News Release

23 February 2010

Replacement Interim Financial Report

Attached is a replacement Interim Financial Report, which removes comment numbers which did not form part of the formal accounts. This replaces the version lodged with the ASX earlier today.

ENDS

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AMCOR LIMITED
A.B.N. 62 000 017 372

INTERIM FINANCIAL REPORT

31 DECEMBER 2009

Contents

This condensed consolidated interim financial report was approved by the Directors on 23 February 2010. The Directors have the power to amend and reissue the condensed consolidated interim financial report.

Amcor Limited and its controlled entities

Directors' report

The directors present their report on the consolidated entity consisting of Amcor Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2009.

Directors

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

Name	Period of directorship
Non-executive	
C I (Chris) Roberts – Chairman	Director since 1999 – appointed Chairman 2000
R K (Keith) Barton	Director since 1999 (retired October 2009)
G J (John) Pizzey	Director since 2003
E J J (Ern) Pope	Director since 2005
J G (John) Thorn	Director since 2004
G A (Geoff) Tomlinson	Director since 1999
J (Jeremy) Sutcliffe	appointed October 2009
Executive	
K N (Ken) MacKenzie	Director since 2005

Review of operations

A review of the operations of the consolidated entity during the half year, and the results of those operations is contained in Amcor's Statement to Stock Exchanges and Media dated 23 February 2010.

Entitlement Offer

In August 2009, existing institutional and retail shareholders were invited to participate in an Entitlement Offer (the 'Offer') which provided them with the opportunity to subscribe for additional shares in Amcor Limited. The Offer enabled eligible shareholders to acquire four new shares for every nine existing ordinary shares held at an offer price of $4.30 per share. The proceeds from the Offer, in conjunction with other committed bank debt, will be used to fund the acquisition of the Alcan Packaging Operations ensuring that the consolidated entity has manageable debt refinancing requirements while retaining its existing investment grade credit ratings following the acquisition.

Amcor Limited successfully completed the Offer and raised $1,565.5 million, net of transaction costs, through the issuance of 374,597,906 ordinary shares by 21 September 2009.

Acquisition of Alcan Packaging Operations

On 2 February 2010, the consolidated entity announced the successful completion of the acquisition of certain parts of the Alcan Packaging Operations, a business unit of Rio Tinto plc. As a result of the acquisition, the consolidated entity will be among the world's largest packaging companies with a global presence and leading position in flexible packaging, folding cartons for tobacco and custom Polyethylene Terephthalate (PET) containers.

The businesses that the consolidated entity acquired include:

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

As announced on 29 December 2009, the U.S. Department of Justice terminated the Hart-Scott-Rodino premerger waiting period allowing the consolidated entity to acquire substantially all of the operations of Alcan Packaging and limits their ongoing review to Alcan's Medical Flexibles operations in the United States. The decision by the U.S. Department of Justice allowed closing to proceed on all the operations except Alcan's Medical Flexibles operations in the United States. This business unit consists of four sites with sales of approximately $138.6 million[1] per annum. A decision on whether the consolidated entity is able to acquire Alcan's Medical Flexibles operations in the United States will be made following a detailed review of the market by the U.S. Department of Justice. This review is expected to take up to three months from 29 December 2009 to complete and during this period the business will remain under the control of Rio Tinto plc.

[1] This information has not been subject to audit or review procedures. Converted at an exchange rate of A$/US$ = 0.83

Directors' report (continued)

Acquisition of Alcan Packaging Operations (continued)

The purchase consideration for the acquisition was $2,652.0 million (US$2,267.7 million) of which $2,526.0 million (US$2,156.3 million) has been paid. Of the amount paid, $1,565.5 million was funded through the equity raising (refer note 6) and the remainder from committed debt facilities drawn down after 31 December 2009. Of the purchase consideration, $126.0 million (US$111.4 million) remains unpaid and is deferred for a period up to three months after acquisition date for the payment of certain balance sheet adjustments.

The purchase consideration comprises $2,290.6 million (US$1,948.0 million) representing a PBITDA multiple of 5.1 times based on earnings for the year ended 31 December 2009 of US$383.0 million[2] (excluding the Medical Flexible operations in the United States) and $361.4 million (US$319.7 million) for certain purchase adjustments made at acquisition date. Included in these purchase adjustments are cash acquired of $121.3 million (US$107.2 million) and net amounts receivable from the vendor of $378.3 million (US$334.3 million) which was subsequently received after closing offset by a reduction of $136.3 million (US$120.5 million) for pension liabilities acquired.

The final consideration remains subject to certain customary post-close adjustments.

Due to the close proximity of the acquisition date to when this condensed consolidated interim financial report was authorised for issue, the preliminary purchase accounting of the business combination, including identifying the fair value of the assets acquired, has not yet been completed and therefore has not been disclosed.

The consolidated entity announced on 15 December 2009, subject to the successful completion of the acquisition of the Alcan Packaging Operations, the Amcor Tobepal operations in Spain which resides within the Amcor Flexibles segment, would be divested as required by the European Commission approval for the acquisition. The Tobepal operations comprise of two plants that produce a range of pharmaceutical, personal care and food packaging products which had combined sales of approximately $186.4 million[3] for the year ended 30 June 2009. The operations will be accounted for as assets held-for-sale from the acquisition date.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 3.

Rounding of amounts

The consolidated entity is of a kind referred to in the Australian Securities and Investments Commission Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest $100,000 unless otherwise stated.

Signed in accordance with a resolution of the directors, dated at Melbourne, this 23 day of February 2010.

C I Roberts
Chairman

[2] This information has not been subject to audit or review procedures.
[3] Converted at an exchange rate of A$/€ = 0.59

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Auditor's Independence Declaration

As lead auditor for the review of Amcor Limited for the half year ended 31 December 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 review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

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

Dale McKee
Partner
PricewaterhouseCoopers

Melbourne
23 February 2010

Amcor Limited and its controlled entities

Consolidated income statement
For the six months ended 31 December 2009

$ million	Note	2009	2008 Restated[1]
Sales revenue from continuing operations	2	**4,082.5**	4,835.3
Cost of sales		**(3,384.2)**	(4,102.2)
Gross profit		**698.3**	733.1
Other income	2	**31.2**	49.7
Sales and marketing expenses		**(141.2)**	(165.0)
General and administration expenses		**(367.4)**	(398.2)
Research costs		**(18.3)**	(18.8)
Share of net profit of equity accounted investments	2	**10.4**	18.0
Profit from operations		**213.0**	218.8
Financial income	2	**14.8**	7.9
Financial expenses		**(80.1)**	(110.8)
Net finance costs	2	**(65.3)**	(102.9)
Profit before related income tax expense	2	**147.7**	115.9
Income tax expense		**(45.7)**	(26.1)
Profit from continuing operations		**102.0**	89.8
Profit from discontinued operations, net of tax	2, 4	**-**	6.2
Profit for the financial period		**102.0**	96.0
Profit attributable to:			
Members of Amcor Limited		**95.0**	92.8
Minority interest		**7.0**	3.2
		102.0	96.0

	Cents	Restated Cents[1, 2]
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of Amcor Limited		
Basic earnings per share	**8.6**	9.9
Diluted earnings per share	**8.6**	9.8
Earnings per share for profit attributable to the ordinary equity holders of Amcor Limited		
Basic earnings per share	**8.6**	10.6
Diluted earnings per share	**8.6**	10.5

[1] The consolidated income statement has been restated as the result of the consolidated entity's early adoption and application of AASB 3 *Business Combinations* from 1 July 2008, refer note 1(b).
[2] The 2008 earnings per share figures have been restated to reflect the bonus element of the Entitlement Offer that was completed in September 2009.

The above consolidated income statement should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report set out on pages 11 to 28.

Amcor Limited and its controlled entities

Consolidated statement of comprehensive income
For the six months ended 31 December 2009

$ million	2009	2008 Restated[1]
Profit for the financial period	**102.0**	96.0
Other comprehensive income		
Available-for-sale financial assets		
Net change in fair value of available-for-sale financial assets	**2.7**	(2.8)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	**(2.6)**	-
Cash flow hedges		
Effective portion of changes in fair value of cash flow hedges	**(124.2)**	(7.9)
Net change in fair value of cash flow hedges reclassified to profit or loss	**5.9**	1.9
Net change in fair value of cash flow hedges reclassified to non-financial assets	**1.1**	(0.5)
Exchange differences on translating foreign operations		
Exchange differences on translation of foreign operations	**(141.5)**	616.4
Net investment hedge of foreign operations	**(20.9)**	(181.8)
Actuarial losses on defined benefit plans	**(16.3)**	(132.2)
Share of other comprehensive income of associates	**-**	14.1
Income tax on other comprehensive income	**6.2**	67.3
Other comprehensive (loss)/income for the period, net of tax	**(289.6)**	374.5
Total comprehensive (loss)/income for the period	**(187.6)**	470.5
Total comprehensive (loss)/income attributable to:		
Members of Amcor Limited	**(190.2)**	449.9
Minority interest	**2.6**	20.6
	(187.6)	470.5

[1] The consolidated statement of comprehensive income has been restated as the result of the consolidated entity's early adoption and application of AASB 3 *Business Combinations* from 1 July 2008, refer note 1(b).

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report set out on pages 11 to 28.

Amcor Limited and its controlled entities

Consolidated statement of financial position
As at 31 December 2009

$ million	December 2009	June 2009
Current assets		
Cash and cash equivalents	**1,470.8**	188.6
Trade and other receivables	**1,089.9**	1,141.0
Inventories	**925.5**	979.6
Other financial assets	**8.7**	8.7
Total current assets	**3,494.9**	2,317.9
Non-current assets		
Investments accounted for using the equity method	**476.0**	509.0
Other financial assets	**34.4**	42.3
Property, plant and equipment	**3,630.7**	3,795.9
Deferred tax assets	**155.8**	162.9
Intangible assets	**1,374.9**	1,499.1
Other non-current assets	**140.9**	118.9
Total non-current assets	**5,812.7**	6,128.1
Total assets	**9,307.6**	8,446.0
Current liabilities		
Trade and other payables	**1,524.8**	1,722.2
Interest-bearing liabilities	**311.0**	956.1
Other financial liabilities	**137.7**	16.2
Current tax liabilities	**57.3**	53.5
Provisions	**205.4**	204.3
Total current liabilities	**2,236.2**	2,952.3
Non-current liabilities		
Trade and other payables	**28.2**	31.5
Interest-bearing liabilities	**2,220.6**	1,875.7
Other financial liabilities	**0.1**	-
Deferred tax liabilities	**163.2**	210.2
Provisions	**147.1**	124.9
Retirement benefit obligations	**176.7**	175.8
Total non-current liabilities	**2,735.9**	2,418.1
Total liabilities	**4,972.1**	5,370.4
NET ASSETS	**4,335.5**	3,075.6
Equity		
Contributed equity	**4,026.1**	2,440.3
Reserves	**(577.4)**	(311.5)
Retained profits	**824.7**	883.8
Total equity attributable to equity holders of Amcor Limited	**4,273.4**	3,012.6
Minority interest	**62.1**	63.0
TOTAL EQUITY	**4,335.5**	3,075.6

The above consolidated statement of financial position should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report set out on pages 11 to 28.

Amcor Limited and its controlled entities

Consolidated statement of changes in equity
For the six months ended 31 December 2009

$ 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 2009	2,440.3	(0.8)	(22.1)	33.1	(321.7)	883.8	3,012.6	63.0	3,075.6
Profit for the financial period	-	-	-	-	-	95.0	95.0	7.0	102.0
Other comprehensive income									
Net change in fair value of available-for-sale financial assets	-	2.7	-	-	-	-	2.7	-	2.7
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(2.6)	-	-	-	-	(2.6)	-	(2.6)
Effective portion of changes in fair value of cash flow hedges	-	-	(124.9)	-	-	-	(124.9)	-	(124.9)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	5.1	-	-	-	5.1	-	5.1
Net change in fair value of cash flow hedges reclassified to non-financial assets	-	-	0.7	-	-	-	0.7	-	0.7
Exchange differences on translation of foreign operations	-	-	-	-	(137.2)	-	(137.2)	(4.4)	(141.6)
Net investment hedge of foreign operations	-	-	-	-	(18.2)	-	(18.2)	-	(18.2)
Actuarial losses on defined benefit plans, net of tax	-	-	-	-	-	(10.8)	(10.8)	-	(10.8)
Share of associates exchange fluctuation reserve	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	0.1	(119.1)	-	(155.4)	(10.8)	(285.2)	(4.4)	(289.6)
Total comprehensive income for the period	-	0.1	(119.1)	-	(155.4)	84.2	(190.2)	2.6	(187.6)
Transactions with owners in their capacity as owners:									
Contributions of equity, net of transaction costs	1,585.8	-	-	-	-	-	1,585.8	1.9	1,587.7
Dividends paid	-	-	-	-	-	(143.3)	(143.3)	-	(143.3)
Dividends paid to minority interests in subsidiaires	-	-	-	-	-	-	-	(5.4)	(5.4)
Share-based payments option expense	-	-	-	8.5	-	-	8.5	-	8.5
Minority interest buy-out	-	-	-	-	-	-	-	-	-
Balance at 31 December 2009	4,026.1	(0.7)	(141.2)	41.6	(477.1)	824.7	4,273.4	62.1	4,335.5

The amounts recognised directly in equity are disclosed net of tax.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report set out on pages 11 to 28.

Amcor Limited and its controlled entities

Consolidated statement of changes in equity (continued)
For the six months ended 31 December 2008

$ 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
Profit for the financial period[1]	-	-	-	-	-	92.8	92.8	3.2	96.0
Other comprehensive income									
Net change in fair value of available-for-sale financial assets	-	(2.8)	-	-	-	-	(2.8)	-	(2.8)
Effective portion of changes in fair value of cash flow hedges	-	-	(4.5)	-	-	-	(4.5)	-	(4.5)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	1.4	-	-	-	1.4	-	1.4
Net change in fair value of cash flow hedges reclassified to non-financial assets	-	-	(0.5)	-	-	-	(0.5)	-	(0.5)
Exchange differences on translation of foreign operations	-	-	-	-	625.2	-	625.2	17.4	642.6
Net investment hedge of foreign operations	-	-	-	-	(181.8)	-	(181.8)	-	(181.8)
Actuarial losses on defined benefit plans, net of tax	-	-	-	-	-	(94.0)	(94.0)	-	(94.0)
Share of associates exchange fluctuation reserve	-	-	-	-	14.1	-	14.1	-	14.1
Total other comprehensive income	-	(2.8)	(3.6)	-	457.5	(94.0)	357.1	17.4	374.5
Total comprehensive income for the period	-	(2.8)	(3.6)	-	457.5	(1.2)	449.9	20.6	470.5
Transactions with owners in their capacity as owners:									
Contributions of equity, net of transaction costs	2.0	-	-	-	-	-	2.0	-	2.0
Dividends paid	-	-	-	-	-	(142.0)	(142.0)	-	(142.0)
Dividends paid to minority interests in subsidiaires	-	-	-	-	-	-	-	(4.1)	(4.1)
Share-based payments option expense	-	-	-	6.6	-	-	6.6	-	6.6
Minority interest buy-out	-	-	-	-	-	(3.3)	(3.3)	(0.8)	(4.1)
Balance at 31 December 2008	2,408.1	(5.0)	(17.1)	29.8	6.3	839.9	3,262.0	70.2	3,332.2

The amounts recognised directly in equity are disclosed net of tax.

[1] The consolidated statement of change in equity has been restated as the result of the consolidated entity's early adoption and application of AASB 3 *Business Combinations* from 1 July 2008, refer note 1(b).

The above consolidated statement of changes in equity should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report set out on pages 11 to 28.

Amcor Limited and its controlled entities

Consolidated statement of cash flows
For the six months ended 31 December 2009

$ million	Note	2009	2008 Restated[1]
Cash flows from operating activities			
Profit for the financial period		**102.0**	96.0
Depreciation		**189.3**	204.9
Amortisation of intangible assets		**12.2**	14.0
Impairment losses on receivables and inventory		**4.0**	5.9
Reversal of impairment losses on receivables and inventory		**(0.5)**	(0.1)
Non-cash retirement benefit expense		**13.3**	7.1
Net finance costs		**65.3**	102.9
Grant income recognised		**(1.0)**	(1.1)
Net gain on disposal of non-current assets		**-**	(25.0)
Net loss on disposal of businesses/controlled entities		**0.6**	-
Net gain on disposal of investments		**(0.6)**	-
Fair value gains on other financial assets at fair value through income statement		**(0.4)**	(1.7)
Share of net profits of associates, net of dividends received		**(10.4)**	(18.0)
Net foreign exchange gain		**(8.8)**	(28.8)
Dividends from controlled and other entities		**(0.4)**	(0.5)
Non cash significant items		**(5.0)**	18.3
Other sundry items		**12.6**	2.3
Income tax expense		**45.7**	26.1
Operating profit before changes in working capital and provisions		**417.9**	402.3
- Increase in prepayments and other operating assets		**(20.7)**	(24.4)
- Decrease in employee benefits and other operating liabilities		**(17.8)**	(11.7)
- Increase in provisions		**30.8**	5.4
- (Increase)/decrease in trade and other receivables		**(25.3)**	30.9
- (Increase)/decrease in inventories		**(3.3)**	65.8
- Decrease in trade and other payables		**(62.3)**	(278.4)
		319.3	189.9
Dividends received		**0.4**	6.6
Interest paid		**(53.1)**	(75.1)
Income tax paid		**(47.8)**	(53.5)
Net cash from operating activities		**218.8**	67.9
Cash flows from investing activities			
Repayment/(proceeds) of loans by associated companies and other persons		**2.3**	(3.0)
Payments for controlled entities, businesses and associates, net of cash		**(1.6)**	(115.5)
Payments for property, plant and equipment and intangible assets		**(260.0)**	(322.9)
Proceeds on disposal of associates, controlled entities and businesses		**8.6**	39.6
Payments on disposal of controlled entities and business treated as discontinued operations, net of cash	4	**-**	(1.7)
Proceeds on disposal of property, plant and equipment		**8.0**	41.5
Net cash from investing activities		**(242.7)**	(362.0)

1 The consolidated statement of cash flows has been restated as the result of the consolidated entity's early adoption and application of AASB 3 *Business Combinations* from 1 July 2008, refer note 1(b).

The above consolidated statement of cash flows should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report set out on pages 11 to 28.

Amcor Limited and its controlled entities

Consolidated statement of cash flows (continued)
For the six months ended 31 December 2009

$ million	Note	2009	2008 Restated[1]
Cash flows from financing activities			
Proceeds from share issues and calls on partly-paid shares		**1,566.7**	2.0
Proceeds on capital contribution from minority interest		**2.0**	-
Proceeds from borrowings		**2,647.0**	3,324.0
Repayment of borrowings		**(2,698.0)**	(2,983.9)
Principal lease repayments		**(0.8)**	(1.2)
Dividends and other equity distributions paid		**(129.3)**	(145.3)
Net cash from financing activities		**1,387.6**	195.6
Net increase/(decrease) in cash held		**1,363.7**	(98.5)
Cash and cash equivalents at the beginning of the financial period		**57.3**	166.0
Effects of exchange rate changes on cash and cash equivalents		**(27.7)**	3.3
Cash and cash equivalents at the end of the financial period		**1,393.3**	70.8

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 period as shown in the Cash Flow Statements is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	**1,470.8**	183.7
Bank overdrafts	**(77.5)**	(112.9)
	1,393.3	70.8

[1] The consolidated statement of cash flows has been restated as the result of the consolidated entity's early adoption and application of AASB 3 *Business Combinations* from 1 July 2008, refer note 1(b).

The above consolidated statement of cash flows should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report set out on pages 11 to 28.

Amcor Limited and its controlled entities

Condensed notes to the consolidated interim financial report
For the six months ended 31 December 2009

1. Summary of significant accounting policies

Amcor Limited (the 'Company') is a company limited by shares, incorporated and domiciled in Australia. The condensed consolidated interim financial report of the Company as at and for the six months ended 31 December 2009 comprises the Company and its subsidiaries (together referred to as the 'consolidated entity') and the consolidated entity's interests in associates and jointly controlled entities.

The consolidated full year financial report of the consolidated entity as at and for the year ended 30 June 2009 is available upon request from the Company's registered office at 109 Burwood Road, Hawthorn 3122, Victoria, Australia or at www.amcor.com.au.

(a) Basis of preparation of the condensed consolidated interim financial report

The condensed consolidated interim financial report is a general purpose financial report which has been prepared in accordance with the requirements of Accounting Standard AASB 134 *Interim Financial Reporting*, the recognition and measurement requirements of applicable Australian Accounting Standards ('AASBs'), adopted by the Australian Accounting Standards Board ('AASB'), and other authoritative pronouncements of the AASB and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The condensed consolidated interim financial report does not include all of the information required for a full financial report, and should be read in conjunction with the full year financial report of the consolidated entity as at and for the year ended 30 June 2009 and any public announcements made by Amcor Limited and its controlled entities during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

The consolidated entity is of a kind referred to in ASIC Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the condensed consolidated interim financial report have been rounded off to the nearest $100,000 or, where the amount is $50,000 or less, zero, unless specifically otherwise stated.

Except as described below in 1(c), the accounting policies applied by the consolidated entity in this condensed consolidated interim financial report are the same as those applied by the consolidated entity in its full year financial report as at and for the year ended 30 June 2009.

Historical cost convention
The condensed consolidated interim financial report has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, derivative financial instruments, and financial assets and liabilities measured at fair value.

(b) Comparative period presentation

Subsequent to the issuance of the 31 December 2008 Interim Financial Report, the consolidated entity elected to early adopt and apply Revised AASB 3 *Business Combinations* (March 2008) from 1 July 2008. 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 provision within Revised AASB 3, the change in accounting policy has been applied prospectively from 1 July 2008. As a result the comparative period financial information presented in this condensed consolidated interim financial report, relating to the six month period to 31 December 2008, has been restated. For the six months to 31 December 2008, transaction costs relating to a potential acquisition amounting to $15.7 million have been expensed as incurred.

Condensed notes to the consolidated interim financial report
For the six months ended 31 December 2009

1. Summary of significant accounting policies (continued)

(c) Adoption of new and revised standards and interpretations

Standards and interpretations adopted affecting amounts reported in the condensed consolidated interim financial report
The following new and revised accounting standards and interpretations, issued by the AASB, have been adopted in the current period and have affected the presentation and disclosure of amounts reported in this condensed consolidated interim financial report.

Segment reporting
As of 1 July 2009, the consolidated entity determines and presents operating segments based on the information that is internally provided to the consolidated entity's chief operating decision maker which has been identified as the Corporate Executive Team (CET). The CET consists of the Managing Director and Chief Executive Officer, and other Senior Executives of the consolidated entity. The CET provides the strategic direction and management oversight of the day to day activities of the consolidated entity in terms of monitoring results, providing approval for capital expenditure decisions and challenging and approving strategic planning for the businesses.

The change in accounting policy is due to the application of AASB 8 *Operating Segments* which requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Comparative segment information has been re-presented in conformity with the transition requirements of AASB 8. Note 2 provides further information regarding the change in accounting policy in respect of operating segment disclosures. As the change only impacts presentation and disclosure aspects of the condensed consolidated interim financial report, there is no impact on the financial results of the consolidated entity.

Presentation of financial statements
The consolidated entity has applied revised AASB 101 *Presentation of Financial Statements* to this condensed consolidated interim financial report. As a result, the consolidated entity presents all non-owner changes in equity in the consolidated statement of comprehensive income, whereas all owner changes in equity are presented in the consolidated statement of changes in equity, previously presented as a note to the financial statements.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects of the condensed consolidated interim financial report, there is no impact on the financial results of the consolidated entity.

Financial instruments - Disclosure
Amendments introduced to AASB 7 *Financial Instruments – Disclosures* expand the required disclosures in respect of fair value measurement and liquidity risk. The changes require:

- fair value disclosures to be made separately for each class of financial instrument;
- any change in the method for determining fair value be disclosed including the reasons for the change;
- a three level hierarchy is introduced for making fair value measurements; and
- the reliability of each fair value measurement to be disclosed.

To the extent that financial instrument disclosures have been included within this condensed consolidated interim financial report comparative information has not been re-presented as afforded by the transitional relief provided in the amendment to AASB 7. As the change only impacts presentation and disclosure aspects of the condensed consolidated interim financial report, there is no impact on the financial results of the consolidated entity.

Standards and interpretations adopted with no effect on the condensed consolidated interim financial report
The following new or amended accounting standards and interpretations have been adopted in the current reporting period and represent a change in accounting policy. Their adoption has not had any significant impact on the amounts reported in this condensed consolidated interim financial report but may affect the accounting of future transactions or arrangements.

Employee benefits - Share-based payments
The consolidated entity has added additional guidance to its accounting policy on share-based payments as a result of clarifications made to AASB 2 *Share-based Payment*. The amendment to the accounting policy clarifies that the amount recognised as an expense, when accounting for share-based payments, is adjusted to reflect the number of awards which reflect the vesting conditions of the share-based payment. Vesting conditions comprise service and performance conditions only, other features of a share-based payment are not vesting conditions. Non vesting conditions are only taken into account when determining the fair value of the equity instrument at grant date and do not affect the number of awards expected to vest. There is no true up for differences between expected and actual outcomes due to the failure to meet a non-vesting condition.

In addition, the accounting policy was amended to clarify cancellations of a share-based payment, whether made by the consolidated entity or by another party, are recognised immediately as a share-based payment expense upon cancellation.

1. Summary of significant accounting policies (continued)

(c) Adoption of new and revised standards and interpretations (continued)

Standards and interpretations adopted with no effect on the condensed consolidated interim financial report (continued)

Foreign currency translation - Hedge of net investment in a foreign operation
The consolidated entity has added additional guidance to its accounting policy on hedging of net investments in foreign operations as a result of the amendments made to Interpretation 16 *Hedges of a Net Investment in a Foreign Operation.* The change in accounting policy clarifies that the consolidated entity applies net investment hedging only to foreign exchange differences arising between the functional currency of the foreign operation and the Company's functional currency, being Australian dollars, regardless of whether the net investment hedge is held directly by the Company or through an intermediate parent.

Discontinued operations
The consolidated entity has changed its accounting policy regarding discontinued operations and assets held for sale as a result of the amendments made in AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations.* The change in accounting policy requires the consolidated entity to classify all assets and liabilities of a subsidiary as held for sale when the consolidated entity is committed to a sale plan that involves the loss of control of a subsidiary.

Revenue
<u>Dividend income</u>
The consolidated entity has changed its accounting policy for dividends received from a subsidiary which are paid out of pre-acquisition profits as a result of the issuance of Revised AASB 127 *Consolidated and Separate Financial Statements.* Previously, dividends paid out of pre-acquisition profits would have been deducted from the cost of an investment. Dividends received from subsidiaries or associates out of pre-acquisition profits are now recognised as revenue when the right to receive payment is established, but the investment may need to be tested for impairment as a result of the dividend payment.

Contributed equity - Dividends
The consolidated entity has amended its accounting policy regarding distributions to shareholders as a result of the guidance introduced by Interpretation 17 *Distributions of Non-Cash Assets to Owners.* The change in the accounting policy clarifies that a dividend payable is recognised when the dividend has been appropriately authorised and is no longer at the discretion of the Company and it should be measured at the fair value of the assets to be distributed. The difference between the dividend paid and the carrying amount of the assets distributed is recognised in the income statement.

Financial instruments
<u>Classification</u>
The consolidated entity has amended its accounting policy regarding the classification of an instrument as either a financial liability or equity as the result of amendments to AASB 132 *Financial Instruments – Presentation.* The change in accounting policy permits certain puttable financial instruments and instruments that impose an obligation on the consolidated entity to deliver to another party a pro rata share of the net assets of the consolidated entity on liquidation, to be classified as equity. In addition, rights issues (rights, warrants and options) that are denominated in a currency other than the Company's functional currency, which were previously classified and accounted for as derivative liabilities, must now be classified as equity, provided that the Company offers the rights, options or warrant pro rata to all existing owners of the same class of its own non-derivative equity instruments.

<u>Derivative financial instruments</u>
The consolidated entity has amended its accounting policy regarding hedge accounting as a result of clarifications around eligible hedged items introduced by amendments to AASB 139 *Financial Instruments – Recognition and Measurement.* In particular the clarifications relate to the accounting and effect of using options as hedging instruments and circumstances in which inflation risk can be hedged.

<u>Non-derivative financial instruments</u>
The consolidated entity has amended its financial instruments accounting policy to include additional guidance on the accounting for debt and equity swaps as a result of the issuance of Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments.* Previously no policy existed on how the Company would recognise its own equity instruments issued in connection with the extinguishment of a financial liability. The new policy requires equity instruments issued in a debt for equity swap to be measured at the fair value of the equity instruments unless that fair value cannot be reliably measured, in which case the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is recognised in the income statement.

1. Summary of significant accounting policies (continued)

(c) Adoption of new and revised standards and interpretations (continued)

Standards and interpretations adopted with no effect on the condensed consolidated interim financial report (continued)

Annual Improvements Projects 2008 and 2009

In addition to the changes in accounting policies described above, and the changes to AASB 117 *Leases* and AASB 139 *Financial Instruments - Recognition and Measurement* discussed in 1(d) below, the amendments introduced to standards and interpretations by the 2008 and 2009 Improvements Projects have led to a number of changes in the detail of the consolidated entity's accounting policies. The majority of these changes are minor relating to presentation or disclosure matters or changes in terminology only, while others are substantive but have no material effect on amounts reported.

(d) Recently issued accounting standards and interpretations not yet adopted

The following amendments to standards and interpretations issued by the AASB during the six months to 31 December 2009 have been identified as those which may impact the consolidated entity in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this condensed consolidated interim financial report.

AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (May 2009)

As part of the *Annual Improvements Project (2009)* the requirements of AASB 117 *Leases* regarding the classification of leases of land were amended. Prior to the amendment AASB 117 generally required leases of land with indefinite useful life to be classified as operating leases. The relevant guidance resulting in this accounting treatment has been removed under this amendment due to concerns that it could lead to accounting that does not reflect the substance of an arrangement. Following the amendments, leases of land are now classified as either 'finance' or 'operating' in accordance with the general principles of AASB 117. These amendments will become applicable for the consolidated entity's 30 June 2011 financial statements and are to be applied retrospectively to unexpired leases at 1 July 2010. An assessment of the amendment is currently being performed, and as yet it is not possible to make a reasonable estimate of the effect of the amendment until the review has been completed.

In addition, amendments made to AASB 139 *Financial Instruments – Recognition and Measurement,* by AASB 2009-5, regarding embedded derivatives and hedge accounting have not been applied in preparing this condensed consolidated interim financial report. The amendments provide additional guidance with regards to embedded derivative accounting stating that if the cost of a prepayment option on a loan reimburses the lender for an amount that exceeds the approximate present value of the lost interest for the remaining term of the contract, then the economic characteristics and risks of the prepayment option are not closely related to the loan and the embedded derivative would need to be separately recognised from the loan arrangement. In addition, the amendments clarify the scope exemption within AASB 139 in relation to hedge accounting for contracts that exist between a buyer and seller in a business combination to buy/sell a business at a future date. The scope amendment clarifies that the exception is restricted to forward contracts, and not options, between a buyer and a seller that will result in a business combination at a future acquisition date and that a forward should not be longer than a period normally expected to finalise such a transaction. These amendments will become mandatory for the consolidated entity's 30 June 2011 financial statements and its application is not expected to have any material impact upon the financial results of the consolidated entity.

AASB 2009-8 *Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions* (July 2009) clarifies the scope of AASB 2 *Share-based Payment* by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. The amendment will become mandatory for the consolidated entity's 30 June 2011 financial statements. An assessment of the amendment is currently being performed, and as yet it is not possible to make a reliable measure of the financial impact upon the consolidated entity.

AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2009) set out the requirements for the classification and measurement of financial assets, resulting from the first part of Phase I of the International Accounting Standard Board's project to replace IAS 39 *Financial Instruments – Recognition and Measurement* (AASB 139 *Financial Instruments – Recognition and Measurement).* The changes introduced by the new standard simplify the classification of financial assets into those to be carried at amortised cost, and those to be carried at fair value. It also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.

Under the new standard, there will no longer be a need to separate and fair value derivatives for financial assets carried at amortised cost. In addition, if financial assets need to be sold, it will no longer impact their classification however the consolidated entity will be required to reclassify its financial assets when there is a change in the consolidated entity's business.

1. Summary of significant accounting policies (continued)

(d) Recently issued accounting standards and interpretations not yet adopted (continued)

In relation to accounting for investments in equity instruments, AASB 9 provides an opportunity to fair value these investments to other comprehensive income, with no separate impairment test necessary, whilst taking dividends to income.

The amendments will become mandatory for the consolidated entity's 30 June 2014 financial statements. The potential effect of the amending standards on the financial results of the consolidated entity has yet to be determined.

AASB 2009-14 *Amendments to Australian Interpretation – Prepayments of Minimum Funding Requirement* (December 2009) amends Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.* Interpretation 14 currently states that a surplus in a plan cannot be recognised as a reduction in future contributions if the future minimum funding contribution required in respect of future accrual of benefits exceeds the future services cost calculated in accordance with AASB 119 *Employee Benefits.* Therefore, if the consolidated entity does not have an unconditional right to a refund or surplus the prepayment is recognised as an expense. Under the amendments to Interpretation 14 such a prepayment would be recognised as an asset on the basis that the entity has a future economic benefit from the prepayment in the form of reduced cash outflows in future years in which the minimum funding requirement payments would otherwise be required. The amendment will become mandatory for the consolidated entity's 30 June 2012 financial statements. The potential effect of the amending standards on the financial results of the consolidated entity has yet to be determined.

Revised AASB 124 *Related Party Disclosures* (December 2009) simplifies and clarifies the definition of a related party, in particular:

- a subsidiary and an associate with the same investor are defined as related parties;
- entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties; and
- whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third party are related to each other.

The amendments will become applicable to the consolidated entity for the 30 June 2012 financial year and its application is not expected to have any impact upon the financial results of the consolidated entity.

(e) Critical accounting estimates

The preparation of this condensed consolidated interim financial report, in conformity with Australian Accounting Standards, requires management to exercise its judgements 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 any future periods affected.

Except as described below, in preparing this condensed consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated entity's full year financial report as at and for the year ended 30 June 2009.

Retirement Benefit Obligation

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 assumptions used relate to: discount rate; rate of inflation; expected return on assets; future salary increases; and medical cost trend rates.

Management has undertaken a review of the funds contributing to the majority of the retirement benefit obligation of the consolidated entity as at 31 December 2009 and in particular the assumptions applied in the determination of the obligation.

In performing an assessment of the appropriateness of the consolidated entity's retirement benefit obligation management engaged the local actuaries of identified major funds to provide information relating to actual asset returns and discount rates as at 31 December 2009. The Company's group actuaries then performed an evaluation of the retirement benefit obligation using this information.

As a result of the above assessment, management has identified that an adjustment to the retirement benefit obligation at 31 December 2009 is required. For the six months to 31 December 2009, the consolidated entity has increased the retirement benefit obligation by $0.9 million and in accordance with the consolidated entity's accounting policy for retirement benefit obligations $16.3 million has been recognised directly in equity.

1. Summary of significant accounting policies (continued)

(e) Critical accounting estimates (continued)

Investments accounted for using the equity method
Due to the timing of the reporting process of an associate investment, management was unable to obtain certain financial information for the six months to 31 December 2009 for recognition in this condensed consolidated interim financial report. To ensure that the investment has been appropriately accounted for in accordance with the consolidated entity's accounting policies, management recognised an estimate of the consolidated entity's share of profits of the associate. This estimate has been based on management's assessment of all publicly available information released by the associate as at 31 December 2009.

It is not anticipated that management will be required to re-perform such an estimate for the full year reporting period as the timing of the reporting process and release of information from the associate investment is expected to be such that the relevant financial information will be available for recognition in the full year reports of the consolidated entity.

Recoverable amount of financial assets and non-financial assets
The consolidated entity's accounting policy states that financial assets are considered to be impaired if there is objective evidence which indicates that there has been a negative effect on the estimated cash flows of that asset. With regard to non-financial assets, the consolidated entity's accounting policy requires an assessment of impairment indicators to be performed at each reporting date. If any such indicators exist, the asset is tested for impairment by comparing its recoverable amount to its carrying value. In relation to goodwill and other 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 there might be an impairment.

Management completed a review of the carrying value, at 31 December 2009, of all financial and non-financial assets of the consolidated entity, as considered necessary. In performing this assessment, management was required to make significant estimates regarding future cash flows including assumptions and estimations regarding forecasted 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.

The assessment of the appropriateness of the carrying value of financial and non financial assets performed by management at 31 December 2009 identified a number of items of property, plant and equipment that were impaired. An impairment charge, net of reversals, of $9.8 million (2008: $19.1 million) has been recognised for the six months to 31 December 2009. The impairments recognised were the result of restructuring activities undertaken and the identification of changes in the business environment and market conditions, which resulted in a number of items of equipment becoming idle or technically obsolete.

In addition, an impairment charge, net of reversals, of $2.5 million (2008: $3.1 million) was recognised in relation to inventories and $1.0 million (2008: $2.7 million) with regards to bad debts. No other assets were identified as impaired in the six months to 31 December 2009.

Management also undertook sensitivity analysis on the key assumptions used when assessing the recoverable amount of relevant financial and non-financial assets. The results of this sensitivity analysis support the judgement that at, 31 December 2009, no further impairments of financial or non-financial assets are necessary.

Income tax
The consolidated entity is subject to income taxes in Australia and foreign jurisdictions and as a result significant judgment 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.

2. Segment information

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entity's other components.

All operating segment results are regularly reviewed by the consolidated entity's chief operating decision maker which has been identified as the Corporate Executive Team ('CET'), which consists of the Managing Director and Chief Executive Officer, and other Senior Executives of the consolidated entity. The CET provides the strategic direction and management oversight of the day to day activities of the consolidated entity in terms of monitoring results, providing approval for capital expenditure decisions and challenging and approving strategic planning for the businesses.

(a) Description of reportable segments

Information reported to the CET for the purposes of resource allocation and performance assessment, and therefore the manner in which the CET considers the businesses of the consolidated entity, is from both a product and geographic perspective. The consolidated entity has five reportable segments which are the consolidated entity's strategic business groups.

For each segment the CET reviews internal management reports on a monthly basis. The following summary describes the operations in each of the consolidated entity's reportable segments:

Amcor Rigid Plastics (formerly Amcor PET)
This segment manufactures 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
This segment manufactures a wide range of products including corrugated boxes, cartons, folding cartons; aluminium beverage cans; flexible packaging; plastic and metal closures; glass wine bottles; multi-wall sacks; cartonboard; paper and recycled paper.

Amcor Flexibles
This reportable segment represents the aggregation of three operating segments of which each manufactures flexible and film packaging for their respective industries. The operating segments include Flexibles Food which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy, Flexibles Healthcare which provides packaging for the pharmaceutical sector including high value-added medical applications and Flexibles Tobacco which manufactures flexible packaging for specialty folding cartons for tobacco packaging.

Management believe that it is appropriate to aggregate these three operating segments as one reportable segment due to the similarities in the nature of each segment.

Amcor Packaging Distribution (formerly Amcor Sunclipse)
The distribution operations of this segment purchases, warehouses, sells and delivers a wide variety of products, whilst the manufacturing operations of the segment produces corrugated and other, mostly fibre based, specialty product packaging including 'point of sale' displays.

Amcor Asia
Although the Asia segment does not meet the quantitative thresholds that require disclosure as a reportable segment in accordance with AASB 8 *Operating Segments*, management have concluded that this segment should be reported as it is closely monitored by the CET as it holds the consolidated entity's associate investment in AMVIG Holdings Limited (AMVIG). AMVIG is principally involved in the manufacture of tobacco packaging. In addition to holding the investment in AMVIG, the segment also includes flexible plastic packaging for the food and industrial markets and tobacco carton packaging manufacturing facilities.

(b) Notes to and forming part of the segment information

The accounting policies of the reportable segments are the same as the consolidated entity's accounting policies as described in note 1.

Sales between segments are carried out at arm's length and are eliminated on consolidation.

The segment profit measure reported to the CET for the purposes of resource allocation and assessment is profit before interest, related income tax expense and significant items and therefore excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, asset impairments when the impairment is the result of an isolated, non-recurring event, legal expenses and costs associated with the acquisition or gains/losses associated with the disposal of a controlled entity. Furthermore the profit measure includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis but excludes interest income and expenditure and other finance costs as this type of activity is driven by the central Amcor Group Treasury function, which manages the cash position of the consolidated entity.

Condensed notes to the consolidated interim financial report
For the six months ended 31 December 2009

2. Segment information (continued)

(c) Segment information provided to the CET

The following segment information was provided to the CET for the reportable segments for the six months ending 31 December 2009 and 2008:

For the half ended 31 December	Amcor Rigid Plastics (formerly Amcor PET)[1]		Amcor Australasia		Amcor Flexibles		Amcor Packaging Distribution (formerly Amcor Sunclipse)		Amcor Asia		Consolidated continuing operations		Discontinued operations[1]		Consolidated	
$ million	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Reportable segment revenue																
Revenue from external customers	**1,233.1**	1,590.0	**1,082.5**	1,119.3	**1,256.6**	1,462.0	**462.2**	594.9	**48.1**	69.1	**4,082.5**	4,835.3	-	-	**4,082.5**	4,835.3
Inter-segment revenue	-	-	**0.1**	0.9	**1.7**	3.1	**1.0**	0.8	**0.6**	0.8	**3.4**	5.6	-	-	**3.4**	5.6
Total reportable segment revenue	**1,233.1**	1,590.0	**1,082.6**	1,120.2	**1,258.3**	1,465.1	**463.2**	595.7	**48.7**	69.9	**4,085.9**	4,840.9	-	-	**4,085.9**	4,840.9
Reconciliation to total revenue from continuing operations																
Elimination of inter-segment revenue															**(3.4)**	(5.6)
Other income															**31.2**	49.7
Financial income															**14.8**	7.9
Consolidated revenue from continuing operations															**4,128.5**	4,892.9
Reportable segment profit or loss																
Profit before depreciation, amortisation, interest, related income tax expense and significant items	**178.6**	191.1	**135.3**	139.4	**161.2**	159.7	**25.7**	31.9	**12.4**	10.2	**513.2**	532.3	-	-	**513.2**	532.3
Share of net profits of associates	**(1.0)**	0.7	-	-	-	-	-	-	**11.4**	17.3	**10.4**	18.0	-	-	**10.4**	18.0
Depreciation and amortisation	**(82.1)**	(89.6)	**(60.5)**	(65.1)	**(49.5)**	(53.2)	**(6.1)**	(7.4)	**(2.7)**	(2.8)	**(200.9)**	(218.1)	-	-	**(200.9)**	(218.1)
Profit before interest, related income tax expense and significant items	**95.5**	102.2	**74.8**	74.3	**111.7**	106.5	**19.6**	24.5	**21.1**	24.7	**322.7**	332.2	-	-	**322.7**	332.2
Significant items before related income tax expense	**(38.0)**	(12.8)	-	(12.2)	**(12.3)**	(48.0)	-	-	**1.9**	(3.6)	**(48.4)**	(76.6)	-	6.2	**(48.4)**	(70.4)
Profit before interest and related income tax expense	**57.5**	89.4	**74.8**	62.1	**99.4**	58.5	**19.6**	24.5	**23.0**	21.1	**274.3**	255.6	-	6.2	**274.3**	261.8
Reconciliation to profit from continuing operations																
Elimination of discontinued operations															-	(6.2)
Net finance costs															**(65.3)**	(102.9)
Unallocated amounts: corporate expense															**(61.3)**	(36.8)
Consolidated profit from continuing operations															**147.7**	115.9

[1] Discontinued operations for the six months to 31 December 2008 includes the European business of Rigid Plastics (previously reported in the Rigid Plastics segment) that was disposed of on 20 June 2007 – refer note 4.

Condensed notes to the consolidated interim financial report
For the six months ended 31 December 2009

3. Significant items

$ million	2009	2008 Restated[1]
Significant items before related income tax expense		
Income		
Gain arising on disposal of listed equity securities	**1.9**	-
Gain arising on disposal of Rigid Plastics (formerly PET) European business (refer note 4)[2]	**-**	6.2
	1.9	6.2
Expense		
Loss arising on equity issue of associate - AMVIG[3]	**-**	(3.6)
Rigid Plastics (formerly PET) business integration and restructure	**(8.3)**	(4.7)
Australasia restructuring	**-**	(13.7)
Flexibles market sector rationalisation	**(11.3)**	(37.0)
Legal costs[4]	**(7.2)**	(4.2)
Transaction and integration costs relating to business acquisition	**(32.7)**	(15.7)
Brazil Tax Amnesty Program[5]	**(20.5)**	-
Asset impairments, net of reversals	**(9.8)**	(19.1)
	(89.8)	(98.0)
Significant items before related income tax expense	**(87.9)**	(91.8)
Related income tax benefit on significant items (where applicable)		
Income tax benefit on Rigid Plastics (formerly PET) business integration and restructure	**2.0**	0.9
Income tax benefit on Australasia restructuring	**-**	3.7
Income tax benefit on Flexibles market sector rationalisation	**1.4**	9.8
Income tax benefit on legal costs	**2.1**	1.7
Income tax benefit on transaction and integration costs relating to business acquisition	**2.6**	-
Income tax benefit on asset impairments, net of reversals	**2.3**	1.1
Income tax benefit on significant items	**10.4**	17.2
Significant items after related income tax benefit	**(77.5)**	(74.6)
Significant items attributable to:		
Members of Amcor Limited	**(77.5)**	(74.6)
Minority interest	**-**	-
	(77.5)	(74.6)
Significant items before related income tax expense:		
Continuing operations	**(87.9)**	(98.0)
Discontinued operations	**-**	6.2
	(87.9)	(91.8)
Related income tax benefit on significant items:		
Continuing operations	**10.4**	17.2
Discontinued operations	**-**	-
	10.4	17.2
Significant items after related income tax benefit attributed to:		
Continuing operations	**(77.5)**	(80.8)
Discontinued operations	**-**	6.2
	(77.5)	(74.6)

1 The significant items for 2008 have been restated as the result of the consolidated entity's early adoption and application of AASB 3 *Business Combinations* from 1 July 2008, refer note 1(b).

2 The amount recognised represents settlement adjustments in relation to prior period disposals.

3 The amount represents the decrease 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 5.

4 Legal costs include costs of the consolidated entity and others associated with defence and settlement of claims with respect to various ACCC matters.

5 The consolidated entity has elected to participate in a Federal Tax Amnesty Program ('Program') offered by the Brazil Federal Tax Authority to settle certain indirect tax obligations This amount represents the present value of the amount the consolidated entity will be required to pay for its participation in this Program.

4. Discontinued operations

(a) Description of Events

There were no discontinued operations for the six months to 31 December 2009.

During the six months to 31 December 2008 the consolidated entity recognised an additional gain of $6.2 million arising on the Rigid Plastics (formerly PET) European business that was disposed of on 20 June 2007.

	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]	-	-
Expenses	-	-
Operating profit before related income tax expense	-	-
Income tax expense	-	-
Operating profit after related income tax expense of discontinued operations	-	-
Profit on sale of discontinued operations before related income tax expense	-	6.2
Income tax expense	-	-
Profit on sale of discontinued operations after related income tax expense	-	6.2
Profit from discontinued operations	-	6.2
Profit attributable to:		
Members of Amcor Limited	-	6.2
Minority interest	-	-
	-	6.2

cents		
Basic earnings profit per share	-	0.7
Diluted earnings profit per share	-	0.7

(c) Cash flows from discontinued operations

Net cash inflow from operating activities	-	0.4
Net cash inflow from investing activities	-	0.3
Net cash outflow from financing activities	-	(1.3)
Net cash flow from discontinued operations	-	(0.6)

[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.

Condensed notes to the consolidated interim financial report
For the six months ended 31 December 2009

4. Discontinued operations (continued)

$ million	Discontinued operations 2009	2008
(d) Details of the sale of operations		
Consideration received or receivable:		
Cash and short-term deposits	-	-
Present value of deferred sales proceeds, net of transaction costs	-	-
Total disposal consideration	-	-
Less carrying amounts of net assets disposed of	-	-
Less share of exchange fluctuation reserve and foreign exchange translation	-	-
Profit on sale before related income tax benefit	-	-
Income tax benefit	-	-
Profit on sale after related income tax benefit of disposed operations	-	-
Settlement adjustments on prior year disposal, net of tax	-	6.2
Profit on sale of discontinued operations after related income tax benefit	-	6.2
Net cash outflow on disposal		
Cash and cash equivalents consideration	-	-
Cash received from prior period disposals[2]	-	(1.7)
Reported in the cash flow statement	-	(1.7)

[2] Cash received included deferred consideration, settlements, dividends and repayment of loans.

5. Acquisitions and disposals

31 December 2009

During the six months to 31 December 2009 the consolidated entity did not acquire or dispose of any 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, New South Wales, Australia for total consideration of $6.4 million;
- Amcor Packaging Distribution (formerly 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 European business, as announced in April 2007.

In addition to the above, on 29 July 2008 the consolidated entity acquired 78.3 million shares in the Hong Kong publicly-listed company AMVIG Holdings Limited ('AMVIG') for consideration of $HK700.0 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.

6. Issuances, repurchases and repayments of securities

Entitlement offer

In August 2009, existing institutional and retail shareholders were invited to participate in an Entitlement Offer (the 'Offer') which provided them with the opportunity to subscribe for additional shares in the Company. The Offer enabled eligible shareholders to acquire four new shares for every nine existing ordinary shares held at an offer price of $4.30 per share. The proceeds from the Offer, in conjunction with other committed bank debt, will be used to fund the acquisition of the Alcan Packaging Operations (refer note 10) ensuring that the consolidated entity has manageable debt refinancing requirements while retaining its existing investment grade credit ratings following the acquisition.

The Company successfully completed the Offer and raised $1,565.5 million, net of transaction costs, through the issuing of 374,597,906 ordinary shares by 21 September 2009.

Dividend reinvestment plan

Share requirements for the Dividend Reinvestment Plan (DRP) for 18 September 2009 were met by the issue of 3,357,457 new shares. The issuance of these shares increased share capital by $18.7 million. No shares were issued during the comparative period under the DRP.

Employee options and performance rights

During the six months to 31 December 2009, 98,749 (2008: 320,616) ordinary shares were issued at various prices as a result of the exercise of 98,749 performance rights (2008: 303,816 performance rights and 16,800 performance shares). The issue of these shares and repayment of loans under the Employee Share/Option Plan increased share capital by $1.5 million (2008: $1.3 million). In addition, 10,000 (2008: 130,000) partly paid shares were called, increasing share capital by $0.1 million (2008: $0.7 million).

During the six months to 31 December 2009, the Company did not grant any shares to employees under the Senior Executive Retention Share Plan ('SERSP"). For the six months to 31 December 2008, 70,000 shares were granted to employees under the SERSP at a cost of nil. In addition, 1,851,092 (2008: 1,908,515) performance rights were granted to employees under the Equity Management Incentive Plan ('EMIP') resulting in the recognition of an employee share option expense of $1.9 million (2008: $1.5 million).

The Company has also granted 2,760,000 (2008: 2,599,000) options over ordinary shares during the period at an exercise price of $4.73 (2008: $5.68) resulting in the recognition of an employee share option expense of $0.2 million (2008: $0.1 million). In addition, performance rights of 367,000 (2008: performance rights 986,000 and performance shares 590,000) were granted and an employee share option expense of $0.1 million (2008: $0.1 million) was recognised.

Options totalling 339,263 (2008: 1,092,021) over ordinary shares and 35,674 (2008: 48,706) performance rights and 900 (2008: 33,272) performance shares were cancelled during the period.

7. Dividends

	2009		2008	
	Cents per share	**Total $m**	Cents per share	Total $m
(a) Dividends provided for or paid during the period				
Final dividend paid on 18 September 2009 unfranked on tax paid at 30% (2008: 3 October 2008 unfranked on tax paid at 30%) of which 100% was sourced from the Conduit Foreign Income Account (2008: 100%)	**17.0**	**143.3**	17.0	142.0
(b) Dividends not recognised at period end				
The directors have recommended the payment of an interim dividend, expected to be paid on 31 March 2010 unfranked on tax paid at 30% (2008: 25 March 2009 unfranked on tax paid at 30%) of which 100% is to be sourced from the Conduit Foreign Income Account (2008: 100%)	**12.5**	**152.6**	17.0	142.2

8. Liquidity Management

Liquidity risk arises from the financial liabilities of the consolidated entity and the consolidated entity's ability to meet its obligation to repay financial liabilities as and when they fall due.

Liquidity risk management involves maintaining available funding capacity and ensuring the consolidated entity has access to an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Amcor Group Treasury aims to maintain 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 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.

Financing arrangements

During the six months to 31 December 2009, the consolidated entity raised US$850.0 million through a US Private Placement. The Placement is made up of three maturity terms being US$275.0 million in seven years, US$300.0 million in nine years and US$275.0 million in twelve years. This maturity profile is consistent with Amcor Group Treasury's strategy to extend and spread the consolidated entity's maturity profile of long term debt. On 15 December 2009, the consolidated entity drew down US$740.0 million in relation to the Placement with a further US$110.0 million available for draw down on 5 January 2010.

Conditional committed financing was also arranged to, and in conjunction with the proceeds raised from the equity raised from the Entitlement Offer (refer note 6), fund the acquisition of the Alcan Packaging operations. The financing has a maturity profile of between three and five years and is being supplied by a syndicate of ten banks of which four are domestic and the remaining are international. This financing has become available to the consolidated entity upon the close of the Alcan Packaging acquisition. Refer to note 10 with regards to details of the funding requirements and cash flows associated with the Alcan Packaging acquisition.

The table below analyses, at reporting date, the committed and uncommitted standby arrangements and unused credit facilities of the consolidated entity.

Committed facilities are those where an agreement is in place with a financial institution 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 financial institution where the financial institution agrees in principle to make funding available but is under no obligation to provide funding.

$ million	Committed	Uncommitted	Total
31 December 2009			
Financing facilities available			
Bank overdrafts	-	188.2	188.2
Unsecured bill acceptance facility/standby facility	561.4	-	561.4
Loan facilities and term debt	3,306.6	170.0	3,476.6
	3,868.0	358.2	4,226.2
Facilities utilised			
Bank overdrafts	-	77.5	77.5
Unsecured bill acceptance facility/standby facility	115.2	-	115.2
Loan facilities and term debt	2,270.3	68.6	2,338.9
	2,385.5	146.1	2,531.6
Facilities not utilised			
Bank overdrafts	-	110.7	110.7
Unsecured bill acceptance facility/standby facility	446.2	-	446.2
Loan facilities and term debt	1,036.3	101.4	1,137.7
	1,482.5	212.1	1,694.6

8. Liquidity Management (continued)

Financing arrangements (continued)

$ million	Committed	Uncommitted	Total
30 June 2009			
Financing facilities available			
Bank overdrafts	-	247.1	247.1
Unsecured bill acceptance facility/standby facility	425.2	-	425.2
Loan facilities and term debt	2,996.4	375.0	3,371.4
	3,421.6	622.1	4,043.7
Facilities utilised			
Bank overdrafts	-	131.3	131.3
Unsecured bill acceptance facility/standby facility	62.8	-	62.8
Loan facilities and term debt	2,510.5	126.9	2,637.4
	2,573.3	258.2	2,831.5
Facilities not utilised			
Bank overdrafts	-	115.8	115.8
Unsecured bill acceptance facility/standby facility	362.4	-	362.4
Loan facilities and term debt	485.9	248.1	734.0
	848.3	363.9	1,212.2

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.

The following major facilities available to the consolidated entity at 31 December 2009 include the following:

- €350.0 million unsecured notes issued in the Eurobond market. The notes mature in March 2011 and pay an annual coupon of 4.25%.
- US$460.0 million senior unsecured guaranteed notes issued in the United States Private Placement market issued in 2002. The notes have final bullet maturities between 2012 and 2017. Interest on these notes is payable semi-annually, at a fixed rate.
- US$850.0 million senior unsecured guaranteed notes issued in the United States Private Placement market issued in 2009. The notes have final bullet maturities between 2016 and 2021. Interest on these notes is payable semi-annually at a fixed rate. At 31 December 2009, US$740.0 million had been drawn down under the facility with the remaining US$110.0 million available for draw down on 5 January 2010.
- US$750.0 million global syndicated multi currency facility maturing June 2011 and a A$500.0 million 364 day global syndicated multi-currency facility supporting uncommitted commercial paper program term maturing in June 2010. Drawings are in various currencies and bear interest at the applicable BBSY or LIBOR rate plus a credit margin.
- A$150.0 million committed multi-currency facility maturing in September 2010. Drawings can be in various currencies and bear interest at the applicable BBSY or LIBOR rate plus an applicable credit margin.
- A$275.0 million committed multi-currency bilateral maturing in August 2012. Drawings can be in various currencies and bear interest at the applicable BBSY or LIBOR rate plus an applicable credit margin.
- US$50.0 million committed multi-currency facility maturing in June 2010, bearing interest at the applicable LIBOR rate plus an applicable credit margin.
- NZ$100.0 million committed multi-currency facility maturing in June 2011, bearing interest at the applicable rate plus an applicable credit margin.

Condensed notes to the consolidated interim financial report
For the six months ended 31 December 2009

8. Liquidity Management (continued)

Maturity of financial liabilities

The table below analyses the consolidated entity'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
31 December 2009					
Non-derivatives					
Non-interest bearing	**1,524.8**	**1.0**	**3.0**	**24.2**	**1,553.0**
Variable rate	**311.0**	**215.7**	**101.4**	**-**	**628.1**
Fixed rate	**-**	**561.6**	**403.4**	**938.5**	**1,903.5**
Total non-derivatives	**1,835.8**	**778.3**	**507.8**	**962.7**	**4,084.6**
Derivatives					
Net settled (interest rate swaps)	**-**	**-**	**-**	**-**	**-**
Gross settled					
- inflow	**1,545.8**	**2.2**	**-**	**-**	**1,548.0**
- outflow	**(1,683.5)**	**(2.3)**	**-**	**-**	**(1,685.8)**
Total financial liabilities	**(137.7)**	**(0.1)**	**-**	**-**	**(137.8)**

$ million	1 year or less	1-2 years	2-5 years	More than 5 years	Total
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

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.

Condensed notes to the consolidated interim financial report
For the six months ended 31 December 2009

9. Contingencies

Other than set out below, there were no material changes in contingent liabilities or contingent assets since 30 June 2009.

The directors are of the opinion that provisions are not required in respect of the following 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.
- 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* ('Commerce Act'). 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 cooperation with the NZCC. The NZCC's investigation is continuing and Amcor continues to provide full cooperation. 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.

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 proceeding.

9. Contingencies (continued)

Class Action – Australia (continued)

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 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 *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.

10. Events subsequent to balance date

Acquisition of Alcan Packaging Operations

On 2 February 2010, the consolidated entity announced the successful completion of the acquisition of certain parts of the Alcan Packaging Operations, a business unit of Rio Tinto plc. As a result of the acquisition, the consolidated entity will be among the world's largest packaging companies with a global presence and leading position in flexible packaging, folding cartons for tobacco and custom Polyethylene Terephthalate (PET) containers.

The businesses that the consolidated entity acquired include:

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

As announced on 29 December 2009, the U.S. Department of Justice terminated the Hart-Scott-Rodino premerger waiting period allowing the consolidated entity to acquire substantially all of the operations of Alcan Packaging and limits their ongoing review to Alcan's Medical Flexibles operations in the United States. The decision by the U.S. Department of Justice allowed closing to proceed on all the operations except Alcan's Medical Flexibles operations in the United States. This business unit consists of four sites with sales of approximately $138.6 million[1] per annum.

[1] This information has not been subject to audit or review procedures. Converted at an exchange rate of A$/US$ = 0.83.

10. Events subsequent to balance date (continued)

Acquisition of Alcan Packaging Operations (continued)

A decision on whether the consolidated entity is able to acquire Alcan's Medical Flexibles operations in the United States will be made following a detailed review of the market by the U.S. Department of Justice. This review is expected to take up to three months from 29 December 2009 to complete and during this period the business will remain under the control of Rio Tinto plc.

The purchase consideration for the acquisition was $2,652.0 million (US$2,267.7 million) of which $2,526.0 million (US$2,156.3 million) has been paid. Of the amount paid, $1,565.5 million was funded through the equity raising (refer note 6) and the remainder from committed debt facilities drawn down after 31 December 2009. Of the purchase consideration, $126.0 million (US$111.4 million) remains unpaid and is deferred for a period up to three months after acquisition date for the payment of certain balance sheet adjustments.

The purchase consideration comprises $2,290.6 million (US$1,948.0 million) representing a PBITDA multiple of 5.1 times based on earnings for the year ended 31 December 2009 of US$383.0 million[2] (excluding the Medical Flexible operations in the United States) and $361.4 million (US$319.7 million) for certain purchase adjustments made at acquisition date. Included in these purchase adjustments are cash acquired of $121.3 million (US$107.2 million) and net amounts receivable from the vendor of $378.3 million (US$334.3 million) which was subsequently received after closing offset by a reduction of $136.3 million (US$120.5 million) for pension liabilities acquired.

The final consideration remains subject to certain customary post-close adjustments.

If the consolidated entity had acquired the Alcan Packaging Operations from the beginning of the current reporting period, being 1 July 2009, the acquired business, excluding the Medical Flexible business in the United States, would have contributed to the consolidated entity sales of approximately $2,255.7 million[2, 3] and a profit from operations of $147.3 million[2, 3] for the six months ending 31 December 2009.

Due to the close proximity of the acquisition date to when this condensed consolidated interim financial report was authorised for issue, the preliminary purchase accounting of the business combination, including identifying the fair value of the assets acquired, has not yet been completed and therefore has not been disclosed.

The consolidated entity announced on 15 December 2009, subject to the successful completion of the acquisition of the Alcan Packaging Operations, the Amcor Tobepal operations in Spain which resides within the Amcor Flexibles segment, would be divested as required by the European Commission approval for the acquisition. The Tobepal operations comprise of two plants that produce a range of pharmaceutical, personal care and food packaging products which had combined sales of approximately $186.4 million[3] for the year ended 30 June 2009. The operations will be accounted for as assets held-for-sale from the acquisition date.

Change in investment holding in AMVIG Holdings Limited

On 30 December 2009, AMVIG Holdings Limited ('AMVIG'), an associate investment of the consolidated entity, announced a connected acquisition and disposal transaction. Subject to shareholder and regulatory approval the transaction will result in AMVIG acquiring the minority interest of a subsidiary investment, Famous Plus Group Limited, making the company a wholly-owned subsidiary of AMVIG, however the completion of the acquisition is conditional upon the connected transaction, being the disposal of the Brilliant Circle Holdings International Limited business being approved.

On 19 January 2010, AMVIG released the Circular relating to the proposed connected transaction providing details of the acquisition and disposal. For the transaction to be approved over 75.0% of the independent shareholders of AMVIG must vote in favour of the connected transaction.

On 12 February 2010, at an Extraordinary General Meeting, the independent shareholders of AMVIG approved resolutions for the acquisition of the minority interest in Famous Plus Group Limited, the connected transaction involving the disposal of Brilliant Circle Holdings International Limited and the proposed off-market share repurchase and cancellation. Following implementation of these transactions the consolidated entity's interest in AMVIG will increase from 38.9% to 46.0%.

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[2] This information has not been subject to audit or review procedures.

[3] Converted at an exchange rate of A$/€ = 0.59.

Amcor Limited and its controlled entities

Directors' declaration

For the half year ended 31 December 2009, in the directors' opinion:

1. the financial statements and notes set out on pages 4 to 28, are in accordance with the *Corporations Act 2001* including:
    a. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half year ended on that date; and

2. there are reasonable grounds to believe that Amcor Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors, dated at Melbourne, this 23 day of February 2010.

C I Roberts
Chairman

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Independent Auditor's Review Report to the members of Amcor Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of Amcor Limited, which comprise the statement of financial position as at 31 December 2009, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Amcor Limited Group (the consolidated entity). The consolidated entity comprises both Amcor Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year 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 control relevant to the preparation and fair presentation of the half-year 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Amcor Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PRICEWATERHOUSECOOPERS

Independent Auditor's Review Report
to the members of Amcor Limited (continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Amcor Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Dale McKee
Partner

Melbourne
23 February 2010