcor's CEO and Senior Executives and shareholders, Amcor requires that the CEO and his direct reports must build and maintain a minimum shareholding of Amcor shares.

The policy applies such that a minimum shareholding value must be held by these executives before they may dispose of shares acquired through Amcor's equity incentive programs in operation from 1 July 2007.

The minimum shareholding requirement was introduced from 1 July 2007 and applies on a graduated basis over a six year period. By the end of this period, the minimum shareholdings requirements will be as follows:

Position	Minimum shareholding Value
CEO	100% of base salary
Direct reports to the CEO	50% of base salary

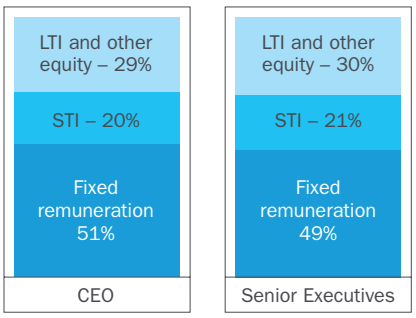
Hedging of securities

In accordance with Amcor's general share trading policy and employee share plan rules, participants are prohibited from engaging in hedging arrangements over unvested securities issued pursuant to any employee or Director share plan.

B. EXPLANATION OF CEO AND SENIOR EXECUTIVE REMUNERATION ARRANGEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Remuneration provided to the CEO and Senior Executives comprised Total Fixed Remuneration (TFR) and variable or 'at risk' remuneration. Variable remuneration formed a significant proportion of the total reward opportunity and was only paid subject to the satisfactory achievement of pre-determined performance measures.

The following table sets out the 'mix' of fixed and 'at risk' pay (as a proportion of 100%) for the CEO and Senior Executives (expressed on an average basis for the year based on numbers disclosed in Table 18). This includes an assumed accounting value of an annual grant of LTIs.



Total Fixed Remuneration (TFR)

TFR was structured as a total employment cost package, made up of base salary, retirement and other benefits.

Base salary levels for each executive were set with reference to the market conditions and general salary levels in the regions in which they were located. They also reflected the scope and nature of each individual's role, their experience and performance in that role.

Note: Retirement benefits are delivered under defined contribution funds for all new executives. These and other benefits are set by reference to regulatory and salary market requirements in the relevant employing jurisdictions.

Effective 1 October 2008, TFR levels were increased by 5% for the CEO and up to 4.2% for Senior Executives respectively. Since May 2009, a salary freeze has been applied on an indefinite basis to executives globally, with specific exceptions for promotions and other similar commercial reasons.

Short Term Incentive (STI)

In accordance with Amcor's Senior Executive – Reward and Evaluation Policy, STI awards for the CEO and Senior Executives were determined based on the achievement of pre-determined key performance indicators (KPIs).

These KPIs were set by reference to group, business group and individual performance targets for the year. In the case of the CEO, these were set by the Chairman and endorsed by the Board of Directors. KPIs for the Senior Executives were recommended by the CEO and approved by the HR Committee.

The KPIs for the CEO and Senior Executives were structured as per Table 5 below:

TABLE 5: KEY PERFORMANCE INDICATORS

Performance area	Weighting
Safety	5%
Financial (earnings per share, profit before interest and tax, free cash flow, operating cash flow and return on average funds employed)	65% to 75%
Other (including strategic goals or business group specific measures)	20% to 30%

Note: STI opportunity ranges for individual executives can be found in Table 14 at section C.

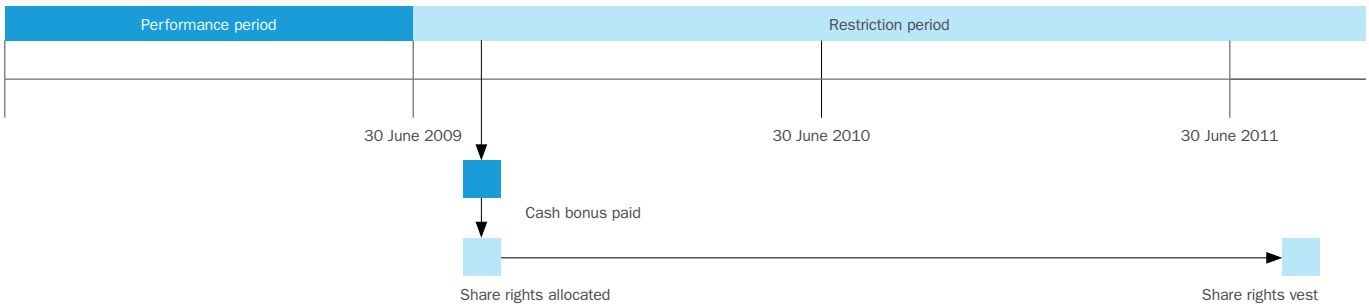
Following the end of the year, the HR Committee reviewed the performance of the CEO and Senior Executives against pre-determined KPIs and endorsed STI payments based on actual performance.

In order for STI awards to have been paid, a minimum behaviour/ethical standard was required. This was determined through the use of a 'Values Gateway' that provided an assessment of the CEO and Senior Executives' performance against Amcor's values.

STI cash and deferred equity awards

The HR Committee believes that the use of equity reward programs provides strong alignment with the interests of Amcor's shareholders. Accordingly, Amcor's STI program is structured to deliver cash awards, payable in September 2009, with deferral of a portion into share rights to be held for two years, as illustrated below.

STI FOR THE YEAR ENDED 30 JUNE 2009: ILLUSTRATION



The HR Committee considers that the use of time-restricted equity in Amcor's STI program provides for greater retention in Amcor's remuneration arrangements and, at the same time, exposure to Amcor's share price movements. The deferred STI is delivered in the form of rights to Amcor shares (effectively share options with a zero exercise price).

The number of rights to be allocated to Senior Executives, excluding the CEO, is based on:

- 50% of the value of the Senior Executives' cash bonuses payable following the end of the performance period;
- The Volume Weighted Average Price of Amcor Limited ordinary shares for the five trading days prior to 30 June (the end of the Performance Period); and
- The average foreign exchange rate for the same five day period for those cash bonuses determined in currencies other than Australian Dollars.

The number of rights to be allocated to the CEO is based on:

- 50% of the value of the CEO's cash bonuses applicable for a six month period payable following the end of the performance period; and
- The Volume Weighted Average Price of Amcor Limited ordinary shares for the five trading days prior to 30 June (the end of the Performance Period).

The CEO's allocation reflects his participation in a Medium Term Incentive Plan (MTIP) and the performance period to which this relates (two years ended 31 December 2008 – see page 31 for further details).

STI deferred equity awards will be allocated in September 2009. These will be subject to risk of forfeiture if the CEO or a Senior Executive either voluntarily leaves Amcor employment during the restriction period or the CEO or Senior Executive's employment is terminated for cause. Board discretion regarding vesting and/or forfeiture applies in the case of involuntary termination of employment and change of control.

LTI awards for the year ended 30 June 2009

The Board HR Committee concluded that awards should be limited to only those executives whose individual performance can affect Amcor's overall performance in the long term, plus a limited number of high-potential individuals identified as future leaders within Amcor. 2009 LTI awards were made to 49 executives globally, including the CEO.

Participants were offered both performance rights and share options subject to specific performance hurdles being achieved over a four year performance period. The level of awards was determined by reference to the CEO and Senior Executives' base salaries effective at the date of award and relative market positioning of their total rewards to their local markets. Having determined the overall value, the 2009 LTI awards were then allocated 75% to performance rights and 25% to share options.

Vesting of performance rights is to be determined based on a relative total shareholder return (TSR) performance hurdle. Vesting of share options is to be determined based on an improvement in Amcor's return on average funds employed (RoAFE) performance. Testing, or measurement of performance, will occur only once for both performance rights and share options following the end of the four year performance period ending 30 June 2012.

The design of performance period, performance hurdles and vesting schedules was made following comprehensive consultation with a number of Amcor's major shareholders and shareholder advisory bodies.

In addition to the performance hurdles, forfeiture conditions and provisions relating to termination of employment exist. In the event of termination of employment of plan participants, the Board retains overall discretion to determine the level of vesting which is appropriate. In the event of a change in control, the Board will determine in its discretion whether and, if appropriate, the extent to which outstanding awards will vest.

Performance Rights

Awards of performance rights will only vest where Amcor's total shareholder return (TSR) performance meets a satisfactory rating relative to a peer group of companies. The Company considers that relative TSR remains an appropriate measure of Amcor's long term performance.

The HR Committee considers that the following group provides the most appropriate benchmark for testing Amcor's relative performance:

- Companies in the ASX 100 with market capitalisation between 50% to 200% of Amcor;
- Less GICS Sector 'Financial';
- Less GICS Sector 'Telecom Services';
- Less GICS Industry Name 'Metals & Mining';
- Less GICS Industry Name 'Media';
- Less GICS Industry Name 'Chemicals'; and
- Plus a select list of international industry peers.

For the 2009 awards, the group consisted of the following companies at the start of the performance period:

ASX companies: Billabong International Limited, James Hardie Industries NV, Sonic Healthcare Limited, Boral Limited, ResMed Inc, Lion Nathan Limited, Computershare Limited, Coca-Cola Amatil Limited, Origin Energy Limited, Leighton Holdings Limited, Aristocrat Leisure Limited, Qantas Airways Limited, CSL Limited, Brambles Limited.

International industry peers: Ball Corp, Bemis Co Inc, Constar International Inc, Crown Holdings Inc, Huhtamaki, MeadWestvaco Corp, Owens-Illinois Inc, Pactiv Corp, Rexam plc, RPC Group plc, Sealed Air Corp, Silgan Holdings Inc, Smurfit-Stone Container Corp, Sonoco Products Co.

The vesting schedule, applicable to performance rights, is as follows:

TABLE 6: VESTING SCHEDULE – PERFORMANCE RIGHTS

Level of performance (relative to comparator group)	Level of vesting
Less than 50th percentile	Nil
50th percentile	50%
Between 50th and 75th percentile	Straight line between 50% and 100%
75th percentile and above	100%

To reduce the impact of share price fluctuations, TSR will be calculated for each trading day over the last quarter of the performance period ending 30 June 2012.

No amounts are payable in respect of performance rights either on grant or on exercise.

Share options

Awards of share options will only vest where there is an improvement in the Company's return on average funds employed (RoAFE) calculated over the performance period.

RoAFE is a broadly accepted measure of a Company's return on the capital invested in the business. Specifically, the Company's RoAFE measures the annualised profit before interest, tax and significant items (PBIT) earned by the Company during a reporting period, as a percentage of the average funds employed over the same period. 'Funds employed' is a balance sheet measure for management reporting and is the sum of:

- Working capital;
- Other current assets (excluding cash and short term deposits); and
- Non current assets.

Less:

- Other current liabilities (excluding borrowings); and
- Non current liabilities (excluding borrowings).

No amounts were payable by the CEO and Senior Executives on the grant of share options. However, to exercise share options, executives are required to pay an exercise price. This was determined as $5.62, being the volume weighted average price of ordinary shares in the Company on the ASX over the five trading days prior to the grant date of 3 November 2008.

The number of options that can be exercised by executives will depend on the following vesting schedule set by reference to the published RoAFE percentage achieved for the year ended 30 June 2008 (11.7%):

TABLE 7: VESTING SCHEDULE - SHARE OPTIONS

Percentage point improvement achieved over the four years ending 30 June 2012 (on a continuing basis)	Vesting percentage
<1%	0%
Between 1% but less than 1.5%	50%
Between 1.5% but less than 3%	75%
3% or more	100%

The use of a RoAFE performance hurdle is consistent with the Company's overall business strategy and is widely accepted as a strong measure of performance. The link to share options will also ensure that vested awards will only deliver reward outcomes to the extent that there is corresponding improvement in Amcor's share price over the performance period.

Share-based payments – earlier awards

In addition to equity awards under the STI Program and LTI awards for the year ended 30 June 2009, the amounts disclosed as 'share-based payments' in Table 18 in Section D include the following:

- Long term incentive awards for the year ended 30 June 2008;
- Long term incentive awards for the two years ended 30 June 2007;
- Awards under the Senior Executive Retention Share/Payment Plan;
- Other previous awards under Legacy Share Based Plans; and
- Medium term incentive plan award (CEO only).

LTI awards for the year ended 30 June 2008

As previously reported, the CEO and other selected executives received LTI awards in 2008. The terms and conditions of these awards are consistent with the 2009 LTI awards although the following differences are noted:

Performance period:	four years ending 30 June 2011
TSR comparator groups:	ASX companies: Billabong International Limited, James Hardie Industries NV, Sonic Healthcare Limited, Boral Limited, ResMed Inc, Lion Nathan Limited, Computershare Limited, Coca-Cola Amatil Limited, Origin Energy Limited, Leighton Holdings Limited, Aristocrat Leisure Limited, Qantas Airways Limited, CSL Limited, Brambles Limited. International industry peers: Ball Corp, Bemis Co Inc, Constar International Inc, Crown Holdings Inc, Huhtamaki, MeadWestvaco Corp, Owens-Illinois Inc, Pactiv Corp, Rexam plc, RPC Group plc, Sealed Air Corp, Silgan Holdings Inc, Smurfit-Stone Container Corp, Sonoco Products Co.
Option exercise price:	$7.07 (volume weighted average price of ordinary shares in the Company on the ASX over the five trading days prior to 1 November 2007).

LTI awards for the two years ended 30 June 2007

As previously reported, the CEO and selected Senior Executives received LTI awards in 2006; other Senior Executives received LTI awards in both the 2006 and 2007 financial years. Details of the terms of these awards are provided in Table 8 below.

Awards comprised of both share options and performance rights. The level of awards was determined based on market positioning of executives' total rewards relative to their local markets. The awards are subject to relative Total Shareholder Return (TSR) performance hurdles, details of which are provided below.

The periods over which performance will be measured and the vesting periods (during which performance is tested on a monthly basis) are as follows:

TABLE 8: VESTING PERIODS

Financial year	TSR base date	Tranche*	Vesting period	Expiry date
2006	1 July 2005	1	1 Jan 2008 to 31 Dec 2009	31 Dec 2010
		2	1 July 2008 to 30 Jun 2010	30 Jun 2011
		3	1 Jan 2009 to 31 Dec 2010	31 Dec 2011
2007	1 July 2006	1	1 Jan 2009 to 31 Dec 2010	31 Dec 2011

* Executives who participated in all three tranches of the 2006 award were not eligible to participate in the 2007 award. This included the CEO and a limited number of senior executives.

Share options and performance rights vest depending on the highest percentile reached by the Average Amcor Total Shareholder Return (TSR) relative to the Average Comparator TSR for each of the relevant stocks in the comparator group during the vesting period. The comparator group of companies for awards granted in relation to 2006 and 2007 financial years under the Long Term Incentive Plan comprised the S&P/ASX100 Index as at the relevant base date for the awards (see table above) excluding Amcor and companies in the following industry categories:

- Financial ex-Property Trusts;
- Property Trusts;
- Resources;
- Telecommunications Services; and
- Media Sectors.

The vesting schedule, which applies to all grants to date under this program, is as follows:

TABLE 9: VESTING SCHEDULE - LTI AWARDS

Level of TSR performance (relative to comparator group)	Level of vesting
Less than 50th percentile	Nil
50th percentile	50%
Between 50th and 75th percentile	Straight line between 50% and 100%
75th percentile and above	100%

These performance hurdles were chosen after extensive consultation with shareholders and governance advisory groups on the basis that they are transparent and measurable against objective data.

In addition to the performance hurdles, forfeiture conditions and provisions relating to termination of employment exist. In the event of termination of employment of plan participants, the Board retains overall discretion to determine the level of vesting which is appropriate. In the event of a change in control, the Board will determine in its discretion whether and, if appropriate, the extent to which outstanding awards will vest.

The option exercise prices for the 2006 and 2007 LTI awards is $6.78 and $7.19 respectively.

Senior Executive Retention Share/Payment Plan

The Senior Executive Retention Share Plan and its entitlement equivalent (Senior Executive Retention Payment Plan) are sub-plans of the Employee Share Purchase Plan established by the Company in 1985.

These plans were established to award executives with fully paid ordinary shares (or cash entitlements when the location of executives prevented the use of shares) without the application of ongoing performance hurdles. However, shares could not be disposed of by executives for restricted periods as determined by the Board, for up to five years.

These plans were used on a limited basis for either recruitment of executives to replace existing entitlements from their previous employers or as 'ad-hoc' retention awards to existing executives.

During the financial year ended 30 June 2009, in total 201,000 restricted shares and 11,000 restricted cash entitlements were awarded to executives. The former included 110,000 shares awarded to Mr N Garrard on his appointment to Managing Director, Amcor Australasia in consideration for him foregoing entitlements from his previous employment.

Legacy Share Based Plans

Outlined below are a number of share based plans (Legacy Plans) previously operated by Amcor. Due to the nature of these plans, time vesting requirements are still in place for a number of executives and consequently the plans are included for completeness.

TABLE 10: LEGACY SHARE BASED PLANS

Plan titles	Purpose
Short Term Plans	
Senior Executive Share Plan	Bonus conversion into shares
Senior Executive Payment Plan	Bonus conversion into share equivalents
Long Term Plans	
Employee Share/Option Plan	'Umbrella' share/option plan designed to grant options at full market value (or cash equivalents) based on achievement of financial performance. Time vested only.
Employee Incentive Share Plan	All employee share plan

Medium Term Incentive Plan (MTIP) – CEO only

As detailed in the 2007 Remuneration Report, an MTIP award was made to the CEO. Following shareholder approval at the 2007 Annual General Meeting, the award was structured to deliver a cash bonus, shares or a combination thereof.

Vesting was subject to the satisfaction of a set of challenging performance measures. Testing (single test only) was applied following the conclusion of the two year performance period ended 31 December 2008. See Section C below for details.

The performance measures focused on the sustained delivery of The Way Forward strategy and the creation of a platform for excellent Company performance in the longer term. Targets were set in the following areas:

TABLE 11: MTIP STRUCTURE

Performance area	Weighting
Financial performance (return on average funds employed and average working capital)	25%
Business unit portfolio and market positions (focusing on business improvement, restructuring and growth)	25%
Customers, cost, capital and culture	50%

Performance expectations were set by the Board in respect of threshold, target and maximum performance levels. The quantum of the award which could vest was as follows:

TABLE 12: MTIP AWARD QUANTUM

Level of performance	Value of award (% of average TFR over the performance period)
Threshold	50% of TFR
Target	100% of TFR
Maximum	150% of TFR

The vested award is subject to further deferral periods – 50% to be received after a further 12 months (31 December 2009) and the remaining 50% after 24 months (31 December 2010). The vested award will be forfeited if the CEO resigns during the relevant deferral periods.

The notes contained in the 2007 Notice of Annual General Meeting (available on Amcor's website) detail the specific provisions relating to termination of employment, change of control and capping mechanism applicable to the MTIP award to the CEO.

C. COMPANY PERFORMANCE – THE LINK TO REWARD

Table 13 provides information regarding relevant shareholder return information over the past five financial years.

TABLE 13: SHAREHOLDER RETURN INFORMATION OVER THE PAST FIVE FINANCIAL YEARS

	2005	2006	2007	2008	2009
Net profit before significant items ($ million)	458.8	405.9	397.0	369.1	360.5
Basic EPS before significant items (cents)	52.2	46.1	44.2	42.9	43.1
Dividend paid ($ million)	290.2	298.8	305.7	294.2	284.2
Dividends per share (cents)	34.0	34.0	34.0	34.0	34.0
Change in share price (cents)	(27.0)	(2.0)	79.0	(242.0)	(6.0)
Opening share price at 1 July ($)	6.97	6.70	6.68	7.47	5.05
Total Shareholder Return % pa[1]	1.0	4.8	16.9	(27.8)	5.5

(1) Total Shareholder Return (TSR) is calculated as the change in share price for the year, plus dividends announced for the year, divided by opening share price.

Short Term Incentive (STI) – Cash Payments and Deferred Equity Awards

Details of the range of potential STI cash payments, the proportion to be received at 'target' performance, actual STI cash payments made and the amounts forfeited by the CEO and Senior Executives in respect of the 2009 financial year are shown in Table 14 below:

TABLE 14: STI CASH AWARDS

Name	STI % range	STI % target	Bonus ($)	% Vested in year	% Forfeited in year
Executive Directors					
K N MacKenzie	0% to 120% of TFR	80%	912,347	34.9%	65.1%
Senior Executives					
G Blatrix	0% to 100% of Base Salary	50%	99,954	12.5%	87.5%
P Brues	0% to 100% of Base Salary	50%	586,939	98.6%	1.4%
J Czubak	0% to 100% of Base Salary	50%	649,893	100.0%	0.0%
L A Desjardins	0% to 100% of Base Salary	50%	173,802	24.9%	75.1%
N Garrard[1]	0% to 100% of Base Salary	50%	45,313	50.0%	50.0%
W J Long	0% to 100% of Base Salary	50%	252,961	30.0%	70.0%
I G Wilson	0% to 100% of Base Salary	50%	929,124	100.0%	0.0%

(1) Pro rated from commencement of employment.

Details of the actual STI deferred equity awards made to the CEO and Senior Executives in respect of the 2009 financial year are shown in Table 15 below:

TABLE 15: STI DEFERRED EQUITY AWARDS

Name	Bonus ($)	Equity Awarded (No: Performance Rights)*
Executive Directors		
K N MacKenzie	912,347	47,419
Senior Executives		
G Blatrix	99,954	9,938
P Brues	586,939	58,238
J Czubak	649,893	65,652
L A Desjardins	173,802	18,066
N Garrard	45,313	4,710
W J Long	252,961	25,100
I G Wilson	929,124	92,592

* Equity allocations determined based on the volume weighted average price of Amcor Limited shares for the five trading days prior to 30 June 2009 (A$4.81/share). Where bonuses are determined in currencies other than Australian dollars, the average foreign exchange rate for the same five day period was applied to determine the Australian dollar equivalent.

2007 LTI Awards

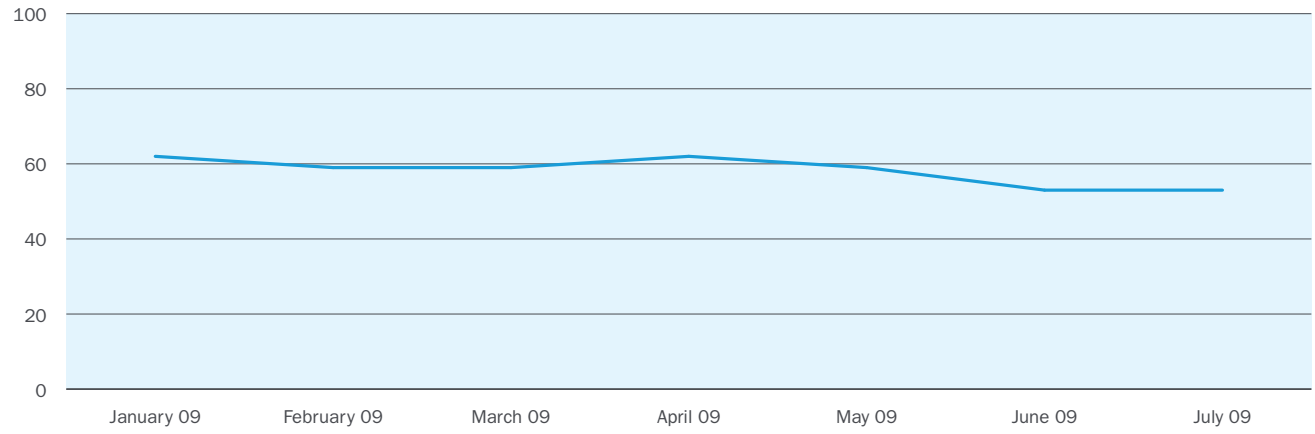
As detailed in Section B, awards were made to Senior Executives excluding the CEO and a limited number of Senior Executives.

Monthly testing of these awards by external consultants commenced January 2009 and will cease following the December 2010 test. Any unvested awards after this test will lapse. An analysis of the testing to date is provided below in Table 16.

As at 31 July 2009, the comparator group to test relative TSR performance consisted of the following companies:

ABC Learning Centres Limited
AWB Limited
Brambles Limited
Computershare Limited
Downer EDI Limited
Goodman Fielder Limited
Leighton Holdings Limited
Macquarie Infrastructure Group
Paperlinx Limited
Sigma Pharmaceuticals Limited
Tatts Group Limited
Woolworths Limited
Ansell Limited
Billabong International Limited
Coca-Cola Amatil Limited
CSL Limited
Elders
Harvey Norman Holdings Limited
Lion Nathan Limited
Metcash Limited
Qantas Airways Limited
Sonic Healthcare Limited
Transurban Group
Aristocrat Leisure Limited
Boral Limited
Cochlear Limited
CSR Limited
Foster's Group Limited
James Hardie Industries Limited
Macquarie Airports
Orica Limited
ResMed Inc
Tabcorp Holdings Limited
Wesfarmers Limited

TABLE 16: AMCOR'S RELATIVE TSR PERCENTILE PERFORMANCE TO 31 JULY 2009
PERCENTILE



The highest percentile reached by the Average Amcor TSR during the vesting period to date relative to the Average Comparator TSR for each of the relevant stocks in the comparator group is the 62nd percentile. In accordance with the vesting schedule (see Section B), 74% of this award has vested to date.

2006 LTI Awards

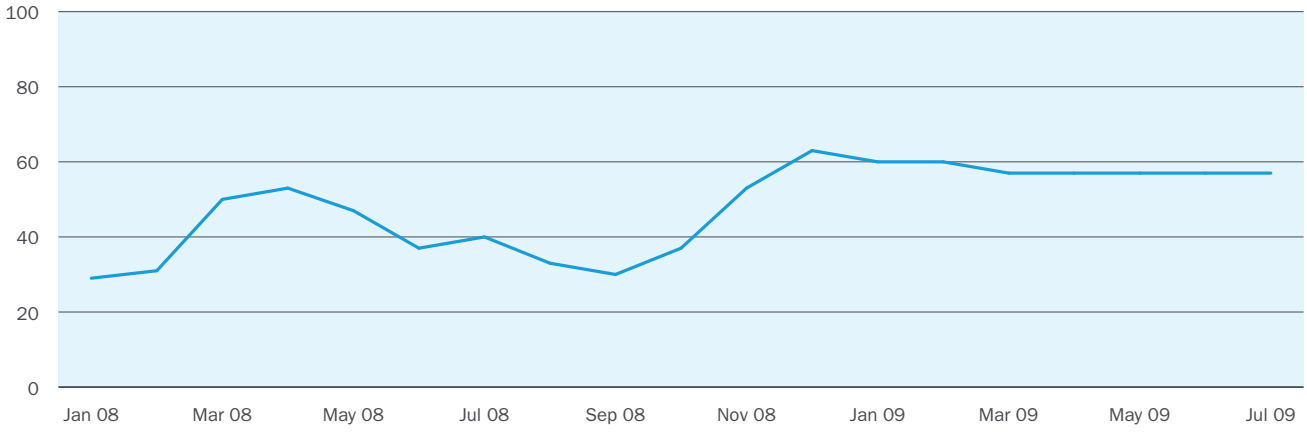
As detailed in Section B, awards were made in three tranches; tranches two and three were made to the CEO and a limited number of Senior Executives.

Monthly testing of these awards by external consultants commenced January 2008 and will cease following the December 2009 test. Any unvested awards after this test will lapse. An analysis of the testing to date is provided in Table 17 below.

As at 31 July 2009, the comparator group to test relative TSR performance consisted of the following companies:

Ansell Limited
Billabong International Limited
Coca-Cola Amatil Limited
CSL Limited
Foster's Group Limited
James Hardie Industries Limited
Macquarie Airports
Pacific Brands Limited
ResMed Inc
Transurban Group
Aristocrat Leisure Limited
Boral Limited
Cochlear Limited
CSR Limited
Gunns Limited
Leighton Holdings Limited
Macquarie Infrastructure Group
Paperlinx Limited
Sonic Healthcare Limited
Wesfarmers Limited
AWB Limited
Brambles Limited
Computershare Limited
Elders
Harvey Norman Holdings Limited
Lion Nathan Limited
Orica Limited
Qantas Airways Limited
Tabcorp Holdings Limited
Woolworths Limited

TABLE 17: AMCOR'S RELATIVE TSR PERCENTILE PERFORMANCE TO 31 JULY 2009
PERCENTILE



In relation to tranche 1 of the 2006 Awards, the highest percentile reached by the Average Amcor TSR during the vesting period to date relative to the Average Comparator TSR for each of the relevant stocks in the comparator group is the 63rd percentile. In accordance with the vesting schedule (see Section B), 76% of this tranche of awards has vested to date.

In relation to tranche 2 of the 2006 Awards, the highest percentile reached by the Average Amcor TSR during the vesting period to date relative to the Average Comparator TSR for each of the relevant stocks in the comparator group is the 63rd percentile. In accordance with the vesting schedule (see Section B), 76% of this tranche of awards has vested to date.

In relation to tranche 3 of the 2006 Awards, the highest percentile reached by the Average Amcor TSR during the vesting period to date relative to the Average Comparator TSR for each of the relevant stocks in the comparator group is the 60th percentile. In accordance with the vesting schedule (see Section B), 70% of this tranche of awards has vested to date.

Earlier LTI Awards

For awards made in earlier financial years (2003 to 2005), Return on Average Funds Invested (RoAFI) was applied to determine individual allocations of awards. As was typical market practice at that time, no further performance measures were applied to awards following allocation.

MTIP (CEO only)

As detailed in Section B, an MTIP award was made to the CEO in 2007 which, following shareholder approval at the 2007 Annual General Meeting, was structured to deliver either cash or equity-based reward outcomes (or a combination thereof).

In February 2009, Amcor's Board of Directors assessed the CEO's performance against the MTIP performance criteria set in relation to the two year performance period ended 31 December 2008.

As concluded by the Board, the reward outcome will be delivered to the CEO in the form of Amcor Limited shares as follows:

Performance outcome (% average TFR)	93% (i.e between threshold and target)
Average TFR (over 2 years ended 31 Dec 2008)	A$2,049,680
Reward outcome A$	A$1,906,202
Amcor share price	A$5.68*
Total number of Award shares**	335,599
Awards	Award Date
167,800** shares to be awarded	31 Dec 2009 or as soon as practical following this date
167,799** shares to be awarded	31 Dec 2010 or as soon as practical following this date

* Share price determined in accordance with Item 5 of the Explanatory Notes to the 2007 Notice of Annual General Meeting.

* * In accordance with Item 5 of the Explanatory Notes to the 2007 Notice of Annual General Meeting, the number of Award shares will be increased by the number of shares that is equal to the value of dividends payable in respect of the Award shares during the deferral periods. Further, the number of Award shares will be reduced if the capping mechanism applies.

D. DETAILS OF CEO AND SENIOR EXECUTIVE REMUNERATION FOR THE YEAR ENDED 30 JUNE 2009

Table 18 shows the nature and amount of each component of remuneration received by the CEO and Senior Executives during the year ended 30 June 2009:

TABLE 18: REMUNERATION OF CEO AND SENIOR EXECUTIVES

			Short term employee benefits				Post-employment		Share based payments				
										Options and Rights			
Name	Position		Base salary	Non monetary benefits	Bonus	Special incentive	Superannuation benefits	Retirement benefit	Shares	Cash settled	Equity settled	% of total employee compensation received as options and/or rights	Total employee compensation
Executive Directors													
Ken MacKenzie	Chief Executive Officer and Managing Director	**2009**	**1,751,516**	**324,402**	**912,347**	**-**	**200,000**	**-**	**-**	**-**	**1,299,598**	**29.0%**	**4,487,863**
		2008	1,649,063	251,477	1,629,968	-	200,000	-	-	-	1,484,328[3]	28.5%	5,214,836
Other Key Management Personnel													
G Blatrix	Managing Director, Amcor Flexibles Food	**2009**	**792,491**	**205,678**	**99,954**	**-**	**110,615**	**-**	**-**	**-**	**473,065**	**28.1%**	**1,681,803**
		2008	767,816	143,289	442,867	-	107,542	-	-	-	327,346	18.3%	1,788,860
P Brues	President, Amcor Flexibles Healthcare	**2009**	**587,628**	**173,342**	**586,939**	**-**	**174,982**	**-**	**-**	**-**	**531,583**	**25.9%**	**2,054,474**
		2008	473,685	146,830	411,033	-	183,663	-	-	-	322,469	21.0%	1,537,680
J Czubak	Managing Director, Amcor Rentsch	**2009**	**649,893**	**13,832**	**649,893**	**-**	**121,000**	**-**	**-**	**120,400**	**476,266**	**29.4%**	**2,031,284**
		2008	532,263	19,777	149,034	-	106,590	-	-	10,033	279,977	26.4%	1,097,674
L A Desjardins	Executive General Manager Finance	**2009**	**690,781**	**92,821**	**173,802**	**-**	**50,000**	**-**	**98,533**	**-**	**230,799**	**17.3%**	**1,336,736**
		2008	661,021	78,227	423,411	-	53,209	-	98,533	-	91,868	6.5%	1,406,269
N Garrard	Managing Director, Amcor Australasia	**2009**	**103,571**	**19,768**	**45,313**	**320,400[2]**	**-**	**-**	**19,135**	**-**	**944**	**0.2%**	**509,131**
W J Long	President and CEO, Amcor PET Packaging	**2009**	**833,165**	**45,398**	**252,961**	**-**	**544,536**	**-**	**-**	**-**	**703,685**	**29.6%**	**2,379,745**
		2008	673,682	34,109	680,222	-	347,370	-	-	-	483,479	21.8%	2,218,862
I G Wilson	Strategic Development Director	**2009**	**916,935**	**151,684**	**929,124**	**-**	**-**	**-**	**568,531**	**-**	**629,386**	**19.7%**	**3,195,660**
		2008	936,412	155,351	489,976	-	-	-	284,266	-	313,931	14.4%	2,179,936
Former Senior Executives													
L J Lachal (retired 31 December 2007)	Managing Director, Amcor Australasia	2008	383,542	741,480[1]	-	-	60,844	983,937	-	-	3,691	0.2%	2,173,494
Total		**2009**	**6,325,980**	**1,026,925**	**3,650,333**	**320,400**	**1,201,133**	**-**	**686,199**	**120,400**	**4,345,326**	**25.3%**	**17,676,696**
		2008	6,077,484	1,570,540	4,226,511	-	1,059,218	983,937	382,799	10,033	3,307,089	18.8%	17,617,611

(1) The majority of Mr L J Lachal's non-monetary payment was for annual and long service leave.
(2) Sign-on incentive paid on commencement of employment.
(3) Includes $873,340 relating to CEO MTIP previously disclosed as cash settled. Now disclosed as equity settled as award outcome to be delivered in equity as determined by the Board.

TABLE 19: TERMS AND CONDITIONS OF EACH GRANT OF OPTIONS AND RIGHTS AFFECTING REMUNERATION

Grant date	Expiry date	Fair value per option ($)	Exercise price ($)	Share price at grant date ($)	Estimated volatility	Risk free interest rate	Date exercisable
24 March 2004	24 March 2010	1.27	7.87	7.87	20.00%	5.12%	24 March 2007
2 August 2004	2 August 2010	1.03	6.84	6.84	20.00%	5.62%	2 August 2007
27 October 2005	31 December 2010	0.98	6.78	6.69	22.00%	5.40%	1 January 2008
27 October 2005	30 June 2011	1.01	6.78	6.69	22.00%	5.40%	1 July 2008
27 October 2005	31 December 2011	1.03	6.78	6.69	22.00%	5.40%	1 January 2009
4 August 2006	31 December 2010	0.89	6.78	6.55	22.00%	5.80%	1 January 2009
4 August 2006	30 June 2011	0.92	6.78	6.55	22.00%	5.80%	1 January 2009
4 August 2006	31 December 2011	0.97	6.78	6.55	22.00%	5.80%	1 January 2009
22 September 2006	31 December 2010	0.89	6.78	7.13	22.00%	5.80%	31 December 2009
1 February 2007	31 December 2011	1.07	7.19	7.38	20.00%	6.04%	31 December 2010
5 March 2007	31 December 2011	1.07	7.19	7.05	20.00%	6.04%	31 December 2010
1 November 2007	30 June 2012	1.08	7.07	7.10	21.00%	6.31%	30 June 2011
1 December 2007	30 June 2012	1.08	7.07	6.85	21.00%	6.31%	30 June 2011
31 December 2007	30 June 2012	1.14	7.07	6.91	21.00%	6.63%	30 June 2011
1 December 2008	30 June 2013	0.93	5.62	5.75	26.00%	3.84%	31 October 2012
2 January 2009	30 June 2013	0.88	5.62	5.70	26.00%	3.41%	31 October 2012

Grant date	Expiry date	Fair value per right ($)	Exercise price ($)	Share price at grant date ($)	Estimated volatility	Risk free interest rate	Date exercisable
27 October 2005	31 December 2010	4.24	-	6.69	-	-	1 January 2008
27 October 2005	30 June 2011	4.15	-	6.69	-	-	1 July 2008
27 October 2005	31 December 2011	4.06	-	6.69	-	-	1 January 2009
4 August 2006	31 December 2010	4.12	-	6.55	-	-	1 January 2009
4 August 2006	31 December 2010	4.12	-	6.55	-	-	1 January 2009
4 August 2006	31 December 2011	4.07	-	6.55	-	-	1 January 2009
4 August 2006	31 December 2011	3.99	-	6.55	-	-	1 January 2009
4 August 2006	31 December 2010	4.12	-	6.55	-	-	1 January 2009
1 February 2007	31 December 2011	4.83	-	7.38	-	-	1 June 2010
1 February 2007	30 June 2012	3.64	-	7.38	-	-	31 October 2011
5 March 2007	31 December 2011	4.83	-	7.05	-	-	31 December 2010
31 December 2007	30 June 2012	3.78	-	6.91	-	-	31 October 2011
1 September 2008	-	5.00	-	5.49	-	-	1 September 2010
1 December 2008	30 June 2013	4.15	-	5.75	-	-	31 October 2012
2 January 2009	30 June 2013	3.97	-	5.70	-	-	31 October 2012

Details of LTI awards granted, vested and exercised

The following tables provide further information and analysis relating to LTI awards, as required by the *Corporations Act 2001*:

TABLE 20: LTI AWARDS GRANTED, VESTED AND EXERCISED

Name	Number of options granted during the year		Number of options vested during the year		Number of options exercised during the year	
	2009	2008	**2009**	2008	**2009**	2008
Executive Directors						
K N MacKenzie	**280,000**	165,000	**329,000**	226,000	**-**	-
Senior Executives						
G Blatrix	**110,000**	63,205	**151,200**	80,500	**-**	-
P Brues	**103,000**	46,380	**151,200**	80,500	**-**	-
J Czubak	**90,000**	47,904	**151,200**	84,800	**-**	-
L Desjardins	**92,000**	62,631	**-**	-	**-**	-
W J Long	**145,000**	65,702	**201,600**	239,200	**-**	-
I G Wilson	**141,000**	84,897	**166,000**	56,000	**-**	-
Former Senior Executive						
L J Lachal	**-**	-	**-**	129,000	**-**	129,000

Name	Number of rights granted during the year		Number of rights vested during the year		Number of rights exercised during the year	
	2009	2008	**2009**	2008	**2009**	2008
Executive Directors						
K N MacKenzie	**170,000**	100,000	**166,000**	56,000	**222,000**	-
Senior Executives						
G Blatrix	**110,984**	34,131	**50,400**	16,800	**-**	-
P Brues	**100,548**	25,045	**50,400**	16,800	**50,400**	16,800
J Czubak	**69,921**	25,868	**50,400**	16,800	**-**	-
L Desjardins	**98,172**	33,820	**-**	-	**-**	-
W J Long	**151,794**	35,479	**67,200**	22,400	**67,200**	22,400
I G Wilson	**130,144**	45,844	**58,100**	19,600	**77,700**	-
Former Senior Executive						
L J Lachal	**-**	-	**-**	-	**-**	-

Details of ordinary shares in the Company provided as a result of the exercise of share options and rights by the CEO and Senior Executives, together with the amounts paid per ordinary share at the date of exercise, are set out below:

TABLE 21: DETAILS OF ORDINARY SHARES PROVIDED

Name	Date of exercise of options	Amount paid per share ($)	Number of ordinary shares issued on exercise of options during the year	
			2009	2008
Former Senior Executives				
L J Lachal	6 March 2008	6.84	**-**	129,000

Name	Date of exercise of rights	Amount paid per share ($)	Number of ordinary shares issued on exercise of rights during the year	
			2009	2008
Executive Directors				
K N MacKenzie	31 October 2008	-	**56,000**	-
K N MacKenzie	5 December 2008	-	**56,000**	-
K N MacKenzie	15 January 2009	-	**20,000**	-
K N MacKenzie	15 January 2009	-	**20,000**	-
K N MacKenzie	4 February 2009	-	**70,000**	-
Senior Executives				
P Brues	12 January 2009	-	**6,000**	-
P Brues	28 January 2009	-	**44,400**	-
P Brues	10 April 2008	-	**-**	16,800
W J Long	13 January 2009	-	**8,000**	-
W J Long	28 January 2009	-	**59,200**	-
W J Long	10 April 2008	-	**-**	22,400
I G Wilson	11 December 2008	-	**19,600**	-
I G Wilson	11 December 2008	-	**19,600**	-
I G Wilson	19 June 2009	-	**7,000**	-
I G Wilson	19 June 2009	-	**7,000**	-
I G Wilson	19 June 2009	-	**24,500**	-

Details of the vesting profile of the options and rights granted as remuneration to the CEO and Senior Executives are detailed below:

TABLE 22: VESTING PROFILE OF OPTIONS AND RIGHTS GRANTED

Options

Name	Number	Grant date	Vested %	Lapsed %	Financial year in which options may vest	Minimum total value of grant yet to vest ($)	Maximum total value of grant yet to vest ($)
Executive Directors							
K N MacKenzie	250,000	27 October 2005	76%	-	30 June 2008	nil	58,800
	250,000	27 October 2005	76%	-	30 June 2009	nil	60,600
	250,000	27 October 2005	70%	-	30 June 2009	nil	77,250
	165,000	1 November 2007	-	-	30 June 2012	nil	178,200
	280,000	1 December 2008	-	-	30 June 2013	nil	260,400
Senior Executives							
G Blatrix	90,000	4 August 2006	76%	-	30 June 2008	nil	19,224
	180,000	1 February 2007	74%	-	30 June 2009	nil	50,076
	63,205	31 December 2007	-	-	30 June 2012	nil	72,054
	110,000	2 January 2009	-	-	30 June 2013	nil	96,800
P Brues	90,000	4 August 2006	76%	-	30 June 2008	nil	19,224
	180,000	1 February 2007	74%	-	30 June 2009	nil	50,076
	46,380	1 December 2007	-	-	30 June 2012	nil	50,090
	103,000	2 January 2009	-	-	30 June 2013	nil	95,790
J Czubak	90,000	4 August 2006	76%	-	30 June 2008	nil	19,224
	180,000	1 February 2007	74%	-	30 June 2009	nil	50,076
	47,904	1 December 2007	-	-	30 June 2012	nil	51,736
	90,000	1 December 2008	-	-	30 June 2013	nil	83,700
L Desjardins	62,631	1 December 2007	-	-	30 June 2012	nil	67,641
	92,000	1 December 2008	-	-	30 June 2013	nil	85,560
W J Long	120,000	4 August 2006	76%	-	30 June 2008	nil	25,632
	240,000	1 February 2007	74%	-	30 June 2009	nil	66,768
	65,702	1 December 2007	-	-	30 June 2012	nil	70,958
	145,000	2 January 2009	-	-	30 June 2013	nil	134,850
I G Wilson	100,000	4 August 2006	76%	-	30 June 2008	nil	21,360
	100,000	4 August 2006	76%	-	30 June 2009	nil	22,080
	100,000	4 August 2006	76%	-	30 June 2009	nil	23,280
	84,897	1 December 2007	-	-	30 June 2012	nil	91,689
	141,000	1 December 2008	-	-	30 June 2013	nil	131,130

Rights

Name	Number	Grant date	Vested %	Lapsed %	Financial year in which rights may vest	Minimum total value of grant yet to vest ($)	Maximum total value of grant yet to vest ($)
Executive Directors							
K N MacKenzie	100,000	27 October 2005	76%	-	30 June 2008	nil	101,760
	100,000	27 October 2005	76%	-	30 June 2009	nil	99,600
	100,000	27 October 2005	70%	-	30 June 2009	nil	123,900
	100,000	1 November 2007	-	-	30 June 2012	nil	368,000
	170,000	1 December 2008	-	-	30 June 2013	nil	705,500
Senior Executives							
G Blatrix	30,000	4 August 2006	76%	-	30 June 2008	nil	29,664
	60,000	1 February 2007	74%	-	30 June 2009	nil	75,348
	34,131	31 December 2007	-	-	30 June 2012	nil	129,015
	43,984	1 September 2008	-	-	30 June 2011	nil	219,920
	67,000	2 January 2009	-	-	30 June 2013	nil	245,890
P Brues	30,000	4 August 2006	76%	-	30 June 2008	nil	29,664
	60,000	1 February 2007	74%	-	30 June 2009	nil	75,348
	25,045	1 December 2007	-	-	30 June 2012	nil	92,166
	38,548	1 September 2008	-	-	30 June 2011	nil	192,740
	62,000	1 December 2008	-	-	30 June 2013	nil	257,300
J Czubak	30,000	4 August 2006	76%	-	30 June 2008	nil	29,664
	60,000	1 February 2007	74%	-	30 June 2009	nil	75,348
	25,868	1 December 2007	-	-	30 June 2012	nil	95,194
	14,921	1 September 2008	-	-	30 June 2011	nil	74,605
	55,000	1 December 2008	-	-	30 June 2013	nil	228,250
L Desjardins	33,820	1 December 2007	-	-	30 June 2012	nil	124,458
	42,172	1 September 2008	-	-	30 June 2011	nil	210,860
	56,000	1 December 2008	-	-	30 June 2013	nil	232,400
W J Long	40,000	4 August 2006	76%	-	30 June 2008	nil	39,552
	80,000	1 February 2007	74%	-	30 June 2009	nil	100,464
	35,479	1 December 2007	-	-	30 June 2012	nil	130,563
	63,794	1 September 2008	-	-	30 June 2011	nil	318,970
	88,000	1 December 2008	-	-	30 June 2013	nil	365,200
I G Wilson	35,000	4 August 2006	76%	-	30 June 2008	nil	34,608
	35,000	4 August 2006	76%	-	30 June 2009	nil	34,608
	35,000	4 August 2006	70%	-	30 June 2009	nil	42,735
	45,844	1 December 2007	-	-	30 June 2012	nil	168,706
	45,144	1 September 2008	-	-	30 June 2011	nil	225,720
	85,000	1 December 2008	-	-	30 June 2013	nil	352,750

E. CEO AND SENIOR EXECUTIVE SERVICE AGREEMENTS

Remuneration and other terms of employment for the CEO and Senior Executives are formalised in service agreements. Specific information relating to the terms of the service agreements of the current CEO and Senior Executives is set out in the table below:

TABLE 23: SUMMARY OF SPECIFIC TERMS OF EXECUTIVE SERVICES AGREEMENTS

Name	Term of agreement	Notice period	Redundancy/termination payment
K N MacKenzie	Open	12 months	Greater of amount payable required by law and 12 months Total Remuneration.(1)
G Blatrix	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months base salary).
P Brues	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months base salary).
J Czubak	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months base salary).
L A Desjardins	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months base salary).
N Garrard	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 month base salary).(2)
W J Long	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months base salary).
I G Wilson	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months base salary).

(1) Total Remuneration includes Total Fixed Reward plus target STI bonus, plus the annual actuarial value of long term incentive as reported in Amcor's Annual Report.

(2) An additional cash amount of $310,000 is payable on termination.

F. NON-EXECUTIVE DIRECTORS' REMUNERATION

Fee policy

The Non-Executive Director fee policy enables the Company to attract and retain high quality directors with relevant experience. At the same time, the cost to the Company is managed in relation to the maximum aggregate fee limit. The current aggregate fee limit of $2,500,000 was approved by shareholders at the 2008 Annual General Meeting.

Shareholders will note that whilst the aggregate fee limit was increased, no increase in fees was applied to existing Directors. Further, no increase was applied in the previous financial year (year ended 30 June 2008) and no increase is anticipated for the coming financial year (year to 30 June 2010).

Non-Executive Directors receive a fixed 'base' fee for their role as Board members, plus additional fees for the role of a member or chairman on Board sub-committees. The Chairman receives fees of up to three times the base fee, but does not receive additional fees for his involvement with Board sub-committees.

The fee policy is reviewed annually by the HR Committee, which obtains advice on market practice from independent remuneration consultants.

Performance-based remuneration and minimum shareholding

In order to maintain independence and impartiality, Non-Executive Directors do not receive performance-based remuneration. They are also required, under the Company's Constitution, to hold or be the beneficial owner of a minimum of 1,000 shares in the Company during their period of office.

Retirement allowances

The 2006 Annual Report advised of the Board's decision to discontinue the accrual of retirement allowances to those Directors who were still participants of the Amcor Limited Non-Executive Director Retirement Plan. With effect from 30 June 2006, existing entitlements under the Plan were 'frozen' and no further accruals will be made to the Plan other than CPI indexed adjustments.

Non-Executive Directors' Remuneration for the 2009 Financial Year

TABLE 24: DETAILS OF NON-EXECUTIVE DIRECTORS' REMUNERATION

		Short term employee benefits		Post-employment		
Non-Executive Directors		**Salary and fees**	**Non monetary benefits**	**Superannuation benefits**	**Retirement benefits[1]**	**Total compensation**
C I Roberts	**2009**	**604,500**	**4,660**	**54,405**	**45,257**	**708,822**
	2008	604,500	4,664	54,405	39,858	703,427
R K Barton	**2009**	**215,993**	**2,800**	**19,439**	**15,971**	**254,203**
	2008	216,500	2,816	19,485	14,066	252,867
G J Pizzey	**2009**	**181,847**	**2,755**	**63,538**	**-**	**248,140**
	2008	115,750	2,576	136,585	-	254,911
E J J Pope	**2009**	**202,910**	**2,815**	**33,300**	**-**	**239,025**
	2008	197,235	2,800	33,300	-	233,335
J G Thorn	**2009**	**254,000**	**2,812**	**22,860**	**-**	**279,672**
	2008	254,000	2,816	22,860	-	279,676
G A Tomlinson	**2009**	**247,587**	**2,800**	**22,283**	**17,198**	**289,868**
	2008	261,500	2,800	23,535	15,147	302,982
Total	**2009**	**1,706,837**	**18,642**	**215,825**	**78,426**	**2,019,730**
	2008	1,649,485	18,472	290,170	69,071	2,027,198

(1) Amounts shown represent CPI indexed adjustments.

Directors' Report
Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders. In light of release of the Australian Securities Exchange Corporate Governance Council's *Corporate Governance Principles and Recommendations* 2nd Edition, (the ASX Principles) during the past year, Amcor's corporate governance practices and policies were reviewed. This review resulted in updates being made to the Board and Committee Charters. Amcor also took the opportunity to consolidate its previous public disclosures in relation to its policies on risk management, shareholder communications and executive remuneration into distinct summaries that are now included on its website. The Company complies with the ASX Principles.

This Statement incorporates the disclosures required by the ASX Principles, and generally follows the order of the ASX Principles. Amcor's main corporate governance practices are summarised in this Statement. All these practices, unless otherwise stated, were in place for the full reporting period. Copies of Amcor's Board and Board Committee Charters, and key corporate governance policies, are available in the corporate governance section on Amcor's website at www.amcor.com/about us

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Role of the Board and management

The Board of Directors of Amcor Limited is responsible for the corporate governance of the Company. The Board provides strategic guidance for the Company, and effective oversight of management. The Board guides and monitors the business and affairs of Amcor Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board operates in accordance with the principles set out in its charter, which is available in the corporate governance section of the Company website.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the CEO and executive management. Responsibilities delegated to the CEO and executive management, as well as those reserved to the Board, are set out in the Group's delegated authority policy and these delegations are reviewed on a regular basis.

Responsibilities of the Board

The responsibilities of the Board include:

- Overseeing the management of the Company and direction of its business strategy with the aim of increasing value for shareholders;
- Providing strategic direction for, and approving, the Company's business strategies and objectives;
- Monitoring the operational and financial position and performance of the Company;
- Overseeing the identification of the principal risks faced by the Company and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
- Ensuring that financial and other reporting mechanisms are put in place by the CEO which result in adequate, accurate and timely information being provided to the Board and the Company's shareholders and the financial market as a whole being fully informed of all material developments relating to the Company;
- Appointing and, where appropriate, removing the Managing Director, approving other key executive appointments and planning for executive succession;
- Overseeing and evaluating the performance of the Managing Director, and other senior executives, having regard to the Company's business strategies and objectives;
- Instituting and implementing procedures for the annual review and evaluation of the performance of the Board;
- Reviewing and approving remuneration for the senior executives of the Company;
- Approving the Company's budgets and business plans and monitoring the management of the Company's capital, including the progress of any major capital expenditures, acquisitions or divestitures;
- Establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
- Adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- Approving, and reviewing, the Company's internal compliance procedures, including any codes of conduct and taking all reasonable steps to ensure that the business of the Company is conducted in an open and ethical manner; and
- Reviewing and amending the Board and committee charters.

Board processes

The full Board currently holds up to 10 scheduled meetings during the year plus strategy meetings and any supplementary meetings that may be necessary to address any significant matters that may arise. The agenda for meetings is prepared in conjunction with the Chairman, the Managing Director and CEO and the Company Secretary.

Standing items include the Managing Director's report, business group operating reports, financial reports, strategic matters and governance and compliance updates. All submissions are circulated in advance to allow the Board time to review and give due consideration to each report. The Board has access to Company executives and management, and independent advisers. Executives are regularly involved in Board discussions and Directors have other opportunities to interact with management and employees during visits to business units and plants both locally and overseas.

To ensure that the responsibilities of the Board are upheld and executed to the highest level, the Board has established the following Board committees:

- Audit & Compliance
- Executive
- Human Resources
- Nomination

Each of these committees have established charters and operating procedures in place, which are reviewed on a regular basis. The Board may establish other committees from time to time to deal with matters of special importance. The committees have access to the Company's executives and senior management, as well as independent advice. Copies of the minutes of each committee meeting are made available to the full Board, and the Chairman of each committee provides an update on the outcomes at the Board meeting that immediately follows the committee meeting.

The Board has also established a framework for the management of the consolidated entity including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The Company has an established process for the induction of new senior executives, to enable new senior executives to actively participate in decision making of the Company in accordance with their role, at the earliest opportunity following appointment.

A performance evaluation for senior executives takes place in July each year and last took place in July 2009, in compliance with the established evaluation process, including emphasis on demonstrating Amcor's values. A description of the process for evaluation and remuneration of senior executives is set out in the Remuneration Report on pages 24 to 43. The Company's policy for senior executive reward and evaluation, upon which the evaluation process is based, was published on the Company's website during the reporting period.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The names of the members of the Board as at the date of this report are set out below. Details of the Board members' experience, expertise, qualifications, term of office and independence status, are set out in the Directors' profiles on pages 16 to 17.

C I Roberts (Chairman) –
Independent Non-Executive Director

K N MacKenzie –
Managing Director and Chief Executive Officer

R K Barton –
Independent Non-Executive Director

G J Pizzey –
Independent Non-Executive Director

E J J Pope –
Independent Non-Executive Director

J G Thorn –
Independent Non-Executive Director

G A Tomlinson –
Independent Non-Executive Director

Composition of the Board

The Board's composition is determined using the principles set out in the Board Charter, including:

- A minimum of seven Directors, with a broad range of expertise both nationally and internationally;
- A majority of Independent Non-Executive Directors;
- A majority of Directors having extensive knowledge of the Company's industries, and those who do not, having extensive expertise in significant aspects of financial reporting and risk management of large companies;
- An Independent Non-Executive Director as Chairman;
- Enough Directors to serve on Board committees without overburdening the Directors or making it difficult for them to fully discharge their responsibilities; and
- Directors are subject to re-election at least every three years (except for the Managing Director and Chief Executive Officer).

The Board seeks to ensure that:

- At any point in time, its membership represents an appropriate balance between Directors with experience and knowledge of the Group and Directors with an external or fresh perspective; and
- The size of the Board is appropriate to facilitate effective discussion and efficient decision-making.

Directors' independence

The Board has adopted specific principles in relation to Directors' independence. These state that to be deemed independent, a Director must not be a member of management and must:

- Hold less than 5% of the voting shares of the Company and not be an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than 5% of the voting shares of the Company;
- Not, within the past three years, have been employed in an executive capacity by the Company or another group member, or have been a Director after ceasing to hold any such employment;
- Not, within the past three years, have been a principal or employee of a material* professional adviser or a material consultant to the Company or another group member;
- Not be a material* supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
- Not have a material* contractual relationship with the Company or another group member other than as a Director of the Company;
- Be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- Have the capacity to devote the necessary time to the important tasks entrusted to him/her as a Director of the Company.

The Board agreed in 2006 that, in the absence of special circumstances, the tenure for Non-Executive Directors should be limited to a maximum of 10 years, to ensure Directors remain demonstrably independent, with a view to the best representation of the interests of shareholders. During the reporting period, the Board Charter was updated to reflect this established policy. The charter contemplates that a Non-Executive Director will resign at the next Annual General Meeting after that Director has served nine years on the Board, in the absence of special circumstances.

Dr Keith Barton will retire by rotation at the 2009 Annual General Meeting. Consistent with the Board's policy, in the absence of special circumstances regarding the maximum tenure of Non-Executive Directors, Dr Barton does not intend to seek re-election.

The Company has identified a candidate to replace Dr Barton on the Board as noted on page 21.

Also consistent with the Board's tenure policy, both Mr Chris Roberts and Mr Geoff Tomlinson have offered to the Board to resign at the 2009 Annual General Meeting.

In the case of Mr Roberts, however, the Board determined that, having regard to the offer to acquire parts of the operations of Alcan Packaging having just been made by the Company, and also taking into account other projects currently under consideration by the Company globally, there are special circumstances existing such that it would be in the best interests of the Company if Mr Roberts continued as Director and Chairman until February 2012. Mr Roberts agreed to remain a Director and Chairman on that basis. It is intended that Mr Roberts will resign as a Director at that time, absent any further special circumstances then existing that would, in the Board's view under its tenure policy, justify further service. Mr Roberts continued tenure will remain subject to the retirement by rotation and re-election requirements set out in the Company's constitution and the ASX Listing Rules.

* The Board considers as 'material' in this context, where any Director related business relationship has represented, or is likely in future to represent, the lesser of at least 5% of the relevant segment's or the Director-related business' revenue. The Board considered the nature of the relevant industries' competition and the size and nature of each Director related business relationship, in arriving at this threshold.

Directors' Report
Corporate Governance Statement

The Board also determined that special circumstances existed in the case of Mr Tomlinson, having regard to the offer to acquire parts of the operations of Alcan Packaging and to ensure an orderly process of Board succession. In that light, the Board determined that it would be in the best interests of the Company if Mr Tomlinson's resignation was deferred until no later than April 2010, at the discretion of the Chairman, while the Company continued a search, with the assistance of external consultants, for potential new Directors as part of Board succession planning. Mr Tomlinson agreed to remain a Director on that basis.

The Board undertakes an annual review of the extent to which each Non-Executive Director is independent, having regard to the criteria set out in its Charter and any other relevant relationship that the Non-Executive Director may have. As part of this review process, each Director is required to make an annual disclosure of information to the Board.

Term of office held by each Director

The term of office of each Director in office at the date of this report is outlined in the Directors' profiles on pages 16 to 17.

The role of the Chairman

The Board Charter provides that the Chairman should be an independent Director and should not be the CEO of the Company simultaneously. The Chairman is responsible for the leadership of the Board, including taking all reasonable steps to ensure that the Board functions effectively, and for communicating the views of the Board to the public. The particular responsibilities of the Chairman are outlined in the Board Charter, and include:

- Setting the agenda for the matters to be considered at meetings of the Board;
- Managing the conduct at, and frequency and length of, Board meetings so as to provide the Board with an opportunity to have a detailed understanding of issues affecting the Company; and
- Facilitating open and constructive communications between members of the Board and encouraging their contribution to Board deliberations.

In accepting the position, the Chairman has acknowledged that it will require a significant time commitment and has confirmed that other positions will not hinder the effective performance of the role of Chair.

Nomination Committee

The Nomination Committee of the Board oversees the appointment and induction process for Directors and Board committee members, and the selection, appointment and succession planning process of the Company's Managing Director and Chief Executive Officer. Details of the nomination, selection and appointment processes are available on the Company's website.

The Nomination Committee's Charter, which is available in the corporate governance section of the Company's website, sets out the Committee's responsibilities, which include making recommendations to the Board on the appropriate skill mix, personal qualities, expertise and diversity of each position, following the annual assessment of the Board. When a vacancy exists or there is a need for particular skills, the Committee, in consultation with the Board, determines the selection criteria based on the skills deemed necessary. The Committee identifies potential candidates with advice from an external consultant where appropriate. The Board then appoints the most suitable candidate. Board appointees must stand for election at the next Annual General Meeting of shareholders.

The Committee also makes recommendations to the Board and oversees implementation of the procedure for evaluating the Board's performance, as well as oversees and makes recommendations to the Board in respect of on-going training requirements of Directors.

The Nomination Committee comprises of three independent Non-Executive Directors, and the Chairman of the Board is Chairman of the Committee. The names of the members as at the date of this report are set out below and further details of their profiles are set out on pages 16 to 17.

Nomination Committee:

C I Roberts (Chairman) –
Independent Non-Executive Director

G J Pizzey –
Independent Non-Executive Director

E J J Pope –
Independent Non-Executive Director

The Nomination Committee met twice during the year. Attendance at meetings is disclosed on page 19.

The Board undertakes an assessment of its collective performance, the performance of the Board committees and the Chairman, on an annual basis. The Chairman meets privately with individual Directors as part of the assessment process. The results of this assessment are documented and any action plans implemented. An assessment in accordance with the established process was undertaken in June 2009. Further details of the Nomination Committee's charter, policies and processes, including those for appointing Directors and evaluating the Board's performance, are available on the Company's website.

Individual Director's responsibilities

Directors are appointed pursuant to a formal letter of appointment and a deed of appointment, which set out the key terms relevant to the appointment including the responsibilities and expectations of Directors for attendance and preparation for all Board meetings, appointments to other Boards, the procedures for dealing with conflicts of interest, and the availability of independent professional advice.

Non-Executive Directors are expected to spend a reasonable time each year preparing for and attending Board and committee meetings and associated activities.

The Directors held 13 Board meetings and 18 committee meetings during the year. The number of meetings attended by each Director is disclosed on page 19. Directors visited operational sites of the Company in addition to attending Board meetings during the year.

It is the Company's practice to allow its executive Directors to accept appointments outside the company with prior written approval of the Board.

The commitments of Non-Executive Directors are considered by the Nomination Committee prior to the Directors' appointment to the Board of the Company and are reviewed each year as part of the annual performance assessment. Prior to appointment or being submitted for re-election, each non-executive Director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Company.

Director induction and education

Amcor has in place a formal process to educate new Directors about the operation of the Board and its committees and financial, strategic, operations and risk management issues, the corporate strategy and the expectations of performance of Directors. Directors also have the opportunity to visit Amcor facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Independent professional advice and access to information

Each Director has the right of access to all relevant company information and to the Company's executives and, subject to prior consultation with and approval from the Chairman, may seek independent professional advice from an advisor suitably qualified in the relevant field at the Company's expense. A copy of the advice received by the Director is made available for all other members of the Board.

The Board and the Company Secretary

The Company Secretary is accountable to the Board and the appointment or removal of the Company Secretary is a matter for the Board as a whole.

Each Director is entitled to access the advice and services of the Company Secretary. The names and details of the Company Secretaries as at the date of this report are set out on page 19.

Executive Committee

The Executive Committee's Charter sets out the responsibilities of the Executive Committee. The Charter is available on the Company's website. The Committee deals with matters referred to it by the Board or with urgent matters which may not be deferred until the next meeting of the Board. A majority of the Committee must be independent. The names of the members of the Committee as at the date of this report are set out below and further details of their profiles are set out on pages 16 to 17.

Executive Committee:

C I Roberts (Chairman) –
Independent Non-Executive Director

R K Barton –
Independent Non-Executive Director

K N MacKenzie –
Executive Director

G J Pizzey –
Independent Non-Executive Director

All other Non-Executive Directors receive the Executive Committee agendas and papers and are encouraged to attend meetings of the Executive Committee as available. The Committee met five times during the year and members' attendance at these meetings is disclosed in the table of Directors' meetings on page 19.

Superannuation Committee

This Committee had been established for a limited period to assist the Board in fulfilling its responsibility for oversight of superannuation and pension matters affecting the Company. It was determined by the Board and members of the Superannuation Committee in May 2009 that it was no longer necessary for this Committee to meet separately and that any matters could be dealt with by the Board.

The Committee consisted of three Independent Non-Executive Directors who met three times during the year. The names of the members of the Committee prior to its discontinuance in May 2009 are set out below and further details of their profiles are set out on pages 16 to 17. Attendances are shown on page 19.

Superannuation Committee:

G A Tomlinson (Chairman) –
Independent Non-Executive Director

J G Thorn –
Independent Non-Executive Director

C I Roberts –
Independent Non-Executive Director

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Conflict of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist Directors to disclose potential conflicts of interest and, each year, all independent Directors complete independence declarations. Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

Details of Director-related entity transactions with the Company are set out in Note 28 to the Financial Statements.

Code of Conduct and Ethics

Amcor recognises the importance of honesty, integrity and fairness in conducting its business, and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. Amcor believes that it is not only required to abide by the national laws in each country in which it operates, but that it must also conduct its business in accordance with internationally-accepted practices and procedures.

These core principles, which the Board and senior management of Amcor are committed to upholding, are enshrined in Amcor's values and encapsulated in Amcor's Corporate Code of Conduct and Ethics Policy, which is available in the corporate governance section of the Company's website. The Code of Conduct and Ethics Policy also reiterates that bribery of any form is unacceptable.

Amcor believes that these principles extend to all workers producing or providing products or services for Amcor, whether or not they are employees of Amcor.

Each new employee is introduced to the Code as part of their induction training and employees are asked to sign a declaration confirming their compliance with the Code and further training is periodically provided, together with articles published in the global staff publications reinforcing compliance with the Code.

Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. Alternatively, employees may use the Whistleblower procedures in place.

Whistleblower Policy

The Code of Conduct and Ethics Policy includes a Whistleblower Policy. Under this policy, an Amcor Whistleblower Service was introduced in 2004 to facilitate reporting of potential misconduct within the Company. The Board reviews the Code of Conduct and Ethics Policy and the Whistleblower Policy regularly and processes are in place to promote and communicate these policies. The Whistleblower Policy can be found in the Corporate Governance section of the Company's website.

The Whistleblower Service enables employees to report potential misconduct including illegal activity, breach of the Code of Conduct, fraudulent or corrupt practices, harassment or discrimination, misleading or deceptive conduct of any kind, unethical behaviour and health, safety or environmental hazards. Reporting is through an independent third party, who is responsible for coordinating the investigation of issues raised on behalf of the Company and the Whistleblower. Employees who report suspected inappropriate conduct are protected from bullying, harassment or discrimination when they make reports in good faith. There were 41 reports recorded during the reporting period. Each such report is investigated thoroughly and appropriate action taken. Matters raised under the Whistleblower program are reported to the Board Audit & Compliance Committee. The Committee also reviews the effectiveness of the Whistleblower program. The most recent review was completed in May 2009,

concluding that the program was operating effectively.

In addition, a third party complaints email and free post facility is available on the Company's website to enable third parties such as suppliers, consumers, contractors and customers to report potential misconduct within the organisation.

Fraud Policy

The Amcor Corporate Fraud Framework and Policy outlines the responsibilities and strategies to identify fraud within the Amcor Group, and the processes for reporting of fraud and recovering losses. This policy applies to all activities, employees and other representatives of Amcor globally.

Trading in company securities by Directors and employees

Amcor has a Share Trading Policy to control trading by Directors and employees in securities of Amcor Limited. Key elements of the policy are:

- Any Director and employee who has price sensitive information relating to Amcor which has not been published or which is not otherwise generally available, may not deal in Amcor securities, advise, procure or encourage another person to deal in Amcor securities, or pass on information to any other person who may use the information to deal in Amcor securities;
- Amcor has limited the times when Directors and employees may buy or sell company securities. Trading is limited to periods of four weeks after the release of the half year results, full year results and the holding of the Annual General Meeting;
- Directors and employees must not engage in hedging arrangements (including, for example, the use of put and call options or derivative instruments) over unvested securities issued pursuant to any employee or Director option or share plan. In addition, hedging over vested securities must comply with the Share Trading Policy; and
- It is recognised that individual circumstances may require a person to dispose of securities outside the specified windows. In such cases, any Director or employee is required to seek the prior approval of the Company Secretary who may approve the transaction or, in certain circumstances, seek approval from the Executive General Manager Human Resources or the Chairman of the Board.

The Share Trading Policy can be found on the Corporate Governance section of the Company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit & Compliance Committee

The Audit & Compliance Committee has a documented charter approved by the Board, which is the subject of regular review. The charter was reviewed during the reporting period with the aim of ensuring compliance with the ASX Principles. The Audit & Compliance Committee's charter is available in the Corporate Governance section of the Company's website.

The Audit & Compliance Committee charter provides that all members of the Audit & Compliance Committee must be independent non-executive Directors. The Chairman cannot be the Chairman of the Board.

The Audit & Compliance Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting processes of the Company, the audits of the Company's financial statements, the performance of the Company's internal and external auditors and the Company's processes to manage financial risk. The Committee approves the appointment of or dismissal of the head of the Company's internal audit function. The head of internal audit provides regular reports directly to the Committee. The Committee charter provides that the Committee will have the authority and resources necessary to discharge its duties and responsibilities, including meeting with the auditors without management present.

The Committee is responsible for the appointment, compensation, retention and oversight of the external auditor, including the independence of the external auditors, and review of any non-audit services provided by the external auditors. The Company and Audit & Compliance Committee policy is to review the performance of the external auditor regularly regarding quality, costs and independence. PricewaterhouseCoopers was appointed as external auditor by the shareholders in 2007. It is a Company requirement for regular rotation of audit engagement partner and PricewaterhouseCoopers has a policy of rotation at least every five years. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit & Compliance Committee (page 52). Fees paid to the external auditors, including a break-down of fees for non-audit services, are reported in Note 8 to the Financial Statements.

The Audit & Compliance Committee is required under the charter to meet at least quarterly and otherwise as necessary. The Committee met four times during the year and Committee members' attendance records are disclosed in the table of Directors' meetings on page 19. The external auditor met with the Audit & Compliance Committee four times during the year without management being present.

The names of the members of the Committee as at the date of this report are set out below and further details of their profiles are set out on pages 16 to 17.

Audit & Compliance Committee:

J G Thorn (Chairman) –
Independent Non-Executive Director

E J J Pope –
Independent Non-Executive Director

C I Roberts –
Independent Non-Executive Director

G A Tomlinson –
Independent Non-Executive Director

The internal and external auditors, the Managing Director and Chief Executive Officer and the Executive General Manager Finance, are invited to Audit & Compliance Committee meetings at the discretion of the Committee.

PRINCIPLES 5 AND 6: MAKE TIMELY AND BALANCED DISCLOSURE AND RESPECT THE RIGHTS OF SHAREHOLDERS

Amcor has established policies and procedures to ensure timely and balanced disclosure of all material matters concerning the Company, and to ensure that all investors have access to information on Amcor's financial performance. These policies and procedures include a comprehensive Disclosure Policy which includes identification of matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting relevant information on the Company's website, and issuing media releases. The Disclosure Policy is available on the Company's website. Details of other forms of shareholder communication are set out in the Shareholder Communication Policy, which is available on the Company's website. This policy describes Amcor's approach to promoting effective communication with shareholders, which includes:

- The Annual Report, including relevant information about the operations of the consolidated entity during the year, key financial information, changes in the state of affairs and indications of future developments. The Annual Reports for

the current year and for several previous years are available under the Investor Information section of the Amcor website;

- The Half Year and Full Year Financial Results are announced to the ASX and are available to shareholders via the Amcor and ASX websites;
- All announcements made to the market, and related information (including presentations to investors and information provided to analysts or the media during briefings), are made available to all shareholders under the Investor Information section of the Amcor website after they are released to the ASX; and
- A live webcast of the Chairman's address is available on the Company's website at the time of the Annual General Meeting, and an archived webcast of the Chairman's address is available in the Investor Information section of the website, together with other annual general meeting materials including notices of meetings and associated explanatory material.

All ASX announcements, media releases and financial information, including those of the previous three years, are available on Amcor Limited's website within one day of public release.

The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of Director accountability to shareholders and shareholder identification with the Company's strategy and goals. Notices for general meetings and other communications with shareholders are drafted to ensure that they are honest, accurate and not misleading, and that the nature of the business of the meeting is clearly stated and explained where necessary. Important issues are presented to the shareholders as single resolutions. The shareholders are requested to vote on matters such as the election and aggregate remuneration of Directors, the adoption of the Company's remuneration report, the granting of options and shares to Directors and changes to the Constitution. The external auditors attend the Annual General Meeting to answer any questions concerning the audit and the content of the auditor's report.

A copy of the Constitution is available to any shareholder who requests it, and can be viewed on the Company's website. At the 2009 Annual General Meeting of the Company, shareholders will be asked to approve a number of proposed updates to the Company's Constitution. Those updates are explained in the explanatory notes to the Notice of Meeting, which is being sent to all shareholders.

eTree

Amcor supports the environmental initiative eTree. Under this program, Amcor shareholders can help reduce paper usage and company costs by electing to receive all shareholder information (including the Annual Report) online. For every email address registered on www.eTree.com.au/amcor, $2 is donated to Landcare Australia on the shareholders' behalf to support native reforestation and restoration projects in Australia and New Zealand. Amcor has already helped to facilitate the planting of more than 23,500 native trees via this initiative.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Risk management framework

Amcor understands and recognises that rigorous risk and opportunity management is essential for corporate stability and for sustaining its competitive market position and long term performance.

The following objectives drive Amcor's approach to risk management:

- Having a culture that is risk aware and which is supported by high standards of accountability at all levels;
- Achieving a truly integrated risk management approach where risk management forms part of all key organisational processes;
- Supporting more effective decision making through better understanding and consideration of risk exposures;
- Enhancing shareholder value through improved share price and earnings growth in the short to medium term whilst building a sustainable business for the longer term;
- Improving stakeholder confidence and trust;
- Enhancing organisational efficiencies;
- Safeguarding the company's assets – human, property, reputation, knowledge;
- Enabling the Board to fulfil its governance and compliance requirements; and
- Supporting the sign-off for ASX Principles 4 and 7 by the Managing Director and Chief Executive Officer and Executive General Manager Finance.

Amcor has implemented an enterprise risk management framework to improve its ability to meet the above objectives and achieve the desired outcomes.

Amcor's approach incorporates the principles of effective risk management, as set out in the Global Risk Management Standard ISO31000.

In achieving effective risk management, Amcor recognises the importance of leadership. As such, the Board and senior executives have responsibility for driving and supporting risk management across the Group. Each Business Group then has responsibility for implementing this approach and adapting it, as appropriate, to its own circumstances.

While risks are owned and managed by employees at all levels of the organisation, the existence of an executive-level Risk Champion in each Business Group helps ensure a consistent approach to risk management.

Enterprise risk management seeks to apply risk management across an entire organisation, and it does this so that all material risks can be identified, assessed and mitigated. In recognition of this, the Amcor Board recently reviewed the risk appetite of the organisation. To facilitate the identification and assessment of all material risks, the Board agreed to expand the parameters of the risk appetite to include safety, environment, reputation, and corporate governance, in addition to financial risks.

Amcor's assurance function, which includes the Internal Audit function, plays a key role in reviewing the effectiveness of Amcor's compliance and control systems, including risk management. Findings from reviews are communicated in formal reports to the Board and the Audit and Compliance Committee, and then appropriate action is taken to support the maintenance of a strong control environment.

The combined strength of Amcor's risk management and assurance activities coupled with Amcor's risk management culture provides the Group with an effective risk management framework.

A summary of Amcor's risk related policies can be found with other corporate governance policies under the corporate governance section of the Amcor website.

Risk management continuous improvement

In February 2009, the second annual independent Enterprise Risk Management (ERM) Framework Maturity Assessment was completed by Ernst & Young. The assessment included analysis of the current ERM Framework from both a technical and behavioural perspective in addition to benchmarking Amcor's ERM framework's compliance with:

- ASX Principles – Principle 7;
- Standard & Poor's Corporate Rating Process; and
- Dow Jones Sustainability Index.

Key stakeholders including members of the Board, senior management and the Business Group Risk Champions were engaged as part of the maturity assessment process.

The assessment results indicated that Amcor made significant progress towards its desired level of risk management maturity. Over the coming 12 months the focus of ERM enhancement will shift from technical design to an embedding phase with additional focus on providing assistance to the Amcor Business Groups on the behaviours, culture and capabilities required to ensure risk management becomes integrated as standard business process. To support the embedding of ERM, Amcor is in the process of implementing a software tool to greatly improve the identification, assessment and analysis of all material risks.

Internal control

Amcor's Directors accept the responsibility for oversight of the effectiveness of the Group's internal control environment. The Board's policies on internal governance control are comprehensive, as noted earlier in this statement, and include clearly drawn lines of accountability and delegation of authority, as well as adherence to the Code of Conduct and Ethics. In order to effectively discharge these responsibilities, the Company has a number of assurance functions (including the internal audit function) to independently review the control environment and provide regular reports to Directors and management committees. These reports and associated recommendations are considered and acted upon to maintain or strengthen the control environment.

Amcor's Internal Audit function assists the Board to ensure compliance with the internal controls and risk management programs by regularly reviewing the effectiveness of the Company's compliance and control systems. The Audit & Compliance Committee is responsible for approving the scope of internal audit review, overseeing the performance of the internal audit team, and reporting to the Board on the status of the risk management system.

Environmental regulation

The consolidated entity is committed to achieving a high standard of environmental performance. Its operations are subject to significant environmental regulation in all countries in which it maintains a presence.

The Board is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations. As part of this process, the Board is responsible for:

- Overseeing implementation of environmental management plans in operating areas which may have a significant environmental impact;
- Identifying where remedial actions are required and implementing action plans to remedy problems, reduce the risks of adverse environmental impact, and improve environmental performance; and
- Regular monitoring of regulatory requirements.

To enable it to meet its responsibilities of oversight, the Board has established an internal reporting process. Environmental performance is reported from each site up through management to the Board on a regular basis. Compliance with the requirements of environmental regulations and with specific requirements of site environmental licences was substantially achieved across all operations. Information on compliance with significant environmental regulations is set out on page 21 of the Directors' Report. The Sustainability Review on pages 14 to 15 also addresses environmental performance.

Corporate reporting

The Board has required management to design and implement a risk management and internal control system to manage the entity's material business risks and to report on whether those risks are being effectively managed.

The Managing Director and Chief Executive Officer and the Executive General Manager Finance, have reported and declared in writing to the Board as to the effectiveness of the Company's management of its material business risks, in accordance with Recommendation 7.2 of the ASX Principles.

The Board has received the relevant declarations from the Managing Director and Chief Executive Officer and the Executive General Manager Finance in accordance with s295A of the *Corporations Act 2001* and the relevant assurances required under Recommendation 7.3 of the ASX Principles as follows:

(a) With regard to the integrity of the Financial Statements of Amcor Limited for the full year, being the year ended 30 June 2009, that having made appropriate enquiries, in our opinion:

  (i) The financial records of the Company and of the entities whose financial statements are required to be included in its consolidated financial statements ('the consolidated entity') for the financial year have been properly maintained in accordance with s286 of the *Corporations Act 2001*; and

  (ii) The financial reports of the Company and of the consolidated entity, being the Financial Statements and Notes, present a true and fair view of the financial position and performance of the Company and of the consolidated entity in accordance with s297 of the *Corporations Act 2001* and comply with relevant accounting standards.

(b) With regard to the risk management and internal compliance and control systems of the consolidated entity in operation for the year ending 30 June 2009 that having made appropriate enquiries, within the context described in (c) below, to the best of our knowledge and belief:

  (i) The statements made in (a)(ii) above regarding the financial reports are founded on sound risk management and internal compliance and control systems which in all material aspects, implement the policies which have been adopted by the Board of Directors of the Company either directly or through delegation to senior executives; and

  (ii) The risk management and internal compliance and control systems adopted by the Company are operating effectively and efficiently, in all material respects.

(c) The statements made in (b) above regarding the risk management and internal compliance and control systems of the consolidated entity in operation for the year ending 30 June 2009 are made within the following context:

  (i) These statements provide a reasonable, but not absolute, level of assurance;

  (ii) The risk management and internal compliance and control systems of the consolidated entity were enhanced during the current reporting period. The design, operation and testing of controls has been assessed primarily through the use of declarations by process owners who are responsible for the operation of those controls. This assessment will continue to evolve and be enhanced in the future as the risk management and internal compliance and control systems are further developed; and

(iii) While a number of control deficiencies were identified during the year, in all such cases, additional tests of procedures or tests of applicable account balances included in the Financial Statements have confirmed that there has been no material impact on the Financial Statements.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Human Resources Committee

The Human Resources Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the Managing Director and Chief Executive Officer, senior executives and non-executive Directors. It is also responsible for oversight of the Company's policies and procedures for retention of senior management, incentive performance schemes, executive development leadership and succession plans, and human resource plans for each business. The majority of members must be independent, and the Chairman of the Committee is an independent non-executive Director. The Committee has authority to retain external advisors as it deems appropriate. The Human Resources Committee's charter was reviewed and updated during the reporting period. The charter and a summary of the Company's policy for senior executive reward and evaluation are available in the corporate governance section of the Company's website.

Details of the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives, and details of senior executives' remuneration and incentives are set out in the Remuneration Report, on pages 24 to 43. Information regarding the structure of non-executive Director remuneration, superannuation for non-executive Directors and the Company policy on retirement benefits is contained in the Remuneration Report on pages 24 to 43.

In accordance with Amcor's Share Trading Policy and employee share plan rules, Directors and employees are prohibited from engaging in hedging arrangements over unvested securities issued pursuant to any employee or Director share plan. Further details of this policy can be found in the Remuneration Report on page 25 and a copy of the policy can be found in the corporate governance section of the Company's website.

The names of the members of the Human Resources Committee as at the date of this report are set out below and further details of their profiles are set out on pages 16 to 17. The Human Resources Committee meets as and when required. The Committee met four times during the year and committee members' attendance records are disclosed in the table of Directors' meetings on page 19.

Human Resources Committee:

G J Pizzey (Chairman) –
Independent Non-Executive Director

R K Barton –
Independent Non-Executive Director

E J J Pope –
Independent Non-Executive Director

C I Roberts –
Independent Non-Executive Director

The Managing Director and Chief Executive Officer is no longer a member of this Committee, but attends meetings by invitation. The Managing Director and Chief Executive Officer will not attend for matters relating to the remuneration of the Managing Director and Chief Executive Officer.

DECLARATION

This Directors' Report is made in accordance with a resolution of the Directors, dated at Melbourne, in the State of Victoria, on 18 August 2009.

CHRIS ROBERTS
Chairman

KEN MACKENZIE
Managing Director
and Chief Executive Officer

Auditor's Independence Declaration

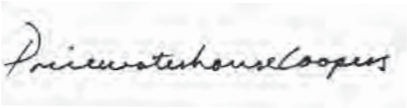
PRICEWATERHOUSECOOPERS

As lead auditor for the audit of Amcor Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Amcor Limited and the entities it controlled during the period.



PricewaterhouseCoopers

Dale McKee
Partner

Melbourne
18 August 2009

Financial Report

CONTENTS OF FINANCIAL REPORT **PAGE**

Income Statements		54
Balance Sheets		55
Statements of Recognised Income and Expense		56
Cash Flow Statements		57

NOTES TO THE FINANCIAL STATEMENTS

1	Summary of Significant Accounting Policies	59
2	Segment Information	69
3	Discontinued Operations	73
4	Revenue, Other Income and Financial Income	75
5	Expenses	76
6	Significant Items	77
7	Income Tax Expense	79
8	Auditors' Remuneration	80
9	Earnings per Share	80
10	Cash and Cash Equivalents	81
11	Trade and Other Receivables	82
12	Inventories	82
13	Other Financial Assets	83
14	Equity Accounted Investments	84
15	Property, Plant and Equipment	85
16	Deferred Tax Assets and Liabilities	87
17	Intangible Assets	89
18	Other Non-Current Assets	91
19	Trade and Other Payables	92
20	Interest-Bearing Liabilities	92
21	Other Financial Liabilities	93
22	Provisions	94
23	Retirement Benefit Obligations	96
24	Contributed Equity and Reserves	100
25	Dividends	102
26	Financial Risk Management	103
27	Share-Based Payments	116
28	Key Management Personnel Disclosure	126
29	Other Related Party Disclosures	130
30	Contingencies	131
31	Commitments	133
32	Particulars in Relation to Controlled Entities and Businesses	134
33	Deed of Cross Guarantee	135
34	Events Subsequent to Balance Date	137

Income Statements

For the financial year ended 30 June 2009

$ million	Note	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Sales revenue from continuing operations	2, 4	**9,535.4**	9,234.9	**–**	–
Cost of sales		**(8,038.7)**	(7,752.5)	**–**	–
Gross profit		**1,496.7**	1,482.4	**–**	–
Other income	2, 4	**87.2**	101.4	**126.7**	137.2
Sales and marketing expenses		**(326.7)**	(318.4)	**–**	–
General and administration expenses		**(820.6)**	(789.7)	**(275.0)**	(75.6)
Research costs		**(39.8)**	(36.2)	**–**	–
Share of net profit of equity accounted investments	14	**36.1**	27.7	**–**	–
Profit from operations		**432.9**	467.2	**(148.3)**	61.6
Financial income	4	**11.2**	29.7	**304.5**	355.8
Financial expenses	5	**(192.9)**	(209.4)	**(357.3)**	(377.1)
Net finance costs		**(181.7)**	(179.7)	**(52.8)**	(21.3)
Profit before related income tax expense		**251.2**	287.5	**(201.1)**	40.3
Income tax (expense)/benefit	7	**(32.8)**	(49.4)	**98.6**	4.0
Profit from continuing operations		**218.4**	238.1	**(102.5)**	44.3
Profit/(loss) from discontinued operations, net of tax	2, 3	**(0.6)**	28.4	**–**	(9.9)
Profit for the financial period		**217.8**	266.5	**(102.5)**	34.4
Profit attributable to:					
Members of Amcor Limited		**211.7**	258.8	**(102.5)**	34.4
Minority interest		**6.1**	7.7	**–**	–
		217.8	266.5	**(102.5)**	34.4
		Cents	Cents		
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of Amcor Limited					
Basic earnings per share	9	**25.4**	26.9		
Diluted earnings per share	9	**25.2**	26.6		
Earnings per share for profit attributable to the ordinary equity holders of Amcor Limited					
Basic earnings per share	9	**25.3**	30.1		
Diluted earnings per share	9	**25.1**	29.8		

The above income statements should be read in conjunction with the accompanying notes on pages 59 to 137.

Balance Sheets

As at 30 June 2009

$ million	Note	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
CURRENT ASSETS					
Cash and cash equivalents	10	**188.6**	258.3	**6.1**	115.7
Trade and other receivables	11	**1,141.0**	1,235.4	**5,573.9**	5,362.4
Inventories	12	**979.6**	1,117.9	**–**	–
Other financial assets	13	**8.7**	6.7	**0.9**	0.9
Total current assets		**2,317.9**	2,618.3	**5,580.9**	5,479.0
NON-CURRENT ASSETS					
Investments accounted for using the equity method	14	**509.0**	310.9	**–**	–
Other financial assets	13	**42.3**	30.0	**4,888.0**	4,856.3
Property, plant and equipment	15	**3,795.9**	3,624.4	**0.1**	0.2
Deferred tax assets	16	**162.9**	88.2	**38.0**	–
Intangible assets	17	**1,499.1**	1,309.2	**7.0**	8.0
Other non-current assets	18	**118.9**	88.9	**4.8**	3.0
Total non-current assets		**6,128.1**	5,451.6	**4,937.9**	4,867.5
Total assets		**8,446.0**	8,069.9	**10,518.8**	10,346.5
CURRENT LIABILITIES					
Trade and other payables	19	**1,722.2**	1,808.9	**59.2**	40.5
Interest-bearing liabilities	20	**956.1**	677.5	**4,549.8**	4,179.3
Other financial liabilities	21	**16.2**	3.8	**2.8**	0.3
Current tax liabilities		**53.5**	21.8	**–**	0.6
Provisions	22	**204.3**	230.0	**3.7**	3.0
Total current liabilities		**2,952.3**	2,742.0	**4,615.5**	4,223.7
NON-CURRENT LIABILITIES					
Trade and other payables	19	**31.5**	26.3	**–**	–
Interest-bearing liabilities	20	**1,875.7**	1,833.2	**1,867.6**	1,695.0
Other financial liabilities	21	**–**	0.1	**0.3**	0.8
Deferred tax liabilities	16	**210.2**	182.7	**–**	33.8
Provisions	22	**124.9**	115.3	**4.4**	4.5
Retirement benefit obligations	23	**175.8**	167.0	**36.0**	25.2
Total non-current liabilities		**2,418.1**	2,324.6	**1,908.3**	1,759.3
Total liabilities		**5,370.4**	5,066.6	**6,523.8**	5,983.0
NET ASSETS		**3,075.6**	3,003.3	**3,995.0**	4,363.5
EQUITY					
Contributed equity	24	**2,440.3**	2,406.1	**2,440.3**	2,406.1
Reserves	24	**(311.5)**	(443.7)	**17.8**	9.0
Retained profits	24	**883.8**	986.4	**1,536.9**	1,948.4
Total equity attributable to equity holders of Amcor Limited		**3,012.6**	2,948.8	**3,995.0**	4,363.5
Minority interest	24	**63.0**	54.5	**–**	–
TOTAL EQUITY		**3,075.6**	3,003.3	**3,995.0**	4,363.5

The above balance sheets should be read in conjunction with the accompanying notes on pages 59 to 137.

Statements of Recognised Income and Expense

For the financial year ended 30 June 2009

$ million	Note	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Net change in fair value of available-for-sale financial assets		**(0.8)**	(7.9)	**–**	–
Net change in fair value of available-for-sale financial assets transferred to profit or loss		**2.2**	–	**–**	–
Effective portion of changes in fair value of cash flow hedges		**(13.1)**	13.7	**1.6**	8.7
Net change in fair value of cash flow hedges transferred to profit or loss	26	**7.7**	3.0	**3.6**	(2.2)
Net change in fair value of cash flow hedges transferred to non-financial assets	26	**(0.5)**	(1.5)	**–**	–
Exchange differences on translation of foreign operations		**133.5**	(142.5)	**–**	–
Actuarial losses on defined benefit plans	23	**(40.1)**	(103.4)	**(35.4)**	(22.1)
Income tax on income and expense recognised directly in equity	7, 16	**14.8**	16.2	**4.6**	4.6
Income and expense recognised directly in equity		**103.7**	(222.4)	**(25.6)**	(11.0)
Profit for the financial period		**217.8**	266.5	**(102.5)**	34.4
Total recognised income and expense for the financial period	24	**321.5**	44.1	**(128.1)**	23.4
Total recognised income and expense for the financial period is attributable to:					
Members of Amcor Limited	24	**307.2**	41.6	**(128.1)**	23.4
Minority interest	24	**14.3**	2.5	**–**	–
		321.5	44.1	**(128.1)**	23.4

Other movements in equity arising from transactions with owners as owners as set out in Note 24.

The above statements of recognised income and expense should be read in conjunction with the accompanying notes on pages 59 to 137.

Cash Flow Statements

For the financial year ended 30 June 2009

$ million	Note	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial period		**217.8**	266.5	**(102.5)**	34.4
Depreciation	15	**412.4**	386.6	**0.1**	0.1
Amortisation of intangible assets		**29.7**	26.5	**1.7**	1.6
Amortisation of financial guarantee contracts	4	**–**	–	**2.6**	(2.0)
Impairment losses on property, plant and equipment, receivables and inventory		**14.3**	15.1	**–**	–
Reversal of impairment losses on property, plant and equipment, receivables and inventory		**(2.8)**	(3.4)	**–**	–
Impairment losses on intangible assets	17	**–**	9.4	**–**	–
Non-cash retirement benefit expense	23	**29.2**	29.2	**2.3**	(0.4)
Net finance costs		**181.7**	179.4	**52.8**	21.3
Grant income recognised	4	**(2.2)**	(2.2)	**–**	–
Net gain on disposal of non-current assets	4	**(23.8)**	(38.1)	**–**	–
Net gain on disposal of businesses/controlled entities	4	**(0.5)**	(9.4)	**–**	–
Net loss on disposal of equity accounted investment		**–**	0.1	**–**	–
Fair value (gains)/losses on other financial assets at fair value through income statement	4, 5	**(0.3)**	1.8	**0.1**	0.3
Share of net profits of associates, net of dividends received	14	**(36.1)**	(27.7)	**–**	–
Net foreign exchange (gain)/loss		**(46.4)**	43.2	**222.2**	58.4
Dividends from controlled and other entities	4	**(0.8)**	(0.6)	**(125.9)**	(133.3)
Non-cash significant items		**79.3**	39.8	**10.1**	12.8
Other sundry items		**7.0**	(6.6)	**7.7**	6.0
Income tax expense	7	**41.0**	35.8	**(98.6)**	(6.2)
Operating profit before changes in working capital and provisions		**899.5**	945.4	**(27.4)**	(7.0)
– (Increase)/decrease in prepayments and other operating assets		**(35.3)**	(41.7)	**(1.8)**	1.0
– (Decrease) in employee benefits and other operating liabilities		**(63.4)**	(32.3)	**(26.1)**	(1.2)
– (Decrease)/increase in provisions		**(21.8)**	(3.4)	**0.6**	(0.2)
– Decrease in trade and other receivables		**139.5**	25.7	**2.2**	3.9
– Decrease/(increase) in inventories		**215.4**	(69.0)	**–**	–
– (Decrease)/increase in trade and other payables		**(221.8)**	88.0	**(1.1)**	(8.2)
		912.1	912.7	**(53.6)**	(11.7)
Dividends received		**7.0**	3.9	**125.9**	126.8
Interest paid		**(166.7)**	(192.4)	**(71.8)**	(63.8)
Income tax (paid)/refunded		**(78.7)**	(62.8)	**(4.7)**	4.3
Net cash from operating activities		**673.7**	661.4	**(4.2)**	55.6
CASH FLOWS FROM INVESTING ACTIVITIES					
Repayment of loans by associated companies and other persons		**0.6**	0.4	**–**	–
Payments for controlled entities, businesses and associates, net of cash		**(151.8)**	(41.8)	**–**	–
Payments for property, plant and equipment and intangible assets		**(564.3)**	(544.0)	**(5.7)**	(0.8)
Proceeds on disposal of associates, controlled entities and businesses		**39.8**	10.9	**–**	(0.2)
Proceeds/(payments) on disposal of controlled entities and business treated as discontinued operations, net of cash[1]	3	**(1.9)**	962.5	**–**	–
Proceeds on disposal of property, plant and equipment		**103.4**	149.7	**–**	4.0
Net cash from investing activities		**(574.2)**	537.7	**(5.7)**	3.0

(1) Proceeds on disposal of controlled entities and businesses for the year ended 30 June 2008 includes cash received of $823.5 million.

The above cash flow statements should be read in conjunction with the accompanying notes on pages 59 to 137.

Cash Flow Statements

For the financial year ended 30 June 2009

$ million	Note	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from share issues and calls on partly-paid shares		**28.7**	11.0	**28.7**	11.0
Payments for shares bought back	24	**–**	(350.0)	**–**	(350.0)
Share issue and buy-back transaction costs	24	**–**	(0.1)	**–**	(0.1)
Proceeds on capital contribution from minority interest		**–**	9.0	**–**	–
Proceeds from borrowings		**5,077.9**	6,252.0	**5,180.8**	6,941.8
Repayment of borrowings		**(5,028.1)**	(6,513.1)	**(5,025.2)**	(6,239.3)
Principal lease repayments		**(1.6)**	(43.6)	**–**	–
Dividends and other equity distributions paid		**(288.5)**	(305.8)	**(284.2)**	(294.2)
Net cash from financing activities		**(211.6)**	(940.6)	**(99.9)**	69.2
Net (decrease)/increase in cash held		**(112.1)**	258.5	**(109.8)**	127.8
Cash and cash equivalents at the beginning of the financial period		**166.0**	(69.8)	**115.7**	(12.1)
Effects of exchange rate changes on cash and cash equivalents		**3.4**	(22.7)	**–**	–
Cash and cash equivalents at the end of the financial period[2]		**57.3**	166.0	**5.9**	115.7

(2) Refer to Notes 10 and 20 for details of the financing arrangements of the consolidated entity and the Company.

RECONCILIATION OF CASH AND CASH EQUIVALENTS

For purposes of the Cash Flow Statements, cash and cash equivalents includes cash on hand and at bank and short-term money market investments, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the financial year as shown in the Cash Flow Statements is reconciled to the related items in the Balance Sheets as follows:

Cash assets and cash equivalents	10	**188.6**	258.3	**6.1**	115.7
Bank overdrafts	20	**(131.3)**	(92.3)	**(0.2)**	–
		57.3	166.0	**5.9**	115.7

The above cash flow statements should be read in conjunction with the accompanying notes on pages 59 to 137.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Amcor Limited ('the Company') is a company domiciled in Australia. The Financial Report includes separate financial statements for Amcor Limited and the consolidated financial statements of the Company and its subsidiaries (together referred to as 'the consolidated entity') and the consolidated entity's interest in associates.

The principal accounting policies adopted in the preparation of this Financial Report are set out below. These policies have been consistently applied to all the periods presented in these consolidated financial statements by the consolidated entity.

(a) Basis of preparation

Statement of compliance

This general purpose Financial Report for the year ended 30 June 2009 has been prepared in accordance with Australian Accounting Standards (AASBs), including Australian Accounting Interpretations, adopted by the Australian Accounting Standards Board (AASB) and with the *Corporations Act 2001*. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRSs). The Financial Report of the consolidated entity and the Company also complies with the International Financial Reporting Standards (IFRSs) and Interpretations adopted by the International Accounting Standards Board (IASB).

The Company is of the kind referred to in the Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998. In accordance with that Class Order, amounts in this Financial Report have been rounded to the nearest $100,000 or, where the amount is $50,000 or less, zero, unless specifically stated otherwise.

The financial statements were approved by the Board of Directors on 18 August 2009.

Early adoption of standards

In the current financial period, the consolidated entity has elected to apply the following revised standards issued by the AASB that are relevant to its operations:

- Revised AASB 3 *Business Combinations* (March 2008);
- Revised AASB 127 *Consolidated and Separate Financial Statements* (as amended March 2008); and
- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (March 2008).

In accordance with the transition provisions within Revised AASB 3 the consolidated entity has applied the above standards prospectively from the date of adoption of Revised AASB 3, being 1 July 2008. Refer to Note 1(d) for details of the impact upon the financial results and position of the consolidated entity upon adoption of these standards.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for available-for-sale financial assets, derivative financial instruments and financial instruments at fair value through profit or loss which are measured at fair value, refer Note 1(j).

Critical accounting estimates and assumptions

The preparation of financial statements requires management to exercise its judgement and make estimates and assumptions in applying the consolidated entity's accounting policies which impact the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual result may differ from these accounting estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management believes the following are the critical accounting policies that involve a high degree of judgement or complexity, or where assumptions and estimation uncertainties are significant in the preparation of the financial statements:

- The testing for impairment of assets – refer Notes 1(p), Notes 15 and 17;
- Measurement of the recoverable amounts of cash-generating units containing goodwill – refer Notes 1(o), 1(p) and Note 17;
- Direct and indirect income tax related assumptions and estimates, including utilisation of tax losses – refer Notes 1(i), Note 16 and Note 30;
- Measurement of defined benefit obligations – refer Note 1(t) and Note 23;
- Measurement of share-based payments – refer Note 1(s) and Note 27;
- valuation of financial instruments – refer Note 1(j) and Note 26; and
- The provisioning for restructuring and market sector rationalisation costs – refer Notes 1(r), Note 6 and Note 22.

(b) Principles of consolidation

Subsidiaries

Subsidiaries are all those entities that are controlled by the consolidated entity. Control exists where the consolidated entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, generally accompanying a shareholding of more than 50% of the voting rights. In assessing control, the existence and effect of potential voting rights that are presently exercisable or convertible are considered.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that the consolidated entity obtains control until the date that control ceases. All balances and transactions between entities included within the consolidated entity are eliminated. Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity (refer to Note 1(d)).

In the Company's financial statements, investments in subsidiaries are carried at cost less, where applicable, accumulated impairment losses.

Associates

Associates are those entities over which the consolidated entity has significant influence, but not control or joint control, to govern the financial and operating policies.

After initially being recognised at cost, the consolidated entity accounts for investments in associates using the equity method. From the date that significant influence commences, the consolidated entity recognises its share of the associates' profits or losses in the income statement, and its share of movements in reserves is recognised in reserves, until the date that significant influence ceases. These cumulative movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of consolidation (continued)

Associates (continued)

Changes in the consolidated entity's share of net worth of associates, caused by an issue of equity by the associate, are recognised in the income statement as a gain or loss. The consolidated entity's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

(c) Foreign currency translation

Items included in the financial statements of each of the entities included within the consolidated entity are measured using the currency of the economic environment in which the entity primarily generates and expends cash ('the functional currency'). These consolidated financial statements are presented in Australian dollars, which is the functional currency of the Company, Amcor Limited.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the entity using exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency of the entity holding the monetary assets and liabilities at the foreign exchange rate at that date. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges, refer Note 1(j).

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the available-for-sale investments revaluation reserve in equity.

Foreign operations

The results and financial position of all entities within the consolidated entity that have a functional currency different from the presentation currency are translated into Australian dollars as follows:

– Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

– Income and expenses for each income statement are translated at average exchange rates, which approximate the exchange rates at the dates of the transactions; and

– Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as asset and liabilities of the foreign operation and are translated at the closing exchange rate.

On consolidation, all the resulting exchange differences arising from the translation are recognised as a separate component of equity in the Exchange Fluctuation Reserve (EFR). When a foreign operation is disposed of, in part or in full, the amount that has been recognised in equity in relation to the proportion of the foreign operation disposal is transferred to the income statement as an adjustment to the profit or loss on disposal.

Hedge of net investment in foreign operation

On consolidation, foreign currency differences arising on the retranslation of financial assets and liabilities designated as net investment hedges of a foreign operation are recognised directly in the EFR, to the extent that the hedge is effective. To the extent that the hedge is ineffective, the foreign currency differences arising on the retranslation are recognised in the income statement. When the hedged net investment is disposed of, the cumulative amount that has been recognised in equity in relation to the hedged net investment is transferred to the income statement as an adjustment to the profit or loss on disposal.

(d) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange.

Where equity instruments are issued in an acquisition, the value of the instruments is their published price at the date of exchange unless it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the consolidated entity's share of the identifiable net assets acquired is recorded as goodwill, refer Note 1(o). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Change in accounting policy

The consolidated entity and the Company have elected to early adopt and apply Revised AASB 3 *Business Combinations* (March 2008) from 1 July 2008 and as a result the following changes were introduced to the consolidated entity's accounting policy on business combinations:

– Transaction costs associated with a business combination, other than debt and share issue costs, are expensed as incurred;

– Contingent consideration will be measured at fair value, with subsequent changes recognised through the income statement; and

– Subsequent recognition of deferred tax assets, relating to previously acquired businesses, are recognised in income tax expense and not an adjustment to goodwill.

In accordance with the transition provisions within Revised AASB 3, the change in accounting policy has been applied prospectively from 1 July 2008 and as a result transaction costs incurred in the current period, relating to a potential acquisition, amounting to $29.7 million have been expensed as incurred. In addition, the recognition of deferred tax assets totalling $31.4 million, relating to previously acquired businesses have been recognised in income tax expense.

(e) Revenue

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, allowances and discounts. Revenue is recognised when the risks and rewards of ownership have transferred to the customer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is risk of return of goods or there is continuing management involvement with the goods.

Dividend income

Dividend income is recognised on the date that the consolidated entity's right to receive payment is established.

(f) Government grants

Grants from governments are recognised at their fair value where there is a reasonable assurance that the grant will be received and the consolidated entity will comply with all attached conditions.

Grants are received in relation to the purchase and construction of items of property, plant and equipment. The grants are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected useful life of the related asset.

(g) Lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease, while any lease incentive is recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The interest element of the finance cost is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(h) Net finance costs

Net finance costs include interest income and expense, amortisation of discounts or premiums relating to borrowings, interest costs related to defined benefit pension plans, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, lease finance charges and the unwinding discount on provision balances.

Interest income and borrowing costs are recognised as they accrue using the effective interest rate method.

Financing costs are brought to account in determining profit for the year, except to the extent the financing costs are directly attributable to the acquisition, construction or production of a qualifying asset. Such financing costs are capitalised as part of the cost of the asset up to the time it is ready for its intended use and are then amortised over the expected useful economic life.

(i) Income tax

General

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and by the availability of unused tax losses.

Deferred tax is recognised using the balance sheet method in which temporary differences are calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary timing differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied when the temporary difference reverses, that is, when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and liabilities are offset where the consolidated entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to the same taxation authority.

Use of estimates and judgements

The consolidated entity is subject to income taxes in Australia and foreign jurisdictions and as a result significant judgement is required in determining the consolidated entity's provision for income tax. There are many transactions and calculations relating to the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for potential tax audit issues based on management's estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, these differences impact the current and deferred tax provisions in the period in which such determination is made.

The consolidated entity's accounting policy is to only recognise deferred tax assets to the extent it is probable that future taxable profits will be available against which the assets can be utilised. The assumptions regarding future realisation, and therefore the recognition of deferred tax assets, may change due to future operating performance and other factors.

Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Amcor Limited.

The Company, and the members of the tax-consolidated group, recognise their own current tax expense/income and deferred tax assets and liabilities arising from temporary differences using the 'stand alone taxpayer' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

In addition to its current and deferred tax balances, the Company also recognises the current tax liabilities (or assets), and the deferred tax assets arising from unused tax losses and unused tax credits assumed from members of the tax-consolidated group, as part of the tax-consolidation arrangement. Assets or liabilities arising under tax sharing agreements with members of the tax-consolidated group are recognised as amounts receivable or payable from the other entities within the tax-consolidated group.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income tax (continued)

Nature of tax funding agreement

The Company, as the head entity of the tax-consolidated group, in conjunction with the other members of the tax-consolidated group has entered into a tax funding agreement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding agreement requires payment to/from the head entity equal to the current tax liability/asset assumed by the head entity, resulting in the head entity recognising an intercompany receivable/payable equal to the amount of the tax liability/asset assumed.

The agreement requires wholly-owned subsidiaries to make contributions to the Company for tax liabilities arising from external transactions during the year. The contributions are calculated as if each subsidiary continued to be a stand alone taxpayer in its own right. The contributions are payable annually and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authority.

Goods and services tax/value added tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax and valued added tax (GST/VAT) and other sales related taxes, except where the amount of GST/VAT incurred is not recoverable from the relevant taxation authority. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST/VAT included. The net amount of GST/VAT recoverable from, or payable to, taxing authorities is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statements on a gross basis. The GST/VAT component of cash flows arising from investing and financing activities which are recoverable from, or payable to, taxing authorities are classified as operating cash flows.

(j) Financial instruments

Non-derivative financial instruments

The consolidated entity classifies its investments and other financial assets into the following categories: financial assets at fair value through the income statement; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The financial instrument classification depends on the purpose for which the investments and other financial assets were acquired.

A non-derivative financial instrument is recognised when the consolidated entity becomes a party to the contractual provisions of the instrument. The purchase of investments and other financial assets that are available-for-sale are recognised on trade date, the date on which the consolidated entity commits to purchase the asset. Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised if the consolidated entity's obligations specified in the contract expire or are discharged or cancelled.

The consolidated entity's accounting policies on accounting for finance income and expense and on impairment of financial assets are described in Notes 1(h) and 1(p) respectively. Refer to Note 1(w) regarding fair value estimation in the measurement of financial instruments.

Non-derivative financial instruments comprise cash and cash equivalents, trade receivables, loans and other receivables, investments in equity securities, trade and other payables and interest-bearing liabilities.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, short-term deposits and short-term money market investments. Bank overdrafts are shown within interest-bearing liabilities in current liabilities on the balance sheet, refer Notes 10 and 20.

Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Trade receivables, loans and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses and are non-interest bearing, refer Note 11.

The collectibility of trade and other receivables is reviewed on an ongoing basis. Individual debts which are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the consolidated entity will be unable to collect amounts due, according to the original terms of the receivables. Financial difficulty of the debtor, default in payments and the probability that the debtor will enter bankruptcy are considered indicators that a trade receivable is impaired. Where it is considered unlikely that the full amount of the receivable will be collected, a provision is raised for the amount that is doubtful.

The amount of the impairment loss is recognised in the income statement within 'general and administration expense'. When a trade receivable, for which an impairment provision had been recognised, becomes uncollectible it is written off against the impairment provision. Subsequent recoveries of amounts previously written off are credited against 'general and administration expense' in the income statement.

Loans are non-derivative financial assets with fixed or determinable payments and are measured at their amortised cost using the effective interest rate method and are usually interest bearing. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets, refer Notes 11 and 13.

(iii) Investments in equity securities

Investments in listed equity securities are available-for-sale financial assets and are included in non-current assets, refer Note 13. Investments in listed equity securities are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. The fair value of the quoted investments is based on current bid prices. Unrealised gains and losses arising from changes in the fair value are recognised in equity in the available-for-sale fair value reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments within equity are transferred to the income statement.

Investments in equity instruments that do not have a quoted market price in an active market, and for which fair value cannot be reliably measured, are recognised at cost less any impairment losses.

(iv) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which were unpaid at the end of the financial year. These amounts are unsecured.

Trade and other payables are stated at their amortised cost and are non-interest bearing, refer Note 19.

(v) Interest-bearing liabilities

Bank overdrafts, bank loans, commercial paper, mortgage loans and other loans are initially recognised at their fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities are measured at amortised cost with any difference between the net proceeds and the maturity amount recognised in the income statement over the period of the borrowings using the effective interest rate method, refer Note 20.

Eurobond notes and US$ notes are carried at amortised cost, translated at exchange rates ruling at reporting date. Any difference between amortised cost and their amount at maturity is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Derivative financial instruments

The consolidated entity uses derivative financial instruments to hedge its exposure to foreign exchange, interest rate, commodity price and employee share plan risk arising from operational, financing and investment activities, refer Notes 13 and 21.

Derivative financial instruments are recognised initially at fair value on the date the instrument is entered into. Subsequent to initial recognition, derivative financial instruments are remeasured to fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement unless the derivative is designated and is effective as a hedging instrument, in which event, the timing and the recognition of profit or loss depends on the nature of the hedging relationship. The consolidated entity designates certain derivatives either as: hedges of the exposure to fair value changes in recognised assets or liabilities or firm commitments (fair value hedges); hedges of the exposure to variability in cash flows attributable to a recognised asset or liability or highly probable forecast transaction (cash flow hedges); or hedges of a net investments in foreign operations (net investment hedges). The fair value of various derivative financial instruments used for hedging purposes are disclosed in Note 26.

The consolidated entity documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The consolidated entity also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Derivative instruments are classified as non-current assets or liabilities when the remaining maturity of the hedged item is greater than 12 months; and are classified as current assets or liabilities when the remaining maturity is less than 12 months. Trading derivatives are classified as a current asset or liability.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

(vi) Fair value hedge

Where a derivative financial instrument is designated as a hedge of exposure to changes in fair value of a recognised asset or liability, the changes in the fair value of the derivative are recognised in the income statement, together with the changes in fair value of the hedged asset or liability attributable to the hedged risk.

(vii) Cash flow hedge

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity in the hedging reserve. The change in the fair value that is identified as ineffective is recognised immediately in the income statement.

Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item affects profit or loss (for instance, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(viii) Net investment in a foreign operation

Where effective, foreign exchange differences relating to foreign currency transactions hedging a net investment in a foreign operation, together with any related income tax, are transferred to the exchange fluctuations reserve on consolidation. The ineffective portion is recognised in the income statement.

Upon disposal of the foreign operation the cumulative amount of any gain or loss existing in equity is transferred to the income statement and recognised as part of the gain or loss on disposal of the foreign operation.

Embedded derivatives

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related. Changes in the fair value of separable embedded derivatives are recognised immediately in profit or loss.

(k) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or the exercise of options are recognised as a deduction from equity, net of any related income tax benefit. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(l) Inventories

Raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle or weighted average cost formula and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In respect of manufacturing inventories and work in progress, cost includes an appropriate proportion of production fixed and variable overheads incurred in the normal course of business. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item including borrowing costs that are related to the acquisition, construction or production of a qualifying asset. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment, excluding freehold land, are depreciated at rates based upon their expected useful lives using the straight-line method. Land is not depreciated. Depreciation rates used for each class of asset for the current and comparative periods are as follows:

- Leasehold land between 1% – 3%
- Buildings between 1% – 5%
- Finance leased assets between 4% – 20%
- Land improvements between 1% – 3%
- Plant and equipment between 3% – 25%

Depreciation methods, residual values and useful lives are reassessed, and adjusted if appropriate, at each reporting date.

If an asset's carrying amount is greater than its estimated recoverable amount (refer Note 1(p)), the asset is immediately written down to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the disposed asset and are included in the income statement in the period the disposal occurs and are recognised net within 'other income' in the income statement.

(n) Leased assets

Leases under which the consolidated entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Subsequent to initial recognition, the asset is depreciated over the shorter of the asset's useful life and the lease term, unless it is reasonably certain that ownership will be obtained by the end of the lease term where it is depreciated over the period of the expected use which is the useful life of the asset.

Other leases are operating leases and are not recognised on the consolidated entity's balance sheet.

(o) Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and associates and represents the difference between the cost of a business combination over the consolidated entity's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. When the excess is negative it is recognised immediately in profit or loss.

Goodwill is not amortised, instead goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing (refer Note 17).

In respect of equity accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, except for those identified as having indefinite useful lives which are not amortised.

(i) Product development

Expenditure on product research activities is recognised in the income statement in the period in which the expenditure is incurred.

Expenditure on development activities associated with product development and innovation is capitalised if the product is technically and commercially feasible, future economic benefits are probable and the consolidated entity intends to and has adequate resources available to complete the development.

Capitalised development expenditure is amortised on a straight-line basis over the period of time during which the benefits are expected to arise, typically not exceeding 10 years.

(ii) Computer software

Expenditure on significant commercial development, including major software applications and associated systems, is capitalised and amortised on a straight-line basis over the period of time during which the benefits are expected to arise, typically between three to 10 years.

Software costs are capitalised as intangible assets if they are separable or arise from contractual or other legal rights and it is probable that the expected future economic benefits attributable to the asset will flow to the consolidated entity, and the cost of the asset can be measured reliably.

Where software is internally generated, only the costs incurred in the development phase are capitalised and these are amortised on a straight-line basis over the period of time during which the benefits are expected to arise, typically a period not exceeding 10 years. Software costs which are incurred in the research phase are expensed.

Change in accounting policy

The consolidated entity and the Company have elected to early adopt and apply Revised AASB 3 *Business Combinations* (March 2008) from 1 July 2008. Revised AASB 3 requires the recognition of deferred tax assets, relating to previously acquired businesses to be recognised in income tax expense. In previous reporting periods when deferred tax assets relating to income tax losses not previously recognised in relation to a business combination were subsequently recognised, goodwill relating to that business combination was reduced to reflect that the deferred tax asset had been recognised.

In accordance with the transitional provisions contained within Revised AASB 3, the change in accounting policy has been applied prospectively from 1 July 2008, and has resulted in a credit to income tax expense of $31.4 million relating to the recognition of deferred tax losses not previously recognised in relation to a business combination.

The change in accounting policy has no impact upon the financial statements of the Company.

(p) Impairment

Non-financial assets

The recoverable amount of the consolidated entity's non-financial assets, excluding inventories, deferred tax assets and defined benefit assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset is tested for impairment by comparing its recoverable amount to its carrying amount.

In relation to goodwill and intangible assets that have indefinite useful lives or assets that are not ready for use, impairment testing is completed at each reporting date, or more frequently if events or changes in circumstances indicate that they might be impaired.

In testing for impairment the recoverable amount is estimated for an individual asset or, if it is not possible to estimate the recoverable amount for the individual asset, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. CGUs are the smallest identifiable group of assets that generate cash flows that are largely independent from the cash flows of other assets or group of assets. Each CGU is no larger than a segment.

The recoverable amount of an asset or a CGU is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the risks specific to the asset or CGU and the market's current assessment of the time value of money. An impairment loss is recognised in the income statement if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then, to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in respect of goodwill are not reversed. Impairment losses recognised in prior periods in respect of other assets are assessed at each reporting date for any indications that the impairment loss has decreased or may no longer exist. The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset and is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised.

Financial assets

Financial assets are assessed at each reporting period to determine whether there is any objective evidence that they are impaired. A financial asset is considered to be impaired if there is objective evidence which indicates that there has been a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed in groups which share similar credit risk characteristics.

Impairment losses in respect of a financial asset measured at amortised cost are calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is measured as the difference between the acquisition cost and the current fair value when there is a significant or prolonged decline in the fair value of a financial asset below its cost.

Impairment losses are recognised in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income statement when the impairment is recognised.

Impairment losses are only reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For financial assets that are measured at amortised cost the reversal is recognised in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Use of estimates and judgements

The determination of impairment for non-financial assets, financial assets, goodwill and other intangible assets involves the use of judgements and estimates that include, but are not limited to, the cause, timing and measurement of the impairment.

Management is required to make significant judgements concerning the identification of impairment indicators, such as changes in competitive positions, expectations of growth, increased costs of capital, and other factors that may indicate impairment such as a business restructuring. In addition, management is also required to make significant estimates regarding future cash flows and the determination of fair values when assessing the recoverable amount of an asset (or groups of assets). Inputs into these valuations require assumptions and estimations to be made about forecast earnings before interest and tax and related future cash flows, growth rates, applicable discount rates, useful lives and residual values.

The judgements, estimates and assumptions used by management in assessing impairment are management's best estimates based on current and forecast market conditions. Changes in economic and operating conditions impacting these assumptions could result in changes in the recognition of impairment charges in future periods.

(q) Financial guarantee contracts

Financial guarantee contracts are recognised as financial liabilities at the date the guarantee is issued. Liabilities arising from financial guarantee contracts, including Company guarantees of subsidiaries through deeds of cross guarantee, are initially recognised at fair value and subsequently at the higher of the amount determined in accordance with the consolidated entity's provisions accounting policy (refer Note 1(r)) and the amount initially recognised less cumulative amortisation.

The fair value of the financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Company.

(r) Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The present value of a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the recovery receivable is recognised as an asset when it is virtually certain that the recovery will be received.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Provisions (continued)

Asset restoration and decommissioning

Where the consolidated entity has a legal or constructive obligation to restore a site on which an asset is located either through make-good provisions included in lease agreements or decommissioning of environmental risks, the present value of the estimated costs of dismantling and removing the asset and restoring the site is recognised as a provision with a corresponding increase to the related item of property, plant and equipment.

At each reporting date, the liability is remeasured in line with changes in discount rates, estimated cash flows and the timing of those cash flows. Any changes in the liability are added or deducted from the related asset, other than the unwinding of the discount, which is recognised as a financing cost in the income statement.

Insurance and other claims

The consolidated entity self-insures for risks associated with workers' compensation. Provisions for workers' compensation, insurance and other claims are recognised for claims received and claims expected to be received in relation to incidents occurring prior to reporting date, measured based upon historical claim rates.

Estimated net future cash flows are based on the assumption that all claims will be settled and the weighted average cost of historical claims adjusted for inflation will continue to approximate future costs.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the consolidated entity from a contract are lower than the unavoidable costs of meeting the obligations under the contract. The provision is measured as the lower of the cost of fulfilling the contract and any compensation or penalties arising from the failure to fulfil it and is recognised only in respect of the onerous element of the contract. Where the effect of discounting is material, the provision is discounted to its present value.

Restructuring

A provision for restructuring is recognised when the consolidated entity has a detailed formal restructuring plan and the restructuring has either commenced or has been publicly announced. Future operating costs in relation to the restructuring are not provided for.

Where a restructuring plan includes the termination of employees before normal retirement date, or when an employee accepts voluntary redundancy, the consolidated entity recognises a provision for redundancy when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal. Payments falling due greater than 12 months after reporting date are discounted to present value.

(s) Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for employee benefits such as wages, salaries, annual leave, sick leave and other current employee entitlements represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates, including related on-costs, such as workers' compensation insurance and payroll tax, that the consolidated entity expects to pay when the liabilities are settled.

Long service leave

Liabilities relating to long service leave are measured as the present value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Liabilities which are not expected to be settled within 12 months are discounted using market yields at the reporting date of high quality corporate bonds. In countries where there is no deep market for corporate bonds (such as Australia), the market yields on government bonds at the reporting date are used. The rates used reflect the terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Profit sharing and bonus plans

A liability and an expense is recognised for profit sharing and bonus plans, including benefits based on the future value of equity instruments and benefits under plans allowing the consolidated entity to settle in either cash or shares. Entitlements under the Employee Bonus Payment Plan ('EBPP') are estimated and accrued at the end of the financial reporting period.

Share-based payments

The Company provides benefits to employees (including senior executives) of the consolidated entity in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares.

The Company maintains two Employee Share Schemes: the Employee Share Purchase Plan (ESPP) and the Employee Share/Option Plan (ESOP). Both schemes were introduced in 1985, and have been subsequently amended and approved by shareholders at Annual General Meetings. A number of sub-plans exist under the ESPP, including the Employee Incentive Share Plan (EISP) and the Senior Executive Retention Share Plan (SERSP). Information relating to these schemes is set out in Note 27.

The fair value of options granted is recognised as an employee benefit expense in the income statement with a corresponding increase in the share-based payments reserve in equity and is spread over the vesting period during which the employees become unconditionally entitled to the options. The fair value is measured at grant date taking into account market performance conditions, but excludes the impact of any non-market vesting conditions (e.g. profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to be exercisable. The fair value of options granted is measured using the Black Scholes option pricing model that takes into account the exercise price, term of the option, impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

At each reporting period the fair value of the options granted is adjusted to reflect market vesting conditions, including revising the estimate of the number of options that are expected to become exercisable. Any impact to the revision of an original estimate is recognised in the income statement with a corresponding adjustment to the share-based payment reserve. The employee expense, recognised each period, reflects the most recent estimate.

Upon exercise of the options, the balance of the share-based payments reserve, relating to those options, is transferred to share capital.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 9).

Where loans are made to assist in the purchase of shares under a sub-plan, they are treated as a reduction in equity and not recognised as a receivable and the repayments are recorded as contributions to share capital. Shares are held in trust until the loan is settled.

When the Company grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investment in subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

(t) Retirement benefit obligations

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company or the consolidated entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution funds are recognised as an expense in the income statement as they become payable.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The consolidated entity's liability or asset recognised in the balance sheet in respect of defined benefit plans and other post-retirement plans is calculated separately for each plan and is measured as the present value of the future benefit that employees have earned in return for their service in the current and prior periods, less the fair value of any plan assets and unrecognised past service costs.

Past service costs are recognised immediately in the income statement, unless the changes to the defined benefit plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited directly to equity.

Future taxes that are funded by the entity and are part of the provision of the existing benefit obligation (e.g. taxes on investment income and employer contributions) are taken into account in measuring the net liability or asset.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the plan to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on national government or investment grade corporate bonds at the reporting date, whose terms to maturity and currency match, as closely as possible, the estimated future cash outflows.

When the calculation results in a benefit to the consolidated entity, the recognised asset is limited to the total of any unrecognised past service cost and the present economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan, or on settlement of the plan liabilities.

Use of estimates and judgements

In determining the liability or asset that the consolidated entity recognises in the balance sheet in respect of defined benefit obligations and other post-retirement plans, the main categories of assumptions used in the valuations include: discount rate; rate of inflation; expected return on plan assets; future salary increases; and medical cost trend rates (in the case of the post-retirement health plans). Refer to Note 23 for details of the key assumptions used this financial period in accounting for these plans. The assumptions made have a significant impact on the calculations and any adjustments arising thereon.

If the discount rate were to differ by 10% from management's estimates, the carrying amount of defined benefit obligations would be an estimated $25.9 million lower or $106.8 million higher which would be recognised directly in equity. A one-half percentage point increase in the actuarial assumption regarding the expected return on plan assets would result in a decrease of $16.0 million in the defined benefit expense/obligation while a one-half percentage point decrease would result in an increase of $14.3 million in the defined benefit expense/obligation for the year ended 30 June 2009 which would be recognised directly in equity as an actuarial gain/loss. In addition, changes in external factors, including fair values of plan assets could result in possible future changes to the amount of the defined benefit obligations recognised in the balance sheet.

(u) Discontinued operations

A discontinued operation is a component of the consolidated entity's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. An operation would be classified as held for sale if the carrying value of the assets of the operation will be principally recovered through a sale transaction rather than continuing use.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as discontinued the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

(v) Earnings per share

The consolidated entity presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic earnings per share

Basic EPS is calculated by dividing the net profit attributable to ordinary shareholders of the Company for the reporting period, by the weighted average number of ordinary shares of the Company for the reporting period, adjusted for any bonus issue.

Diluted earnings per share

Diluted EPS is calculated by adjusting the basic EPS for the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, which comprise share options granted to employees.

The diluted EPS weighted average number of shares includes the number of ordinary shares assumed to be issued for no consideration in relation to dilutive potential ordinary shares. The number of ordinary shares assumed to be issued for no consideration represents the difference between the number that would have been issued at the exercise price and the number that would have been issued at the average market price.

The identification of dilutive potential ordinary shares is based on net profit or loss from continuing ordinary operations and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary shares.

(w) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement and disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the consolidated entity is the current bid price. The quoted market price used for financial liabilities is the current ask price.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Fair value estimation (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods, including discounted cash flows to calculate the fair value of financial instruments. These calculations are performed using current market inputs which may include the use of interest and forward exchange rates ruling at balance date. The consolidated entity makes assumptions concerning these valuations that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

The carrying value of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

(x) New accounting standards and interpretations not yet adopted

The following new or amended accounting standards and interpretations issued by the AASB have been identified as those which may impact the consolidated entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this Financial Report:

- AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (February 2007) introduces the 'management approach' to financial performance reporting of segments. AASB 8 will require a change in the presentation on and disclosure of segment information based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. Currently the consolidated entity presents segment information in respect of its business and geographical segments (see Note 2). AASB 8 becomes mandatory for the consolidated entity's 30 June 2010 financial statements and is likely to result in different segments, segment results and different types of information being reported in the segment note of the Financial Report.
- Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (September 2007) introduces an additional financial statement, the 'statement of comprehensive income' which will represent changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Revised AASB 101 also requires an entity to disclose a third balance sheet, being as at the beginning of the comparative period, where an entity has made a prior period adjustment or has reclassified items in the financial statements. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs and is concerned with disclosures only. Revised AASB 101 will become mandatory for the consolidated entity's 30 June 2010 financial statements.
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations* (February 2008) clarifies that vesting conditions comprise service and performance conditions only and other features of a share-based payment are not vesting conditions. AASB 2008-1 also specifies that all cancellations, whether by the entity or other parties, should be accounted for in the same manner. The consolidated entity will apply the amendments to AASB 2 *Share-based Payments* from 1 July 2009, and is not expected to impact the consolidated entity's accounting for its share-based payments.
- AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation* (March 2008) introduces an exception to the definition of financial liability allowing certain puttable financial instruments and instruments that impose an obligation on an entity to deliver to another party a pro rata share of the net assets on liquidation, to be classified as equity. AASB 2008-2 becomes mandatory for the consolidated entity's 30 June 2010 financial statements. On adoption of this standard there will be no impact upon the financial results or position of the consolidated entity.
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (July 2008) amends various AASBs resulting in minor changes for presentation, disclosure, recognition or measurement purposes. The amendments will become mandatory for the consolidated entity's 30 June 2010 financial statements and are not expected to have any material impact on the financial statements of the consolidated entity.
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (July 2008) amends AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations* to require all assets and liabilities of a subsidiary to be classified as held for sale when an entity is committed to a sale plan that involves the loss of control of a subsidiary. AASB 2008-6 becomes mandatory for the consolidated entity's 30 June 2010 financial statements and its application is not expected to have any material impact upon the financial results of the consolidated entity.
- AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate* (July 2008) requires dividends received from investments in subsidiaries, jointly controlled entities or associates to be recognised as revenue, even if they are paid out of pre-acquisition profits. The amendment clarifies that the receipt of a dividend from a subsidiary, jointly controlled entity or associate, together with other evidence, is an indicator that the investment may be impaired. Hence additional impairment testing may be required when a dividend is received from a subsidiary, jointly controlled entity or associate. Further, when a new intermediate parent entity is created in an internal reorganisation it will be necessary to measure the investment in subsidiary at the carrying amounts of the net assets of the subsidiary rather than the subsidiary's fair value. The amendments become mandatory for the consolidated entity's 30 June 2010 financial statements. On adoption of this standard there will be no impact upon the financial results or position of the consolidated entity.
- AASB 2008-8 *Amendments to Australian Accounting Standards – Eligible Hedge Items* (August 2008) clarifies the effect of using options as hedging instruments and circumstances in which inflation risk can be hedged. AASB 2008-8 becomes mandatory for the consolidated entity's 30 June 2010 financial statements and its application is not expected to have any impact upon the financial results of the consolidated entity.

– AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners* (December 2008) amendments are in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners and the disclosure requirements for dividends that are declared after the reporting period but before the financial statements are authorised for issue. AASB 2008-13 becomes mandatory for the consolidated entity's 30 June 2010 financial statements and its application is not expected to have any impact upon the financial results of the consolidated entity.

– AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments* (April 2009) enhances disclosures about fair value measurement and liquidity risk. Amendments include clarifying that fair value disclosures must be made separately for each class of financial instrument, requires disclosure of any change in the method for determining the fair value and reasons for the change, introduces a three level hierarchy for making fair value measurements and requires disclosure about the reliability of each fair value measurement in the balance sheet. AASB 2009-2 becomes mandatory for the consolidated entity's 30 June 2010 financial statements and is not expected to have any impact upon the financial results of the consolidated entity as it relates to disclosure matters only.

– AASB 2009-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* and AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (May 2009) amend a number of standards resulting in accounting changes for presentation, recognition and measurement matters. The amendments introduced by these two standards become mandatory for the consolidated entity's 30 June 2010 financial statements. The consolidated entity has not yet determined the potential effect of the amending standards on the consolidated entity's Financial Report.

– Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* (August 2008) clarifies that net investment hedging can only be applied to foreign exchange differences arising between the functional currency of the foreign operation and the parent entity's functional currency, however that hedging instrument may be held by any entity or entities within the group (except for the foreign operation that itself is being hedged). The interpretation also provides guidance on how an entity should determine the amount to be reclassified to profit or loss from the foreign currency translation reserve in respect of both the hedging instrument and the hedged item. The consolidated entity will apply the interpretation prospectively from 1 July 2009, its application is not expected to have any impact upon the financial results of the consolidated entity.

– Interpretation 17 *Distributions of Non-Cash Assets to Owners* (December 2008) provides guidance on how an entity should measure distributions of assets other than cash when it pays dividends to its owners. The asset distribution is measured at the fair value and the difference between the dividend paid and the carrying amount of the net assets distributed is recognised in profit or loss. Interpretation 17 becomes mandatory for the consolidated entity's 30 June 2010 financial statements and its application is not expected to have any impact upon the financial results of the consolidated entity.

– Interpretation 18 *Transfers of Assets from Customers* (March 2009) deals with the accounting for transfers of items of property, plant and equipment or transfers of cash by entities that receive such transfers from their customers. The interpretation requires revenue to be recognised in respect of such transfers as each separately identifiable service specified in an agreement with the customer is provided. Interpretation 18 becomes mandatory for the consolidated entity's 30 June 2010 financial statements. The consolidated entity has not yet determined the potential effect of the new interpretation upon the consolidated entity's Financial Report.

NOTE 2 SEGMENT INFORMATION

Segment information is presented in the financial statements in respect of business segments, which are the primary reporting segments of the consolidated entity as they reflect the management and internal reporting structure of the consolidated entity during the financial period. The secondary reporting segments have been classified based on the geographical location of the consolidated entity's business segments.

(a) Description of segments

Business segments

The consolidated entity is organised on a global basis into the following business segments:

Amcor PET

Polyethylene Terephthalate (PET) packaging for a broad range of predominantly beverage and food products, including carbonated soft drinks, water, juices, sports drinks, milk-based beverages, spirits and beer, sauces, dressings, spreads and personal care items and plastic caps for a wide variety of applications.

Amcor Australasia

Corrugated boxes, cartons, folding cartons; aluminium beverage cans and household products; flexible packaging; plastic and metal closures; glass wine bottles; multi-wall sacks; cartonboard; paper and paper recycling.

Amcor Flexibles

Flexible and film packaging in the food and beverage and pharmaceutical sectors, including confectionery, coffee, fresh food and dairy, as well as high value-added medical applications. Specialty folding cartons for tobacco, confectionery and cosmetics.

Amcor Sunclipse

The distribution unit purchases, warehouses, sells and delivers a wide variety of products. The business also manufactures corrugated and other, mostly fibre-based, specialty product packaging including 'point of sale' displays.

Amcor Asia

Tobacco carton packaging; flexible plastic packaging for the food and industrial markets.

NOTE 2 SEGMENT INFORMATION (continued)

(a) Description of segments (continued)

Geographic segments

Although the consolidated entity's operations are managed on a global basis, they operate in five main geographical areas:

Australia and New Zealand

Comprises operations carried on in Australia and New Zealand which are largely managed together. The areas of operations are principally corrugated boxes, cartons, folding cartons; aluminium beverage cans and household products; flexible packaging; plastic and metal closures; glass wine bottles; multi-wall sacks; cartonboard; paper and paper recycling.

Europe

Comprises operations carried on in the United Kingdom, Germany, France, Spain, Netherlands, Belgium, Italy, Sweden, Norway, Finland, Ireland, Russia, Poland, Hungary, Czech Republic, Denmark, Ukraine, Switzerland, Portugal and Morocco. The Flexibles business operates manufacturing facilities in these countries.

North America

Comprises operations carried on in the United States of America and Canada. The PET, Sunclipse and Flexibles businesses operate manufacturing or distribution facilities in these countries.

Latin America

Comprises operations carried on in Brazil, Argentina, Venezuela, Colombia, Peru, Ecuador, Mexico, Honduras, El Salvador and Puerto Rico. The PET and Flexibles businesses operate manufacturing facilities in these countries. Sunclipse distributes products in Mexico.

Asia

Comprises operations carried out in Malaysia, China, Indonesia, India and Singapore. The PET and Asian businesses operate manufacturing facilities in these countries.

(b) Notes to and forming part of the segment information

The segment information is prepared in conformity with the accounting policies of the consolidated entity as disclosed in Note 1 and Accounting Standard AASB 114 *Segment Reporting*.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-bearing loans and borrowings, corporate assets and head office expenses. Segment result is profit before unallocated finance costs and income tax. Segment assets and liabilities do not include investments in associates accounted for using the equity method and deferred taxes.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are generally priced on an 'arm's length' basis and eliminated on consolidation.

Changes in reported segments

There have been no changes in the reported segments between the current and the comparative reporting period.

30 June 2008

On 31 August 2007, the consolidated entity announced the sale of its Australasian Food Can and Aerosol business for $147.7 million with effect from 31 October 2007. This business has been classified as a discontinued operation and has therefore been excluded from the Amcor Australasia business segment for 30 June 2008 reporting purposes. Refer to Note 3 for further information regarding the disposal.

(c) Business segments

For the year ended 30 June $ million	Amcor PET 2009	 2008	Amcor Australasia* 2009	 2008	Amcor Flexibles 2009	 2008	Amcor Sunclipse 2009	 2008	Amcor Asia 2009	 2008	Other 2009	 2008	Consolidated continuing operations 2009	 2008	Discontinued operations* 2009	 2008	Consolidated 2009	 2008
SEGMENT REVENUE																		
Revenue from external customers	**3,250.8**	2,932.5	**2,137.9**	2,214.6	**2,891.1**	2,866.1	**1,133.8**	1,105.1	**121.8**	116.6	**–**	–	**9,535.4**	9,234.9	**–**	81.9	**9,535.4**	9,316.8
Inter-segment revenue	**–**	–	**1.8**	0.4	**5.7**	6.1	**1.4**	1.6	**1.8**	1.0	**–**	–	**10.7**	9.1	**–**	–	**10.7**	9.1
Total sales revenue	**3,250.8**	2,932.5	**2,139.7**	2,215.0	**2,896.8**	2,872.2	**1,135.2**	1,106.7	**123.6**	117.6	**–**	–	**9,546.1**	9,244.0	**–**	81.9	**9,546.1**	9,325.9
Other income	**6.1**	15.4	**38.0**	43.2	**28.6**	19.7	**0.3**	13.6	**0.1**	3.9	**14.1**	5.6	**87.2**	101.4	**–**	0.3	**87.2**	101.7
Total segment revenue	**3,256.9**	2,947.9	**2,177.7**	2,258.2	**2,925.4**	2,891.9	**1,135.5**	1,120.3	**123.7**	121.5	**14.1**	5.6	**9,633.3**	9,345.4	**–**	82.2	**9,633.3**	9,427.6
Inter-segment elimination													**(10.7)**	(9.1)	**–**	–	**(10.7)**	(9.1)
Total external segment revenue													**9,622.6**	9,336.3	**–**	82.2	**9,622.6**	9,418.5
SEGMENT RESULT																		
Profit/(loss) before depreciation, amortisation, interest, related income tax expense and significant items	**427.8**	376.9	**239.9**	322.1	**349.3**	291.5	**54.2**	74.6	**54.2**	40.9	**(36.7)**	(46.1)	**1,088.7**	1,059.9	**–**	10.2	**1,088.7**	1,070.1
Depreciation and amortisation	**(185.2)**	(155.8)	**(126.7)**	(133.6)	**(107.2)**	(101.6)	**(15.1)**	(13.4)	**(6.1)**	(4.3)	**(1.8)**	(1.7)	**(442.1)**	(410.4)	**–**	(2.7)	**(442.1)**	(413.1)
Profit/(loss) before interest, related income tax expense and significant items	**242.6**	221.1	**113.2**	188.5	**242.1**	189.9	**39.1**	61.2	**48.1**	36.6	**(38.5)**	(47.8)	**646.6**	649.5	**–**	7.5	**646.6**	657.0
Net finance costs													**(181.7)**	(179.7)	**–**	0.3	**(181.7)**	(179.4)
Profit from ordinary activities before related income tax expense and significant items													**464.9**	469.8	**–**	7.8	**464.9**	477.6
Significant items before related income tax expense	**(27.3)**	(2.2)	**(42.3)**	(51.4)	**(80.3)**	(112.3)	**–**	–	**(5.9)**	3.7	**(57.9)**	(20.1)	**(213.7)**	(182.3)	**7.6**	7.0	**(206.1)**	(175.3)
Profit before related income tax expense													**251.2**	287.5	**7.6**	14.8	**258.8**	302.3
Income tax (expense)/benefit													**(32.8)**	(49.4)	**(8.2)**	13.6	**(41.0)**	(35.8)
Profit for the financial period													**218.4**	238.1	**(0.6)**	28.4	**217.8**	266.5

* Discontinued operations include the Australasian Food Can and Aerosol business (previously reported in Amcor Australasia) that was sold on 31 October 2007, refer Note 3.

NOTE 2 SEGMENT INFORMATION (continued)

(c) Business segments (continued)

For the year ended 30 June $ million	Amcor PET		Amcor Australasia*		Amcor Flexibles		Amcor Sunclipse		Amcor Asia		Other		Consolidated continuing operations		Discontinued operations*		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Segment assets	**2,797.9**	2,588.4	**2,208.8**	2,203.0	**2,604.1**	2,630.9	**416.2**	377.6	**143.9**	127.0	**(396.7)**	(267.0)	**7,774.2**	7,659.9	**–**	10.9	**7,774.2**	7,670.8
Investment in associates accounted for using the equity method	**5.5**	3.0	**–**	–	**–**	–	**–**	–	**503.5**	307.9	**–**	–	**509.0**	310.9	**–**	–	**509.0**	310.9
Unallocated assets													**162.8**	88.2	**–**	–	**162.8**	88.2
Total assets													**8,446.0**	8,059.0	**–**	10.9	**8,446.0**	8,069.9
Segment liabilities	**696.2**	717.4	**507.3**	481.7	**747.7**	828.9	**123.1**	120.2	**36.7**	34.4	**162.7**	157.5	**2,273.7**	2,340.1	**1.2**	11.6	**2,274.9**	2,351.7
Unallocated corporate borrowings													**2,831.8**	2,510.5	**–**	–	**2,831.8**	2,510.5
Unallocated liabilities													**263.7**	204.4	**–**	–	**263.7**	204.4
Total liabilities													**5,369.2**	5,055.0	**1.2**	11.6	**5,370.4**	5,066.6
Share of net profits of associates	**2.0**	(0.2)	**–**	–	**–**	–	**–**	–	**34.1**	27.9	**–**	–	**36.1**	27.7	**–**	–	**36.1**	27.7
Acquisition of property, plant and equipment and intangibles	**188.8**	195.0	**185.9**	132.5	**165.7**	197.9	**12.8**	5.8	**5.4**	5.5	**5.7**	0.8	**564.3**	537.5	**–**	6.5	**564.3**	544.0
Impairment losses of property, plant and equipment, intangibles and other non-current assets	**(11.0)**	(0.6)	**–**	(10.4)	**(11.8)**	(13.5)	**–**	–	**(2.2)**	–	**–**	–	**(25.0)**	(24.5)	**–**	–	**(25.0)**	(24.5)
Impairment losses – inventories	**–**	–	**(1.5)**	–	**(3.4)**	(2.1)	**–**	–	**–**	–	**–**	–	**(4.9)**	(2.1)	**–**	–	**(4.9)**	(2.1)
Impairment losses – trade receivables	**(0.3)**	(2.6)	**(1.3)**	(0.3)	**(1.3)**	0.8	**(5.8)**	(2.2)	**0.4**	(0.3)	**(2.7)**	0.5	**(11.0)**	(4.1)	**–**	–	**(11.0)**	(4.1)
Reversal of previous impairment losses on property, plant and equipment, intangible and other non-current assets	**–**	–	**–**	–	**–**	3.4	**–**	–	**–**	–	**–**	–	**–**	3.4	**–**	–	**–**	3.4
Other non-cash expenses/(income)	**33.3**	17.6	**71.4**	98.8	**14.7**	48.1	**6.1**	5.4	3.7	6.2	**(32.5)**	18.4	**96.7**	194.5	**–**	3.4	**96.7**	197.9

* Discontinued operations include the Australasian Food Can and Aerosol business (previously reported in Amcor Australasia) that was sold on 31 October 2007, refer Note 3.

(d) Geographic segments

The geographic segments have been prepared for continuing operations only.

For the year ended 30 June $ million	Australia and New Zealand		Europe		North America		Latin America		Asia		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Revenue from external customers	**2,199.4**	2,267.3	**2,573.1**	2,614.0	**3,523.5**	3,302.9	**1,171.1**	980.4	**68.3**	70.3	**9,535.4**	9,234.9
Segment assets	**1,485.0**	1,887.6	**2,772.7**	2,527.3	**2,399.0**	2,213.8	**1,027.8**	944.1	**598.7**	398.0	**8,283.2**	7,970.8
Acquisition of property, plant and equipment, intangibles and other non-current assets	**192.9**	136.8	**153.0**	194.7	**134.5**	126.5	**79.0**	74.8	**4.9**	4.7	**564.3**	537.5

NOTE 3 DISCONTINUED OPERATIONS

(a) Description of events

30 June 2009

During the 12 months to 30 June 2009, the consolidated entity has recognised an additional gain of $0.2 million (after tax) arising on the sale of the Australasian Food Can and Aerosol business. In addition the consolidated entity has recognised an additional loss of $0.8 million (after tax) (2008: $23.5 million gain, after tax) arising on the PET European sale which occurred on 29 June 2007.

30 June 2008

On 31 August 2007, the consolidated entity announced the sale of its Australasian Food Can and Aerosol business to Impress Group BV for $147.7 million with effect from 31 October 2007. This business has been presented as a discontinued operation in this Financial Report.

The Company, recognised a loss of $5.2 million (after tax) and $4.7 million loss (after tax) relating to the PET European sale and the disposal of the White Cap Metal Closures business, respectively.

The financial information related to these discontinued operations for the period to the date of disposal is set out below. Further information is also provided in Note 2 and Note 6.

	Discontinued operations	
$ million	**2009**	2008
(b) Financial performance and cash flow information		
Profits attributable to the discontinued operations were as follows:		
Revenue (refer Note 2)[1]	**–**	82.2
Expenses	**–**	(74.4)
Operating profit before related income tax expense	**–**	7.8
Income tax expense	**–**	(2.5)
Operating profit after related income tax expense of discontinued operations	**–**	5.3
Profit on sale of discontinued operations before related income tax (expense)/benefit	**7.6**	7.0
Income tax (expense)/benefit	**(8.2)**	16.1
Profit/(loss) on sale of discontinued operations after related income tax (expense)/benefit	**(0.6)**	23.1
Profit/(loss) from discontinued operations	**(0.6)**	28.4
Profit attributable to:		
Members of Amcor Limited	**(0.6)**	27.9
Minority interest	**–**	0.5
	(0.6)	28.4
cents		
Basic earnings profit per share	**(0.1)**	3.2
Diluted earnings profit per share	**(0.1)**	3.2
(c) Cash flows from discontinued operations		
Net cash outflow from operating activities	**–**	(7.7)
Net cash (outflow)/inflow from investing activities	**(1.9)**	956.1
Net cash outflow from financing activities	**–**	(127.0)
Net cash flow from discontinued operations	**(1.9)**	821.4

(1) As inter-segment revenue is eliminated for the consolidated results, revenue from discontinued operations shown above is inclusive of revenue from external customers and other revenue only.

NOTE 3 DISCONTINUED OPERATIONS (continued)

$ million	Discontinued operations 2009	2008
(d) Carrying amounts of assets and liabilities disposed of		
Trade and other receivables	–	34.5
Inventories	–	57.4
Property, plant and equipment	–	95.5
Deferred tax assets	–	4.5
Intangible assets	–	0.1
Other	–	0.7
Total assets	–	192.7
Trade and other payables	–	35.1
Deferred tax liabilities	–	9.2
Provisions	–	3.1
Total liabilities	–	47.4
Net assets	–	145.3
(e) Details of the sale of operations		
Consideration received or receivable:		
Cash and short-term deposits	–	139.0
Present value of deferred sales proceeds, net of transaction costs	–	8.7
Total disposal consideration	–	147.7
Less carrying amounts of net assets disposed of	–	(145.3)
Less share of exchange fluctuation reserve and foreign exchange translation	–	(0.3)
Profit on sale before related income tax benefit	–	2.1
Income tax benefit	–	2.1
Profit on sale after related income tax benefit of disposed operations	–	4.2
Settlement adjustments on prior year disposal, net of tax	**(0.6)**	18.9
Profit/(loss) on sale of discontinued operations after related income tax benefit	**(0.6)**	23.1
Net cash inflow/(outflow) on disposal		
Cash and cash equivalents consideration	–	139.0
Cash (paid)/received from prior period disposals[1]	**(1.9)**	823.5
Reported in the cash flow statement	**(1.9)**	962.5

(1) Represents expenditure incurred in relation to the finalisation of prior period disposals (2008: cash received included deferred consideration, dividends and repayment of loans).

NOTE 4 REVENUE, OTHER INCOME AND FINANCIAL INCOME

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Revenue from continuing operations				
Sales revenue				
Revenue from sale of goods	**9,535.4**	9,234.9	**–**	–
Other income				
Dividend received/receivable				
– Controlled entities	**–**	–	**125.9**	133.3
– Other	**0.8**	0.6	**–**	–
Sub-lease rentals	**–**	1.1	**–**	–
Net gain on disposal of property, plant and equipment	**23.8**	38.1	**–**	–
Net gain on disposal of businesses	**0.5**	9.4	**–**	–
Net foreign exchange gains (refer Note 5 for net losses)	**9.2**	9.8	**–**	–
Fair value gains on other financial assets designated at fair value through income statement (refer Note 5 for net losses)	**0.3**	–	**–**	–
Government grants	**2.2**	2.2	**–**	–
Supplier early payment discounts	**4.6**	4.2	**–**	–
Service income	**8.5**	5.0	**–**	–
Amortisation of financial guarantee contracts	**–**	–	**(2.6)**	2.0
Other	**37.3**	27.3	**3.4**	1.9
Significant items (refer Note 6)				
– Gain arising on equity issue of associate – AMVIG	**–**	3.7	**–**	–
Total other income	**87.2**	101.4	**126.7**	137.2
Financial income				
Interest received/receivable				
– Controlled entities	**–**	–	**304.7**	355.5
– Other	**11.2**	29.7	**(0.2)**	0.3
Total financial income	**11.2**	29.7	**304.5**	355.8

NOTE 5 EXPENSES

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Profit before related income tax includes the following specific expenses				
Depreciation:				
– Property, plant and equipment	**412.3**	382.3	**0.1**	0.1
– Leased assets	**0.1**	1.6	**–**	–
Amortisation:				
– Other intangibles	**29.7**	26.5	**1.7**	1.6
Total depreciation and amortisation	**442.1**	410.4	**1.8**	1.7
Financial expenses				
Interest paid/payable:				
– Controlled entities	**–**	–	**216.2**	238.8
– Finance charges on leased assets	**0.2**	1.0	**–**	–
– Unwind of discount on provisions	**3.7**	3.0	**–**	–
– External	**182.2**	200.1	**131.8**	135.1
Amount capitalised	**(5.3)**	(0.5)	**–**	–
	180.8	203.6	**348.0**	373.9
Borrowing costs	**12.1**	5.8	**9.3**	3.2
Total financial expenses	**192.9**	209.4	**357.3**	377.1
Net impairment of trade receivables	**11.0**	4.1	**–**	–
Net write-down of inventories	**4.9**	2.1	**–**	–
Provisions:				
– Insurance/workers' compensation and other claims	**37.4**	23.6	**–**	–
– Onerous contracts	**0.1**	4.2	**–**	–
– Asset restoration expense	**3.9**	6.3	**–**	–
– Restructuring	**52.1**	103.2	**–**	–
Employee benefits expense:				
– Wages and salaries	**1,551.9**	1,505.5	**25.7**	23.5
– Workers' compensation and other on-costs	**168.4**	153.9	**–**	–
– Superannuation costs – defined benefit funds	**29.2**	29.2	**2.3**	(0.4)
– Superannuation costs – accumulation funds	**40.9**	32.5	**1.8**	1.7
– Other employment benefits expense	**5.5**	12.0	**1.0**	3.3
– Share-based payments expense	**15.9**	12.5	**6.4**	5.0
Total employee benefits expense	**1,811.8**	1,745.6	**37.2**	33.1
Rental expense relating to operating leases:				
– Minimum lease payments	**98.9**	88.4	**–**	0.7
– Contingent rentals	**6.0**	7.3	**–**	–
Total rental expense relating to operating leases	**104.9**	95.7	**–**	0.7
Asset impairment reversal	**–**	(3.4)	**–**	–
Asset impairments	**25.0**	16.6	**–**	–
Goodwill impairment	**–**	7.9	**–**	–
Net loss on sale of receivables	**0.7**	0.5	**–**	–
Fair value losses on other financial assets designated at fair value through income statement (refer Note 4 for net gains)	**–**	1.8	**0.1**	0.3
Net foreign exchange losses (refer Note 4 for net gains)	**–**	–	**210.2**	28.0

NOTE 6 SIGNIFICANT ITEMS

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Significant items before related income tax expense				
Income				
Gain arising on equity issue of associate – AMVIG[1]	**–**	3.7	**–**	–
Gains arising on disposal of Australasian Food Can and Aerosol business (refer Note 3)[2]	**0.3**	2.1	**–**	–
Gains arising on disposal of PET Europe business (refer Note 3)[2]	**7.3**	9.6	**–**	(7.4)
	7.6	15.4	**–**	(7.4)
Expense				
Loss arising on equity issue of associate – AMVIG[1]	**(3.7)**	–	**–**	–
PET business integration and restructure	**(16.3)**	(1.6)	**–**	–
Australasia restructuring	**(32.5)**	(41.0)	**(2.1)**	–
Flexibles market sector rationalisation	**(68.1)**	(101.6)	**–**	(0.7)
Closures business restructure and loss on disposal (refer Note 3)[2]	**–**	(4.7)	**–**	(4.7)
Legal costs[4]	**(23.4)**	(4.8)	**(23.4)**	(4.8)
Legal claims settlement	**(12.0)**	–	**–**	–
Recognition of acquired US tax losses[3]	**–**	(16.0)	**–**	–
Transaction costs relating to business acquisition[5]	**(29.7)**	–	**–**	–
Asset impairments, net of reversals	**(28.0)**	(21.0)	**(1.4)**	–
	(213.7)	(190.7)	**(26.9)**	(10.2)
Significant items before related income tax expense	**(206.1)**	(175.3)	**(26.9)**	(17.6)
Related income tax benefit/(expense) on significant items (where applicable)				
Income tax (expense)/benefit on disposal of Australasian Food Can and Aerosol business[2]	**(0.1)**	2.1	**–**	–
Income tax (expense)/benefit on disposal of PET Europe business[2]	**(8.1)**	13.9	**–**	2.2
Income tax benefit on PET business integration and restructure	**1.9**	–	**–**	–
Income tax benefit on Australasia restructuring	**9.2**	12.3	**–**	–
Income tax benefit on Flexibles market sector rationalisation	**17.9**	16.3	**–**	–
Income tax benefit on legal costs	**7.6**	1.5	**7.6**	1.5
Income tax benefit on legal claims settlement	**3.6**	–	**–**	–
Income tax benefit on recognition of US tax losses[3],[5]	**23.6**	16.0	**–**	–
Income tax benefit on asset impairments, net of reversals	**1.7**	2.9	**–**	–
Income tax benefit on significant items	**57.3**	65.0	**7.6**	3.7
Significant items after related income tax benefit/(expense)	**(148.8)**	(110.3)	**(19.3)**	(13.9)
Significant items attributable to:				
Members of Amcor Limited	**(148.8)**	(110.3)	**(19.3)**	(13.9)
Minority interest	**–**	–	**–**	–
	(148.8)	(110.3)	**(19.3)**	(13.9)
Significant items before related income tax expense:				
Continuing operations	**(213.7)**	(182.3)	**(26.9)**	(5.5)
Discontinued operations	**7.6**	7.0	**–**	(12.1)
	(206.1)	(175.3)	**(26.9)**	(17.6)
Related income tax benefit/(expense) on significant items:				
Continuing operations	**65.5**	48.9	**7.6**	1.5
Discontinued operations	**(8.2)**	16.1	**–**	2.2
	57.3	65.0	**7.6**	3.7
Significant items after related income tax benefit/(expense) attributed to:				
Continuing operations	**(148.2)**	(133.4)	**(19.3)**	(4.0)
Discontinued operations	**(0.6)**	23.1	**–**	(9.9)
	(148.8)	(110.3)	**(19.3)**	(13.9)

(1) The amount represents the decrease/increase in the consolidated entity's share of the associate's net worth, as a result of share issues and share buy-backs undertaken by the associate, refer Note 14.

(2) The amounts recognised in the current reporting period represent settlement adjustments in relation to prior year disposals.

(3) In 2008, the $16.0 million represents out-of-period goodwill adjustments associated with recognition of acquired tax losses.

(4) Legal costs include costs of Amcor and others associated with defence and settlement of claims arising with respect to various ACCC matters.

(5) The amounts recognised in the current reporting period represent the impact upon the financial results of the consolidated entity on early adoption of AASB 3 *Business Combinations* (refer Note 1(a)).

NOTE 6 SIGNIFICANT ITEMS (continued)

The following table represents a segmental analysis of significant items before income tax benefit/(expense), refer Note 2:

$ million	Restructuring – Redundancy	Restructuring – Plant closure	Impairment of assets	Disposal of controlled entities	Other[1]	Total
2009						
PET	**(4.6)**	**(11.7)**	**(11.0)**	**–**	**–**	**(27.3)**
Flexibles	**(21.0)**	**(45.6)**	**(12.2)**	**(1.4)**	**(0.1)**	**(80.3)**
Australasia	**(15.9)**	**(14.4)**	**–**	**–**	**(12.0)**	**(42.3)**
Asia	**–**	**–**	**(2.2)**	**–**	**(3.7)**	**(5.9)**
Corporate	**–**	**–**	**(2.6)**	**–**	**(55.3)**	**(57.9)**
Discontinued Operations	**–**	**–**	**–**	**7.6**	**–**	**7.6**
Total	**(41.5)**	**(71.7)**	**(28.0)**	**6.2**	**(71.1)**	**(206.1)**
2008						
PET	–	(1.6)	(0.6)	–	–	(2.2)
Flexibles	(28.8)	(50.6)	(10.0)	(20.8)	(2.1)	(112.3)
Australasia	(31.3)	(9.7)	(10.4)	–	–	(51.4)
Asia	–	–	–	–	3.7	3.7
Corporate	–	–	–	0.7	(20.8)	(20.1)
Discontinued Operations	–	–	–	7.0	–	7.0
Total	(60.1)	(61.9)	(21.0)	(13.1)	(19.2)	(175.3)

(1) The amounts included in the 'Other' column represent legal costs of $23.4 million (2008: $4.8 million) and legal claims settlements of $12.0 million (2008: nil), a loss of $3.7 million (2008: $3.7 million gain) relating to the equity issues of an associate and the expensing of transaction costs relating to a potential business acquisition of $29.7 million and other costs totalling $2.3 million (2008: $2.1 million). In addition, during the 2008 financial year an expense of $16.0 million was recognised in relation to goodwill adjustment associated with the recognition of acquired tax losses under a previous business combination.

NOTE 7 INCOME TAX EXPENSE

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
(a) Recognised in the income statement				
Current tax (expense)/benefit				
Current period	**(112.4)**	(53.2)	**23.0**	6.1
Adjustments relating to current tax expense of prior periods	**5.0**	(15.7)	**(4.4)**	(21.0)
Tax losses, tax credits and temporary differences not recognised for book in prior years now recouped	**10.9**	17.2	**12.8**	–
Total current tax (expense)/benefit	**(96.5)**	(51.7)	**31.4**	(14.9)
Deferred tax benefit/(expense)				
Origination and reversal of temporary differences	**54.5**	21.9	**67.2**	21.1
Change in applicable tax rates	**1.0**	(6.0)	**–**	–
Total deferred tax benefit	**55.5**	15.9	**67.2**	21.1
Total income tax (expense)/benefit	**(41.0)**	(35.8)	**98.6**	6.2
Less income tax (expense)/benefit attributable to discontinued operations	**(8.2)**	13.6	**–**	2.2
Total income tax (expense)/benefit attributable to continuing operations	**(32.8)**	(49.4)	**98.6**	4.0
Deferred income tax benefit/(expense) included in income tax expenses comprises:				
Increase in deferred tax assets	**90.2**	11.1	**33.8**	12.5
(Increase)/decrease in deferred tax liabilities	**(34.7)**	4.8	**33.4**	8.6
Deferred income tax benefit/(expense) included in income tax (Note 16)	**55.5**	15.9	**67.2**	21.1
(b) Numerical reconciliation of income tax (expense)/benefit to prima facie tax payable				
Profit from continuing operations	**251.2**	287.5	**(201.1)**	40.3
Profit/(loss) from discontinued operations	**7.6**	14.8	**–**	(12.1)
Profit before related income tax expense	**258.8**	302.3	**(201.1)**	28.2
Tax at the Australian tax rate of 30% (2008: 30%)	**(77.6)**	(90.7)	**60.3**	(8.5)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Net operating items non-deductible/non-assessable for tax	**(6.6)**	(7.3)	**(7.1)**	(3.0)
Goodwill tax adjustments	**–**	0.9	**–**	–
Net significant items non-deductible/non-assessable for tax	**4.5**	2.4	**(0.4)**	(1.6)
Tax rebate on dividends from investments	**–**	–	**37.8**	40.1
Capital structures	**38.4**	50.4	**–**	–
Tax losses, tax credits and temporary differences not recognised for book in prior years now recouped	**10.9**	17.2	**12.8**	–
Effect of local tax rate change	**(0.7)**	(6.0)	**–**	–
	(31.1)	(33.1)	**103.4**	27.0
Over provision in prior period	**(2.0)**	(11.4)	**(4.8)**	(20.8)
Foreign tax rate differential	**(7.9)**	8.7	**–**	–
Total income tax (expense)/benefit	**(41.0)**	(35.8)	**98.6**	6.2
Less income tax (expense)/benefit attributable to discontinued operations	**(8.2)**	13.6	**–**	2.2
Total income tax (expense)/benefit attributable to continuing operations	**(32.8)**	(49.4)	**98.6**	4.0
(c) Amounts recognised directly in equity				
Deferred tax benefit recognised directly in equity	**14.8**	16.2	**4.6**	4.6
Total income tax benefit recognised directly in equity	**14.8**	16.2	**4.6**	4.6

Notes to the Financial Statements

30 June 2009

NOTE 8 AUDITORS' REMUNERATION

$ thousand	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Audit services				
PwC Australian firm:				
Audit and review of financial reports	**2,472**	2,688	**1,730**	1,954
Other regulatory audit services	**71**	144	**8**	65
Equity raising assurance services	**1,130**	–	**–**	–
Other assurance services	**132**	378	**132**	378
Overseas PwC firms:				
Audit and review of financial reports	**2,626**	2,032	**–**	–
Other regulatory audit services	**2,071**	1,935	**–**	–
Other assurance services	**42**	–	**–**	–
Total remuneration for audit and other assurance services	**8,544**	7,177	**1,870**	2,397
Other services				
PwC Australian firm:				
Taxation services	**1,453**	1,989	**1,453**	1,989
Completion audits and acquisition due diligence	**4,537**	576	**410**	576
Overseas PwC firms:				
Taxation services	**2,621**	1,054	**–**	–
Completion audits and acquisition due diligence	**6,640**	–	**–**	–
Total remuneration for other services	**15,251**	3,619	**1,863**	2,565
Total auditors' remuneration	**23,795**	10,796	**3,733**	4,962

NOTE 9 EARNINGS PER SHARE

cents	2009	2008
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	**25.4**	26.9
From discontinued operations	**(0.1)**	3.2
Attributable to the ordinary equity holders of the Company	**25.3**	30.1
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	**25.2**	26.6
From discontinued operations	**(0.1)**	3.2
Attributable to the ordinary equity holders of the Company	**25.1**	29.8

(a) Reconciliation of earnings used in calculating earnings per share

$ million	2009	2008
Basic earnings per share		
Profit from continuing operations	**218.4**	238.1
Profit from continuing operations attributable to minority interests	**(6.1)**	(7.2)
Profit from continuing operations attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**212.3**	230.9
Profit/(loss) from discontinued operations	**(0.6)**	27.9
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**211.7**	258.8
Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	**212.3**	230.9
Profit/(loss) from discontinued operations	**(0.6)**	27.9
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	**211.7**	258.8

(b) Weighted average number of shares used as denominator

Number million	2009	2008
Weighted average number of ordinary shares for basic earnings per share	**837.2**	860.0
Effect of partly-paid shares	**–**	–
Effect of employee options	**5.4**	7.6
Weighted average number of ordinary shares and potential ordinary shares for diluted earnings per share	**842.6**	867.6

(c) Information concerning classification of securities

In the calculation of basic earnings per share, only ordinary shares have been included in the calculation. The following securities have been classified as potential ordinary shares and their effect included in diluted earnings per share as at 30 June 2009:

– ordinary shares;

– partly-paid shares; and

– employee options and rights.

(d) Details of securities

(i) Partly-paid ordinary shares

Partly-paid ordinary shares do not carry the right to participate in dividends and have not been recognised in ordinary share equivalents in the determination of basic earnings per share. Amounts uncalled on partly-paid shares and calls in arrears are treated as the equivalent of options to acquire ordinary shares and are included as potential ordinary shares in the determination of diluted earnings per share.

(ii) Options and rights

Options and rights granted to employees under the Amcor Limited employee share/option and rights plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options and rights have not been included in the determination of basic earnings per share. Details relating to the options and rights plans are set out in Note 27.

NOTE 10 CASH AND CASH EQUIVALENTS

	Consolidated		Amcor Limited	
$ million	2009	2008	2009	2008
Cash on hand and at bank	**132.8**	214.8	**–**	115.7
Short-term deposits	**41.8**	17.1	**6.1**	–
Deposits at call	**14.0**	26.4	**–**	–
Total cash and cash equivalents	**188.6**	258.3	**6.1**	115.7

Short-term deposits and deposits at call for the consolidated entity bear floating interest rates between 0.02% and 9.02% (2008: 1.8% and 7.3%). Details regarding interest rate risk, foreign currency risk, credit risk and the fair value of cash and cash equivalents are disclosed in Note 26.

NOTE 11 TRADE AND OTHER RECEIVABLES

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Trade receivables[1]	**959.8**	1,022.3	**2.1**	0.2
Less provision for impairment losses	**(22.0)**	(30.4)	**–**	–
	937.8	991.9	**2.1**	0.2
Amounts owing by controlled entities	**–**	–	**5,561.2**	5,357.5
Other receivables[2]	**142.2**	178.0	**10.5**	4.1
Other loans	**11.4**	13.7	**–**	–
Prepayments	**49.6**	51.8	**0.1**	0.6
Total current trade and other receivables	**1,141.0**	1,235.4	**5,573.9**	5,362.4

Details regarding interest rate risk, foreign currency risk, credit risk and fair values of receivables are disclosed in Note 26.

(1) Impaired trade receivables
The consolidated entity has recognised a loss of $11.0 million (2008: $4.1 million), the Company nil (2008: nil), in respect of impaired trade receivables during the financial year ended 30 June 2009. The loss has been included in 'general and administration' expenses in the income statement.

(2) Other receivables
These amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

NOTE 12 INVENTORIES

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Raw materials and stores at cost	**375.3**	441.7	**–**	–
Work in progress at cost	**88.5**	98.1	**–**	–
Finished goods at cost	**459.8**	517.7	**–**	–
	923.6	1,057.5	**–**	–
Raw materials and stores at net realisable value	**18.1**	15.7	**–**	–
Work in progress at net realisable value	**4.6**	5.8	**–**	–
Finished goods at net realisable value	**33.3**	38.9	**–**	–
	56.0	60.4	**–**	–
Total inventories	**979.6**	1,117.9	**–**	–

Write-downs of inventories to net realisable value recognised as an expense during the financial year ended 30 June 2009 amounted to $4.9 million (2008: $2.1 million). The expense has been included in 'cost of sales' expenses in the income statement. As at 30 June 2009, no inventory of the consolidated entity is pledged as security over any borrowing (2008: nil).

NOTE 13 OTHER FINANCIAL ASSETS

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Current				
Derivative financial instruments:				
Forward exchange contracts	**–**	0.9	**–**	–
Hedge contracts for cash settled bonus and retention payment plans ('Equity Share Swap contracts')	**0.9**	0.9	**0.9**	0.9
	0.9	1.8	**0.9**	0.9
Derivative financial instruments – cash flow hedges:				
Forward exchange contracts	**7.3**	2.4	**–**	–
Commodity contracts	**0.5**	2.5	**–**	–
	7.8	4.9	**–**	–
Total current other financial assets	**8.7**	6.7	**0.9**	0.9
Non-current				
Shares in controlled entities at cost (refer Note 32)	**–**	–	**4,887.4**	4,854.3
Investments in companies listed on stock exchanges at fair value	**7.7**	7.7	**–**	–
Investments in companies not listed on stock exchanges at cost	**0.2**	0.2	**–**	–
	7.9	7.9	**4,887.4**	4,854.3
Derivative financial instruments:				
Contracts for cash settled employee share plan options ('American' style contracts)	**0.2**	0.2	**0.2**	0.2
Contracts for cash settled bonus and retention payment plans ('Equity Share Swap contracts')	**0.4**	0.4	**0.4**	0.4
	0.6	0.6	**0.6**	0.6
Derivative financial instruments – cash flow hedges:				
Commodity contracts	**–**	0.2	**–**	–
	–	0.2	**–**	–
Loans and other receivables	**33.8**	21.3	**–**	1.4
Total non-current other financial assets	**42.3**	30.0	**4,888.0**	4,856.3

Details regarding the interest rate risk, foreign currency risk, commodity price risk, employee share plan risk and fair values of the other financial assets are disclosed in Note 26.

In relation to the cash settled Employee Share Plan Options, the Employee Bonus Payment Plan and the Senior Executive Retention Payment Plan, the consolidated entity is exposed to movements in the value of the underlying ordinary shares of Amcor Limited. The consolidated entity has hedged its exposure by entering into cash settled equity share option or equity share swap contracts that mirror the terms and conditions of the employee benefit. Refer to Note 26(a)(iv) for details of the expiry or vesting date (if applicable), the outstanding option/share hedged contract positions and the hedged price of the contracts as at 30 June 2009.

NOTE 14 EQUITY ACCOUNTED INVESTMENTS

The consolidated entity accounts for investments in associates using the equity method and has no investments in joint ventures. The Company does not hold any equity accounted investments.

The consolidated entity has the following equity accounted investments:

				Ordinary share ownership interest	
				2009	2008
Name of associate	**Principal activity**	**Incorporated**	**Reporting date**	**%**	%
AMVIG Holdings Limited	Tobacco packaging	Cayman Islands	31 December	**38.9**	35.4
Silgan White Cap de Venezuela S.A.	Metal and plastic closures	Venezuela	31 December	**37.0**	37.0

Financial information related to equity accounted investments

	Consolidated	
$ million	**2009**	2008
Revenues (100%)	**599.7**	406.2
Expenses (100%)	**(520.5)**	(328.5)
Profit (100%)	**79.2**	77.7
Current assets (100%)	**426.7**	285.0
Non-current assets (100%)	**972.2**	665.6
Total assets (100%)	**1,398.9**	950.6
Current liabilities (100%)	**309.5**	177.4
Non-current liabilities (100%)	**148.6**	160.9
Total liabilities (100%)	**458.1**	338.3
Net assets reported by equity accounted investments	**940.8**	612.3
Consolidated entity's share of net assets equity accounted	**509.0**	310.9
Results of equity accounted investments		
Consolidated entity share of profits before taxes	**43.6**	28.8
Consolidated entity share of income tax expense	**(7.5)**	(1.1)
Consolidated entity share of profits after tax	**36.1**	27.7
Commitments		
Share of capital commitments contracted but not provided for or payable:		
Within one year	**4.4**	9.0
Between one and five years	**–**	–
More than five years	**–**	–
	4.4	9.0
Share of other expenditure commitments contracted but not provided for or payable (including operating lease commitments):		
Within one year	**1.3**	1.0
Between one and five years	**4.4**	3.3
More than five years	**6.6**	5.8
	12.3	10.1

Acquisitions and disposals

AMVIG Holdings Limited

On 29 July 2008, the consolidated entity acquired 78.3 million shares in Hong Kong publicly-listed company AMVIG Holdings Limited (AMVIG) for consideration of HK$700.0 million after the shareholders of AMVIG approved two resolutions facilitating the additional investment. The shares were acquired by way of placement by AMVIG to the consolidated entity at a price of HK$8.94. The placement represented a premium of 5% over the weighted average AMVIG share price for the nine trading days prior to 20 June 2008. As a result of this placement, the consolidated entity's shareholding in the equity accounted investment increased from 35.4% to 40.2%.

On 2 June 2008, AMVIG announced the proposed acquisition of Hangzhou Weicheng which was to be settled by way of a cash payment and share issue by AMVIG. During the period, AMVIG completed the acquisition and, as a result, the consolidated entity's ownership interest in the equity accounted investment was reduced to 38.9% as at 30 June 2009.

Reporting date

The balance dates for AMVIG and Silgan White Cap de Venezuela S.A. are both 31 December.

The balance date of AMVIG is different to that of the consolidated entity due to commercial reasons and the listing requirements of this entity on the Hong Kong Stock Exchange. Due to the timing of the reporting process of AMVIG, management are unable to obtain certain financial information relating to the six months trading of AMVIG to 30 June 2009 for recognition in this Financial Report. Therefore in determining the consolidated entity's share of profits for the financial year ended 30 June 2009, management of the consolidated entity has estimated the consolidated entity's share of profits based upon the latest publicly available information released by AMVIG as at 30 June 2009. This result, in conjunction with the audited results for the 12 months to 31 December 2008, has formed the basis for the consolidated entity's share of profits recognised for the 12 months ended 30 June 2009.

Silgan White Cap de Venezuela S.A. ('Silgan White Cap') balance date is different to that of the consolidated entity due to commercial reasons in aligning its balance date to its ultimate controlling parent company, Silgan Holdings Inc., which is listed on NASDAQ. The 30 June 2009 unaudited management accounts of Silgan White Cap have formed the basis of the financial information used in determining the consolidated entity's share of profits for the 12 months ended 30 June 2009.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

Consolidated

$ million	Land	Land improvements	Buildings	Plant and equipment	Assets under construction	Finance leases	Total
Cost							
Balance at 1 July 2008	**203.5**	**27.5**	**817.6**	**6,171.5**	**46.6**	**4.9**	**7,271.6**
Additions for the period	**2.4**	**0.1**	**34.8**	**386.9**	**144.9**	**–**	**569.1**
Disposals during the period	**(20.0)**	**(5.3)**	**(50.3)**	**(326.8)**	**(0.6)**	**–**	**(403.0)**
Additions through business acquisitions	**–**	**–**	**–**	**2.6**	**–**	**–**	**2.6**
Disposal of businesses and controlled entities	**–**	**–**	**–**	**(14.2)**	**–**	**–**	**(14.2)**
Other transfers	**0.8**	**0.1**	**20.3**	**16.5**	**(37.7)**	**–**	**–**
Effect of movements in foreign exchange rates	**6.6**	**0.8**	**44.7**	**293.0**	**(2.4)**	**0.3**	**343.0**
Balance at 30 June 2009	**193.3**	**23.2**	**867.1**	**6,529.5**	**150.8**	**5.2**	**7,769.1**
Balance at 1 July 2007	231.5	30.4	810.7	6,341.9	9.4	100.2	7,524.1
Additions for the period	1.5	0.2	78.0	431.8	38.4	–	549.9
Disposals during the period	(25.5)	(2.7)	(51.0)	(182.0)	(1.0)	(6.4)	(268.6)
Disposal of businesses and controlled entities	(0.9)	(0.4)	(4.3)	(293.3)	–	–	(298.9)
Other transfers[1]	–	–	8.5	79.0	(3.4)	(84.1)	–
Effect of movements in foreign exchange rates	(3.1)	–	(24.3)	(205.9)	3.2	(4.8)	(234.9)
Balance at 30 June 2008	203.5	27.5	817.6	6,171.5	46.6	4.9	7,271.6
Accumulated depreciation and impairment							
Balance at 1 July 2008	**(0.2)**	**(7.3)**	**(224.3)**	**(3,410.6)**	**–**	**(4.8)**	**(3,647.2)**
Depreciation charge	**–**	**(0.7)**	**(33.9)**	**(377.7)**	**–**	**(0.1)**	**(412.4)**
Disposals during the period	**–**	**1.5**	**11.8**	**248.9**	**–**	**–**	**262.2**
Disposal of businesses and controlled entities	**–**	**–**	**–**	**11.4**	**–**	**–**	**11.4**
Impairment loss	**–**	**–**	**(3.7)**	**(19.1)**	**–**	**–**	**(22.8)**
Effect of movements in foreign exchange rates	**–**	**(0.3)**	**(14.4)**	**(149.5)**	**–**	**(0.2)**	**(164.4)**
Balance at 30 June 2009	**(0.2)**	**(6.8)**	**(264.5)**	**(3,696.6)**	**–**	**(5.1)**	**(3,973.2)**
Balance at 1 July 2007	(0.1)	(6.8)	(196.9)	(3,434.5)	–	(50.4)	(3,688.7)
Depreciation charge	(0.1)	(1.0)	(39.2)	(344.7)	–	(1.6)	(386.6)
Disposals during the period	–	0.5	7.5	151.7	–	4.6	164.3
Disposal of businesses and controlled entities	–	–	(1.1)	172.3	–	–	171.2
Impairment loss	–	–	(0.7)	(14.4)	–	–	(15.1)
Reversal of impairment loss	–	–	–	3.4	–	–	3.4
Other transfers[1]	–	–	(0.1)	(40.3)	–	40.4	–
Effect of movements in foreign exchange rates	–	–	6.2	95.9	–	2.2	104.3
Balance at 30 June 2008	(0.2)	(7.3)	(224.3)	(3,410.6)	–	(4.8)	(3,647.2)
Carrying amounts							
Balance at 30 June 2009	**193.1**	**16.4**	**602.6**	**2,832.9**	**150.8**	**0.1**	**3,795.9**
Balance at 30 June 2008	203.3	20.2	593.3	2,760.9	46.6	0.1	3,624.4

(1) During the 12 months to 30 June 2008 the consolidated entity affected a buy-out of certain finance lease arrangements, refer Note 20 for finance lease obligations.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT (continued)

Amcor Limited

The only class of property, plant and equipment held by the Company are items of plant and equipment. As at 30 June 2009 the carrying value of plant and equipment, held by the Company, amounted to $0.1 million (2008: $0.2 million), representing a cost value of $0.2 million (2008: $3.2 million) and accumulated depreciation of $0.1 million (2008: $3.0 million).

During the 12 months to 30 June 2009, the Company purchased office equipment totalling $5.0 million (2008: nil) on behalf of Amcor Australasia which was immediately transferred to Amcor Australasia upon purchase. A depreciation charge of $0.1 million (2008: $0.1 million) has been recognised in general and administration expenses in the income statement.

(a) Non-current assets pledged as security

At 30 June 2009, property, plant and equipment with a carrying value of $12.9 million (2008: $16.4 million) was provided as security for certain interest-bearing borrowings. Refer to Note 20 for more information on non-current assets pledged as security by the consolidated entity and the Company.

(b) Acquisition and disposal of businesses

30 June 2009

During the 12 months to 30 June 2009, the consolidated entity acquired and disposed of a number of businesses in the following segments:

– Amcor Australasia acquired the operations of a corrugated speciality packaging business in Sainsbury, NSW, for total consideration of $6.4 million;

– Amcor Sunclipse acquired the operations of a distribution business, with a focus on the wine industry, located in central California, United States, for total consideration of $7.3 million; and

– Amcor Flexibles disposed of a confectionery and snack food business in Thetford, United Kingdom, resulting in a loss on disposal of $1.4 million. This disposal was undertaken as part of the repositioning of the Amcor Flexibles Europe business, as announced in April 2007. In addition to the business disposals a number of legal entities were liquidated within the Flexibles group, refer Note 32 for details of those entities liquidated during the period.

30 June 2008

During the 12 months to 30 June 2008, the consolidated entity disposed of the Australasian Food Can and Aerosol business which was reported within the Amcor Australasia business segment. This business disposal was treated as a discontinued operation, refer Note 3.

No businesses were acquired during the 12 months to 30 June 2008.

(c) Non-current asset impairments

30 June 2009

During the year ended 30 June 2009, the consolidated entity recorded impairments of property, plant and equipment totalling $22.8 million within general and administration expense in the income statement. The impairments were recognised in the following segments:

– Amcor PET recognised an impairment of $11.0 million within Latin America relating to a number of items of property, plant and equipment that has been identified as idle as the result of the termination of various on-site lease agreements. The recoverable amount of these items was assessed based upon management's historical experience of the sale of similar assets, less costs to sell.

– Amcor Flexibles recognised an impairment of $9.9 million relating to restructuring activities undertaken in the United Kingdom and across Europe with regards to the repositioning of the Amcor Flexibles Europe business, as announced in April 2007. Of the $9.9 million impairment, $3.7 million related to buildings while $6.2 million related to items of property, plant and equipment. The recoverable amount of the buildings was assessed based on a valuation provided by an external independent valuer, less estimated costs to sell. Of the $6.2 million impairment recognised in relation to property, plant and equipment, $2.0 million was a write off of certain identified items while the remainder of the impairment was determined based on the recoverable amount of the individual items using management's historical experience of the sale of similar assets, less estimated costs to sell.

  In addition to the impairments identified in relation to the repositioning activities of Amcor Flexibles, an impairment charge of $1.9 million was recognised in relation to obsolete items of property, plant and equipment. The recoverable amount of these items were assessed based upon the consolidated entity's historical experience of the sale of similar assets in the relevant market place, less selling costs.

30 June 2008

During the year ended 30 June 2008, the consolidated entity recorded impairments of property, plant and equipment totalling $15.1 million within general and administration expense in the income statement. The impairments were recognised in the following segments:

– Amcor Australasia impaired items of property, plant and equipment totalling $2.5 million as the result of plant closures that occurred during the period. The recoverable amount of these items of property, plant and equipment was assessed using fair value, based on the consolidated entity's historical experience of the sale of similar assets in the market place.

– Amcor Flexibles recognised an impairment of $12.0 million relating to restructuring activities undertaken in the United Kingdom and Denmark with regards to the repositioning of the Amcor Flexibles Europe business, as announced in April 2007. The recoverable amount of these items of property, plant and equipment was assessed using fair value, based on the consolidated entity's historical experience of the sale of similar assets in the relevant market place.

– Other asset impairments of $0.6 million were also recorded during the period.

(d) Non-current asset impairment reversals

During the year ended 30 June 2009, the consolidated entity did not reverse any impairment that had previously been recognised with regards to items of property, plant and equipment.

In the prior period certain items of impaired plant and equipment were sold at a value greater than anticipated, resulting in a $3.4 million reversal of an impairment that had been recognised by Amcor Flexibles as a result of the closure of the Laupen Plant in Switzerland. The recoverable amount of the plant had been assessed using fair value less estimated costs to sell based on valuations from external independent valuers.

NOTE 16 DEFERRED TAX ASSETS AND LIABILITIES

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2009			2008		
$ million	**Assets**	**Liabilities**	**Net**	Assets	Liabilities	Net
Consolidated						
Property, plant and equipment	**–**	**(280.3)**	**(280.3)**	–	(283.2)	(283.2)
Impairment of trade receivables	**4.7**	**–**	**4.7**	6.1	–	6.1
Valuation of inventories	**31.2**	**(2.6)**	**28.6**	49.0	(3.2)	45.8
Employee benefits	**85.0**	**–**	**85.0**	75.1	–	75.1
Provisions	**53.6**	**–**	**53.6**	50.1	–	50.1
Financial instruments at fair value	**11.0**	**(25.8)**	**(14.8)**	26.3	(6.2)	20.1
Tax losses carried-forward	**122.3**	**–**	**122.3**	68.8	–	68.8
Accruals and other items	**49.6**	**(96.0)**	**(46.4)**	49.7	(127.0)	(77.3)
Tax assets/(liabilities)	**357.4**	**(404.7)**	**(47.3)**	325.1	(419.6)	(94.5)
Set off of tax	**(194.5)**	**194.5**	**–**	(236.9)	236.9	–
Net deferred tax asset/(liability)	**162.9**	**(210.2)**	**(47.3)**	88.2	(182.7)	(94.5)
Amcor Limited						
Property, plant and equipment	**–**	**(0.4)**	**(0.4)**	–	(0.4)	(0.4)
Employee benefits	**12.0**	**–**	**12.0**	7.2	–	7.2
Provisions	**1.2**	**–**	**1.2**	–	–	–
Financial instruments at fair value	**5.5**	**–**	**5.5**	(1.9)	–	(1.9)
Tax losses carried-forward	**14.6**	**–**	**14.6**	11.1	–	11.1
Accruals and other items	**5.1**	**–**	**5.1**	–	(49.8)	(49.8)
Tax assets/(liabilities)	**38.4**	**(0.4)**	**38.0**	16.4	(50.2)	(33.8)
Set off of tax	**(0.4)**	**0.4**	**–**	(16.4)	16.4	–
Net deferred tax asset/(liability)	**38.0**	**–**	**38.0**	—	(33.8)	(33.8)

NOTE 16 DEFERRED TAX ASSETS AND LIABILITIES (continued)

(b) Movement in temporary differences during the year

Consolidated

$ million	Net asset/ (liability) at 1 July	Recognised in income statement	Recognised in equity	Acquired balances	Included in disposal group	Exchange difference	Net asset/ (liability) at 30 June
2009							
Property, plant and equipment	**(283.2)**	**24.7**	**–**	**–**	**–**	**(21.8)**	**(280.3)**
Impairment of trade receivables	**6.1**	**(1.4)**	**–**	**–**	**–**	**–**	**4.7**
Valuation of inventories	**45.8**	**(21.0)**	**–**	**–**	**–**	**3.8**	**28.6**
Employee benefits	**75.1**	**(6.5)**	**13.3**	**0.1**	**–**	**3.0**	**85.0**
Provisions	**50.1**	**(0.3)**	**–**	**–**	**–**	**3.8**	**53.6**
Financial instruments at fair value	**20.1**	**(36.5)**	**1.5**	**–**	**–**	**0.1**	**(14.8)**
Tax losses carried-forward	**68.8**	**53.9**	**–**	**–**	**–**	**(0.4)**	**122.3**
Accruals and other items	**(77.3)**	**42.6**	**–**	**–**	**–**	**(11.7)**	**(46.4)**
	(94.5)	**55.5**	**14.8**	**0.1**	**–**	**(23.2)**	**(47.3)**
2008							
Property, plant and equipment	(346.5)	43.0	–	–	9.0	11.3	(283.2)
Impairment of trade receivables	7.6	(1.6)	–	–	–	0.1	6.1
Valuation of inventories	46.0	3.9	–	–	(2.2)	(1.9)	45.8
Employee benefits	63.1	(8.3)	25.3	–	(2.4)	(2.6)	75.1
Provisions	55.4	(4.2)	–	–	–	(1.1)	50.1
Financial instruments at fair value	0.7	24.5	(4.5)	–	–	(0.6)	20.1
Tax losses carried-forward	33.8	37.4	–	–	–	(2.4)	68.8
Accruals and other items	0.1	(78.8)	(4.6)	–	0.3	5.7	(77.3)
	(139.8)	15.9	16.2	–	4.7	8.5	(94.5)

Amcor Limited

$ million	Net asset/ (liability) at 1 July	Recognised in income statement	Recognised in equity	Net asset/ (liability) at 30 June
2009				
Property, plant and equipment	**(0.4)**	**–**	**–**	**(0.4)**
Employee benefits	**7.2**	**(5.8)**	**10.6**	**12.0**
Provisions	**–**	**1.2**	**–**	**1.2**
Financial instruments at fair value	**(1.9)**	**13.4**	**(6.0)**	**5.5**
Tax losses carried-forward	**11.1**	**3.5**	**–**	**14.6**
Accruals and other items	**(49.8)**	**54.9**	**–**	**5.1**
	(33.8)	**67.2**	**4.6**	**38.0**
2008				
Property, plant and equipment	0.3	(0.7)	–	(0.4)
Employee benefits	4.0	(3.4)	6.6	7.2
Provisions	0.1	(0.1)	–	–
Financial instruments at fair value	0.7	(0.6)	(2.0)	(1.9)
Tax losses carried-forward	–	11.1	–	11.1
Accruals and other items	(64.6)	14.8	–	(49.8)
	(59.5)	21.1	4.6	(33.8)

(c) Unrecognised deferred tax assets and liabilities

(i) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Unused tax losses for which no deferred tax asset has been recognised	**488.9**	438.8	**–**	–
Potential tax benefits at applicable rates of tax losses	**154.3**	139.9	**–**	–
Deductible temporary differences	**53.1**	21.5	**–**	–
Total unrecognised deferred tax assets	**207.4**	161.4	**–**	–

Unused tax losses have been incurred by entities in foreign jurisdictions. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the consolidated entity can utilise the benefits.

(ii) Unrecognised deferred tax liabilities

Deferred tax liabilities have not been recognised in respect of temporary differences arising as a result of the translation of the financial statements of the consolidated entity's investments in subsidiaries and associates. The deferred tax liability will only arise in the event of disposal of the subsidiary or associate, and no such disposal is expected in the foreseeable future.

Unremitted earnings of Amcor's international operations are considered to be reinvested indefinitely and relate to the ongoing operations. Upon distribution of any earnings in the form of dividends or otherwise, Amcor may be subject to withholding taxes payable to various foreign countries; however, such amounts are not considered to be significant. As Amcor controls when the deferred tax liability will be incurred and is satisfied that it will not be incurred in the foreseeable future, the deferred tax liability has not been recognised.

NOTE 17 INTANGIBLE ASSETS

Consolidated

$ million	Product development	Computer software	Goodwill	Other intangible assets	Total
Cost					
Balance at 1 July 2008	**8.7**	**214.9**	**1,209.9**	**20.6**	**1,454.1**
Additions through internal activities	**–**	**27.2**	**–**	**–**	**27.2**
Additions for the period	**–**	**3.7**	**–**	**2.3**	**6.0**
Disposals during the period	**–**	**(22.7)**	**–**	**(2.0)**	**(24.7)**
Additions through business acquisitions	**–**	**0.1**	**10.6**	**–**	**10.7**
Effect of movements in foreign exchange rates	**0.6**	**12.8**	**170.7**	**1.4**	**185.5**
Balance at 30 June 2009	**9.3**	**236.0**	**1,391.2**	**22.3**	**1,658.8**
Balance at 1 July 2007	10.5	208.8	1,334.6	22.3	1,576.2
Additions through internal activities	–	3.6	–	–	3.6
Additions for the period	–	20.9	–	–	20.9
Disposals during the period	(2.0)	(6.5)	–	(1.0)	(9.5)
Disposal of businesses and controlled entities	–	(4.7)	(5.7)	–	(10.4)
Subsequent recognition of acquired tax losses	–	–	(22.8)	–	(22.8)
Effect of movements in foreign exchange rates	0.2	(7.2)	(96.2)	(0.7)	(103.9)
Balance at 30 June 2008	8.7	214.9	1,209.9	20.6	1,454.1
Accumulated amortisation and impairment					
Balance at 1 July 2008	**(6.3)**	**(110.7)**	**(13.3)**	**(14.6)**	**(144.9)**
Amortisation charge	**(1.1)**	**(24.8)**	**–**	**(3.8)**	**(29.7)**
Disposals during the period	**–**	**22.4**	**–**	**1.9**	**24.3**
Effect of movements in foreign exchange rates	**(0.5)**	**(7.5)**	**(0.1)**	**(1.3)**	**(9.4)**
Balance at 30 June 2009	**(7.9)**	**(120.6)**	**(13.4)**	**(17.8)**	**(159.7)**
Balance at 1 July 2007	(5.4)	(92.3)	(5.8)	(14.0)	(117.5)
Amortisation charge	(1.3)	(25.2)	–	(2.3)	(28.8)
Disposals during the period	2.0	1.5	–	1.0	4.5
Disposal of businesses and controlled entities	–	2.2	–	–	2.2
Impairment loss	(1.5)	–	(7.9)	–	(9.4)
Other transfers	–	0.1	–	(0.1)	–
Effect of movements in foreign exchange rates	(0.1)	3.0	0.4	0.8	4.1
Balance at 30 June 2008	(6.3)	(110.7)	(13.3)	(14.6)	(144.9)
Carrying amounts					
Balance at 30 June 2009	**1.4**	**115.4**	**1,377.8**	**4.5**	**1,499.1**
Balance at 30 June 2008	2.4	104.2	1,196.6	6.0	1,309.2

As at 30 June 2009 the consolidated entity does not hold any indefinite life intangible assets, other than goodwill.

NOTE 17 INTANGIBLE ASSETS (continued)

Amcor Limited

$ million	2009 Computer software	2009 Other intangible assets	2009 Total	2008 Computer software	2008 Other intangible assets	2008 Total
Cost						
Balance at 1 July	**4.6**	**8.2**	**12.8**	9.7	8.2	17.9
Additions through internal activities	**0.5**	**–**	**0.5**	0.8	–	0.8
Additions for the period	**0.2**	**–**	**0.2**	–	–	–
Disposals during the period	**–**	**–**	**–**	(5.9)	–	(5.9)
Balance at 30 June	**5.3**	**8.2**	**13.5**	4.6	8.2	12.8
Accumulated amortisation and impairment						
Balance at 1 July	**(1.6)**	**(3.2)**	**(4.8)**	(1.2)	(2.0)	(3.2)
Amortisation charge	**(0.4)**	**(1.3)**	**(1.7)**	(0.4)	(1.2)	(1.6)
Balance at 30 June	**(2.0)**	**(4.5)**	**(6.5)**	(1.6)	(3.2)	(4.8)
Carrying amounts						
Balance at 30 June	**3.3**	**3.7**	**7.0**	3.0	5.0	8.0

As at 30 June 2009 the Company does not hold any indefinite life intangible assets.

(a) Amortisation and impairment charge

During the year ended 30 June 2009, the consolidated entity did not recognise any impairments relating to intangible assets.

In the prior period, the consolidated entity recorded impairments of intangible assets totalling $9.4 million in the following segments:

– Amcor Australasia announced the closure of a converting (Fibre packaging division) facility in Moorabbin, Victoria. As a result of the closure, Amcor Australasia impaired goodwill of $7.9 million associated with the operations at the Moorabbin site and recognised the impairment in general and administration expense in the income statement; and

– Amcor Flexibles recognised an impairment of $1.5 million of product development assets identified as not longer viable as a result of the restructuring activities undertaken with regards to the repositioning of the Amcor Flexibles Europe business, as announced in April 2007. The impairment charge was recognised in general and administration expense in the income statement.

(b) Acquisition and disposal of businesses

30 June 2009

During the 12 months to 30 June 2009, the consolidated entity acquired and disposed of a number of businesses in the following segments:

– Amcor Australasia acquired the operations of a corrugated speciality packaging business in Sainsbury NSW, for total consideration of $6.4 million;

– Amcor Sunclipse acquired the operations of a distribution business, with a focus on the wine industry, located in central California, United States, for total consideration of $7.3 million; and

– Amcor Flexibles disposed of a confectionery and snack food business in Thetford, United Kingdom resulting in a loss on disposal of $1.4 million. This disposal was undertaken as part of the repositioning of the Amcor Flexibles Europe business, as announced in April 2007. In addition to the business disposals a number of legal entities were liquidated within the Flexibles group, refer Note 32 for details of those entities liquidated during the period.

30 June 2008

During the 12 months to 30 June 2008 the consolidated entity disposed of the Australasian Food Can and Aerosol business which was reported within the Amcor Australasia business segment. This business disposal was treated as a discontinued operation, refer to Note 3.

No businesses were acquired during the 12 months to 30 June 2008.

(c) Impairment tests for goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to groups of cash generating units (CGUs) according to the level at which management monitors goodwill.

The goodwill amounts allocated below are tested annually or semi-annually if there are indicators of impairment, by comparison with the recoverable amount of each CGU's assets. Recoverable amounts for CGUs are measured at the higher of fair value less costs to sell and value in use. Value in use is calculated from cash flow projections for five years using data from the consolidated entity's latest internal forecasts. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes in margins.

The forecasts used in the value in use calculations are management estimates in determining income, expenses, capital expenditure and cash flows for each asset and CGU. Changes in selling prices and direct costs are based on past experience and management's expectation of future changes in the markets in which the consolidated entity operates. Cash flows beyond the five year period are extrapolated using estimated growth rates.

The following table presents a summary of the goodwill allocation and the key assumptions used in determining the recoverable amount of each CGU:

	Goodwill Allocation		Discount Rate		Growth Rate	
	2009	2008	**2009**	2008	**2009**	2008
CGU	**$ million**	$ million	**%**	%	**%**	%
PET						
North America	**555.8**	460.4	**9.2**	10.0	**3.0**	3.0
Latin America	**207.5**	174.2	**15.3**	16.9	**3.0**	3.0
Australasia						
Flexibles Packaging Division	**40.7**	40.1	**11.3**	11.9	**–**	–
Fibre Packaging Division	**48.2**	43.7	**11.3**	11.9	**–**	–
Beverage Can Group	**14.7**	14.5	**11.3**	11.9	**–**	–
Other	**0.8**	0.8	**–**	–	**–**	–
Flexibles						
Healthcare	**201.7**	190.1	**9.5**	9.5	**–**	–
Food	**171.9**	162.0	**9.5**	9.5	**–**	–
Rentsch	**15.2**	13.6	**9.5**	9.5	**–**	–
Sunclipse						
North America Distribution	**87.2**	68.6	**9.2**	10.0	**2.0**	2.0
North America Corrugator	**9.9**	8.3	**9.2**	10.0	**2.0**	2.0
North America Multi Purpose Packaging	**24.2**	20.3	**9.2**	10.0	**2.0**	2.0
	1,377.8	1,196.6				

The discount rate used in performing the value in use calculations reflects the consolidated entity's weighted average cost of capital, as adjusted for specific risks relating to each geographical region in which the CGUs operate. The pre-tax discount rates are disclosed above.

The growth rate represents the average rate applied to extrapolate CGU cash flows beyond the five year forecast period. These growth rates are determined with regard to the long-term performance of each CGU in their respective market and are not expected to exceed the long-term average growth rates in the applicable market.

In both the current and prior reporting periods impairment indicators were identified across the consolidated group as a result of general market volatility experienced as a consequence of the current global financial crisis. To address the impact of these external pressures there was an increased focus upon the consolidated entity's valuation practices and methodologies used in performing the current and prior year CGU impairment assessments.

With the instability currently being experienced in global markets, management also performed sensitivity analysis on the key assumptions used when assessing the recoverable amount of the cash-generating units. Whilst all operations of the consolidated entity faced increased exogenous pressures, at June 2009, the results of the sensitivity analysis support management's judgement that no further adjustments to the carrying value of assets and goodwill are warranted (2008: nil).

NOTE 18 OTHER NON-CURRENT ASSETS

	Consolidated		Amcor Limited	
$ million	**2009**	2008	**2009**	2008
Contract incentive payments[1]	**46.3**	39.6	**–**	–
Retirement benefit assets (Note 23)	**0.4**	1.2	**–**	–
Other non-current assets	**72.2**	48.1	**4.8**	3.0
Total other non-current assets	**118.9**	88.9	**4.8**	3.0

(1) Contract incentives are provided to customers to secure long-term sale agreements and are amortised over the period of the contractual arrangement.

NOTE 19 TRADE AND OTHER PAYABLES

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Current				
Trade creditors	**1,196.4**	1,335.3	**4.7**	4.7
Deferred grant income	**1.9**	1.9	**–**	–
Other creditors and accruals	**523.9**	471.7	**54.5**	35.8
Total current trade and other payables	**1,722.2**	1,808.9	**59.2**	40.5
Non-current				
Deferred grant income	**21.6**	22.3	**–**	–
Other unsecured creditors	**9.9**	4.0	**–**	–
Total non-current trade and other payables	**31.5**	26.3	**–**	–

NOTE 20 INTEREST-BEARING LIABILITIES

	Footnote				
Current					
Secured borrowings:					
Bank loans	(2)	**4.3**	7.2	**–**	–
Lease liabilities (refer Note 31)	(6)	**2.3**	0.5	**–**	–
		6.6	7.7	**–**	–
Unsecured borrowings:					
Bank overdrafts	(1)	**131.3**	92.3	**0.2**	–
Commercial paper	(3)	**62.9**	249.7	**62.9**	249.7
US$ notes	(9)	**49.6**	–	**49.6**	–
Bank loans	(4), (5), (8)	**692.7**	321.6	**638.2**	300.0
Other loans	(5)	**13.0**	6.2	**–**	–
Amounts owing to controlled entities		**–**	–	**3,798.9**	3,629.6
		949.5	669.8	**4,549.8**	4,179.3
Total current interest-bearing liabilities		**956.1**	677.5	**4,549.8**	4,179.3
Non-current					
Secured borrowings:					
Other loans	(7)	**5.4**	7.2	**–**	–
Lease liabilities (refer Note 31)	(6)	**–**	3.0	**–**	–
		5.4	10.2	**–**	–
Unsecured borrowings:					
Bank loans	(8)	**689.3**	727.8	**689.3**	602.9
US$ notes	(9)	**569.7**	519.6	**569.7**	519.6
Eurobond	(10)	**608.6**	572.5	**608.6**	572.5
Other loans	(5)	**2.7**	3.1	**–**	–
		1,870.3	1,823.0	**1,867.6**	1,695.0
Total non-current interest-bearing liabilities		**1,875.7**	1,833.2	**1,867.6**	1,695.0

Reconciliation of consolidated net debt		
– Current	**956.1**	677.5
– Non-current	**1,875.7**	1,833.2
Total interest-bearing liabilities	**2,831.8**	2,510.7
– Cash and cash equivalents (refer Note 10)	**(188.6)**	(258.3)
Net debt	**2,643.2**	2,252.4

Adequate committed facilities exist to refinance the current interest-bearing liabilities of the consolidated entity, if required (refer footnotes below). Details of the interest rate risk, foreign currency risk, committed and uncommitted facilities and fair value of interest-bearing liabilities for the consolidated entity are set out in Note 26.

(1) The consolidated entity has uncommitted bank overdraft facilities (both secured and unsecured) to a maximum of $247.2 million (2008: $148.1 million). As at 30 June 2009, the unused portions of the facilities were $115.9 million (2008: $55.8 million). The bank overdrafts are payable on demand and are subject to annual review.

(2) Comprises loans secured over property, plant and equipment in overseas controlled entities to the extent of $4.3 million (2008: $8.2 million). The carrying value of the pledged property is $4.3 million (2008: $8.2 million).

(3) Borrowings in commercial paper markets include:
Promissory Note Facility – $62.9 million (2008: $249.7 million)
This is an uncommitted promissory note facility of $600.0 million (2008: $600.0 million). This facility continues indefinitely until terminated by giving written notice to the dealer panel members. As at 30 June 2009, there were $62.9 million in promissory notes outstanding with an average maturity of 28 days (2008: $249.7 million).

US Commercial Paper Program – nil (2008: nil)
This is an uncommitted commercial paper program of US$400.0 million (2008: US$400.0 million). As at 30 June 2009 nil commercial paper was outstanding (2008: nil).

(4) Various bank borrowings including:
Amcor Limited – $45.0 million (2008: nil) drawn under uncommitted at call facilities. Amounts borrowed under these facilities bear interest at the overnight cash rate plus an applicable margin.
Amcor Limited – $350.0 million (2008: $300.0 million) committed multi-currency facility maturing in March 2010. $336.9 million (2008: $300.0 million) drawn under this facility are in various currencies and bear interest at the applicable BBSY or LIBOR rate plus an applicable credit margin.
Amcor Limited – US$50.0 million committed facility maturing in June 2010. $62.0 million (2008: nil) drawn under this facility and bears interest at the applicable LIBOR rate plus an applicable credit margin.

(5) Comprises various funding facilities made available to subsidiary companies predominantly in Europe and North America.

(6) Lease liabilities (other than liabilities recognised in relation to surplus space under non-cancellable operating leases) are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

(7) Comprises loans secured over property, plant and equipment in Australian and overseas controlled entities to the extent of $8.6 million (2008: $8.2 million). The carrying value of the pledged property is $8.6 million (2008: $8.2 million).

(8) Principally relates to bank borrowings in:
Amcor Limited/Amcor UK Finance Limited/Amcor Finance (USA) Inc. – $546.5 million (2008: $514.4 million) drawn under a US$750.0 million (2008: US$750.0 million) committed global syndicated multi-currency facility maturing June 2011. $194.4 million (2008: nil) drawn under a committed US$500.0 million (2008: US$500.0 million) 364 day global syndicated multi-currency facility supporting uncommitted commercial paper program term maturing June 2010. Drawings are in various currencies and bear interest at the applicable BBSY or LIBOR rate plus a credit margin.
Amcor Limited – $150.0 million (2008: $200.0 million) committed multi-currency facility maturing in September 2010. $142.8 million (2008: $156.0 million) drawn under this facility are in various currencies and bear interest at the applicable BBSY or LIBOR rate plus an applicable credit margin.

(9) Represents US$500.0 million Amcor Limited senior unsecured guaranteed notes issued in the United States Private Placement market. The notes have final bullet maturities between 2009 and 2017. Interest on these notes is payable semi-annually, at fixed rates.

(10) Represents €350.0 million Amcor Limited unsecured notes issued in the Eurobond market. The notes mature in March 2011 and pay an annual coupon of 4.25%.

NOTE 21 OTHER FINANCIAL LIABILITIES

	Consolidated		Amcor Limited	
$ million	**2009**	2008	**2009**	2008
Current				
Liabilities for financial guarantees	**–**	–	**0.9**	0.1
Derivative financial instruments:				
Forward exchange contracts	**5.1**	0.9	**1.9**	0.1
	5.1	0.9	**2.8**	0.2
Derivative financial instruments – cash flow hedges:				
Forward exchange contracts	**7.4**	1.5	**–**	0.1
Commodity contracts	**3.7**	1.4	**–**	–
	11.1	2.9	**–**	0.1
Total current other financial liabilities	**16.2**	3.8	**2.8**	0.3
Non-current				
Liabilities for financial guarantees	**–**	–	**0.3**	0.8
Derivative financial instruments – cash flow hedges:				
Forward exchange contracts	**–**	0.1	**–**	–
Total non-current other financial liabilities	**–**	0.1	**0.3**	0.8

Financial guarantees

The Company has guaranteed the bank overdrafts, finance leases and drawn components of bank loans of a number of subsidiaries. Under the terms of the financial guarantee contracts, the Company will make payments to reimburse the lenders upon failure of the guaranteed entity to make payments when due.

Terms and face values of the liabilities guaranteed were as follows:

$ million	**Year of maturity**	**30 June 2009 Face value**	30 June 2008 Face value
Bank term loans of controlled entities	2010-2012	**11.8**	9.5

The Company has also entered into a Deed of Cross Guarantee with certain subsidiaries. Under the terms of the deed, the Company has guaranteed the repayment of all relevant current and future creditors in the event any of the entities party to the deed are wound up. Details of the deed and the consolidated financial position of the Company and the subsidiaries party to the deed are set out in Note 33. The method used in determining the fair value of these guarantees has been disclosed in the consolidated entity's accounting policy Financial Guarantee Contracts, refer Note 1(q).

NOTE 22 PROVISIONS

Consolidated

$ million	Employee entitlements	Insurance and other claims	Onerous contracts	Asset restoration	Restructuring	Other	Total
Balance at 1 July 2008	**129.5**	**86.0**	**16.7**	**51.7**	**61.4**	**–**	**345.3**
Provisions made during the period	**53.9**	**37.4**	**0.1**	**5.2**	**52.1**	**0.3**	**149.0**
Payments made during the period	**(57.5)**	**(14.6)**	**(5.1)**	**(5.7)**	**(79.5)**	**(0.1)**	**(162.5)**
Released during the period	**(0.6)**	**(10.6)**	**–**	**(2.2)**	**(0.8)**	**–**	**(14.2)**
Disposal of businesses and controlled entities	**–**	**–**	**–**	**–**	**(0.7)**	**–**	**(0.7)**
Additions through business acquisitions	**0.2**	**–**	**–**	**–**	**–**	**–**	**0.2**
Unwinding of discount	**–**	**–**	**0.2**	**2.0**	**1.5**	**–**	**3.7**
Effect of movement in foreign exchange rate	**3.7**	**(0.5)**	**1.5**	**2.2**	**1.5**	**–**	**8.4**
Balance at 30 June 2009	**129.2**	**97.7**	**13.4**	**53.2**	**35.5**	**0.2**	**329.2**
Current	**108.0**	**59.0**	**13.4**	**4.8**	**18.9**	**0.2**	**204.3**
Non-current	**21.2**	**38.7**	**–**	**48.4**	**16.6**	**–**	**124.9**
Balance at 1 July 2007	141.4	70.3	20.3	50.5	52.0	–	334.5
Provisions made during the period	56.0	23.6	4.2	7.7	103.2	–	194.7
Payments made during the period	(54.5)	(10.2)	(7.1)	(1.5)	(88.7)	–	(162.0)
Released during the period	(1.7)	(0.1)	–	(4.5)	(4.6)	–	(10.9)
Disposal of businesses and controlled entities	(9.1)	–	–	(1.4)	–	–	(10.5)
Unwinding of discount	–	0.7	0.2	2.1	–	–	3.0
Effect of movement in foreign exchange rate	(2.6)	1.7	(0.9)	(1.2)	(0.5)	–	(3.5)
Balance at 30 June 2008	129.5	86.0	16.7	51.7	61.4	–	345.3
Current	110.5	52.5	16.7	5.1	45.2	–	230.0
Non-current	19.0	33.5	–	46.6	16.2	–	115.3

Amcor Limited

As at 30 June 2009, the Company held an employee entitlements provision of $6.5 million (2008: $5.7 million) of which $3.7 million (2008: $3.0 million) is current and $2.8 million (2008: $2.7 million) is non-current. The Company also carries a provision relating to asset restoration costs totalling $1.6 million (2008: $1.8 million), all of which is non-current.

For the 12 months to 30 June 2009, the Company recognised an increase in the employee entitlements provision of $1.7 million (2008: $1.4 million); there was no change to the asset restoration provision during the period (2008: nil). In addition, payments totalling $0.9 million (2008: $1.6 million) relating to the employee entitlements provision while $0.2 million (2008: nil) were made in respect of the asset restoration provision.

Description of provisions

Employee entitlements

Employee entitlements include the liability for annual leave and long service leave of employees as well as any Directors' retirement allowances.

Insurance and other claims

Insurance and other claims provisions include provisions for workers' compensation, insurance and other claims and are made for claims received and claims expected to be received in relation to incidents occurring prior to 30 June 2009, based on historical claim rates. Estimated net future cash flows are based on the assumption that all claims will be settled and the weighted average cost of historical claims adjusted for inflation will continue to approximate future costs.

Onerous contracts

Onerous contract provisions relate to rental of land and buildings by Amcor Flexibles and PET business groups which are not able to be fully used or sublet by the consolidated entity. The provision reflects only the onerous element of these commitments.

Asset restoration

Provisions for asset restoration or decommissioning relate to either make-good provisions included in lease agreements or decommissioning costs associated with environmental risks for which the consolidated entity has a legal or constructive obligation.

Where lease agreements include requirements to return the property to its original condition, the consolidated entity has made a provision based on an estimate of these costs.

On a number of sites, there are areas of contamination caused by past practice, many of which relate to operations prior to Amcor's ownership. The provision includes costs associated with the clean-up of sites it owns, or contamination that it caused, to enable ongoing use of the land as an industrial property.

In addition, the consolidated entity recognises the environmental risks associated with underground storage tanks. The provision includes costs associated with the decommissioning, removal or repair of any tanks which may fail integrity tests.

Restructuring provisions

The following tables provide a segmental analysis of the restructuring provision at the end of the reporting period:

Consolidated

$ million	Amcor Flexibles	Amcor PET	Australasia	Other	Total
Balance at 1 July 2008	**28.1**	**–**	**32.7**	**0.6**	**61.4**
Provisions made during the period	**16.4**	**16.3**	**17.6**	**1.8**	**52.1**
Payments made during the period	**(37.1)**	**(14.2)**	**(27.1)**	**(1.1)**	**(79.5)**
Released during the period	**(1.0)**	**–**	**0.2**	**–**	**(0.8)**
Disposal of businesses and controlled entities	**–**	**–**	**(0.7)**	**–**	**(0.7)**
Unwinding of discount	**–**	**–**	**1.5**	**–**	**1.5**
Effect of movement in foreign exchange rate	**1.6**	**(0.1)**	**–**	**–**	**1.5**
Balance at 30 June 2009	**8.0**	**2.0**	**24.2**	**1.3**	**35.5**
Current	**8.0**	**2.0**	**7.6**	**1.3**	**18.9**
Non-current	**–**	**–**	**16.6**	**–**	**16.6**
Balance at 1 July 2007	18.2	2.2	31.0	0.6	52.0
Provisions made during the period	53.4	1.6	48.1	0.1	103.2
Payments made during the period	(43.2)	(3.2)	(41.6)	(0.6)	(88.6)
Released during the period	–	–	(4.6)	–	(4.6)
Other transfers	–	(0.5)	–	0.5	–
Effect of movement in foreign exchange rate	(0.3)	(0.1)	(0.2)	–	(0.6)
Balance at 30 June 2008	28.1	–	32.7	0.6	61.4
Current	25.9	–	18.7	0.6	45.2
Non-current	2.2	–	14.0	–	16.2

The Amcor Flexibles restructuring provision includes costs relating to activities undertaken with regards to the repositioning and market sector rationalisation of the Amcor Flexibles European business, as announced by the consolidated entity in April 2007.

During the period Amcor PET recognised and utilised restructuring provisions relating to activities associated with the streamlining and reorganisation of operations in Latin America.

The Australasia restructuring provision mainly relates to costs associated with the relocation and rebuild of assets as a result of the construction of the new Recycled Paper Mill in Botany, New South Wales, as announced on 20 February 2008. The provision also includes employee costs associated with the closure of the existing mills at Botany and Fairfield, Victoria.

The Company did not have any restructuring provisions as at 30 June 2009 (2008: nil).

NOTE 23 RETIREMENT BENEFIT OBLIGATIONS

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Defined benefit pension plans	**156.8**	147.9	**36.0**	25.2
Defined benefit post-retirement plans	**19.0**	19.1	**–**	–
	175.8	167.0	**36.0**	25.2

Description of plans

The consolidated entity participates in a number of pension plans which have been established to provide benefits for employees and their dependants. The plans include company sponsored plans, industry/union plans and government plans.

Company sponsored plans

Company sponsored plans include both defined contribution and defined benefit plans. The principal benefits of these plans are pensions or lump sums for members on resignation, retirement, death or total permanent disablement. These benefits are determined on either a defined benefit or accumulation benefit basis.

Employee contribution rates are either determined by the rules of the plan or selected by members from a specified range of rates. In addition to legislative requirements, employer companies contribute to defined benefit funds as described below or, in the case of defined contribution funds, the amounts set out in the appropriate plan rules.

Industry/union plans

Employer companies participate in industry and union plans on behalf of certain employees. These plans operate on an accumulation basis and provide lump sum benefits for members on resignation, retirement or death. The employer entity has a legally enforceable obligation to contribute at varying rates to these plans.

Government plans

Employer companies participate in government plans, on behalf of certain employees, which provide pension benefits. There exists a legally enforceable obligation on employer companies to contribute as required by legislation.

Defined benefit plans

Globally, the consolidated entity maintains numerous defined benefit pension arrangements. On a vested benefit basis, a few of these arrangements are in actuarial surplus, while the remainder are in a position of actuarial deficiency. Surpluses and deficiencies depend on many diverse factors and can vary significantly over time having regard, for example, to movements in the investment markets, future salary increases and changes in employment patterns. This note sets out the consolidated entity's position and funding policy in relation to its defined benefit arrangements.

The consolidated entity has no legal obligation to settle any unfunded defined benefit obligation with an immediate contribution or additional one-off contributions. The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable.

The consolidated entity's current intention is to make annual contributions to defined benefit funds at a rate determined from time to time, following discussions with the funds' actuaries or other competent authorities and advisors. The consolidated entity expects that the contribution rates will be determined after taking into account sound actuarial principles and would be designed to enable all consolidated entity defined benefit funds to meet retirement expectations and relevant regulatory requirements. The consolidated entity's current intention is based on these assumptions. The consolidated entity reserves the right to increase, reduce or suspend its contributions to the funds as it sees fit.

The following tables set out financial information in relation to both defined benefit pension plans and defined benefit post-retirement plans. The Company does not participate in any defined benefit post-retirement plans either in the current or comparative reporting period.

(i) Amounts recognised in the balance sheet

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Present value of the unfunded defined benefit obligation	**48.0**	45.4	**–**	–
Present value of the funded defined benefit obligation	**798.5**	843.4	**205.0**	233.2
Liabilities for defined benefit obligations	**846.5**	888.8	**205.0**	233.2
Fair value of defined benefit plan assets	**(671.1)**	(728.0)	**(169.0)**	(208.0)
	175.4	160.8	**36.0**	25.2
Unrecognised past service cost	**(0.4)**	(0.4)	**–**	–
Amounts not recognised as an asset	**0.4**	5.4	**–**	–
Net liability in the balance sheet	**175.4**	165.8	**36.0**	25.2
Net liability in the balance sheet comprises:				
Retirement benefit assets (Note 18)	**(0.4)**	(1.2)	**–**	–
Retirement benefit obligations	**175.8**	167.0	**36.0**	25.2
	175.4	165.8	**36.0**	25.2

(ii) Proportion of the fair value of total plan assets

%	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Equity securities	**25.2**	29.7	**–**	5.0
Real estate	**4.2**	4.2	**–**	–
Debt securities	**36.9**	36.4	**22.0**	21.0
Other assets[1]	**33.7**	29.7	**78.0**	74.0
	100.0	100.0	**100.0**	100.0

(1) Other assets include investments held in emerging market debt, currency, cash and other alternative investments.

The defined benefit plan assets of the parent entity may include Amcor Limited securities at various times throughout the year. At 30 June 2009, the plan did not hold any Amcor Limited securities (2008: nil).

(iii) Movement in the liability for defined benefit obligations

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Defined benefit obligation at 1 July	**888.8**	980.9	**233.2**	317.1
Current service cost	**30.6**	33.8	**15.8**	15.8
Interest cost on benefit obligation	**51.7**	54.3	**15.7**	21.5
Actuarial (gain)/loss recognised directly in equity	**(81.9)**	1.1	**(15.6)**	(23.9)
Actuarial gain recognised directly in profit or loss	**(0.7)**	–	**–**	–
Contributions by plan participants	**6.5**	9.7	**1.7**	1.9
Benefits paid by the plan	**(67.8)**	(126.7)	**(36.8)**	(94.2)
Past service cost	**1.3**	0.6	**–**	–
Gains on curtailment	**(2.1)**	(4.2)	**–**	–
Gains on settlement	**–**	(3.8)	**–**	–
Expenses, taxes, premiums paid	**(10.7)**	(8.0)	**(9.0)**	(5.0)
Exchange differences on foreign plans	**30.8**	(48.9)	**–**	–
Defined benefit obligations at 30 June	**846.5**	888.8	**205.0**	233.2

NOTE 23 RETIREMENT BENEFIT OBLIGATIONS (continued)

(iv) Movement in plan assets

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Fair value of plan assets at 1 July	**728.0**	890.7	**208.0**	309.5
Contributions by employer	**65.6**	51.1	**39.5**	17.3
Contributions by plan participants	**6.5**	9.7	**1.7**	1.9
Benefits paid by the plan	**(67.8)**	(126.7)	**(36.8)**	(94.2)
Expenses, taxes, premiums paid	**(10.7)**	(8.0)	**(8.9)**	(4.9)
Losses on settlement	**–**	(2.2)	**–**	–
Expected return on assets	**50.3**	59.9	**16.5**	24.4
Actuarial loss recognised directly in equity	**(127.7)**	(105.3)	**(51.0)**	(46.0)
Exchange differences on foreign plans	**26.9**	(41.2)	**–**	–
Fair value of plan assets at 30 June	**671.1**	728.0	**169.0**	208.0

(v) Amounts recognised in the income statement

Current service cost	**30.6**	33.8	**15.8**	15.8
Interest cost on benefit obligation	**51.7**	54.3	**15.7**	21.5
Expected return on plan assets	**(50.3)**	(59.9)	**(16.5)**	(24.4)
Past service cost	**1.3**	0.2	**–**	–
Gains on curtailments and benefits paid	**(2.1)**	(5.9)	**–**	–
Impact of asset ceiling recognised directly in income statement	**(0.7)**	–	**–**	–
	30.5	22.5	**15.0**	12.9
Actual return on plan assets	**(77.4)**	(45.3)	**(34.5)**	(21.6)

(vi) Actuarial gains and losses recognised directly in equity

Cumulative amount at 1 July	**(68.8)**	34.6	**10.5**	32.6
Recognised in equity during the period				
Movement in plan liabilities	**81.9**	(1.1)	**15.6**	23.9
Movement in plan assets	**(127.7)**	(105.3)	**(51.0)**	(46.0)
Impact of asset ceiling recognised directly in equity	**5.7**	3.0	**–**	–
	(40.1)	(103.4)	**(35.4)**	(22.1)
Cumulative amount at 30 June	**(108.9)**	(68.8)	**(24.9)**	10.5

(vii) Principal actuarial assumptions

The principal actuarial assumptions (expressed as weighted averages) used for the purposes of reporting under AASB 119 *Employee Benefits* for the consolidated entity's and Company's defined benefit plans are as follows:

%	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Discount rate	**5.3**	5.1	**4.7**	5.5
Expected return on plan assets	**6.2**	6.6	**7.5**	8.0
Future salary increases	**3.8**	4.1	**3.5**	4.5
Medical cost trend rates	**4.5**	5.0	**–**	–

Expected return on asset assumption

The expected rate of return on assets assumption is determined by weighting the expected long-term return for each asset class by the benchmark allocation of assets to each class for each defined benefit plan. The returns used for each class are net of tax and investment fees.

Investment strategy

The investment strategies for the consolidated entity's defined benefit plans are varied, with the plans seeking to achieve moderate to high returns within a given risk profile. Investment target strategies for the material defined benefit plans include:

– High returns in the long term, while tolerating a reasonably high degree of volatility of returns over the short period;

– A balance of equity, debt securities and fixed income securities, which would be expected to produce a moderately high return over the long-term, with only a moderate degree of variability of returns over short periods;

– Where investments are made in equity securities, ensuring there is an appropriate mix of domestic and international securities;

– To achieve returns greater than a pre-determined percentage above the prevailing inflation rate; and

– To ensure all legal obligations are met.

Effects of changes in assumed medical cost trend rates

A 1.0% decrease in medical cost trend rates would be expected to reduce service and interest cost components and the value of the defined benefit obligation by nil and $0.1 million respectively. A 1.0% increase in medical cost trend rates would be expected to increase service and interest cost components and the value of the defined benefit obligation by nil and $0.1 million respectively.

(viii) Estimated future contributions

Employer contributions to the defined benefit pension plans and defined benefit post-retirement plans are based on recommendations by the plans' actuaries. Actuarial assessments are made periodically.

Employer contributions to defined benefit funds and defined benefit post-retirement plans for the consolidated entity during the financial year ending 30 June 2010 are expected to total $43.8 million. Employer contributions to defined benefit plans for the parent entity during the financial year ending 30 June 2010 are expected to total $15.8 million.

(ix) Historical summary

$ million	**2009**	2008	2007	2006
Consolidated				
Present value of the defined benefit obligation	**846.9**	894.2	988.9	1,092.5
Fair value of plan assets	**(671.5)**	(728.4)	(890.7)	(848.8)
Deficit in the plans	**175.4**	165.8	98.2	243.7
Experience adjustments arising on plan liabilities	**18.8**	22.2	(2.5)	42.1
Experience adjustments arising on plan assets	**(127.7)**	(105.3)	57.3	(37.9)
Amcor Limited				
Present value of the defined benefit obligation	**205.0**	233.2	317.1	290.4
Fair value of plan assets	**(169.0)**	(208.0)	(309.5)	(254.6)
Deficit in the plans	**36.0**	25.2	7.6	35.8
Experience adjustments arising on plan liabilities	**16.5**	22.9	(22.3)	26.2
Experience adjustments arising on plan assets	**(51.0)**	(46.0)	35.8	(12.0)

The consolidated entity and the Company have used the AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* paragraph 20A exemption and disclosed amounts under AASB 1 paragraph 20A(p) above for each annual reporting period prospectively from transition date.

(x) Defined benefit expense

The expense for both defined benefit plans and defined benefit post-retirement plans were recognised in the following line items in the income statement:

	Consolidated		**Amcor Limited**[1]	
$ million	**2009**	2008	**2009**	2008
Cost of sales	**3.3**	4.1	**–**	–
Sales and marketing expenses	**0.7**	1.4	**–**	–
General and administration expenses	**24.7**	23.2	**15.8**	15.8
Research and development costs	**0.5**	0.5	**–**	–
Net financing benefit/(expense)	**1.3**	(6.7)	**(0.8)**	(2.9)
	30.5	22.5	**15.0**	12.9

(1) Included within the above defined benefit expense for Amcor Limited are $13.5 million (2008: $16.2 million) of costs incurred by wholly owned subsidiaries of the Company.

NOTE 24 CONTRIBUTED EQUITY AND RESERVES

(a) Reconciliation of movement in contributed equity and reserves

Consolidated

$ million	Contributed equity	Available-for-sale revaluation reserve	Cash flow hedge reserve	Share-based payments reserve	Exchange fluctuation reserve	Retained profits	Total attributable to members of Amcor	Minority interest	Total equity
Balance at 1 July 2008	**2,406.1**	**(2.2)**	**(13.5)**	**23.2**	**(451.2)**	**986.4**	**2,948.8**	**54.5**	**3,003.3**
Total recognised income and expense	**–**	**1.4**	**(8.6)**	**–**	**129.5**	**184.9**	**307.2**	**14.3**	**321.5**
Contributions of equity, net of transaction costs	**34.2**	**–**	**–**	**–**	**–**	**–**	**34.2**	**–**	**34.2**
Share-based payments option expense	**–**	**–**	**–**	**9.9**	**–**	**–**	**9.9**	**–**	**9.9**
Dividends paid (Note 25)	**–**	**–**	**–**	**–**	**–**	**(284.2)**	**(284.2)**	**–**	**(284.2)**
Dividends paid to minority interests in subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4.9)**	**(4.9)**
Minority interest buy-out	**–**	**–**	**–**	**–**	**–**	**(3.3)**	**(3.3)**	**(0.9)**	**(4.2)**
Balance at 30 June 2009	**2,440.3**	**(0.8)**	**(22.1)**	**33.1**	**(321.7)**	**883.8**	**3,012.6**	**63.0**	**3,075.6**
Balance at 1 July 2007	2,742.8	5.7	(24.2)	14.2	(309.2)	1,099.8	3,529.1	52.2	3,581.3
Total recognised income and expense	–	(7.9)	10.7	–	(142.0)	180.8	41.6	2.5	44.1
Contributions of equity, net of transaction costs	13.3	–	–	–	–	–	13.3	–	13.3
Share-based payments option expense	–	–	–	9.0	–	–	9.0	–	9.0
Share buy-back	(350.0)	–	–	–	–	–	(350.0)	–	(350.0)
Dividends paid (Note 25)	–	–	–	–	–	(294.2)	(294.2)	–	(294.2)
Dividends paid to minority interests in subsidiaries	–	–	–	–	–	–	–	(11.5)	(11.5)
Minority interest buy-out		–	–	–	–	–	–	(3.5)	(3.5)
Acquisitions of controlled entities and businesses		–	–	–	–	–	–	14.8	14.8
Balance at 30 June 2008	2,406.1	(2.2)	(13.5)	23.2	(451.2)	986.4	2,948.8	54.5	3,003.3

Amcor Limited

$ million	Contributed equity	Cash flow hedge reserve	Share-based payments reserve	Retained profits	Total equity
Balance at 1 July 2008	**2,406.1**	**(14.1)**	**23.1**	**1,948.4**	**4,363.5**
Total recognised income and expense	**–**	**(0.8)**	**–**	**(127.3)**	**(128.1)**
Contributions of equity, net of transaction costs	**34.2**	**–**	**–**	**–**	**34.2**
Share-based payments option expense	**–**	**–**	**9.6**	**–**	**9.6**
Dividends paid (Note 25)	**–**	**–**	**–**	**(284.2)**	**(284.2)**
Balance at 30 June 2009	**2,440.3**	**(14.9)**	**32.7**	**1,536.9**	**3,995.0**
Balance at 1 July 2007	2,742.8	(18.6)	14.2	2,223.7	4,962.1
Total recognised income and expense	–	4.5	–	18.9	23.4
Contributions of equity, net of transaction costs	13.3	–	–	–	13.3
Share-based payments option expense	–	–	8.9	–	8.9
Share buy-back	(350.0)	–	–	–	(350.0)
Dividends paid (Note 25)	–	–	–	(294.2)	(294.2)
Balance at 30 June 2008	2,406.1	(14.1)	23.1	1,948.4	4,363.5

Available-for-sale revaluation reserve

Changes in the fair value of investments, such as equities and available-for-sale financial assets, are taken to the revaluation reserve, as described in Note 1(j)(iii). Amounts are recognised in the income statement when the associated asset is disposed of or impaired.

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and rights recognised as an expense.

Exchange fluctuation reserve

Exchange differences arising on translation of foreign controlled operations are taken to the exchange fluctuation reserve, as described in Note 1(c). The relevant position of the reserve is recognised in the income statement when a foreign operation is disposed of.

NOTE 24 CONTRIBUTED EQUITY AND RESERVES (continued)

(b) Contributed equity

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Issued and paid-up:				
842,758,858 ordinary shares with no par value (2008: 834,752,317)[1]	**2,440.3**	2,406.1	**2,440.3**	2,406.1
624,000 partly-paid ordinary shares with no par value (2008: 784,000)[2]	**–**	–	**–**	–
	2,440.3	2,406.1	**2,440.3**	2,406.1

(1) Fully-paid ordinary shares carry one vote per share and carry the right to dividends.

(2) The partly-paid ordinary shares comprise 510,000 (2008: 580,000) shares paid to five cents and 114,000 (2008: 204,000) shares paid to one cent under Employee Share/Option Plans. The aggregate uncalled capital of $4.5 million (2008: $5.4 million) will be brought to account when these shares are fully-paid.

(i) Reconciliation of fully-paid ordinary shares

	2009 No. '000	2009 $ million	2008 No. '000	2008 $ million
Balance at beginning of period	**834,753**	**2,406.1**	883,119	2,742.8
Calls on partly-paid shares	**160**	**0.9**	300	2.1
Issue of shares under the Employee Share Purchase Plan (Note 27(a)(ii))	**201**	**–**	393	–
Issue of shares under the Dividend Reinvestment Plan[1]	**6,399**	**25.5**	–	–
Exercise of options and loan repayments under the Employee Share/ Option Plan (Note 27(b))	**–**	**2.3**	703	10.2
Exercise of performance rights under the Long Term Incentive Plan (Note 27(c)(vii))	**1,208**	**5.4**	273	1.1
Exercise of performance rights under the Management Incentive Plan (Note 27(c)(vi))	**38**	**0.1**	–	–
Share buy-back[2]	**–**	**–**	(50,035)	(350.0)
Transaction costs associated with the issue of capital	**–**	**–**	–	(0.1)
Balance at end of period	**842,759**	**2,440.3**	834,753	2,406.1

(1) Share requirements for the Dividend Reinvestment Plan (DRP) for March 2009 were met by the issue of 6,399,353 new shares. Share requirements for the October 2008 DRP were met by on-market purchases, by a broker, on behalf of DRP participants.

(2) On 13 May 2008, the Company completed the on-market buy-back of 50,034,924 fully-paid ordinary shares, representing 6.0% of ordinary shares on that date. The total consideration of shares bought back on-market was $349,994,859 being an average, including incidental costs of $7.00 per share.

(ii) Reconciliation of partly-paid ordinary shares

Balance at beginning of period	**784**	**–**	1,084	0.1
Converted to fully-paid ordinary shares	**(160)**	**–**	(300)	(0.1)
Balance at end of period	**624**	**–**	784	–

NOTE 25 DIVIDENDS

Dividends recognised in the current period by the consolidated entity are:

	Cents per share	Total amount $ million	Franked/unfranked[1]	Date of payment
2009				
2009 Interim dividend per fully-paid share	17.0	142.2	Unfranked	25 March 2009
2008 Final dividend per fully-paid share	17.0	142.0	Unfranked	3 October 2008
		284.2		
2008				
2008 Interim dividend per fully-paid share	17.0	144.1	Unfranked	31 March 2008
2007 Final dividend per fully-paid share	17.0	150.1	Unfranked	5 October 2007
		294.2		

(1) 100% is sourced from the Conduit Foreign Income Account.

In addition to the above dividends, since the end of the financial year, the Directors have declared the following final dividend. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2009 and will be recognised in subsequent Financial Reports.

	Cents per share	Total amount $ million	Franked/unfranked[1]	Date of payment
2009				
2009 Final dividend per fully-paid share[2]	17.0	143.3	Unfranked	18 September 2009
2008				
2008 Final dividend per fully-paid share[2]	17.0	141.9	Unfranked	3 October 2008

(1) 100% is sourced from the Conduit Foreign Income Account (2008: 100%).
(2) Estimated final dividend payable, subject to variations in number of shares up to record date.

Franking Account

There are no franking credits available for distribution from the franking account. Accordingly, the final dividend for 2009 is unfranked. Franking credits that will arise from payment of income tax in the year ended 30 June 2009 have been factored into the franking account balance.

Conduit Foreign Income Account

For non-resident shareholders for Australian tax purposes, future dividends will not be subject to Australian withholding tax to the extent that they are franked or sourced from the parent entity's Conduit Foreign Income Account. For the dividend payable on 18 September 2009, 100% of the dividend is sourced from the parent entity's Conduit Foreign Income Account. As a result, 100% of the dividend paid to a non-resident will not be subject to Australian withholding tax.

The balance of the Conduit Foreign Income Account as at 30 June 2009 is $913.7 million (2008: $1,071.9 million). It is estimated that this will reduce to $770.4 million (2008: $930.0 million) after payment of the estimated final dividend on 18 September 2009.

NOTE 26 FINANCIAL RISK MANAGEMENT

The consolidated entity and the Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk, commodity price risk and employee share plan risk), liquidity risk and credit risk. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, interest rate and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the consolidated entity and the Company's financial performance. Appropriate commercial terms are negotiated or derivative financial instruments are used, such as foreign exchange contracts and interest rate swaps, to hedge these risk exposures. Derivatives are exclusively used for hedging purposes – i.e. not as trading or other speculative instruments.

Financial risk management is carried out by Amcor Group Finance under policies approved by the Board. Amcor Group Finance identifies, evaluates and hedges financial risks in conjunction with the finance departments of the consolidated entity's business groups. The Board has determined written principles for overall risk management, as well as written policies covering specific areas such as mitigating foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments.

The consolidated entity and the Company hold the following financial instruments:

	Consolidated		Amcor Limited	
$ million	**2009**	2008	**2009**	2008
Financial assets				
Loans and receivables				
Cash and cash equivalents	**188.6**	258.3	**6.1**	115.7
Trade receivables and other receivables	**1,080.0**	1,169.9	**12.6**	4.3
Loans and other advances	**14.4**	16.0	**5,561.2**	5,358.9
Other financial assets	**30.8**	19.0	**–**	–
Available-for-sale financial assets				
Investments in companies listed on stock exchanges at fair value	**7.7**	7.7	**–**	–
Financial assets at fair value through profit or loss				
Shares in controlled entities at cost	**–**	–	**4,887.4**	4,854.3
Investments in companies not listed on stock exchanges at cost	**0.2**	0.2	**–**	–
Derivative financial instruments	**9.3**	7.5	**1.5**	1.5
	1,331.0	1,478.6	**10,468.8**	10,334.7
Financial liabilities				
Financial liabilities measured at amortised cost				
Trade and other payables	**1,753.7**	1,835.2	**59.2**	40.5
Interest-bearing liabilities	**2,831.8**	2,510.7	**6,417.4**	5,874.3
Other financial liabilities	**–**	–	**1.2**	0.9
Derivative financial instruments	**16.2**	3.9	**1.9**	0.2
	4,601.7	4,349.8	**6,479.7**	5,915.9

NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

(i) Foreign currency risk

The consolidated entity and the Company operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and US dollar. Foreign currency exposures arise from future commercial transactions, recognised assets and liabilities denominated in a currency that is not the functional currency of the individual entities within the consolidated entity and net investments in foreign operations.

Transactional foreign currency risk

To manage the foreign currency exchange risk arising from commercial transactions, management has set a policy to use forward exchange contracts to hedge forecast or actual foreign currency exposures greater than A$500,000, where the exposure is measured at forecast or actual transactional cash flows in currencies other than the functional currency of the business. This limit applies to both an individual transaction and to a number of individual exposures relating to the one transaction that totals more than A$500,000. Local management may elect to hedge exposures of less than A$500,000. All capital expenditure exposures greater than A$100,000 whether forecast or committed are hedged or must have a hedging strategy in place. In the presence of contractual certainty of a foreign currency transaction greater than the threshold noted, 100% of the foreign currency exposure is hedged.

In the absence of contractual uncertainty, the proportion of a forecasted foreign currency exposure hedged is dependent upon the timeframe of the forecasted transaction. Forecast hedge proportions are as follows:

- Up to six months 75%
- Seven to 12 months 50%
- One to two years 25%
- Over two years Nil

Forecasted exposure greater than two years from the forecast date must not be hedged unless specifically approved by the Executive General Manager Finance.

Details of outstanding forward currency contracts (Australian dollar equivalents) at balance date for the consolidated entity and the Company are outlined below, specifying currency and the average exchange rate of the outstanding contracts:

	Weighted average rate		Contract amounts	
	2009	2008	**2009**	2008
Consolidated			**$ million**	$ million
Sell CAD Buy USD 0-12 months	**–**	1.01	**–**	(11.5)
Net CAD position – Sell CAD			**–**	(11.5)
Buy BRL Sell USD 0-12 months	**0.40**	–	**0.1**	–
Buy BRL Sell USD 1-2 years	**0.42**	–	**0.3**	–
Net BRL position – Buy BRL			**0.4**	–
Buy CHF Sell EUR 0-12 months	**1.51**	–	**4.3**	–
Sell CHF Buy EUR 0-12 months	**–**	1.63	**–**	(0.2)
Net CHF position – Buy/(Sell) CHF			**4.3**	(0.2)
Buy CHF Sell USD 0-12 months	**1.17**	–	**0.5**	–
Net CHF position – Buy CHF			**0.5**	–
Buy DKK Sell EUR 0-12 months	**7.45**	7.46	**3.7**	5.9
Sell DKK Buy EUR 0-12 months	**7.47**	7.46	**(0.7)**	(1.9)
Net DKK position – Buy DKK			**3.0**	4.0
Buy DKK Sell USD 0-12 months	**5.36**	–	**7.4**	–
Net DKK position – Buy DKK			**7.4**	–
Buy EUR Sell AUD 0-12 months	**0.54**	0.61	**81.1**	50.4
Net EUR position – Buy EUR			**81.1**	50.4
Buy EUR Sell COP 0-12 months	**2,970.6**	–	**1.3**	–
Net EUR position – Buy EUR			**1.3**	–
Buy EUR Sell USD 0-12 months	**1.43**	1.46	**12.8**	13.9
Buy EUR Sell USD 1-2 years	**–**	1.53	**–**	3.9
Net EUR position – Buy EUR			**12.8**	17.8

Consolidated	Weighted average rate 2009	Weighted average rate 2008	Contract amounts 2009 $ million	Contract amounts 2008 $ million
Buy EUR Sell NZD 0-12 months	**0.43**	0.51	**1.8**	0.6
Net EUR position – Buy EUR			**1.8**	0.6
Buy GBP Sell AUD 0-12 months	**–**	0.43	**–**	0.2
Net GBP position – Buy GBP			**–**	0.2
Buy GBP Sell EUR 0-12 months	**0.90**	0.80	**79.5**	34.8
Buy GBP Sell EUR 1-2 years	**0.88**	0.80	**1.2**	1.2
Sell GBP Buy EUR 0-12 months	**0.87**	0.78	**(17.4)**	(29.1)
Net GBP position – Buy GBP			**63.3**	6.9
Buy HKD Sell AUD 0-12 months	**4.85**	–	**1.0**	–
Net HKD position – Buy HKD			**1.0**	–
Buy JPY Sell EUR 0-12 months	**–**	165.76	**–**	0.2
Net JPY position – Buy JPY			**–**	0.2
Sell NOK Buy EUR 0-12 months	**8.85**	7.98	**(5.8)**	(1.4)
Net NOK position – Sell NOK			**(5.8)**	(1.4)
Buy NZD Sell AUD 0-12 months	**1.25**	–	**59.2**	–
Sell NZD Buy AUD 0-12 months	**1.02**	1.16	**(9.5)**	(10.4)
Net NZD position – Buy/(Sell) NZD			**49.7**	(10.4)
Buy PLN Sell EUR 0-12 months	**4.48**	3.37	**33.6**	1.5
Sell PLN Buy EUR 0-12 months	**4.48**	3.66	**(11.8)**	(4.3)
Net PLN position – Buy/(Sell) PLN			**21.8**	(2.8)
Buy SEK Sell AUD 0-12 months	**5.59**	5.67	**0.2**	0.1
Net SEK position – Buy SEK			**0.2**	0.1
Buy SEK Sell EUR 0-12 months	**10.67**	9.43	**4.3**	1.9
Sell SEK Buy EUR 0-12 months	**11.13**	9.38	**(0.1)**	(1.9)
Net SEK position – Buy SEK			**4.2**	–
Buy SGD Sell AUD 0-12 months	**0.97**	–	**0.2**	–
Net SGD position – Buy SGD			**0.2**	–
Buy USD Sell AUD 0-12 months	**0.74**	0.88	**59.0**	55.4
Buy USD Sell AUD 1-2 years	**0.75**	0.83	**0.8**	1.6
Sell USD Buy AUD 0-12 months	**0.80**	0.94	**(2.5)**	(2.8)
Net USD position – Buy USD			**57.3**	54.2
Buy USD Sell NZD 0-12 months	**0.62**	0.77	**8.6**	11.5
Buy USD Sell NZD 1-2 years	**–**	0.70	**–**	1.3
Sell USD Buy NZD 0-12 months	**0.64**	–	**(0.2)**	–
Net USD position – Buy USD			**8.4**	12.8
Buy USD Sell EUR 0-12 months	**1.35**	1.55	**8.7**	26.0
Sell USD Buy EUR 0-12 months	**1.34**	1.54	**(15.7)**	(22.8)
Net USD position – (Sell)/Buy USD			**(7.0)**	3.2

Amcor Limited	Weighted average rate 2009	Weighted average rate 2008	Contract amounts 2009 $ million	Contract amounts 2008 $ million
Buy EUR Sell AUD 0-12 months	**0.54**	0.59	**9.1**	4.7
Net EUR position – Buy EUR			**9.1**	4.7
Buy HKD Sell AUD 0-12 months	**4.85**	–	**1.0**	–
Net HKD position – Buy HKD			**1.0**	–
Buy NZD Sell AUD 0-12 months	**1.25**	–	**58.1**	–
Net NZD position – Buy NZD			**58.1**	–
Buy USD Sell AUD 0-12 months	**0.74**	0.92	**15.4**	5.6
Net USD position – Buy USD			**15.4**	5.6

NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Translational foreign currency risk

The consolidated entity has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the consolidated entity's foreign operations is managed primarily through borrowings denominated in the relevant foreign currency. Refer also to Note 1(j) for further comments regarding the accounting treatment of effective and ineffective portions of hedges of net investments in foreign operations, and treatment of disposals of foreign operations.

The Company has a number of borrowings that from a consolidated entity perspective represent a hedge of a net investment in a foreign operation. For the Company, foreign exchange gains or losses are recognised in the income statement, while for the consolidated entity these gains/losses are recognised as movements in the exchange fluctuation reserve.

No portion of hedges of net investments in foreign currency operations were ineffective for the consolidated entity for the financial years ended 30 June 2009 and 30 June 2008.

Exchange rate sensitivity

The following table summarises the estimated impact on the financial results of the consolidated entity and the Company of a 10% increase and a 10% decrease in the value of the AUD against the relevant foreign currencies, with all other variables held constant, taking into account all underlying exposures and related hedges.

The sensitivity includes only the impact on the balance of financial assets and liabilities at reporting date. The translation of net assets in subsidiaries with a functional currency other than AUD has not been included in the sensitivity analysis as part of the equity movement. The sensitivity of a 10% movement is considered reasonable given the current level of exchange rates and after considering economic forecaster's expectations. These sensitivities are shown for illustrative purposes only and it should be noted that it is unlikely that all currencies would move in the same direction and by the same percentage.

	Impact on post-tax profit		Impact on equity	
$ million	**2009**	2008	**2009**	2008
Consolidated				
FX Rate Increase				
AUD/USD	**(0.9)**	–	**78.8**	51.6
AUD/EUR	**(0.5)**	0.2	**35.2**	36.0
AUD/NZD	**0.2**	–	**0.2**	0.4
AUD/HKD	**(0.1)**	–	**7.1**	–
EUR/USD	**0.7**	0.3	**0.8**	0.5
EUR/European currencies	**18.2**	–	**0.5**	0.2
	17.6	0.5	**122.6**	88.7
FX Rate Decrease				
AUD/USD	**1.1**	–	**(96.3)**	(63.0)
AUD/EUR	**(4.5)**	(0.2)	**(43.0)**	(44.0)
AUD/NZD	**0.7**	–	**(0.2)**	(0.4)
AUD/HKD	**0.1**	–	**(8.7)**	–
EUR/USD	**(0.8)**	(0.3)	**(0.7)**	(0.7)
EUR/European currencies	**(19.1)**	–	**(0.4)**	(0.3)
	(22.5)	(0.5)	**(149.3)**	(108.4)
Amcor Limited				
FX Rate Increase				
AUD/USD	**78.7**	52.3	**–**	–
AUD/HKD	**7.1**	–	**–**	–
AUD/NZD	**0.2**	–	**–**	–
AUD/EUR	**38.2**	36.4	**–**	–
	124.2	88.7	**–**	–
FX Rate Decrease				
AUD/USD	**(96.1)**	(63.9)	**–**	–
AUD/HKD	**(8.6)**	–	**–**	–
AUD/NZD	**(4.5)**	–	**–**	–
AUD/EUR	**(46.7)**	(44.5)	**–**	–
	(155.9)	(108.4)	**–**	–

During the 12 months to 30 June 2009 the consolidated entity transferred a $7.7 million gain (2008: $3.0 million gain) from equity to operating profit and a $0.5 million loss (2008: $1.5 million loss) was added to the measurement of non-financial assets. For the Company, a $3.6 million gain (2008: $2.2 million loss) was transferred from equity to operating profit. The amounts that were transferred to operating profit have been included in the following income statement lines:

	Consolidated		Amcor Limited	
$ million	**2009**	2008	**2009**	2008
Cost of sales	**(4.1)**	(5.2)	**–**	–
Financial expenses	**(3.6)**	2.2	**(3.6)**	2.2
	(7.7)	(3.0)	**(3.6)**	2.2

(ii) Interest rate risk

Interest rate risk is the risk that the consolidated entity and the Company's financial position will be adversely affected by movements in floating interest rates that will increase the cost of floating rate debt or opportunity losses that may arise on fixed borrowings in a falling interest rate environment.

The consolidated entity and the Company are exposed to interest rate risk as they invest and borrow funds at both fixed and floating rates. Borrowings issued at variable rates expose the consolidated entity and the Company to cash flow interest rate risk. The consolidated entity and the Company's income and operating cash flows are largely independent of changes in market interest rates.

Amcor Group Finance manages the consolidated entity and the Company's exposure to interest rate risk by maintaining an appropriate mix between fixed and floating rate borrowings, monitoring global interest rates and, where appropriate, hedging interest rate exposure or borrowings at fixed interest rates through the use of interest rate swaps and forward rate agreements. Such interest rate swaps have the effect of converting borrowings from floating rates into fixed rates and vice versa.

The following table summarises the impact on the financial results of the consolidated entity and the Company of a 1% increase and decrease in the floating interest rate on the relevant interest rate yield curve applicable to the underlying currency the borrowings are denominated in (including AUD, Euro and USD) with all other variables held constant, taking into account all underlying exposures and related hedges. A sensitivity of 1% has been determined based on the consolidated entity's current credit rating and mix of debt in Australia and foreign countries, relationships with financial institutions, the level of the debt that is expected to be renewed as well as a review of the last two year's historical movements and economic forecaster's expectations. These sensitivities are shown for illustrative purposes only.

	Impact on post-tax profit		Impact on equity	
$ million	**2009**	2008	**2009**	2008
Consolidated				
Interest rate increase				
AUD	**(3.9)**	(5.2)	**–**	–
EUR	**(0.8)**	(2.0)	**–**	–
HKD	**(0.8)**	–	**–**	–
USD	**(5.6)**	(2.8)	**–**	–
	(11.1)	(10.0)	**–**	–
Interest rate decrease				
AUD	**3.9**	5.2	**–**	–
EUR	**0.8**	2.0	**–**	–
HKD	**0.8**	–	**–**	–
USD	**5.6**	2.8	**–**	–
	11.1	10.0	**–**	–
Amcor Limited				
Interest rate increase				
AUD	**(3.9)**	(5.1)	**–**	–
EUR	**–**	(2.2)	**–**	–
HKD	**(0.8)**	–	**–**	–
USD	**(5.0)**	(2.3)	**–**	–
	(9.7)	(9.6)	**–**	–
Interest rate decrease				
AUD	**3.9**	5.1	**–**	–
EUR	**–**	2.2	**–**	–
HKD	**0.8**	–	**–**	–
USD	**5.0**	2.3	**–**	–
	9.7	9.6	**–**	–

The above analysis shows the sensitivity of movements subject to cash flow risk only. For both the consolidated entity and the Company, no financial assets or liabilities that are subject to interest rate risk have been designated at fair value or as available-for-sale.

NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Commodity price risk

The consolidated entity is exposed to commodity price risk from a number of commodities, including aluminium.

In managing commodity price risk, the consolidated entity is ordinarily able to pass on the price risk contractually to certain customers via the rise and fall adjustments. In the case of aluminium, some hedging is undertaken using fixed price swaps, options and futures, on behalf of certain customers. Hedging undertaken is based on customer instructions and all related benefits and costs are passed onto the customer on maturity of the transaction.

The following table sets out, for the consolidated entity, the gross value (Australian dollar equivalents) to be received under commodity fixed priced contracts, the weighted average contracted London Metals Exchange rates and the settlement periods of contracts outstanding at 30 June:

	Average fixed price		Contract amounts	
	A$/tonne 2009	A$/tonne 2008	**A$ million 2009**	A$ million 2008
Buy Aluminium contracts US$ denominated				
Less than one year	**1,550.4**	2,942.7	**9.6**	9.5
Between one and two years	**1,646.0**	–	**0.6**	–
Buy Aluminium contracts A$ denominated				
Less than one year	**2,167.8**	3,178.5	**17.8**	4.3

	Strike price per tonne		Contract amounts	
	US$/tonne	US$/tonne	**A$ million**	A$ million
Buy Aluminium 'call' options US$ denominated				
Less than one year	**–**	3,000.0	**–**	5.8

At 30 June 2009, if the USD aluminium price increased by 10%, with all other variables held constant, equity would have reduced by $0.1 million (2008: decrease $0.1 million). If the aluminium price had decreased by 10%, with all other variables held constant, equity would have increased by $0.1 million (2008: nil). The change in equity would result from changes in fair value of commodity fixed price contracts. As mentioned previously, there is no impact on profit as the consolidated entity passes the price risk contractually through rise and fall adjustments in customer contractual arrangements.

The Company is not exposed to commodity price risk.

(iv) Employee share plan risk

In relation to the cash settled variants of the Employee Share Plan Options, the Employee Bonus Payment Plan and the Senior Executive Retention Payment Plan, the consolidated entity and the Company are exposed to movements in the value of the underlying ordinary shares of Amcor Limited. For all such entitlements offered, the consolidated entity and the Company have hedged their exposure by entering into cash settled equity share options or equity share swap contracts that mirror the terms and conditions, and therefore offset the fluctuations, in the value of the employee benefit.

The following tables set out, for both the consolidated entity and the Company, the expiry or vesting date (if applicable), the outstanding option/share hedge contract positions and the hedged price of the contracts as at 30 June:

Equity share option 'American' style contracts

	2009				2008		
	Expiry date	**Contract volume**	**Average hedged price $**		Expiry date	Contract volume	Average hedged price $
Less than one year	**24 Mar 10**	**186,900**	**7.87**	Less than one year	11 Sep 08	50,000	8.28
Between one and five years	**2 Aug 10**	**240,800**	**6.84**	Between one and five years	24 Mar 10	222,500	7.87
	31 Dec 10	**23,550**	**6.78**		2 Aug 10	275,200	6.84
	31 Dec 11	**69,600**	**7.19**		31 Dec 10	29,100	6.78
	1 Nov 12	**277,200**	**8.20**		31 Dec 11	73,600	7.19
					1 Nov 12	319,000	8.20

Equity share swap contracts

	2009				2008		
	Vesting date	**Contract volume**	**Average hedged price $**		Vesting date	Contract volume	Average hedged price $
Vested	**Various**	**180,991**	**7.06**	Vested	Various	174,953	7.06
Less than one year	**Jul 09**	**11,672**	**7.06**	Less than one year	Jul 08	2,107	7.06
Between one and five years	**Jul 10**	**5,425**	**7.06**		Jan 09	5,763	7.06
	Sep 11	**8,410**	**7.06**	Between one and five years	Jul 09	18,341	7.06
	Sep 12	**25,619**	**7.06**		Sep 11	8,410	7.06
	Sep 13	**16,844**	**7.06**		Sep 12	28,315	7.06
				More than five years	Sep 13	17,425	7.06

For both the consolidated entity and the Company, the impact of movements in the underlying share price of Amcor Limited is expected to have a nil impact on post-tax profit and equity for the period. Variations in cash-settled liabilities are expected to be offset by movements in the hedge contracts described above.

(b) Liquidity risk

Liquidity risk arises from the financial liabilities of the consolidated entity and the consolidated entity's subsequent ability to meet their obligation to repay their financial liabilities as and when they fall due.

In the 12 months to 30 June 2009, the volatility and instability of the global financial markets has significantly impacted the availability of credit. Amcor Group Finance have been closely monitoring and managing the financial position of the consolidated entity during this period as the turbulence being experienced in both financial and non-financial markets, as a result of the global financial crisis has heightened those risks associated with credit, leverage and liquidity.

Liquidity risk management involves maintaining available funding and ensuring the consolidated entity has an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Amcor Group Finance aims to maintain a flexibility within the funding structure through the use of bank overdrafts, bank loans, commercial paper and corporate bonds. The consolidated entity manages this risk via maintaining minimum undrawn committed liquidity of at least A$300.0 million (in various currencies) that can be drawn upon at short notice; generally uses instruments that are readily tradable in the financial markets; monitors duration of long-term debt; to the extent practicable, spreads the maturity dates of long-term debt facilities and regularly performs a comprehensive analysis of all cash inflows and outflows that relate to financial assets and liabilities.

NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

Financing arrangements

The tables below analyse, at reporting date, the committed and uncommitted standby arrangements and unused credit facilities of both the consolidated entity and the Company. Committed facilities are those where an agreement is in place with the bank to provide funds on request up to a specified maximum at a specified interest rate, where agreement conditions must be adhered to by the borrower for the facility to remain in place. Uncommitted facilities are those where an agreement is in place with the bank where the bank agrees in principle to make funding available but is under no obligation to provide funding.

	2009			2008		
$ million	**Committed**	**Uncommitted**	**Total**	Committed	Uncommitted	Total
Consolidated						
Financing facilities available						
Bank overdrafts	**–**	**247.1**	**247.1**	–	148.1	148.1
Unsecured bill acceptance facility/standby facility	**425.2**	**–**	**425.2**	520.4	–	520.4
Loan facilities and term debt	**2,996.4**	**375.0**	**3,371.4**	2,452.0	232.2	2,684.2
	3,421.6	**622.1**	**4,043.7**	2,972.4	380.3	3,352.7
Facilities utilised						
Bank overdrafts	**–**	**131.3**	**131.3**	–	92.3	92.3
Unsecured bill acceptance facility/standby facility	**62.8**	**–**	**62.8**	249.7	–	249.7
Loan facilities and term debt	**2,510.5**	**126.9**	**2,637.4**	2,120.0	48.7	2,168.7
	2,573.3	**258.2**	**2,831.5**	2,369.7	141.0	2,510.7
Facilities not utilised						
Bank overdrafts	**–**	**115.8**	**115.8**	–	55.8	55.8
Unsecured bill acceptance facility/standby facility	**362.4**	**–**	**362.4**	270.7	–	270.7
Loan facilities and term debt	**485.9**	**248.1**	**734.0**	332.0	183.5	515.5
	848.3	**363.9**	**1,212.2**	602.7	239.3	842.0
Amcor Limited						
Financing facilities available						
Bank overdrafts	**–**	**3.0**	**3.0**	–	20.0	20.0
Unsecured bill acceptance facility/standby facility	**276.5**	**–**	**276.5**	395.5	–	395.5
Loan facilities and term debt	**2,544.0**	**110.0**	**2,654.0**	2,060.4	–	2,060.4
	2,820.5	**113.0**	**2,933.5**	2,455.9	20.0	2,475.9
Facilities utilised						
Bank overdrafts	**–**	**0.2**	**0.2**	–	–	–
Unsecured bill acceptance facility/standby facility	**62.8**	**–**	**62.8**	249.7	–	249.7
Loan facilities and term debt	**2,510.5**	**45.0**	**2,555.5**	1,996.0	–	1,996.0
	2,573.3	**45.2**	**2,618.5**	2,245.7	–	2,245.7
Facilities not utilised						
Bank overdrafts	**–**	**2.8**	**2.8**	–	20.0	20.0
Unsecured bill acceptance facility/standby facility	**213.7**	**–**	**213.7**	145.8	–	145.8
Loan facilities and term debt	**33.5**	**65.0**	**98.5**	64.4	–	64.4
	247.2	**67.8**	**315.0**	210.2	20.0	230.2

For the purposes of reporting on management's internal liquidity targets to the Board, undrawn committed facility capacity excludes bank overdrafts and other short-term subsidiary loan borrowings. Refer to Note 20 for further details of the major funding arrangements of both the consolidated entity and the Company.

Maturity of financial liabilities

The table below analyses the consolidated entity and the Company's financial liabilities and net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

$ million	1 year or less	1-2 years	2-5 years	More than 5 years	Total
Consolidated					
30 June 2009					
Non-derivatives					
Non-interest bearing	**1,722.2**	**31.5**	**–**	**–**	**1,753.7**
Variable rate	**904.3**	**691.7**	**5.6**	**2.3**	**1,603.9**
Fixed rate	**108.0**	**663.3**	**298.9**	**377.9**	**1,448.1**
Total non-derivatives	**2,734.5**	**1,386.5**	**304.5**	**380.2**	**4,805.7**
Derivatives					
Net settled (interest rate swaps)	**–**	**–**	**–**	**–**	**–**
Gross settled					
– Inflow	**421.7**	**2.2**	**–**	**–**	**423.9**
– Outflow	**(413.1)**	**(2.1)**	**–**	**–**	**(415.2)**
Total financial liabilities	**8.6**	**0.1**	**–**	**–**	**8.7**
30 June 2008					
Non-derivatives					
Non-interest bearing	1,809.3	0.7	1.1	27.3	1,838.4
Variable rate	733.5	250.3	544.9	–	1,528.7
Fixed rate	53.4	93.9	868.9	334.0	1,350.2
Total non-derivatives	2,596.2	344.9	1,414.9	361.3	4,717.3
Derivatives					
Net settled (interest rate swaps)	–	–	–	–	–
Gross settled					
– Inflow	284.7	7.8	–	–	292.5
– Outflow	(286.1)	(8.0)	–	–	(294.1)
Total financial liabilities	(1.4)	(0.2)	–	–	(1.6)
Amcor Limited					
30 June 2009					
Non-derivatives					
Non-interest bearing	**59.2**	**–**	**–**	**–**	**59.2**
Variable rate	**4,500.2**	**689.3**	**–**	**–**	**5,189.5**
Fixed rate	**108.0**	**663.3**	**298.9**	**377.9**	**1,448.1**
Total non-derivatives	**4,667.4**	**1,352.6**	**298.9**	**377.9**	**6,696.8**
Derivatives					
Net settled (interest rate swaps)	**–**	**–**	**–**	**–**	**–**
Gross settled					
– Inflow	**81.7**	**–**	**–**	**–**	**81.7**
– Outflow	**(83.6)**	**–**	**–**	**–**	**(83.6)**
Total financial liabilities	**(1.9)**	**–**	**–**	**–**	**(1.9)**
30 June 2008					
Non-derivatives					
Non-interest bearing	40.5	–	–	–	40.5
Variable rate	4,225.2	186.1	474.9	–	4,886.2
Fixed rate	52.9	93.4	860.8	334.0	1,341.1
Total non-derivatives	4,318.6	279.5	1,335.7	334.0	6,267.8
Derivatives					
Net settled (interest rate swaps)	–	–	–	–	–
Gross settled					
– Inflow	10.0	–	–	–	10.0
– Outflow	(10.4)	–	–	–	(10.4)
Total financial liabilities	(0.4)	–	–	–	(0.4)

Actual and forecasted cash flows of each business segment are regularly monitored to assess the funding requirements of the consolidated entity to enable management to ensure that the consolidated entity has access to a range of diverse funding sources over various time frames in order to meet the cash flow requirements of the group and to maintain adequate liquidity of the consolidated entity.

NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The consolidated entity and the Company are exposed to credit risk arising from its operating activities (primarily from customer receivables) and financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk represents the loss that would be recognised if a counterparty failed to fulfil their obligation under a financial instrument contract or a debtor relationship. The consolidated entity manages credit risk through assessing the overall financial and competitive strength of the counterparty on an ongoing basis. Credit policies cover exposures generated from the sale of products and the use of derivative instruments.

Credit risks related to receivables

Customer credit risk is managed by each business group in accordance with the procedures and controls set out in the consolidated entity's credit risk management policy. Credit limits are established for all customers based on external or internal rating criteria and letters of credit or other forms of credit insurance cover are obtained where appropriate.

For the sale of products and associated trade receivables, the consolidated entity minimises where possible its concentration of risk by undertaking transactions with a large number of customers and counterparties in various countries with policies in place to ensure that sales of products and services are made to customers with appropriate credit history. In cases where a limited number of customers exist due to business specifics, the customer's size, credit rating, dependence on supplier and long-term history of full debt recovery is indicative of lower credit risk.

In respect of these financial assets and the credit risk embodied within them, the consolidated entity holds no significant collateral as security. The credit quality of trade receivables that are neither past due nor impaired are consistently monitored in order to identify any potential adverse changes in credit quality. The consolidated entity and the Company have no material exposure to any individual customer.

Credit risk relating to financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Amcor Group Finance in accordance with Board approved policies. For financial derivative instruments, bank counterparties are limited to high credit quality financial institutions with a minimum long-term credit rating of A– or better by Standard & Poor's. In addition, the Board has approved the use of these financial institutions, and specific internal guidelines have been established with regard to limits, dealing and settlement procedures. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. The investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The consolidated entity and the Company have no significant concentration of credit risk in relation to derivatives undertaken in accordance with the consolidated entity's hedging and risk management activities.

The carrying amount of financial assets recognised in the balance sheet (excluding equity securities and carrying amounts associated with prepayments), are disclosed in Notes 11 and 13, best represents the consolidated entity and the Company's maximum exposure to credit risk at the reporting date.

Credit risk also arises in relation to financial guarantees given to certain parties, details of the carrying amounts and face value of financial guarantees provided by the consolidated entity and the Company are disclosed in Note 21. Financial guarantees are only provided in exceptional circumstances.

Impairment of financial assets

As at 30 June 2009 current trade receivables of the consolidated entity with a nominal value of $26.0 million (2008: $35.5 million) were impaired. The amount of the provision was $22.0 million (2008: $30.4 million). The individually impaired receivables relate to transactions which have been disputed by customers, or receivables owing from customers experiencing financial difficulties. It has been assessed that a portion of the receivables is expected to be recovered. There were no impaired trade receivables for the Company in 2009 or 2008.

As at 30 June 2009, current trade receivables of $105.1 million (2008: $108.4 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing of these receivables, according to their due date, is as follows:

$ million	Impaired receivables 2009	Impaired receivables 2008	Not impaired 2009	Not impaired 2008
Consolidated				
Not past due	**2.5**	0.4	**828.7**	878.4
Past due 0-30 days	**1.8**	2.5	**64.0**	67.6
Past due 31-120 days	**8.1**	8.4	**38.2**	39.4
More than 121 days	**13.6**	24.2	**2.9**	1.4
	26.0	35.5	**933.8**	986.8
Amcor Limited				
Not past due	**–**	–	**1.1**	0.2
Past due 0-30 days	**–**	–	**–**	–
Past due 31-120 days	**–**	–	**–**	–
More than 121 days	**–**	–	**1.0**	–
	–	–	**2.1**	0.2

Movements in the provision for impairments of receivables are as follows:

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Opening balance	**30.4**	31.1	**–**	–
Provision for impairment recognised during the year	**8.1**	4.5	**–**	–
Reversal of impairment	**(0.5)**	–	**–**	–
Receivables written off during the year as uncollectible	**(16.5)**	(3.1)	**–**	–
Unused amount reversed	**(1.1)**	(1.7)	**–**	–
Effects of movement in exchange rate	**1.6**	(0.4)	**–**	–
	22.0	30.4	**–**	–

In assessing an appropriate provision for impairments of receivables consideration is given to historical experience of bad debts, based on the ageing of receivables, knowledge of debtor insolvency or other credit risk and individual account assessment.

(d) Capital risk management

The key objectives of the consolidated entity and the Company when managing capital is to safeguard their ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the consolidated entity and the Company.

The key objectives include:

– Achieving an investment grade rating and maintaining appropriate financial metrics;

– Securing access to diversified sources of debt and equity funding with sufficient undrawn committed facility capacity; and

– Optimising the Weighted Average Cost of Capital (WACC) to reduce the cost of capital to the consolidated entity while providing financial flexibility.

In order to optimise the capital structure, management may alter the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, draw down additional debt or sell assets to reduce debt in line with the strategic objectives and operating plans of the consolidated entity and the Company.

The capital management strategy aims to achieve an investment grade rating and this has been confirmed by the Board of Directors. The ratings as at 30 June 2009 were investment grade BBB/Baa2. Various financial ratios and internal targets are assessed and reported to the Board on a quarterly basis by management to monitor and support the key objectives set out above. These ratios and targets include:

– Gearing Ratio;

– Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) Interest Cover;

– Fixed/Floating Debt Ratio; and

– Bank Debt/Total Debt Percentage.

NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk management (continued)

Management's targeted and actual metrics for the years ending 30 June 2009 and 30 June 2008, based on continuing operations, were as follows:

		Actual	
Measure	**Target**	**2009**	2008
Gearing Ratio	50-55%[1]	**50.7%**	47.1%
EBITDA Interest Cover	> 6 times	**6.0 times**	6.0 times
Fixed/Floating Debt Ratio	40-60% fixed	**43% fixed**	44% fixed
Bank Debt/Total Debt Percentage	< 45%	**54.3%**	46.6%

(1) Includes off balance sheet items (future operating lease commitments).

The bank debt/total debt percentage reflects the effect of exchange rates on the total debt portfolio and the state of bank and debt capital market conditions over the period to June 2009.

Management consider the targeted metrics above to be conservative, and actual metrics are maintained in excess of any debt covenant restrictions.

(e) Fair value estimation

The fair values of cash and cash equivalents and monetary financial assets and financial liabilities approximate their carrying value. The fair values of other monetary financial assets and liabilities are either based upon market prices, where a market exists, or have been determined by discounting the expected future cash flows by the current interest rate for financial assets and financial liabilities with similar risk profiles.

Listed equity investments have been valued by reference to market prices prevailing at reporting date. The quoted market price used is the current bid price. For unlisted equity instruments, the fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to the particular investment.

The valuation of derivative financial assets and liabilities detailed below reflects the estimated amounts which the consolidated entity would be required to pay or receive to terminate the contracts or replace the contracts at their current market rates at reporting date. This is based on internal valuations using standard valuation techniques.

As the purpose of these derivative financial instruments is to hedge the consolidated entity's underlying assets and liabilities denominated in foreign currencies and to hedge against risk of interest rate fluctuations, it is unlikely that, in the absence of abnormal circumstances, these contracts would be terminated prior to maturity.

The carrying amount of trade receivables less impairment provision and trade payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity and the Company for similar financial instruments.

For details relating to methods and significant assumptions applied in determining fair values of financial assets and liabilities, refer to Note 1(w).

The carrying amount and fair values of financial assets and liabilities for the consolidated entity and the Company at 30 June 2009 are:

$ million	Note	**Carrying amount 2009**	**Fair value 2009**	Carrying amount 2008	Fair value 2008
Consolidated					
Financial assets					
Cash and cash equivalents	10	**188.6**	**188.6**	258.3	258.3
Trade receivables	11	**937.8**	**937.8**	991.9	991.9
Other debtors and prepayments	11	**191.8**	**191.8**	229.8	229.8
Loans to other persons, net position	11, 13	**45.2**	**45.2**	35.0	35.0
Available-for-sale financial assets	13	**7.7**	**7.7**	7.7	7.7
Financial assets at fair value through profit or loss	13	**0.2**	**0.2**	0.2	0.2
Forward foreign exchange contracts, net position	13, 21	**–**	**–**	0.8	0.8
Commodity fixed price swaps, net position	13, 21	**–**	**–**	1.3	1.3
Equity share options 'American' contracts	13	**0.2**	**0.2**	0.2	0.2
Equity share swap contracts	13	**1.3**	**1.3**	1.3	1.3
		1,372.8	**1,372.8**	1,526.5	1,526.5
Financial liabilities					
Payables	19	**1,753.7**	**1,753.7**	1,835.2	1,835.2
Bank and other loans	20	**1,538.7**	**1,538.7**	1,165.4	1,165.4
Commercial paper	20	**62.9**	**62.9**	249.7	249.7
US$ notes	20	**619.3**	**613.6**	519.6	481.0
Eurobond	20	**608.6**	**607.1**	572.5	549.9
Lease liabilities	20	**2.3**	**2.3**	3.5	3.5
Forward foreign exchange contracts, net position	13, 21	**5.2**	**5.2**	–	–
Commodity fixed price swaps, net position	13, 21	**3.2**	**3.2**	–	–
		4,593.9	**4,586.7**	4,345.9	4,284.7
Amcor Limited					
Financial assets					
Cash and cash equivalents	10	**6.1**	**6.1**	115.7	115.7
Trade receivables	11	**2.1**	**2.1**	0.2	0.2
Other debtors and prepayments	11	**10.6**	**10.6**	4.7	4.7
Loans to other persons, net position	11, 13	**5,561.2**	**5,561.2**	5,358.9	5,358.9
Equity share options 'American' style contracts	13	**0.2**	**0.2**	0.2	0.2
Equity share swap contracts	13	**1.3**	**1.3**	1.3	1.3
		5,581.5	**5,581.5**	5,481.0	5,481.0
Financial liabilities					
Payables	19	**59.2**	**59.2**	40.5	40.5
Bank and other loans	20	**5,126.6**	**5,126.6**	4,532.5	4,532.5
Commercial paper	20	**62.9**	**62.9**	249.7	249.7
US$ notes	20	**619.3**	**613.6**	519.6	481.0
Eurobond	20	**608.6**	**607.1**	572.5	549.9
Financial guarantees	21	**1.2**	**1.2**	0.9	0.9
Forward foreign exchange contracts, net position	13, 21	**1.9**	**1.9**	0.2	0.2
		6,479.7	**6,472.5**	5,915.9	5,854.7

The fair value of the US$ notes and the Eurobond reflects the revaluation of these instruments, at prevailing market rates. The US$ notes mature between December 2009 and December 2017 while the Eurobond matures in March 2011.

For all other assets and liabilities, based on the facts and circumstances existing at reporting date and the nature of the consolidated entity's assets and liabilities, including hedged positions, the consolidated entity has no reason to believe that any of the above assets could not be exchanged, or any of the above liabilities could not be settled in an 'arm's length' transaction at an amount approximating its carrying value.

NOTE 27 SHARE-BASED PAYMENTS

(a) Employee Share Purchase Plan

In 1985, the consolidated entity established the Employee Share Purchase Plan (ESPP). The following sub-plans have been implemented pursuant to this plan.

(i) Employee Incentive Share Plan

Under the Employee Incentive Share Plan (EISP), shares were offered for the benefit of all full-time employees, permanent part-time employees and executive Directors of the Company with more than 12 months' service. The number of shares offered depended upon the Company's annual increase in earnings per share (before significant items).

The EISP has been discontinued for the foreseeable future and there were no commitments at 30 June 2009 (2008: nil) to issue shares under the EISP and none were granted or exercised during the year ended 30 June 2009 (2008: nil).

(ii) Senior Executive Retention Share Plan

Under the Senior Executive Retention Share Plan (SERSP), the Board nominates certain senior executives as eligible to receive fully-paid ordinary shares in part satisfaction of their remuneration for the relevant financial year. The number of shares issued is at the discretion of the Board. The restrictions on these shares do not allow the employee to dispose of the shares for a period of up to five years (or otherwise as determined by the Board), unless the employee ceases employment later than three years after the shares were issued. Any right or interest in the shares will be forfeited if the employee voluntarily ceases employment within three years from the date the shares were issued or, if the employee is dismissed during the restriction period, for cause or poor performance. The shares subject to the SERSP carry full dividend entitlements and voting rights.

These retention shares are used to reward outstanding levels of previous performance, with the intention to retain key Senior Executives by:

– Tying the longer term interests of Senior Executives more closely to those of its shareholders;

– Providing exposure for those Senior Executives to the Company's development; and

– Providing an incentive for those Senior Executives to stay with the Company by providing such Senior Executives with Amcor Limited shares which must be retained for certain periods of time in order to gain full access to their values.

The weighted average fair value for these SERSPs is calculated using the market value at the date the shares were issued.

Details of the total movement in shares issued under the SERSP during the current and comparative period are as follows:

	Weighted average 2009 fair value		Weighted average 2008 fair value	
	No.	**$**	No.	$
Restricted shares at beginning of financial period	**432,500**	**6.81**	40,000	7.42
Issued during the period	**201,000**	**5.03**	392,500	6.75
Restriction lifted	**(40,000)**	**6.95**	–	–
Restricted shares at end of financial period	**593,500**	**6.20**	432,500	6.81

(b) Employee Share Option Plans

(i) Employee Share Option Plan

In 1985, the consolidated entity also established the Employee Share Option Plan (ESOP). Under the ESOP, partly-paid shares or options over shares in the Company can be issued to executive officers and Directors (including Directors who are executives) and senior staff members selected by the Directors.

The partly-paid shares are issued at the closing market price on the allotment date. The call outstanding only becomes payable on termination, death or at the Directors' discretion. Voting rights exercisable by holders of partly-paid ordinary shares are reduced pro rata to the portion of the issue price paid up on those shares as per the Australian Securities Exchange Listing Rules.

Options granted under the ESOP may be issued upon such terms and subject to such conditions as the Directors of the Company determine at the time. Options granted under the ESOP are exercisable at a price equal to the closing market share price of Amcor Limited shares traded on the Australian Securities Exchange at the date on which the options were granted or a weighted average market price during a period up to and including the date of grant. The options are granted with performance hurdles established by the Directors.

Options are granted under the ESOP at no consideration and carry no dividend entitlement or voting rights until they vest and are converted to ordinary shares on a one-for-one basis. The options are issued for a term of up to 10 years, they cannot be transferred and are not quoted on any exchange.

For the majority of options issued, executives and certain members of staff are generally only eligible to exercise the options if returns on average funds employed exceed targeted levels at the end of the financial reporting period in which the options were granted. For those options granted prior to 1 July 2006 the return on average funds employed is defined as Earnings Before Interest Tax and significant items (EBIT) divided by average funds employed. For those options granted subsequent to 1 July 2006 the options become exercisable based on the outcome of a Total Shareholder Return (TSR) test.

Details of the total movement in options issued under the ESOP during the current and comparative period are as follows:

	Weighted average 2009 fair value		Weighted average 2008 fair value	
	No.	**$**	No.	$
Outstanding at beginning of financial period	**9,097,432**	**1.38**	11,265,097	1.37
Exercised	**–**	**–**	(702,752)	1.14
Cancelled	**(1,251,400)**	**1.40**	(1,464,913)	1.44
Outstanding at end of financial period	**7,846,032**	**1.38**	9,097,432	1.38
Exercisable at end of financial period	**7,651,032**	**1.39**	8,597,432	1.40

(ii) Long Term Incentive Plan – Share Options

In June 2006, the consolidated entity established the Amcor Limited Long Term Incentive Plan (LTIP). Under the LTIP, performance options or performance rights over shares in the Company, or performance shares, can be issued to executive officers, senior executives and senior staff members selected by the Directors. Refer Note 27(c)(vii) for details of performance rights issued under the LTIP during the period.

Options granted under the LTIP give the employee the right to acquire a share at a future point in time upon meeting specified vesting conditions that are time based and performance based and upon payment of an exercise price. The number of options that ultimately vest is based on performance over a period of four years from the date of grant and the outcome of a Total Shareholder Return (TSR) test to be performed at a predetermined time. The relative performance of Amcor's average TSR is to be compared against the average TSR of a comparator group of companies similar to Amcor Limited and will determine the ultimate number of options to be received. The exact terms and conditions of the options granted are determined by the Directors of the Company at the time of granting the options.

Options granted under the LTIP are exercisable at a price equal to the closing market share price of Amcor Limited shares traded on the Australian Securities Exchange at the date of the grant. The options are granted at no consideration and carry no dividend entitlement or voting rights until they vest and are exercised to ordinary shares on a one-for-one basis. Upon meeting the vesting conditions, the award may be exercised for up to one year following the end of the vesting period.

Options that do not vest before the end of the vesting period will expire. Awards that have vested during the vesting period will remain exercisable until the expiry date, following which any vested awards that remain unexercised will expire. Any unvested awards will be forfeited if the employee voluntarily ceases employment or if the employee is dismissed for poor performance.

Details of the total movement in options issued under the LTIP during the current period are as follows:

	Weighted average 2009 fair value		Weighted average 2008 fair value	
	No.	**$**	No.	$
Outstanding at beginning of financial period	**9,923,153**	**1.00**	10,218,600	0.98
Granted	**2,709,000**	**0.93**	1,544,211	1.08
Cancelled	**(629,339)**	**0.99**	(1,839,658)	0.99
Outstanding at end of financial period	**12,002,814**	**0.98**	9,923,153	1.00
Exercisable at end of financial period	**5,789,954**	**0.99**	–	–

NOTE 27 SHARE-BASED PAYMENTS (continued)

(b) Employee Share Option Plans (continued)

The following tables provide a summary of the options granted under the ESOP and LTIP Options for the consolidated entity and the Company during the current and comparative period:

30 June 2009

Grant date	Exercise date on or after	Expiry date	Exercise price $	Balance at beginning of period No.	Options granted No.	Options cancelled No.	Options exercised No.	Weighted average share price at exercise date $	Balance at end of period On issue No.	Balance at end of period Exercisable No.	Proceeds received $
1 November 2002(1)	1 November 2005	1 November 2012	8.20	2,456,080	–	333,080	–	–	2,123,000	2,123,000	–
13 October 2003(1)	1 November 2005	1 November 2012	8.20	79,200	–	–	–	–	79,200	79,200	–
20 October 2003(1)	1 November 2005	1 November 2012	8.20	13,200	–	13,200	–	–	–	–	–
23 March 2004	23 March 2007	23 March 2010	7.87	152,190	–	22,250	–	–	129,940	129,940	–
24 March 2004	24 March 2007	24 March 2010	7.87	2,834,650	–	474,370	–	–	2,360,280	2,360,280	–
31 May 2004	24 March 2007	24 March 2010	7.87	17,800	–	–	–	–	17,800	17,800	–
2 August 2004	2 August 2007	2 August 2010	6.84	2,768,512	–	408,500	–	–	2,360,012	2,360,012	–
2 May 2005	2 August 2007	2 August 2010	6.84	25,800	–	–	–	–	25,800	25,800	–
27 October 2005	1 January 2008	31 December 2010	6.78	250,000	–	–	–	–	250,000	190,000	–
27 October 2005	1 July 2008	30 June 2011	6.78	250,000	–	–	–	–	250,000	190,000	–
27 October 2005	1 January 2009	31 December 2011	6.78	250,000	–	–	–	–	250,000	175,000	–
4 August 2006	1 January 2008	31 December 2010	6.78	1,907,200	–	182,745	–	–	1,724,455	1,214,539	–
4 August 2006	1 January 2008	31 December 2010	6.78	1,155,100	–	86,940	–	–	1,068,160	778,696	–
4 August 2006	1 January 2008	31 December 2010	6.78	280,000	–	–	–	–	280,000	212,800	–
4 August 2006	1 January 2008	30 June 2011	6.78	280,000	–	–	–	–	280,000	212,800	–
4 August 2006	1 January 2009	31 December 2011	6.78	280,000	–	–	–	–	280,000	196,000	–
4 August 2006	1 January 2008	31 December 2010	6.78	100,000	–	–	–	–	100,000	74,000	–
4 August 2006	1 July 2008	30 June 2011	6.78	90,000	–	–	–	–	90,000	68,400	–
4 August 2006	1 January 2009	31 December 2011	6.78	90,000	–	–	–	–	90,000	63,000	–
22 September 2006	1 January 2008	31 December 2010	6.78	109,150	–	5,550	–	–	103,600	44,536	–
1 February 2007	1 January 2009	31 December 2011	7.19	2,421,950	–	132,940	–	–	2,289,010	1,696,413	–
1 February 2007	1 January 2009	31 December 2011	7.19	1,632,900	–	111,334	–	–	1,521,566	1,125,466	–
5 March 2007	1 January 2009	31 December 2011	7.19	98,600	–	4,000	–	–	94,600	70,004	–
1 December 2007	31 October 2011	30 June 2012	7.07	748,829	–	29,724	–	–	719,105	–	–
1 December 2007	31 October 2011	30 June 2012	7.07	407,996	–	14,504	–	–	393,492	–	–
31 December 2007	31 October 2011	30 June 2012	7.07	89,107	–	25,902	–	–	63,205	–	–
1 November 2007	31 October 2011	30 June 2012	7.07	165,000	–	–	–	–	165,000	–	–
23 April 2008	1 January 2009	31 December 2011	7.19	45,000	–	11,700	–	–	33,300	33,300	–
30 May 2008	1 June 2010	31 December 2011	6.74	22,321	–	–	–	–	22,321	–	–
1 December 2008	31 October 2012	30 June 2013	5.62	–	1,344,000	24,000	–	–	1,320,000	–	–
1 December 2008	31 October 2012	30 June 2013	5.62	–	280,000	–	–	–	280,000	–	–
1 December 2008	31 October 2012	30 June 2013	5.62	–	975,000	–	–	–	975,000	–	–
2 January 2009	31 October 2012	30 June 2013	5.62	–	110,000	–	–	–	110,000	–	–
				19,020,585	2,709,000	1,880,739	–		19,848,846	13,440,986	–

(1) Fixed exchange rates apply to overseas participants on these share options grants.

30 June 2008

Grant date	Exercise date on or after	Expiry date	Exercise price $	Balance at beginning of period No.	Options granted No.	Options cancelled No.	Options exercised No.	Weighted average share price at exercise date $	Balance at end of period On issue No.	Balance at end of period Exercisable No.	Proceeds received $
1 October 2002	1 October 2002	1 October 2007	7.25	40,000	–	–	40,000	7.60	–	–	290,000
1 October 2003	1 October 2003	1 October 2007	7.25	40,000	–	–	40,000	7.60	–	–	290,000
1 November 2002(1)	1 November 2005	1 November 2012	8.20	2,898,280	–	442,200	–	–	2,456,080	2,456,080	–
13 October 2003(1)	1 November 2005	1 November 2012	8.20	79,200	–	–	–	–	79,200	79,200	–
20 October 2003(1)	1 November 2005	1 November 2012	8.20	13,200	–	–	–	–	13,200	13,200	–
23 March 2004	23 March 2007	23 March 2010	7.87	192,240	–	40,050	–	–	152,190	152,190	–
24 March 2004	24 March 2007	24 March 2010	7.87	3,491,915	–	657,265	–	–	2,834,650	2,834,650	–
31 May 2004	24 March 2007	24 March 2010	7.87	17,800	–	–	–	–	17,800	17,800	–
2 August 2004	2 August 2007	2 August 2010	6.84	3,716,662	–	325,398	622,752	7.24	2,768,512	2,768,512	4,259,624
2 May 2005	2 August 2007	2 August 2010	6.84	25,800	–	–	–	–	25,800	25,800	–
27 October 2005	1 January 2008	31 December 2010	6.78	250,000	–	–	–	–	250,000	250,000	–
27 October 2005	1 July 2008	30 June 2011	6.78	250,000	–	–	–	–	250,000	–	–
27 October 2005	1 January 2009	31 December 2011	6.78	250,000	–	–	–	–	250,000	–	–
4 August 2006	1 January 2008	31 December 2010	6.78	2,550,850	–	643,650	–	–	1,907,200	–	–
4 August 2006	1 January 2008	31 December 2010	6.78	1,268,300	–	113,200	–	–	1,155,100	–	–
4 August 2006	1 January 2008	31 December 2010	6.78	280,000	–	–	–	–	280,000	–	–
4 August 2006	1 July 2008	30 June 2011	6.78	280,000	–	–	–	–	280,000	–	–
4 August 2006	1 January 2009	31 December 2011	6.78	280,000	–	–	–	–	280,000	–	–
4 August 2006	1 January 2008	31 December 2010	6.78	100,000	–	–	–	–	100,000	–	–
4 August 2006	1 July 2008	30 June 2011	6.78	90,000	–	–	–	–	90,000	–	–
4 August 2006	1 January 2009	31 December 2011	6.78	90,000	–	–	–	–	90,000	–	–
22 September 2006	1 January 2008	31 December 2010	6.78	131,950	–	22,800	–	–	109,150	–	–
1 February 2007	1 January 2009	31 December 2011	7.19	3,307,000	–	885,050	–	–	2,421,950	–	–
1 February 2007	1 January 2009	31 December 2011	7.19	1,717,900	–	85,000	–	–	1,632,900	–	–
5 March 2007	1 January 2009	31 December 2011	7.19	122,600	–	24,000	–	–	98,600	–	–
1 December 2007	31 October 2011	30 June 2012	7.07	–	814,787	65,958	–	–	748,829	–	–
1 December 2007	31 October 2011	30 June 2012	7.07	–	407,996	–	–	–	407,996	–	–
31 December 2007	31 October 2011	30 June 2012	7.07	–	89,107	–	–	–	89,107	–	–
1 November 2007	31 October 2011	30 June 2012	7.07	–	165,000	–	–	–	165,000	–	–
23 April 2008	1 January 2009	31 December 2011	7.19	–	45,000	–	–	–	45,000	–	–
30 May 2008	1 June 2010	31 December 2011	6.74	–	22,321	–	–	–	22,321	–	–
				21,483,697	1,544,211	3,304,571	702,752		19,020,585	8,597,432	4,839,624

(1) Fixed exchange rates apply to overseas participants on these share options grants.

NOTE 27 SHARE-BASED PAYMENTS (continued)

(c) Other compensation plans

Entitlement plans are an alternative to the ESPP and the ESOP and are in place in countries where the Company is unable to issue shares or options. Participants are offered entitlements and, over the period during which employees hold their entitlements, their value will mirror the fluctuating value of Amcor Limited shares, including (in the case of the Employee Bonus Payment Plan) all dividends paid on the shares during this time.

(i) Employee Bonus Payment Plan

The Employee Bonus Payment Plan (EBPP) is equivalent to the EISP and enables the Company to offer employees, in certain countries, an equivalent plan where the EISP is unavailable. Under the EBPP, participants were offered entitlements which were equivalent to 60% of the weighted average price of Amcor shares, and over the period during which employees held their entitlements, the value mirrored the fluctuating value of Amcor's shares, including all dividends paid on the shares during this time. The consolidated entity hedged its exposure to fluctuations in the value of the underlying Amcor shares. Employees were only able to convert their entitlements into a cash bonus payment when they left the Company or three years had passed since the date on which entitlements were originally issued.

Offers of new entitlements under the EBPP have been discontinued for the foreseeable future.

(ii) Senior Executive Retention Payment Plan

From time to time, the Board may nominate certain employees as eligible to participate in the Senior Executive Retention Payment Plan (SERPP). Instead of receiving fully-paid ordinary shares, entitlements are issued in part satisfaction of an employee's remuneration for the relevant financial year. The value of each plan entitlement is linked to the performance of Amcor Limited shares (including the value of accrued dividends). Plan entitlements may be converted into cash payment after the five year restriction period has expired (or otherwise as determined by the Board), provided that the employee has not been dismissed for cause or poor performance during this time. If the employee voluntarily ceases employment within four or five years from the date the plan entitlements were issued, the employee forfeits 40% or 20% of their plan entitlements, respectively.

Details of the entitlements issued under the SERPP during the current and comparative period are as follows:

	Weighted average 2009 fair value		Weighted average 2008 fair value	
	No.	**$**	No.	$
Outstanding at beginning of financial period	**60,000**	**6.02**	–	–
Granted	**11,000**	**4.33**	60,000	6.02
Outstanding at end of financial period	**71,000**	**5.76**	60,000	6.02
Exercisable at end of financial period	**–**	**–**	–	–

(iii) Share Appreciation Entitlements

Share Appreciation Entitlements (SAE) may be issued to employees who take part of their bonus by way of entitlements. The value of entitlements is equivalent to the fluctuating value of Amcor Limited shares during the period which the employee holds the entitlements.

Details of entitlements issued during the current and comparative period are as follows:

	Weighted average 2009 fair value		Weighted average 2008 fair value	
	No.	**$**	No.	$
Outstanding at beginning of financial period	**50,000**	**–**	200,000	0.34
Exercised	**(50,000)**	**–**	(150,000)	0.31
Outstanding at end of financial period	**–**	**–**	50,000	–
Exercisable at end of financial period	**–**	**–**	50,000	–

(iv) Cash Settled Employee Share Plan Options

Cash settled employee share plan options are issued to employees residing in jurisdictions that, for statutory reasons, are not covered by option plans described above. The cash settled employee share plan options operate in a manner similar to other option plans, although no entitlements to actual shares or options exist.

Details of entitlements issued during the current and comparative period are as follows:

	Weighted average 2009 fair value		Weighted average 2008 fair value	
	No.	**$**	No.	$
Outstanding at beginning of financial period	**847,138**	**0.21**	1,090,575	0.76
Exercised	**–**	**–**	(21,500)	1.11
Lapsed	**–**	**–**	(10,000)	0.07
Cancelled	**(94,300)**	**0.19**	(211,937)	0.69
Outstanding at end of financial period	**752,838**	**0.39**	847,138	0.21
Exercisable at end of financial period	**721,655**	**0.35**	729,000	0.19

(v) CEO Medium Term Incentive Plan

On 19 April 2007, the CEO Medium Term Incentive Plan (MTIP) was established. The MTIP is at the discretion of the Directors and has initially been structured as a cash award. Subject to shareholder approval, the Directors will have discretion as to whether any award made will be delivered in the form of cash, rights to Amcor Limited shares or a combination thereof.

Unless otherwise determined by the Directors, the award will vest subject to the satisfaction of a number of performance and time hurdles that had to be achieved during the period 1 January 2007 to 31 December 2008. The performance measures include:

– A financial performance measure, based upon meeting certain average funds employed and average working capital targets;

– A business unit portfolio and market position measure which focuses on business improvement, restructuring and growth; and

– Other operational objectives around customers, cost, capital and culture.

The CEO will become entitled to receive an amount equal to 100% of average Total Fixed Remuneration (TFR) calculated over the performance period. Based on performance, the percentage may vary from a minimum of 50% to a maximum of 150%. The vested award is subject to further deferral periods, with 50% of the vested award to be received on 31 December 2009 and the remaining 50% on 31 December 2010. The awards will be forfeited if the CEO resigns during either the performance period or the relevant deferral periods.

The amount payable is impacted by a capping mechanism revolving around options and performance rights previously issued to the CEO. For any of the options and performance rights that vest during the deferral period, the award amount will be reduced on a dollar-for-dollar basis.

Based on an independent valuation of the MTIP, as at 30 June 2009, the consolidated entity and the Company have recognised a provision of $0.6 million (2008: $0.9 million) in relation to this employee compensation plan.

(vi) Management Incentive Plan – Equity

The Management Incentive Plan – Equity (EMIP) provides an additional short-term incentive opportunity to selected executives, globally, in the form of rights to Amcor Limited shares.

The number of rights that are allocated to each eligible executive is based on:

– 50% of the value of the cash bonus payable under the EMIP, following the end of the performance period;

– The volume weighted average price of Amcor Limited ordinary shares for the five trading days prior to 30 June, being the end of the performance period; and

– Where cash bonuses are determined in currencies other than Australian dollars, the average foreign exchange rate for the same five day period.

An executive will forfeit allocated performance rights if either they voluntarily leave Amcor employment during the restriction period or their employment is terminated for cause. Board discretion applies in the case of involuntary termination of employment and change of control.

NOTE 27 SHARE-BASED PAYMENTS (continued)

(c) Other compensation plans (continued)

(vi) Management Incentive Plan – Equity (continued)

Details of entitlements issued during the current and comparative period are as follows:

	Weighted average 2009 fair value		Weighted average 2008 fair value	
	No.	**$**	No.	$
Outstanding at beginning of financial period	**–**	**–**	–	–
Granted	**1,908,515**	**5.00**	–	–
Exercised	**(37,696)**	**5.00**	–	–
Cancelled	**(31,107)**	**5.00**	–	–
Outstanding at end of financial period	**1,839,712**	**5.00**	–	–
Exercisable at end of financial period	**–**	**–**	–	–

For the year ended 30 June 2009, the equity outcomes will be determined and allocated in September 2009. As at 30 June 2009, the consolidated entity and the Company have recognised $1.9 million (2008: $3.0 million) in relation to this incentive plan.

(vii) Long Term Incentive Plan – Performance Rights

In June 2006, the consolidated entity established the Amcor Limited Long Term Incentive Plan (LTIP). Under the LTIP, performance options or performance rights over shares in the Company, or performance shares, can be issued to executive officers, senior executives and senior staff members selected by the Directors. Refer Note 27(b)(ii) for details of performance options issued under the LTIP during the period.

Rights granted under the LTIP give the employee the right to receive a share at a future date upon meeting specified vesting conditions that are time-based and performance-based with no exercise price payable. The number of rights that vest are based on performance over a period and the outcome of a Total Shareholder Return (TSR) test to be performed at a predetermined time. The relative performance of Amcor's average TSR is to be compared against the average TSR of a comparator group of companies similar to Amcor Limited and will determine the ultimate number of rights to be received. The exact terms and conditions of the rights granted are determined by the Directors of the Company at the time of granting the right.

The rights are granted at no consideration and carry no dividend entitlement or voting rights until they vest and are exercised to ordinary shares on a one-for-one basis. Upon meeting the vesting conditions, the award may be exercised for up to one year following the end of the vesting period.

Rights that do not vest before the end of the vesting period will expire. Awards that have vested during the vesting period will remain exercisable until the expiry date, following which any vested awards that remain unexercised will expire. Any unvested awards will be forfeited if the employee voluntarily ceases employment or if the employee is dismissed for poor performance.

Details of the total movement in rights issued under the LTIP during the current and comparative period are as follows:

	Weighted average 2009 fair value		Weighted average 2008 fair value	
	No.	**$**	No.	$
Outstanding at beginning of financial period	**3,627,942**	**4.29**	3,683,375	4.44
Granted	**1,643,000**	**4.14**	832,464	3.71
Exercised	**(1,208,492)**	**4.40**	(272,750)	4.12
Cancelled	**(167,921)**	**4.36**	(615,147)	4.46
Outstanding at end of financial period	**3,894,529**	**4.19**	3,627,942	4.29
Exercisable at end of financial period	**779,910**	**4.55**	498,153	4.13

The following tables provide a summary of the rights granted under the LTIP Rights for the consolidated entity and the Company during the current and comparative period:

30 June 2009

Grant date	Exercise date on or after	Expiry date	Balance at beginning of period $	Rights granted No.	Rights cancelled/ lapsed No.	Rights vested No.	Rights exercised No.	Weighted average share price at exercise date $	Balance at end of period On issue No.	Balance at end of period Exercisable No.
27 October 2005	1 January 2008	31 December 2010	100,000	–	–	20,000	76,000	5.65	24,000	–
27 October 2005	1 July 2008	30 June 2011	100,000	–	–	76,000	76,000	5.66	24,000	–
27 October 2005	1 January 2009	31 December 2011	100,000	–	–	70,000	70,000	4.96	30,000	–
4 August 2006	1 January 2009	31 December 2010	604,195	–	24,389	106,445	163,777	5.08	416,029	292,150
4 August 2006	1 January 2009	31 December 2010	173,400	–	11,010	67,590	67,590	5.74	94,800	–
4 August 2006	1 January 2009	31 December 2010	95,000	–	–	19,000	72,200	5.52	22,800	–
4 August 2006	1 January 2009	30 June 2011	95,000	–	–	72,200	72,200	5.52	22,800	–
4 August 2006	1 January 2009	31 December 2011	95,000	–	–	66,500	66,500	5.01	28,500	–
4 August 2006	1 January 2009	31 December 2010	19,800	–	–	6,000	6,000	5.74	13,800	–
4 August 2006	1 January 2009	30 June 2011	30,000	–	–	22,800	22,800	5.92	7,200	–
4 August 2006	1 January 2009	31 December 2011	30,000	–	–	21,000	21,000	5.62	9,000	–
4 August 2006	1 January 2009	31 December 2010	21,350	–	814	3,900	1,036	5.04	19,500	14,820
1 February 2007	1 January 2009	31 December 2011	799,250	–	40,390	561,401	113,399	4.75	645,461	449,963
1 February 2007	1 January 2009	31 December 2011	535,700	–	33,978	371,110	371,110	5.62	130,612	–
5 March 2007	31 December 2010	31 December 2011	32,400	–	1,350	22,977	–	–	31,050	22,977
1 December 2007	31 October 2011	30 June 2012	404,359	–	16,051	–	–	–	388,308	–
1 December 2007	31 October 2011	30 June 2012	220,316	–	7,832	–	–	–	212,484	–
31 December 2007	31 October 2011	30 June 2012	48,118	–	13,987	–	–	–	34,131	–
1 December 2007	31 October 2011	30 June 2012	100,000	–	–	–	–	–	100,000	–
1 February 2007	1 June 2010	31 December 2011	12,000	–	3,120	8,880	8,880	4.96	–	–
30 May 2008	1 June 2010	31 December 2011	12,054	–	–	–	–	–	12,054	–
1 December 2008	31 October 2012	30 June 2013	–	170,000	–	–	–	–	170,000	–
1 December 2008	31 October 2012	30 June 2013	–	816,000	15,000	–	–	–	801,000	–
1 December 2008	31 October 2012	30 June 2013	–	590,000	–	–	–	–	590,000	–
2 January 2009	31 October 2012	30 June 2013	–	67,000	–	–	–	–	67,000	–
			3,627,942	1,643,000	167,921	1,515,803	1,208,492		3,894,529	779,910

NOTE 27 SHARE-BASED PAYMENTS (continued)

(c) Other compensation plans (continued)

(vii) Long Term Incentive Plan – Performance Rights (continued)

30 June 2008

Grant date	Exercise date on or after	Expiry date	Balance at beginning of period $	Rights granted No.	Rights cancelled/ lapsed No.	Rights vested No.	Rights exercised No.	Weighted average share price at exercise date $	Balance at end of period On issue No.	Balance at end of period Exercisable No.
27 October 2005	1 January 2008	31 December 2010	100,000	–	–	56,000	–	–	100,000	56,000
27 October 2005	1 July 2008	30 June 2011	100,000	–	–	–	–	–	100,000	–
27 October 2005	1 January 2009	31 December 2011	100,000	–	–	–	–	–	100,000	–
4 August 2006	1 January 2009	31 December 2010	848,125	–	213,430	30,500	30,500	7.23	604,195	335,197
4 August 2006	1 January 2009	31 December 2010	413,500	–	38,050	217,050	202,050	6.67	173,400	–
4 August 2006	1 January 2009	31 December 2010	95,000	–	–	53,200	–	–	95,000	95,000
4 August 2006	1 January 2009	30 June 2011	95,000	–	–	–	–	–	95,000	–
4 August 2006	1 January 2009	31 December 2011	95,000	–	–	–	–	–	95,000	–
4 August 2006	1 January 2009	31 December 2010	45,000	–	–	25,200	25,200	6.67	19,800	–
4 August 2006	1 January 2009	30 June 2011	30,000	–	–	–	–	–	30,000	–
4 August 2006	1 January 2009	31 December 2011	30,000	–	–	–	–	–	30,000	–
4 August 2006	1 January 2009	31 December 2010	43,750	–	7,400	11,956	15,000	6.90	21,350	11,956
1 February 2007	1 January 2009	31 December 2011	1,082,250	–	283,000	–	–	–	799,250	–
1 February 07	1 January 2009	31 December 2011	565,500	–	29,800	–	–	–	535,700	–
5 March 2007	31 December 2010	31 December 2011	40,250	–	7,850	–	–	–	32,400	–
1 December 2007	31 October 2011	30 June 2012	–	439,976	35,617	–	–	–	404,359	–
1 December 2007	31 October 2011	30 June 2012	–	220,316	–	–	–	–	220,316	–
31 December 2007	31 October 2011	30 June 2012	–	48,118	–	–	–	–	48,118	–
1 December 2007	31 October 2011	30 June 2012	–	100,000	–	–	–	–	100,000	–
1 February 2007	1 June 2010	31 December 2011	–	12,000	–	–	–	–	12,000	–
30 May 2008	1 June 2010	31 December 2011	–	12,054	–	–	–	–	12,054	–
			3,683,375	832,464	615,147	393,906	272,750		3,627,942	498,153

(d) Fair value of options and rights granted

Fair value of options

The fair value of each option granted is estimated on the date of grant by independent valuers, using a Black-Scholes option-pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, and where applicable the market condition criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The following weighted average assumptions were used for options granted in the current and comparative period:

	2009	2008
Expected dividend yield (%)	**4.97**	4.92
Expected price volatility of the Company's shares (%)	**22.00**	21.00
Share price at grant date ($)	**6.73**	6.95
Exercise price ($)	**6.82**	7.08
Historical volatility (%)	**22.00**	21.00
Risk-free interest rate (%)	**5.57**	5.97
Expected life of option (years)	**4.70**	4.80

The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated changes. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. For specific details of grant dates and exercise prices, refer Note 27(b).

Fair value of rights

An independent valuer is used to identify the fair value of each right granted. The fair value of each grant is estimated at grant date using a Monte-Carlo valuation model which simulates the date of vesting, the percentage vesting, the share price and total shareholder return. Once the simulated date of vesting is determined, a Black-Scholes methodology is utilised to determine the fair value of the rights granted.

(e) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated		**Amcor Limited**	
$ thousand	**2009**	2008	**2009**	2008
Equity settled share-based payment transactions				
Options issued	**2,931**	3,194	**1,130**	215
Performance rights issued	**12,867**	9,067	**5,148**	4,700
Cash settled share-based payment transactions				
Cash settled share-based payments	**133**	226	**133**	78
	15,931	12,487	**6,411**	4,993

(f) Liabilities for share-based payments

Cash settled share-based payments liability				
Shares	**987**	1,003	**987**	1,003
Shares – Overseas	**254**	257	**–**	–
Options	**174**	164	**174**	164
Total carrying amount of liabilities for cash settled arrangements	**1,415**	1,424	**1,161**	1,167
Intrinsic value for vested cash settled shares liability				
Shares	**1,117**	1,134	**1,117**	1,134
Options[1]	**–**	–	**–**	–
Total intrinsic value of liability for vested benefits	**1,117**	1,134	**1,117**	1,134

(1) Due to the exercise price for vested options being greater than market value, fully vested cash settled share options have an intrinsic value of zero.

NOTE 28 KEY MANAGEMENT PERSONNEL DISCLOSURE

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Amcor Group. All executive and Non-Executive Directors of Amcor Limited are KMP of Amcor Limited and the consolidated entity. The following Directors and senior executives were considered KMP for the entire period unless otherwise indicated.

(a) Directors

Name	Position
Current Directors	
C I (Chris) Roberts	Independent Non-Executive Director and Chairman
K N (Ken) MacKenzie	Managing Director and Chief Executive Officer
R K (Keith) Barton	Independent Non-Executive Director
G J (John) Pizzey	Independent Non-Executive Director
J G (John) Thorn	Independent Non-Executive Director
G A (Geoff) Tomlinson	Independent Non-Executive Director
E J J (Ernest) Pope	Independent Non-Executive Director

(b) Senior Executives

The persons who qualified as KMP for the current year are:

Name	Position	Employer
2009		
L A Desjardins	Executive General Manager Finance	Amcor Limited
I G Wilson	Strategic Development Director	Amcor Limited
W J Long	President, Amcor PET Packaging	Amcor PET Packaging USA Inc
N Garrard	Managing Director, Amcor Australasia (appointed 11 May 2009)	Amcor Limited
G Blatrix	Managing Director, Amcor Flexibles Food	Amcor Flexibles Packaging Europe NV
P Brues	President, Amcor Flexibles Healthcare	Amcor Flexibles Inc
J Czubak	Managing Director, Amcor Rentsch	Amcor Rentsch Rickenbach AG

During 2008, the persons who were designated as KMP were:

Name	Position	Employer
2008		
L A Desjardins	Executive General Manager Finance	Amcor Limited
I G Wilson	Strategic Development Director	Amcor Limited
L J Lachal	Managing Director, Amcor Australasia (retired 31 December 2007)	Amcor Limited
W J Long	President, Amcor PET Packaging	Amcor PET Packaging USA Inc
G Blatrix	Managing Director, Amcor Flexibles Food	Amcor Flexibles Packaging Europe NV
P Brues	President, Amcor Flexibles Healthcare	Amcor Flexibles Inc
J Czubak	Managing Director, Amcor Rentsch	Amcor Rentsch Rickenbach AG

(c) Key management personnel compensation

The following table details the compensation paid to KMP included in 'employee benefits expense', refer Note 5.

	Consolidated		Amcor Limited	
$ thousand	**2009**	2008	**2009**	2008
Short-term employee benefits	**13,049**	13,542	**8,158**	9,068
Post-employment benefits	**1,417**	1,349	**466**	604
Termination benefits	**78**	1,053	**78**	1,053
Share-based payments	**5,152**	2,817	**2,847**	1,403
	19,696	18,761	**11,549**	12,128

(d) Individual Director's and executive's compensation disclosures

Detailed remuneration disclosures are provided in the Remuneration Report section of the Directors' Report on pages 24 to 43.

Apart from the information disclosed in this note, no Director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

Loans to key management personnel and their related parties

Details of loans made to the key management personnel of the consolidated entity, including their personally related entities, are set out below:

	Balance at 1 July $	Loan repayments $	Interest paid and payable for the period $	Balance at 30 June $	Interest not charged $	Number of loans at the end of the period
2009						
Directors	–	–	–	–	–	–
Senior Executives	–	–	–	–	–	–
2008						
Directors	–	–	–	–	–	–
Senior Executives[1]	7,138	1,980	–	5,158	525	1

(1) During 2008, under the employee share plans, share loan repayments totalling $1,980 were received from L J Lachal who retired on 31 December 2007.

No individual key management person or related party holds a loan greater than $100,000 with the consolidated entity (2008: nil).

Loans to key management personnel are repayable following cessation of employment, have interest charged at varying rates and are secured by holdings locks on employee entitlements and securities. The amount shown for interest not charged in the table above represents the difference between the amount paid and payable for the year and the amount of interest that would have been charged on an arm's length basis.

No impairment losses have been recognised in relation to any loans made to key management personnel (2008: nil).

No loans were advanced during the current year (2008: nil).

NOTE 28 KEY MANAGEMENT PERSONNEL DISCLOSURE (continued)

(d) Individual Director's and executive's compensation disclosures (continued)

Options and rights over equity instruments

Options and rights are issued as part of long-term incentive plans. Non-Executive Directors do not participate in the long-term incentive plans. There are two umbrella plans in place: the Employee Share Option Plan (ESOP) and the Employee Share Purchase Plan (ESPP). The details and conditions pertaining to these plans are outlined within the Remuneration Report section of the Directors' Report and Note 27.

The number of options and rights over ordinary shares in the Company held during the financial year by each of the Key Management Personnel of the consolidated entity, including their personally related entities, are set out below:

Name		Balance at 1 July	Granted as compensation Share options	Granted as compensation Share rights	Exercised	Other changes[1]	Balance at 30 June	Balance vested and not yet exercised
Directors[2]								
K N MacKenzie	**2009**	**1,578,000**	**280,000**	**170,000**	**(222,000)**	**–**	**1,806,000**	**818,000**
	2008	1,313,000	165,000	100,000	–	–	1,578,000	459,000
Senior Executives								
L A Desjardins	**2009**	**96,451**	**92,000**	**98,172**	**–**	**–**	**286,623**	**–**
	2008	–	62,631	33,820	–	–	96,451	–
I G Wilson[3]	**2009**	**535,741**	**141,000**	**130,144**	**(77,700)**	**–**	**729,185**	**222,000**
	2008	405,000	84,897	45,844	–	–	535,741	75,600
W J Long	**2009**	**952,781**	**145,000**	**151,794**	**(67,200)**	**–**	**1,182,375**	**662,800**
	2008	874,000	65,702	35,479	(22,400)	–	952,781	463,600
N Garrard	**2009**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(appointed 11 May 2009)	2008	–	–	–	–	–	–	–
G Blatrix	**2009**	**553,785**	**110,000**	**110,984**	**–**	**–**	**774,769**	**365,250**
	2008	456,450	63,205	34,130	–	–	553,785	163,650
P Brues	**2009**	**502,275**	**103,000**	**100,548**	**(50,400)**	**–**	**655,423**	**289,250**
	2008	447,650	46,380	25,045	(16,800)	–	502,275	138,050
J Czubak[4]	**2009**	**592,072**	**90,000**	**69,921**	**–**	**–**	**751,993**	**427,100**
	2008	518,300	47,904	25,868	–	–	592,072	225,500
L J Lachal	2008	787,000	–	–	(129,000)	(480,000)	178,000	178,000
(retired 31 December 2007)								

(1) Other changes represent options or rights that have expired or were forfeited during the period.

(2) Non-Executive Directors do not participate in the long-term incentive plans of the consolidated entity and are therefore excluded from the analysis in the above table.

(3) I G Wilson held 50,000 entitlements issued in accordance with the Share Appreciation Entitlements Plan as described in Note 27(c)(iii), these were fully exercised during the current period.

(4) J Czubak holds 60,000 (2008: 60,000) entitlements issued in accordance with the Senior Executive Retention Plan as described in Note 27(c)(ii).

No options are vested and unexercisable at the end of the year. No options or performance rights were held by Key Management Personnel related parties.

The movement during the financial period in the number of ordinary shares in Amcor Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Name		Balance at 1 July	Received on exercise of options/ rights	Purchased during the period	Sold during the period	Balance at 30 June
Directors						
C I Roberts	**2009**	**164,670**	**–**	**–**	**–**	**164,670**
	2008	164,670	–	–	–	164,670
K N MacKenzie	**2009**	**12,763**	**222,000**	**10,334**	**–**	**245,097**
	2008	12,223	–	540	–	12,763
R K Barton	**2009**	**33,899**	**–**	**–**	**–**	**33,899**
	2008	33,899	–	–	–	33,899
G J Pizzey	**2009**	**18,181**	**–**	**–**	**–**	**18,181**
	2008	18,181	–	–	–	18,181
J G Thorn	**2009**	**10,380**	**–**	**–**	**–**	**10,380**
	2008	10,380	–	–	–	10,380
G A Tomlinson	**2009**	**43,482**	**–**	**–**	**–**	**43,482**
	2008	43,482	–	–	–	43,482
E J J Pope	**2009**	**5,731**	**–**	**–**	**–**	**5,731**
	2008	5,731	–	–	–	5,731
Senior Executives						
L A Desjardins	**2009**	**40,000**	**–**	**–**	**–**	**40,000**
	2008	40,000	–	–	–	40,000
I G Wilson	**2009**	**344,585**	**77,700**	**–**	**–**	**422,285**
	2008	62,085	–	282,500	–	344,585
W J Long	**2009**	**63,500**	**67,200**	**–**	**–**	**130,700**
	2008	40,100	22,400	21,000	(20,000)	63,500
N Garrard	**2009**	**–**	**–**	**110,000**[1]	**–**	**110,000**
	2008	–	–	–	–	–
G Blatrix	**2009**	**300**	**–**	**–**	**–**	**300**
	2008	300	–	–	–	300
P Brues	**2009**	**1,200**	**50,400**	**–**	**–**	**51,600**
	2008	1,200	16,800	–	(16,800)	1,200
J Czubak	**2009**	**30,100**	**–**	**–**	**–**	**30,100**
	2008	30,100	–	–	–	30,100
L J Lachal (retired 31 December 2007)	2008	223,469	129,000	–	(341,469)	11,000

(1) 110,000 fully-paid Amcor Limited ordinary shares were issued to N Garrard for nil consideration under the terms and conditions of the Senior Executive Retention Share Plan (refer Note 27(a)(ii)) on appointment as Amcor Australasia's Managing Director.

Other key management personnel transactions

From time to time, Directors and group executives (and their personally related parties) may enter into transactions with the Company and its controlled entities. These transactions occur within normal customer or supplier relationships on terms and conditions that are no more favourable than those available, or which might be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

Other than those items discussed above, there have been no other transactions between key management personnel and the Company.

NOTE 29 OTHER RELATED PARTY DISCLOSURES

Subsidiaries

Loans are provided by the Company to wholly-owned subsidiaries on normal commercial terms and conditions at market rates. Interest is charged on all loans that are not repayable on demand at rates based on the consolidated entity's planned investment and borrowing rates at the commencement of the financial period. Interest and dividends received by the Company from controlled entities and interest paid by the Company to controlled entities are disclosed in Notes 4 and 5 respectively. Outstanding balances are unsecured and repayable in cash.

During the 12 months to 30 June 2009, the Company charged $23.3 million (2008: $27.7 million) to controlled entities relating to services provided during the period which is included within 'general and administration expenses'.

In addition, the Company assumed a current tax payable of $27.4 million (2008: $44.8 million) and tax losses of $14.6 million (2008: $10.0 million) from wholly-owned tax consolidated entities within the tax consolidated group. As at 30 June 2009, the Company carried a current receivable of $24.6 million (2008: $45.7 million) relating to the tax funding agreement of the tax consolidated group.

The Company recognised reimbursements due from subsidiaries of $5.9 million (2008: $5.2 million) during the 12 months relating to share-based payment arrangements under the Employee Share Option Plans, refer Note 27.

Details of investments in associates and controlled entities are disclosed in Notes 14 and 32.

Amounts due to and receivable from controlled entities within the wholly-owned group are disclosed in Notes 11, 19 and 20. These balances comprise:

$ thousand	**2009**	2008
Trade receivables	**1,095**	1,606
Loans receivable at call	**5,559,339**	5,354,936
Accrued interest	**760**	1,004
	5,561,194	5,357,546
Weighted average interest rate	**5.02%**	6.98%
Trade payables[1]	**–**	783
Loans payable at call	**3,798,884**	3,629,600
Accrued interest[1]	**4,745**	184
	3,803,629	3,630,567
Weighted average interest rate	**4.07%**	6.17%

(1) Trade payables and accrued interest amounts are included within 'trade creditors' and 'other creditors and accruals' respectively in Note 19.

The Company has also provided guarantees in respect of certain borrowings by controlled entities within the wholly-owned group, refer Note 21.

Equity accounted investments

During the year ended 30 June 2009, the consolidated entity and the Company did not enter into any trading transactions with associates. Refer Note 14 for further information on equity accounted investments and changes in ownership interest.

During the 12 months to 30 June 2009, the consolidated entity received dividends of $9.6 million from associates (2008: $7.5 million).

Other related parties

Contributions to superannuation funds on behalf of employees are disclosed in Notes 5 and 23.

NOTE 30 CONTINGENCIES

Details of contingent liabilities where the probability of future payments/receipts is not considered remote are set out below:

	Consolidated		Amcor Limited	
$ million	**2009**	2008	**2009**	2008
Contingent liabilities arising in respect of guarantees[1]	**14.4**	21.9	**18.7**	94.9
Total contingent liabilities	**14.4**	21.9	**18.7**	94.9

(1) Comprises mainly guarantees given by Amcor Limited in respect of certain borrowings principally in wholly-owned subsidiaries. A subsidiary of the consolidated entity has also given a guarantee in respect of a former subsidiary.

Details of other contingent liabilities which the Directors consider should be disclosed are set out below. The Directors are of the opinion that provisions are not required in respect of these matters, as it is either not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

– Amcor Limited has indemnified the PaperlinX Limited Group in relation to potential taxation and workcover liabilities in excess of any provisions made in the financial statements of the PaperlinX Limited Group at 31 March 2000.

– Under the terms of the ASIC Class Order 98/1418 (as amended) dated 13 August 1998, which relieved certain wholly-owned subsidiaries from the requirement to prepare audited financial statements, Amcor Limited and certain wholly-owned subsidiaries have entered into an approved deed for the cross guarantee of liabilities with those subsidiaries identified in Note 33. No liabilities subject to the Deed of Cross Guarantee at 30 June 2009 are expected to arise to Amcor Limited and subsidiaries, as all such subsidiaries were financially sound and solvent at that date.

– The consolidated entity operates in many territories around the globe under different direct and indirect tax regimes. From time to time the Company receives assessments for additional tax from revenue authorities which, having consulted with experts including external counsel, it believes are unfounded. Nonetheless, at any point in time matters will be under discussion and review with revenue authorities for which a theoretical exposure may exist. The Company believes that the likelihood of these having a material impact on the group's consolidated financial position, results of operations or cash flows is remote. Specifically, the Latin American operations have received a series of excise and income tax claims from the local tax authorities. It is not possible to make a reasonable estimate of the amount or range of expense that could result from an unfavourable outcome in respect of these or any additional assessments that may be issued in the future. These matters are being vigorously contested and in the opinion of our outside counsel the likelihood that the assessments will be ultimately upheld is remote.

Competition Law Investigation – New Zealand

On 29 November 2004, Amcor notified the New Zealand Commerce Commission (NZCC) that the Company may have been involved in cartel conduct in New Zealand. The NZCC is the regulatory agency responsible for enforcing New Zealand's anti-trust laws, the *Commerce Act 1986*. Amcor applied for leniency pursuant to the NZCC's Leniency Policy for Cartel Conduct (NZ Leniency Policy).

The NZ Leniency Policy allows for immunity from NZCC initiated proceedings to the first person involved in a cartel to come forward with information about the cartel and co-operate fully with the NZCC in its investigation and prosecution of the cartel.

Amcor was granted conditional immunity on 1 December 2004. Pursuant to the NZ Leniency Policy, Amcor entered into an agreement with the NZCC under which Amcor is obliged to comply with specified conditions including full co-operation with the NZCC. The NZCC's investigation is continuing and Amcor continues to provide full co-operation. The NZCC has commenced proceedings in New Zealand against various parties (but not against Amcor companies) alleging conduct prohibited by the *Commerce Act 1986* (including cartel conduct). Amcor will assist in the proceeding to the extent required by the leniency agreement.

The operation of the NZ Leniency Policy does not exclude or limit claims by third parties who claim to have suffered loss or damage as a result of any cartel conduct. Under the Commerce Act, third parties may pursue private claims for compensatory or exemplary damages.

Estimated Damages – New Zealand

As a result of the grant of conditional immunity, Amcor does not expect to incur any pecuniary penalties arising out of the NZCC investigation. It is not possible, at present, to provide either a reasonable estimate, or a reasonable estimated range of any amounts which might become payable by way of damages to any third parties who believe they may have suffered loss as a result of any cartel conduct in New Zealand.

Although it is not possible at present to establish a reasonable estimated range of damages, there can be no assurance that any damages ultimately incurred will not be material to the results of operations or financial condition of Amcor.

NOTE 30 CONTINGENCIES (continued)

Class Action – Australia

On 21 December 2005, the Australian Competition and Consumer Commission (ACCC) commenced legal proceedings in the Federal Court of Australia against certain Visy Group companies and executives. The ACCC alleged that the Visy parties had engaged in conduct in the corrugated fibreboard container industry with Amcor companies and certain former Amcor executives that was anti-competitive, including engaging in price fixing and market sharing, in contravention of the *Trade Practices Act 1974*.

Amcor and its former senior executives were granted immunity under the ACCC's Leniency Policy for Cartel Conduct and were not parties to the ACCC's proceedings.

In October 2007, the ACCC settled its prosecution of the Visy parties on the basis of an agreed statement of facts in which the Visy parties agreed to certain of the alleged conduct. On 2 November 2007, the Federal Court imposed substantial fines on Visy and certain of its officers.

The immunity from proceedings commenced by the ACCC granted to Amcor and its relevant former executives did not extend to exclude or limit third party claims.

On 11 April 2006, Jarra Creek Central Packaging Shed Pty Ltd ('Jarra Creek') filed a class action claim in the Federal Court of Australia against three Visy companies, Amcor Limited, Amcor Packaging (Australia) Pty Ltd and Fibre Containers (Queensland) Pty Ltd alleging cartel behaviour and seeking declarations, injunctions and unspecified damages. The proceeding is expressed to have been brought on behalf of all persons or entities that purchased more than $100,000 of corrugated fibreboard packaging products between 1 May 2000 and 5 May 2005.

The allegations made in the class action are broadly similar to the allegations that were made in the ACCC's proceeding against the Visy parties and assert facts which conform closely with the statement of facts that had been agreed between the ACCC and the Visy parties in the ACCC's proceedings. In broad terms, it is alleged that certain Amcor Group and Visy Group companies engaged in anti-competitive conduct in the corrugated fibreboard container industry, including engaging in price fixing and market sharing, in breach of section 45 of the Australian *Trade Practices Act 1974*. The class members seek, amongst other things, compensation in respect of the alleged effect that the asserted behaviour had on the prices they paid for corrugated fibreboard products during the relevant period.

Amcor is defending the claims made in the class action and has cross-claimed against the three Visy Group companies, claiming contribution for any damages which may be awarded.

The Federal Court instituted an 'opt-out' period in April and May of 2008 during which it was open for class members to elect not to participate in the class action. Approximately 350 parties lodged opt-out notices with the Court.

It is too early for Amcor to provide any reliable assessment of the likely quantum of any damages that may become payable if its defence is unsuccessful in whole or in part or of the extent to which it may obtain contribution from the Visy Group companies in respect of any damages awarded.

Solicitors for Jarra Creek have asserted in statements in the media that the total damages against both Amcor and Visy, if liability is established, could be in excess of $300.0 million. Those assertions have not been made in the litigation and no particulars have been provided to support them. Amcor is not aware of the basis upon which those estimates are made.

Although it is not possible at present to establish a reliable assessment of damages, there can be no assurance that any damages that may be awarded will not be material to the results of operations or financial condition of Amcor.

NOTE 31 COMMITMENTS

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
(a) Capital expenditure commitments				
Contracted at the reporting date but not provided for or payable:				
Property, plant and equipment:				
Within one year	**179.6**	195.0	**–**	–
Between one and five years	**73.6**	165.3	**–**	–
	253.2	360.3	**–**	–
(b) Supply and service commitments				
Expenditure contracted but not provided for or payable covering other supplies and services to be provided:				
Within one year	**57.6**	56.5	**–**	–
Between one and five years	**91.4**	97.2	**–**	–
More than five years	**12.3**	21.2	**–**	–
	161.3	174.9	**–**	–
(c) Operating lease commitments				
Lease expenditure contracted but not provided for or payable:				
Within one year	**135.2**	110.3	**2.3**	3.1
Between one and five years	**323.0**	250.8	**6.7**	10.6
More than five years	**223.6**	160.5	**–**	–
	681.8	521.6	**9.0**	13.7
Less sub-lease rental income	**(14.2)**	(0.2)	**–**	–
	667.6	521.4	**9.0**	13.7

The consolidated entity leases motor vehicles, plant and equipment and property under operating leases. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

Some leases provide for payment of incremental contingent rentals based on movements in a relevant price index or in the event that units produced by certain leased assets exceed a predetermined production capacity. Contingent rental paid during the period is disclosed in Note 5.

(d) Finance lease commitments

$ million	Consolidated 2009	Consolidated 2008	Amcor Limited 2009	Amcor Limited 2008
Lease expenditure contracted and provided for due:				
Within one year	**2.5**	1.4	**–**	–
Between one and five years	**–**	2.2	**–**	–
More than five years	**–**	0.1	**–**	–
Minimum lease payments	**2.5**	3.7	**–**	–
Less future finance charges	**(0.2)**	(0.2)	**–**	–
	2.3	3.5	**–**	–
Current lease liability (refer Note 20)	**2.3**	0.5	**–**	–
Non-current lease liability (refer Note 20)	**–**	3.0	**–**	–
	2.3	3.5	**–**	–

NOTE 32 PARTICULARS IN RELATION TO CONTROLLED ENTITIES AND BUSINESSES

The ultimate controlling party of the consolidated entity is Amcor Limited, a company incorporated in Australia. The companies listed below are those whose results or financial position principally affected the figures shown in this consolidated annual financial report of Amcor Limited. The accounting year end of all subsidiaries is 30 June.

Controlled entities	Note	Country of incorporation	Amcor Group's effective interest 2009	2008
Amcor Packaging (Australia) Pty Ltd	(a)	Australia	**100.0%**	100.0%
Amcor Fibre Packaging – Asia Pte Ltd		Singapore	**100.0%**	100.0%
Amcor Packaging (New Zealand) Ltd	(a)	New Zealand	**100.0%**	100.0%
Amcor PET Packaging USA, Inc		United States of America	**100.0%**	100.0%
Amcor Sunclipse North America		United States of America	**100.0%**	100.0%
Amcor PET Packaging de Mexico SA de CV		Mexico	**100.0%**	100.0%
Amcor PET Packaging de Venezuela SA		Venezuela	**61.0%**	61.0%
Amcor PET Packaging de Argentina SA		Argentina	**100.0%**	100.0%
Vinisa Fuegina S.A.		Argentina	**100.0%**	100.0%
Amcor PET Packaging do Brasil Ltda		Brazil	**100.0%**	100.0%
Amcor PET Packaging del Peru S.A.		Peru	**100.0%**	100.0%
Amcor PET Packaging Canada Inc.		Canada	**100.0%**	100.0%
Amcor Flexibles UK Ltd		United Kingdom	**100.0%**	100.0%
Amcor Flexibles Denmark A/S		Denmark	**100.0%**	100.0%
Amcor Flexibles France SA		France	**100.0%**	100.0%
Amcor Rentsch France SAS		France	**100.0%**	100.0%
Amcor Flexibles Finland OY		Finland	**100.0%**	100.0%
Amcor Rentsch Deutschland GmbH		Germany	**100.0%**	100.0%
Amcor Rentsch Novgorod		Netherlands	**100.0%**	100.0%
Amcor Rentsch Polska Spolka z.o.o.		Poland	**100.0%**	100.0%
Grupo Amcor Flexibles Hispania SL		Spain	**100.0%**	100.0%
Amcor Rentsch Rickenbach AG		Switzerland	**100.0%**	100.0%
Amcor Flexibles Schupbach AG		Switzerland	**100.0%**	100.0%

(a) Amcor Limited and these subsidiary companies have entered into an approved deed for the cross guarantee of liabilities, refer Note 33.

In the financial statements of the Company investments in subsidiaries are measured at cost. The Company does not have any associate and joint venture investments.

Acquisition and disposal of controlled entities

30 June 2009

During the 12 months to 30 June 2009 Amcor did not acquire any controlled entities but the following businesses have been liquidated:

- Amcor PET Packaging Europe NV/SA;
- Amcor Magyarorszag Csomagolastechnikai korlatolt Feleossegu Tarsasag;
- Sidlaw South Gyle Ltd;
- Akerlund & Rausing SA;
- Steel Can Components Ltd; and
- Amcor PET Packaging Polska.

30 June 2008

During the 12 months to 30 June 2008 Amcor did not acquire any controlled entities but did dispose of the Australasian Food Can and Aerosol business to Impress Group BV, effective 31 October 2007, for $147.7 million and realised a profit of $4.2 million, refer to Note 3.

NOTE 33 DEED OF CROSS GUARANTEE

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation and lodgement of audited financial reports, and Directors' reports.

It is a condition of the Class Order that the holding entity, Amcor Limited, and each of the relevant subsidiaries enter into a deed of cross guarantee ('the deed'). The effect of the deed is that, in the event of winding up any of these subsidiaries under certain provisions of the *Corporations Act 2001*, Amcor Limited guarantees to each creditor of that subsidiary payment in full of any debt. If a winding up occurs under other provisions of the *Corporations Act 2001*, Amcor Limited will only be liable in the event that after six months any creditor has not been paid in full. These subsidiaries have also given similar guarantees in the event that Amcor Limited is wound up.

The holding entity, Amcor Limited, and subsidiaries subject to the deed of cross guarantee are:

Amcor Packaging (Asia) Pty Ltd
Amcor Nominees Pty Ltd
Amcor Investments Pty Ltd
Amcor Packaging (New Zealand) Ltd
Amcor Finance (NZ) Ltd
Amcor Packaging (Australia) Pty Ltd
AGAL Holdings Pty Ltd
Envirocrates Pty Ltd
PP New Pty Ltd
AP Chase Pty Ltd
Anfor Investments Pty Ltd
Pak Pacific Corporation Pty Ltd
ACN 002693843 Box Pty Ltd
Lynyork Pty Ltd
Fibre Containers (Qld) Pty Ltd
Specialty Packaging Group Pty Ltd
ACN 089523919 CCC Pty Ltd
Rota Die International Pty Ltd
Rota Die Pty Ltd Trustee of Rota Die Trust
Amcor European Holdings Pty Ltd
Amcor Holdings (Australia) Pty Ltd

Financial statements for the Amcor Limited Deed of Cross Guarantee

Consolidated income statements and consolidated balance sheets, comprising Amcor Limited and the wholly-owned subsidiaries party to the deed, after eliminating all transactions between the parties, as at 30 June, are set out below:

(a) Summarised income statement and retained profits

$ million	**2009**	2008
Profit before related income tax expense	**540.4**	142.0
Income tax benefit/(expense)	**42.3**	(29.3)
Profit from continuing operations after tax	**582.7**	112.7
Retained profits at beginning of financial period	**873.3**	1,072.3
Actuarial losses recognised directly in equity	**(25.2)**	(17.5)
	1,430.8	1,167.5
Dividends recognised during the financial period	**(284.2)**	(294.2)
Retained profits at the end of the financial period	**1,146.6**	873.3

NOTE 33 DEED OF CROSS GUARANTEE (continued)

(b) Balance sheet

$ million	2009	2008
Current assets		
Cash and cash equivalents	**15.5**	129.0
Trade and other receivables	**3,783.7**	2,799.7
Inventories	**292.5**	318.7
Other financial assets	**2.7**	3.9
Total current assets	**4,094.4**	3,251.3
Non-current assets		
Other financial assets	**3,046.1**	3,324.0
Property, plant and equipment	**1,441.7**	1,389.7
Deferred tax assets	**65.4**	31.0
Intangible assets	**157.9**	161.6
Other non-current assets	**45.1**	34.6
Total non-current assets	**4,756.2**	4,940.9
Total assets	**8,850.6**	8,192.2
Current liabilities		
Trade and other payables	**420.4**	401.7
Interest-bearing liabilities	**2,700.6**	2,504.1
Other financial liabilities	**14.8**	2.9
Current tax receivable[1]	**–**	(2.6)
Provisions	**117.5**	134.4
Total current liabilities	**3,253.3**	3,040.5
Non-current liabilities		
Trade and other payables	**2.6**	0.4
Interest-bearing liabilities	**1,867.6**	1,752.3
Other financial liabilities	**0.3**	0.8
Deferred tax liabilities	**–**	11.1
Provisions	**47.9**	41.6
Retirement benefit obligations	**36.5**	26.3
Total non-current liabilities	**1,954.9**	1,832.5
Total liabilities	**5,208.2**	4,873.0
Net assets	**3,642.4**	3,319.2
Equity		
Contributed equity	**2,440.3**	2,406.1
Reserves	**55.5**	39.8
Retained profits	**1,146.6**	873.3
Total equity	**3,642.4**	3,319.2

(1) The current tax receivable of $2.6 million in 2008 is reflective of the tax receivable position of the New Zealand entities.

NOTE 34 EVENTS SUBSEQUENT TO BALANCE DATE

Acquisition of Alcan Packaging Operations

On 18 August 2009, the consolidated entity announced that it had made a binding offer to acquire certain parts of the operations of Alcan Packaging, a business unit of Rio Tinto plc, for a headline price of $2,439.8 million[1] (US$2,025.0 million), subject to certain adjustments.

The businesses that the consolidated entity has offered to acquire include:

– Alcan Packaging Food Europe;

– Alcan Packaging Global Pharmaceuticals;

– Alcan Packaging Food Asia; and

– Alcan Packaging Global Tobacco.

The acquisition is being funded through a combination of underwritten equity and committed bank debt. This funding structure will provide the consolidated entity with manageable debt refinancing requirements, and the consolidated entity is expected to retain its existing investment grade credit ratings following the acquisition.

As mentioned above, the headline purchase price is subject to certain adjustments calculated at completion. The US$2,025.0 million purchase price requires the audited Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA) of the Alcan Packaging businesses to be between US$358.0 million and US$368.0 million for the 12 months ended 31 December 2009, or the last 12 months prior to Completion if Completion occurs before December 2009.

The price will be adjusted upward by US$5.0 million for each US$1.0 million increment in EBITDA above US$368.0 million to a maximum of US$2,125.0 million; or downward by US$5.0 million for each US$1.0 million decrement in EBITDA below US$358.0 million to a minimum of US$1,850.0 million. The unaudited EBITDA of the Alcan Packaging businesses for the six months to 30 June 2009 was US$167.6 million[2]. Full details of the purchase price adjustments are provided in the consolidated entity's Prospectus associated with the Entitlement Offer.

Following the acquisition, the consolidated entity will be among the world's largest packaging companies with a global presence and leading positions in flexible packaging, folding cartons for tobacco and custom PET containers.

(1) Converted at an exchange rate of A$/US$ = 0.83.
(2) Converted at an exchange rate of Euro/US$ = 1.31.

Directors' Declaration

1. In the opinion of the directors of Amcor Limited ('the Company'):

   (a) the financial statements and notes and remuneration disclosures that are detailed within the Remuneration Report, in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

      i. giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2009 and of their performance, for the financial year ended on that date; and

      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

   (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a);

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the consolidated entities identified in note 33 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those consolidated entities pursuant to ASIC Class Order 98/1418.

3. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and the chief financial officer for the financial year ended 30 June 2009.

Signed in accordance with a resolution of the directors, dated at Melbourne Victoria, this 18th day of August 2009.

CHRIS ROBERTS
Chairman

KEN MACKENZIE
Managing Director
and Chief Executive Officer

Independent Auditor's Report to the Members of Amcor Limited

PRICEWATERHOUSECOOPERS

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Amcor Limited ('the Company'), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration for both Amcor Limited and the Amcor Limited Group ('the consolidated entity'). The consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard *AASB 101 Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by Directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Amcor Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

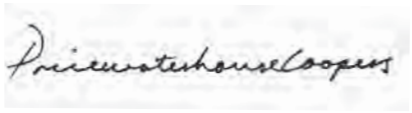
Independent Auditor's Report to the Members of Amcor Limited

REPORT ON THE REMUNERATION REPORT

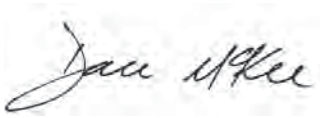
We have audited the Remuneration Report included in pages 24 to 43 of the Directors' Report for the year ended 30 June 2009. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Amcor Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.



PricewaterhouseCoopers



Dale McKee
Partner

Melbourne
18 August 2009

Statement of Shareholdings

Statement pursuant to Australian Securities Exchange official list requirements:
Holders of shares in Amcor Limited at 11 August 2009:

Amcor's top twenty shareholders	Fully paid ordinary shares	Percentage of total shares
HSBC Custody Nominees (Australia) Limited	222,425,629	26.39
National Nominees Limited	166,963,760	19.81
J P Morgan Nominees Australia Limited	124,682,850	14.79
Citicorp Nominees Pty Limited	46,742,557	5.55
ANZ Trustees Limited	20,977,881	2.50
RBC Dexia Investor Services Australia Nominees Pty Ltd	18,723,987	2.22
Cogent Nominees Pty Limited	14,256,722	1.69
Australian Foundation Investment Company Limited	10,065,514	1.19
AMP Life Limited	9,452,200	1.12
Australian Reward Investment Alliance	7,075,685	0.84
Queensland Investment Corporation	6,802,422	0.81
UBS Nominees Pty Ltd	6,377,376	0.76
Argo Investments Limited	5,051,511	0.60
Credit Suisse Equities (Aust) Ltd	4,500,000	0.54
Sandhurst Trustees Ltd	2,341,846	0.28
The Senior Master Of The Supreme Court (Victoria)	2,121,793	0.25
Djerriwarrh Investments Limited	1,821,692	0.22
Pan Australian Nominees Pty Limited	1,385,108	0.16
Suncorp Custodian Services Pty Limited	1,205,987	0.15
Gwynvill Investments Pty Limited	1,131,521	0.13
Total	**674,106,041**	**80.00**

SUBSTANTIAL SHAREHOLDERS

- Mondrian Investment Partners Ltd, by notice dated 27 September 2004, has a relevant interest in 67,329,189 shares.
- Commonwealth Bank of Australia, by notice dated 8 April 2009, has a relevant interest in 47,368,108 shares.
- Barclays Group, by notice dated 21 November 2008, has a relevant interest in 51,496,392 shares.
- AXA Asia Pacific, by notice dated 22 July 2009, has a relevant interest in 50,107,565 shares.

These shares are held through several nominee companies.

DISTRIBUTION OF SHAREHOLDINGS

Fully paid ordinary shares (at 11 August 2009)

Size of holding	Number of shareholders	% of shareholders	Number of shares	% of shares
1 – 1,000 shares*	33,576	48.7	15,242,907	1.8
1001 – 5,000 shares	28,934	42.0	64,374,448	7.7
5,001 – 10,000 shares	4,171	6.1	29,127,990	3.5
10,001 – 100,000 shares	2,095	3.0	40,616,278	4.8
100,001 and over shares	113	0.2	688,511,775	82.2
Total	**68,889**	**100.0**	**837,873,398**	**100.0**

* of these shareholders, 3,130 held less than a marketable parcel

Votes of shareholders are governed by Rules 43 to 48 of the Company's Constitution. In broad summary, but without prejudice to the provisions of these rules, on a show of hands every shareholder present in person shall have one vote and upon a poll every shareholder present in person or by proxy or attorney shall have one vote for every fully-paid share held.

UNQUOTED EQUITY SECURITIES – Issued pursuant to the Amcor Employee Share/Option Plan approved by shareholders on 24 October 1985, and as amended on 20 October 1988.

Unquoted equity securities	Numbers of employees participating	Numbers of securities
Partly paid ordinary shares paid to 1 cent	13	114,000
Partly paid ordinary shares paid to 5 cents	42	510,000
Options over ordinary shares exercisable at various prices	337	19,732,795

Statistical Summary

Results shown before significant items except where indicated
$ million (except where indicated)

For the years ended 30 June:	2009[1]	2008[1]	2007[1]	2006[1]	2005[1]	2004
Amcor consolidated results:						
Net sales	**9,535.4**	9,316.8	10,875.2	11,439.3	11,099.6	10,405.9
Operating profit before interest and tax	**646.6**	657.0	731.9	775.7	821.8	703.5
Operating profit before tax[3]	**464.9**	477.6	517.0	529.1	613.6	571.3
Net operating profit[3]	**360.5**	369.1	397.0	405.9	458.8	440.3
Net operating profit after significant items[3]	**211.7**	258.8	533.7	351.3	193.0	345.7
Earnings per share (cents) pre significant items[2]	**43.1**	42.9	44.2	46.1	52.2	44.7
Earnings per share (cents) post significant items	**25.3**	30.1	59.5	39.9	22.0	33.8
Return on average shareholders' equity (% p.a.)	**11.5**	11.5	11.2	11.9	12.9	9.4
Dividend and distribution	**284.2**	294.2	305.7	298.8	290.2	332.7
Dividend per ordinary share (cents)	**34.0**	34.0	34.0	34.0	34.0	32.0
Dividend franking (% p.a)	**-**	-	-	15.0	25.0	40.0
Dividend cover (times)	**1.27**	1.26	1.30	1.36	1.54	1.38
Financial ratios:						
Net tangible asset backing per share ($)	**1.6**	1.9	2.3	1.8	1.8	2.5
Net PBITDA interest cover (times)	**6.0**	6.0	5.6	5.1	5.9	7.0
Gearing (net debt/net debt and shareholders' equity) (%)	**46.2**	42.9	44.6	46.4	50.9	36.0
Financial statistics:						
Income from dividends and interest	**12.0**	30.3	23.9	20.0	21.0	13.8
Depreciation and amortisation provided during the year	**442.1**	413.1	466.9	473.4	461.8	603.8
Net interest (including PACRS)	**181.7**	179.4	214.9	246.6	218.7	132.2
Cash flow from operations	**673.7**	661.4	946.3	964.1	901.8	979.7
Capital expenditure and acquisitions	**716.1**	585.8	637.8	562.7	692.8	1,086.0
Balance sheet data as at 30 June:						
Current assets	**2,317.9**	2,618.3	3,394.5	3,196.9	3,483.4	3,052.0
Non-current assets	**6,128.1**	5,451.6	5,747.8	6,701.3	6,985.1	7,234.4
Total Assets	**8,446.0**	8,069.9	9,142.3	9,898.2	10,468.5	10,286.4
Current liabilities	**2,952.3**	2,742.0	3,521.6	3,579.1	3,676.3	2,976.7
Non-current liabilities	**2,418.1**	2,324.6	2,039.4	2,713.1	3,401.7	2,602.1
Total Liabilities	**5,370.4**	5,066.6	5,561.0	6,292.2	7,078.0	5,578.8
Net Assets	**3,075.6**	3,003.3	3,581.3	3,606.0	3,390.5	4,707.6
Shareholders' equity						
Share capital	**2,440.3**	2,406.1	2,742.8	2,810.3	2,725.5	3,351.9
Reserves	**(311.5)**	(443.7)	(313.5)	(84.5)	(176.3)	(349.2)
Retained profits	**883.8**	986.4	1,099.8	828.6	763.3	1,614.3
Shareholders' equity attributable to Amcor Limited	**3,012.6**	2,948.8	3,529.1	3,554.4	3,312.5	4,617.0
Minority interests in controlled entities	**63.0**	54.5	52.2	51.6	78.0	90.6
Total Shareholders' equity	**3,075.6**	3,003.3	3,581.3	3,606.0	3,390.5	4,707.6
Other data as at 30 June:						
Fully paid shares (000's)	**842,759**	834,753	883,119	890,252	878,183	877,950
Convertible securities - number of shares (000's)	**-**	-	-	69,900	140,763	139,546
Amcor share price						
- year's high ($)	**6.45**	7.69	7.71	7.70	7.90	9.13
- year's low ($)	**3.90**	4.97	6.16	6.41	6.26	6.52
- close ($)	**4.99**	5.05	7.47	6.68	6.70	6.97
Market capitalisation	**4,205.4**	4,215.5	6,596.9	5,946.9	5,883.8	7,091.9
Employee numbers	**19,974**	21,030	22,312	24,538	27,243	29,100
Number of shareholders	**73,165**	75,676	87,433	104,433	125,936	135,100

(1) Numbers are calculated using AIFRS and include all operations. Note: 2004 numbers are calculated under previous Australian GAAP.
(2) Based on net operating profit before significant items divided by the weighted average number of shares on issue. Historical EPS figures are not adjusted for the impact of the share issue announced on 18 August 2009.
(3) PACRS coupon payment is treated as interest in the 2006 and 2005 periods. The 2005 period excludes the 5% conversion discount.

Investor Information

Amcor provides a progress report to shareholders in two different formats. Shareholders can choose the detailed financial information available in the comprehensive Full Year Financial Report produced annually. Alternatively, shareholders can choose to receive an easy-to-read, environmentally-friendly Annual Review.

The Amcor Annual Review contains the information of most interest to shareholders including: key financial results, performance highlights, a report from the Chairman and summaries of governance and remuneration information.

Both or either of these reports are sent by post or e-mail to shareholders who are on record as wishing to receive a copy.

Amcor also provides these reports on its website www.amcor.com in a user-friendly format. The reports are interactive, searchable, printable, downloadable and easily emailed, or able to be viewed quickly on your computer at any time.

SHARE REGISTRY ENQUIRIES

Shareholders who wish to approach the Company on any matter related to their shareholding should contact Amcor's Share Registry in Melbourne.

For enquiries within Australia, call 1300 302 458, and from outside Australia, call +61 3 9415 4104.

Alternatively, shareholders can contact the Share Registry –

By post to:

Amcor Share Registry
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067
Australia

or

GPO Box 2975
Melbourne Victoria 3001
Australia

or

By fax to: +61 3 9473 2500

INTERNET FACILITIES

Shareholders can access Amcor's Share Registry information via Amcor's website – www.amcor.com. This facility provides a 24-hour service to shareholders, enabling access to information such as current holding balances, TFN notification, dividend history, choice about receipt of reports, historical price information and graphs of the share price against market indices. This information can be accessed by clicking on 'Investor Information' in the main menu then choosing Shareholders > Internet Share Registry. You will need to key in your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), your family name and postcode.

Changes to your shareholder details, such as a change of name or address, or notification of your tax file number, direct credit of dividend advice or Dividend Reinvestment Plan preferences, can be made directly on the internet or by printing out any forms you need, filling them in and sending the changes to Amcor's Share Registry.

CHANGE OF ADDRESS

Issuer sponsored shareholders should notify Amcor's Share Registry immediately of any change to their registered address in writing, signed by the shareholder/s. Shareholders should quote their previous address and Securityholder Reference Number. CHESS uncertificated shareholders should advise their sponsoring broker or non-broker participant. Forms for this service are available from Amcor's Share Registry or from the Amcor website.

DIVIDENDS

The Company normally pays dividends around April and October each year. Shareholders should retain all remittance advices relating to dividend payments for tax purposes.

The following alternatives are available to shareholders regarding payment of dividends:

1) **By direct deposit to an Australian bank, building society or credit union account**
Shareholders may choose to have their dividends paid directly into a nominated bank, building society or credit union account anywhere in Australia. Payments are electronically credited on the dividend date and confirmed by a payment advice sent to the shareholder. Forms for this service are available from Amcor's Share Registry or from Amcor's website.

2) **By cheque payable to the shareholder**
Lost or stolen cheques should be reported, in writing, immediately to Amcor's Share Registry to enable a 'stop payment' and replacement.

3) **Dividend Reinvestment Plan (DRP)**
The DRP provides shareholders with the opportunity to re-invest their dividends to acquire additional Amcor shares. Shares acquired under the DRP rank equally with existing fully paid ordinary shares and have been provided to participants with no discount at a price equivalent to the arithmetic average of the daily weighted average market price of Amcor shares sold on the ASX during a period of nine business days after the record date for the relevant dividend. That period begins on the second business day after the record date and ends on the tenth business day.

Due to legal constraints which apply, securityholders who reside in certain countries will not be able to participate in the DRP and will receive dividends by cheques. A booklet containing full details of the DRP and a DRP election form are available on request from Amcor's Share Registry. The DRP election form and booklet are also available from Amcor's website in PDF format.

TAX FILE NUMBERS

Amcor is required to withhold tax at the rate of 46.5% on any unfranked component of a dividend or interest paid to investors resident in Australia who have not supplied the Company with a tax file number (TFN) or exemption form. Investors are not required by law to provide their TFN and can choose whether or not they wish to do so.

STOCK EXCHANGE LISTINGS

Amcor shares are listed on the Australian Securities Exchange (ASX). All shares are recorded on the principal share register of Amcor Limited, located in Victoria, Australia. Amcor Limited's Eurobonds are listed on the London Stock Exchange.

AMERICAN DEPOSITARY RECEIPTS

Amcor shares are traded in the form of American Depositary Shares (ADSs) evidenced by American Depositary Receipts (ADRs) on the Over-The-Counter market in the US. Each ADS represents four Amcor ordinary shares. Information about ADRs is available from the depositary, JPMorgan Chase Bank and via the internet on www.ADR.com.

AMCOR PUBLICATIONS

The Company's Full Year Financial Report has historically been the main source of information for investors. Changes to the law in 2007 mean that the report is now published on the Company's website. The printed Report is mailed in late September only to those shareholders who request a copy.

The Half Year Financial Report reviewing the company's performance for the six months to 31 December is similarly available in March.

These publications, and many others which may also be of interest, such as Sustainability and Community reports, are best sourced from the Company's website.

Senior Management and Corporate Directory

Website: www.amcor.com

Email: head.office@amcor.com.au

AMCOR LIMITED

CORPORATE HEAD OFFICE

Registered office and principal place of business

109 Burwood Road
Hawthorn Victoria 3122
Australia
Telephone: +61 3 9226 9000
Facsimile: +61 3 9226 9050

Ken MacKenzie
Managing Director
and Chief Executive Officer
Amcor Limited

AMCOR AUSTRALASIA

109 Burwood Road
Hawthorn Victoria 3122
Australia
Telephone: +61 3 9811 7111
Facsimile: +61 3 9811 7171

Nigel Garrard
Managing Director
Amcor Australasia

AMCOR ASIA

17 Senoko Loop
Woodlands East Industrial Estate
758151 Singapore
Telephone: +65 6756 1088
Facsimile: +65 6756 1087

Billy Chan
Managing Director
Amcor Asia

AMCOR FLEXIBLES FOOD

Da Vincilaan 2
B-1935 Zaventem
Belgium
Telephone: +32 2 416 2611
Facsimile: +32 2 416 2612

Gérard Blatrix
Managing Director
Amcor Flexibles Food

AMCOR FLEXIBLES HEALTHCARE

1919 South Butterfield Road
Mundelein Illinois 60060
United States of America
Telephone: +1 847 362 9000
Facsimile: +1 847 918 4600

Peter Brues
President
Amcor Flexibles Healthcare

AMCOR PET PACKAGING

935 Technology Drive
Suite 100
Ann Arbor Michigan 48108
United States of America
Telephone: +1 734 428 9741
Facsimile: +1 734 302 2298

William Long
President
Amcor PET Packaging

AMCOR RENTSCH

Industriestrasse West 6
CH-4613 Rickenbach
Switzerland
Telephone: +41 62 209 0111
Facsimile: +41 62 209 0112

Jerzy Czubak
Managing Director
Amcor Rentsch

AMCOR SUNCLIPSE

6600 Valley View Street
Buena Park California 90620
United States of America
Telephone: +1 714 562 6000
Facsimile: +1 714 562 6059

Eric Bloom
President and
Chief Executive Officer
Amcor Sunclipse

BERICAP NORTH AMERICA

835 Syscon Court
Burlington, Ontario L7L 6C5
Canada
Telephone: +1 905 634 2248
Facsimile: +1 905 634 7780

David Andison
President and Chief Operating Officer
Bericap North America

CORPORATE EXECUTIVES

Leslie Desjardins
Executive General Manager
Finance

Steve Keogh
Executive General Manager
Human Resources

Ann O'Hara
Executive General Manager
Operations Development

Julie McPherson
Company Secretary
and Group General Counsel

John Murray
Executive General Manager
Corporate Affairs

Ian Wilson
Strategic Development Director

SHARE REGISTRY

Amcor Share Registry
Computershare
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067
Australia

Postal address:
GPO Box 2975
Melbourne Victoria 3001
Australia

Telephone: 1300 302 458
(within Australia)

Telephone: +61 3 9415 4104
(outside Australia)

Facsimile: +61 3 9473 2500

Email: web.queries@computershare.com.au

Financial Calendar

FINANCIAL CALENDAR 2009/10

Financial full year 2008/09 ends	30 June 2009
Announcement of full year results for 2008/09	18 August 2009
Ex-dividend date for final dividend (for 2008/09)	24 August 2009
Record date for final dividend and DRP (for 2008/09)	28 August 2009
Final dividend payment date (for 2008/09)	18 September 2009
Annual General Meeting	**22 October 2009**
Financial half year ends	31 December 2009
Announcement of interim (half year) results for 2009/10	February 2010
Ex-dividend date for interim dividend (for 2009/10)	Early March 2010
Record date for interim dividend (for 2009/10)	Early March 2010
Interim dividend payment date (for 2009/10)	Late March 2010
Financial full year 2009/10 ends	30 June 2010

PAPER AND PRINTING OF THIS ANNUAL REPORT

This report is printed on ecoStar, an environmentally friendly 100% recycled paper, certified by the Forest Stewardship Council (FSC).

The printing process used digital printing plates to eliminate film and chemicals. Vegetable-based inks were used, rather than traditional mineral oils that emit higher volumes of greenhouse gases.

Designed and produced by WellmarkPerspexa