Appendix 4E ***Rule 4.3A***

Preliminary Final report

AMCOR LIMITED
ABN 62 000 017 372

1. Details of the reporting period and the previous corresponding period

Reporting Period:	Year Ended 30 June 2013
Previous Corresponding Period:	Year Ended 30 June 2012

2. Results for announcement to the market

				$A million
2.1 Revenues from ordinary activities				
• From Continuing Operations	Up	1.9%	to	12,425.3
• From Discontinued Operations	n/a	n/a		n/a
2.2 Net profit from ordinary activities after tax but before significant items, attributable to members	Up	8.6%	to	689.5
2.3 Net profit for the period, after significant items, attributable to members	Up	45.6%	to	600.6

Dividends	**Amount per security**	**Franked amount per security**
Current period		
2.4 Final dividend	20.5 cents	nil
2.4 Interim dividend	19.5 cents	nil
Previous corresponding period		
2.4 Final dividend	19.0 cents	nil
2.4 Interim dividend	18.0 cents	nil
2.5 Record date for determining entitlements to the dividend	Final dividend – 6 September 2013	

2.6 Brief explanation of figures in 2.1 to 2.4 –:

i) Dividends in the current period are unfranked. Dividends to foreign holders are subject to withholding tax and the declaration that 100% of the dividend is sourced from the Conduit Foreign Income Account.

ii) Refer to attached press release for further details relating to 2.1 to 2.4.

3. Income Statement and Statement of Comprehensive Income – Refer attached

4. Statement of Financial Position – Refer attached

5. Statement of Cash Flows – Refer attached

6. Statement of Retained Earnings – Refer attached, Note 26 Reserves and Retained Earnings

7. Details of individual dividends and payment dates – refer attached, Note 27 Dividends

8. Details of dividend reinvestment plan

The Dividend Reinvestment Plan (DRP) is in operation. No discount is available under the DRP. Issue price will be calculated on the arithmetic average of the weighted average market price for the nine ASX trading days September 10 to 20, 2013 inclusive. The last date for receipt of election notices for the DRP is 6 September 2013. Shares allotted under the DRP rank equally with existing fully paid ordinary shares of Amcor Limited.

9. Net tangible assets

	Current period	30 June 2012
Net tangible asset backing per ordinary security	$0.94	$0.96

10. Control gained over entities having a material effect – Refer attached, Note 3 Business Combinations

11. Details of associates and joint venture entities – Refer attached, Note 16 Equity Accounted Investments

12. Significant information – Refer press release attached

13. For foreign entities, which set of accounting standards is used in compiling the report – Not applicable

14. Commentary on results for the period – Refer press release attached

15. This report is based on accounts which have been audited. The audit report, which is unmodified, will be made available with the Company's financial report, which also contains the Director's Report (including the audited Remuneration Report) and Director's Declaration. These will all be released at the same time as part of the Company's Annual Report which is nearing completion and will be released on approximately 19 September 2013.

J McPherson

.... Date: 19 August 2013

Julie McPherson
Company Secretary

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

ANNUAL FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

19 August 2013

Financial Report

Contents of Financial Report

Notes to the Financial Statements

Amcor Limited and its controlled entities

Income Statement
For the financial year ended 30 June 2013

$ million	Note	2013	2012
Sales revenue	2, 5	**12,425.3**	12,192.9
Cost of sales		**(10,229.9)**	(10,128.4)
Gross profit		**2,195.4**	2,064.5
Other income	5	**187.0**	137.6
Sales and marketing expenses		**(346.3)**	(340.8)
General and administration expenses		**(979.4)**	(1,057.7)
Research costs		**(65.6)**	(68.1)
Share of net profit of equity accounted investments	16	**25.8**	36.7
Profit from operations		**1,016.9**	772.2
Finance income	5	**27.2**	22.1
Finance expenses	6	**(247.3)**	(227.9)
Net finance costs		**(220.1)**	(205.8)
Profit before related income tax expense		**796.8**	566.4
Income tax expense	8	**(168.4)**	(129.6)
Profit for the financial period		**628.4**	436.8
Profit attributable to:			
Owners of Amcor Limited		**600.6**	412.6
Non-controlling interest		**27.8**	24.2
		628.4	436.8
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of Amcor Limited			
Basic earnings per share	10	**49.8**	34.0
Diluted earnings per share	10	**49.0**	33.5

The above Income Statement should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Statement of Comprehensive Income
For the financial year ended 30 June 2013

$ million	Note	2013	2012
Profit for the financial period		**628.4**	436.8
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
Net change in fair value of available-for-sale financial assets	26(a)	**(0.3)**	-
Cash flow hedges			
Effective portion of changes in fair value of cash flow hedges	26(a)	**0.2**	3.6
Net change in fair value of cash flow hedges reclassified to profit or loss	26(a)	**3.9**	3.2
Net change in fair value of cash flow hedges reclassified to non-financial assets	26(a)	**(2.0)**	-
Tax on cash flow hedges	26(a)	**(0.3)**	(0.7)
Exchange differences on translating foreign operations			
Exchange differences on translation of foreign operations		**410.3**	(88.5)
Net investment hedge of foreign operations		**(234.8)**	53.0
Share of equity accounted investees exchange fluctuation reserve		**0.5**	10.4
Tax on exchange differences on translating foreign operations	26(a)	**67.3**	1.7
Items that will not be reclassified to profit or loss:			
Retained earnings			
Actuarial losses on defined benefit plans	24(g)	**(74.4)**	(132.9)
Tax on actuarial losses on defined benefit plans		**16.4**	26.5
Other comprehensive income/(loss) for the financial period, net of tax		**186.8**	(123.7)
Total comprehensive income for the financial period		**815.2**	313.1

Total comprehensive income attributable to:		
Owners of Amcor Limited	**797.7**	285.3
Non-controlling interest	**17.5**	27.8
	815.2	313.1

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Statement of Financial Position
As at 30 June 2013

$ million	Note	2013	2012
Current assets			
Cash and cash equivalents	11	**394.9**	357.6
Trade and other receivables	12	**1,829.5**	1,584.8
Inventories	13	**1,814.6**	1,663.6
Other financial assets	14	**36.8**	12.0
Other current assets	15	**121.7**	110.1
Total current assets		**4,197.5**	3,728.1
Non-current assets			
Investments accounted for using the equity method	16	**499.5**	489.9
Other financial assets	14	**116.1**	41.1
Property, plant and equipment	17	**4,883.0**	4,667.6
Deferred tax assets	18	**177.7**	143.6
Intangible assets	19	**2,300.7**	1,999.5
Retirement benefit assets	24	**33.9**	64.1
Other non-current assets	15	**212.8**	195.2
Total non-current assets		**8,223.7**	7,601.0
Total assets		**12,421.2**	11,329.1
Current liabilities			
Trade and other payables	20	**3,087.5**	2,744.7
Interest-bearing liabilities	21	**1,184.8**	915.5
Other financial liabilities	22	**90.1**	143.4
Current tax liabilities		**44.6**	95.1
Provisions	23	**293.8**	297.0
Total current liabilities		**4,700.8**	4,195.7
Non-current liabilities			
Trade and other payables	20	**22.0**	19.1
Interest-bearing liabilities	21	**3,177.6**	2,992.7
Other financial liabilities	22	**12.4**	13.2
Deferred tax liabilities	18	**281.2**	212.3
Provisions	23	**174.3**	167.6
Retirement benefit obligations	24	**352.0**	348.9
Total non-current liabilities		**4,019.5**	3,753.8
Total liabilities		**8,720.3**	7,949.5
NET ASSETS		**3,700.9**	3,379.6
Equity			
Contributed equity	25	**3,821.3**	3,784.4
Reserves	26(a)	**(776.2)**	(994.0)
Retained earnings	26(b)	**562.3**	500.7
Total equity attributable to the owners of Amcor Limited		**3,607.4**	3,291.1
Non-controlling interest		**93.5**	88.5
TOTAL EQUITY		**3,700.9**	3,379.6

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Statement of Changes in Equity
For the financial year ended 30 June 2013

$ million	Note	Contributed equity	Reserves	Retained earnings	Total attributable to owners of Amcor Limited	Non-controlling interest	Total equity
Balance at 1 July 2012	25, 26	**3,784.4**	**(994.0)**	**500.7**	**3,291.1**	**88.5**	**3,379.6**
Profit for the financial period		**-**	**-**	**600.6**	**600.6**	**27.8**	**628.4**
Total other comprehensive income/(loss)	26	**-**	**255.1**	**(58.0)**	**197.1**	**(10.3)**	**186.8**
Total comprehensive income for the financial period		**-**	**255.1**	**542.6**	**797.7**	**17.5**	**815.2**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and related tax	26(a)	**87.0**	**(28.1)**	**-**	**58.9**	**4.6**	**63.5**
Shares purchased on-market to satisfy exercise of options and rights under share-based payment plans	25(a)	**(23.7)**	**-**	**-**	**(23.7)**	**-**	**(23.7)**
Purchase of treasury shares	25(c)	**(15.8)**	**-**	**-**	**(15.8)**	**-**	**(15.8)**
Dividends paid	26(b), 27	**-**	**-**	**(464.7)**	**(464.7)**	**(10.7)**	**(475.4)**
Forward contracts to purchase own equity to meet share plan obligations and related tax	25(a), 26(a)	**(59.6)**	**5.4**	**-**	**(54.2)**	**-**	**(54.2)**
Settlement of options and performance rights	26(a)	**49.0**	**(49.0)**	**-**	**-**	**-**	**-**
Share-based payments expense	26(a)	**-**	**34.4**	**-**	**34.4**	**-**	**34.4**
Non-controlling interest buy-out	26(b)	**-**	**-**	**(16.3)**	**(16.3)**	**(6.4)**	**(22.7)**
Balance at 30 June 2013	25, 26	**3,821.3**	**(776.2)**	**562.3**	**3,607.4**	**93.5**	**3,700.9**
Balance at 1 July 2011	25(a),26	4,070.4	(1,015.2)	633.2	3,688.4	60.2	3,748.6
Profit for the financial period		-	-	412.6	412.6	24.2	436.8
Total other comprehensive income/(loss)	26	-	(20.9)	(106.4)	(127.3)	3.6	(123.7)
Total comprehensive income/(loss) for the financial period		-	(20.9)	306.2	285.3	27.8	313.1
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs		31.5	-	-	31.5	2.1	33.6
Shares purchased on-market to satisfy exercise of options and rights under share-based payment plans	25(a)	(53.3)	-	-	(53.3)	-	(53.3)
Purchase of treasury shares	25(c)	(17.7)	-	-	(17.7)	-	(17.7)
Share buy-back	25(a)	(150.0)	-	-	(150.0)	-	(150.0)
Dividends paid	26(b), 27	-	-	(438.4)	(438.4)	(5.2)	(443.6)
Forwards contract to purchase own equity to meet share plan obligations	25(a), 26(a)	(120.0)	29.4	-	(90.6)	-	(90.6)
Settlement of options and performance rights	26(a)	23.5	(23.5)	-	-	-	-
Share-based payments expense	26(a)	-	36.2	-	36.2	-	36.2
Non-controlling interest buy-out	26(b)	-	-	(0.3)	(0.3)	(0.6)	(0.9)
Acquisition of controlled entities and businesses		-	-	-	-	4.2	4.2
Balance at 30 June 2012	25, 26	3,784.4	(994.0)	500.7	3,291.1	88.5	3,379.6

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Cash Flow Statement
For the financial year ended 30 June 2013

$ million	Note	2013	2012
Cash flows from operating activities			
Profit for the financial period		**628.4**	436.8
Depreciation	17	**441.9**	455.3
Amortisation of intangible assets	19	**34.2**	40.2
Impairment losses on property, plant and equipment, intangibles, receivables and inventory		**117.6**	102.8
Reversal of impairment losses on property, plant and equipment, receivables and inventory		**(29.7)**	(19.3)
Curtailment (gains)/losses, net of non-cash retirement benefit expense		**(5.8)**	3.3
Net finance costs		**220.1**	205.8
Grant income recognised	5	**(1.7)**	(0.9)
Net gain on disposal of non-current assets		**(101.8)**	(22.0)
Net loss on disposal of equity accounted investments		**-**	0.6
Fair value gain on financial assets at fair value through income statement	5	**(0.6)**	(1.8)
Share of net profits of equity accounted investments	16	**(25.8)**	(36.7)
Net foreign exchange loss/(gain)		**0.5**	(1.2)
Dividends from other entities	5	**(0.4)**	(0.3)
Share-based payments expense	26(a)	**34.4**	36.2
Other sundry items		**(1.7)**	5.5
Income tax expense	8	**168.4**	129.6
Operating cash flows before changes in working capital and provisions		**1,478.0**	1,333.9
- (Increase)/Decrease in prepayments and other operating assets		**(37.9)**	(14.7)
- (Decrease)/Increase in employee benefits and other operating liabilities		**(62.4)**	(54.6)
- (Decrease)/Increase in provisions		**(56.2)**	(32.8)
- (Increase)/Decrease in trade and other receivables		**(24.5)**	53.3
- (Increase)/Decrease in inventories		**(48.6)**	(55.3)
- Increase/(Decrease) in trade and other payables		**82.9**	115.8
		1,331.3	1,345.6
Dividends received		**71.4**	13.6
Interest received		**14.6**	11.0
Borrowing costs		**(232.8)**	(217.3)
Income tax paid		**(138.0)**	(112.7)
Net cash from operating activities		**1,046.5**	1,040.2
Cash flows from investing activities			
(Repayment)/Granting of loans to associated companies and other persons		**(2.2)**	2.4
Payments for acquisition of controlled entities, businesses and associates, net of cash acquired		**(221.8)**	(251.1)
Payments for property, plant and equipment and intangible assets		**(475.7)**	(705.0)
Proceeds on disposal of associates, controlled entities and businesses		**21.1**	136.2
Proceeds on disposal of property, plant and equipment		**89.7**	41.5
Net cash from investing activities		**(588.9)**	(776.0)

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Cash Flow Statement (continued)
For the financial year ended 30 June 2013

$ million	Note	2013	2012
Cash flows from financing activities			
Proceeds from share issues and calls on partly-paid shares		**87.0**	31.7
Share buy-back	25(a)	**-**	(150.0)
Shares purchased on-market and settlement of forward contracts, to satisfy exercises of options and rights under share-based payment plans		**(129.8)**	(53.3)
Payments for treasury shares	25(c)	**(15.8)**	(17.7)
Proceeds on capital contribution from non-controlling interest		**-**	1.8
Proceeds from borrowings		**6,531.6**	5,766.1
Repayment of borrowings		**(6,419.3)**	(5,256.6)
Principal lease repayments		**(0.8)**	(3.0)
Dividends and other equity distributions paid		**(478.2)**	(443.6)
Net cash from financing activities		**(425.3)**	(124.6)
Net increase in cash held		**32.3**	139.6
Cash and cash equivalents at the beginning of the financial period		**322.1**	197.3
Effects of exchange rate changes on cash and cash equivalents		**12.1**	(14.8)
Cash and cash equivalents at the end of the financial period[(1)]		**366.5**	322.1

[(1)] Refer to notes 11 and 21 for details of the financing arrangements of the consolidated entity.

Reconciliation of cash and cash equivalents

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

Cash assets and cash equivalents	11	**394.9**	357.6
Bank overdrafts	21	**(28.4)**	(35.5)
Cash and cash equivalents at the end of the financial period		**366.5**	322.1

.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Contents of notes to the financial statements

Note 1. Summary of Significant Accounting Policies

Amcor Limited ('the Company') is a company domiciled in Australia. The Financial Report includes financial statements of 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 principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

(a) Basis of preparation

Statement of compliance
The consolidated entity is a for-profit entity for the purpose of preparing the financial statements. This general purpose Financial Report for the year ended 30 June 2013 has been prepared in accordance with Australian Accounting Standards (AASBs), including Australian Accounting Interpretations, adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Financial Report of the consolidated entity also complies with International Financial Reporting Standards (IFRSs) and Interpretations as issued by the International Accounting Standards Board (IASB).

The Company is of the kind referred to in the Australian Securities and Investments Commission Class order 98/0100 dated 10 July 1998. In accordance with that Class Order, amounts in the consolidated financial statements have been rounded to the nearest $100,000 or, where the amount is $50,000 or less, zero, unless specifically stated otherwise. The consolidated financial statements were approved by the Board of Directors on 19 August 2013.

Basis of measurement
The consolidated financial statements have been prepared under the historical cost convention except for the following items in the statement of financial position:

- available-for-sale financial assets are measured at fair value;
- derivative financial instruments are measured at fair value;
- non-derivative financial instruments at fair value through profit or loss are measured at fair value;
- liabilities for cash-settled share-based payment arrangements are measured at fair value; and
- the defined benefit asset is recognised as plan assets, plus unrecognised past service cost, less the present value of the defined benefit obligation and is limited as explained in note 1(s).

Comparative presentation
In the preparation of the consolidated financial statements, the following notes have been altered to enhance the presentation of financial information and as a result the comparative disclosures have been restated. The restatement does not impact the financial position of the consolidated entity:

- Note 16 – Investments Accounted for Using the Equity Method
- Note 18 – Deferred Tax Assets and Liabilities
- Note 28 – Financial Risk Management
- Note 29 – Share-based Payments

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

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

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

- the testing for impairment of assets – refer note 1(o), notes 16, 17 and 19;
- measurement of the recoverable amounts of cash generating units containing goodwill – refer notes 1(n), 1(p) and note 19;
- direct and indirect income tax related assumptions and estimates, including utilisation of tax losses – refer note 1(i), note 18 and note 32;
- measurement of insurance and other claims – refer note 1(q) and note 23;
- measurement of defined benefit obligations – refer note 1(s) and note 24;
- measurement of share-based payments – refer note 1(r) and note 29;
- valuation of financial instruments – refer note 1(j) and note 28; and
- the provisioning for restructuring and market sector rationalisation costs – refer note 1(q), note 6 and note 23.

(b) Principles of consolidation

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

Note 1. Summary of Significant Accounting Policies (continued)

(b) Principles of consolidation (continued)

Subsidiaries (continued)
The financial statements of subsidiaries are included in the consolidated financial statements from the date that the consolidated entity obtains control until the date that control ceases. All balances and transactions between entities included within the consolidated entity are eliminated. Non-controlling interests in the results and equity of subsidiaries are shown separately in the income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

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

Investments in associates and jointly controlled entities (equity accounted investees)
Associates are those entities over which the consolidated entity has significant influence, but not control or joint control, to govern the financial and operating policies. Significant influence is presumed to exist when the consolidated entity holds between 20 and 50 percent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the consolidated entity has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

After initially being recognised at cost, the consolidated entity accounts for investments in associates and jointly controlled entities (equity accounted investees) using the equity method.

From the date that significant influence or joint control commences, the consolidated entity recognises its share of the equity accounted investees profits or losses in the income statement and its share of movements in other comprehensive income is recognised in other comprehensive income until the date that significant influence or joint control ceases. These cumulative movements are adjusted against the carrying amount of the investment. Dividends receivable from equity accounted investees are recognised as a reduction in the carrying amount of the investment.

Changes in the consolidated entity's share of the net worth of an equity-accounted investee, due to dilution caused by an issue of equity by the equity accounted investee, are recognised in the income statement as a gain or loss. The consolidated entity's investment in equity accounted investees includes goodwill identified on acquisition.

Amcor Employee Share Trust
The consolidated entity has formed the Amcor Employee Share Trust (the 'Trust') for the purpose of managing and administering the consolidated entity's Employee Share Schemes (refer note 29), through the acquiring, holding and transferring of shares, or rights to shares, in the Company.

The Trust is consolidated as the Trust is controlled by the consolidated entity. All shares held by the Trust are disclosed as treasury shares and deducted from contributed equity.

(c) Business combinations

Business combinations are accounted for using the acquisition method regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the consolidated entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

The consolidated entity measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the amount of any non-controlling interest recognised in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree; less
- the fair value of the consolidated entity's share of the identifiable assets acquired and liabilities assumed.

When the excess is negative and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the consolidated entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

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

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(d) Foreign currency translation

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

Note 1. Summary of Significant Accounting Policies (continued)

(d) Foreign currency translation (continued)

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

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

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

- assets and liabilities for each statement of financial position presented are translated at the closing exchange rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates, which approximate the exchange rates at the dates of the transactions; and
- goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing exchange rate.

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

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

(e) Revenue

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

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

(f) Government grants

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

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

Grants that compensate the consolidated entity for expenses incurred are deferred and recognised in the income statement over the same period in which the expenses are recognised.

(g) Leases

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

Other leases are operating leases and are not recognised on the consolidated entity's statement of financial position.

Note 1. Summary of Significant Accounting Policies (continued)

(g) Leases (continued)

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

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

(h) Finance income and finance expenses

Finance income comprises interest income on funds invested and interest income related to defined benefit plans.

Finance expenses comprise interest expense on borrowings, amortisation of discounts or premium related to borrowings, interest costs related to defined benefit pension plans, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, lease finance charges and the unwinding discount on provision balances.

Interest income and interest expense on borrowings are recognised as they accrue using the effective interest rate method.

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

(i) Income tax

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

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

Current tax assets and liabilities are offset where the consolidated entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax
Deferred tax is recognised using the balance sheet method in which temporary differences are calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- taxable temporary differences arising on the initial recognition of goodwill;
- taxable differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries, associates and jointly controlled entities to the extent that the consolidated entity is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied when the temporary difference reverses, that is, when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the consolidated entity intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

The assumptions regarding future realisation, and therefore the recognition of deferred tax assets, may change due to future operating performance and other factors.

Note 1. Summary of Significant Accounting Policies (continued)

(i) Income tax (continued)

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

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

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

(j) Financial instruments

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

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

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

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

(i) Cash and cash equivalents
Cash and cash equivalents include cash on hand and at bank, short term deposits and short term money market investments. Bank overdrafts are shown within interest-bearing liabilities in current liabilities on the statement of financial position, refer notes 11 and 21.

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

(ii) Trade receivables, loans and other receivables
Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses, refer note 12. Trade and other receivables are presented as current assets, except for those where collection is not expected for more than 12 months after the reporting date which are classified as non-current assets.

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

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

Loans are non-derivative financial assets with fixed or determinable payments and are measured at their amortised cost using the effective interest rate method and are usually interest-bearing. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets, refer notes 12 and 14.

(iii) Investments in equity securities
Investments in listed equity securities are available-for-sale financial assets and are included in non-current assets, refer note 14. Investments in listed equity securities are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. The fair value of the quoted investments is based on current bid prices. Unrealised gains and losses arising from changes in the fair value are recognised in other comprehensive income and accumulated in the available-for-sale fair value reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments within equity are reclassified to the income statement.

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

Note 1. Summary of Significant Accounting Policies (continued)

(j) Financial instruments (continued)

Non-derivative financial instruments (continued)

(iv) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which were unpaid at the end of the financial year. These amounts are unsecured. Trade and other payables are included in current liabilities, except for those liabilities where payment is not due within 12 months from reporting date which are classified as non-current liabilities.

Trade and other payables are stated at their amortised cost and are non interest-bearing, refer note 20.

(v) Interest-bearing liabilities

Bank overdrafts, bank loans, commercial paper, mortgage loans and other loans are initially recognised at their fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities are measured at amortised cost with any difference between the net proceeds and the maturity amount recognised in the income statement over the period of the borrowings using the effective interest rate method, refer note 21.

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

Interest-bearing liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as other income or finance costs.

Interest-bearing liabilities are classified as current liabilities, except for those liabilities where the consolidated entity has an unconditional right to defer settlement for at least 12 months after the reporting period which are classified as non-current liabilities.

(vi) Other financial liabilities

Other non-derivative financial liabilities comprise forward contracts that the consolidated entity has entered into for the future on-market purchase of ordinary shares of the Company, for the purpose of managing the consolidated entity's obligations under the Employee Share Plans, refer note 29.

When the financial liability is initially recognised it is reclassified from contributed equity and measured at fair value, which is the present value of the expenditure required to settle the contract. Subsequent to initial recognition the financial liability is measured at amortised cost using the effective interest rate method.

Other financial liabilities are classified as current, except where the contract has a maturity of greater than 12 months after the balance sheet date, in which case the liability is classified as non-current, refer note 22.

Derivative financial instruments

The consolidated entity uses derivative financial instruments to hedge its exposure to foreign exchange, interest rate, commodity price and employee share plan risk arising from operational, financing and investment activities, refer notes 14 and 22.

Derivative financial instruments are recognised initially at fair value on the date the instrument is entered into. Subsequent to initial recognition, derivative financial instruments are remeasured to fair value at the end of each reporting period. The gain or loss on remeasurement to fair value is recognised immediately in the income statement unless the derivative is designated and is effective as a hedging instrument, in which event, the timing and the recognition of profit or loss depends on the nature of the hedging relationship.

The consolidated entity designates certain derivatives either as:

- hedges of the exposure to fair value changes in recognised assets or liabilities or firm commitments (fair value hedges);
- hedges of the exposure to variability in cash flows attributable to a recognised asset or liability or highly probable forecast transaction (cash flow hedges); or
- hedges of net investments in foreign operations (net investment hedges).

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

The fair value of various derivative financial instruments used for hedging purposes are disclosed in note 28. Movements in the cash flow hedge reserve in shareholders equity are shown in note 26. Derivative instruments are classified as non-current assets or liabilities when the remaining maturity of the hedged item is greater than 12 months; and are classified as current assets or liabilities when the remaining maturity is less than 12 months. Trading derivatives are classified as a current asset or liability.

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

(i) Fair value hedge

Where a derivative financial instrument is designated as a hedge of exposure to changes in fair value of a recognised asset or liability, the changes in the fair value of the derivative are recognised in the income statement, together with the changes in fair value of the hedged asset or liability attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the income statement within other income or other expenses.

Note 1. Summary of Significant Accounting Policies (continued)

(j) Financial instruments (continued)

Derivative financial instruments (continued)
(i) Fair value hedge (continued)
If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedge
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in equity in the hedging reserve. The change in the fair value that is identified as ineffective is recognised immediately in the income statement within other income or other expenses.

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

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

(iii) Net investment in a foreign operation
Hedges of net investments in foreign operations are accounted for in a similar manner to cash flow hedges. Where effective, foreign exchange differences relating to foreign currency transactions hedging a net investment in a foreign operation, together with any related income tax, are transferred to the exchange fluctuation reserve on consolidation. The ineffective portion is recognised in the income statement.

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

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

(k) Equity

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

(ii) Repurchase of share capital
Where the consolidated entity purchases the Company's own equity instruments, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. The amount of the consideration paid, including directly attributable costs, is recognised as a deduction from contributed equity, net of any related income tax effects.

(iii) Treasury shares
Where the consolidated entity purchases the Company's own equity instruments, as the result of a share-based payment plan, the consideration paid, including any directly attributable costs, is deducted from equity as treasury shares, net of any related income tax effects. When the treasury shares are subsequently sold or reissued, any consideration received, net of any directly attributable costs and the related income tax effects, is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in retained earnings.

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

Reserves
(i) Available-for-sale revaluation reserve
Changes in the fair value of investments, such as equities and available-for-sale financial assets, are taken to the revaluation reserve, as described in note 1(j)(iii). Amounts are recognised in the income statement when the associated asset is disposed of or impaired.

(ii) Cash flow hedge reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Note 1. Summary of Significant Accounting Policies (continued)

(k) Equity (continued)

Reserves (continued)

(iii) Share-based payments reserve
The share-based payments reserve is used to recognise the fair value of options and rights recognised as an expense.

(iv) Exchange fluctuation reserve
Exchange differences arising on translation of foreign controlled operations are taken to the exchange fluctuation reserve, as described in note 1(d). Gains or losses accumulated in equity are recognised in the income statement when a foreign operation is disposed of.

(l) Inventories

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

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

(m) Property, plant and equipment

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

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

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

- Buildings between 1% - 5%
- Finance leased assets between 4% - 20%
- Land improvements between 1% - 3%
- Plant and equipment between 2.5% - 25%

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

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

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

(n) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and is measured as described in note 1(c). In respect of equity accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment.

Goodwill is not amortised, instead goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less any accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing, refer note 19. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (refer note 2).

Other intangible assets

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

(i) Product development
Expenditure on product research activities is recognised in the income statement in the period in which the expenditure is incurred.

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

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

Note 1. Summary of Significant Accounting Policies (continued)

(n) Intangible assets (continued)

Other intangible assets (continued)

(ii) Computer software

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

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

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

(iii) Customer relationships

Customer relationships acquired as part of business combinations are recognised separately from goodwill, and carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated on a straight line basis over the estimated useful life of the customer relationship, which ranges from 10 to 20 years.

(o) Impairment

Non-financial assets

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

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

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

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

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

Financial assets

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

(o) Impairment (continued)

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

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

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

(p) Financial guarantee contracts

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

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

(q) Provisions

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

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

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

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

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

(r) Employee benefits

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

The liability for annual leave and accumulating sick leave is recognised in the provision for employee entitlements, all other short-term employee benefit obligations are presented as payables.

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

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

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

Share-based payments
The Company provides benefits to employees (including senior executives) of the consolidated entity in the form of share-based payments, whereby employees render services in exchange for options or rights over shares. Information relating to the Company's share-based payments schemes are set out in note 29.

The fair value of options and rights granted is recognised as an employee benefit expense in the income statement with a corresponding increase in the share-based payments reserve in equity and is spread over the vesting period during which the employees become unconditionally entitled to the option or right. Upon exercise of the options or rights, the balance of the share-based payments reserve, relating to the option or right, is transferred to share capital.

The fair value of options is measured at grant date taking into account market performance conditions, but excludes the impact of any non-market vesting conditions (e.g. profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to be exercisable. The fair value of options granted is measured using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

At each reporting period the consolidated entity revises the estimate of the number of options that are expected to vest based on the non-market vesting conditions. Any impact to the revision of an original estimate is recognised in the income statement with a corresponding adjustment to the share-based payment reserve. The employee expense, recognised each period, reflects the most recent estimate.

The fair value of rights is measured at grant date using a Monte-Carlo valuation model which simulates the date of vesting, the percentage vesting, the share price and total shareholder return. Once the simulated date of vesting is determined, a Black-Scholes methodology is utilised to determine the fair value of the rights granted.

The dilutive effect, if any, of outstanding options or rights is reflected as additional share dilution in the computation of earnings per share (see note 10).

Where loans are made to assist in the purchase of shares under a sub-plan, they are treated as a reduction in equity and not recognised as a receivable and the repayments are recorded as contributions to share capital. Shares are held in trust until the loan is settled.

(s) Retirement benefit obligations

Defined contribution plans
A defined contribution plan is a post employment benefit plan under which the consolidated entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution funds are recognised as an expense in the income statement as they become payable.

Defined benefit plans
A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The consolidated entity's liability or asset recognised in the statement of financial position in respect of defined benefit plans and other post-retirement plans is calculated separately for each plan and is measured as the present value of the future benefit that employees have earned in return for their service in the current and prior periods, less the fair value of any plan assets and unrecognised past service costs.

Note 1. Summary of Significant Accounting Policies (continued)

(s) Retirement benefit obligations (continued)

Defined benefit plans (continued)
Past service costs are recognised immediately in the income statement, unless the changes to the defined benefit plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited directly to other comprehensive income.

Future taxes that are funded by the entity and are part of the provision of the existing benefit obligation (e.g. taxes on investment income and employer contributions) are taken into account in measuring the net liability or asset.

Curtailments are events that materially change the liabilities relating to a plan that are not covered by normal actuarial assumptions. A curtailment is recognised when an entity is demonstrably committed to make a significant reduction in number of employees covered by a plan or where a plan is amended to reduce benefits for future service.

A curtailment gain or loss requires a before and after measurement of the net retirement benefit asset or obligation (being the present value of the defined obligation less fair value of plan assets). Curtailment gains or losses are recognised immediately in the income statement net of associated curtailment expenses.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the plan to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on national government or investment grade corporate bonds at the reporting date, whose terms to maturity and currency match, as closely as possible, the estimated future cash outflows.

When the calculation results in a benefit to the consolidated entity, the recognised asset is limited to the total of any unrecognised past service cost and the present economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan, or on settlement of the plan liabilities.

Use of estimates and judgements
In determining the liability or asset that the consolidated entity recognises in the statement of financial position in respect of defined benefit obligations and other post-retirement plans, the main categories of assumptions used in the valuations include: discount rate; rate of inflation; expected return on plan assets; future salary increases and medical cost trend rates (in the case of the post-retirement health plans). Refer to note 24 for details of the key assumptions used this financial year in accounting for these plans. The assumptions made have a significant impact on the calculations and any adjustments arising thereon.

(t) Discontinued operations

A discontinued operation is a component of the consolidated entity’s business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. An operation would be classified as held for sale if the carrying value of the assets of the operation will be principally recovered through a sale transaction rather than continuing use.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as discontinued the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

(u) Earnings per share (EPS)

The consolidated entity presents basic and diluted EPS data for its ordinary shares.

Basic earnings per share
Basic EPS is calculated by dividing the net profit attributable to ordinary shareholders of the Company for the reporting period, by the weighted average number of ordinary shares on issue during the reporting period excluding ordinary shares purchased by the Company and held as treasury shares (refer note 25), adjusted for any bonus issue.

Diluted earnings per share
Diluted EPS is calculated by adjusting the basic EPS for the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, which comprise share options and rights granted to employees.

The diluted EPS weighted average number of shares includes the number of ordinary shares assumed to be issued for no consideration in relation to dilutive potential ordinary shares. The number of ordinary shares assumed to be issued for no consideration represents the difference between the number that would have been issued at the exercise price and the number that would have been issued at the average market price.

The identification of dilutive potential ordinary shares is based on net profit or loss from continuing ordinary operations and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary shares.

Note 1. Summary of Significant Accounting Policies (continued)

(v) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement and disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the consolidated entity is the current bid price. The quoted market price used for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods, including discounted cash flows to calculate the fair value of financial instruments. These calculations are performed using current market inputs which may include the use of interest and forward exchange rates ruling at balance date. The consolidated entity makes assumptions concerning these valuations that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held.

The carrying value of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

(w) New accounting standards and interpretations not yet adopted

The following new or amended accounting standards and interpretations issued by the AASB have been identified as those which may have a material impact on the consolidated entity in the period of initial application. They are available for early adoption at 30 June 2013, but have not been applied in preparing the consolidated financial statements:

- AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) and AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* address the classification, measurement and derecognition of financial assets and liabilities and may affect the consolidated entity's accounting for its financial instruments. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed.

  The new accounting standard and amendments are mandatory for the consolidated entity's 30 June 2016 consolidated financial statements. The potential effect of the new and amending standards on the financial results of the consolidated entity upon adoption has yet to be fully determined but is expected to impact the consolidated entity's financial assets but not impact the consolidated entity's financial liabilities.

- AASB 10 *Consolidated Financial Statements,* AASB 11 *Joint Arrangements,* AASB 12 *Disclosure of Interests in Other Entities,* AASB 127 *Separate Financial Statements,* AASB 128 *Investments in Associates and Joint Ventures*, AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards* and AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other amendments* together represent a suite of related standards covering the accounting and disclosure requirements for consolidated financial statements, associates, joint arrangements and off balance sheet vehicles.

  The new standards and amendments are not expected to have a significant impact on the current accounting treatment of the consolidated entity's investments in subsidiaries, associates and jointly controlled entities. However, adoption of the suite of related standards will impact the presentation and type of disclosures contained within the consolidated financial statements in relation to the Group's investments. The consolidated entity will adopt the new standards and amendments from their operative date and will therefore become mandatory to the consolidated financial statements for the financial year ending 30 June 2014.
- AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (September 2011) combines guidance for all fair value measurements required in other standards. These standards do not require fair value measurements additional to those already required or permitted by other Australian accounting standards, and therefore this standard is not expected to have an impact on the financial results of the consolidated entity on adoption. The new accounting standard and amendments are to be first applied by the consolidated entity for the financial year ending 30 June 2014.

- AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* makes amendments to AASB 124 *Related Party Disclosures* to remove individual key management personnel (KMP) disclosure requirements on the basis they are not in line with International Financial Reporting Standards, with the current requirements considered to be more in the nature of governance disclosures that are better dealt with as part of the *Corporations Act 2001*. The amendment will become mandatory for the consolidated entity's 30 June 2014 financial statements and as it relates to disclosures only, the amendment will not have any financial impact on the consolidated entity.

Note 1. Summary of Significant Accounting Policies (continued)

(w) New accounting standards and interpretations not yet adopted (continued)

- AASB 119 *Employee Benefits* (September 2011) has been amended for disclosure, presentation and accounting changes to defined benefit plans and other employee benefits while AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119* (September 2011) makes amendments to other accounting standards and interpretations as a result of the revised standard. The amendments to AASB 119 introduce a number of accounting changes that will impact the consolidated entity requiring: remeasurements to be presented in other comprehensive income; the immediate recognition of all past service cost in the income statement; and requiring the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset, this replaces the expected return on plan assets that is currently included in the income statement. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

  The amendments to AASB 119 require retrospective application. Based on the preliminary assessment performed, had the consolidated entity applied the amendments in the current reporting period the profit after tax for the year ended 30 June 2013 would have been approximately $15.8 million lower and other comprehensive income after tax approximately $11.4 million higher. As at 30 June 2013, the net retirement benefit obligation would be approximately $11.1 million lower, deferred tax assets approximately $2.1 million lower and retained earnings approximately $8.8 million higher.

  This net effect reflects the following adjustments, including their income tax effects: a) immediate recognition of past service costs in profit or loss and an increase in the net pension deficit; and b) reversal of the difference between the gain arising from the expected rate of return on pension plan assets and the discount rate through other comprehensive income. The amendments will also impact the disclosures and presentation of defined benefit plans of the consolidated entity.

(x) Parent entity financial information

The financial information for the parent entity Amcor Limited, disclosed in note 36, has been prepared on the same basis as the consolidated financial statements, except as set out below:

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

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

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

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

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

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

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

Share-based payments
When the Company grants options or rights over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investment in subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

Note 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). 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 approving strategic planning for the businesses.

(a) Description of segments

Reporting segments
The consolidated entity is organised on a global basis into the following reporting segments:

Amcor Rigid Plastics
This segment manufactures rigid plastic containers from various materials 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 and Packaging Distribution
This segment manufactures a wide range of products including corrugated boxes; cartons and folding cartons; aluminium beverage cans; plastic and metal closures (disposed during the year); glass wine and beer bottles; multi-wall sacks; cartonboard and recycled paper. The distribution operations of this segment purchases, warehouses, sells and delivers a wide variety of packaging and related products.

Amcor Flexibles
This reporting segment represents the aggregation of three operating segments of which each manufactures flexible and film packaging for their respective industries. The operating segments are:

- Amcor Flexibles Europe and Americas which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy, pet food packaging, champagne and wine closures and also provides packaging for the pharmaceutical sector including high value-added medical applications.
- Amcor Tobacco Packaging which manufactures flexible packaging for specialty folding cartons for tobacco packaging.
- Amcor Flexibles Asia Pacific which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy and also provides packaging for the pharmaceutical sector and home and personal care.

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

Other/Investments
This segment holds the consolidated entity's associate investment in AMVIG Holdings Limited (AMVIG) and the equity accounted investment in the jointly controlled entity Discma AG (Discma). AMVIG is principally involved in the manufacture of tobacco packaging while Discma's operations primarily relate to the development and licensing of packaging product innovations. In addition to holding the equity accounted investments in AMVIG and Discma, this segment also includes the Corporate function of the consolidated entity.

Geographic segments
Although the consolidated entity's operations are managed on a global basis, they operate in the following significant countries:

Australia
The areas of operations are principally corrugated boxes; cartons and folding cartons; aluminium beverage cans and household products; flexible packaging; plastic and metal closures (disposed during the year); glass wine and beer bottles; multiwall sacks; cartonboard and paper recycling. Both Australasia and Flexibles Asia Pacific business segments operate in Australia.

United States of America
The Rigid Plastics, Australasia and Packaging Distribution and Flexibles reporting segments operate manufacturing and distribution facilities in this country. Areas of manufacturing include the production containers and preforms for a wide variety of food and beverage applications and supply of plastic containers to the personal care, household chemical and agro-chemical industries. Other areas also include distribution and manufacturing of corrugated sheets and the manufacture of specialty folding cartons for tobacco packaging.

Switzerland
In addition to the headquarters of the Amcor Flexibles Europe and Americas and the Amcor Tobacco Packaging operating segments being managed out of this country, several other corporate functions, which support the consolidated entities activities across the UK and Europe, are also based in Switzerland. A number of manufacturing facilities for both flexible and tobacco packaging also operate within the country.

Note 2. Segment information (continued)

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

The segment information is prepared in conformity with the accounting policies of the consolidated entity and the accounting standard AASB 8 *Operating Segments.*

Segment revenues, expenses and results include transfers between segments. Such transfers between segments are generally priced on an 'arm's length' basis 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.

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.

Comparative information has been presented in conformity with the identified reporting segments of the consolidated entity as at the reporting date in accordance with AASB 8.

Note 2. Segment Information (continued)

(c) Segment information provided to the CET

The following segment information was provided to the CET for the reporting segments for the financial years ended 30 June 2013 and 2012:

	Amcor Rigid Plastics		Amcor Australasia and Packaging Distribution [1]		Amcor Flexibles		Other/Investments		Consolidated	
$ million	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Reportable segment revenue										
Revenue from external customers	**3,094.5**	3,261.3	**2,939.5**	2,867.6	**6,391.3**	6,064.0	**-**	-	**12,425.3**	12,192.9
Inter-segment revenue	**-**	-	**3.3**	4.6	**13.7**	13.9	**-**	-	**17.0**	18.5
Total reportable segment revenue	**3,094.5**	3,261.3	**2,942.8**	2,872.2	**6,405.0**	6,077.9	**-**	-	**12,442.3**	12,211.4
Reportable segment profit/(loss)										
Profit/(loss) before depreciation, amortisation, interest, related income tax expense and significant items	**423.9**	421.4	**264.6**	279.1	**952.9**	892.6	**(31.6)**	(36.2)	**1,609.8**	1,556.9
Depreciation and amortisation	**(144.7)**	(157.3)	**(118.4)**	(126.6)	**(211.2)**	(209.3)	**(1.8)**	(2.3)	**(476.1)**	(495.5)
Profit/(loss) before interest, related income tax expense and significant items	**279.2**	264.1	**146.2**	152.5	**741.7**	683.3	**(33.4)**	(38.5)	**1,133.7**	1,061.4
Significant items before related income tax expense (refer note 7)	**-**	(109.2)	**(114.4)**	(53.5)	**-**	(114.5)	**(2.4)**	(12.0)	**(116.8)**	(289.2)
Profit/(loss) before interest and related income tax expense	**279.2**	154.9	**31.8**	99.0	**741.7**	568.8	**(35.8)**	(50.5)	**1,016.9**	772.2
Share of net profits of equity accounted investments	**-**	0.1	**-**	-	**-**	0.7	**25.8**	35.9	**25.8**	36.7
Other non-cash items										
Impairment losses, net of reversals - trade receivables	**0.2**	(1.4)	**(4.2)**	(2.5)	**(1.5)**	(1.1)	**-**	-	**(5.5)**	(5.0)
Impairment losses, net of reversals - inventories	**-**	(1.7)	**(4.5)**	3.6	**1.5**	(1.2)	**-**	-	**(3.0)**	0.7
Impairment losses on property, plant and equipment and other non-current assets	**-**	(53.0)	**(80.5)**	(18.5)	**(1.4)**	(12.3)	**-**	-	**(81.9)**	(83.8)
Reversal of impairment losses on property, plant and equipment and other non-current assets	**-**	-	**-**	-	**-**	1.8	**-**	-	**-**	1.8
Acquisition of property, plant and equipment and intangibles	**143.8**	175.0	**152.3**	348.4	**166.7**	172.6	**12.9**	9.0	**475.7**	705.0
Receivables	**371.5**	312.1	**380.7**	353.4	**1,070.0**	932.4	**90.8**	71.7	**1,913.0**	1,669.6
Inventory	**538.1**	518.6	**396.9**	404.5	**879.6**	740.5	**-**	-	**1,814.6**	1,663.6
Payables	**(951.1)**	(884.9)	**(490.4)**	(447.2)	**(1,437.7)**	(1,232.6)	**(130.0)**	(149.3)	**(3,009.2)**	(2,714.0)
Working capital	**(41.5)**	(54.2)	**287.2**	310.7	**511.9**	440.3	**(39.2)**	(77.6)	**718.4**	619.2
Average funds employed	**1,654.4**	1,698.5	**1,644.9**	1,632.4	**3,096.0**	2,854.2	**528.1**	508.9	**6,923.4**	6,694.0
Investment in equity accounted investments	**-**	-	**-**	-	**-**	-	**499.5**	489.9	**499.5**	489.9

[1] Included within the operating result of the Australasia and Packaging Distribution reporting segment are non-capitalised start up costs related to the new recycled paper mill, located in Botany, New South Wales of $25.3 million (2012: nil), and cost reduction and obsolete inventory reduction of $19.7 million (2012: nil), offset by gains on disposal of property of $32.0 million (2012: nil) and defined benefit curtailment gains of $15.2 million (2012: nil), for a net gain of $2.2 million.

Note 2. Segment Information (continued)

(d) Other segment information

(i) Segment revenue

The revenue from external parties reported to the CET is measured in a manner consistent with that in the income statement.

$ million	2013	2012
Segment revenue reconciles to statutory revenue and other income as follows:		
Reporting segment revenue		
Total reporting segment revenue	**12,442.3**	12,211.4
Elimination of inter-segment revenue	**(17.0)**	(18.5)
Revenue from external customers	**12,425.3**	12,192.9
Other income	**187.0**	137.6
Finance income	**27.2**	22.1
Consolidated revenue and other income	**12,639.5**	12,352.6
The table below shows sales revenue by product type to external customers:		
Sales revenue by product		
Rigid plastics packaging	**3,094.5**	3,261.3
Flexible and film packaging	**5,004.2**	4,796.9
Fibre and paper-based packaging	**1,587.5**	1,521.6
Metal packaging	**366.5**	415.1
Tobacco packaging	**1,387.1**	1,267.1
Glass packaging	**235.2**	222.7
Other	**750.3**	708.2
Consolidated sales revenue	**12,425.3**	12,192.9

(ii) Segment profit/(loss)

Segment profit or loss reconciles to statutory profit before related income tax expense as follows:

Reporting segment profit		
Profit before interest and related income tax expense	**1,016.9**	772.2
Finance income	**27.2**	22.1
Finance expense	**(247.3)**	(227.9)
Profit before related income tax expense	**796.8**	566.4

(iii) Segment receivables

Segment receivables reconciles to statutory consolidated trade and other receivables as follows:

Working capital receivables		
Total reportable segment working capital receivables	**1,913.0**	1,669.6
Financial instruments included for management reporting purposes	**(36.8)**	(12.0)
Other current assets included for management reporting purposes	**(121.7)**	(110.1)
Financial instruments and other assets excluded for management reporting purposes	**75.0**	37.3
Consolidated trade and other receivables (note 12)	**1,829.5**	1,584.8

(iv) Segment payables

Segment payables reconciles to statutory consolidated trade and other payables as follows:

Working capital payables		
Total reportable segment working capital payables	**(3,009.2)**	(2,714.0)
Financial instruments included for management reporting purposes	**16.3**	35.7
Capital creditors and other payables excluded for management reporting purposes	**(94.6)**	(66.4)
Consolidated trade and other payables (note 20)	**(3,087.5)**	(2,744.7)

Note 2. Segment Information (continued)

(d) Other segment information (continued)

(v) Segment property, plant and equipment

$ million	2013	2012

Segment acquisition of property, plant and equipment and intangibles reconciles to statutory consolidated acquisition of property, plant and equipment and intangibles as follows:

Acquisition of property, plant and equipment and intangibles		
Total reportable segment acquisition of property, plant and equipment and intangibles	**475.7**	705.0
Movement in capital creditors	**9.7**	9.8
Capitalised interest	**14.0**	27.0
Movement in prepaid capital items	**4.2**	3.2
Capitalised asset restoration costs	**3.0**	6.2
Other non-cash adjustments	**1.1**	2.0
Consolidated acquisition of property, plant and equipment and intangibles(1)	**507.7**	753.2

(1) Additions for the period, excluding acquired balances through business combinations. Refer notes 17 and 19.

(e) Geographical information

(i) Revenues

In presenting information on the basis of geographical segments, segment revenue is based on location of Amcor businesses:

Geographical segment revenue		
Australia	**2,127.5**	1,991.7
United States of America	**3,740.7**	3,773.0
Switzerland	**441.8**	445.7
Other	**6,115.3**	5,982.5
Consolidated sales revenue	**12,425.3**	12,192.9

(ii) Non-current assets

Segments assets are based on the location of the assets:

Non-current assets		
Australia	**1,976.7**	2,074.0
United States of America	**2,032.7**	1,876.0
Switzerland	**266.4**	216.3
Other	**3,620.2**	3,185.9
Consolidated non-current assets(1)	**7,896.0**	7,352.2

(1) Non-current assets excludes retirement benefit assets, deferred tax assets and non-current financial instruments.

(f) Major Customer

No single customer within an operating segment generates revenue greater than 10% of the consolidated entity's total revenues.

Notes to the financial statements
30 June 2013

Note 3. Business Combinations

(a) AGI Shorewood acquisition

(i) Summary of Acquisition

On 15 February 2013 the consolidated entity announced the acquisition of AGI Shorewood's tobacco packaging and speciality folding carton operations for $111.3 million (US$114.8 million). The acquired business includes the 100% purchase of the AGI Shorewood operations located in the USA, selected operations situated in Mexico and China and 90% of the business located in South Korea.

The acquisition provides Amcor access to the high value add South Korean market, builds on the other recent flexible packaging operations acquired in Mexico and provides further cost reduction in the North American market and is an important strategic addition to Amcor's existing Flexibles Packaging operations.

The accounting for the AGI Shorewood acquisition has been provisionally determined as at 30 June 2013 as the post close adjustment processes remain in progress. Management is continuing to assess the fair value of the opening balance sheet which may result in adjustments to the fair value attributable to the net assets acquired as reported below.

Details of the purchase consideration, the fair value of net assets acquired and goodwill are as follows:

$ million	
Purchase consideration	
Cash paid	**111.3**
Completion adjustments[1]	**-**
Total purchase consideration	**111.3**

[1] The final consideration remains subject to certain customary post close adjustments.

The assets and liabilities recognised as a result of the acquisition have been provisionally determined as follows:

$ million	Fair value
Fair value of net assets acquired	
Cash and cash equivalents	**-**
Trade and other receivables	**12.5**
Inventories	**9.5**
Property, plant and equipment	**61.7**
Deferred tax assets	**4.3**
Intangible assets	**4.2**
Other non-current assets	**0.2**
Trade and other payables	**(5.7)**
Current tax liabilities	**(0.7)**
Current provisions	**(1.7)**
Deferred tax liabilities	**(5.6)**
Non-current provisions	**(0.9)**
Retirement benefits	**(1.3)**
Fair value of net identifiable assets acquired	**76.5**
Less non-controlling interest	**(3.6)**
Add goodwill	**38.4**
Fair value of net assets acquired	**111.3**

(ii) Goodwill

The goodwill on acquisition is primarily attributable to expected synergies available to the consolidated entity upon the integration of the businesses into the Group, as well as benefits derived from the acquired workforce and other intangible assets that cannot be separately recognised. The goodwill recognised on acquisition is not considered deductible for tax purposes.

(iii) Acquired receivables

The fair value of acquired trade receivables is $10.8 million. The gross contractual amount for trade receivables due is $11.0 million of which $0.2 million has been provided for potential impairment losses.

(iv) Non-controlling interest

In accordance with the accounting policy set out in note 1(c), the consolidated entity elected to recognise the non-controlling interests in AGI Shorewood at its proportionate share of the acquired net identifiable assets.

Note 3. Business Combinations (continued)

(a) AGI Shorewood acquisition (continued)

(v) Purchase Consideration

$ million	
Outflow of cash to acquire entities, net of cash acquired:	
Cash consideration	**111.3**
Less: Balances acquired	
Cash	**-**
Outflow of cash	**111.3**

(vi) Acquisition Costs
Acquisition costs of $1.9 million were recognised as an expense during the reporting period and are classified as 'general and administrative' expenses in the income statement.

(b) Other acquisitions during the financial year ended 30 June 2013

In addition to the AGI Shorewood acquisition disclosed in (a) above, the following acquisitions also occurred during the financial year ended 30 June 2013:

- On 2 July 2012, the consolidated entity acquired 100% of IPC Tobacco Argentina S.A., a tobacco packaging business in Piso, Argentina. In addition, the consolidated entity acquired the business and assets of Aluprint on 17 July 2012 which included a tobacco packaging plant in Monterrey, Mexico. Both of these acquired businesses are included in the Flexibles reporting segment and will help strengthen the consolidated entity's value proposition to clients by establishing a local presence in the Latin American market.
- On 3 July 2012, the Australian Corrugated Specialty division acquired the business assets of Wayne Richardson Sales, an independently owned packaging and industrial distributor with eight distribution centres across Australia. The business is a distributor of a broad range of industrial packaging and packaging consumables to small and medium sized customers and is included in the Amcor Australasia and Packaging Distribution operating segment.
- On 15 November 2012, the Flexibles reporting segment acquired Uniglobe, a flexible packaging company operating from a single site located in India. The acquisition sees Amcor's footprint in the high-growth Indian market expand to five manufacturing sites.

(c) Acquisitions during the financial year ended 30 June 2012 where the acquisition accounting was finalised

Aperio Group acquisition
During the 12 months to 30 June 2013 the consolidated entity finalised the acquisition accounting of the 100% acquisition of the Aperio Group, one of Asia Pacific's leading producers of flexible packaging products. The acquisition was successfully completed on 11 May 2012 and brought together two leaders in flexible packaging in Australasia.

Details of the business combination were disclosed and preliminary accounting presented in note 3 of the consolidated entity's 30 June 2012 Annual Report.

Changes to the preliminary acquisition balance sheet presented at 30 June 2012
As permitted under Australian Accounting Standards, the consolidated entity had 12 months from acquisition date to finalise the fair value of net assets acquired and goodwill. This process has been finalised and during the 12 months to 30 June 2013 the consolidated entity adjusted the preliminary acquisition accounting resulting in a $17.2 million decrease in net identifiable assets acquired, a $3.3 million increase in purchase consideration and a $20.5 million increase in goodwill from those amounts disclosed at 30 June 2012.

The goodwill on acquisition is primarily attributable to expected synergies available to the consolidated entity upon the integration of the businesses into the Group, as well as benefits derived from the acquired workforce and other intangible assets that cannot be separately recognised. The goodwill recognised on acquisition is not considered deductible for tax purposes.

Details of the purchase consideration, the fair value of net assets acquired and goodwill are as follows:

$ million	
Purchase consideration	
Cash paid	**237.6**
Completion adjustments	**3.3**
Total purchase consideration	**240.9**

Note 3. Business Combinations (continued)

(c) Acquisitions during the financial year ended 30 June 2012 where the acquisition accounting was finalised (continued)

Aperio Group acquisition (continued)

$ million	Fair value
Fair value of net assets acquired	
Cash and cash equivalents	**7.1**
Trade and other receivables	**56.3**
Inventories	**44.6**
Current other financial assets	**2.3**
Property, plant and equipment	**74.7**
Deferred tax assets	**6.1**
Intangible assets	**10.0**
Trade and other payables	**(57.4)**
Current tax liabilities	**0.7**
Current provisions	**(18.4)**
Deferred tax liabilities	**(6.3)**
Non-current provisions	**(1.7)**
Fair value of net identifiable assets acquired	**118.0**
Add goodwill	**122.9**
Fair value of net assets acquired	**240.9**

Total purchase consideration paid in respect of the acquisition was $240.9 million of which $3.3 million was paid in the 12 months to 30 June 2013. During the 12 months to 30 June 2012 acquisition costs of $5.2 million were recognised as an expense during the reporting period and are classified as 'general and administrative' expenses in the income statement. No acquisition related costs have been recognised in the 12 months to 30 June 2013.

Other acquisitions
In addition to the finalisation of the Aperio Group acquisition accounting discussed above the consolidated entity also finalised the acquisition accounting for the following business combinations:

- The Amcor Australasia and Packaging Distribution segment acquisition of the business assets of Carter & Associates, a major distributor of Amcor glass wine, champagne and spirit bottles in New Zealand on 4 January 2012;
- The Amcor Australasia and Packaging Distribution segment acquisition of certain assets of Marfred Industries, a corrugated and folding carton manufacturer and packaging distributor based in California on 21 September 2011; and
- The Flexibles segment acquisition of an additional interest in the consolidated entity's equity accounted investment in Amcor Chengdu Co. Limited (Chengdu) on 1 April 2012. The additional interest acquired increased the consolidated entity's ownership in this investment to 50.0% and at this date the consolidated entity obtained a controlling interest in the previously equity accounted associate, refer note 16.

Note 4. Business Disposals

Disposals during the year ended 30 June 2013
On 31 January 2013 the consolidated entity completed the sale of three industrial and agricultural film sites located across Australia to Integrated Packaging Group for sale proceeds of $21.8 million. These sites were purchased as part of the Aperio acquisition and were included within the Amcor Flexibles reporting segment. There was no profit or loss recognised on the disposal of these sites.

Disposals during the year ended 30 June 2012
During the 12 months to 30 June 2012 the consolidated entity did not dispose of any businesses. Refer to note 16 for details of acquisitions and disposals relating to equity accounted investments.

Note 5. Revenue, Other Income and Finance Income

$ million	**2013**	2012
Sales revenue		
Revenue from sale of goods	**12,425.3**	12,192.9
Other income		
Dividend received/receivable	**0.4**	0.3
Net gain on disposal of property, plant and equipment	**44.5**	22.0
Net foreign exchange gains	**10.3**	4.7
Fair value gains on other financial assets designated at fair value through income statement	**0.6**	1.8
Government grants	**1.7**	0.9
Supplier early payment discounts	**3.8**	3.5
Service income	**8.6**	5.8
Gain on acquisition of controlled entity, previously equity accounted (refer note 16)	**-**	9.8
Curtailment gains and settlements (refer note 24)	**26.7**	28.0
Other	**33.1**	60.8
Total other income excluding significant items	**129.7**	137.6
Significant items (refer note 7):		
- Gain arising on disposal of Fairfield property	**57.3**	-
Total other income	**187.0**	137.6
Finance income		
Retirement benefit interest income	**10.6**	11.2
Interest received/receivable	**16.6**	10.9
Total finance income	**27.2**	22.1

Note 6. Expenses

Profit before related income tax includes the following specific expenses. These amounts include those disclosed as significant items (refer note 7).

$ million	**2013**	2012
Depreciation and amortisation		
Depreciation:		
- Property, plant and equipment	**440.3**	450.5
- Leased assets	**1.6**	4.8
Amortisation:		
- Other intangibles	**34.2**	40.2
Total depreciation and amortisation	**476.1**	495.5
Finance expenses		
Interest paid/payable:		
- Finance charges on leased assets	**0.8**	0.9
- Unwind of discount on provisions	**1.8**	2.7
- Retirement benefit interest expense	**5.8**	5.2
- External	**224.2**	217.4
Amount capitalised	**(14.0)**	(27.0)
	218.6	199.2
Borrowing costs	**28.7**	28.7
Total finance expenses	**247.3**	227.9

Note 6. Expenses (continued)

$ million	2013	2012
Net impairment of trade receivables	**5.5**	5.0
Net write-down/(back) of inventories	**3.0**	(0.7)
Employee benefits expense		
- Wages and salaries	**2,208.0**	2,137.4
- Workers' compensation and other on-costs	**187.4**	186.7
- Superannuation costs - defined benefit funds	**20.9**	31.4
- Superannuation costs - accumulation funds	**63.3**	50.6
- Other employment benefits expense	**6.1**	8.5
- Share-based payments expense	**35.8**	36.2
Total employee benefits expense	**2,521.5**	2,450.8
Rental expense relating to operating leases		
- Minimum lease payments	**161.3**	163.8
- Contingent rentals	**4.5**	6.2
Total rental expense relating to operating leases	**165.8**	170.0
Restructuring costs	**137.2**	147.3
Asset impairment reversal - property, plant and equipment and non-current assets	**-**	(1.8)
Asset impairments - property, plant and equipment and non-current assets	**81.9**	83.8

Note 7. Significant Items

	2013			2012		
$ million	**Before tax**	**Tax (expense)/ benefit**	**Net of tax**	Before tax	Tax (expense)/ benefit	Net of tax
Income						
Gain arising on disposal of Fairfield property	**57.3**	**(9.7)**	**47.6**	-	-	-
	57.3	**(9.7)**	**47.6**	**-**	**-**	**-**
Expense						
Australasia restructuring[(1)]	**(83.5)**	**11.2**	**(72.3)**	(33.6)	11.6	(22.0)
Asset impairments, net of reversals[(1)]	**(88.2)**	**26.4**	**(61.8)**	(83.5)	18.8	(64.7)
Costs to achieve synergies relating to Alcan Packaging acquisition[(1)]	**(2.4)**	**-**	**(2.4)**	(120.8)	22.4	(98.4)
Rigid Plastics business integration and restructure	**-**	**-**	**-**	(32.2)	8.7	(23.5)
Legal costs[(2)]	**-**	**-**	**-**	(4.4)	1.2	(3.2)
Transaction and integration costs relating to business acquisitions	**-**	**-**	**-**	(10.5)	2.5	(8.0)
Disposal of Glass Tubing Business[(3)]	**-**	**-**	**-**	(4.2)	1.7	(2.5)
	(174.1)	**37.6**	**(136.5)**	(289.2)	66.9	(222.3)
Total significant items	**(116.8)**	**27.9**	**(88.9)**	(289.2)	66.9	(222.3)

(1) Tax benefits are assessed for certain significant item expenses and not recognised where the resultant tax loss is not considered probable of recovery.
(2) Legal costs include costs of the consolidated entity and others associated with defence and settlement of claims with respect to various ACCC matters.
(3) The Glass Tubing Business was disposed of on 23 June 2011. The $4.2 million represents the final sale adjustments reducing the profit on sale before tax to $85.4 million.

Notes to the financial statements

30 June 2013

Note 7. Significant Items (continued)

The following table represents a segmental analysis of significant items before income tax (expense)/benefit, refer note 2:

$ million	Business restructure and rationalisation	Impairment of assets, net of reversals	Disposal of property	Transaction and integration costs	Alcan Packaging synergy costs	Other[1]	Total
2013							
Australasia and Packaging Distribution	**(83.5)**	**(88.2)**	**57.3**	**-**	**-**	**-**	**(114.4)**
Other/Investments	**-**	**-**	**-**	**-**	**(2.4)**	**-**	**(2.4)**
Total	**(83.5)**	**(88.2)**	**57.3**	**-**	**(2.4)**	**-**	**(116.8)**
2012							
Rigid Plastics	(32.2)	(54.8)	-	-	(22.2)	-	(109.2)
Australasia and Packaging Distribution	(33.6)	(18.5)	-	(1.4)	-	-	(53.5)
Flexibles	-	(10.2)	-	(8.8)	(95.5)	-	(114.5)
Other/Investments	-	-	-	(0.3)	(3.1)	(8.6)	(12.0)
Total	(65.8)	(83.5)	-	(10.5)	(120.8)	(8.6)	(289.2)

[1] Amounts in 'other' in 2012 relate to legal costs of $4.4 million and final sale adjustments of $4.2m on the Glass Tubing Business disposed of on 23 June 2011.

Note 8. Income Tax Expense

(a) Recognised in the income statement

$ million	2013	2012
Current tax (expense)/benefit		
Current period	**(151.1)**	(130.4)
Adjustments to current tax expense relating to prior periods	**44.0**	(2.1)
Tax losses, tax credits and temporary differences not recognised for book in prior years now recouped	**16.7**	11.0
Total current tax expense	**(90.4)**	(121.5)
Deferred tax (expense)/benefit		
Origination and reversal of temporary differences	**(78.6)**	(8.7)
Change in applicable tax rates	**0.6**	0.6
Total deferred tax expense	**(78.0)**	(8.1)
Total income tax expense attributable to continuing operations	**(168.4)**	(129.6)
Deferred income tax (expense)/benefit included in income tax expenses comprises:		
Decrease in deferred tax assets	**(38.3)**	(47.4)
(Increase)/Decrease in deferred tax liabilities	**(39.7)**	39.3
Deferred income tax expense included in income tax (note 18)	**(78.0)**	(8.1)

Note 8. Income Tax Expense (continued)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

$ million	2013	2012
Profit before related income tax expense	**796.8**	566.4
Tax at the Australian tax rate of 30% (2012: 30%)	**(239.0)**	(169.9)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Net operating items non-deductible/non-assessable for tax	**18.7**	1.0
Goodwill tax adjustments	**-**	0.1
Net significant items non-deductible/non-assessable for tax	**(12.2)**	(13.7)
Capital structures	**29.6**	34.3
Tax losses, tax credits and temporary differences not recognised for book in prior years now recouped	**16.7**	11.0
Effect of local tax rate change	**0.6**	0.6
	(185.6)	(136.6)
Over provision in prior period	**13.3**	3.7
Foreign tax rate differential	**3.9**	3.3
Total income tax expense	**(168.4)**	(129.6)

(c) Amounts recognised directly in other comprehensive income

$ million	2013	2012
Deferred tax benefit/(expense) recognised directly in other comprehensive income		
Tax on cash flow hedges	**(0.3)**	(0.7)
Tax on exchange differences on translating foreign operations	**67.3**	1.7
Tax on actuarial losses on defined benefit plans	**16.4**	26.5
Total income tax benefit recognised directly in other comprehensive income	**83.4**	27.5

Note 9. Auditors' Remuneration

$ thousand	2013	2012
Auditors of the Company - PwC Australia		
Audit and other assurance services		
Audit and review of financial reports	**3,255**	3,220
Other assurance services	**46**	-
Other services		
Taxation services, transaction related taxation advice and due diligence	**2,343**	3,482
Other advisory services	**50**	786
	5,694	7,488
Network firms of PwC Australia		
Audit and other assurance services		
Audit and review of financial reports	**837**	837
Other regulatory audit services	**3,669**	3,629
Other assurance services	**579**	-
Other services		
Taxation services, transaction related taxation advice and due diligence	**2,011**	2,202
Other advisory services	**400**	122
	7,496	6,790
Non-PwC Audit Firms		
Audit and other assurance services		
Other regulatory services	**469**	217
Other services		
Taxation services and transaction related taxation advice	**1,037**	346
	1,506	563
Total auditors' remuneration	**14,696**	14,841

Note 10. Earnings per Share

cents	2013	2012
Basic earnings per share		
Attributable to the ordinary equity holders of Amcor Limited	**49.8**	34.0
Diluted earnings per share		
Attributable to the ordinary equity holders of Amcor Limited	**49.0**	33.5

(a) Reconciliation of earnings used in calculating earnings per share

$ million	2013	2012
Basic earnings per share		
Profit from continuing operations	**628.4**	436.8
Profit from continuing operations attributable to non-controlling interests	**(27.8)**	(24.2)
Profit attributable to the ordinary equity holders of Amcor Limited used in calculating basic earnings per share	**600.6**	412.6
Diluted earnings per share		
Profit attributable to the ordinary equity holders of Amcor Limited used in calculating diluted earnings per share	**600.6**	412.6

Note 10. Earnings per Share (continued)

(b) Weighted average number of shares used as denominator

Number million	2013	2012
Weighted average number of ordinary shares for basic earnings per share	**1,206.1**	1,213.7
Effect of employee options and performance rights	**18.9**	18.1
Effect of partly-paid shares	**-**	-
Weighted average number of ordinary shares and potential ordinary shares for diluted earnings per share	**1,225.0**	1,231.8

(c) Information concerning classification of securities

In the calculation of basic earnings per share, only ordinary shares, excluding treasury shares have been included in the calculation. The following securities have been classified as potential ordinary shares and their effect included in diluted earnings per share as at 30 June 2013:

- ordinary shares (excluding treasury shares);
- partly-paid shares; and
- employee options and rights.

(d) Details of securities

(i) Partly-paid ordinary shares

Partly-paid ordinary shares do not carry the right to participate in dividends and have not been recognised in ordinary share equivalents in the determination of basic earnings per share. Amounts uncalled on partly-paid shares and calls in arrears are treated as the equivalent of options to acquire ordinary shares and are included as potential ordinary shares in the determination of diluted earnings per share.

(ii) Options and rights

Options and rights granted to employees under the Amcor Limited employee share/option and rights plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options and rights have not been included in the determination of basic earnings per share. Details relating to the options and rights plans are set out in note 29.

(iii) Treasury shares

Treasury shares are held by the Amcor Employee Share Trust for the purpose of issuing shares to employees under the consolidated entity's Employee Share Plans. These shares have been excluded in the determination of basic and diluted earnings per share. Details of the treasury shares are set out in note 25.

Note 11. Cash and Cash Equivalents

$ million	2013	2012
Cash on hand and at bank	**267.0**	267.8
Short-term deposits	**7.2**	20.6
Deposits at call	**120.7**	69.2
Total cash and cash equivalents	**394.9**	357.6

The consolidated entity operates in 43 countries around the world some of which may impose restrictions over cash. The estimated restricted cash balance at 30 June 2013 is between $40.0 million and $50.0 million.

Short term deposits and deposits at call for the consolidated entity across various jurisdictions bear floating interest rates between 0.0% and 10.3% (2012: 0.0% and 14.0%). Details regarding interest rate risk, foreign currency risk, credit risk and the fair value of cash and cash equivalents are disclosed in note 28.

Note 12. Trade and Other Receivables

$ million	2013	2012
Trade receivables	**1,630.7**	1,454.2
Less provision for impairment losses	**(23.0)**	(24.2)
	1,607.7	1,430.0
Loans and other receivables(1)	**211.8**	154.8
Receivable on divested property(2)	**10.0**	-
Total current trade and other receivables	**1,829.5**	1,584.8

(1) These amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.
(2) Proceeds from receivable related to divested property were received on 24 July 2013.

Credit risks related to receivables
Customer credit risk is managed by each business group in accordance with the procedures and controls set out in the consolidated entity's credit risk management policy. Credit limits are established for all customers based on external or internal rating criteria and letters of credit or other forms of credit insurance cover are obtained where appropriate.

For the sale of products and associated trade receivables, the consolidated entity minimises where possible its concentration of risk by undertaking transactions with a large number of customers and counterparties in various countries with policies in place to ensure that sales of products and services are made to customers with appropriate credit history.

In respect of these financial assets and the credit risk embodied within them, the consolidated entity holds no significant collateral as security. The credit quality of trade receivables that are neither past due nor impaired are consistently monitored in order to identify any potential adverse changes in credit quality. The consolidated entity has no material exposure to any individual customer.

The carrying amount of financial assets recognised in the statement of financial position (excluding equity securities) best represents the consolidated entity's maximum exposure to credit risk at the reporting date.

Impairment of financial assets
As at 30 June 2013, current trade receivables of the consolidated entity with a nominal value of $24.9 million (2012: $26.4 million) were impaired. The amount of the provision was $23.0 million (2012: $24.2 million). The individually impaired receivables relate to transactions which have been disputed by customers, or receivables owing from customers experiencing financial difficulties. It has been assessed that a portion of the receivables is expected to be recovered.

The consolidated entity has recognised a loss of $5.5 million (2012: $5.0 million) in respect of impaired trade receivables during the financial year ended 30 June 2013. The loss has been included in 'general and administration' expenses in the income statement.

As at 30 June 2013, current trade receivables of $231.9 million (2012: $215.7 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing of trade receivables, according to their due date, is as follows:

	Impaired Receivables		Not Impaired	
$ million	2013	2012	2013	2012
Not past due	**1.0**	0.7	**1,373.9**	1,212.1
Past due 0-30 days	**0.6**	1.4	**135.4**	123.9
Past due 31-120 days	**3.2**	5.2	**93.6**	89.6
More than 121 days	**20.1**	19.1	**2.9**	2.2
	24.9	26.4	**1,605.8**	1,427.8

Note 12. Trade and Other Receivables (continued)

Impairment of financial assets (continued)

Movements in the provision for impairments of receivables are as follows:

$ million	2013	2012
Opening balance	**24.2**	25.8
Bad debts expense - charge to expense	**4.7**	4.8
Reversal of impairment	**(1.6)**	-
Receivables written off during the period as uncollectible	**(5.9)**	(1.8)
Additions through business acquisitions	**0.2**	-
Unused amount reversed	**-**	(3.2)
Effects of movement in exchange rate	**1.4**	(1.4)
Closing balance	**23.0**	24.2

In assessing an appropriate provision for impairments of receivables consideration is given to historical experience of bad debts, based on the ageing of receivables, knowledge of debtor insolvency or other credit risk and individual account assessment.

Details regarding interest rate risk, foreign currency risk and fair values of receivables are disclosed in note 28.

Note 13. Inventories

$ million	2013	2012
Raw materials and stores at cost	**741.2**	723.8
Work in progress at cost	**199.8**	181.1
Finished goods at cost	**773.5**	677.7
	1,714.5	1,582.6
Raw materials and stores at net realisable value	**41.2**	30.6
Work in progress at net realisable value	**15.0**	7.3
Finished goods at net realisable value	**43.9**	43.1
	100.1	81.0
Total inventories	**1,814.6**	1,663.6

During the period the consolidated entity recognised a write-down of $3.0 million with regard to the net realisable value of inventories (2012: a net reversal of $0.7 million). Both the reversal and expense have been included in 'cost of sales' expense in the income statement. As at 30 June 2013, no inventory of the consolidated entity is pledged as security over any borrowing (2012: nil).

Note 14. Other Financial Assets

$ million	2013	2012
Current		
Derivative financial instruments - fair value through profit and loss:		
Forward exchange contracts	**23.3**	9.0
Hedge contracts for cash settled bonus and retention payment plans ('Equity Share Swap' contracts)	**-**	1.5
Derivative financial instruments - cash flow hedges:		
Forward exchange contracts	**13.5**	1.5
Total current other financial assets	**36.8**	12.0

Note 14. Other Financial Assets (continued)

$ million	2013	2012
Non-current		
Investments in companies listed on stock exchanges at fair value	**4.6**	4.8
Investments in companies not listed on stock exchanges at cost	**1.0**	1.0
	5.6	5.8
Derivative financial instruments - fair value through profit and loss:		
Hedge contracts for cash settled Employee Share Plan Options ('American' style contracts)	**0.4**	0.2
Forward exchange contracts	**-**	0.4
Other non-current financial assets	**0.3**	0.6
	0.7	1.2
Receivable on divested property[1]	**91.5**	-
Loans and other receivables	**18.3**	34.1
Total non-current other financial assets	**116.1**	41.1

[1] This amount relates to deferred consideration in respect of the disposal of land.

Details regarding the interest rate risk, foreign currency risk, commodity price risk, employee share plan risk and fair values of the other financial assets are disclosed in note 28.

In relation to the cash settled Employee Share Plan Options, the Employee Bonus Payment Plan and the Senior Executive Retention Payment Plan, the consolidated entity is exposed to movements in the value of the underlying ordinary shares of Amcor Limited. The consolidated entity has economically hedged its exposure by entering into cash settled equity share option or equity share swap contracts that mirror the terms and conditions of the employee benefit.

Note 15. Other Assets

$ million	2013	2012
Current		
Contract incentive payments[1]	**21.8**	20.9
Prepayments	**97.2**	86.0
Other current assets	**2.7**	3.2
Total current other assets	**121.7**	110.1
Non-current		
Contract incentive payments[1]	**76.6**	58.6
Prepayments	**14.2**	11.2
Other non-current assets	**122.0**	125.4
Total non-current other assets	**212.8**	195.2

[1] Contract incentives are provided to customers to secure long term sale agreements and are amortised over the period of the contractual arrangement.

Note 16. Investments Accounted for Using the Equity Method

The consolidated entity holds interests in the following associates and joint ventures:

				Ordinary share ownership interest	
				2013	2012
Name	**Principal activity**	**Incorporated**	**Reporting date**	**%**	%
Associates					
AMVIG Holdings Limited	Tobacco packaging	Cayman Islands	31 December	**47.9**	47.9
Joint Ventures					
Discma AG	Product development and licensing	Switzerland	30 June	**50.0**	-

The consolidated entity accounts for investments in associates and joint ventures using the equity accounting method.

$ million	**2013**	2012
Interests in associates	**486.6**	489.9
Interests in joint ventures	**12.9**	-
Consolidated entity's carrying value of equity accounted investments	**499.5**	489.9

(a) Movement in carrying amounts

Carrying amount at the beginning of the financial year	**489.9**	442.2
Additional interest in equity accounted investments(1)	**11.8**	-
Share of profits after income tax	**25.8**	36.7
Dividends received	**(70.1)**	(13.2)
Disposal of equity accounted investments(2)	**-**	(8.3)
Share of other comprehensive income of equity accounted investments	**0.5**	10.4
Effect of movements in foreign exchange rates	**41.6**	22.1
Carrying amount at the end of the financial year	**499.5**	489.9

(1) On 14 September 2012 the consolidated entity acquired a 50% interest in the joint venture entity Discma AG.
(2) On 30 November 2011 the consolidated entity disposed of its 37.0% associate investment in Silgan White Cap De Venezuela S.A. In addition, on 1 April 2012 the consolidated entity acquired an additional interest in the 40.0% associate Amcor Chengdu Co. Limited. As a result of this increase in ownership the consolidated entity obtained a controlling interest in Amcor Chengdu Co. Limited and therefore ceased equity accounting from this date, refer note 3(c).

(b) Financial information related to equity accounted investments

The financial information below represents 100% of the investees:

Profit and Loss		
Revenues	**451.4**	452.0
Expenses	**(373.1)**	(360.4)
Profit	**78.3**	91.6
Financial Position		
Current assets	**379.1**	349.3
Non-current assets	**560.6**	481.7
Total assets	**939.7**	831.0
Current liabilities	**147.9**	175.6
Non-current liabilities	**226.4**	67.5
Total liabilities	**374.3**	243.1
Net assets reported by equity accounted investments	**565.4**	587.9

Note 16. Investments Accounted for Using the Equity Method (continued)

(b) Financial information related to equity accounted investments (continued)

$ million	2013	2012
Commitments		
Share of capital commitments contracted but not provided for or payable:		
Within one year	**1.3**	2.8
	1.3	2.8
Share of other expenditure commitments contracted but not provided for or payable (including operating lease commitments):		
Within one year	**1.4**	1.2
Between one and five years	**2.8**	3.1
More than five years	**0.3**	0.4
	4.5	4.7

(c) Acquisitions and disposals

30 June 2013

Discma AG

On 14 September 2012 the consolidated entity acquired a 50% interest in the joint venture entity Discma AG for $11.8 million. Discma AG is principally engaged in the development and licensing of packaging product innovations.

30 June 2012

Amcor Chengdu Co. Limited (Chengdu)

On 1 April 2012 the consolidated entity acquired an additional 3.0 million shares in Chengdu. At the date of this acquisition the consolidated entity obtained a controlling interest in Chengdu and therefore ceased equity accounting and commenced consolidating the financial results and position of the subsidiary.

The consolidated entity recognised a share in associate profits of Chengdu, up to the date control was obtained, of $0.7 million, which resided in the Amcor Flexibles reporting segment. The fair value of the associate investment was assessed as $12.1 million at the date control was obtained and as a result a gain of $9.8 million has been recognised in 'other income' in the income statement. Goodwill of $12.2 million has been recognised on the acquisition of the controlling interest in Chengdu.

Silgan White Cap de Venezuela S.A. (Silgan White Cap)

On 30 November 2011 the consolidated entity disposed its 37.0% interest in the equity accounted investment Silgan White Cap, a metal and plastics closures company incorporated in Venezuela, which resided in the Amcor Rigid Plastics reporting segment. The consolidated entity recognised a share in associate profits of Silgan White Cap, up to the date of disposal, of $0.1 million. A loss of $0.6 million on sale of the investment was recognised.

(d) Reporting date

The balance date for AMVIG is 31 December which is different to that of the consolidated entity due to commercial reasons and the listing requirements of this entity on the Hong Kong Stock Exchange. In determining the consolidated entity's share of profits of AMVIG for the financial year ended 30 June 2013, the consolidated entity has used unaudited management accounts for the six months ended 30 June 2013 and the latest publicly available financial information, being the audited results for the year ended 31 December 2012.

Amcor Limited and its controlled entities

Notes to the financial statements
30 June 2013

Note 17. Property, Plant and Equipment

$ million	Land	Land improvements	Buildings	Plant and equipment	Assets under construction	Finance leases	Total
2013							
Cost							
Opening balance	**268.9**	**22.2**	**1,197.7**	**6,961.0**	**594.7**	**15.6**	**9,060.1**
Additions for the period	**1.0**	**0.1**	**16.2**	**360.0**	**90.3**	**1.1**	**468.7**
Disposals during the period	**(27.0)**	**(3.6)**	**(75.0)**	**(497.0)**	**-**	**(0.3)**	**(602.9)**
Additions through business acquisitions	**0.8**	**0.1**	**18.2**	**65.1**	**-**	**-**	**84.2**
Disposal of businesses and controlled entities	**(0.9)**	**-**	**(1.4)**	**(13.4)**	**-**	**-**	**(15.7)**
Other transfers	**-**	**0.5**	**198.3**	**486.2**	**(685.0)**	**-**	**-**
Effect of movements in foreign exchange rates	**17.3**	**0.8**	**91.1**	**423.8**	**-**	**2.1**	**535.1**
Closing balance	**260.1**	**20.1**	**1,445.1**	**7,785.7**	**-**	**18.5**	**9,529.5**
Accumulated depreciation and impairment							
Opening balance	**(0.7)**	**(8.6)**	**(368.5)**	**(4,008.4)**	**-**	**(6.3)**	**(4,392.5)**
Depreciation charge	**(0.2)**	**(0.8)**	**(52.4)**	**(386.9)**	**-**	**(1.6)**	**(441.9)**
Disposals during the period	**0.2**	**2.9**	**48.2**	**475.1**	**-**	**0.1**	**526.5**
Disposal of businesses and controlled entities	**-**	**-**	**-**	**5.7**	**-**	**-**	**5.7**
Impairment loss	**-**	**-**	**(0.4)**	**(76.1)**	**-**	**-**	**(76.5)**
Effect of movements in foreign exchange rates	**(0.2)**	**(0.3)**	**(29.6)**	**(236.8)**	**-**	**(0.9)**	**(267.8)**
Closing balance	**(0.9)**	**(6.8)**	**(402.7)**	**(4,227.4)**	**-**	**(8.7)**	**(4,646.5)**
Carrying value 30 June 2013	**259.2**	**13.3**	**1,042.4**	**3,558.3**	**-**	**9.8**	**4,883.0**
2012							
Cost							
Opening balance	272.1	23.0	1,232.7	6,619.9	357.4	18.2	8,523.3
Additions for the period	3.4	0.2	22.9	391.6	272.2	5.9	696.2
Disposals during the period	(3.8)	(1.2)	(43.4)	(51.6)	-	(3.6)	(103.6)
Additions through business acquisitions	4.5	-	10.3	78.2	-	-	93.0
Other transfers	-	0.5	10.0	28.4	(35.1)	(3.8)	-
Effect of movements in foreign exchange rates	(7.3)	(0.3)	(34.8)	(105.5)	0.2	(1.1)	(148.8)
Closing balance	268.9	22.2	1,197.7	6,961.0	594.7	15.6	9,060.1
Accumulated depreciation and impairment							
Opening balance	(0.4)	(8.0)	(334.2)	(3,681.7)	-	(1.7)	(4,026.0)
Depreciation charge	(0.2)	(0.9)	(58.0)	(391.4)	-	(4.8)	(455.3)
Disposals during the period	0.5	0.2	23.6	64.3	-	0.2	88.8
Impairment loss	-	-	(14.5)	(69.2)	-	(0.1)	(83.8)
Reversal of impairment loss	-	-	-	1.6	-	-	1.6
Other transfers	-	-	(0.2)	-	-	0.2	-
Effect of movements in foreign exchange rates	(0.6)	0.1	14.8	68.0	-	(0.1)	82.2
Closing balance	(0.7)	(8.6)	(368.5)	(4,008.4)	-	(6.3)	(4,392.5)
Carrying value 30 June 2012	268.2	13.6	829.2	2,952.6	594.7	9.3	4,667.6

(a) Non-current assets pledged as security

At 30 June 2013, property, plant and equipment with a carrying value of $14.5 million (2012: $17.6 million) was provided as security for certain interest-bearing borrowings. Refer to note 21 for more information on non-current assets pledged as security by the consolidated entity.

In addition, property with a carrying value of $14.7 million has been pledged as security with regards to the consolidated entity’s Brazil excise and income tax claims (2012: $19.2 million).

Note 17. Property, Plant and Equipment (continued)

(b) Non-current asset impairments

30 June 2013

During the year ended 30 June 2013, the consolidated entity recorded impairments of property, plant and equipment totalling $76.5 million within 'general and administration' expense in the income statement. The impairments were recognised in the following segments with the recoverable amount of the assets based on management's historical experience of the sale of similar assets with reference to current market conditions, which represents fair value, less costs to sell.

- Amcor Australasia and Packaging Distribution recognised impairments totalling $75.1 million during the period as a result of restructuring activities undertaken within the business. An impairment of $2.2 million was recognised on the closure of the Thomastown Metal Closures business in Victoria, Australia and an impairment of $72.9 million has been recognised on the announcement of the closure of the Petrie recycled cartonboard manufacturing plant in Queensland, Australia which is anticipated to occur in September 2013.
- Amcor Flexibles recognised impairments totalling $1.4 million during the period relating to specific items of property, plant and equipment that were identified idle and surplus to current requirements.

30 June 2012

During the year ended 30 June 2012, the consolidated entity recognised impairments of property, plant and equipment totalling $83.8 million within 'general and administration' expense in the income statement. The impairments were recognised in the following segments with the recoverable amount of the assets based upon management's historical experience on the sale of similar assets with reference to current market conditions, less costs to sell, which represents fair value.

- Amcor Rigid Plastics recognised an impairment of $53.0 million relating to the North American footprint review and Mexican restructure where specific items of property, plant and equipment were identified as impaired.
- Amcor Australasia and Packaging Distribution recorded an impairment totalling $18.5 million relating to existing paper mill assets that were reviewed and assessed as not deployable to the new mill at Botany.
- Amcor Flexibles recognised an impairment of $12.3 million during the year. This amount comprised $10.7 million relating to the closure and pending closure of certain plants in Europe and $1.6 million for specific assets, of which $1.3 million was the result of a fire at one plant which required the rebuild of machinery.

(c) Non-current asset impairment reversals

30 June 2013

During the year ended 30 June 2013, the consolidated entity did not reverse any previously recognised impairments.

30 June 2012

During the year ended 30 June 2012, the consolidated entity reversed impairments totalling $1.6 million. The reversals were recognised by Amcor Flexibles within 'general and administration' expense in the income statement and were primarily as a result of assets previously impaired in the year ended 30 June 2011 being subsequently sold in the current year for value greater than their carrying value.

Note 18. Deferred Tax Assets and Liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2013			2012		
$ million	**Assets**	**Liabilities**	**Net**	Assets	Liabilities	Net
Property, plant and equipment	**20.0**	**(371.4)**	**(351.4)**	16.5	(338.0)	(321.5)
Impairment of trade receivables	**4.8**	**(1.0)**	**3.8**	3.1	(0.5)	2.6
Intangibles	**-**	**(163.5)**	**(163.5)**	-	(137.6)	(137.6)
Valuation of inventories	**22.5**	**(9.3)**	**13.2**	23.3	(8.3)	15.0
Employee benefits	**94.9**	**(5.9)**	**89.0**	111.8	(15.8)	96.0
Provisions	**66.5**	**(0.8)**	**65.7**	85.2	-	85.2
Financial instruments at fair value and net investment hedges	**142.2**	**(128.2)**	**14.0**	291.4	(343.0)	(51.6)
Tax losses carried forward	**224.0**	**-**	**224.0**	254.3	-	254.3
Accruals and other items	**54.9**	**(53.2)**	**1.7**	41.7	(52.8)	(11.1)
Tax assets/(liabilities)	**629.8**	**(733.3)**	**(103.5)**	827.3	(896.0)	(68.7)
Set off of tax	**(452.1)**	**452.1**	**-**	(683.7)	683.7	-
Net deferred tax asset/(liability)	**177.7**	**(281.2)**	**(103.5)**	143.6	(212.3)	(68.7)

Note 18. Deferred Tax Assets and Liabilities (continued)

(b) Movement in temporary differences during the year

$ million	Net asset/ (liability) at 1 July	Recognised in income statement	Recognised in other comprehensive income	Acquired balances	Other[(1)]	Exchange difference	Net asset/ (liability) at 30 June
2013							
Property, plant and equipment	**(321.5)**	**(6.1)**	**-**	**5.4**	-	**(29.2)**	**(351.4)**
Impairment of trade receivables	**2.6**	**1.0**	**-**	**-**	-	**0.2**	**3.8**
Intangible assets	**(137.6)**	**(5.7)**	**-**	**(4.4)**	-	**(15.8)**	**(163.5)**
Valuation of inventories	**15.0**	**(1.6)**	**-**	**-**	-	**(0.2)**	**13.2**
Employee benefits	**96.0**	**(29.4)**	**16.4**	**0.9**	-	**5.1**	**89.0**
Provisions	**85.2**	**(25.8)**	**-**	**4.2**	-	**2.1**	**65.7**
Financial instruments at fair value and net investment hedges	**(51.6)**	**(22.9)**	**110.9**	**-**	**(22.7)**	**0.3**	**14.0**
Tax losses carried forward	**254.3**	**5.2**	**(43.9)**	**-**	-	**8.4**	**224.0**
Accruals and other items	**(11.1)**	**7.3**	**-**	**2.0**	-	**3.5**	**1.7**
	(68.7)	**(78.0)**	**83.4**	**8.1**	**(22.7)**	**(25.6)**	**(103.5)**
2012							
Property, plant and equipment	(296.9)	(17.0)	-	(5.3)	-	(2.3)	(321.5)
Impairment of trade receivables	4.3	(1.8)	-	-	-	0.1	2.6
Intangible assets	(131.2)	(2.2)	-	-	-	(4.2)	(137.6)
Valuation of inventories	28.7	(15.8)	-	0.4	-	1.7	15.0
Employee benefits	103.6	(36.8)	26.5	3.8	-	(1.1)	96.0
Provisions	57.6	26.3	-	-	-	1.3	85.2
Financial instruments at fair value	(128.8)	46.1	1.0	-	29.4	0.7	(51.6)
Tax losses carried forward	251.0	3.3	-	-	-	-	254.3
Accruals and other items	0.2	(10.2)	-	-	-	(1.1)	(11.1)
	(111.5)	(8.1)	27.5	(1.1)	29.4	(4.9)	(68.7)

(1) Amounts in 'Other' represents the deferred tax recognised directly in equity in respect of the forward contracts that the consolidated entity has entered into for the future on-market purchase of ordinary shares of the Company, for the purpose of managing the consolidated entity's obligations under the Employee Share Plans (refer note 26).

(c) Unrecognised deferred tax assets and liabilities

(i) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

$ million	2013	2012
Unused tax losses for which no deferred tax asset has been recognised	**796.1**	712.5
Potential tax benefits at applicable rates of tax	**229.5**	202.4
Deductible temporary differences not recognised	**36.6**	61.1
Total unrecognised deferred tax assets	**266.1**	263.5

Unused tax losses have been incurred by entities in various jurisdictions. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the consolidated entity can utilise the benefits.

(ii) Unrecognised deferred tax liabilities

Deferred tax liabilities have not been recognised in respect of temporary differences arising as a result of the translation of the financial statements of the consolidated entity's investments in subsidiaries and associates. The deferred tax liability will only arise in the event of disposal of the subsidiary or associate, and no such disposal is expected in the foreseeable future.

Unremitted earnings of the consolidated entity's international operations are considered to be reinvested indefinitely and relate to the ongoing operations. Upon distribution of any earnings in the form of dividends or otherwise, the consolidated entity may be subject to withholding taxes payable to various foreign countries; however, such amounts are not considered to be significant. As the consolidated entity controls when the deferred tax liability will be incurred and is satisfied that it will not be incurred in the foreseeable future, the deferred tax liability has not been recognised.

Note 19. Intangible Assets

$ million	Product development	Computer software	Goodwill	Customer relationships	Other intangible assets	Total
2013						
Cost						
Opening balance	**13.2**	**268.8**	**1,657.8**	**248.6**	**32.6**	**2,221.0**
Additions through internal activities	**-**	**14.4**	-	**-**	**18.0**	**32.4**
Additions for the period	**-**	**6.2**	-	**-**	**0.4**	**6.6**
Additions through business acquisitions	**-**	**-**	**113.5**	**0.3**	**-**	**113.8**
Disposals during the period	**(8.8)**	**(9.0)**	-	**-**	**(0.2)**	**(18.0)**
Disposal of business and controlled entities	**-**	**-**	**(1.0)**	**-**	**-**	**(1.0)**
Other transfers	**-**	**-**	**-**	**14.4**	**(14.4)**	**-**
Effect of movements in foreign exchange rates	**0.4**	**16.4**	**166.7**	**28.7**	**0.2**	**212.4**
Closing balance	**4.8**	**296.8**	**1,937.0**	**292.0**	**36.6**	**2,567.2**
Accumulated amortisation and impairment						
Opening balance	**(5.2)**	**(162.5)**	**(13.0)**	**(27.2)**	**(13.6)**	**(221.5)**
Amortisation charge	**(0.1)**	**(19.7)**	**-**	**(13.6)**	**(0.8)**	**(34.2)**
Disposals during the period	**1.2**	**8.2**	**-**	**-**	**0.1**	**9.5**
Impairment loss	**-**	**(5.4)**	**-**	**-**	**-**	**(5.4)**
Effect of movements in foreign exchange rates	**(0.4)**	**(8.5)**	**(0.4)**	**(5.4)**	**(0.2)**	**(14.9)**
Closing balance	**(4.5)**	**(187.9)**	**(13.4)**	**(46.2)**	**(14.5)**	**(266.5)**
Carrying value 30 June 2013	**0.3**	**108.9**	**1,923.6**	**245.8**	**22.1**	**2,300.7**
2012						
Cost						
Opening balance	8.0	247.2	1,545.1	252.3	16.9	2,069.5
Additions through internal activities	8.0	31.2	-	-	-	39.2
Additions for the period	-	16.7	-	-	1.1	17.8
Additions through business acquisitions	-	-	123.4	-	14.9	138.3
Disposals during the period	(2.1)	(26.2)	-	-	(0.8)	(29.1)
Effect of movements in foreign exchange rates	(0.7)	(0.1)	(10.7)	(3.7)	0.5	(14.7)
Closing balance	13.2	268.8	1,657.8	248.6	32.6	2,221.0
Accumulated amortisation and impairment						
Opening balance	(5.6)	(140.3)	(13.0)	(15.3)	(13.8)	(188.0)
Amortisation charge	(0.1)	(27.1)	-	(12.2)	(0.8)	(40.2)
Disposals during the period	0.1	5.5	-	-	0.5	6.1
Reversal of impairment loss	-	-	-	-	0.2	0.2
Effect of movements in foreign exchange rates	0.4	(0.6)	-	0.3	0.3	0.4
Closing balance	(5.2)	(162.5)	(13.0)	(27.2)	(13.6)	(221.5)
Carrying value 30 June 2012	8.0	106.3	1,644.8	221.4	19.0	1,999.5

As at 30 June 2013 the consolidated entity does not hold any indefinite life intangible assets, other than goodwill.

(a) Intangible asset impairments and impairment reversals

30 June 2013
During the year ended 30 June 2013, Amcor Australasia and Packaging Distribution recognised an impairment totalling $5.4 million, within 'general and administration' expense in the income statement, as the result of the announcement of the closure of the Petrie recycled cartonboard manufacturing plant in Queensland, Australia, which is anticipated to occur in September 2013. No impairment reversals were recognised by the consolidated entity during the period.

30 June 2012
During the year ended 30 June 2012, the consolidated entity recognised no impairment charges against the carrying value of intangible assets. However, a $0.2 million impairment reversal for intellectual property was recognised by Amcor Flexibles within 'general and administration' expense in the income statement.

Note 19. Intangible Assets (continued)

(b) Impairment tests for goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash generating units or groups of cash generating units (CGUs) according to the level at which management monitors goodwill.

The goodwill amounts allocated below are tested annually or semi-annually if there are indicators of impairment, by comparison with the recoverable amount of each CGU or group of CGU's assets. Recoverable amounts for CGUs are measured at the higher of fair value less costs to sell and value in use. Value in use is calculated from cash flow projections for five years using data from the consolidated entity's latest internal forecasts. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes in margins.

The forecasts used in the value in use calculations are management estimates in determining income, expenses, capital expenditure and cash flows for each asset and CGU. Changes in selling prices and direct costs are based on past experience and management's expectation of future changes in the markets in which the consolidated entity operates. Cash flows beyond the five year period are extrapolated using estimated growth rates.

The following table presents a summary of the goodwill allocation and the key assumptions used in determining the recoverable amount of each CGU:

	Goodwill Allocation		**Pre-Tax Discount Rate**		**Growth Rate**	
	2013	2012	**2013**	2012	**2013**	2012
CGU	**$ million**	$ million	**%**	%	**%**	%
Rigid Plastics						
Rigid Plastics	**725.2**	668.9	**12.2**	9.7	**-**	3.0
Australasia and Packaging Distribution						
Australasia	**85.6**	63.4	**9.1**	9.6	**-**	-
Packaging Distribution	**116.6**	104.6	**8.9**	8.7	**3.0**	3.0
Flexibles						
Flexibles Europe & Americas	**500.1**	440.7	**7.6**	7.6	**-**	0.5
Tobacco Packaging	**303.7**	212.1	**7.6**	7.6	**-**	-
Flexibles Asia Pacific	**192.4**	155.1	**9.9**	10.4	**3.0**	3.0
	1,923.6	1,644.8				

The discount rate used in performing the value in use calculations reflects the consolidated entity's weighted average cost of capital, as adjusted for specific risks relating to each geographical region in which the CGUs operate. The pre-tax discount rates are disclosed above. The growth rate represents the average rate applied to extrapolate CGU cash flows beyond the five year forecast period. These growth rates are determined with regard to the long term performance of each CGU in their respective market and are not expected to exceed the long term average growth rates in the applicable market.

Notes to the financial statements
30 June 2013

Note 20. Trade and Other Payables

$ million	2013	2012
Current		
Trade creditors	**2,187.7**	1,949.6
Deferred grant income	**0.5**	0.6
Other creditors and accruals	**899.3**	794.5
Total current trade and other payables	**3,087.5**	2,744.7
Non-current		
Deferred grant income	**4.1**	4.7
Other unsecured creditors	**17.9**	14.4
Total non-current trade and other payables	**22.0**	19.1

Note 21. Interest-Bearing Liabilities

$ million	Footnote	2013	2012
Current			
Secured borrowings:			
Bank loans		**-**	2.4
Other loans		**0.6**	0.3
Lease liabilities (refer note 33)		**2.6**	2.4
	(1)	**3.2**	5.1
Unsecured borrowings:			
Bank overdrafts		**28.4**	35.5
Bank loans	(2)	**445.5**	421.8
Commercial paper	(3)	**707.2**	271.4
US dollar notes	(4)	**-**	179.3
Other loans		**0.5**	2.4
		1,181.6	910.4
Total current interest-bearing liabilities		**1,184.8**	915.5
Non-current			
Secured borrowings:			
Other loans		**1.2**	1.3
Lease liabilities (refer note 33)		**8.2**	9.7
	(1)	**9.4**	11.0
Unsecured borrowings:			
Bank loans	(2)	**393.7**	843.4
US dollar notes	(4)	**1,215.6**	1,121.2
Euro notes	(4)	**210.9**	186.6
Eurobond	(5)	**1,177.1**	675.8
Swiss bond	(6)	**169.9**	153.4
Other loans		**1.0**	1.3
		3,168.2	2,981.7
Total non-current interest-bearing liabilities		**3,177.6**	2,992.7
Reconciliation of consolidated net debt			
Current		**1,184.8**	915.5
Non-current		**3,177.6**	2,992.7
Total interest-bearing liabilities		**4,362.4**	3,908.2
Cash and cash equivalents (refer note 11)		**(394.9)**	(357.6)
Net debt		**3,967.5**	3,550.6

Note 21. Interest-Bearing Liabilities (continued)

Footnotes:

(1) Property, plant and equipment is provided as security over certain borrowings including lease liabilities, which are effectively secured, as the rights to the leased assets revert to the lessor in the event of default. The total value of property, plant and equipment secured is $14.5 million (2012: $17.6 million) which represents the carrying value of the secured assets.

(2) Bank loans principally include the following borrowings:
- No amount has been drawn (2012: $198.3 million) under a committed US$900.0 million (2012: US$740.0 million) syndicated multi-currency facility supporting the uncommitted commercial paper programs (refer footnote 3) maturing in August 2015. Drawings are in various currencies and bear interest at the applicable BBSY or LIBOR rate plus a credit margin.
- An amount of $311.0 million (2012: $493.5 million) drawn under a US$740.0 million (2012: US$740.0 million) committed global syndicated multi-currency facility maturing December 2013.
- An amount of $389.4 million (2012: $250.0 million) drawn under a US$370.0 million (2012: US$370.0 million) committed global syndicated multi-currency facility maturing December 2014.
- An amount of $104.1 million (2012: $89.4 million) drawn under a $200.0 million (2012: $200.0 million) committed multi-currency facility maturing in June 2014 which is in various currencies and bear interest at the applicable BBSY, HIBOR or LIBOR rate plus an applicable credit margin.

(3) Borrowings in commercial paper markets include the following:
- AUD Uncommitted Promissory Note facility of $600.0 million (2012: $600.0 million) of which $383.6 million is outstanding at 30 June 2013 (2012: $176.8 million). This facility continues indefinitely until it is terminated by giving written notice to the dealer panel members; and
- US Uncommitted Commercial Paper Program of US$400.0 million (2012: US$400.0 million) of which $323.6 million (US$300.0 million) is outstanding at 30 June 2013 (2012: $94.6 million; US$95.0 million).

The commercial paper borrowings are classified as a current interest-bearing liability and the US$900 million syndicated multi-currency facility tranche due in August 2015 (refer footnote 2) acts as back stop liquidity support for amounts outstanding commercial paper. Usage of these facilities reduces the available facilities under the syndicated multi-currency facility discussed in footnote 2.

(4) The following senior unsecured notes were issued in the United States Private Placement Market where interest on the notes is payable semi-annually at a fixed rate:
- US$280.0 million notes issued in 2002 with final bullet maturities between 2014 and 2017;
- US$850.0 million notes issued in 2009 with final bullet maturities between 2016 and 2021; and
- €150.0 million notes issued in 2010 with final bullet maturities between 2015 to 2020.

(5) This amount represents unsecured notes issued in the Eurobond market consisting of €550.0 million (2012: €550.0 million) maturing in April 2019 and €300.0 million (2012: nil) maturing in March 2023.

(6) This amount represents unsecured notes issued in the Swiss Bond market of CHF150.0 million (2012: CHF 150.0 million) maturing in April 2018.

Details of the interest rate risk, foreign currency risk, committed and uncommitted facilities and fair value of interest-bearing liabilities for the consolidated entity are set out in note 28.

Note 22. Other Financial Liabilities

$ million	2013	2012
Current		
Forward contracts to purchase own equity to meet share plan obligations[1]	**73.8**	107.8
Derivative financial instruments - fair value through profit and loss:		
Forward exchange contracts	**10.0**	30.1
Commodity contracts	**5.0**	4.4
Derivative financial instruments - cash flow hedges:		
Forward exchange contracts	**0.7**	0.6
Commodity contracts	**0.6**	0.5
Total current other financial liabilities	**90.1**	143.4
Non-current		
Forward contracts to purchase own equity to meet share plan obligations[1]	**-**	13.1
Derivative financial instruments - cash flow hedges:		
Forward exchange contracts	**-**	0.1
Derivative financial instruments - fair value through profit and loss:		
Interest rate swaps	**12.4**	-
Total non-current other financial liabilities	**12.4**	13.2

[1] The consolidated entity has entered into forward contracts for the on-market purchase of ordinary shares of the Company, for the purpose of managing the consolidated entity's obligations under the Employee Share Plans (refer note 29). The financial liability is measured at the present value of the expenditure required to settle the contract with a corresponding reduction, net of any related income tax effects, recognised in equity (refer notes 25 and 26). Refer note 28(a)(iv) for details for the forward purchase contracts.

Note 23. Provisions

$ million	Employee entitlements	Insurance and other claims	Onerous contracts	Asset restoration	Restructuring	Other	Total
Balance at 1 July 2012	**154.4**	**96.5**	**13.7**	**83.1**	**113.8**	**3.1**	**464.6**
Provisions made during the period	**59.3**	**38.0**	**1.2**	**3.0**	**137.2**	**3.9**	**242.6**
Payments made during the period	**(67.9)**	**(31.7)**	**(6.3)**	**(6.3)**	**(141.0)**	**(3.3)**	**(256.5)**
Released during the period	**(2.2)**	**(4.2)**	**-**	**(6.7)**	**(0.6)**	**(0.7)**	**(14.4)**
Disposal of businesses and controlled entities	**(2.9)**	**-**	**-**	**-**	**-**	**(0.1)**	**(3.0)**
Additions through business acquisitions	**0.9**	**-**	**6.3**	**6.1**	**1.9**	**0.1**	**15.3**
Unwinding of discount	**-**	**-**	**0.4**	**1.4**	**-**	**-**	**1.8**
Effect of movement in foreign exchange rate	**4.1**	**3.4**	**1.4**	**5.7**	**2.9**	**0.2**	**17.7**
Balance at 30 June 2013	**145.7**	**102.0**	**16.7**	**86.3**	**114.2**	**3.2**	**468.1**
Current	**117.3**	**48.1**	**10.8**	**8.6**	**106.1**	**2.9**	**293.8**
Non-current	**28.4**	**53.9**	**5.9**	**77.7**	**8.1**	**0.3**	**174.3**
Balance at 1 July 2011	145.0	159.8	21.1	83.3	123.2	3.7	536.1
Provisions made during the period	51.5	19.9	1.2	9.1	147.3	1.4	230.4
Payments made during the period	(53.4)	(39.5)	(9.0)	(1.4)	(156.7)	(1.0)	(261.0)
Released during the period	(1.2)	(7.7)	-	(8.4)	(1.3)	(1.0)	(19.6)
Disposal of businesses and controlled entities	-	(18.4)	-	-	-	-	(18.4)
Additions through business acquisitions	11.9	-	-	-	4.5	0.1	16.5
Unwinding of discount	-	-	0.6	1.4	0.7	-	2.7
Effect of movement in foreign exchange rate	0.6	(17.6)	(0.2)	(0.9)	(3.9)	(0.1)	(22.1)
Balance at 30 June 2012	154.4	96.5	13.7	83.1	113.8	3.1	464.6
Current	126.4	42.3	11.5	6.0	108.5	2.3	297.0
Non-current	28.0	54.2	2.2	77.1	5.3	0.8	167.6

Description of provisions

Employee entitlements
Employee entitlements include the liability for annual leave and long service leave of employees as well as any Directors' retirement allowances.

Insurance and other claims
Insurance and other claims include provisions for workers' compensation, insurance and other claims and are made for claims received and claims expected to be received in relation to incidents occurring prior to 30 June 2013, based on historical claim rates. Estimated net future cash flows are based on the assumption that all claims will be settled and the weighted average cost of historical claims adjusted for inflation will continue to approximate future costs.

Onerous contracts
Onerous contract provisions relate to rental of land and buildings which are not able to be fully used or sublet by the consolidated entity, and certain customer and supply contracts procured through business acquisitions. The provision reflects only the onerous element of these commitments.

Asset restoration
Provisions for asset restoration or decommissioning relate to either make-good provisions included in lease agreements or decommissioning costs associated with environmental risks for which the consolidated entity has a legal or constructive obligation to make-good.

Where lease agreements include requirements to return the property to its original condition, the consolidated entity has made a provision based on an estimate of these costs.

At a number of sites, there are areas of contamination caused by past practice, many of which relate to operations prior to Amcor's ownership. The provision includes costs associated with the clean-up of sites it owns, or contamination that it caused, to enable on-going use of the land as an industrial property.

In addition, the consolidated entity recognises the environmental risks associated with underground storage tanks. The provision includes costs associated with the decommissioning, removal or repair of any tanks which may fail integrity tests.

Note 23. Provisions (continued)

Restructuring provisions

The following tables provide a segmental analysis of the restructuring provision at the end of the reporting period:

$ million	Amcor Rigid Plastics	Australasia and Packaging Distribution	Amcor Flexibles	Other	Total
Balance at 1 July 2012	**19.8**	**30.1**	**57.8**	**6.1**	**113.8**
Provisions made during the period	**-**	**125.8**	**6.1**	**5.3**	**137.2**
Payments made during the period	**(14.4)**	**(74.4)**	**(48.0)**	**(4.2)**	**(141.0)**
Released during the period	**-**	**-**	**(0.5)**	**(0.1)**	**(0.6)**
Additions through business acquisitions	**-**	**-**	**1.9**	**-**	**1.9**
Effect of movement in foreign exchange rate	**0.1**	**-**	**2.4**	**0.4**	**2.9**
Balance at 30 June 2013	**5.5**	**81.5**	**19.7**	**7.5**	**114.2**
Current	**5.5**	**75.6**	**17.5**	**7.5**	**106.1**
Non-current	**-**	**5.9**	**2.2**	**-**	**8.1**
Balance at 1 July 2011	4.4	38.2	66.4	14.2	123.2
Provisions made during the period	48.5	37.6	60.0	1.2	147.3
Payments made during the period	(33.7)	(45.5)	(68.6)	(8.9)	(156.7)
Released during the period	-	(0.2)	(0.4)	(0.7)	(1.3)
Additions through business acquisitions	-	-	4.5	-	4.5
Unwinding of discount	-	-	0.7	-	0.7
Effect of movement in foreign exchange rate	0.6	-	(4.8)	0.3	(3.9)
Balance at 30 June 2012	19.8	30.1	57.8	6.1	113.8
Current	19.8	30.1	52.5	6.1	108.5
Non-current	-	-	5.3	-	5.3

During the period Amcor Rigid Plastics continued to utilise restructuring provisions relating to activities associated with the streamlining and reorganisation of operations in North and Latin Americas, attributable to the closure of a number of plants across Mexico and North America in prior periods.

The Australasia and Packaging Distribution restructuring provision primarily relates to associated costs upon closure of the Thomastown Metal Closures business in Victoria, Australia, and the closure of the Petrie recycled cartonboard manufacturing plant in Queensland, Australia. In addition restructuring provisions have also been recognised in relation to cost reduction and reorganisation activities associated with the Australasia operations.

The Amcor Flexibles restructuring provision includes costs associated with the realisation of expected synergies from the Alcan acquisition. The restructuring costs incurred in the current year are in relation to the streamlining and rationalisation of the European operations which included the closure of certain manufacturing plants.

Note 24. Retirement Benefit Assets and Obligations

$ million	2013	2012
Retirement benefit asset pension plans	**(33.9)**	(64.1)
Retirement benefit assets	**(33.9)**	(64.1)
Defined benefit obligation pension plans	**323.1**	317.8
Defined benefit obligation post-retirement plans	**28.9**	31.1
Retirement benefit obligations	**352.0**	348.9
Net liability in the statement of financial position	**318.1**	284.8

Note 24. Retirement Benefit Assets and Obligations (continued)

(a) Description of plans
The consolidated entity participates in a number of pension plans which have been established to provide benefits for employees and their dependants. The plans include company sponsored plans, industry/union plans and government plans.

Company sponsored plans
Company sponsored plans include both defined contribution and defined benefit plans. The principal benefits of these plans are pensions or lump sums for members on resignation, retirement, death or total permanent disablement. These benefits are determined on either a defined benefit or accumulation benefit basis.

Employee contribution rates are either determined by the rules of the plan or selected by members from a specified range of rates. In addition to legislative requirements, employer companies contribute to defined benefit funds as described below or, in the case of defined contribution funds, the amounts set out in the appropriate plan rules.

Industry/union plans
Employer companies participate in industry and union plans on behalf of certain employees. These plans operate on an accumulation basis and provide lump sum benefits for members on resignation, retirement or death. The employer entity has a legally enforceable obligation to contribute at varying rates to these plans.

Government plans
Employer companies participate in government plans, on behalf of certain employees, which provide pension benefits. There exists a legally enforceable obligation on employer companies to contribute as required by legislation.

Defined benefit plans
Globally the consolidated entity maintains numerous defined benefit pension arrangements. On a vested benefit basis, certain plans are in actuarial surplus, while the remainder are in a position of actuarial deficiency. Surpluses and deficiencies depend on many diverse factors and can vary significantly over time having regard, for example, to movements in the investment markets, future salary increases and changes in employment patterns. This note sets out the consolidated entity's position and funding policy in relation to its defined benefit arrangements.

The consolidated entity has no legal obligation to settle any unfunded defined benefit obligation with an immediate contribution or additional one-off contributions. The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable.

The consolidated entity's current intention is to make annual contributions to defined benefit funds at a rate determined from time to time, following discussions with the funds' actuaries or other competent authorities and advisors. The consolidated entity expects that the contribution rates will be determined after taking into account sound actuarial principles and would be designed to enable all consolidated entity defined benefit funds to meet retirement expectations and relevant regulatory requirements. The consolidated entity's current intention is based on these assumptions. The consolidated entity reserves the right to increase, reduce or suspend its contributions to the funds as it sees fit.

The following tables set out financial information in relation to both defined benefit pension plans and defined benefit post-retirement plans.

(b) Amounts recognised in the statement of financial position

$ million	**2013**	2012
Present value of the unfunded defined benefit obligation	**110.0**	90.2
Present value of the funded defined benefit obligation	**1,561.1**	1,419.2
Liabilities for defined benefit obligations	**1,671.1**	1,509.4
Fair value of defined benefit plan assets	**(1,350.0)**	(1,221.4)
	321.1	288.0
Unrecognised past service cost	**(3.4)**	(3.2)
Amounts not recognised as an asset	**0.4**	-
Net liability in the statement of financial position	**318.1**	284.8

Note 24. Retirement Benefit Assets and Obligations (continued)

(c) Movement in the liability for defined benefit obligations

$ million	2013	2012
Defined benefit obligation at 1 July	**1,509.4**	1,456.9
Acquired in business combinations	**1.3**	-
Current service cost	**26.5**	32.6
Interest cost on benefit obligation	**52.7**	63.0
Actuarial loss recognised directly in other comprehensive income	**162.7**	103.2
Actuarial loss/(gain) recognised directly in profit or loss	**1.0**	(0.5)
Contributions by plan participants	**8.4**	9.0
Benefits paid by the plan	**(71.7)**	(70.0)
Past service cost	**(6.6)**	(0.7)
Gains on curtailment	**(24.4)**	(26.7)
Gains on settlement	**(112.9)**	(14.2)
Expenses, taxes, premiums paid	**(5.3)**	(4.3)
Exchange differences on foreign plans	**130.0**	(38.9)
Defined benefit obligations at 30 June	**1,671.1**	1,509.4

(d) Movement in plan assets

$ million	2013	2012
Fair value of plan assets at 1 July	**1,221.4**	1,227.5
Contributions by employer	**62.0**	55.8
Contributions by plan participants	**8.4**	9.0
Benefits paid by the plan	**(71.7)**	(70.0)
Expenses, taxes, premiums paid	**(5.3)**	(4.3)
Losses on settlement	**(110.6)**	(12.9)
Expected return on assets	**57.5**	69.0
Actuarial gain/(loss) recognised directly in other comprehensive income	**88.3**	(29.7)
Transfer from external fund	**-**	(0.1)
Exchange differences on foreign plans	**100.0**	(22.9)
Fair value of plan assets at 30 June	**1,350.0**	1,221.4

Actual return on plan assets		
Recognised in income statement	**57.5**	69.0
Recognised in other comprehensive income	**88.3**	(29.7)
	145.8	39.3

(e) Proportion of the fair value of total plan assets

%	2013	2012
Equity securities	**29.6**	36.9
Real estate	**4.2**	4.0
Debt securities	**36.8**	45.3
Other assets(1)	**29.4**	13.8
	100.0	100.0

(1) Other assets include investments held in emerging market debt, currency, cash and other alternative investments.

The defined benefit plan assets of the consolidated entity may include Amcor Limited securities at various times throughout the year. At 30 June 2013, the plans did not hold any Amcor Limited securities (2012: nil).

Note 24. Retirement Benefit Assets and Obligations (continued)

(f) Amounts recognised in the income statement

$ million	2013	2012
Current service cost	**26.5**	32.6
Interest cost on benefit obligation	**52.7**	63.0
Expected return on plan assets	**(57.5)**	(69.0)
Past service cost	**(6.6)**	(0.7)
Gains on curtailments/settlements	**(26.7)**	(28.0)
Actuarial loss/(gain) recognised directly in profit or loss	**1.0**	(0.5)
Profit	**(10.6)**	(2.6)

(g) Actuarial gains and losses recognised in other comprehensive income

$ million	2013	2012
Cumulative amount at 1 July	**(335.8)**	(202.9)
Recognised in equity during the period:		
Movement in plan liabilities	**(162.7)**	(103.2)
Movement in plan assets	**88.3**	(29.7)
	(74.4)	(132.9)
Cumulative amount at 30 June	**(410.2)**	(335.8)

(h) Principal actuarial assumptions

The principal actuarial assumptions (expressed as weighted averages) used for the purposes of reporting under AASB 119 *Employee Benefits* for the consolidated entity's defined benefit plans are as follows:

%	2013	2012
Discount rate	**3.4**	3.7
Expected return on plan assets	**5.1**	5.9
Future salary increases	**2.3**	2.6
Medical cost trend rates	**4.5**	4.5

Expected return on asset assumption

The expected rate of return on assets assumption is determined by weighting the expected long term return for each asset class by the benchmark allocation of assets to each class for each defined benefit plan. The returns used for each class are net of tax and investment fees.

Investment strategy

The investment strategies for the consolidated entity's defined benefit plans are varied, with the plans seeking to achieve moderate to high returns within a given risk profile. Investment target strategies for the material defined benefit plans include:

- high returns in the long term, while tolerating a reasonably high degree of volatility of returns over the short period;
- a balance of equity, debt securities and fixed income securities, which would be expected to produce a moderately high return over the long term, with only a moderate degree of variability of returns over short periods;
- where investments are made in equity securities, ensuring there is an appropriate mix of domestic and international securities;
- to achieve returns greater than a pre-determined percentage above the prevailing inflation rate; and
- to ensure all legal obligations are met.

Assumption sensitivities

Change in discount rate and expected return on plan assets

If the discount rate were to differ by 10% from management's estimates, the carrying amount of defined benefit obligations would be an estimated $93.1 million lower or $100.6 million higher which would be recognised directly in other comprehensive income. A one-half percentage point increase in the actuarial assumption regarding the expected return on plan assets would result in a decrease of $5.7 million in the defined benefit expense/obligation while a one-half percentage point decrease would result in an increase of $5.6 million in the defined benefit expense/obligation for the year ended 30 June 2013 which would be recognised directly in other comprehensive income as an actuarial gain/loss. In addition, changes in external factors, including fair values of plan assets could result in possible future changes to the amount of the defined benefit obligations recognised in the statement of financial position.

Medical cost trend rates

A 1.0% decrease in medical cost trend rates would be expected to reduce service and interest cost components and the value of the defined benefit obligation by $nil and $0.1 million respectively. A 1.0% increase in medical cost trend rates would be expected to increase service and interest cost components and the value of the defined benefit obligation by $nil and $0.1 million respectively.

Note 24. Retirement Benefit Assets and Obligations (continued)

(i) Estimated future contributions

Employer contributions to the defined benefit pension plans and defined benefit post-retirement plans are based on recommendations by the plans' actuaries. Actuarial assessments are made periodically.

Employer contributions to defined benefit funds and defined benefit post-retirement plans for the consolidated entity during the financial year ending 30 June 2014 are expected to total $39.3 million.

(j) Historical summary

$ million	2013	2012	2011	2010	2009
Present value of the defined benefit obligation	**1,667.7**	1,506.2	1,453.0	1,588.7	846.1
Fair value of plan assets	**(1,349.6)**	(1,221.4)	(1,227.5)	(1,247.3)	(670.7)
Deficit in the plans	**318.1**	284.8	225.5	341.4	175.4
Experience adjustments arising on plan liabilities	**(3.2)**	3.0	(4.6)	(1.4)	18.8
Experience adjustments arising on plan assets	**88.3**	(29.7)	(4.9)	33.4	(127.7)

(k) Defined benefit expense

The expense for both defined benefit plans and defined benefit post-retirement plans were recognised in the following line items in the income statement:

$ million	2013	2012
Cost of sales	**5.4**	6.4
Other income	**(26.7)**	(28.0)
Sales and marketing expenses	**0.7**	1.0
General and administration expenses	**15.2**	23.5
Research and development costs	**(0.4)**	0.5
Net financing benefit	**(4.8)**	(6.0)
Profit	**(10.6)**	(2.6)

Note 25. Contributed Equity

$ million	Note	2013	2012
Issued and paid-up:			
1,206,684,923 ordinary shares with no par value (2012: 1,206,684,923)(1)	25(a)	**3,831.9**	3,802.1
Nil partly-paid ordinary shares with no par value (2012: 479,000)(2)	25(b)	**-**	-
		3,831.9	3,802.1
Treasury shares:			
1,121,967 ordinary shares with no par value (2012: 2,500,000)(3)	25(c)	**(10.6)**	(17.7)
Total contributed equity		**3,821.3**	3,784.4

(1) Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(2) There are no partly-paid ordinary shares at 30 June 2013. At 30 June 2012 the partly-paid ordinary shares comprised 415,000 shares paid to five cents and 64,000 shares paid to one cent under Employee Share/Option Plans representing an aggregate uncalled capital of $3.4 million that was brought to account this financial year.

(3) Treasury shares are shares in the Company that are held by the Amcor Employee Share Trust for the purpose of issuing shares to employees under the consolidated entity's Employee Share Plans (refer note 29).

Note 25. Contributed Equity (continued)

(a) Reconciliation of fully paid ordinary shares

	2013		2012	
	No. '000	**$ million**	No. '000	$ million
Balance at beginning of period	**1,206,685**	**3,802.1**	1,227,470	4,070.4
Calls on partly-paid shares	**479**	**3.4**	105	0.7
Issue of shares under the Employee Share Purchase Plan (note 29(a))	**171**	**-**	95	-
Restriction lifted on shares issued under the Employee Share Purchase Plan	**-**	**2.3**	-	3.2
Loan repayments under the Employee Share Option Plan (note 29(b)(i))	**-**	**1.1**	-	2.9
Exercise of options under the Long Term Incentive Plan (note 29(b)(ii))	**14,438**	**98.2**	3,702	28.5
Exercise of performance rights under the Long Term Incentive Plan (note 29(b)(ii))	**2,784**	**11.7**	1,277	6.2
Exercise of performance rights under the Equity Management Incentive Plan (note 29(c)(iv))	**1,811**	**11.0**	1,871	9.5
Exercise of options under the Employee Share Option Plan (note 29(b)(i))	**1,358**	**8.3**	594	4.0
Forward contract to purchase own equity to meet share plan obligations	**-**	**(59.6)**	-	(120.0)
Forward contract settled to satisfy exercise of options and rights under Employee Share Plans	**(14,750)**	**-**	-	-
Shares purchased on-market to satisfy exercise of options and rights under Employee Share Plans	**(3,157)**	**(23.7)**	(7,298)	(53.3)
Treasury shares used to satisfy exercise of options and rights under Employee Share Plans	**(3,134)**	**(22.9)**	**-**	**-**
Share buy-back	**-**	**-**	(21,131)	(150.0)
Balance at end of period	**1,206,685**	**3,831.9**	1,206,685	3,802.1

(b) Reconciliation of partly-paid ordinary shares

	2013		2012	
	No. '000	**$ million**	No. '000	$ million
Balance at beginning of period	**479**	**-**	584	-
Converted to fully paid ordinary shares	**(479)**	**-**	(105)	-
Balance at end of period	**-**	**-**	479	-

(c) Reconciliation of treasury shares

	2013		2012	
	No. '000	**$ million**	No. '000	$ million
Balance at beginning of period	**2,500**	**17.7**	-	-
Acquisition of shares by the Amcor Employee Share Trust	**1,756**	**15.8**	2,500	17.7
Employee Share Plan issue	**(3,134)**	**(22.9)**	-	-
Balance at end of period	**1,122**	**10.6**	2,500	17.7

Note 26. Reserves and Retained Earnings

(a) Reserves

$ million	Available-for-sale revaluation reserve	Cash flow hedge reserve	Share-based payments reserve	Exchange fluctuation reserve	Total reserves
Balance at 1 July 2012	**(1.2)**	**(4.9)**	**117.8**	**(1,105.7)**	**(994.0)**
Other comprehensive income/(loss):					
Net change in fair value	**(0.3)**	-	-	-	**(0.3)**
Reclassification to profit or loss	**-**	**3.9**	**-**	**-**	**3.9**
Reclassified to non-financial assets	-	**(2.0)**	-	-	**(2.0)**
Effective portion of changes in fair value	**-**	**0.2**	**-**	**-**	**0.2**
Currency translation differences	**-**	**-**	**-**	**186.3**	**186.3**
Deferred tax	**-**	**(0.3)**	**-**	**67.3**	**67.0**
Total other comprehensive income/(loss)	**(0.3)**	**1.8**	**-**	**253.6**	**255.1**
Transactions with owners in their capacity as owners:					
Tax effect on forward contracts utilised to purchase own equity to meet share plan obligations	**-**	**-**	**(28.1)**	**-**	**(28.1)**
Tax effect on forward contracts entered into to purchase own equity to meet share plan obligations	**-**	**-**	**5.4**	**-**	**5.4**
Settlement of performance rights	**-**	**-**	**(49.0)**	**-**	**(49.0)**
Share-based payments expense	**-**	**-**	**34.4**	**-**	**34.4**
Balance at 30 June 2013	**(1.5)**	**(3.1)**	**80.5**	**(852.1)**	**(776.2)**
Balance at 1 July 2011	(1.2)	(11.0)	75.7	(1,078.7)	(1,015.2)
Other comprehensive income/(loss):					
Reclassification to profit or loss	-	3.2	-	-	3.2
Effective portion of changes in fair value	-	3.6	-	-	3.6
Currency translation differences	-	-	-	(28.7)	(28.7)
Deferred tax	-	(0.7)	-	1.7	1.0
Total other comprehensive income/(loss)	-	6.1	-	(27.0)	(20.9)
Transactions with owners in their capacity as owners:					
Tax effect on forward contracts to purchase own equity to meet share plan obligations	**-**	**-**	29.4	**-**	29.4
Settlement of performance rights	-	-	(23.5)	-	(23.5)
Share-based payments expense	-	-	36.2	-	36.2
Balance at 30 June 2012	(1.2)	(4.9)	117.8	(1,105.7)	(994.0)

(b) Retained earnings

$ million	2013	2012
Retained earnings at the beginning of the period	**500.7**	633.2
Net profit attributable to members of the owners of Amcor Limited	**600.6**	412.6
Non-controlling interest buy-out	**(16.3)**	(0.3)
Actuarial losses on defined benefit plans, net of tax	**(58.0)**	(106.4)
	1,027.0	939.1
Ordinary dividends:		
- Interim paid	**(235.4)**	(217.3)
- Final paid	**(229.3)**	(221.1)
	(464.7)	(438.4)
Retained earnings at the end of the period	**562.3**	500.7

Note 27. Dividends

Dividends recognised in the current period by the consolidated entity are:

	Cents per share	Total amount $ million	Date of payment
2013			
2013 Interim dividend per fully paid share	19.5	235.4	27 March 2013
2012 Final dividend per fully paid share	19.0	229.3	25 September 2012
		464.7	
2012			
2012 Interim dividend per fully paid share	18.0	217.3	29 March 2012
2011 Final dividend per fully paid share	18.0	221.1	28 September 2011
		438.4	

In addition to the above dividends, since the end of the financial year, the Directors have declared the following final dividend. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2013 and will be recognised in subsequent consolidated financial statements.

	Cents per share	Total amount $ million	Date of payment
2013			
2013 Final dividend per fully paid share(1)	20.5	247.4	30 September 2013
2012			
2012 Final dividend per fully paid share(1)	19.0	229.3	25 September 2012

(1) Estimated final dividend payable, subject to variations in number of shares up to record date.

Franking Account
There are insufficient franking credits available for distribution from the franking account. Accordingly, the final dividend for 2013 is unfranked.

Conduit Foreign Income Account
For non-resident shareholders for Australian tax purposes, dividends will not be subject to Australian withholding tax to the extent that they are franked or sourced from the parent entity's Conduit Foreign Income Account. For the dividend payable on 30 September 2013, 100% of the dividend to non-residents is sourced from the parent entity's Conduit Foreign Income Account (2012: 100%). As a result, 100% of the dividend paid to a non-resident will not be subject to Australian withholding tax.

Note 28. Financial Risk Management

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk, commodity price risk and employee share plan risk), liquidity risk and credit risk. This note presents information about the consolidated entity's exposure to each of the above risks, the consolidated entity's objectives, policies and processes for measuring and managing risk, and the consolidated entity's management of capital.

Financial risk management is carried out by Amcor Group Treasury under policies approved by the Board which set out the principles and procedures with respect to risk tolerance, delegated authority levels, internal controls, management of foreign currency, interest rate and counterparty credit exposures and the reporting of exposures. The Board has determined written policies for overall risk management, as well as written policies covering specific areas such as mitigating foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments. The Group Treasury policies, including risk threshold benchmarks, are reviewed at least annually and approved by the Board.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the consolidated entity's financial performance. Appropriate commercial terms are negotiated or derivative financial instruments are used, such as foreign exchange contracts and interest rate swaps, to hedge these risk exposures. Amcor Group Treasury identifies, evaluates and hedges financial risks in conjunction with the finance departments of the consolidated entity's business groups. Derivatives are exclusively used for hedging purposes – i.e. not as trading or other speculative instruments. Derivatives are designated as hedges under AASB 139 *Financial Instruments: Recognition and Measurement*, refer note 1(j).

Note 28. Financial Risk Management (continued)

(a) Market risk

(i) Foreign currency risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States (US) dollar, Euro, British pound, Swiss franc and New Zealand (NZ) dollar. Foreign currency exposures arise from future commercial transactions (transaction risk) and translation of balance sheet items of foreign subsidiaries (translation risk).

Foreign currency transaction risk

To manage the foreign currency exchange risk arising from commercial transactions, management has a policy to use forward exchange contracts to hedge forecast or actual foreign currency exposures greater than A$500,000, where the exposure is measured at forecast or actual transactional cash flows in currencies other than the functional currency of the business. This limit applies to both an individual transaction and to a number of individual exposures relating to the one transaction that totals more than A$500,000. Local management may elect to hedge exposures of less than A$500,000. All capital expenditure exposures greater than A$100,000, whether forecast or committed, are hedged or must have a hedging strategy in place. In the presence of contractual certainty of a foreign currency transaction greater than the threshold, 100% of the foreign currency exposure is hedged.

Where there is contractual uncertainty, the proportion of a forecasted foreign currency exposure hedged is dependent upon the timeframe of the forecasted transaction. Forecast hedge proportions are as follows:

- Up to six months 75%
- Seven to 12 months 50%
- One to two years 25%
- Over two years Nil

Forecast exposure greater than two years from the forecast date must not be hedged unless specifically approved by the Executive Vice President Finance and Chief Financial Officer.

The following table details the maturity of the receipts/payments of forward currency contracts (Australian dollar equivalents) outstanding at balance date for those currency exposures that the consolidated entity is primarily exposed to:

	Weighted average rate		Contract amounts	
	2013	2012	**2013** **$ million**	2012 $ million
Buy USD Sell AUD 0-12 months	**0.98**	1.00	**251.8**	136.8
Buy USD Sell AUD 1-2 years	**1.02**	0.97	**-**	9.3
Sell USD Buy AUD 0-12 months	**0.96**	-	**(6.7)**	-
Net USD position - Buy USD			**245.1**	146.1
Buy USD Sell EUR 0-12 months	**1.30**	1.26	**12.7**	177.3
Sell USD Buy EUR 0-12 months	**1.32**	1.31	**(79.0)**	(414.1)
Sell USD Buy EUR 1-2 years	**1.33**	1.34	**(1.2)**	(6.5)
Net USD position - Sell USD			**(67.5)**	(243.3)
Buy EUR Sell AUD 0-12 months	**0.75**	0.79	**375.7**	290.3
Sell EUR Buy AUD 1-12 months	**-**	0.80	**-**	(0.6)
Net EUR position - Buy EUR			**375.7**	289.7
Buy EUR Sell GBP 0-12 months	**1.19**	1.20	**14.0**	22.9
Buy EUR Sell GBP 1-2 years	**1.22**	-	**3.2**	-
Sell EUR Buy GBP 0-12 months	**1.18**	1.21	**(221.4)**	(193.1)
Net EUR position - Sell EUR			**(204.2)**	(170.2)
Buy CHF Sell EUR 0-12 months	**1.24**	1.20	**10.7**	105.4
Sell CHF Buy EUR 0-12 months	**1.22**	1.20	**(8.2)**	(0.1)
Net CHF position - Buy CHF			**2.5**	105.3
Buy NZD Sell AUD 0-12 months	**1.23**	1.27	**11.8**	2.8
Sell NZD Buy AUD 0-12 months	**1.24**	1.28	**(6.2)**	(1.3)
Net NZD position - Buy NZD			**5.6**	1.5
Buy CAD Sell USD 0-12 months	**1.03**	1.02	**33.1**	30.1
Buy CAD Sell USD 1-2 years	**1.03**	1.03	**5.1**	0.8
Sell CAD Buy USD 0-12 months	**1.02**	-	**(1.6)**	-
Sell CAD Buy USD 1-2 years	**1.00**	-	**(0.2)**	-
Net CAD position - Buy CAD			**36.4**	30.9

Note 28. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Foreign currency transaction risk (continued)

Forward exchange contracts are measured at fair value with gains and losses taken to the cash flow hedge reserve until such time as the hedged item affects profit or loss or they are included in the costs of hedged inventory purchases or other asset acquisitions.

During the 12 months to 30 June 2013 the consolidated entity transferred a $3.9 million loss (2012: $3.2 million loss) from equity to operating profit while a $2.0 million gain was added to the measurement of non-financial assets (2012: nil). The amounts that were transferred to operating profit have been included in the following income statement lines:

$ million	2013	2012
Cost of sales	(3.1)	(1.1)
Financial expenses	(0.8)	(2.1)
Profit	(3.9)	(3.2)

Foreign currency translation risk

The consolidated entity has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the consolidated entity's foreign operations is managed primarily through borrowings denominated in the relevant foreign currency. Refer to note 1(j) for further comments regarding the accounting treatment of effective and ineffective portions of hedges of net investments in foreign operations, and treatment of disposals of foreign operations.

The following table details the denomination of the net assets and net debt (Australian dollar equivalents) at the end of the financial period:

$ million	USD	Euro	GBP	CHF	NZD	Other	Total
2013							
Designated hedges	691.1	1,398.8	181.0	169.9	79.8	24.4	2,545.0
Natural hedges	809.9	29.8	(26.4)	(16.1)	(0.9)	626.2	1,422.5
Net debt	1,501.0	1,428.6	154.6	153.8	78.9	650.6	3,967.5
Net assets, excluding net debt	1,857.7	1,635.7	174.8	184.9	320.3	3,495.0	7,668.4
Net assets	356.7	207.1	20.2	31.1	241.4	2,844.4	3,700.9
2012							
Designated hedges	755.7	1,159.2	170.0	156.9	89.4	22.6	2,353.8
Natural hedges	806.9	127.9	(17.9)	(51.2)	(2.1)	333.2	1,196.8
Net debt	1,562.6	1,287.1	152.1	105.7	87.3	355.8	3,550.6
Net assets, excluding net debt	1,694.3	1,433.3	206.1	134.1	296.9	3,165.5	6,930.2
Net assets	131.7	146.2	54.0	28.4	209.6	2,809.7	3,379.6

No portion of hedges of net investments in foreign currency operations were ineffective for the consolidated entity for the financial years ended 30 June 2013 and 30 June 2012.

Exchange rate sensitivity

The following table illustrates the sensitivity of the debt and financial derivatives of the consolidated entity of movements in the value of the Australian dollar against the relevant foreign currencies, with all other variables held constant, taking into account all underlying exposures and related hedges. The translation of net assets in subsidiaries with a functional currency other than the Australian dollar has not been included as part of the equity movement in the sensitivity analysis.

Consistent with Amcor's hedging policy it applies a prudent cash flow hedging policy approach where all forward contracts that do not have an underlying exposure already within the balance sheet are designated as cash flow hedges at inception when entering a forward exchange contract. Subsequent testing of effectiveness ensures that all effective hedge movements flow through the cash flow hedge reserve within equity. Consistent with this approach the sensitivity for movements in foreign exchange rates will flow through equity and will therefore have minimal pre-tax impact on profit.

Note 28. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Exchange rate sensitivity (continued)

	Change in foreign exchange rate increase/decrease		Impact on equity decrease/increase	
	2013	**2012**	**2013**	**2012**
	%	**%**	**$ million**	**$ million**
United States dollar	**12.1**	13.4	**35.6**	15.5
Euro	**11.2**	10.8	**29.8**	16.7
British pound	**10.9**	11.0	**2.1**	5.2
Swiss franc	**11.8**	11.1	**5.0**	4.8
New Zealand dollar	**6.9**	7.5	**16.0**	14.7

The sensitivity assumption is considered reasonable given the percentages used are based on the 30 June one year volatility used in pricing foreign exchange option markets sourced independently. These sensitivities are shown for illustrative purposes only and it should be noted that it is unlikely that all currencies would move in the same direction at any given time.

(ii) Interest rate risk

The consolidated entity is exposed to interest rate risk as it invests and borrows funds at both fixed and floating rates. Interest rate risk is the risk that the consolidated entity's financial position will be adversely affected by movements in floating interest rates that will increase the cost of floating rate debt or opportunity losses that may arise on fixed borrowings in a falling interest rate environment.

Amcor Group Treasury manages the consolidated entity's exposure to interest rate risk by maintaining an appropriate mix between fixed and floating rate borrowings, monitoring global interest rates and, where appropriate, hedging floating interest rate exposure or borrowings at fixed interest rates through the use of interest rate swaps and forward interest rate contracts. The consolidated entity's policy is to hold up to 75.0% fixed rate debt. At 30 June 2013 approximately 54.0% of the consolidated entity's debt is fixed rate (2012: 59.0%).

Interest rate swaps are entered into by the consolidated entity to effectively convert borrowings from floating rates into fixed rates and vice versa. The consolidated entity uses swaps contracts to maintain a designated proportion of fixed to floating debt.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. The following table summarises the impact on the post-tax profit of a movement of 100 basis points in the floating interest rate on the relevant interest rate yield curve applicable to the underlying currency the borrowings are denominated in, with all other variables held constant.

The analysis below shows the sensitivity of movements subject to cash flow risk and the impact on profit. For the consolidated entity, no financial assets or liabilities that are subject to interest rate risk have been designated at fair value through other comprehensive income or as available-for-sale therefore there is no impact upon equity. These sensitivities are shown for illustrative purposes only.

	Interest rate increase		Interest rate decrease[1]	
$ million	**2013**	2012	**2013**	2012
Impact on post-tax profit				
Australian dollar	**(5.3)**	(6.4)	**5.3**	6.4
United States dollar	**(7.3)**	(3.5)	**-**	-
Euro	**(4.4)**	(3.3)	**-**	-
British pound	**(1.8)**	(1.7)	**-**	-
Hong Kong dollar	**(0.2)**	(0.2)	**-**	-
New Zealand dollar	**(0.8)**	(0.9)	**0.8**	0.9
Other currencies	**(0.3)**	(0.1)	**0.3**	0.1

[1] The above table excludes 100 basis point declines in the relevant interest rate yield curve where this would result in a rate less than zero.

The 100 basis points movement has been determined as reasonable based on the consolidated entity's current credit rating and mix of debt in Australia and foreign countries, relationships with financial institutions, the level of the debt that is expected to be renewed as well as a review of the last two year's historical movements and economic forecaster's expectations.

Note 28. Financial Risk Management (continued)

(a) Market risk (continued)

(iii) Commodity price risk

The consolidated entity is exposed to commodity price risk from a number of commodities, including aluminium, resin and certain other raw materials.

In managing commodity price risk, the consolidated entity is ordinarily able to pass on the price risk contractually to customers through rise and fall adjustments. In the case of aluminium, some hedging is undertaken using fixed price swaps on behalf of certain customers. Hedging undertaken is based on customer instructions and all related benefits and costs are passed onto the customer on maturity of the transaction.

Movements in commodity hedges are recognised within equity. The cumulative amount of the hedge is recognised in the income statement when the forecast transaction is realised. However, there is no impact on profit as a result of movements in commodity prices where hedges have been put in place as the consolidated entity passes the price risk contractually through to customers through rise and fall adjustments in customer contractual arrangements. As the consolidated entity ultimately passes on the movement risk associated with commodity prices no sensitivity has been performed.

(iv) Employee share plan risk

Employee share trust

The consolidated entity is exposed to movements in the value of the ordinary shares of Amcor Limited in respect of the Group's obligations under the consolidated entity's Employee Share Plans (refer note 29).

To mitigate this risk the consolidated entity formed the Amcor Employee Share Trust (the 'Trust') to manage and administer the consolidated entity's responsibilities under the Employee Share Plans through the acquiring, holding and transferring of shares, or rights to shares, in the Company to participating employees.

The Trust is consolidated as the substance of the relationship is that the Trust is controlled by the consolidated entity. All shares held by the Trust are disclosed as treasury shares and deducted from contributed equity. As at 30 June 2013, the Trust held 1,121,967 of the Company's shares (2012: 2,500,000 shares), refer note 25.

In addition to utilising the Trust to manage movements in the underlying value of ordinary shares of Amcor Limited, the consolidated entity has entered into forward contracts for the on-market purchase of ordinary shares of the Company. The following table sets out the details of the forward contract arrangements for the consolidated entity:

Forward purchase contracts

	2013			2012		
	Expiry date	**Contract volume**	**Average hedged price $**	Expiry date	Contract volume	Average hedged price $
Less than one year	31 Aug 13	1,888,877	7.22	31 Aug 12	1,640,995	7.22
Between one and five years	31 Oct 16	35,777 [1]	7.03	31 Aug 13	1,888,877	7.22
	31 Oct 16	6,000,000 [1]	9.93	31 Oct 16	13,200,000 [1]	7.16

[1] The forward contract for the on-market purchase of ordinary shares is expected to be called within twelve months and has been classified as current (refer note 22).

The financial liability of the forward contract (refer note 22) is measured at the present value of the expenditure required to settle the contract with a corresponding reduction, net of any related income tax effects, recognised in equity (refer note 25 and 26).

Note 28. Financial Risk Management (continued)

(b) Liquidity risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Liquidity risk management involves maintaining available funding 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 through the following:

- maintaining minimum undrawn committed liquidity of at least A$330.0 million (in various currencies) that can be drawn upon at short notice;
- regularly performing a comprehensive analysis of all cash inflows and outflows in relation to operational, investing and financing activities;
- generally using tradable instruments only in highly liquid markets;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- monitoring duration of long term debt;
- only investing surplus cash with major financial institutions; and
- to the extent practicable, spreading the maturity dates of long term debt facilities.

(i) Financing arrangements

The committed and uncommitted standby arrangements and unused credit facilities of the consolidated entity are analysed in the table below. Committed facilities are those where an agreement is in place with the bank to provide funds on request up to a specified maximum at a specified interest rate and where agreement conditions must be adhered to by the borrower for the facility to remain in place. Uncommitted facilities are those where an agreement is in place with the bank where the bank agrees in principle to make funding available but is under no obligation to provide funding.

	2013			2012		
$ million	**Committed**	**Uncommitted**	**Total**	Committed	Uncommitted	Total
Financing facilities available:						
Bank overdrafts	**56.2**	**143.3**	**199.5**	-	211.4	211.4
Unsecured bill acceptance facility/standby facility	**970.9**	**-**	**970.9**	737.2	-	737.2
Loan facilities and term debt	**4,270.9**	**67.2**	**4,338.1**	3,942.1	175.8	4,117.9
	5,298.0	**210.5**	**5,508.5**	4,679.3	387.2	5,066.5
Facilities utilised:						
Bank overdrafts	**-**	**28.4**	**28.4**	-	35.5	35.5
Unsecured bill acceptance facility/standby facility	**707.2**	**-**	**707.2**	271.4	-	271.4
Loan facilities and term debt	**3,573.6**	**53.2**	**3,626.8**	3,548.1	53.2	3,601.3
	4,280.8	**81.6**	**4,362.4**	3,819.5	88.7	3,908.2
Facilities not utilised:						
Bank overdrafts	**56.2**	**114.9**	**171.1**	-	175.9	175.9
Unsecured bill acceptance facility/standby facility	**263.7**	**-**	**263.7**	465.8	-	465.8
Loan facilities and term debt	**697.3**	**14.0**	**711.3**	394.0	122.6	516.6
	1,017.2	**128.9**	**1,146.1**	859.8	298.5	1,158.3

For the purposes of reporting on management's internal liquidity targets to the Board, undrawn committed facility capacity excludes bank overdrafts and other short term subsidiary loan borrowings. Refer to note 21 for further details of the major funding arrangements of the consolidated entity.

Note 28. Financial Risk Management (continued)

(b) Liquidity risk (continued)

(ii) 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, including principal and/or interest, calculated at 30 June.

$ million	1 year or less	1-2 years	2-5 years	More than 5 years	Total
2013					
Non-derivatives					
Non-interest-bearing	**3,087.5**	**22.0**	**-**	**-**	**3,109.5**
Variable rate	**1,202.3**	**397.7**	**5.8**	**5.9**	**1,611.7**
Fixed rate	**127.5**	**316.3**	**961.9**	**2,103.1**	**3,508.8**
Total non-derivatives	**4,417.3**	**736.0**	**967.7**	**2,109.0**	**8,230.0**
Derivatives					
Gross settled					
- Inflow	**1,461.5**	**26.3**	**-**	**-**	**1,487.8**
- Outflow	**(1,427.7)**	**(24.6)**	**-**	**-**	**(1,452.3)**
Total financial liabilities	**33.8**	**1.7**	**-**	**-**	**35.5**
2012					
Non-derivatives					
Non-interest-bearing	2,744.7	19.1	-	-	2,763.8
Variable rate	775.4	29.1	848.6	7.6	1,660.7
Fixed rate	295.5	106.5	806.3	1,801.8	3,010.1
Total non-derivatives	3,815.6	154.7	1,654.9	1,809.4	7,434.6
Derivatives					
Gross settled					
- Inflow	1,546.8	29.5	-	-	1,576.3
- Outflow	(1,682.4)	(44.2)	-	-	(1,726.6)
Total financial liabilities	(135.6)	(14.7)	-	-	(150.3)

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 cash flow requirements and to maintain adequate liquidity of the consolidated entity.

(c) Counterparty credit risk

The consolidated entity is exposed to credit risk arising from its operating activities (primarily from customer receivables) and financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk represents the loss that would be recognised if a counterparty failed to fulfil their obligation under a financial instrument contract or a debtor relationship.

The consolidated entity manages credit risk through the maintenance of procedures such as the utilisation of systems of approval, granted and renewal of credit limits, regular monitoring of exposures against such credit limits and assessing the overall financial stability and competitive strength of the counterparty on an on-going basis. Credit policies cover exposures generated from the sale of products and the use of derivative instruments.

Credit risks related to balances with banks and financial institutions are managed by Amcor Group Treasury in accordance with Board approved policies. Such policies only allow financial derivative instruments to be entered into with high credit quality financial institutions with a minimum long term credit rating of A- or better by Standard & Poor's. In addition, the Board has approved the use of these financial institutions, and specific internal guidelines have been established with regard to limits, dealing and settlement procedures. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. The investment of surplus funds is made only with approved counterparties and within credit limits assigned to each counterparty. The consolidated entity has no significant concentration of credit risk in relation to derivatives undertaken in accordance with the consolidated entity's hedging and risk management activities.

Note 28. Financial Risk Management (continued)

(c) Counterparty credit risk (continued)

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises in relation to financial guarantees given to certain parties securing the liabilities of certain subsidiaries, and are only provided in exceptional circumstances (refer note 36).

Credit risks exposures related to trade and other receivables are discussed in note 12.

(d) Capital risk management

The key objectives of the consolidated entity when managing capital is to safeguard its ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the consolidated entity. The consolidated entity defines capital as including equity and net debt of the Group, refer note 21.

The key objectives include:

- maintaining an investment grade rating and maintaining appropriate financial metrics;
- securing access to diversified sources of debt and equity funding with sufficient undrawn committed facility capacity; and
- optimising the Weighted Average Cost of Capital (WACC) to the consolidated entity while providing financial flexibility.

In order to optimise the capital structure, the Company and its management may alter the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, draw down additional debt or sell assets to reduce debt in line with the strategic objectives and operating plans of the consolidated entity.

The capital management strategy aims to achieve an investment grade rating and this has been confirmed by the Board. The ratings as at 30 June 2013 were investment grade BBB/Baa2 (2012: BBB/Baa2). The consolidated entity uses a range of financial metrics to monitor the efficiency of its capital structure, including on-balance gearing and leverage ratios, EBITDA interest cover and bank debt to total debt, and ensures that its capital structure provides sufficient financial strength to allow it to secure access to debt finance at reasonable cost.

At 30 June, the consolidated entity's on-balance gearing and leverage ratios were 51.7% and 2.5 times respectively (2012: 51.3% and 2.3 times). The EBITDA interest cover (pre significant items) was 7.3 times (2012: 7.6 times), while the percentage of bank debt to total debt was 20.2% (2012: 34.0%). The consolidated entity aims to keep the on-balance gearing ratio between 45% to 55%, the targeted leverage ratio between 2.25 to 2.75 times, the EBITDA interest cover above 6.0 times and the percentage of bank debt to total debt below 45.0%. EBITDA is underlying accounting operating profit, pre significant items, after adding back depreciation and amortisation. The bank debt/total debt percentage reflects the effect of exchange rates on the total debt portfolio and the state of bank and debt capital market conditions over the period to June 2013. Metrics are maintained in excess of any debt covenant restrictions.

The consolidated entity does not have a defined share buy-back plan. From time to time the consolidated entity purchases its own shares on the market to neutralise any potential dilution that would otherwise occur from the issuance of shares under employee share plans (refer note 29).

There were no changes to the consolidated entity's approach to capital management during the year.

(e) Fair value of financial instruments

Determination of fair values

The fair values of cash and cash equivalents and short term monetary financial assets and financial liabilities approximate their carrying value. The fair values of other monetary financial assets and liabilities are either based upon market prices, where a market exists, or have been determined by discounting the expected future cash flows by the current interest rate for financial assets and financial liabilities with similar risk profiles.

The fair value of listed equity investments have been valued by reference to market prices prevailing at reporting date. The quoted market price used is the current bid price. The fair value of unquoted equity investments is assessed based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to the particular investment.

The carrying value of trade and other receivables less impairment provisions and trade payables is a reasonable approximation of their fair values due to the short term nature of trade receivables and payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

The fair value of derivative financial assets and liabilities detailed below reflects the estimated amounts which the consolidated entity would be required to pay or receive to terminate the contracts or replace the contracts at their current market rates at reporting date. This is based on internal valuations using standard valuation techniques. As the purpose of these derivative financial instruments is to hedge the consolidated entity's underlying assets and liabilities denominated in foreign currencies and to hedge against risk of interest rate fluctuations, it is unlikely that, in the absence of abnormal circumstances, these contracts would be terminated prior to maturity. For details relating to methods and significant assumptions applied in determining fair values of financial assets and liabilities, refer to note 1(v).

Notes to the financial statements

30 June 2013

Note 28. Financial Risk Management (continued)

(e) Fair value of financial instruments (continued)

The carrying amount and fair values of financial assets and liabilities by category and class for the consolidated entity at 30 June are:

$ million	Note	Loans and receivables	Available-for-sale	Fair value - hedging instruments	Designated at fair value through profit or loss	Other financial assets and liabilities	Total carrying value	Total fair value
2013								
Financial assets								
Cash and cash equivalents	11	**394.9**	**-**	**-**	**-**	**-**	**394.9**	**394.9**
Trade and other receivables	12, 14	**1,939.3**	**-**	**-**	**-**	**-**	**1,939.3**	**1,939.3**
Available-for-sale financial assets	14	**-**	**4.6**	**-**	**-**	**-**	**4.6**	**4.6**
Derivative financial instruments	14	**-**	**-**	**13.9**	**23.3**	**-**	**37.2**	**37.2**
Other financial assets	14	**0.3**	**-**	**-**	**-**	**1.0**	**1.3**	**1.3**
		2,334.5	**4.6**	**13.9**	**23.3**	**1.0**	**2,377.3**	**2,377.3**
Financial liabilities								
Trade and other payables	20	**-**	**-**	**-**	**-**	**3,109.5**	**3,109.5**	**3,109.5**
Bank and other loans	21	**-**	**-**	**-**	**-**	**870.9**	**870.9**	**870.9**
Commerical paper	21	**-**	**-**	**-**	**-**	**707.2**	**707.2**	**707.2**
US Dollar notes	21	**-**	**-**	**-**	**-**	**1,215.6**	**1,215.6**	**1,419.7**
Euro notes	21	**-**	**-**	**-**	**-**	**210.9**	**210.9**	**241.8**
Eurobond	21	**-**	**-**	**-**	**-**	**1,177.1**	**1,177.1**	**1,279.2**
Swiss bond	21	**-**	**-**	**-**	**-**	**169.9**	**169.9**	**174.0**
Lease Liabilities	21	**-**	**-**	**-**	**-**	**10.8**	**10.8**	**10.8**
Forward contracts to purchase own equity to meet share plan obligations	22	**-**	**-**	**-**	**-**	**73.8**	**73.8**	**73.8**
Derivative financial instruments	22	**-**	**-**	**1.3**	**27.4**	**-**	**28.7**	**28.7**
		-	**-**	**1.3**	**27.4**	**7,545.7**	**7,574.4**	**7,915.6**
2012								
Financial assets								
Cash and cash equivalents	11	357.6	-	-	-	-	357.6	357.6
Trade and other receivables	12, 14	1,618.9	-	-	-	-	1,618.9	1,618.9
Available-for-sale financial assets	14	-	5.8	-	-	-	5.8	5.8
Derivative financial instruments	14	-	-	1.5	11.1	-	12.6	12.6
Other financial assets	14	0.6	-	-	-	-	0.6	0.6
		1,977.1	5.8	1.5	11.1	-	1,995.5	1,995.5
Financial liabilities								
Trade and other payables	20	-	-	-	-	2,763.8	2,763.8	2,763.8
Bank and other loans	21	-	-	-	-	1,308.4	1,308.4	1,308.4
Commerical paper	21	-	-	-	-	271.4	271.4	271.4
US Dollar notes	21	-	-	-	-	1,300.5	1,300.5	1,565.7
Euro notes	21	-	-	-	-	186.6	186.6	215.9
Eurobond	21	-	-	-	-	675.8	675.8	749.3
Swiss bond	21	-	-	-	-	153.4	153.4	153.8
Lease Liabilities	21	-	-	-	-	12.1	12.1	12.1
Forward contracts to purchase own equity to meet share plan obligations	22	-	-	-	-	120.9	120.9	120.9
Derivative financial instruments	22	-	-	1.2	34.5	-	35.7	35.7
		-	-	1.2	34.5	6,792.9	6,828.6	7,197.0

The fair value of the US dollar notes, the Eurobond and the Swiss bond reflects the revaluation of these instruments, at prevailing market rates. The US dollar notes mature between December 2014 and December 2021 while the Eurobonds mature in April 2019, and the Swiss bond in April 2018 (refer note 21).

For all other assets and liabilities, based on the facts and circumstances existing at reporting date and the nature of the consolidated entity's assets and liabilities, including hedged positions, the consolidated entity has no reason to believe that any of the above assets could not be exchanged, or any of the above liabilities could not be settled in an 'arm's length' transaction at an amount approximating its carrying value having considered those routinely held to maturity.

Note 28. Financial Risk Management (continued)

(f) Fair value measurements

Financial assets and liabilities carried at fair value are detailed in the table below by valuation method. The different levels are defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as over the counter prices) or indirectly (i.e. derived from over the counter prices).
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise derivative financial instruments.

Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3. The consolidated entity holds no level 3 instruments at 30 June 2013 (2012: nil).

The following table presents the consolidated entity's assets and liabilities measured and recognised at fair value.

		Level 1		Level 2		Level 3	
$ million	Note	**2013**	2012	**2013**	2012	**2013**	2012
Financial assets							
Available-for-sale financial assets:							
Investments in companies listed on stock exchanges at fair value	14	**4.6**	4.8	**-**	-	**-**	-
Derivative financial instruments:							
Forward exchange contracts	14	**-**	-	**36.8**	10.9	**-**	-
Hedge contracts for cash settled bonus and retention payments plans ('Equity Share Swap' contracts)	14	**-**	-	**-**	1.5	**-**	-
Contracts for cash settled employee share plan options ('American' style contracts)	14	**-**	-	**0.4**	0.2	**-**	-
		4.6	4.8	**37.2**	12.6	**-**	-
Financial liabilities							
Derivative financial instruments:							
Forward exchange contracts	22	**-**	-	**10.7**	30.8	**-**	-
Interest rate swaps	22	**-**	-	**12.4**	-	**-**	-
Commodity contracts	22	**-**	-	**5.6**	4.9	**-**	-
		-	-	**28.7**	35.7	**-**	-

Note 29. Share-Based Payments

(a) Employee Share Purchase Plans

In 1985, the consolidated entity established the Employee Share Purchase Plan (ESPP). The following sub-plans have been implemented pursuant to this plan.

(i) Employee Incentive Share Plan
Under the Employee Incentive Share Plan (EISP), shares were offered for the benefit of all full-time employees, permanent part-time employees and Executive Directors of the Company with more than 12 months' service. The number of shares offered depended upon the Company's annual increase in earnings per share (before significant items).

The EISP has been discontinued and during the period the plan was wound up. There were no commitments at 30 June 2013 to issue shares under the EISP (2012: nil) and none were granted or exercised during the year ended 30 June 2013 (2012: nil).

Note 29. Share-Based Payments (continued)

(a) Employee Share Purchase Plans (continued)

(ii) Senior Executive Retention Share Plan

Under the Senior Executive Retention Share Plan (SERSP), the Board nominates certain Senior Executives as eligible to receive fully paid ordinary shares in part satisfaction of their remuneration for the relevant financial year. The number of shares issued is at the discretion of the Board. The restrictions on these shares do not allow the employee to dispose of the shares for a period of up to five years (or otherwise as determined by the Board), unless the employee ceases employment later than three years after the shares were issued. Any right or interest in the shares will be forfeited if the employee voluntarily ceases employment within three years from the date the shares were issued or, if the employee is dismissed during the restriction period, for cause or poor performance. The shares subject to the SERSP carry full dividend entitlements and voting rights.

The weighted average fair value for these SERSP's is calculated using the market value at the date the shares were issued.

Details of the total movement in shares issued under the SERSP during the current and comparative period are as follows:

	Weighted average 2013 fair value		Weighted average 2012 fair value	
	No.	**$**	**No.**	**$**
Restricted shares at beginning of financial period	**454,303**	**6.63**	877,783	6.27
Issued during the period	**171,250**	**8.18**	95,000	7.11
Restriction lifted	**(356,803)**	**6.57**	(518,480)	6.11
Restricted shares at end of financial period	**268,750**	**7.70**	454,303	6.63

(b) Employee Share Plans

(i) Employee Share Option Plan

In 1985, the consolidated entity established the Employee Share Option Plan (ESOP). Under the ESOP, partly-paid shares or options over shares in the Company can be issued to Executive Officers and Directors (including Directors who are Executives) and senior staff members at the discretion of the Board.

The partly-paid shares are issued at the closing market price on the allotment date. The call outstanding only becomes payable on termination, death or at the Directors' discretion. Voting rights exercisable by holders of partly-paid ordinary shares are reduced pro rata to the portion of the issue price paid up on those shares as per the Australian Securities Exchange (ASX) Listing Rules. During the period the outstanding partly-paid shares were converted to ordinary shares. As at 30 June 2013 there are nil partly-paid shares outstanding (2012: 479,000).

Options granted under the ESOP are issued upon terms, conditions and performance hurdles as established by the Board. Options granted are exercisable at a price equal to the closing market share price of Amcor Limited shares traded on the ASX at the date on which the options were granted or a weighted average market price during a period up to and including the date of grant. The options are granted at no consideration and carry no dividend entitlement or voting rights until they vest and are converted to ordinary shares on a one-for-one basis. The options are issued for a term of up to ten years, they cannot be transferred and are not quoted on any exchange.

Executive and certain members of staff are generally only eligible to exercise the options if the specific performance condition attached to the option is met at the end of the financial reporting period in which the options were granted. For those options granted prior to 1 July 2006 that target is meeting a targeted level of Return on Average Funds Employed (RoAFE) which is defined as Earnings Before Interest Tax and significant items (EBIT, which represents accounting Profit Before Interest Tax and significant items) divided by Average Funds Employed (AFE). For those options granted subsequent to 1 July 2006 the options become exercisable based on the outcome of a Total Shareholder Return (TSR) test.

The ESOP has been discontinued and during the period the plan was wound up. No options were granted under the ESOP during the year ended 30 June 2013 (2012: nil).

Details of the total movement in options issued under the ESOP during the current and comparative period are as follows:

	Weighted average 2013 fair value		Weighted average 2012 fair value	
	No.	**$**	**No.**	**$**
Outstanding at beginning of financial period	**1,514,244**	**2.02**	2,358,000	1.85
Exercised	**(1,358,236)**	**2.03**	(594,156)	1.40
Lapsed	**-**	**-**	(45,000)	1.14
Cancelled	**(156,008)**	**2.00**	(204,600)	2.00
Outstanding at end of financial period	**-**	**-**	1,514,244	2.02
Exercisable at end of financial period	**-**	**-**	1,514,244	2.02

Note 29. Share-Based Payments (continued)

(b) Employee Share Plans (continued)

(ii) Long Term Incentive Plan

In June 2006, the consolidated entity established the Amcor Long Term Incentive Plan (LTIP). Under the LTIP, share options or performance rights over shares in the Company, or performance shares, may be issued to Executive Officers, Senior Executives and senior co-workers. The exact terms and conditions of each award are determined by the Directors of the Company at the time of granting.

In 2010 the Alcan Acquisition Award was granted under the LTIP to Executive Officers, Senior Executives and senior staff members selected by the Directors. The movements in the share options and performance rights or performance shares issued under this award are included in the table below.

Share Options

Share options granted under the LTIP give the co-worker the right to acquire a share at a future point in time upon meeting specified vesting conditions that are both time and performance based and require payment of an exercise price. The share options are granted at no consideration and carry no dividend entitlement or voting rights until they vest and are exercised to ordinary shares on a one-for-one basis. The number of share options that ultimately vest is subject to a RoAFE test and the satisfaction of a share price condition.

Share options that have vested following satisfaction of time and performance conditions will remain exercisable until the expiry date. On expiry, any vested but unexercised share options will lapse.

Unvested awards are forfeited if the co-worker voluntarily ceases employment or dismissed for poor performance.

Performance Rights and Performance Shares

Performance rights or performance shares granted under the LTIP give the co-worker the right to receive a share at a future point in time upon meeting specified vesting conditions that are both time and performance based with no exercise price payable. The performance rights or performance shares are granted at no consideration and carry no dividend entitlement or voting rights until they vest and are exercised to ordinary shares on a one-for-one basis. The number of performance rights or performance shares that ultimately vest is subject to a relative TSR test.

Performance rights or performance shares that have vested following satisfaction of time and performance conditions will remain exercisable until the expiry date. On expiry, any vested but unexercised performance rights or performance shares will lapse.

Unvested awards are forfeited if the co-worker voluntarily ceases employment or dismissed for poor performance.

Details of the total movement in share options and performance rights or performance shares issued under the LTIP during the current and comparative period is as follows:

	Options		Rights	
Weighted average fair value	**No.**	**$**	**No.**	**$**
2013				
Outstanding at beginning of financial period	**48,039,977**	**1.42**	**5,418,450**	**4.28**
Granted	**8,527,600**	**1.05**	**2,027,400**	**4.21**
Exercised	**(14,438,281)**	**1.68**	**(2,783,780)**	**4.19**
Cancelled	**(1,148,200)**	**1.41**	**(99,000)**	**4.54**
Outstanding at end of financial period	**40,981,096**	**1.25**	**4,563,070**	**4.30**
Exercisable at end of financial period	**713,500**	**1.78**	**57,500**	**4.31**
2012				
Outstanding at beginning of financial period	35,769,196	1.60	6,333,244	4.35
Granted	18,581,700	1.02	947,000	4.71
Exercised	(3,702,128)	1.16	(1,277,124)	4.86
Lapsed	(69,676)	1.16	(59,270)	4.52
Cancelled	(2,539,115)	1.53	(525,400)	4.44
Outstanding at end of financial period	48,039,977	1.42	5,418,450	4.28
Exercisable at end of financial period	840,266	1.20	-	-

Note 29. Share Based Payments (continued)

(b) Employee Share Plans (continued)

(iii) Movement Table for Employee Share Options

The following table provides detail of the options granted under the ESOP and LTIP for the consolidated entity during the current and comparative period:

								Balance at end of period		
Granted between	Expiry date	Exercise price $	Balance at beginning of period No.	Options granted No.	Options lapsed/ cancelled No.	Options exercised No.	Weighted average share price at exercise date $	On issue No.	Vested & Exercisable No.	Proceeds received $
30 June 2013										
1 Nov to 31 Dec 07	18 Sep 12 [(2)]	**6.54**	**840,266**	**-**	**-**	**(840,266)**	**7.63**	**-**	**-**	**5,495,340**
13 Oct 03[(1)]	1 Nov 12	**7.67**	**79,200**	**-**	**-**	**(79,200)**	**7.67**	**-**	**-**	**607,464**
1 Nov 02[(1)]	1 Nov 12	**7.67**	**1,435,044**	**-**	**(156,008)**	**(1,279,036)**	**7.79**	**-**	**-**	**9,810,206**
1 Dec 08 to 2 Jan 09	29 Sep 13 [(2)]	**5.09**	**2,310,940**	**-**	**-**	**(2,199,940)**	**7.85**	**111,000**	**111,000**	**11,197,695**
24 Nov 09 to 8 Jun 10	29 Sep 16 [(2)]	**4.73**	**17,389,971**	**-**	**(185,000)**	**(8,287,975)**	**7.59**	**8,916,996**	**449,000**	**39,202,122**
12 Apr 10	29 Sep 16 [(2)]	**5.86**	**5,899,600**	**-**	**-**	**(2,926,500)**	**8.30**	**2,973,100**	**153,500**	**17,149,290**
18 Jun 10	29 Sep 16 [(2)]	**6.53**	**494,000**	**-**	**(494,000)**	**-**	**-**	**-**	**-**	**-**
5 Aug to 22 Sep 10	29 Sep 16 [(2)]	**6.39**	**2,178,000**	**-**	**(202,000)**	**-**	**-**	**1,976,000**	**-**	**-**
23 May 11	29 Sep 16 [(2)]	**6.79**	**423,200**	**-**	**-**	**(183,600)**	**7.66**	**239,600**	**-**	**1,246,644**
7 Jun 11	29 Sep 16 [(2)]	**7.05**	**92,000**	**-**	**-**	**-**	**-**	**92,000**	**-**	**-**
9 Dec 11 to 12 Jun 12	30 Nov 17	**7.03**	**4,109,000**	**-**	**(140,600)**	**-**	**-**	**3,968,400**	**-**	**-**
9 Dec 11 to 12 Jun 12	30 Nov 18	**7.03**	**14,303,000**	**-**	**(126,600)**	**-**	**-**	**14,176,400**	**-**	**-**
30 Nov 12	31 Oct 19	**7.31**	**-**	**8,527,600**	**-**	**-**	**-**	**8,527,600**	**-**	**-**
			49,554,221	**8,527,600**	**(1,304,208)**	**(15,796,517)**		**40,981,096**	**713,500**	**84,708,761**
30 June 2012										
27 Oct 05 to 4 Aug 06	19 Sep 11	6.25	366,200	-	-	(366,200)	6.64	-	-	2,288,750
27 Oct 05	31 Dec 11	6.25	250,000	-	(45,000)	(205,000)	7.10	-	-	1,281,250
4 Aug 06	19 Mar 12 [(2)]	6.25	233,200	-	(66,600)	(166,600)	7.09	-	-	1,041,250
1 Feb to 5 Mar 07	19 Mar 12 [(2)]	6.66	3,267,934	-	(326,496)	(2,941,438)	7.11	-	-	19,589,977
1 Nov to 31 Dec 07	18 Sep 12 [(2)]	6.54	1,237,190	-	(2,506)	(394,418)	7.11	840,266	840,266	2,579,494
18 Feb 10	18 Sep 12 [(2)]	6.21	38,472	-	-	(38,472)	7.04	-	-	238,911
13 Oct 03[(1)]	1 Nov 12	7.67	79,200	-	-	-	-	79,200	79,200	-
1 Nov 02[(1)]	1 Nov 12	7.67	1,823,800	-	(204,600)	(184,156)	7.07	1,435,044	1,435,044	1,412,477
1 Dec 08 to 2 Jan 09	29 Sep 13 [(2)]	5.09	2,446,000	-	(135,060)	-	-	2,310,940	-	-
24 Nov 09 to 8 Jun 10	29 Sep 16 [(2)]	4.73	18,344,000	-	(954,029)	-	-	17,389,971	-	-
12 Apr 10	29 Sep 16 [(2)]	5.86	6,560,000	-	(660,400)	-	-	5,899,600	-	-
18 Jun 10	29 Sep 16 [(2)]	6.53	494,000	-	-	-	-	494,000	-	-
5 Aug to 22 Sep 10	29 Sep 16 [(2)]	6.39	2,472,000	-	(294,000)	-	-	2,178,000	-	-
23 May 11	29 Sep 16 [(2)]	6.79	423,200	-	-	-	-	423,200	-	-
7 Jun 11	29 Sep 16 [(2)]	7.05	92,000	-	-	-	-	92,000	-	-
9 Dec 11 to 12 Jun 12	30 Nov 17	7.03	-	4,198,300	(89,300)	-	-	4,109,000	-	-
9 Dec 11 to 12 Jun 12	30 Nov 18	7.03	-	14,383,400	(80,400)	-	-	14,303,000	-	-
			38,127,196	**18,581,700**	**(2,858,391)**	**(4,296,284)**		**49,554,221**	**2,354,510**	**28,432,109**

[(1)] Fixed exchange rates apply to overseas participants on these share option grants.
[(2)] The expiry dates of these options were amended during the year ended 30 June 2012.

Note 29. Share Based Payments (continued)

(b) Employee Share Plans (continued)

(iv) Movement Table for Employee Share Right Plans

The following table provides detail of the rights granted under the LTIP for the consolidated entity during the current and comparative period:

Granted between	Expiry date	Balance at beginning of period No.	Rights granted No.	Rights lapsed/ cancelled No	Rights exercised No.	Weighted average share price at exercise date $	Balance at end of period: On issue No.	Balance at end of period: Vested & Exercisable No.
30 June 2013								
1 Dec 08 to 2 Jan 09	30 Jun 13	**1,401,080**	**-**	**-**	**(1,401,080)**	**7.69**	**-**	**-**
4 Nov 09 to 18 Jun 10	30 Jun 16	**2,852,970**	**-**	**(69,500)**	**(1,364,000)**	**7.57**	**1,419,470**	**57,500**
5 Aug 10	30 Jun 16	**174,000**	**-**	**(16,400)**	**-**	**-**	**157,600**	**-**
23 May to 7 Jun 11	30 Jun 16	**51,700**	**-**	**-**	**(18,700)**	**7.66**	**33,000**	**-**
9 Dec to 12 Jun 12	30 Nov 17	**186,200**	**-**	**(6,400)**	**-**	**-**	**179,800**	**-**
9 Dec to 12 Jun 12	30 Nov 18	**752,500**	**-**	**(6,700)**	**-**	**-**	**745,800**	**-**
30 Nov 12	31 Oct 19	**-**	**2,027,400**	**-**	**-**	**-**	**2,027,400**	**-**
		5,418,450	**2,027,400**	**(99,000)**	**(2,783,780)**		**4,563,070**	**57,500**
30 June 2012								
27 Oct 05 to 30 May 08	31 Dec 11	315,795	-	(150,347)	(165,448)	7.05	-	-
1 Nov to 31 Dec 07	30 Jun 12	699,749	-	(85,162)	(614,587)	6.70	-	-
1 Dec 08 to 2 Jan 09	30 Jun 13	1,483,000	-	(81,920)	-	-	1,401,080	-
4 Nov 09 to 18 Jun 10	30 Jun 16	3,041,000	-	(188,030)	-	-	2,852,970	-
5 Aug 10	30 Jun 16	197,000	-	(23,000)	-	-	174,000	-
11 Nov 10	31 Dec 11	545,000	-	(47,911)	(497,089)	7.18	-	-
23 May to 7 Jun 11	30 Jun 16	51,700	-	-	-	-	51,700	-
9 Dec to 12 Jun 12	30 Nov 17	-	190,200	(4,000)	-	-	186,200	-
9 Dec to 12 Jun 12	30 Nov 18	-	756,800	(4,300)	-	-	752,500	-
		6,333,244	947,000	(584,670)	(1,277,124)		5,418,450	-

(c) Other compensation plans

Entitlement plans are an alternative to the ESPP and the ESOP and are in place in countries where the Company is unable to issue shares or options. Participants are offered entitlements and, over the period during which employees hold their entitlements, their value will mirror the fluctuating value of Amcor Limited shares, including (in the case of the Employee Bonus Payment Plan) all dividends paid on the shares during this time.

(i) Employee Bonus Payment Plan

The Employee Bonus Payment Plan (EBPP) is equivalent to the EISP and enables the Company to offer employees, in certain countries, an equivalent plan where the EISP is unavailable. Offers of new entitlements under the EBPP have been discontinued and during the period the plan was wound up.

(ii) Senior Executive Retention Payment Plan

From time to time, the Board may nominate certain employees as eligible to participate in the Senior Executive Retention Payment Plan (SERPP). Instead of receiving fully paid ordinary shares, entitlements are issued in part satisfaction of an employee's remuneration for the relevant financial year. The value of each plan entitlement is linked to the performance of Amcor Limited shares (including the value of accrued dividends). Plan entitlements may be converted into a cash payment after the five year restriction period has expired (or otherwise as determined by the Board), provided that the employee has not been dismissed for cause or poor performance during this time. If the employee voluntarily ceases employment within four or five years from the date the plan entitlements were issued, the employee forfeits 40% or 20% of their plan entitlements, respectively.

Details of the entitlements issued under the SERPP during the current and comparative period are as follows:

	Weighted average 2013 fair value		Weighted average 2012 fair value	
	No.	**$**	**No.**	**$**
Outstanding at beginning of financial period	**-**	**-**	36,000	5.73
Granted	**70,000**	**7.62**	-	-
Exercised	**-**	**-**	(31,000)	5.96
Cancelled	**-**	**-**	(5,000)	4.33
Outstanding at end of financial period	**70,000**	**7.62**	-	-
Exercisable at end of financial period	**-**	**-**	-	-

Note 29. Share Based Payments (continued)

(c) Other compensation plans (continued)

(iii) Cash Settled Employee Share Plan Options

Cash settled employee share plan options are issued to employees residing in jurisdictions that, for statutory reasons, are not covered by option plans described above. The cash settled employee share plan options operate in a manner similar to other option plans, although no entitlements to actual shares or options exist.

The following table summarises the entitlements issued during the current and comparative period under the Cash Settled Employee Share Plan (Cash Settled):

	2013	Weighted average fair value	2012	Weighted average fair value
	No.	**$**	**No.**	**$**
Outstanding at beginning of financial period	**180,400**	**0.15**	250,631	0.56
Exercised	**(114,400)**	**0.15**	(30,597)	0.81
Lapsed	**(17,600)**	**0.15**	-	-
Cancelled	**(48,400)**	**0.15**	(39,634)	0.55
Outstanding at end of financial period	**-**	**-**	180,400	0.15
Exercisable at end of financial period	**-**	**-**	180,400	0.15

(iv) Management Incentive Plan – Equity

The Management Incentive Plan – Equity (EMIP) provides an additional short term incentive opportunity to selected Executives, globally, in the form of rights to Amcor Limited shares.

The number of rights that are allocated to each eligible executive is based on:

- 50% of the value of the cash bonus payable under the EMIP, following the end of the performance period;
- the volume weighted average price of Amcor Limited ordinary shares for the five trading days prior to 30 June, being the end of the performance period, and
- where cash bonuses are determined in currencies other than Australian dollars, the average foreign exchange rate for the same five day period.

An Executive will forfeit allocated performance rights if either they voluntarily leave Amcor employment during the restriction period or their employment is terminated for cause. Board discretion applies in the case of involuntary termination of employment and change of control.

For the year ended 30 June 2013, the equity outcomes will be determined and allocated in September 2013. For the year ended 30 June 2013, the consolidated entity recognised an expense of $4.2 million (2012: $4.1 million) in relation to this incentive plan.

The following table summarises the entitlements issued during the current and comparative period under the Management Incentive Plan (EMIP):

	2013	Weighted average fair value	2012	Weighted average fair value
	No.	**$**	**No.**	**$**
Outstanding at beginning of financial period	**4,025,914**	**6.07**	3,654,532	5.55
Granted	**2,186,462**	**6.80**	2,407,608	6.07
Exercised	**(1,810,936)**	**6.08**	(1,870,736)	5.09
Lapsed	**-**	**-**	(4,480)	5.00
Cancelled	**(177,295)**	**6.14**	(161,010)	5.84
Outstanding at end of financial period	**4,224,145**	**6.44**	4,025,914	6.07
Exercisable at end of financial period	**-**	**-**	-	-

Note 29. Share Based Payments (continued)

(d) Fair value of options and rights granted

Fair value of options
The fair value of each option granted is estimated on the date of grant using a Black-Scholes option-pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, and where applicable the market condition criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The following weighted average assumptions were used for options granted in the current and comparative period:

	2013	2012
Expected dividend yield (%)	**5.10**	5.10
Expected price volatility of the Company's shares (%)	**21.00**	22.00
Share price at grant date ($)	**7.90**	7.34
Exercise price ($)	**7.31**	7.03
Historical volatility (%)	**21.00**	22.00
Risk-free interest rate (%)	**2.87**	3.44
Expected life of option (years)	**4.00**	3.8

The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated changes. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. For specific details of grant dates and exercise prices, refer note 29(b).

Fair value of rights
The fair value of each grant is estimated at grant date using a Monte-Carlo valuation model which simulates the date of vesting, the percentage vesting, the share price and total shareholder return. Once the simulated date of vesting is determined, a Black-Scholes methodology is utilised to determine the fair value of the rights granted.

(e) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

$ thousand	**2013**	2012
Equity settled share-based payment transactions		
Options issued	**14,782**	16,727
Performance rights issued and other compensation plans	**19,663**	19,356
Cash settled share-based payment transactions		
Cash settled share-based payments	**1,396**	115
Total share-based payment expense	**35,841**	36,198

(f) Liabilities for share-based payments

$ thousand	**2013**	2012
Cash settled share-based payments liability		
Shares	**710**	1,199
Shares - Overseas	**1**	300
Options	**-**	27
Total carrying amount of liabilities for cash settled arrangements	**711**	1,526
Intrinsic value for vested cash settled shares liability		
Shares	**-**	1,499
Options(1)	**-**	-
Total intrinsic value of liability for vested benefits	**-**	1,499

(1) Due to the exercise price for vested options being greater than market value, fully vested cash settled share options have an intrinsic value of zero.

Note 30. Key Management Personnel Disclosures

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity. All Executive and Non-Executive Directors of Amcor Limited are KMP of the consolidated entity. The following Directors and Senior Executives were considered KMP for the entire period unless otherwise indicated.

(a) Directors

Name	Position
Current Directors	
C I (Chris) Roberts	Independent Non-Executive Director and Chairman
K N (Ken) MacKenzie	Managing Director and Chief Executive Officer
K J (Karen) Guerra	Independent Non-Executive Director
G R (Graeme) Liebelt	Independent Non-Executive Director
A (Armin) Meyer	Independent Non-Executive Director
G J (John) Pizzey	Independent Non-Executive Director
J L (Jeremy) Sutcliffe	Independent Non-Executive Director
J G (John) Thorn	Independent Non-Executive Director
Former Directors	
J A (Jenny) Seabrook	Independent Non-Executive Director (retired 3 July 2012)
E J J (Ernest) Pope	Independent Non-Executive Director (retired 20 October 2011)

(b) Senior Executives

The persons who qualified as KMP for the current and comparative period are:

Name	Position	Employer
2013		
P Brues	President, Amcor Flexibles Europe & Americas	Amcor Flexibles Inc
R Delia	Executive Vice President Finance and Chief Financial Officer	Amcor Limited
N Garrard	President, Amcor Australasia and Packaging Distribution	Amcor Limited
M Schmitt	President, Amcor Rigid Plastics	Amcor Rigid Plastics USA, Inc.
I G Wilson	Executive Vice President Strategy & Development	Amcor Limited
2012		
P Brues	President, Amcor Flexibles Europe & Americas	Amcor Flexibles Inc
R Delia	Executive Vice President Finance and Chief Financial Officer	Amcor Limited
N Garrard	President, Amcor Australasia and Packaging Distribution	Amcor Limited
M Schmitt(1)	President, Amcor Rigid Plastics	Amcor Rigid Plastics USA, Inc.
I G Wilson	Executive Vice President Strategy & Development	Amcor Limited

(1) M Schmitt was appointed to the position of President, Amcor Rigid Plastics on 1 July 2011 and designated a KMP from this date.

(c) Key Management Personnel compensation

The following table details the compensation paid to KMP included in ‘employee benefits expense’, refer note 6.

$ thousand	2013	2012
Short term employee benefits	**16,011**	14,430
Long term employee benefits	**125**	116
Post employment benefits	**1,053**	874
Termination benefits	**39**	33
Share-based payments expense	**8,714**	9,812
	25,942	25,265

Note 30. Key Management Personnel Disclosures (continued)

(d) Individual Director's and Executive's compensation disclosures

Detailed remuneration disclosures are provided in the Remuneration Report section of the Directors' Report. Apart from the information disclosed in this note, no Director has entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

No individual KMP or related party holds a loan greater than $100,000 with the consolidated entity (2012: nil). No impairment losses have been recognised in relation to any loans made to KMP (2012: nil) and no loans were advanced during the current year (2012: nil).

Ordinary shareholding and holding of options and rights over equity instruments
Options and rights are issued as part of long term incentive plans, the details and conditions of these plans are outlined within the Remuneration Report section of the Directors' Report and note 29. Non-Executive Directors do not participate in any incentive plans.

The following tables detail the number of ordinary shares held in Amcor Limited and the number of options and rights over ordinary shares held by each KMP at 30 June 2013 and 30 June 2012, either directly, indirectly or beneficially, including their related parties, and the movement in such during the period:

Name and Holding	Balance at 1 July 2012	Movements during the period: Granted/ Received on exercise	Exercised	Purchased	Other[1]	Balance at 30 June 2013	Balance vested and not yet exercised
2013							
Directors							
K N (Ken) MacKenzie							
Ordinary Shares	**998,328**	**2,409,142**	**-**	**-**	**(1,329,089)**	**2,078,381**	**-**
Options/Share Rights	**6,321,550**	**1,821,000**	**(2,409,142)**	**-**	**-**	**5,733,408**	**-**
K J (Karen) Guerra							
Ordinary Shares	**18,088**	**-**	**-**	**6,512**	**-**	**24,600**	**-**
G R (Graeme) Liebelt							
Ordinary Shares	**10,860**	**-**	**-**	**22,630**	**-**	**33,490**	**-**
A (Armin) Meyer							
Ordinary Shares	**30,000**	**-**	**-**	**-**	**-**	**30,000**	**-**
G J (John) Pizzey							
Ordinary Shares	**45,334**	**-**	**-**	**1,134**	**-**	**46,468**	**-**
C I (Chris) Roberts							
Ordinary Shares	**303,327**	**-**	**-**	**14,173**	**-**	**317,500**	**-**
J A (Jenny) Seabrook[2]							
Ordinary Shares	**20,000**	**-**	**-**	**-**	**(20,000)**	**-**	**-**
J (Jeremy) Sutcliffe							
Ordinary Shares	**52,481**	**-**	**-**	**1,057**	**-**	**53,538**	**-**
J G (John) Thorn							
Ordinary Shares	**25,994**	**-**	**-**	**-**	**-**	**25,994**	**-**
Senior Executives							
P Brues							
Ordinary Shares	**181,426**	**1,209,458**	**-**	**-**	**(1,112,658)**	**278,226**	**-**
Options/Share Rights	**3,342,478**	**674,916**	**(1,209,458)**	**-**	**-**	**2,807,936**	**-**
R Delia							
Ordinary Shares	**117,309**	**497,130**	**-**	**-**	**(296,415)**	**318,024**	**-**
Options/Share Rights	**1,797,639**	**590,536**	**(497,130)**	**-**	**-**	**1,891,045**	**-**
N Garrard							
Ordinary Shares	**103,809**	**715,816**	**-**	**1,852**	**(237,515)**	**583,962**	**-**
Options/Share Rights	**2,127,527**	**489,300**	**(715,816)**	**-**	**-**	**1,901,011**	**-**
M Schmitt							
Ordinary Shares	**-**	**242,284**	**-**	**-**	**(200,000)**	**42,284**	**-**
Options/Share Rights	**1,586,243**	**495,335**	**(242,284)**	**-**	**-**	**1,839,294**	**153,500**
I G Wilson							
Ordinary Shares	**1,453,847**	**1,236,200**	**-**	**102,000**	**(2,399,859)**	**392,188**	**-**
Options/Share Rights	**2,559,975**	**463,880**	**(1,236,200)**	**-**	**-**	**1,787,655**	**-**

[1] Other changes represent options and rights that have expired or were forfeited during the period, ordinary shares that were sold during the period and balances of those individuals who ceased to be KMPs during the period.
[2] J A Seabrook retired as a Non-Executive Director on 3 July 2012 and ceased to be a KMP from this date.

Amcor Limited and its controlled entities

Notes to the financial statements

30 June 2013

Note 30. Key Management Personnel Disclosures (continued)

(d) Individual Director's and Executive's compensation disclosures (continued)

Name and Holding	Balance at 1 July 2011	Movements during the period: Granted/ Received on exercise	Exercised	Purchased	Other[(1)]	Balance at 30 June 2012	Balance vested and not yet exercised
2012							
Directors							
K N (Ken) MacKenzie							
Ordinary Shares	774,470	545,419	-	50,536	(372,097)	998,328	-
Options/Share Rights	4,593,061	2,348,908	(545,419)	-	(75,000)	6,321,550	253,000
K J (Karen) Guerra							
Ordinary Shares	11,328	-	-	6,760	-	18,088	-
G R (Graeme) Liebelt[(2)]							
Ordinary Shares	-	-	-	-	10,860	10,860	-
A (Armin) Meyer							
Ordinary Shares	22,000	-	-	8,000	-	30,000	-
G J (John) Pizzey							
Ordinary Shares	27,586	-	-	17,748	-	45,334	-
E J J (Ernest) Pope[(3)]							
Ordinary Shares	58,519	-	-	-	(58,519)	-	-
C I (Chris) Roberts							
Ordinary Shares	287,782	-	-	15,545	-	303,327	-
J A (Jenny) Seabrook[(4)]							
Ordinary Shares	-	-	-	10,000	10,000	20,000	-
J (Jeremy) Sutcliffe							
Ordinary Shares	43,746	-	-	8,735	-	52,481	-
J G (John) Thorn							
Ordinary Shares	20,994	-	-	5,000	-	25,994	-
Senior Executives							
P Brues							
Ordinary Shares	102,148	249,478	-	-	(170,200)	181,426	-
Options/Share Rights	2,412,341	1,197,020	(249,478)	-	(17,405)	3,342,478	72,780
R Delia							
Ordinary Shares	26,257	91,052	-	-	-	117,309	-
Options/Share Rights	1,006,926	906,909	(91,052)	-	(25,144)	1,797,639	54,691
N Garrard							
Ordinary Shares	85,500	59,710	-	99	(41,500)	103,809	-
Options/Share Rights	1,398,526	788,711	(59,710)	-	-	2,127,527	-
M Schmitt[(5)]							
Ordinary Shares	-	68,000	-	-	(68,000)	-	-
Options/Share Rights	849,784	804,459	(68,000)	-	-	1,586,243	-
I G Wilson							
Ordinary Shares	1,141,638	463,185	-	-	(150,976)	1,453,847	-
Options/Share Rights	2,455,186	597,775	(463,185)	-	(29,801)	2,559,975	84,897

(1) Other changes represent options and rights that have expired or were forfeited during the period, ordinary shares that were sold during the period and balances of those individuals who either ceased to be KMPs or were introduced as KMPs during the period.

(2) G R Liebelt was appointed to the position of Non-Executive Director on 1 April 2012 and was designated a KMP from this date.

(3) E J J Pope retired from the position of Non-Executive Director on 20 October 2011 and ceased to be a KMP from this date.

(4) J A Seabrook was appointed to the position of Non-Executive Director on 1 December 2011 and was designated a KMP from this date. On 3 July 2012, J A Seabrook retired and ceased to be a KMP from this date.

(5) M Schmitt was appointed to the position of President, Amcor Rigid Plastics on 1 July 2011 and was designated a KMP from this date.

No options are vested and unexercisable at the end of the year. No options or performance rights were held by KMP related parties.

Note 30. Key Management Personnel Disclosures (continued)

(d) Individual Director's and Executive's compensation disclosures (continued)

Other key management personnel transactions
From time to time, Directors and Group Executives (and their personally related parties) may enter into transactions with the Company and its controlled entities. These transactions occur within normal customer or supplier relationships on terms and conditions that are no more favourable than those available, or which might be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Other than those items discussed above, there have been no other transactions between key management personnel and the Company.

Note 31. Other Related Party Disclosures

Subsidiaries
Details of investments in associates, jointly controlled entities and controlled entities are disclosed in notes 16 and 34.

Equity accounted investments
During the year ended 30 June 2013, the consolidated entity incurred research and development expenditure totalling $3.9 million (2012: nil) on behalf of Discma AG, a jointly controlled entity (refer note 16). These costs were on-charged during the period and as at 30 June 2013 an amount of $1.6 million (2012: nil) is due from the equity accounted investment.

During the 12 months to 30 June 2013, the consolidated entity received dividends of $70.1 million from associates (2012: $13.2 million).

Refer note 16 for further information on equity accounted investments and changes in ownership interest.

Other related parties
Contributions to superannuation funds on behalf of employees are disclosed in notes 6 and 24.

Note 32. Contingencies

Details of contingent liabilities where the probability of future payments/receipts is not considered remote are set out below:

$ million	2013	2012
Contingent liabilities	**6.5**	0.4
Total contingent liabilities	**6.5**	0.4

Details of other contingent liabilities are set out below. The Directors are of the opinion that provisions are not required in respect of these matters, as it is either not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

- Amcor Limited has indemnified the PaperlinX Limited Group in relation to potential taxation and workcover liabilities in excess of any provisions made in the financial statements of the PaperlinX Limited Group at 31 March 2000.
- Under the terms of the ASIC Class Order 98/1418 (as amended) dated 13 August 1998, which relieved certain wholly-owned subsidiaries from the requirement to prepare audited financial statements, Amcor Limited and certain wholly-owned subsidiaries have entered into an approved deed for the cross guarantee of liabilities with those subsidiaries identified in note 35. No liabilities subject to the Deed of Cross Guarantee at 30 June 2013 are expected to arise to Amcor Limited and subsidiaries, as all such subsidiaries were financially sound and solvent at that date.
- The consolidated entity operates in many territories around the globe under different direct and indirect tax regimes. From time to time the consolidated entity 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. Amcor believes that the likelihood of these having a material impact on the consolidated entity's financial position, results of operations or cash flows is remote. Specifically, the Brazil operations have received a series of excise and income tax claims from the local tax authorities and in the opinion of outside counsel these claims have a remote likelihood of being upheld. 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 by Amcor. All means are being examined in order to minimise any exposure.

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 under the *Commerce Act 1986*. Amcor applied for leniency pursuant to the NZCC's Leniency Policy for Cartel Conduct (NZ Leniency Policy).

The NZ Leniency Policy allows for immunity from NZCC initiated proceedings to the first person involved in a cartel to come forward with information about the cartel and co-operate fully with the NZCC in its investigation and prosecution of the cartel.

Note 32. Contingencies (continued)

Competition Law Investigation – New Zealand (continued)

Amcor was granted conditional immunity on 1 December 2004. Pursuant to the NZ Leniency Policy, Amcor entered into an agreement with the NZCC under which Amcor is obliged to comply with specified conditions including full co-operation with the NZCC. The NZCC's investigation is continuing and Amcor continues to provide full co-operation. The NZCC has commenced proceedings in New Zealand against various parties (but not against Amcor companies) alleging conduct prohibited by the *Commerce Act 1986* (including cartel conduct). Amcor will assist in the proceeding to the extent required by the leniency agreement.

The operation of the NZ Leniency Policy does not exclude or limit claims by third parties who claim to have suffered loss or damage as a result of any cartel conduct. Under the Commerce Act, third parties may pursue private claims for compensatory or exemplary damages.

Estimated Damages – New Zealand
As a result of the grant of conditional immunity, Amcor does not expect to incur any pecuniary penalties arising out of the NZCC investigation. It is not possible, at present, to provide either a reasonable estimate, or a reasonable estimated range of any amounts which might become payable by way of damages to any third parties who believe they may have suffered loss as a result of any cartel conduct in New Zealand. Although it is not possible at present to establish a reasonable estimated range of damages, there can be no assurance that any damages ultimately incurred will not be material to the results of operations or financial condition of the consolidated entity.

Note 33. Commitments

(a) Operating lease commitments

$ million	**2013**	2012
Lease expenditure contracted but not provided for or payable:		
Within one year	**161.1**	155.6
Between one and five years	**381.2**	394.3
More than five years	**181.8**	173.2
	724.1	723.1
Less sub-lease rental income	**(6.6)**	(4.7)
	717.5	718.4

The consolidated entity leases motor vehicles, plant and equipment and property under operating leases. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

Some leases provide for payment of incremental contingent rentals based on movements in a relevant price index or in the event that units produced by certain leased assets exceed a predetermined production capacity. Contingent rental paid during the period is disclosed in note 6.

(b) Finance lease commitments

$ million	**2013**	2012
Lease expenditure contracted and provided for due:		
Within one year	**2.6**	2.4
Between one and five years	**4.1**	5.2
More than five years	**4.7**	5.3
Minimum lease payments	**11.4**	12.9
Less future finance charges	**(0.6)**	(0.8)
	10.8	12.1
Current lease liability (refer note 21)	**2.6**	2.4
Non-current lease liability (refer note 21)	**8.2**	9.7
	10.8	12.1

(c) Other expenditure commitments

At 30 June 2013 the consolidated entity had capital commitments contracted but not provided for in respect of the acquisition of property, plant and equipment of $47.7 million (2012: $89.4 million) and $108.5 million (2012: $134.6 million) in respect of other supplies and services yet to be provided. In addition, at 30 June 2013 the consolidated entity had contractual capital commitments to provide additional cash contributions of $16.7 million (2012: nil) to the jointly controlled entity Discma AG, refer note 16.

Note 34. Particulars in Relation to Controlled Entities and Businesses

The ultimate controlling party of the consolidated entity is Amcor Limited, a company incorporated in Australia. The companies listed below are those whose results or financial position principally affected the figures shown in the annual financial report.

Controlled entities	Country of incorporation	Amcor Group's effective interest 2013	2012
Amcor Packaging (Australia) Pty Ltd	Australia[1]	**100.0%**	100.0%
Amcor Fibre Packaging - Asia Pte Ltd	Singapore	**100.0%**	100.0%
Amcor Packaging (New Zealand) Ltd	New Zealand[1]	**100.0%**	100.0%
Amcor Rigid Plastics USA, Inc.	United States of America	**100.0%**	100.0%
Amcor Packaging Distribution, Inc	United States of America	**100.0%**	100.0%
Amcor Rigid Plastics de Venezuela	Venezuela	**61.0%**	61.0%
Amcor Flexibles Inc	United States of America	**100.0%**	100.0%
Vinisa Fueguina S.R.L	Argentina	**100.0%**	100.0%
Amcor Flexibles Transpac B.V.B.A	Belgium	**100.0%**	100.0%
Amcor Flexibles UK Ltd	United Kingdom	**100.0%**	100.0%
Amcor Flexibles Denmark ApS	Denmark	**100.0%**	100.0%
Amcor Flexibles Italia S.r.l.	Italy	**100.0%**	100.0%
Amcor Flexibles Singen GmbH	Germany	**100.0%**	100.0%
Amcor Tobacco Packaging Novgorod	Russia	**100.0%**	100.0%
Amcor Tobacco Packaging Polska Spolka z.o.o	Poland	**100.0%**	100.0%
Amcor Tobacco Packaging Americas Inc.	United States of America	**100.0%**	100.0%
Amcor Flexibles Reflex Sp z.o.o	Poland	**100.0%**	100.0%
Amcor Packaging UK Ltd	United Kingdom	**100.0%**	100.0%
Amcor Flexibles Sarrebourg S.A.S.	France	**100.0%**	100.0%
Amcor Flexibles Selestat S.A.S.	France	**100.0%**	100.0%
Amcor Flexibles Packaging France SAS	France	**100.0%**	100.0%
Amcor Tobacco Packaging St.Petersburg LLC	Russia	**100.0%**	100.0%
Amcor Flexibles Kreuzlingen AG	Switzerland	**100.0%**	100.0%
Amcor Flexibles Tscheulin-Rothal GmbH	Germany	**98.8%**	98.8%
Amcor Flexibles Bangkok Public Company Limited	Thailand	**99.4%**	99.4%
Amcor Flexibles Rorschach AG	Switzerland	**100.0%**	100.0%
Amcor Packaging Canada Inc	Canada	**100.0%**	100.0%
Amcor Flexibles Espana SL	Spain	**100.0%**	100.0%
Specialty Packaging Group Pty Ltd	Australia[1]	**100.0%**	100.0%
Amcor Embalagens Da Amazonia SA	Brazil	**100.0%**	100.0%
Amcor Europe LLP	Australia	**100.0%**	100.0%
Amcor Tobacco Packaging Izmir Gravür Baski Sanayi Ticaret AS	Turkey	**100.0%**	100.0%
Amcor Flexibles (Australia) Pty Limited	Australia[1]	**100.0%**	100.0%
Amcor Flexibles (New Zealand) Limited	New Zealand	**100.0%**	100.0%

(1) Amcor Limited and these subsidiary companies have entered into an approved deed for the cross guarantee of liabilities, refer note 35.

Acquisition of controlled entities

Acquisitions of controlled entities acquired during the financial years ended 30 June 2013 and 2012 are detailed in note 3.

In addition to the acquisitions contained in note 3 on 21 September 2012 the consolidated entity acquired an additional 14.3 million shares in the subsidiary Amcor Chengdu Co. Limited (Chengdu), representing a 47.8% interest, taking the consolidated entity's ownership level to 97.8%.

Note 34. Particulars in Relation to Controlled Entities and Businesses (continued)

Disposal of controlled entities

30 June 2013

The consolidated entity did not dispose of any legal entities during the year ended 30 June 2013. The following entities were liquidated during the period:

- Amcor Flexibles Drammen AS
- Amcor Flexibles Envi BV

30 June 2012

The consolidated entity did not dispose of any controlled entities during the period.

The following legal entities were liquidated during the financial year:

- Amcor Holding Germany Limited
- Amcor Holding USA LLC
- Amcor Holdings Inc
- Amcor UK Holding Limited
- Polyplasma Inc
- Amcor Flexibles Moscow LLC
- Amcor Packaging Istra LLC

Note 35. Deed of Cross Guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation and lodgement of audited Financial Reports, and Directors' Reports.

It is a condition of the Class Order that the holding entity, Amcor Limited, and each of the relevant subsidiaries enter into a deed of cross guarantee (the 'deed'). The effect of the deed is that, in the event of winding up any of these subsidiaries under certain provisions of the *Corporations Act 2001*, Amcor Limited guarantees to each creditor of that subsidiary payment in full of any debt. If a winding up occurs under other provisions of the *Corporations Act 2001*, Amcor Limited will only be liable in the event that after six months any creditor has not been paid in full. These subsidiaries have also given similar guarantees in the event that Amcor Limited is wound up.

The holding entity, Amcor Limited, and subsidiaries subject to the deed of cross guarantee are:

Amcor Packaging (Asia) Pty Ltd	Lynyork Pty Ltd
Amcor Nominees Pty Ltd	Fibre Containers (Qld) Pty Ltd
Amcor Investments Pty Ltd	Specialty Packaging Group Pty Ltd
Amcor Packaging (New Zealand) Ltd	ACN 089523919 CCC Pty Ltd
Amcor Finance (NZ) Ltd	Rota Die International Pty Ltd
Amcor Packaging (Australia) Pty Ltd	Rota Die Pty Ltd Trustee of Rota Die Trust
AGAL Holdings Pty Ltd	Amcor European Holdings Pty Ltd
Envirocrates Pty Ltd	Amcor Holdings (Australia) Pty Ltd
PP New Pty Ltd	Techni-Chem Australia Pty Ltd
AP Chase Pty Ltd	Amcor Flexibles Group Pty Limited
Anfor Investments Pty Ltd	Amcor Flexibles (Australia) Pty Limited
Amcor Closure Systems Pty Ltd	Packsys Holdings (Aus) Pty Ltd
Pak Pacific Corporation Pty Ltd	Packsys Pty Ltd
ACN 002693843 Box Pty Ltd	

Note 35. Deed of Cross Guarantee (continued)

Financial statements for the Amcor Limited Deed of Cross Guarantee
The consolidated income statement, statement of comprehensive income and statement of financial position, comprising Amcor Limited and the wholly-owned subsidiaries party to the deed, after eliminating all transactions between the parties, as at 30 June, are set out below:

(a) Income statement

$ million	**2013**	2012
Sales revenue	**2,466.2**	2,301.7
Cost of sales	**(2,146.1)**	(2,006.6)
Gross profit	**320.1**	295.1
Other income	**514.3**	471.5
Operating expenses	**(568.7)**	(363.2)
Profit from operations	**265.7**	403.4
Financial income	**32.7**	115.9
Financial expenses	**(173.9)**	(173.5)
Net finance costs	**(141.2)**	(57.6)
Profit before related income tax expense	**124.5**	345.8
Income tax benefit	**54.5**	59.2
Profit for the financial period	**179.0**	405.0
Profit attributable to:		
Owners of Amcor Limited	**179.0**	405.0
Non-controlling interest	**-**	-
	179.0	405.0

(b) Statement of comprehensive income

$ million	**2013**	2012
Profit for the financial period	**179.0**	405.0
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
Net change in fair value of available-for-sale financial assets	**(0.3)**	-
Cash flow hedges		
Effective portion of changes in fair value of cash flow hedges	**2.8**	8.7
Net change in fair value of cash flow hedges reclassified to profit or loss	**0.8**	2.1
Tax on cash flow hedges	**(0.7)**	(2.2)
Exchange differences on translating foreign operations		
Exchange differences on translation of foreign operations	**16.4**	3.7
Net investment hedge of foreign operations	**(0.7)**	-
Tax on exchange differences on translating foreign operations	**0.2**	-
Items that will not be reclassified to profit or loss:		
Retained earnings		
Actuarial gains/(losses) on defined benefit plans	**10.6**	(29.7)
Tax on actuarial (gains)/losses on defined benefit plans	**(3.1)**	8.7
Other comprehensive income/(loss) for the financial period, net of tax	**26.0**	(8.7)
Total comprehensive income for the financial period	**205.0**	396.3
Total comprehensive income attributable to:		
Owners of Amcor Limited	**205.0**	396.3
Non-controlling interest	**-**	-
	205.0	396.3

Note 35. Deed of Cross Guarantee (continued)

Financial statements for the Amcor Limited Deed of Cross Guarantee (continued)

(c) Summarised income statement and retained profits

$ million	2013	2012
Profit before related income tax expense	**124.5**	345.8
Income tax benefit	**54.5**	59.2
Profit for the financial period	**179.0**	405.0
Retained (loss)/profits at beginning of financial period	**(24.6)**	29.8
Actuarial gains/(losses) recognised directly in equity	**7.5**	(21.0)
	161.9	413.8
Dividends recognised during the financial period	**(464.7)**	(438.4)
Retained losses at the end of the financial period	**(302.8)**	(24.6)

(d) Statement of financial position

$ million	2013	2012
Current assets		
Cash and cash equivalents	**90.1**	19.2
Trade and other receivables	**1,443.2**	3,311.5
Inventories	**406.0**	435.9
Other financial assets	**26.5**	2.7
Other current assets	**32.5**	34.8
Total current assets	**1,998.3**	3,804.1
Non-current assets		
Other financial assets	**4,593.3**	4,434.5
Property, plant and equipment	**1,781.2**	1,878.5
Deferred tax assets	**183.8**	147.4
Intangible assets	**272.6**	249.1
Other non-current assets	**76.2**	79.4
Total non-current assets	**6,907.1**	6,788.9
Total assets	**8,905.4**	10,593.0
Current liabilities		
Trade and other payables	**485.9**	462.7
Interest-bearing liabilities	**2,377.2**	3,879.2
Other financial liabilities	**75.7**	114.8
Provisions	**196.8**	156.6
Total current liabilities	**3,135.6**	4,613.3
Non-current liabilities		
Trade and other payables	**6.2**	6.5
Interest-bearing liabilities	**2,035.6**	1,940.7
Other financial liabilities	**12.4**	13.1
Provisions	**32.8**	28.8
Retirement benefit obligations	**29.5**	77.9
Total non-current liabilities	**2,116.5**	2,067.0
Total liabilities	**5,252.1**	6,680.3
Net assets	**3,653.3**	3,912.7
Equity		
Contributed equity	**3,831.9**	3,802.1
Reserves	**124.2**	135.2
Retained profits	**(302.8)**	(24.6)
Total equity	**3,653.3**	3,912.7

Note 36. Amcor Limited Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

$ million	Amcor Limited 2013	2012
Total current assets	**10,193.4**	6,460.5
Total assets	**16,460.0**	12,701.0
Total current liabilities	**10,305.6**	5,602.7
Total liabilities	**12,484.7**	7,897.2
Net assets	**3,975.3**	4,803.8
Equity		
Contributed equity	**3,831.9**	3,802.1
Reserves:		
Share-based payments reserve	**80.5**	117.8
Cash flow hedge reserve	**(1.5)**	(3.2)
Retained profits	**64.4**	887.1
Total equity	**3,975.3**	4,803.8
Profit/(loss) before related income tax expense	**(475.8)**	508.0
Income tax benefit/(expense)	**111.9**	(179.8)
(Loss)/profit after tax	**(363.9)**	328.2
Total comprehensive (loss)/income	**(356.3)**	314.9

(b) Financial guarantees

Terms and face values of the liabilities guaranteed were as follows:

$ million	Year of maturity	30 June 2013 Face value	30 June 2012 Face value
Bank term loans of controlled entities	**2013**	**14.3**	11.2

The Company has guaranteed the bank overdrafts, finance leases and drawn components of bank loans of a number of subsidiaries. Under the terms of the financial guarantee contracts, the Company will make payments to reimburse the lenders upon failure of the guaranteed entity to make payments when due. As at 30 June 2013, the carrying value recognised in respect of these financial guarantees is nil (2012: nil).

The Company has also entered into a Deed of Cross Guarantee with certain subsidiaries. Under the terms of the deed, the Company has guaranteed the repayment of all relevant current and future creditors in the event any of the entities party to the deed are wound up. Details of the deed and the consolidated financial position of the Company and the subsidiaries party to the deed are set out in note 35. The method used in determining the fair value of these guarantees has been disclosed in the consolidated entity's accounting policy financial guarantee contracts, refer note 1(p).

(c) Contingent liabilities of Amcor Limited

Details of contingent liabilities where the probability of future payments/receipts is not considered remote are set out below:

$ million	2013	2012
Contingent liabilities arising in respect of guarantees(1)	**45.3**	10.5
Total contingent liabilities	**45.3**	10.5

(1) Comprises guarantees given by Amcor Limited in respect of property leases and other financial obligations in wholly-owned subsidiaries.

Details of other contingent liabilities for Amcor Limited are set out in note 32. The Directors are of the opinion that provisions are not required in respect of these matters, as it is either not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Note 37. Events Subsequent to Balance Date

Demerger of Amcor Australasia and Packaging Distribution (AAPD) Business
On 1 August 2013 the consolidated entity announced its intention to commence a process to demerge its Australasia and Packaging Distribution (AAPD) operations as a separate, independent ASX listed entity. AAPD operates in the fibre, metal and glass packaging markets in Australasia and in packaging distribution in North America and Australia. A demerger would allow both the consolidated Group and the AAPD business to focus on their own growth agendas and strategic priorities to optimise value for all stakeholders. For the year ended to 30 June 2013, the AAPD segment within Amcor generated sales of $2,939.5 million and PBIT (Profit Before Interest Tax and significant items) of $146.2 million. Further financial information on AAPD is contained in Note 2 of this Financial Report.

The demerger process contains a number of complex steps and it is anticipated that the demerger will be completed in December 2013, subject to regulatory, shareholder and court approvals. All of these approvals must be successfully obtained before the demerger can proceed. Because it is not yet approved, no accounting for the possible effects of the potential demerger is included in this financial report. A detailed Scheme Booklet describing the full details of the proposed demerger will be issued later in 2013.

If the proposed demerger receives the necessary approvals and is ultimately implemented, the consolidated Group would incur one-off transaction costs including, but not limited to, advisory fees, financing establishment fees and stamp duties. The new AAPD entity would also incur additional on-going stand alone costs as an independent, publicly listed company, including but not limited to governance and listing costs, costs of additional headcount and financing costs. Initial net debt is estimated to be between $700.0 million and $750.0 million. Further information will be provided in the Scheme Booklet.

In addition, if the demerger occurs, there are likely to be accounting implications upon implementation including, but not limited to:
- The recognition of a gain or loss on demerger by the consolidated Group based upon the fair value of the AAPD businesses, which would be determined by the 5 day volume weighted average price (VWAP) of AAPD in the first five days of trading;
- An assessment of asset carrying values in AAPD at the point the demerger becomes certain and AAPD is classified as held for sale. Fair values at that time will be influenced by the new entity's cost of capital as an independent company among other factors;
- An assessment of the impacts of any pre-demerger internal restructuring on the Amcor tax group and potential implications for deferred tax balances; and
- Amendments likely to be required to the Deed of Cross Guarantee (refer below).

Further information on these potential accounting implications will be provided in the Scheme Booklet.

Amendment to Deed of Cross Guarantee
As a result of the proposed demerger announced on 1 August 2013 the consolidated entity lodged a notice to terminate and remove from the Deed of Cross Guarantee (the 'Deed') those legal entities currently a party to the Deed that will be included within the business intended to be demerged. The removal of these entities from the Deed will become effective six months after lodgement. Refer to note 35 for further information pertaining to the Deed.

Business Acquisitions
Subsequent to year end, on 1 July 2013, the consolidated entity announced an agreement had been reached to acquire the flexible packaging operations of Jiangsu Shenda Group for $54.8 million (RMB350.0 million). The acquisition is subject to regulatory and other customary closing conditions. The acquired business operates out of two plants in the Jiangsu province in Eastern China and services the pharmaceutical, snacks and culinary end markets and is a strong fit with the consolidated entity's existing plant in Jiangsu province. Following the acquisition the consolidated entity will be the market leader in Eastern China with a strong position in both film manufacturing and conversion.