

We believe in responsible packaging.

We Passionately + Relentlessly apply art + science
to enhance the products people
use in everyday life —
today + tomorrow.



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Annual General Meeting

The Annual General Meeting of Amcor Limited will be held at the Melbourne Exhibition and Convention Centre, Plenary 3, 1 Convention Centre Place, South Wharf, Melbourne at 10.30am (Melbourne time), Thursday 24 October 2013.

Formal notice of the meeting is sent to each shareholder.

Julie McPherson
Company Secretary
Amcor Limited

About this report

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

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

If you previously requested a printed report but no longer require it in printed form, please advise Link Market Services in writing of changes to your report mailing preferences, or update your details online at www.linkmarketservices.com.au. Contact details for Link Market Services are provided in the back of this report.

In this report, 'the year', '2012/13' and '2013' refer to the financial year ended 30 June 2013. '2011/12' and '2012' refer to the financial year ended 30 June 2012.

All references to dollars are references to Australian dollars unless otherwise stated.

The Financial Report was authorised for issue by the directors on 19 August 2013. The Directors have the power to amend and reissue the Financial Report.

Message to our shareholders



CHRIS ROBERTS
Chairman

Dear Shareholder,

The 2012/13 financial year has been another successful period for your Company, with strong earnings growth and higher returns. These improvements have enabled the Company to increase the dividends paid to shareholders by 8.1% to 40 cents per share.

In August 2013, the Company announced the intention to demerge the Australasia and Packaging Distribution business. This is another exciting step in the development of Amcor and Directors are of the view the demerger will enhance shareholder value by enabling each company to better pursue their own growth agendas and strategic priorities.

The format of this Annual Report is different to that of previous years. The Operating and Financial Review, which follows this letter to shareholders, provides an overview of Amcor's strategy and business model, an operating review by business segment and an overview of sustainability. The remainder of the Report is the balance of the Directors' report and the financial statements.

Highlights for the year

Profit after tax for the year was \$600.6 million, up 45.6% on the previous year's \$412.6 million.

Profit after tax and before significant items was \$689.5 million, up 8.6% on the previous year's \$634.9 million.

This result was a strong performance given the subdued economic conditions in developed regions and reflects ongoing improvements in the businesses, benefits from acquisitions and continued good growth in emerging markets.

Amcor has three business segments. The Flexibles segment achieved an increase in earnings before significant items, expressed in local currency terms, of 11.9% from €526.5 million to €589.1 million. The Rigid Plastics segment achieved an increase in earnings before significant items of 5.2% from US\$272.5 million to US\$286.8 million. The Australasia and Packaging Distribution business recorded a 4.1% decline in earnings before significant items from \$152.5 million to \$146.2 million.

The operating cash flow for the year, after cash significant items and base capital expenditure, was \$739.5 million and free cash flow after the \$478.2 million payment of dividends was \$261.3 million.

The final dividend of 20.5 cents per share is 79% higher than the final dividend last year. Combined with the interim dividend payment of 19.5 cents per share, the total dividend for the year is up 8.1% to 40 cents per share.

During the year, the business announced a number of acquisitions, including the AGI-Shorewood tobacco packaging business, two flexible packaging plants in eastern China, a flexible packaging plant in India and a packaging distribution business in northern Queensland.

The Company has a strong balance sheet and excellent debt profile. Gearing measured as net debt as a percentage of net debt plus equity at 30 June 2013, was 51.7%. Interest cover measured as PBITDA to net interest was 7.3 times.

Message to our shareholders

continued

Demerger of Australasia and Packaging Distribution

On 1 August 2013, the Company announced its intention to demerge its Australasia and Packaging Distribution (AAPD) business.

Following the demerger, each company will have its own experienced management team and Board. For Amcor, Graeme Liebelt will be the Chairman and Ken MacKenzie will remain the Managing Director and CEO. For the new company, which is yet to be named, I will become the Chairman, and Nigel Garrard, the current President of AAPD, will be appointed CEO. John Pizzey and Jeremy Sutcliffe will also join the Board of the new company. John Pizzey and I will retire from the Amcor Board upon implementation of the demerger and Jeremy Sutcliffe will continue as a Director of Amcor. Both Amcor and the new company will be listed on the Australian Securities Exchange.

The demerger is intended to be implemented via a capital reduction and Scheme of Arrangement. Further information in relation to the process of the demerger, financial profiles and capital structure of the new company and Amcor, post the demerger, will be provided to Amcor shareholders in the Scheme Booklet. This will be distributed in advance of the shareholder meeting that will be convened

to vote on the demerger proposal. Amcor expects completion of the demerger to occur in December 2013, subject to regulatory and shareholder approvals.

The strategic rationale for the decision is based on the belief that to be a successful market leader that delivers continuous improvement in shareholder value, a company must be focused in terms of product portfolio and end markets.

Although Amcor and AAPD are both packaging companies they are actually very different in terms of product segments and geographic focus. Amcor has global leadership positions in the flexibles and rigid plastics segments, while AAPD operates in the fibre, glass and beverage can packaging markets in Australasia and packaging distribution in North America and Australia.

Over the past four years, Amcor has invested significantly in AAPD to improve its manufacturing capabilities and ensure it is well positioned for growth. These investments have been in excess of \$1 billion over that period and include the new recycled paper mill at Botany, a new furnace at the glass bottle plant at Gawler and a new beverage can line in New Zealand. AAPD will continue to benefit from these initiatives in terms of earnings and cash flow.

Further details on the rationale for the demerger are included in the strategy section on pages 6 to 9 of this report.

This is an exciting time for Amcor as all the building blocks are in place for sustained growth and continued improvement in shareholder returns. The Board thanks all of Amcor's stakeholders, including customers, shareholders, employees and suppliers for their continued support over the past twelve months.



Chris Roberts
Chairman

Operating and Financial Review

Contents of Operating and Financial Review

4	The world of Amcor
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Note regarding non-IFRS financial information

Throughout the Operating and Financial Review on pages 3 to 27, Amcor has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Amcor uses these measures to assess the performance of the business and believes that the information is useful to investors.

The following non-IFRS measures have not been audited but have been extracted from Amcor's audited financial statements:

- Profit before interest and tax (PBIT) before significant items
- Profit before interest, tax, depreciation and amortisation (PBITDA) before significant items
- Significant items
- Average funds employed.

Performance measures such as Earnings per Share, Operating Margins and Return on Average Funds Employed have been calculated using the non-IFRS measures listed above.

All other non-IFRS measures, unless otherwise stated, have not been extracted from Amcor's audited financial statements. This includes PBIT for the individual Australasia and Packaging Distribution businesses on page 16, operating cash flow and its components of base capital expenditure, movement in working capital and cash significant items, free cash flow and increase in net debt. Increase in net debt is calculated using information extracted from the audited financial statements. Refer page 21.

References to earnings throughout this report are references to PBIT before significant items.

The world of Amcor

Sales

A\$12 billion

Employees

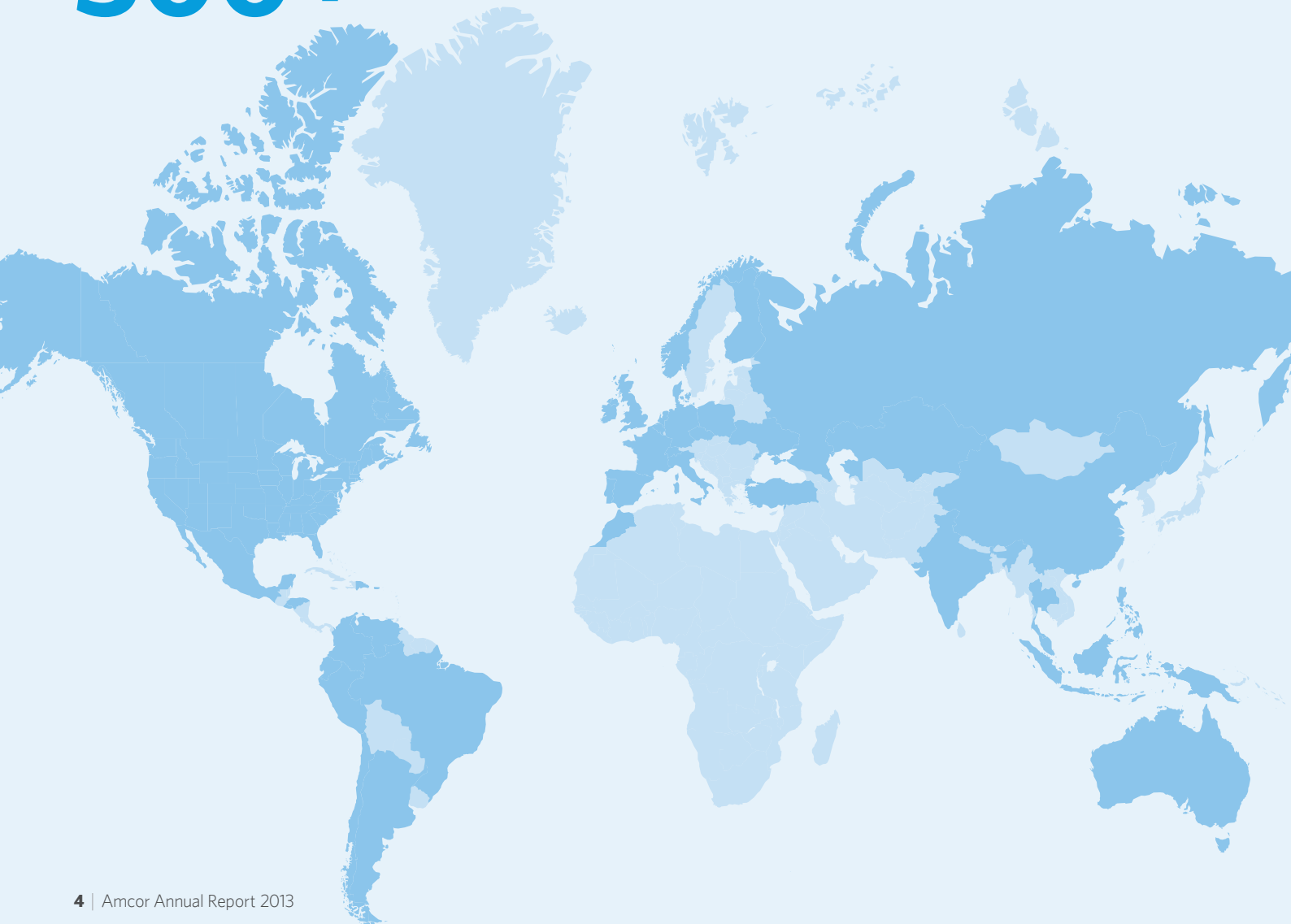
33,000

Countries

43

Sites

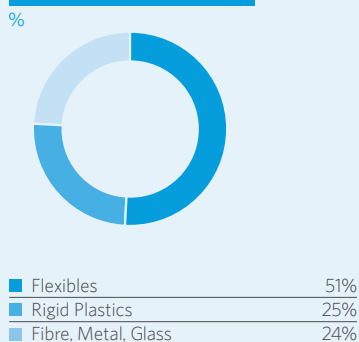
300+



Amcor Group

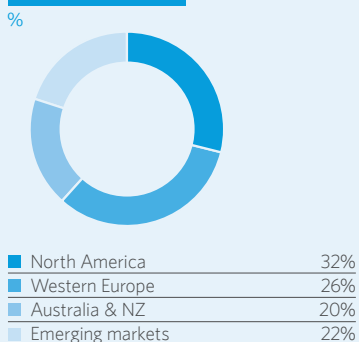
FOCUSED PORTFOLIO

SALES BY BUSINESS GROUP



GLOBAL FOOTPRINT

SALES BY REGION**



Flexibles

Flexibles is one of the world's largest suppliers of flexible packaging and folding carton packaging. It has three operating divisions, each manufacturing flexible and film packaging for their respective industries: Flexibles Europe & Americas, Flexibles Asia Pacific and Global Tobacco Packaging.

OVERVIEW	2013
Sales (€ million)	5,086.9
Number of plants	121
Countries	35
Employees	20,800

Rigid Plastics

Rigid Plastics is one of the world's largest producers of polyethylene terephthalate (PET) packaging as well as containers using other plastic and resins.

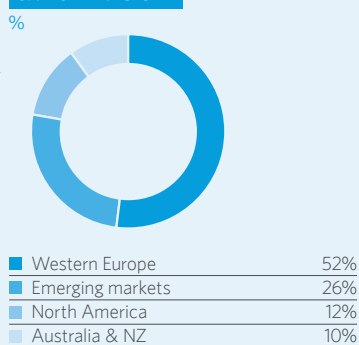
OVERVIEW	2013
Sales (US\$ million)	3,178.7
Number of plants	61
Countries	13
Employees	6,000

Australasia and Packaging Distribution*

Australasia and Packaging Distribution is a leading packaging company in Australia and a leader in packaging distribution in North America. The business is focused on three key segments: beverage packaging, fibre packaging and packaging distribution.

OVERVIEW	2013
Sales (A\$ million)	2,942.8
Number of plants	145
Countries	7
Employees	5,700

SALES BY REGION



End markets

The business supplies a wide range of products to the food, beverage, healthcare and tobacco packaging end markets. This includes fresh foods such as meat, fish, bread, produce and dairy, processed foods such as confectionary, snack foods, coffee and ready meals, as well as high value-added resin and aluminium-based packaging for industrial, hospital, pharmaceutical and home and personal care and wine end markets.

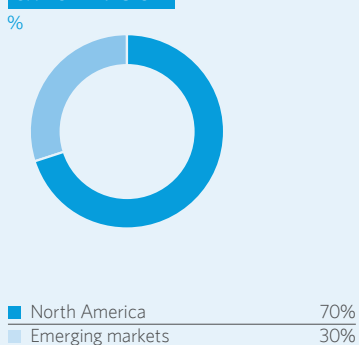
Growth drivers

- Global footprint
- Emerging markets growth
- Strategic marketing
- Advantaged cost positions
- Product innovation

* On 1 August 2013, Amcor announced the intention to demerge the Australasia and Packaging Distribution Business as a separate company listed on the Australian Securities Exchange.

** Including Amcor's share of sales from the equity accounted investment in AMVIG.

SALES BY REGION



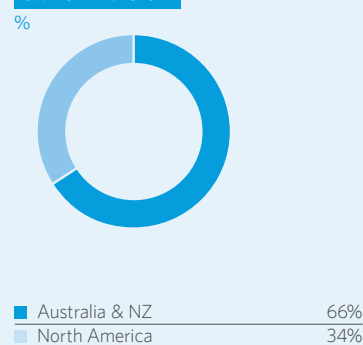
End markets

The business produces a wide range of packaging for consumer products, including carbonated soft drinks, water, juices, sports drinks, spirits, wine and beer, sauces, dressings, spreads, pharmaceuticals and plastic caps for beverage applications.

Growth drivers

- Innovation leadership
- Manufacturing excellence
- Broad range of technologies and materials
- Expansion of Diversified Products business
- Emerging markets growth

SALES BY REGION



End markets

Products include corrugated boxes, point of purchase displays, folding cartons, recycled paper, recycling services, aluminium beverage cans, wine closures, glass wine and beer bottles, multiwall sacks and various packaging consumables.

The North American distribution business unit is a major supplier of packaging products and equipment, industrial and janitorial supplies to businesses in the region.

Growth drivers

- New recycled paper machine
- Sales channel expansion
- Market leadership positions
- Product innovation
- Strong customer relationships

Our strategy and business model

Amcor is a global packaging company with more than 300 sites in 43 countries. It has over 80% of its sales into the food, beverage, healthcare and tobacco packaging industries. Although these markets are not immune from broader economic conditions, they are substantially more resilient than many sectors in the economy.

The businesses convert raw materials, predominantly polymers, aluminium foil or fibre into finished products. The cost of the finished goods is generally passed onto customers via contractual arrangements.

Strategy and business model

Amcor's strategy and business model has remained largely unchanged over the past eight years. The key elements have been to:

- build core capabilities across the Company that are required for sustainable success in the packaging sector;
- focus the portfolio on those businesses where Amcor could aspire to leadership positions and a differentiated customer value proposition;
- substantially improve all the key operating metrics;
- pursue opportunities to improve industry structures and strengthen Amcor's leadership positions in its chosen market segments; and
- deliver shareholder value through higher earnings and returns, stronger operating cash flow and growth in dividends.

This strategy has been progressively implemented over the past eight years, with each component being consolidated before progressing to the next phase of the program.

The first phase was to implement a 'get fit' agenda that involved building and embedding core capabilities and focusing the portfolio. In 2005 this was expressed as 'The Way Forward' agenda and consisted of five main elements:

- focusing the portfolio;
- becoming more customer focused;
- creating a high performance culture;
- being more disciplined in the use of cash; and
- managing costs and improving plant efficiencies.

Over the next four years, there was substantial progress made in all these areas and in 2009 these core capabilities were embedded into 'The Amcor Way' operating model.

At that time the Company was ready to move to implementing the next phase of the strategy. This involved pursuing opportunities to enhance Amcor's position as a leader in its chosen market segments as well as improving industry structure through appropriate acquisitions.

The opportunity to achieve these objectives came in the form of the Alcan Packaging acquisition in February 2010 and the Ball Plastics Packaging business acquisition in August 2010. These were industry and Company transforming acquisitions. They brought together the number one and number two players in the Flexible packaging market and the number one and number three players in key Rigid Plastic market segments.

As a result of these acquisitions, Amcor is currently a:

- global leader in Rigid Plastics packaging;
- global leader in Flexibles food packaging;
- global leader in Flexibles healthcare packaging;
- global leader in Tobacco Packaging;
- leading packaging company in Australasia; and
- leader in Packaging Distribution in North America.

The acquisitions made during the global financial crisis not only improved industry structures but also delivered significant cost synergies. These benefits resulted in a further increase in margins and returns as well as a step change in the operating cash flow and earnings of the Company.

Profit after tax increased from \$211.7 million in 2008/09 to \$600.6 million in 2012/13, a compound growth rate of 29.8%. Profit before significant items and after tax has grown on a compound basis by 17.6% to \$689.5 million in 2012/13.

The operating cashflow increased from \$419.6 million in 2008/09 to \$739.5 million in 2012/13, a compound growth rate of 15.2%.

Given these significant improvements and the opportunities to invest this increasing cashflow to grow earnings further, it is now appropriate that the Company moves to the next phase of its development. This involves focusing on how best to leverage its market leadership positions to deliver a differentiated value proposition for customers.

Intention to demerge the Australasia and Packaging Distribution business

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

The Australasia and Packaging Distribution business (AAPD) has a focused portfolio of fibre packaging, glass wine and beer bottles, aluminium beverage cans and wine closures in Australasia and a significant position in packaging distribution in North America. Over 95% of AAPD sales are in Australia, North America and New Zealand. The businesses are well invested, have market leading positions and for the 2013 fiscal year represented 13% of Amcor's profit before interest and tax (PBIT) before significant items.

The remaining 87% of Amcor's PBIT in the 2013 fiscal year was derived from Rigid Plastics, Flexible and Tobacco Packaging. These businesses have a broad global footprint with over 180 plants in 43 countries.

A key driver of long-term success and remaining a market leader is the ability to continually improve the customer value proposition. It will be increasingly difficult to achieve this unless the Company has a focused product portfolio.

Given AAPD is focused on different products and end markets compared to the balance of the Company's operations, value for all stakeholders will be optimised with the two businesses moving forward as separate entities.

This is an important next step in Amcor's development and on 1 August the Company announced its intention to demerge the AAPD business.

If the demerger is approved and implemented, the new Amcor and AAPD will have the opportunity to pursue their own, very different, growth agendas and strategic priorities. The ability to drive an improved customer value proposition will be enhanced with the increased clarity a focused portfolio creates.

The AAPD business is well positioned for success and has significant opportunities to improve earnings over the next few years. The key drivers for this improvement are:

- cost savings from the new 400,000 tpa recycled paper machine at Botany, NSW;
- benefits from exiting business segments and plant closures; and
- a substantial overhead and operating cost reduction program implemented over the past 12 months.

If the demerger is approved and implemented, the newly demerged business will be listed on the Australian Securities Exchange. Nigel Garrard, the current business group President, will be the CEO and Chris Roberts, the current Amcor Chairman, will retire from the Amcor Board to be the Chairman of the new company.

Amcor, post the demerger of AAPD

For Amcor, the strategy going forward is unchanged. The objective is to build on the existing core competencies around safety, customer focus, talent, capital discipline and cost, as well as leverage the improved cash flow. This is delivered through higher margins and returns, and will accelerate revenue and earnings growth, delivering further step change in shareholder value.

Although it is clearly a growth oriented agenda, it will not be growth for growth's sake. Returns, measured as PBIT to funds employed, is the key financial metric and a minimum 20% return in the third year is required for all investments.

Disciplined growth will be achieved through:

- continuous improvement in the customer value proposition;
- leveraging market leadership positions to create a differentiated position in product innovation;
- growing in emerging markets;
- undertaking value-creating acquisitions; and
- embedding a culture of Outperformance.

Success will be determined by the ability to remain focused on the customer, be disciplined in the use of cash and embed a culture of Outperformance. Getting these components right will improve shareholder value through higher earnings and increased dividends.

Our strategy and business model

continued

Key components for achieving this include:

Building innovation excellence to drive growth

A key objective for all businesses is to continually improve the customer value proposition.

Innovation is an enabler in achieving this objective and the new Amcor believes that as the market leader, it is capable of developing a differentiated product offering through a relentless pursuit of innovation.

The Company already has a strong focus on innovation with dedicated centres of excellence for key market segments and has established leadership positions in terms of technology and talent.

The objective going forward is to build on this strength and ensure that customers universally perceive Amcor as the innovation leader for the industry.

Growth in emerging markets

Another source of growth will be building out the emerging market platform.

The Company has an extensive footprint in emerging markets, with 71 plants and more than 9,500 co-workers in 28 countries across Asia, including China and India, South and Central America, Eastern Europe and Russia. Approximately 29% of total sales for the new Amcor was derived from emerging markets in the year to June 2013, including Amcor's share of sales from the equity accounted investment in AMVIG.

Over the past 13 years, Amcor's sales into these markets have grown at a compound rate of 18% per annum through a combination of organic expansion and acquisitions.

The emerging markets operations have consistently delivered strong earnings and returns. Success has been built on a philosophy of supporting customers as they grow, combined with strong local management teams. This success provides the confidence to continue to accelerate growth in these regions.

The strategy is not to replicate the entire product portfolio in each emerging market. Instead, for each country, specific participation strategies have been developed to focus on attractive market segments.

As per capita income in these economies increases, the demand for packaged goods grows at a faster rate than GDP, albeit off a lower base. This growth is predominantly driven by the desire of the emerging middle class to move to more packaged goods and services. It is anticipated this trend will continue for a number of years.

Consumers and regulators are increasingly focused on the integrity and social responsibility of packaging. In emerging markets, regulators will increasingly ensure that their needs in terms of food safety, hygiene, refrigeration and shelf life extension are addressed. In addition, customers are also focused on measures that prevent counterfeiting and reduce environmental impacts.

Many large multinational customers are investing significant amounts of capital in growing their positions in these regions. Given Amcor's strong global relationships and ability to deliver a value proposition aligned with their priorities, the business is well placed to deliver continued growth in these markets.

Acquisitions

Amcor will continue to be focused on pursuing further acquisitions. A pipeline of opportunities has been developed and prioritised against strategic attractiveness.

Acquisitions will focus on four areas:

- expanding the footprint in emerging markets;
- improving industry structure, primarily in developed markets;
- adding new technologies to capture additional value; or
- synergistic bolt-ons that lower the cost position.

Since June 2011, Amcor has announced a number of acquisitions, including:

Aperio

In May 2012, the Aperio Group, one of Asia Pacific's leading producers of Flexible Packaging products, was acquired for \$240.9 million. The Company had annual sales of approximately \$350.0 million and 13 manufacturing facilities across Australia and New Zealand as well as a modern facility in Thailand.

The acquisition brought together the two leaders in flexible packaging in Australasia and was an important strategic addition to Amcor's Flexible Packaging business in the Asia Pacific. The combined business has a unique offering, being the market leader in Australia and New Zealand and offering the ability to supply from an extensive footprint in Asia.

Uniglobe

In November 2012, Uniglobe, a flexible packaging business based near Mumbai India, was acquired to expand the existing footprint in this fast growing market. The business is closely aligned with Amcor's existing operations, servicing large multi-national customers in the food, personal care and healthcare markets.

Aluprint

In July 2012, the Tobacco Packaging business established a local presence in the Mexican market through the acquisition of the Aluprint tobacco packaging business.

Mexico is a large and strategically important market for tobacco packaging and the opportunity exists for growth by leveraging Amcor's global customer relationships.

IPC&L

In October 2011, the Company announced the acquisition of IPC&L, the largest tobacco packaging business in Argentina. Located near Buenos Aires, the business has opportunities for growth both within Argentina as well as in surrounding countries.

AGI-Shorewood

In February 2013, the AGI-Shorewood tobacco packaging assets were acquired for US\$114.8 million. The acquired business had operations in South Korea, the US, Mexico and China and had sales of approximately US\$126.0 million in calendar year 2012. It expanded Amcor's operations in the higher growth regions of Asia and Latin America. In Mexico, it builds on the position established following the recent acquisition of Aluprint.

Jiangsu Shenda Group

On 1 July 2013, the RMB350.0 million (A\$54.8 million) acquisition of the flexible

packaging operations of Jiangsu Shenda Group was announced. The acquired business has two plants in the Jiangsu province in eastern China, and sales of approximately RMB440 million. This acquisition establishes Amcor as the market leader in eastern China and is a strong fit with existing operations offering considerable synergy opportunities. On closure of this transaction, the new Amcor's position in the Chinese flexible packaging market will expand to nine plants and sales of over A\$400.0 million.

Flexible plant in India

On 4 July 2013, an agreement to purchase a flexible packaging plant in Gujarat, India, was announced. This purchase will enable the business to improve its level of support to customers in this high growth market.

Financial strength

For the 2012/13 year, the Company had strong financial metrics, with earnings before interest, tax, depreciation and amortisation and significant items 7.3 times the net interest payments. Gearing, measured as net debt over net debt plus equity, was 51.7% on 30 June 2013 and the operating cash flow, before the \$478.2 million dividend payment to shareholders, was \$739.5 million. Although these amounts will change as a result of the intended demerger, the new Amcor will continue to have strong operating cash flow and investment grade credit metrics.

The dividend for the 2012/13 year was 40 cents per share. This was an 8.1% increase on the previous year dividend and represents a 70% payout measured against the 57.2 cents earnings per share, before significant items, for the 2012/13 year.

Summary

Since 2005, Amcor has built the core competencies required for success in the packaging industry and embedded them in the Company through a proprietary operating model, The Amcor Way.

It has also focused the portfolio on those market segments where it has been able to establish leadership positions. In part this has been achieved through substantial acquisitions at attractive prices undertaken during the global financial crisis. The acquisitions have transformed the Company from a collection of regional positions to a true global leader.

This has resulted in significant improvements in the financial performance of the Company through higher margins and returns as well as a substantial increase in the operating cash flow.

The next phase of Amcor's development is to become even more focused in its chosen market segments. Given that Amcor has two very different packaging operations, the decision was made to demerge the AAPD business from Amcor to become a separately listed company on the Australian Securities Exchange, subject to regulatory and shareholder approval.

Upon implementation, the demerged AAPD business will have strong management, well invested operations and a substantial pipeline of earnings growth opportunities. The new Amcor also has a number of growth opportunities, all focused on continually improving the customer value propositions.

It remains an exciting time for Amcor as the next phase of its development offers considerable opportunities to add value to all the Company's stakeholders.

Review of Operations Flexibles

Opposite: left to right

PETER BRUES

President, Amcor Flexibles
Europe & Americas

PETER KONIECZNY

President, Amcor Tobacco Packaging

RALF WUNDERLICH

President, Amcor Flexibles Asia Pacific

EARNINGS

million	A\$ 2013	A\$ 2012	Change (%)	€ 2013	€ 2012	Change (%)
Sales revenue	6,405.0	6,077.9	5.4	5,086.9	4,683.0	8.6
PBIT⁽¹⁾	741.7	683.3	8.5	589.1	526.5	11.9
Operating Margin (%)	11.6	11.2		11.6	11.2	
Average Funds Employed (AFE)	3,096.0	2,854.2	8.5	2,458.9	2,199.2	11.8
PBIT⁽¹⁾/AFE (%)	24.0	23.9		24.0	23.9	
Average exchange rate (cents)	0.79	0.77				

CASH FLOW

million	A\$ 2013	A\$ 2012	Change (%)	€ 2013	€ 2012	Change (%)
PBITDA ⁽¹⁾⁽²⁾	952.9	892.6	6.8	756.9	687.8	10.0
Net Capital Expenditure	(162.5)	(145.1)		(129.1)	(111.8)	
Movement in Working Capital	(16.8)	41.6		(13.3)	32.0	
Cash significant items	(40.0)	(109.9)		(31.8)	(84.7)	
Operating Cash Flow	733.6	679.2	8.0	582.7	523.3	11.4

(1) Before significant items.

(2) Includes share of net profit of associates.



The Flexibles segment had an excellent year, with PBIT before significant items up 11.9% to € 5891 million. This was a particularly strong result given economic conditions remained subdued in developed markets. The improvement reflects the strong market positions the businesses have across the portfolio, benefits from acquisitions as well as the defensive nature of the food, beverage, healthcare and tobacco packaging end markets.

Sales revenue for the year increased 8.6% or € 403.9 million. Of this amount, approximately € 293.0 million relates to acquired operations in the Flexibles Asia Pacific and Tobacco Packaging businesses. The remaining € 111.9 million reflects underlying sales growth, movements in raw material costs and exchange rate changes.

The sales margin increased from 11.2% to 11.6% before significant items. This was a particularly strong outcome as it includes the impact of acquired businesses with lower margins, until synergy benefits are realised, as well as the costs of achieving synergy benefits being included in PBIT.

Returns, measured as PBIT before significant items over average funds employed, increased from 23.9% to 24.0%.

Emerging market exposure

Across the Flexibles segment there are 41 plants in 20 emerging market countries that contribute approximately 26% of sales. In 2012/13, PBIT in emerging markets in the Flexibles segment grew by 16%.

Flexibles Europe & Americas

The Flexibles Europe & Americas business services the defensive market segments of food and healthcare in Europe and the Americas. The major end markets served, making up approximately 95% of sales, are healthcare, medical & pharmaceutical, snacks & confectionery, cheese & yoghurt, fresh produce, beverage, wine & spirit closures and pet food.

The business had a solid year, with an increase in earnings, margins and returns. Despite subdued economic conditions in Europe and North America, volumes were stable, reflecting the defensiveness of the food and healthcare market segments.

The key drivers for higher earnings were:

- Improving the cost position through a program of simplification and standardisation. A number of these programs take time to implement and the business has significant opportunities for ongoing improvements from this program;
- Improving product mix by commercialising innovative new high performance products. This opportunity builds on the focus of continually improving the customer value proposition. There are a number of projects the business is working on that will ensure growth through innovation will continue; and
- Continuing to develop sales in emerging markets. The business currently sells products into a number of emerging markets, particularly Eastern Europe, Russia, Ukraine and Turkey. There is substantial opportunity for growth in these markets, including the opportunity for acquisitions.

Through a combined focus on achieving advantaged positions in the marketplace, commercialising new product innovations and leveraging strategic marketing, the business is well placed to increase the value it creates for customers and further improve earnings and returns.

Review of Operations Flexibles

continued

Flexibles Asia Pacific

The Flexibles Asia Pacific business has 30 plants in seven countries throughout the region. The business had a strong year. Sales were up 35% and earnings were significantly higher, driven by benefits from acquisitions and continued organic growth.

In May 2012, the \$240.9 million acquisition of the Australasian-based flexible business, Aperio Group, was completed. The integration program has proceeded well and the realisation of synergy benefits is consistent with expectations. The main priority through the integration process has been to deliver substantial value creation for customers and the success of this program has resulted in minimal negative sales synergies. For the 2012/13 year, synergy benefits were partially offset by costs relating to synergy capture. There will be an increased synergy benefit in 2013/14, with full benefits the following year.

The operations in Australia and New Zealand achieved substantially higher earnings, predominantly reflecting the acquisition of the Aperio Group. Underlying volumes in the market have been flat and there continues to be import competition from Asia in certain market segments.

In China, there was strong sales growth due to a combination of organic growth and the benefit of prior period acquisitions. Earnings for the year were higher.

In July 2013, the RMB350.0 million (A\$54.8 million) acquisition of the flexible packaging operations of Jiangsu Shenda Group was announced. The acquired business has two plants in the Jiangsu province in eastern China, and sales of approximately RMB440.0 million, two thirds of which are to the attractive pharmaceutical, snacks and culinary end markets. This acquisition establishes Amcor as the market leader in eastern China and is a strong fit with existing operations. On completion of this transaction, expected in the December 2014 quarter, Amcor's position in the Chinese flexible packaging market will expand to nine plants and sales of over \$400.0 million.

The Thailand business had another solid year, with higher sales and earnings. The business continued to benefit from exports to other countries in the region, especially in the beverage segment.

The business in India continues to develop. In November 2012, the Uniglobe flexible packaging acquisition was completed and the integration is proceeding well. Importantly, the Uniglobe management has continued to work in the business and has helped strengthen Amcor's position with key customers.

In addition in July 2013, an agreement to purchase the flexible packaging assets at a plant in Gujarat, India, was announced. This purchase further expands Amcor's operating footprint in India, enabling the business to improve its level of support to customers in this high growth market.

Tobacco Packaging

The Tobacco Packaging business had another strong year. Sales were up 13% due to a combination of organic growth, predominantly driven by the ongoing shift to higher value-add packaging and the benefits from acquisitions. Earnings for the year were substantially higher, with each region achieving solid improvements.

In February 2013, the business acquired the AGI-Shorewood tobacco packaging business for US\$114.8 million. The business had sales of approximately US\$126.0 million, EBITDA of approximately US\$22.0 million and plants in North America, Mexico, China and South Korea.

The integration of this acquisition involved the closure of the site in Danville, North America, and reallocating volumes to other Amcor plants in North America. The acquired assets in Mexico were co-located on an AGI-Shorewood manufacturing facility. Volumes will be progressively transferred to Amcor's Mexican plant, acquired with the Aluprint acquisition in 2012. Similarly, in China the assets are also co-located on an AGI-Shorewood manufacturing facility and production is exported into Asia. These volumes are progressively being relocated to other Amcor plants in the region and once completed the assets will be moved to other Amcor plants. The plant in South Korea is performing well.

Cost synergies are expected to be approximately US\$13.0 million and will be fully realised through the course of the 2013/14 year. The cost to achieve these synergies, inclusive of new capital, is anticipated to be approximately US\$20.0 million and the expense component of these costs will be included in operating earnings. For the 2012/13 year, there was a modest positive contribution from the AGI-Shorewood acquisition as earnings and synergy benefits were offset by costs to achieve synergies. For the 2013/14 year, it is anticipated there will be a positive contribution for the acquisition.

During the year, the business benefited from the full year impact of the Aluprint acquisition in Mexico and the IPC&L acquisition in Argentina.

The business in Europe continued to benefit from the customer trend to higher value-add packaging and earnings and returns for the year were higher. Although volumes were subdued, especially in the fourth quarter in Western Europe, sales value was higher. This period of lower sales has continued into the first quarter this year. The business continues to invest in specialised equipment to meet increasing customer requirements. This is a positive trend as Amcor is in a strong position to lead product innovation and speed to market requirements for customers.

The Americas business had a good year. Packaging design in North America is becoming more complex and customers are increasingly requiring more value-add features. The region is benefiting from the three recent acquisitions of AGI-Shorewood, Aluprint and IPC&L that have significantly increased its presence in important markets. Although Amcor has a strong position in the Americas, there are still further growth opportunities in the region.

The Asian operations had a particularly strong year, with earnings substantially higher. The business has undertaken a number of improvement programs over the past 18 months and these are now having a positive impact on earnings. It also benefited from a particularly strong performance from the recently acquired plant in South Korea. There continues to be excellent growth opportunities in the region.

Outlook

The earnings outlook for Flexibles is for higher earnings in the 2013/14 year. It is anticipated that economic conditions in developed markets will remain subdued and that there will be continued growth in emerging markets.

There will be benefits from both recent acquisitions and ongoing cost improvement programs.

Review of Operations Rigid Plastics



MIKE SCHMITT

President,
Amcor Rigid Plastics

EARNINGS

million	A\$ 2013	A\$ 2012	Change (%)	US\$ 2013	US\$ 2012	Change (%)
Sales revenue	3,094.5	3,261.3	(5.1)	3,178.7	3,365.0	(5.5)
PBIT⁽¹⁾	279.2	264.1	5.7	286.8	272.5	5.2
Operating Margin (%)	9.0	8.1		9.0	8.1	
Average Funds Employed (AFE)	1,654.4	1,698.5	(2.6)	1,699.4	1,752.5	(3.1)
PBIT⁽¹⁾/AFE (%)	16.9	15.5		16.9	15.5	
Average exchange rate (cents)	1.03	1.03				

CASH FLOW

million	A\$ 2013	A\$ 2012	Change (%)	US\$ 2013	US\$ 2012	Change (%)
PBITDA ⁽¹⁾⁽²⁾	423.9	421.4	0.6	435.4	434.8	0.1
Net Capital Expenditure	(125.1)	(168.6)		(128.6)	(174.0)	
Movement in Working Capital	(16.8)	88.2		(17.2)	91.0	
Cash significant items	(13.9)	(35.7)		(14.3)	(36.9)	
Operating Cash Flow	268.1	305.3	(12.2)	275.3	314.9	(12.6)

(1) Before significant items.

(2) Includes share of net profit of associates.

The Rigid Plastics business had a solid year, with PBIT before significant items up 5.2% to US\$286.8 million. The sales margin increased from 8.1% to 9.0% and returns, measured as PBIT before significant items over average funds employed, increased from 15.5% to 16.9%.

Sales revenue for the year declined 5.5% to US\$3,178.7 million. The US\$186.3 million reduction reflects lower volumes, movements in raw material costs and exchange rate changes.

Capital expenditure was US\$128.6 million, which was 86.5% of depreciation. Cash flow for the year was US\$275.3 million.

North America Beverage

The North American beverage business, which includes Mexico, delivered a solid operating performance, with earnings higher than the same period last year.

In the US and Canadian markets volumes were impacted by:

- Market share gain – effective March 2013 quarter, the business secured substantial new carbonated soft drink and water (CSDW) volumes. The competitor who lost this volume elected to close their excess capacity and exit this segment of the business;
- Self-manufacture – the majority of customers have now completed the transition to CSDW containers; and

- Adverse weather – the April to June period was a particularly cold and wet start to the summer in North America and follows a particularly strong start to the summer in the prior year.

The combined impact, in the US and Canada, of the above factors was a reduction in overall volumes of 4.7%. This comprised a flat performance in the hot fill custom segment and a 76% reduction in the CSDW segment. In Mexico, the business elected to exit the low margin CSDW business; therefore, the volumes in that market were substantially lower.

Earnings growth in North America, including Mexico, was driven by strong cost management in an environment of subdued volumes and the ongoing benefits of the Ball Plastics Packaging acquisition. These benefits have enabled the business to substantially improve the manufacturing footprint with low cost, scale plants strategically located across North America.

Given this significant improvement in the manufacturing footprint, the North American beverage segment is well positioned to benefit from an increase in volumes.

North America Diversified Products

The Diversified Products segment consists of rigid plastic containers predominantly for the pharmaceutical/healthcare, food, alcoholic beverage and personal care/homecare markets. For the year there was a solid increase in earnings as well as higher margins and returns. Sales were lower due to a reduction in raw material costs.

The business has undergone a significant transformation program over the past three years. The key elements of this program include:

- Integration of the Alcan Packaging and Ball Plastics Packaging acquisitions. This included building capabilities and improving operating performance as well as closing plants and, where appropriate, relocating equipment. The last of these closures was a healthcare plant in Puerto Rico. As part of this closure some lower margin volumes were forgone, with other volumes relocated to plants in North America;

- Optimisation of the manufacturing footprint by installing capacity at sites co-located with the beverage operations. This has the dual benefits of enabling manufacturing capacity to be more closely aligned with customer facilities as well as spreading the fixed costs over a larger sales volume; and
- Investment of approximately US\$100.0 million over the past three years. Much of this capital has funded new volume growth, driven by commercialising a number of innovative new products. The benefits from this expenditure will be increasingly evident over the next two years.

South and Central America

The South and Central American business had a solid year, with all countries contributing to a 90% increase in beverage volumes. The combination of an increase in volumes and improved manufacturing performance resulted in the region achieving higher earnings and returns.

In an environment of difficult economic and political conditions in some of the larger Latin American countries, the business benefited from strong local management, market leading positions and well established relationships with key customers.

In Brazil, the new plant at Suape is now fully loaded, helping that business deliver solid earnings improvement. In Argentina, the business continues to benefit from an established and well located footprint and that business also had a good increase in earnings.

Bericap

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

Earnings for the year were higher. This was mainly a result of increased volumes supported by prior period capital investments.

Outlook

The earnings outlook for the Rigid Plastics business is for higher earnings in the 2013/14 year. The magnitude of the increase will depend on economic conditions in North America and weather conditions for the remainder of the year.

Review of Operations Australasia and Packaging Distribution



NIGEL GARRARD

President, Amcor Australasia
and Packaging Distribution

EARNINGS

million A\$	Australasia			Packaging Distribution			Total		
	2013	2012	Change (%)	2013	2012	Change (%)	2013	2012	Change (%)
Sales revenue	1,935.6	1,928.5	0.4	1,007.1	943.8	6.7	2,942.8	2,872.2	2.5
PBIT⁽¹⁾	102.4	102.7	(0.3)	43.8	49.8	(12.0)	146.2	152.5	(4.1)
Operating Margin (%)	5.3	5.3		4.3	5.3		5.0	5.3	
Average Funds Employed	1,441.8	1,435.9	0.5	203.1	196.5	3.0	1,644.9	1,632.4	0.8
PBIT⁽¹⁾/AFE (%)	7.1	7.2		21.6	25.3		8.9	9.3	

ADJUSTMENTS

million A\$	Australasia			Packaging Distribution			Total		
	2013	2012	Change (%)	2013	2012	Change (%)	2013	2012	Change (%)
Reported PBIT ⁽¹⁾	102.4	102.7	(0.3)	43.8	49.8	(12.0)	146.2	152.5	(4.1)
Petrie cartonboard closure ⁽²⁾	2.0	(3.0)		-	-		2.0	(3.0)	
One-off items ⁽³⁾	(2.2)	-		-	-		(2.2)	-	
Adjusted PBIT⁽¹⁾	102.2	99.7	2.5	43.8	49.8	(12.0)	146.0	149.5	(2.3)

CASH FLOW

million	A\$ 2013	A\$ 2012	Change (%)
PBITDA ⁽¹⁾	264.6	279.1	(5.2)
Net Capital Expenditure	6.5	(79.3)	
Movement in Working Capital	23.3	(20.7)	
Cash significant items	(55.7)	(38.2)	
Operating Cash Flow	238.7	140.9	69.4
Growth capital expenditure – Recycled paper mill, Botany	(92.1)	(264.5)	

(1) Before significant items.

(2) Adjusts for the closure of the Petrie cartonboard mill. In 2011/12, the mill contributed \$3.0 million to PBIT and in 2012/13, incurred a loss of \$2.0 million.

(3) Refer page 17 and 87 for further details.

Australasia and Packaging Distribution (AAPD) achieved a PBIT before significant items of \$146.2 million, 41% lower than last year. This decline is due to the decrease in Packaging Distribution's PBIT before significant items from \$49.8 million to \$43.8 million, predominantly related to a lag in the recovery of raw material price increases and investments in IT infrastructure.

PBIT before significant items for the Australasian business was in line with the prior period; however, there were a number of one-off items included in the result. Adjusting for these items as well as the PBIT impact from the Petrie cartonboard mill that is being closed, resulted in a net impact of these items of a benefit of \$0.2 million and is made up of the following:

- In February 2013, the closure of the cartonboard plant in Petrie, Queensland, was announced. The plant generated a loss of \$2.0 million in 2012/13, compared with a profit of \$3.0 million in 2011/12. The mill is expected to close in September 2013;
- During the year, the business entered into sale and lease back agreements on properties in Scoresby, Victoria, and Wiri in Auckland, New Zealand. The profit on these sales was \$32.0 million;
- The business also benefited from moving a number of employees out of a Company sponsored, defined benefit superannuation fund into an accumulation fund. This process resulted in a release of pension liabilities of \$15.2 million;
- Commissioning of the new recycled paper mill commenced in October 2012. Non-capitalised costs relating to the start-up of this machine were \$25.3

million, of which \$23.4 million was incurred in the first half;

- The glass business elected to crush and recycle obsolete wine bottle inventory, which negatively impacted earnings by \$5.7 million. The surplus inventory accumulated over time and was predominantly due to a significant change in market requirements that included a move from heavyweight to lightweight bottles; and
- In the first half of the year, a number of cost reduction programs were implemented, targeting specific improvement opportunities identified across several businesses. In aggregate, the cost of these programs was \$14.0 million.

Adjusted PBIT before significant items for the Australasian business, after allowing for one-off items and the closure of the Petrie cartonboard mill, increased 2.5% from \$99.7 million to \$102.2 million.

During the year, the business also undertook improvement initiatives:

- As outlined above, in the first half of the year, a number of cost reduction programs were implemented, targeting specific improvement opportunities identified across several businesses. In aggregate, the cost of these programs was \$14.0 million and due to the relatively small amount of each project this expense was included in PBIT for AAPD;
- In the corrugated business, an extensive overhead and manufacturing cost review was undertaken during the second half of the year. The objective of the review was to ensure the overhead structure was aligned with the scale of the manufacturing operations as well as improve manufacturing efficiencies. As this was a substantial

project, with a total cost of \$33.4 million, it was recognised as a significant item in the 2012/13 year.

The benefits from these two programs are anticipated to be approximately \$25.0 million for an aggregate cost of \$47.4 million. Approximately \$4.0 million of this benefit was included in the 2012/13 result.

Fibre

The fibre operations consist of the integrated corrugated box business and the folding cartons business. The business achieved an increase in adjusted PBIT of approximately \$9.0 million, with an improvement in both the carton converting and integrated paper and corrugated operations.

Corrugated Box

Overall volumes in the corrugated box operations were slightly lower. In Australia, there were improved volumes in the fruit and produce and meat segments and lower volumes in the industrial, grocery and beverage segments. In New Zealand, volumes were higher, mainly due to a strong kiwi fruit season.

The acquisition of Wayne Richardson Sales was completed in July 2012. The business specialises in distribution of industrial supplies, including packaging, to a range of small to medium sized customers across Australia. The business has performed well during the year.

To further expand the distribution channel, Joe's Cartons was acquired in July 2013. This business has a strong position in the northern Queensland market, with opportunities for significant growth as part of the larger AAPD network.

Review of Operations Australasia and Packaging Distribution

continued

Botany mill

The new recycled paper mill located in Botany, New South Wales, commenced commissioning in October 2012. During 2012/13, the mill progressively increased speeds and product range and the start-up performance to date is in the top quartile for its global comparator group.

As expected for a machine of this size, there were a number of specific commissioning related issues that impacted the operating performance during the 2012/13 year. The business addressed many of these issues with a comprehensive four day maintenance shutdown in July 2013. Following this shutdown, the machine has the opportunity to progressively move to the next level of operating and cost performance.

Another important opportunity for the mill is improving the quality of incoming wastepaper feedstock to enhance manufacturing efficiencies and paper quality. The business is implementing programs to address this opportunity and it is expected they will deliver benefits in the 2013/14 year.

The annual cost benefit from the new mill is expected to be \$50.0 million. None of this \$50.0 million cost benefit was realised in 2012/13. Cost benefits will be realised over future periods, with the contribution in the 2013/14 year skewed to the second half as the machine output ramps up through the course of the year.

Folding Cartons

The carton converting business had a solid year, with an increase in adjusted PBIT. The business benefited from the full year impact of consolidating two plants in New South Wales into the single Botany site.

With the closure of the Petrie mill, cartonboard used in the carton converting business will be imported. The business has secured long-term arrangements for the supply of board from a number of regional suppliers.

Petrie cartonboard mill closure

In February 2013, it was announced that the cartonboard mill in Petrie, Queensland, would close. The benefits from this closure will be approximately \$13.0 million, with approximately \$7.0 million achieved in the 2012/13 year. The benefit in 2012/13 was due to no depreciation being recorded in the second half of the year as well as reduced operating costs as the mill winds down production. The remaining benefit will be achieved across 2013/14 and 2014/15, with the mill scheduled to cease operations in September 2013.

Beverage

The rigids business consists of the beverage can, glass and closure operations. The business had a reduction in adjusted PBIT of approximately \$5.0 million.

Beverage Can

Volumes in the beverage can business were down 8% and earnings were lower. After a slow first quarter, demand increased in the second quarter, with improved weather conditions. In the second half, carbonated soft drink volumes were particularly weak in the April/May period.

Glass

Volumes for wine bottles were higher and beer volumes were in line with the prior year. The business is well positioned as the low cost producer in the Australasian market, and over the past two years the other domestic glass bottle manufacturer has elected to close several furnaces. These closures have helped ensure that the domestic industry capacity has appropriately adjusted to the change in demand.

Closures

Going forward, the business will predominantly consist of a wine closure operation, which was acquired with the Alcan Packaging acquisition in February 2010 and is located in Adelaide, South Australia. This is the Australasian market leader in wine screw caps, with the leading Stelvin brand.

The closure operations had a solid year and adjusted PBIT was higher due to improved operating performance and the non-recurrence of costs relating to a strike in the prior year.

Packaging Distribution

The Packaging Distribution business had a solid year from an operational perspective; however, reported PBIT was lower. The underlying performance of the business was broadly in line with the prior year after allowing for higher bad debt and IT costs, as well as a lag in passing on higher raw material costs, which were mostly related to paper.

The business has 98% of its sales in North America, with 54 distribution centres and 10 manufacturing plants. The distribution operations represent 85% of total sales and have approximately 60% of their sales in California, with the balance across the

rest of North America, including Mexico and Canada. The manufacturing operations are also mostly centred in California and consist of corrugators and box plants.

The business has been owned by Amcor for 25 years and throughout that period, has consistently delivered strong cash flow and returns.

In the distribution operations, sales in US dollars were up 6.6% and earnings were higher. Sales growth was higher in regions outside of California where the business continues to build market share. PBIT included a lag in passing on higher raw material costs and included a US\$1 million bad debt charge due to the bankruptcy of a large customer. To improve the position of the business going forward, the decision was made to invest in improving the stability of the IT platform by significantly upgrading disaster recovery capabilities at an additional cost to PBIT of US\$1.5 million.

The manufacturing operations, which comprise the corrugators and box plants, had a difficult year and earnings were lower. Increased sales were due to higher paper costs; however, margins were adversely impacted by the lag in passing these higher costs on to customers. The business is undertaking a small scale restructure of the manufacturing operations in California in the first half of the 2013/14 year.

Given the ongoing operating improvements and growth of the distribution footprint over the past few years, the business is well positioned to benefit from any improvement in the US economy.

Outlook

The Australasia and Packaging Distribution business has a number of initiatives that will deliver cost reduction benefits totalling approximately \$93.0 million. This amount comprises \$50.0 million in cost reductions from the new paper machine, \$25.0 million from restructuring programs and \$18.0 million from exiting market segments and closing plants.

Of the \$93.0 million total cost benefits, \$12.0 million was included in earnings in the 2012/13 result for a net \$81.0 million yet to be realised.

The cost benefits for the 2013/14 year are expected to be \$30.0 million to \$40.0 million and will be skewed to the second half as the new paper machine output ramps up through the course of the year. The balance of the \$81.0 million cost benefits is expected to be achieved in the 2014/15 and 2015/16 years.

Given the sale and lease back of properties in 2012/13, there will be an incremental increase in rental payments of approximately \$5.0 million in 2013/14.

The Packaging Distribution business in North America has continued to operate in subdued economic conditions. Should these conditions improve, the business would expect an improvement in earnings. The earnings from the Packaging Distribution business in North America are translated into Australian dollars for reporting purposes. Should the Australian dollar remain at current levels, there will be a benefit to reported earnings.

The combination of the above factors is expected to deliver significantly higher earnings for the 2013/14 year.

Australasia & Packaging Distribution demerger information

On 1 August, Amcor announced the intention to demerge its Australasia and Packaging Distribution business. Amcor Directors are of the view that the demerger will enhance shareholder value by enabling each company to better pursue their own growth agendas and strategic priorities.

A key objective for the demerger is that AAPD will have strong financial metrics when it is listed as a separate public company. Amcor Directors have resolved that the new vehicle will have a starting debt position between \$700.0 million and \$750.0 million.

This starting debt position is based on the assumption that the net proceeds from the sale of the land at Fairfield will be received by Amcor. AAPD will receive proceeds from the sale of the Petrie cartonboard mill land as well as the sale of excess land at the Botany mill site.

Amcor is currently preparing information relating to both AAPD and Amcor, post demerger, for presentation in the Scheme Booklet, scheduled for release to shareholders in early November. The Scheme Booklet will include details of additional corporate costs, tax rates, transaction costs and the opening balance sheets for each company.

Operating and Financial Review

Financial review

For the 2012/13 year, volumes were subdued in the developed markets while the emerging markets experienced growth. Across the Group there are 71 plants in 28 countries in emerging markets, which contribute approximately 22.0% of sales, including Amcor's share of sales from the equity accounted investment in AMVIG. In the past three years, sales in the emerging markets have grown at a

compound rate of 16.0% and profit at 19.0%, reflecting the higher growth opportunities that these markets offer.

The principal currencies that impact the results of Amcor, when translating overseas earnings into Australian dollars for reporting purposes, are US dollars and euros. During the year, the Australian dollar strengthened significantly against the euro, but weakened slightly

against the US dollar. On a constant currency basis, using 2012 exchange rates, sales would have been higher by \$178.6 million (3.4%) at \$12,603.9 million and profit after tax and before significant items would have been higher by \$13.8 million (10.8%) at \$703.3 million.

Throughout the financial review, certain non-IFRS financial information is included. Refer to page 3 for further details.

CONSOLIDATED INCOME

million A\$	2013	2012
Sales revenue⁽¹⁾	12,425.3	12,192.9
Profit before depreciation, amortisation, interest, related income tax expense and significant items	1,609.8	1,556.9
Depreciation and amortisation ⁽¹⁾	(476.1)	(495.5)
Profit before interest, related income tax expense and significant items	1,133.7	1,061.4
Net finance costs ⁽¹⁾	(220.1)	(205.8)
Profit before related income tax expense and significant items	913.6	855.6
Income tax expense	(196.3)	(196.5)
Non-controlling interest ⁽¹⁾	(27.8)	(24.2)
Profit after related income tax expense and before significant items	689.5	634.9
Significant items after tax	(88.9)	(222.3)
Profit for the financial period⁽¹⁾	600.6	412.6

Sales revenue increased by \$232.4 million or 1.9%, with the underlying increase of \$411.0 million offset by a negative impact from foreign currency translation.

Despite the challenging environment, profit after tax and before significant items increased 8.6% to \$689.5 million. This is a strong performance given subdued economic conditions in developed markets, with the

increase in earnings due to benefits achieved from acquired businesses, organic growth in emerging markets and improved product mix and cost disciplines across the Group.

Significant items for the year were an expense of \$88.9 million (after tax), primarily relating to impairments and resulting restructuring costs of \$134.1 million, residual costs of \$24 million were also incurred during the period

in relation to Alcan Packaging acquisition synergies offset by the gain on sale of property of \$47.6 million.

CONSOLIDATED BALANCE SHEET

million A\$	2013	2012
Current assets ⁽¹⁾	4,197.5	3,728.1
Property, plant and equipment ⁽¹⁾	4,883.0	4,667.6
Intangibles ⁽¹⁾	2,300.7	1,999.5
Investments and other assets ⁽¹⁾	1,040.0	933.9
Total assets⁽¹⁾	12,421.2	11,329.1
Current interest-bearing liabilities ⁽¹⁾	1,184.8	915.5
Non-current interest-bearing liabilities ⁽¹⁾	3,177.6	2,992.7
Creditors and provisions ⁽¹⁾	4,357.9	4,041.3
Shareholder's equity ⁽¹⁾	3,700.9	3,379.6
Total liabilities and equity⁽¹⁾	12,421.2	11,329.1

Total assets increased by \$1,092.1 million, primarily as a result of assets procured through business acquisitions, recognition of deferred receivables relating to property sales recognised in the period and foreign currency translation.

Total interest-bearing liabilities increased by \$454.2 million from \$3,908.2 million to \$4,362.4 million, as a result of funds drawn down to finance the acquisitions that occurred

during the period and spending on the new recycled paper mill in Botany, New South Wales.

During the period, the Group:

- renewed a three year US\$740.0 million multi-currency syndicated revolving bank facility and increased the size of the tranche to US\$900.0 million; and
- issued a €300.0 million 10 year euro bond paying an annual fixed income coupon of 2.75%.

The next sizeable refinancing is in December 2013, with another US\$740.0 million multi-currency facility due to mature.

The Group has committed credit facilities in place for general corporate purposes and the undrawn committed credit facilities in place at 30 June 2013 were \$1,017.2 million.

CONSOLIDATED CASH FLOW

million A\$	2013	2012
Profit before depreciation, amortisation, interest, related income tax expense and significant items	1,609.8	1,556.9
Interest received/borrowing costs paid	(218.2)	(206.3)
Income tax paid ⁽¹⁾	(138.0)	(112.7)
Net capital expenditure	(294.0)	(398.9)
Movement in working capital	(1.1)	113.8
Cash significant items	(114.0)	(199.1)
Other	(105.0)	(110.0)
Operating cash flow	739.5	643.7
Dividends and other equity distributions ⁽¹⁾	(478.2)	(443.6)
Free cash flow	261.3	200.1
Divestments	21.1	136.2
Growth capital expenditure/acquisitions	(313.8)	(515.6)
Movements in share capital	(58.6)	(189.3)
Proceeds on capital contribution from non-controlling interests ⁽¹⁾	-	1.8
Foreign exchange rate changes and hedges	22.9	(14.9)
Increase in net debt⁽²⁾	(67.1)	(381.7)

Operating cash flow for the year, after significant items and base capital expenditure, was \$739.5 million, an improvement of \$95.8 million or 14.9%. The key drivers for this increase were a combination of \$85.1 million less in cash significant items, largely reflecting the end of the integration of the Alcan and Ball acquisitions, and \$104.9 million in net base capital expenditure offset by increased interest/borrowing costs and income tax payments.

One of The Amcor Way core competencies is capital discipline. This involves a focus on all aspects of cash generation and uses of cash.

The combination of having a strong operating cash flow and strong balance sheet creates the opportunity to improve shareholder value through increased dividend payments, reinvestment in the business and completion of strategic acquisitions. A final dividend of 20.5 cents per share is 7.9% higher than the

final dividend last year, and represents a total payout of \$247.4 million. Combined with an interim dividend payment of 19.5 cents per share, the total dividend for the year is up 8.1% to 40 cents per share.

At period end, the net debt had increased by \$67.1 million, mainly attributable to the acquisition of businesses during the period and foreign currency movements.

(1) IFRS compliant information extracted from the audited financial statements.

(2) The movement in net debt is calculated using the information below, which has been extracted from the audited financial statements:

million A\$	2013	2012
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
Less net increase in cash held	32.3	139.6
Less effects of exchange rate changes on cash and cash equivalents	12.1	(14.8)
Cash inflow – increase in net debt	(67.1)	(381.7)

Sustainability

Amcor's approach to sustainable packaging starts with our Belief Statement: We Believe in Responsible Packaging. Our commitment to responsible packaging touches nearly every part of the globe. We respond to the needs of our stakeholders and the environment, participate in our communities, continue to invest in our co-workers and create innovative, sustainable customer solutions.

Amcor continues to play a leading role in driving responsible packaging. Responsible packaging plays an important role in society. It is a fundamental component of supply chains, providing benefits such as product protection, consumer information, safe and convenient handling and product marketing. It makes a valuable contribution to sustainability by protecting the product, preventing product spoilage or breakage, preserving the resources invested in the product and ensuring that the product reaches consumers fit for its intended purpose.

Our approach to sustainability

Social responsibility is one of Amcor's core values. Our approach to sustainability recognises the interests of our broad range of stakeholders. We address these interests through specific plans and actions across five areas: Environment, Community, Workplace, Marketplace and Economy. Our disclosures in these areas allow for benchmarking against international standards and our corporate peers.

Our sustainability risks and opportunities are identified, assessed, prioritised and managed both through our Enterprise Risk Management (ERM) framework and through engagement with our stakeholders.

This year we commissioned two external organisations to benchmark our sustainability strategy and performance against sustainability leaders in the manufacturing sector. This external input is very useful as we continue to refine our sustainability strategy and continue to develop sustainability actions and communications globally.

Details of Amcor's sustainability activities and performance are included in a Sustainability Summary Report and in our Global Reporting Initiative (GRI) report, which uses the GRI sustainability reporting framework (both are published on Amcor's website at www.amcor.com/sustainability). Following are some of Amcor's key highlights for sustainability in 2012/13.

Recognition

Amcor is featured in the Carbon Disclosure Project 2012 Australian Securities Exchange (ASX) Carbon Disclosure Leadership Index (CDLI). This index, a key component of Carbon Disclosure Project's annual Australia & NZ Climate Change Report, includes the 20 highest scoring companies from the ASX. Companies are scored on their climate change disclosure, and high scores indicate good internal data management and understanding of climate change related issues.

In 2012, Amcor was again a member of the Australian SAM Sustainability Index (AUSSI) and the Dow Jones Sustainability Asia Pacific Index. Amcor was also reconfirmed as a constituent of the FTSE4Good Index Series. Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards.

Environment

EnviroAction is Amcor's global environmental improvement program, designed to drive continuous improvement in the environmental performance of Amcor's operations. It was first launched in 2008, with five year reduction targets for greenhouse gas (GHG) emissions, waste to landfill and water use. At the end of that five year period we had reduced our GHG emissions intensity by 4.5%, our waste to landfill intensity by 59% and our water consumption intensity by 46%, against the 2005/06 baseline. An intensity measure is one that is relative to our business activity levels.

A second set of five year EnviroAction targets was launched in 2011:

EnviroAction targets

Greenhouse gas (GHG) emissions

- 10% reduction in GHG emissions intensity by 2015/16 from 2010/11;
- 60% reduction in GHG emissions intensity by 2030 from 2005/06.

Waste to landfill

- 50% reduction in waste to landfill intensity by 2015/16 from 2010/11;
- Zero waste to landfill is the long-term objective.

Water use

- 25% reduction in potable water use intensity (Australia only);
- Other regions were required to implement water management plans by end of calendar year 2011.

Our progress against these targets is reported each year in our Sustainability Report.

Incidents

In 2012/13, there were no material reported non-compliances with environmental laws or regulations across the Amcor Group.

Workplace

We continue to improve the safety of our workplace and invest in developing the skills and capabilities of our co-workers. We are doing this by focusing on safety, health, talent management, co-worker engagement, and diversity.

Safety

Our five year strategic plan for workplace safety and environmental management includes the following objectives:

1. Build internal commitment to safety and environmental management, and demonstrate leadership across all levels of the organisation;
2. Establish and maintain a best practice governance framework;
3. Build a performance culture of line ownership, co-worker involvement and systems integration; and
4. Ensure co-workers are trained and engaged in identifying and eliminating workplace risks.

All Amcor sites have annual action plans in place to support this strategy.

We have a set of mandatory global standards for safety, environment management and security with which each of our sites must comply.

Internal audits are conducted at least annually, and third party audits every three years, to measure compliance against these standards.

Amcor's Business Groups are required to report to Amcor's Board, where appropriate, in relation to any activities that do not comply with these standards and with local legislation.

Safety performance

During 2012/13, a fatal accident occurred at our plant in Allentown, Pennsylvania, in the US. A contractor working in the loading dock area was fatally injured by a tractor trailer, which was being driven by a second contractor. The US Safety Authority (OSHA) conducted an inspection and has not taken any action against Amcor for any breach of OSHA standards in relation to this accident. Following the incident, Amcor sites implemented additional procedures to reduce the risk of similar accidents in the future, including risk assessments for contractor tasks for operations near loading docks.

Amcor's safety performance is measured using two criteria – Lost Time Injury Frequency Rate (LTIFR) and Recordable Case Frequency Rate (RCFR). The severity rate of any lost time injuries is also measured.

Amcor's LTIFR is measured by calculating the number of injuries resulting in at least one full work day lost per million hours worked. In 2012/13, the LTIFR was 0.9, corresponding to 71 cases across our global business. This compares to last year's restated rate of 0.8.

Amcor's RCFR is measured by calculating the number of medical treatment cases and lost time injuries per million hours worked. In 2012/13, the RCFR was 3.5, corresponding to 267 cases across our global business. This compares to last year's restated rate of 3.4.

Fines and prosecutions

Following a workplace incident at Amcor's Athol Park Fibre Packaging site in South Australia in November 2010, where a co-worker suffered severe multiple fractures to her leg and foot, Amcor was convicted and fined \$96,000 in December 2012.

Talent management

At Amcor, our talented co-workers are, and will continue to be, at the heart of our success. We want to work with the best people who are engaged and passionate about Amcor. As part of this, and in response to feedback from the co-worker Global Engagement Survey, we are continuing to invest in learning and development opportunities.

During the year, we embedded our Amcor Leadership Framework, which describes the competencies and values that leaders at all levels must display to ensure personal and business success. These competencies and values have been included in all HR programs and processes, including recruitment guides, performance management and development plans.

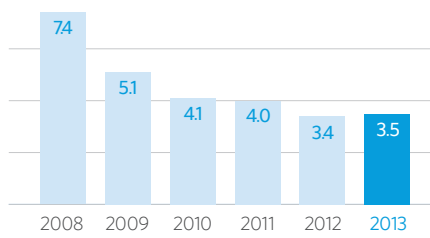
Employee engagement

Each Business Group used the results from the Global Engagement Survey to create tailored strategies that were implemented locally to address specific feedback from their respective teams.

At a Company wide level, Amcor Connect has been piloted with 700 co-workers in response to feedback from the Global Engagement Survey indicating that co-workers want better sharing of information between teams and more open communication. Amcor Connect is an online tool that enables global sharing of information and a platform to encourage collaboration, and also cultivates a spirit of innovation and community.

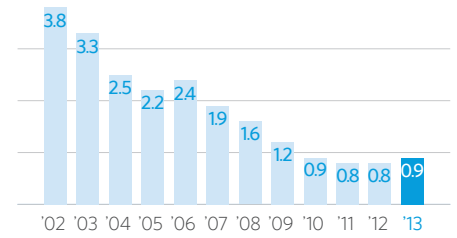
RECORDABLE CASE FREQUENCY RATE*

Number of recordable cases per million hours worked



LOST TIME INJURY FREQUENCY RATE*

Number of full work days lost per million hours worked



* Frequency rates reported in charts above cover full-time employees and contractors.

Performance management

Utilising our online tools and processes, we continually monitor performance management, ensuring that co-workers have clear goals and development plans so that personal goals are aligned to business goals. This helps to ensure that all co-workers understand how they can contribute to overall business success in ways that enable them to develop their own skills and fulfil their career aspirations.

Diversity

This continues to be a major area of focus. Our approach and achievements are discussed in the Corporate Governance section of this report.

Marketplace

As one of the world's largest packaging companies, we have the technical insight and product development capability to take the lead on responsible packaging. Our expansive global supply network and customer and market insights place us in a unique position. This enhances our capacity to engage with customers on responsible packaging and helps Amcor to drive sustainability throughout the supply chain.

In 2012/13, we continued to provide responsible packaging solutions for our customers. Using our Asset™ life cycle assessment tool, we help customers make data-based decisions about responsible packaging that take into account sustainability impacts throughout the value chain and across the product life cycle. Nearly 600 such life cycle assessments were completed during the year, bringing the total in our Asset database to 3,672.

The results can be reused for new packaging assessments, making them a valuable ongoing resource for Amcor and our customers and allowing us to quantify the sustainability benefits of new and improved packaging.

We continue to participate in many industry and government forums, such as the global Life Cycle Initiative of the United Nations Environment Program (UNEP) and the Society for Environmental Toxicology and Chemistry (SETAC).

Our efforts were recognised this year with various industry and customer awards. For the fourth consecutive year, Amcor was featured in the Carbon Disclosure Project's 2012 ASX200 Carbon Disclosure Leadership Index and we received a Johnson & Johnson Sustainability award, amongst others.

To support our focus on responsible and ethical sourcing and procurement, we continued to roll out our Supplier Code of Conduct, introduced last year.

Community

As an employer, neighbour, customer, supplier and investor in over 40 countries, Amcor strives to responsibly leverage our packaging expertise and capabilities, time, talent or funds to benefit local communities.

We are continually refining our Community Investment Guidelines to provide frameworks for our engagement with the communities in which we operate, locally and globally.

At the global level, our long-standing relationship with the EarthWatch organisation continues, with 15 co-workers selected to participate in scientific field-based research.

Looking ahead

At Amcor, we are proud of the important global role we play in providing responsible packaging solutions to help our customers meet their objectives and deliver better social and environmental outcomes. Integral to our ongoing success is our commitment to sustainability. We are determined to continue to strengthen our sustainability position over the coming 12 months by partnering with our stakeholders to improve our performance against all key measures.

Principal risks

Set out below are the principal risks and uncertainties that could have a material impact on the Company and its ability to achieve its stated objectives. Every effort is made to identify and manage material risks; however, additional risks not currently known or detailed below may also adversely affect future performance.

Risk	Description and potential consequences	Treatment strategies employed by Amcor
General market risk	Macro economic conditions, or economic conditions specifically impacting the value chain or industries on which Amcor is dependent, could materially deteriorate and have a negative impact on Amcor's financial performance.	Amcor seeks to mitigate the severity of impact a deterioration in economic conditions in a single country, region or market may have by: <ul style="list-style-type: none"> • Operating businesses that have a broad spread of geographic locations, raw material inputs and customers servicing a number of end markets; • Developing and deploying an operating model which focuses on continually improving the value proposition to customers, creating a high performance culture, remaining disciplined in the use of cash, managing costs and improving plant efficiencies; and • Reviewing principal risks across the Group through Amcor's Enterprise Risk Management (ERM) program.
Financial risks	Amcor faces risks relating to the cost and availability of funds to meet its business needs, movements in interest rates and foreign exchange rates. In particular, a large proportion of Amcor's businesses report in euros and US dollars, creating potential exposures to earnings and net asset values from volatility in the exchange rate of those currencies against the Australian dollar.	Amcor's Group Treasury undertakes financial risk management policies approved by the Board. Appropriate commercial terms are negotiated or derivative financial instruments used, such as foreign exchange contracts and interest rate swaps, to hedge these risk exposures. In addition, Amcor endeavours to proportionally draw down debt in currencies that aligns with the proportion of assets in those same currencies, thereby creating a natural hedge. A detailed discussion of financial risks is included in note 28 Financial Risk Management.
Customer risks	Amcor has strong relationships with key customers for the supply of packaging products and associated packaging related services. These relationships are fundamental to Amcor's success, and the loss of key customers may have a negative impact on Amcor's financial performance.	Amcor seeks to mitigate this risk by delivering a superior value proposition to customers by leveraging its operating model. Key to the success of this strategy is a continued drive on Customer Focus (delivery in full, on time and in specification), Low Cost and Innovation. No single customer within an operating segment generates revenue greater than 10% of total revenue for the Amcor Group.
Competitor risks	Amcor operates in a highly competitive market, with varying degrees of barriers to entry, industry structures and competitor motivational patterns. The actions of established or potential competitors may have a negative impact on Amcor's financial performance.	Amcor is ideally placed to leverage its global insight, footprint and scale to deliver new ideas and value propositions to customers and in doing so, gain competitive advantage. In particular, Amcor recognises innovation as a source of unique competitive advantage.

Risk	Description and potential consequences	Treatment strategies employed by Amcor
Mergers & acquisitions (M&A) risks	Amcor's growth opportunities are dependent in part on disciplined selection of suitable acquisition targets in the right geographies with the right participation strategy. Failure to be disciplined in selection, effective at integration or focused on capturing value could impact operations and have adverse consequences for the achievement of expected financial benefits.	Amcor's Strategic Development Group works with the businesses to identify suitable targets aligned to Amcor's strategy. Amcor implements an M&A framework that instils rigour in target selection, approval, due diligence, integration preparation/ planning and post-merger value capture.
Talent retention and attraction	The operating and financial performance of Amcor is largely dependent on its ability to retain and attract talent, in particular key personnel. Any loss of key personnel could adversely impact Amcor's operating and financial performance.	Amcor's human resource policies are designed to ensure that: <ul style="list-style-type: none"> • access to the widest possible pool of talent is available through Amcor's diversity in the workforce strategy; • Amcor provides co-workers with mobility and development opportunities through its leadership framework; • Amcor delivers a high performance culture by setting challenging objectives and rewarding high performing individuals; • remuneration is competitive in the relevant employment markets to support the attraction, motivation and retention of talent; and • remuneration is aligned with business outcomes that deliver value to shareholders.
Country risks	Amcor operates in 43 countries, across a broad range of legal, regulatory or political systems, some of which are subject to rapid change. The profitability of those operations, and their ability to maintain and repatriate funds to Amcor, may be adversely impacted by changes in the fiscal or regulatory regimes, difficulties in interpreting or complying with the local laws of those countries and reversal of current political, judicial or administrative policies.	Amcor continually monitors changes or proposed changes in regulatory regimes that may impact on Amcor's operations. Where possible, Amcor elects to appoint local management teams, who bring a strong understanding of the local operating environment and strong customer relationships. Amcor also implements training on compliance matters globally, and, regular review of country risks is performed by business leaders through Amcor's Enterprise Risk Management program.
Supply chain risk	Disruption to Amcor's supply chain caused by an interruption to the availability of key components or raw materials, or by technology failure, may adversely impact the price of raw materials, sales volumes and/or customer relations, resulting in unexpected costs.	Amcor's approach to supply chain risk management is multi-faceted and includes; <ul style="list-style-type: none"> • Ensuring customer contracts provide for regular and timely pass through of movements in raw materials input costs; • Supplier due diligence and risk management; and • Implementing a multi sourcing strategy for the supply of raw materials.
Business interruption and key site risk	Amcor operates from more than 300 locations globally. Circumstances may arise which preclude key sites from operating, including natural disaster, technology failure or industrial disruption. Where this occurs Amcor's financial performance may be negatively impacted.	Amcor undertakes business continuity planning and disaster preparedness for high value or strategically important sites. In addition, Amcor management undertakes continuous identification, review and mitigation of property risks, as well as independent loss prevention audits.
Change in consumer preferences	Changes in consumer preferences may result in some of Amcor's existing product range becoming obsolete or new products not meeting sales expectations or margin expectations.	Amcor seeks to mitigate this risk by working closely with its customers and suppliers to propose solutions that address evolving consumer preferences. Amcor is also continuing to build on its innovation capability to achieve the objective of being seen as the innovation leader for the packaging industry.



C I (Chris) Roberts

(BCom)

Independent Non-Executive Director and Chairman

Skills and experience

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

Mr Roberts' previous roles have included Chairman and MD of Arnotts Limited, Chairman of Email Ltd and Winifred West Schools Ltd, MD of Orlando Wyndham Wines Ltd, Director of Telstra Corporation Ltd, MLC Life Ltd and Petaluma Wines.

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

- Director of Control Risks Group Holdings Limited (since September 2006)
- Deputy Chairman of The Centre for Independent Studies (since August 2004)
- Director of Australian Agricultural Company Limited (June 2001 to May 2008 and June 2009 to March 2012)

Board Committee membership

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

Term of office

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

K N (Ken) MacKenzie

(BEng, FIEA)

Managing Director and Chief Executive Officer

Skills and experience

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

Former positions: Group Managing Director, Amcor Rentsch and Closures (2001–2005); Group General Manager Amcor Flexibles Australasia (1999–2001); General Manager Sales and Marketing, Amcor Australasia (1997–1999); Senior finance and operational roles, Amcor Rigid Plastics (1992–1997).

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

Board Committee membership

- Member of the Executive Committee

Term of office

- Appointed Managing Director & CEO July 2005

K J (Karen) Guerra

(BSc)

Independent Non-Executive Director

Skills and experience

Mrs Guerra has held senior executive positions in Europe, including President and Director General of Colgate Palmolive France, Chairman and Managing Director of Colgate Palmolive UK Ltd and Non-Executive Director of both Inchcape plc and Samlerhuset BV. Mrs Guerra is currently a Non-Executive Director of Swedish Match AB, Davide Campari-Milano S.p.A and Electrocomponents PLC.

Mrs Guerra holds a degree in Management Sciences from the University of Manchester and is based in Switzerland.

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

- Director of Electrocomponents PLC (since January 2013)
- Director of Swedish Match AB (since April 2008)
- Director of Davide Campari-Milano S.p.A (since April 2010)
- Director of Samlerhuset BV (January 2009 to December 2012)

Board Committee membership

- Member of the Human Resources Committee

Term of office

- Director since April 2010

The Board of Directors and Company Secretary



G R (Graeme) Liebelt

(BEc (Hons), FAICD, FTSE)

Independent Non-Executive Director

Skills and experience

Mr Liebelt was previously Managing Director and Chief Executive Officer of Orica Limited, a position he held for six and a half years. During his 22 years with the ICI Australia/Orica group he held a number of senior positions, including Managing Director of Dulux, Chairman of Incitec Ltd, Director of Incitec Pivot Ltd and Chief Executive of Orica Mining Services. He was an Executive Director of the Orica Group from 1997 until March 2012.

Mr Liebelt is on the Boards of Australia and New Zealand Banking Group Limited, the Australian Foundation Investment Company, Melbourne Business School (where he is also Deputy Chairman), Carey Baptist Grammar School and the Global Foundation (Deputy Chairman). He is a Fellow of the Australian Academy of Technological Sciences and Engineering and a Fellow of the Australian Institute of Company Directors.

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

- Board member of Australia and New Zealand Banking Group Limited (since July 2013)
- Board member of the Australian Foundation Investment Company (since 2012)
- Deputy Chairman (since 2012) and Board member of Melbourne Business School (since 2008)
- Board member of Carey Baptist Grammar School (since 2012)
- Deputy Chairman (since 2013) and Board member of the Global Foundation (since 2006)
- Fellow of the Australian Institute of Company Directors (since 2012)
- Fellow of the Australian Academy of Technological Sciences and Engineering (since 2007)
- Managing Director and CEO of Orica Limited (2005 to 2012)

Board Committee membership

- Member of the Audit and Compliance Committee
- Member of the Human Resources Committee

Term of office

- Director since April 2012



Dr Armin Meyer

(Dr. sc. techn. Dipl. El. Ing. ETH)

Independent Non-Executive Director

Skills and experience

Dr Meyer has broad international corporate experience and is based in Switzerland.

Until 2009, Dr Meyer was the Chairman of the Board of Ciba Ltd, a position he had held since 2000. He was also Chief Executive Officer of that company between 2001 and 2007. From 1995 until 2000, Dr Meyer was Executive Vice President of ABB Ltd and a member of that group's executive committee. Until April 2013, Dr Meyer was a Director of Zurich Financial Services, a global insurance company, and was, until the end of 2011, a member of the executive committee and the foundation Board of the International Institute for Management Development, IMD, in Lausanne, Switzerland.

Dr Meyer is a qualified electrical engineer with a PhD from the Swiss Federal Institute of Technology.

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

- Director of Zurich Financial Services Limited (May 2001 to April 2013)
- Director of Zurich Insurance Company Ltd (April 2001 to April 2013)

Board Committee membership

- Member of the Audit and Compliance Committee

Term of office

- Director since April 2010



G J (John) Pizzey

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

Independent Non-Executive Director

Skills and experience

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

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

- Chairman (since November 2011) and Director of Alumina Ltd (since June 2007)
- Chairman (since 21 May 2010), Deputy Chairman (July 2009 to May 2010) and Director (since November 2005) of Iluka Resources Ltd

Board Committee membership

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

Term of office

- Director since September 2003



J L (Jeremy) Sutcliffe
(LLB (Hons), OAMP, MAICD)
Independent Non-Executive Director

Skills and experience

Mr Sutcliffe has broad international corporate experience as CEO of two ASX Top 100 companies and has extensive experience of businesses operating in North America and Europe with diverse trading relationships in Asia. A qualified lawyer in Australia and the UK, Mr Sutcliffe previously held positions with Baker & McKenzie Solicitors, London and Sydney (1982 to 1986) and Sims Metal Management Limited and associated companies (1987 to 2009, including as Group CEO 2002 to 2008) and Interim Managing Director & CEO of CSR Limited (April 2010 to December 2010).

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

- Executive Chairman-elect of Evrol Pte Ltd (since July 2012)
- Director and Member, Australian Rugby League Commission Limited (since February 2012)
- Chairman, CSR Limited (since July 2011), and Director (since December 2008)
- Member of the Advisory Board of Veolia Environmental Services Australia (June 2010 to December 2012)
- Advisory Director, Scholz AG (November 2009 to October 2012)

Board Committee membership

- Member of the Human Resources Committee

Term of office

- Director since October 2009



J G (John) Thorn
(FCA, FAICD)
Independent Non-Executive Director

Skills and experience

Mr Thorn is a chartered accountant and brings expertise to the Board in the areas of accounting, financial services, mergers and acquisitions, business advisory, risk management and general management. He has 38 years of professional experience with PricewaterhouseCoopers (PwC), where he was a partner from 1982 to 2003 advising major international and Australian companies. He served on the firm's Board, was the Managing Partner of PwC's Assurance and Business Advisory practice and was the National Managing Partner of PwC until 2003. He has experience in Asia, having lived and worked in Singapore and Indonesia. His board committee experience includes Audit Committees (Chairman), Human Resources Committees, IT Committees, Nomination Committees and Risk Committees.

Mr Thorn is a Fellow of the Institute of Chartered Accountants in Australia.

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

- Director of National Australia Bank Limited (since October 2003)
- Director of Salmat Limited (since September 2003)
- Director of Caltex Australia Limited (June 2004 to May 2013)

Board Committee membership

- Chairman of the Audit and Compliance Committee (since February 2005)
- Member of the Executive Committee
- Member of the Nomination Committee

Term of office

- Director since December 2004



J F (Julie) McPherson
(Dip Law SAB, M AppFin, LLM)
Company Secretary and Group General Counsel

Skills and experience

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

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

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

- Chairman of the Amcor Superannuation Fund (November 2008 to October 2011)
- Member of the Federal Government's Takeovers Panel (since March 2011)
- Member of the Law Committee of AICD (since 2006)

Term of office

- Company Secretary since April 2005

The Board of Directors and Company Secretary
continued

Directors' Report

Your Directors present their report together with the financial report of Amcor Limited, being the Company and its controlled entities, for the year ended 30 June 2013 and the independent audit report thereon.

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Statutory Matters

Board of Directors

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

C I (Chris) Roberts
 K N (Ken) MacKenzie
 K J (Karen) Guerra
 G R (Graeme) Liebelt
 A (Armin) Meyer
 G J (John) Pizzey
 J A (Jenny) Seabrook (retired effective 3 July 2012)
 J L (Jeremy) Sutcliffe
 J G (John) Thorn

The qualifications, experience, special responsibilities of Directors, and other directorships held by them during the previous three years, are set out on pages 28 to 30 of this report.

Company Secretaries

J F (Julie) McPherson was the Company Secretary of Amcor Limited during the whole of the financial year and up to the date of this report. Her qualifications and experience are set out on page 30 of this report.

Ann Stubbings, BA LLB, was appointed as an additional Company Secretary in February 2009. Ms Stubbings also holds a position as Senior Group Legal Counsel.

Prior to joining Amcor, Ms Stubbings held legal positions at Insurance Australia Group and has experience as a Company Secretary within the former CGU Insurance Group.

Officers

The names and roles of other Officers of the Company during the year are disclosed in Table 7 in section 3 of the Remuneration Report on page 46 of this report.

Table 1: Directors' Meetings held between 1 July 2012–30 June 2013

	Board		Executive Committee		Audit & Compliance Committee		Human Resources Committee		Nomination Committee**	
	A	B	A	B	A	B	A	B	A	B
Scheduled meetings	9		2		4		4		-	
Unscheduled meetings	-		1		-		-		-	
K J Guerra	9	9	-	-	-	-	4	4	-	-
K N Mackenzie	9	9	3	3	4*	-	4*	-	-	-
A Meyer	9	9	-	-	4	4	-	-	-	-
G J Pizzey	9	9	3	3	-	-	4	4	-	-
C I Roberts	9	9	3	3	4	4	3	4	-	-
J L Sutcliffe	9	9	-	-	-	-	4	4	-	-
G R Liebelt	9	9	1*	-	4	4	4	4	-	-
J G Thorn	9	9	3	3	4	4	-	-	-	-

* Indicates that a Director is not a member of a specific committee and attended by invitation.

** All Nomination Committee matters were dealt with by the full Board during the financial year.

A Number of meetings attended.

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

In relation to Mrs J A Seabrook, there were no Directors' meetings held between 1 July 2012 and 3 July 2012.

Principal Activities

The general activities of the consolidated entity (comprising Amcor Limited and its controlled entities) are set out on pages 1 to 27 of this report. There were no significant changes in the nature of the principal activities of the consolidated entity during the year under review.

Operating and Financial Review

An operating and financial review of the consolidated entity during the financial year and the results of these operations are contained on pages 3 to 27 of this report.

State of Affairs

Significant changes in the state of affairs of the consolidated entity that occurred during the financial year ended 30 June 2013:

On 3 July 2012, Amcor announced that Ms Jenny Seabrook retired as a Director of Amcor Limited with effect from the date of the announcement.

On 15 October 2012, Amcor announced the sale of three flexible packaging plants in Australasia to Integrated Packaging. The sale consideration was \$21.8 million. These plants were acquired as part of the Aperio acquisition on non core industrial and agricultural markets.

On 15 February 2013, Amcor announced the acquisition of select printing assets of AGI-Shorewood's Tobacco Packaging and Specialty Folding Carton Operations for US\$114.8 million. The acquired business had plants or assets in each of South Korea, the US, Mexico and China. The acquisition excluded the AGI-Shorewood plant in Smith Falls, Canada. For the 2012 calendar year, the acquired business had sales of approximately US\$126.0 million and EBITDA of approximately US\$22.0 million. The EBITDA purchase multiple was 5.2 times based on the last 12 months of earnings.

On 26 June 2013, Amcor announced that it will transfer responsibility for the maintenance of the AMC Share Register to Link Market Services Limited, effective start of business Monday, 1 July 2013.

Dividends

Dividends paid or declared by the Company to members during the financial year are set out in note 27 to the Financial Statements.

Events Subsequent to the end of the Financial Year

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 the 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 the 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 ongoing standalone 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 five 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.

Likely Developments

The Operating and Financial Review on pages 3 to 27 of this report contains information on Amcor's business strategies and prospects for future financial years and refers to likely developments in Amcor's operations and the expected results of these operations in future financial years. Detail that could give rise to likely material detriment to Amcor, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage has not been included. Information on likely developments in Amcor's business strategies, prospects and operations for future financial years and the expected results of those operations has not been included in this report where the Directors believe it would be likely to result in unreasonable prejudice to Amcor.

Environmental Performance and Reporting

Commentary regarding the Company's performance on environmental regulations is outlined in the Corporate Governance Statement on page 62 and also in the Review of Operations – Sustainability section on pages 22 to 25. Amcor currently participates in the European Union's Emissions Trading Scheme, the 'Climate Change Agreements' program in the UK, the 'Covenants' program in Belgium, the Swiss Emissions Trading Scheme and various state-based initiatives in Australia. Amcor also pays carbon taxes in any countries where they are applicable.

Amcor Packaging (Australia) Pty Ltd participates in the Australian Government's Clean Energy Future Scheme, which includes the initial fixed carbon pricing mechanism, as a liable entity. In addition, as a manufacturer of goods in Australia, Amcor will be liable to pay increased costs for inputs as a result of the commencement of the Scheme on 1 July 2012. As Emissions Intensive Trade Exposed (EITE) businesses, Amcor Australasia's Paper and Glass Australian manufacturing operations receive an allocation of emission allowances to assist in off-setting their carbon liability. In addition Amcor has secured funding from AusIndustry's Clean Technology Investment Program to assist with implementing energy-efficiency projects to reduce Amcor Australasia's carbon footprint and ongoing liability under the Clean Energy Future Scheme.

Amcor's Australian EITE businesses also receive assistance from the Australian Government for the increase in the Mandatory Renewable Energy Target (MRET), which will increase from 2% to 20% by 2020.

In Australia, Amcor is subject to the reporting requirements of both the *Energy Efficiency Opportunities (EEO) Act 2006* and the *National Greenhouse and Energy Reporting (NGER) Act 2007*. The EEO Act requires the Australian business to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action Amcor intends to take as a result. Amcor complied with its reporting obligations under the EEO Act during the reporting period. The NGER Act requires the Australian business to report its annual greenhouse gas emissions and energy use.

Systems and processes for the collection and calculation of data required have been updated to comply with the Clean Energy Regulator's audit requirements. Amcor submitted its 2011/12 report to the Greenhouse and Energy Data Officer in October 2012.

Table 2: Directors' Interests

The relevant interest of each Director in the share capital of the Company at the date of this report is as follows:

Name	Balance at date of 2012 Annual Report	Received during the year on the exercise of rights and options	Other changes during the year	Balance as at the date of this report
Directors of Amcor Limited				
C I Roberts	303,327	-	14,173	317,500
K N MacKenzie	998,328	2,409,142	(1,329,089)	2,078,381
K J Guerra	18,088	-	6,512	24,600
G R Liebelt	10,860	-	22,630	33,490
A Meyer	30,000	-	-	30,000
G J Pizzey	45,334	-	1,134	46,468
J L Sutcliffe	52,481	-	1,057	53,538
J G Thorn	25,994	-	-	25,994

Table 3: Unissued Shares Under Option

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

Date options granted	Expiry date ⁽¹⁾	Exercise price of shares (\$)	Number under option
1/12/2008	29/09/2013	5.09	111,000
24/11/2009	29/09/2016	4.73	1,380,000
12/04/2010	29/09/2016	5.86	2,973,100
12/04/2010	29/09/2016	4.73	6,366,496
17/05/2010	29/09/2016	4.73	520,500
8/06/2010	29/09/2016	4.73	650,000
5/08/2010	29/09/2016	6.39	1,878,000
22/09/2010	29/09/2016	6.39	98,000
23/05/2011	29/09/2016	6.79	239,600
7/06/2011	29/09/2016	7.05	92,000
9/12/2011	30/11/2017	7.03	3,864,000
9/12/2011	30/11/2018	7.03	14,125,800
12/06/2012	30/11/2017	7.03	104,400
12/06/2012	30/11/2018	7.03	50,600
30/11/2012	31/10/2019	7.31	8,504,300
30/11/2012	31/10/2019	7.61	23,300
TOTAL			40,981,096

(1) The expiry date of certain options was amended by shareholders at the 2011 Annual General Meeting. Further detail is provided in the Remuneration Report, forming part of this report, on page 52.

Shares Issued on Exercise of Options

There were no ordinary shares of Amcor Limited issued during the year ended 30 June 2013 on the exercise of options granted.

Indemnification and Insurance of Officers

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

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

Non-audit Services

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

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Compliance Committee to ensure they do not impact upon the impartiality and objectivity of the auditor. In particular, all non-audit services are approved in accordance with the non-audit services delegations and approvals framework and reported to the Audit and Compliance Committee at each meeting; and

- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards. A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is included in the Directors' Report on page 64.

Details of the amounts paid to PwC and its related practices for audit and non-audit services provided during the year are set out in note 9 to the Financial Statements on page 97.

A significant proportion of the non-audit services during the year relates to taxation advice and tax compliance services provided by PwC to the Company and its subsidiaries in multiple jurisdictions. The Company's considerable global reach is such that it is critical that the firm used to provide tax advice is able to advise in relation to all relevant jurisdictions and structure its advice accordingly. Further, PwC has been providing tax advice since the year 2000. This pre-dates their appointment as the Company's auditor and, consequently, their historical knowledge is of material value to the Company. In each case, the engagement of PwC was made on its merits (based on service level, expertise, cost as well as geographical spread) and after careful consideration of the factors noted above.

Rounding Off

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

Loans to Directors and Senior Executives

Information on loans to Directors and Senior Executives, including amounts, interest rates and repayment terms is set out in note 30 to the Financial Statements.

Remuneration Report

Dear Shareholder,

I am pleased to be able to present to you the Remuneration Report.

Amcor has achieved great results on a variety of business metrics and this has translated into strong shareholder returns when compared to the performance of other Australian industrials and industry-specific international companies. This has been achieved during a period of uncertainty in the global economy and in the face of challenges that a high Australian dollar has on reported earnings.

This success can be attributable to management's disciplined application of the Amcor operating model, 'The Amcor Way', which focuses on:

- Safety
- Customer Focus
- Talent
- Cost
- Capital Discipline

During recent years, the business has grown profitably through a disciplined program of acquisition. The application of The Amcor Way operating model has ensured that these acquisitions and integration of new businesses have been executed very successfully.

Our remuneration strategy and associated programs have also been successful. We place a great deal of attention on getting the balance of metrics correct across our incentive plans to ensure that we encourage the behaviours that support The Amcor Way, our Values, and ultimately create shareholder value. When Amcor's leadership delivers these challenging targets, they are rewarded for their success.

I speak on behalf of the Board in commending the following report to you.



Chris Roberts

Chairman

Introduction and summary of contents

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

Key management personnel

For the purpose of this report, Key Management Personnel (KMP) are members of the leadership team who have the authority and responsibility for planning, directing and controlling the activities of the consolidated entity of Amcor Limited either directly or indirectly. They include all Directors of the Board (executive and non-executive). The use of the term Senior Executives in this report is a reference to all direct reports of the CEO who are also KMP.

Structure of this report

Amcor's 2013 Remuneration Report is divided into the following sections:

1. Overview of Amcor's Executive Remuneration Arrangements
 2. Company Performance – A Key Driver of Remuneration
 3. Details of CEO and Senior Executive Remuneration for the financial year ended 30 June 2013
 4. CEO and Senior Executive Service Agreements
 5. Non-Executive Directors' Remuneration
- Appendix: Details of Share-Based Awards

1. Overview of Amcor's Executive Remuneration Arrangements

Remuneration strategy

At Amcor, remuneration for the CEO and Senior Executives is determined by reviewing what is generally paid for similar roles in similar industries in the relevant geographic location. This is not a simple matter given that Amcor is an international company made up of a diverse group of Senior Executives working in a range of different countries. Furthermore, their responsibilities extend beyond their own geographic location.

The principles of Amcor's executive remuneration strategy, frameworks and programs are designed to:

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

Overview of remuneration arrangements

We remunerate the CEO and Senior Executives using a combination of fixed and variable plans, with a greater emphasis on variable performance-based plans. Performance metrics are carefully selected to ensure alignment with business imperatives. An overview of remuneration arrangements is included in the table below.

Table 1: Overview of remuneration arrangements for the CEO and Senior Executives

		% of total	
		CEO	Senior Executives
Fixed⁽¹⁾		32%	38%
Variable or 'at risk'			
Short Term Incentive (STI) Cash		25%	23%
Purpose	Reward the achievement of annual business objectives.		
Term	1 year		
Instrument	Cash		
Performance conditions ⁽²⁾	<ul style="list-style-type: none"> • 5% Safety (reduction in recordable case frequency rate from previous year) • 25–75% Financial (Earnings per share (EPS), Profit before interest and tax (PBIT), Cash Flow, Working Capital, Return on Average Funds Employed (RoAFE)) • 25–70% Priority project goals linked to The Amcor Way 		
Why these were chosen	To incentivise continuous safety improvement; successful and sustainable financial business outcomes; and annual objectives that drive long-term business success and sustainability.		
Short Term Incentive (STI) Deferred Equity⁽³⁾		12%	12%
Purpose	Defer a portion of the STI to build equity ownership; align management incentives with shareholder value creation; and act as a retention incentive.		
Term	2 years (following payment of cash Short Term Incentive)		
Instrument	Share Rights		
Performance conditions ⁽²⁾	Time restricted and continuation of employment (subject to forfeiture in the event of voluntary termination or termination for cause)		
Why these were chosen	To provide a mid-term retention incentive based on impact on business performance.		
Long Term Incentive (LTI)⁽⁴⁾		31%	27%
Purpose	Reward the achievement of long-term sustainable business outcomes and value creation for shareholders.		
Term	4 years		
Instrument	Performance Shares or Share Rights; Share Options		
Performance conditions ⁽²⁾	RoAFE combined with a share price condition (for Share Options). Relative Total Shareholder return (TSR) for Performance Shares or Share Rights.		
Why these were chosen	RoAFE represents a strong measure of overall business performance. A share price condition ensures that this performance translates into shareholder value creation as no Share Options are earned unless the share price increases. The use of relative TSR provides a shareholder perspective of the Company's relative performance against comparable companies both in Australia and internationally.		
Retention Share/Payment Plan⁽⁵⁾			
Purpose	Used on a limited basis at recruitment to replace existing entitlements from previous employers or as retention awards to existing executives.		
Term	Up to 5 years		
Instrument	Shares or cash		
Performance conditions	Time restricted and continuation of employment (subject to forfeiture in the event of voluntary termination or termination for cause).		

(1) Consists of base salary, retirement and other benefits. Retirement benefits are delivered under defined contribution funds for all new executives. These and other benefits are set by reference to regulatory and salary market requirements in the relevant employing jurisdictions.

(2) Performance conditions are assessed using both quantitative and qualitative assessments. All financial performance conditions are determined on a pre significant items basis. The outcomes for the CEO and Senior Executives are reviewed and approved by the Human Resources Committee. This approach provides appropriate oversight and a rigorous review of the performance outcomes.

(3) Details provided in the Appendix to this report.

(4) The CEO and Senior Executives were granted an LTI award in the year ended 30 June 2013. The details of the award can be found in the Appendix to this report. The award for the CEO was approved at the 2012 Annual General Meeting. At the 2013 Annual General Meeting, approval will be sought from Amcor Shareholders for an award under the Amcor Long Term Incentive Plan to the CEO. Senior Executives and other selected executives who are in a position to influence the outcome of the performance hurdles will also be invited to participate. Details of this award are included in the Notice of Meeting.

(5) During the year to 30 June 2013, no awards were made to the CEO or Senior Executives.

Directors' Report

Remuneration Report

continued

Equity related remuneration policies

Hedging of securities	Minimum Shareholding Policy	Share Trading Policy
The CEO and Senior Executives are prohibited from engaging in hedging arrangements over unvested securities issued under any employee share plan. This extends to vested securities over which the Minimum Shareholding Policy applies. (Note: no Non-Executive Directors participate in our employee share plans.)	To strengthen alignment of the interests of the CEO and Senior Executives with value creation for shareholders, the CEO and Senior Executives must build and maintain a minimum shareholding of Amcor shares. The CEO is required to build and maintain a shareholding equivalent to 100% of base salary; Senior Executives are required to build and maintain a shareholding equivalent to 50% of base salary.	The Board has implemented blackout periods during which the Directors, CEO, Senior Executives and co-workers are unable to trade in Amcor shares. Further detail is provided on page 58 of the Corporate Governance Statement.

Remuneration governance

The Human Resources Committee

The Human Resources Committee is responsible for determining a framework for the remuneration of the CEO and Senior Executives. This is to ensure that the CEO and Senior Executives are motivated to pursue the long-term growth and success of the Company and that there is a clear relationship between performance and remuneration. The Committee is also responsible for reviewing talent management processes and programs to ensure that Amcor's leaders are of world class quality and that succession depth for key leadership roles is sufficient to deliver sustainable business success.

Where appropriate, the Human Resources Committee seeks advice from independent remuneration consultants in determining appropriate Senior Executive remuneration. During 2013, the Committee did not seek any advice relating to the quantum and/or structure of the remuneration for the CEO and Senior Executives.

2. Company Performance – A Key Driver of Remuneration

The following section provides an overview of Amcor's performance against key metrics and its link to remuneration outcomes.

Short Term Incentive (STI)

Details of the range of potential STI cash payments, the proportion to be received at 'target' performance, actual payments made and the amounts forfeited by the CEO and Senior Executives in respect of the 2013 financial year are shown in Table 2 below. The actual outcomes are based on the performance of the Senior Executive against a selected range of safety, financial and priority project goals both on an Amcor and business group level. The positive outcomes under the STI align with a year of positive earnings result, an increase in the dividend, and increased shareholder returns.

Table 2: STI cash and deferred equity awards

Name	STI % Range	STI % Target	STI Payment (\$)	Paid in Year (as % of maximum STI)	Forfeited in Year (as % of maximum STI)	Deferred Equity Awarded (\$)	Deferred Equity Awarded (No. Rights) ⁽¹⁾
Executive Directors							
K N MacKenzie ⁽²⁾	0% to 120% of TFR	80%	2,764,238	112.5%	7.5%	1,382,119	137,387
Senior Executives							
P Brues	0% to 100% of Base Salary	50%	667,352	62.5%	37.5%	333,676	33,168
R Delia	0% to 100% of Base Salary	50%	736,830	91.1%	8.9%	368,415	36,621
N Garrard	0% to 100% of Base Salary	50%	410,989	47.7%	52.3%	205,495	20,426
M Schmitt	0% to 100% of Base Salary	50%	677,235	89.0%	11.0%	338,617	33,659
I G Wilson	0% to 100% of Base Salary	50%	915,300	90.0%	10.0%	457,650	45,492

(1) The cash and deferred equity awarded are usually paid and granted during the month of September following the determination of the STI. Equity allocations were determined based on the volume weighted average price of Amcor Limited shares for the five trading days prior to 30 June 2013 (A\$10.06 per share). Where bonuses are determined in currencies other than Australian dollars, the average foreign exchange rate for the same five day period was applied to determine the Australian dollar equivalent.

(2) Approval for the issue of deferred equity Share Rights awarded to K N MacKenzie was obtained under Listing Rule 1014.

Long Term Incentive (LTI)

The following illustrates Amcor's performance against the key metrics that exist in the LTI plans awarded to the CEO and Senior Executives. Amcor's relative TSR performance against a group of comparable companies determines the level of Performance Shares or Share Rights that vest; while RoAFE performance determines the level of Share Options that vest – although an improvement in share price is also required before any rewards are delivered. This ensures there is a strong correlation between rewards and an increase in shareholder value. The following table shows the current performance outcomes. It is important to highlight that RoAFE levels were below 11% in 2009. The performance since then represents the disciplined application of the Amcor operating model and successful integration activities.

Table 3: LTI performance conditions and current indicative outcomes

Performance Shares or Share Rights					Share Options					
Relative TSR performance (percentile ranking)					RoAFE & share price increase					
Grant year	min	max	at 30 June 2013		Grant year	min	max	at 30 June 2013		Vesting year
			ASX comparator group	International comparator group				RoAFE	Share price increase since grant	
2010 ⁽¹⁾	50	75	97	85	2010	12.0	15.0	16.4	Yes	2013, 2014, 2015
2012	50	75	79	86	2012	13.5	16.0	16.4	Yes	2016
2013	50	75	69	77	2013	13.5	16.0	16.4	Yes	2017

Performance hurdle met or exceeded
 Performance hurdle partly met
 Performance hurdle not met

(1) Multi-tranche award provided to drive the successful integration of the acquired Alcan Packaging business. This resulted in no participation in an award in 2011.

Remuneration Report

continued

Table 4: Shareholder return information over the past five financial years

	2009	2010	2011	2012	2013
Net profit before significant items after tax (\$ million)	360.5	409.2	570.3	634.9	689.5
Basic EPS before significant items (cents)	40.9	35.2	46.5	52.3	57.2
Dividend paid (\$ million)	284.2	295.9	416.7	438.4	464.7
Dividends per share (cents)	34.0	29.5	35.0	37.0	40.0
Opening share price at 1 July (\$)	5.05	4.99	6.38	7.20	7.09
Change in share price (\$)	(0.06)	1.39	0.82	(0.11)	3.05
Closing share price at 30 June (\$)	4.99	6.38	7.20	7.09	10.14
Total Shareholder Return (TSR) % pa ⁽¹⁾	5.5	33.8	18.3	3.6	48.7
On-market share buy-back (\$ million)	-	-	-	150.0	-

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

3. Details of CEO and Senior Executive Remuneration for the financial year ended 30 June 2013

Table 5 details awards granted that are still in progress or those that were tested during 2013 which impact the remuneration received by the CEO and Senior Executives for the year ended 30 June 2013:

Table 5: Grants of Options and Rights affecting remuneration

Grant Year	Grant Type	Instrument	Vesting condition(s)	Performance/Vesting Period	Status
2008 ⁽¹⁾	Long Term Incentive	Performance Shares or Share Rights; Share Options	<ul style="list-style-type: none"> Return on average funds employed Relative TSR performance to comparator group Share price increase 	31 October 2011	Testing completed. This resulted in 100% of Share Options and 88% of Share Rights/ Performance Shares vesting.
	Retention Share/ Payment Plan	Shares or Cash	Continuous service	31 December 2012	Vested in full
2009 ⁽²⁾	Long Term Incentive	Performance Shares or Share Rights; Share Options	<ul style="list-style-type: none"> Return on average funds employed Relative TSR performance to comparator group Share price increase 	31 October 2012	Vested in full
	Retention Share/ Payment Plan	Shares or Cash	Continuous service	1 July 2012	Vested in full
2010 ⁽³⁾	Long Term Incentive	Performance Shares or Share Rights; Share Options	<ul style="list-style-type: none"> Return on average funds employed Relative TSR performance to comparator group Share price increase 	31 October 2012 to 31 October 2014	Testing completed on the first tranche of this award. This resulted in 100% of Share Options and 100% of Share Rights/ Performance Shares vesting.
	Retention Share/ Payment Plan	Shares or Cash	Continuous service	31 December 2012	Vested in full

Table 5: Grants of Options and Rights affecting remuneration (continued)

Grant Year	Grant Type	Instrument	Vesting condition(s)	Performance/ Vesting Period	Status
2011 ⁽⁴⁾	Short Term Incentive Deferred Equity	Share Rights	Continuous service	1 September 2012	Vested in full
	Long Term Incentive	Performance Shares or Share Rights; Share Options ⁽⁵⁾	<ul style="list-style-type: none"> Return on average funds employed Relative TSR performance to comparator group Share price increase 	31 October 2012 to 31 October 2014	Testing completed on the first tranche of this award. This resulted in 100% of Share Options and 100% of Share Rights/ Performance Shares vesting.
	Retention Share/ Payment Plan	Shares or Cash	Continuous service	1 September 2012	Vested in full
2012 ⁽⁶⁾	Short Term Incentive Deferred Equity	Share Rights	Continuous service	1 September 2013	In progress
	Long Term Incentive	Performance Shares or Share Rights; Share Options	<ul style="list-style-type: none"> Return on average funds employed Relative TSR performance to comparator group Share price increase 	31 October 2015	In progress
2013 ⁽⁷⁾	Short Term Incentive Deferred Equity	Share Rights	Continuous service	1 September 2014	In progress
	Long Term Incentive	Performance Shares or Share Rights; Share Options	<ul style="list-style-type: none"> Return on average funds employed Relative TSR performance to comparator group Share price increase 	31 October 2016	In progress

(1) The Long Term Incentive Awards were granted on 1 November 2007 and 1 December 2007, whilst the grant of the Retention Share/Payment Plan Award occurred on 1 January 2008.

(2) The Long Term Incentive Awards were granted on 1 December 2008, whilst the grant of the Retention Share/Payment Plan Award occurred on 15 June 2009.

(3) The Short Term Incentive Deferred Equity Award was granted on 1 September 2009, whilst the grants of the Long Term Incentive Awards occurred on 4 November 2009, 12 April 2010 and 8 June 2010. The Retention Share/Payment Plan Award was granted on 4 January 2010.

(4) The Short Term Incentive Deferred Equity Award was granted on 1 September 2010, whilst the grants of the Long Term Incentive Awards occurred on 5 August 2010 and 23 May 2011. The Retention Share/Payment Plan Award was granted on 13 October 2010.

(5) This relates to awards provided to R Delia prior to his appointment as Executive Vice President, Finance and Chief Financial Officer (CFO) and an award provided following his appointment to CFO, to align his awards with other Senior Executives. No other Long Term Incentive Awards were made to the CEO and Senior Executives in 2011.

(6) The Short Term Incentive Deferred Equity Award was granted on 1 September 2011, whilst The Long Term Incentive Awards were granted on 9 December 2011.

(7) The Short Term Incentive Deferred Equity Award was granted on 10 September 2012, whilst The Long Term Incentive Awards were granted on 30 November 2012.

Refer to note 29 to the Financial Statements for further information regarding the terms and conditions of the awards.

Directors' Report

Remuneration Report

continued

Table 6: Details of awards granted, vested and exercised

The following table illustrates the movements in Share Options and Performance Shares or Share Rights granted to the CEO and Senior Executives during the period, including details of Ordinary Shares provided in the Company as a result of the exercise of those Share Options and Performance Shares or Share Rights:

Name	Number					Fair value of grant yet to vest (\$) ⁽⁴⁾
	Opening Balance	Granted during the year ^{(1),(2)}	Exercised during the year ⁽³⁾	Closing Balance	Vested during the year	
Executive Directors						
K N MacKenzie						
Short Term Incentive Deferred Equity Awards	284,550	139,200	(142,642)	281,108	142,642	315,520
Long Term Incentive Awards:						
– Share Options	5,390,000	1,365,100	(1,913,000)	4,842,100	1,660,000	1,221,006
– Performance Shares or Share Rights	647,000	316,700	(353,500)	610,200	353,500	1,135,780
Senior Executives						
P Brues						
Short Term Incentive Deferred Equity Awards	100,598	41,416	(35,678)	106,336	35,678	93,876
Long Term Incentive Awards:						
– Share Options	2,966,580	514,200	(1,033,280)	2,447,500	960,500	459,923
– Performance Shares or Share Rights	275,300	119,300	(140,500)	254,100	140,500	427,845
R Delia						
Short Term Incentive Deferred Equity Awards	68,348	36,736	(33,139)	71,945	33,139	83,268
Long Term Incentive Awards:						
– Share Options	1,493,191	449,500	(305,291)	1,637,400	250,600	402,053
– Performance Shares or Share Rights	136,100	104,300	(58,700)	181,700	58,700	374,051
Retention Share/ Payment Plan Awards	100,000	-	(100,000)	-	100,000	-
N Garrard						
Short Term Incentive Deferred Equity Awards	52,427	17,200	(37,816)	31,811	37,816	38,987
Long Term Incentive Awards:						
– Share Options	1,835,600	383,200	(550,000)	1,668,800	550,000	342,751
– Performance Shares or Share Rights	184,500	88,900	(73,000)	200,400	73,000	318,822
Retention Share/ Payment Plan Awards	55,000	-	(55,000)	-	55,000	-

Name	Number					Fair value of grant yet to vest (\$) ⁽⁴⁾
	Opening Balance	Granted during the year ^{(1),(2)}	Exercised during the year ⁽³⁾	Closing Balance	Vested during the year	
Senior Executives (cont.)						
M Schmitt						
Short Term Incentive Deferred Equity Awards	27,443	26,535	(9,784)	44,194	9,784	60,146
Long Term Incentive Awards:						
– Share Options	1,454,600	380,500	(200,000)	1,635,100	353,500	340,336
– Performance Shares or Share Rights	104,200	88,300	(32,500)	160,000	32,500	316,670
I G Wilson						
Short Term Incentive Deferred Equity Awards	49,875	46,180	-	96,055	-	314,024
Long Term Incentive Awards:						
– Share Options	2,046,497	339,000	(875,897)	1,509,600	791,000	303,217
– Performance Shares or Share Rights	264,300	78,700	(161,000)	182,000	161,000	282,242
Retention Share/ Payment Plan Awards	199,303	-	(199,303)	-	199,303	-

(1) The Long Term Incentive Awards were granted on 30 November 2012. Share Options granted have an exercise price of \$7.31, a fair value of \$1.05 and will expire 28 days after the Annual General Meeting in 2019. Performance Shares or Share Rights granted have a fair value of \$4.21 and will expire 28 days after the Annual General Meeting in 2019. The Short Term Incentive Deferred Equity Awards were granted on 10 September 2012 and have a fair value of \$6.80 and will expire on 1 September 2014. No exercise price is applicable to Performance Shares or Share Rights granted. No awards granted during the period vested during the period.

(2) The value of all awards granted during the period to the CEO and Senior Executives are as follows: K N MacKenzie \$3,713,222; P Brues \$1,323,792; R Delia \$1160,883; N Garrard \$893,589; M Schmitt \$951,706 and I G Wilson \$1,001,301. For the Long Term Incentive, awards are only exercisable upon satisfaction of performance conditions after 1 July 2016. For the Short Term Deferred Equity, awards are exercisable on 1 September 2014.

(3) The value of awards exercised during the period by the CEO and each Senior Executive are as follows: K N MacKenzie \$8,384,964; P Brues \$4,717,711; R Delia \$1,890,575; N Garrard \$2,735,732; M Schmitt \$1,014,451 and I G Wilson \$5,153,936. These values represent awards that were exercised from a combination of different grants made in prior years.

(4) This represents the maximum fair value for future years of the Long Term Performance Awards and Short Term Deferred Equity Awards as at their grant date. The minimum possible total value of the grants is nil if the applicable performance/vesting conditions are not met.

No awards of the CEO and Senior Executives lapsed or were forfeited during the period.

Directors' Report

Remuneration Report

continued

Table 7: Remuneration of CEO and Senior Executives

Table 7 shows the nature and amount of remuneration received by the CEO and Senior Executives during the year ended 30 June 2013:

Name	Position	Short-Term Employee Benefits				Other Long-Term		Post-Employment			Share-Based Payments ⁽¹⁾		% of Total Employee Compensation Received as Options and/or Rights	Total Employee Compensation
		Base Salary	Monetary Benefits	Non Monetary Benefits	Relocation Expenses	Bonus	Service Leave	Long Leave	Superannuation Benefits	Shares	Equity Settled			
Executive Directors														
K N MacKenzie	Managing Director and Chief Executive Officer	2013	2,025,602	237,663	81,627	2,764,238	58,230	175,000	-	2,979,587	-	2,979,587	35.8%	8,321,947
		2012	1,924,415	238,286	143,899	2,021,193	82,129	175,000	-	2,950,164	-	2,950,164	39.2%	7,535,086
Other Key Management Personnel														
P Brues	President, Amcor Flexibles Europe & Americas	2013	924,757	221,489	216,415	667,352	-	501,262	-	1,491,542	-	1,491,542	37.1%	4,022,817
		2012	995,859	184,286	238,301	601,362	-	333,294	-	1,644,898	-	1,644,898	41.1%	3,998,000
R Delia ⁽²⁾	Executive Vice President Finance and Chief Financial Officer	2013	726,483	110,860	119,060	736,830	10,835	116,443	116,602	1,007,211	104,907	931,086	32.6%	2,856,504
		2012	720,975	153,183	139,452	533,413	7,116	116,602	209,240	804,157	804,157	804,157	30.0%	2,684,138
N Garrard	President, Amcor Australasia and Packaging Distribution	2013	894,625	175,000	-	410,989	19,120	25,000	47,917	1,007,211	-	1,007,211	39.8%	2,531,945
		2012	864,475	152,083	-	249,750	14,449	47,917	90,446	1,217,324	90,446	1,217,324	46.2%	2,636,444
I G Wilson	Executive Vice President, Strategy and Development	2013	994,844	200,394	193,804	915,300	36,967	16,470	23,621	1,283,294	130,430	1,283,294	34.0%	3,771,503
		2012	974,738	230,292	131,295	670,540	11,916	23,621	509,806	1,513,992	509,806	1,513,992	37.2%	4,066,200
M Schmitt	President, Amcor Rigid Plastics	2013	668,954	80,018	-	677,235	-	96,889	-	785,702	-	785,702	34.0%	2,308,798
		2012	614,413	34,935	238,489	385,295	-	50,405	-	871,511	-	871,511	39.7%	2,195,048
Total		2013	6,235,265	1,025,424	610,906	6,171,944	125,152	931,064	235,337	8,478,422	235,337	8,478,422	35.6%	23,813,514
		2012	6,094,875	993,065	891,436	4,461,553	1,156,10	746,839	809,492	9,002,046	809,492	9,002,046	38.9%	23,114,916

(1) In addition to the equity awards granted under the Short Term Incentive program and the Long Term Incentive Awards for the year ended 30 June 2013, the amounts disclosed as share-based payments above include the Long Term Incentive Awards for the years ending 30 June 2012, 2011, 2010 and 2009; awards granted under Senior Executive Retention Share/Payment Plan; and other awards previously granted under Legacy Share Based Plans. Details of these awards can be found in past Annual Reports.

(2) R Delia's base salary for the 2012 financial year has been restated down from \$775,140 to \$720,975 (as above).

4. CEO and Senior Executive Service Agreements

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

Table 8: Summary of specific terms of Executive Service Agreements

Name	Term	Notice period	Redundancy/termination payment
K N MacKenzie	Open	12 months	Greater of amount payable required by law and 12 months' Total Remuneration. ⁽¹⁾
P Brues	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months' base salary).
R Delia	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months' base salary).
N Garrard	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months' base salary).
M Schmitt	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months' base salary).
I G Wilson	Open	12 months	Greater of amount payable required by law and payment in lieu of notice (12 months' base salary).

(1) Total Remuneration includes Total Fixed Remuneration plus target Short Term Incentive bonus, plus the annual actuarial value of Long Term Incentives as reported in Amcor's Annual Report.

5. Non-Executive Directors' Remuneration

Fee Policy

The Non-Executive Director fee policy enables the Company to attract and retain high quality Directors with relevant experience. At the same time, the cost to the Company is managed in relation to the maximum aggregate fee limit. The current aggregate fee limit of \$3,000,000 was approved by shareholders at the 2011 Annual General Meeting.

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

The fee policy is reviewed annually by the Human Resources Committee. Non-Executive Director fees for the year to 30 June 2013 have been reviewed and no increase in fees will be applied. This means there has been no increase in Directors' fees since 2006.

Performance-based remuneration and minimum shareholding

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

Retirement allowances

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

Directors' Report

Remuneration Report

continued

Non-Executive Directors' remuneration for the 2013 financial year

Table 9: Details of Non-Executive Directors' remuneration

Non-Executive Directors		Salary and Fees	Non Monetary Benefits	Post-Employment		Total Compensation
				Superannuation Benefits	Retirement Benefit ⁽¹⁾	
C I Roberts	2013	604,500	4,668	54,405	39,447	703,020
	2012	604,500	4,756	54,405	32,611	696,272
K J Guerra	2013	211,500	1,846	1,135	-	214,481
	2012	211,500	3,522	773	-	215,795
G R Liebelt ⁽²⁾	2013	224,707	6,554	16,470	-	247,731
	2012	52,875	1,533	3,944	-	58,352
A Meyer	2013	216,500	1,824	636	-	218,960
	2012	216,500	5,532	489	-	222,521
G J Pizzey	2013	221,500	6,265	16,470	-	244,235
	2012	221,500	7,012	15,775	-	244,287
J L Sutcliffe	2013	211,500	5,381	16,470	-	233,351
	2012	211,500	2,852	19,035	-	233,387
J G Thorn	2013	241,500	8,065	16,470	-	266,035
	2012	241,500	8,812	15,775	-	266,087
J A Seabrook ⁽³⁾	2013	1,640	-	148	-	1,788
	2012	126,292	1,680	11,366	-	139,338
E J J Pope ⁽⁴⁾	2012	66,153	717	5,954	-	72,824
Total	2013	1,933,347	34,603	122,204	39,447	2,129,601
	2012	1,952,320	36,416	127,516	32,611	2,148,863

(1) Amounts shown represent CPI indexed adjustments in relation to C I Roberts' retirement benefit.

(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) 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.

(4) E J J Pope retired on 20 October 2011.

Appendix to Remuneration Report – Details of Share-Based Awards

Details of STI deferred equity award

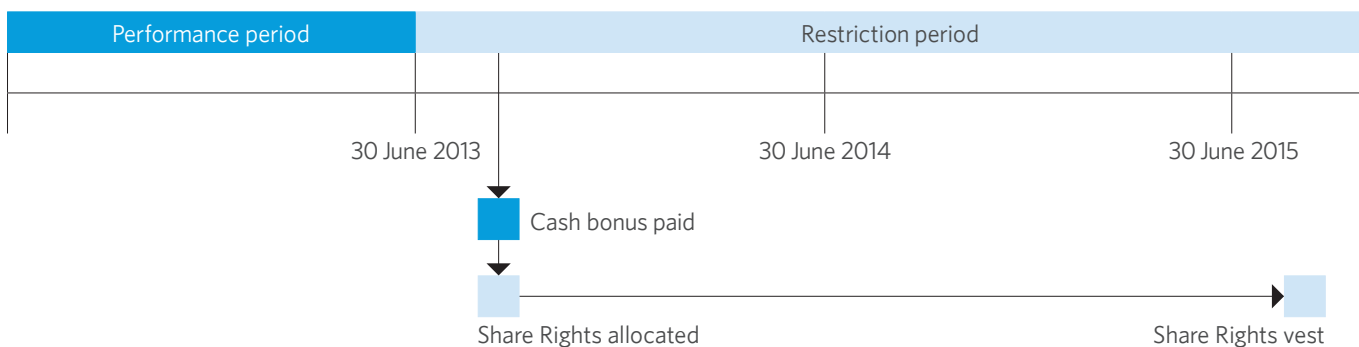
The Human Resources Committee considers that the use of time-restricted equity in Amcor's STI program provides for greater retention in Amcor's remuneration arrangements and alignment with shareholders through exposure to Amcor's share price movements. The deferred STI is delivered in the form of Performance Shares or Share Rights to Amcor shares (effectively Share Options with a zero exercise price).

The number of Performance Shares or Share Rights to be allocated to the CEO and Senior Executives is based on:

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

In relation to the year ended June 2013, STI deferred equity awards will be allocated in September 2013. These will be subject to a risk of forfeiture if the CEO or a Senior Executive either voluntarily leaves Amcor employment during the restriction period or if the CEO or a Senior Executive's employment is terminated for cause. Board discretion regarding vesting and/or forfeiture applies in the case of involuntary termination of employment and change of control.

Financial Year 2013: Illustration



Appendix to Remuneration Report – Details of Share-Based Awards

continued

Details of LTI Awards made in 2013 are shown below:

Feature	Description								
Participation	Selected Executives (including CEO and Senior Executives)								
Performance period	Four years to 30 June 2016								
Vehicle	Performance Shares or Share Rights; Share Options								
Performance conditions	Relative Total Shareholder Return (TSR) for Performance Shares or Share Rights; Return on Average Funds Employed (RoAFE) combined with a Share Price Condition for Share Options								
Re-tests	None								
Expiry	The expiry date of the Performance Shares or Share Rights and Share Options is 28 days after Amcor's Annual General Meeting in 2019.								
TSR peer group	<ul style="list-style-type: none"> Companies in the ASX 100 with exclusions to those companies either in (or with heavy exposure to) the financial, resources, media, and property trust sectors; plus A select list of international industry peers. <p>Those companies are:</p> <p>ASX companies: Ansell Limited, Asciano Limited, Boral Limited, Brambles Limited, Coca-Cola Amatil Limited, Cochlear Limited, Computershare Limited, Crown Limited, CSL Limited, David Jones Limited, Downer EDI Limited, Echo Entertainment Group Limited, Goodman Group, Harvey Norman Holdings Limited, Incitec Pivot Limited, James Hardie Industries Se, JB Hi-Fi Limited, Leighton Holdings Limited, Metcash Limited, Myer Holdings Limited, Primary Health Care Limited, Qantas Airways Limited, Ramsay Health Care Limited, ResMed Inc, Seek Limited, Sonic Healthcare Limited, Sydney Airport Holdings Limited, Tabcorp Holdings Limited, Tatts Group Limited, Telstra Corporation Limited, Toll Holdings Limited, Transurban Group, Treasury Wine Estates Limited, UGL Limited, Wesfarmers Limited, Woolworths Limited</p> <p>International industry peers: Ball Corp, Bemis Co Inc, CCL Industries Inc, Crown Holdings Inc, Graphic Packaging, Huhtamaki OYJ, Huangshan Novel Co Ltd, International Paper, Mayr-Melnhof Karton AG, MeadWestvaco Corp, Owens-Illinois Inc, Rexam Plc, RPC Group Plc, Sealed Air Corp, Silgan Holdings Inc, Sonoco Products Co, Winpak Ltd</p> <p>Certain events may occur which could affect the structure of either of the Peer Groups and therefore whether a share in a Peer Group is considered to be a relevant share, for the purposes of calculating the TSR for each relevant share in each Peer Group (for example, takeovers, mergers and acquisitions, demergers, delisting, company failures and capital reconstructions, including a material transaction or other strategic initiative that affects Amcor's capital structure and/or the relevance of a share in a Peer Group). The Board retains the discretion to determine how such events will be treated at the time they arise, including altering the make up of the companies contained in Peer Group.</p>								
Vesting schedule for TSR performance (applicable to Performance Shares or Share Rights)	<p>The table below sets out the TSR hurdle, and the percentage of Performance Shares or Share Rights that will vest based on satisfaction of this hurdle as determined by the Board.</p> <table border="1"> <tbody> <tr> <td>Less than 50th percentile</td> <td>Nil</td> </tr> <tr> <td>50th percentile</td> <td>50%</td> </tr> <tr> <td>Between 50th and 75th percentile</td> <td>50% of the Performance Rights will vest plus an additional 2% for each 1 percentile increase above the 50th percentile</td> </tr> <tr> <td>75th percentile and above</td> <td>100%</td> </tr> </tbody> </table>	Less than 50th percentile	Nil	50th percentile	50%	Between 50th and 75th percentile	50% of the Performance Rights will vest plus an additional 2% for each 1 percentile increase above the 50th percentile	75th percentile and above	100%
Less than 50th percentile	Nil								
50th percentile	50%								
Between 50th and 75th percentile	50% of the Performance Rights will vest plus an additional 2% for each 1 percentile increase above the 50th percentile								
75th percentile and above	100%								

Feature	Description										
Vesting schedule for RoAFE performance (applicable to Share Options)	<p>The table below sets out the indicative RoAFE hurdle, and the percentage of Share Options that will vest based on satisfaction of this indicative RoAFE hurdle (and the Share Price Condition), as determined by the Board.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">RoAFE percentage achieved over the year ending 30 June 2016</th> <th style="text-align: left;">Vesting percentage</th> </tr> </thead> <tbody> <tr> <td>Less than 13.5%</td> <td>0%</td> </tr> <tr> <td>Equal to 13.5%</td> <td>50%</td> </tr> <tr> <td>Greater than 13.5% but less than 16.0%</td> <td>2.0% of Options for each 0.1% above 13.5%</td> </tr> <tr> <td>Equal to or greater than 16.0%</td> <td>100%</td> </tr> </tbody> </table> <p>For the purposes of calculating the vesting outcome for Options, RoAFE is calculated as the annualised profit before interest, tax and after significant items earned by Amcor during a reporting period, as a percentage of the average funds employed by Amcor during a reporting period.</p> <p>The Board may apply discretion to exclude significant items in the calculation of RoAFE for the purpose of determining vesting outcomes. Such items may be those relating to strategic initiatives or material events that are outside of normal operational activities.</p> <p>The Board will determine the final RoAFE hurdle to be used for the purposes of determining the percentage of Options that may vest by no later than 30 June 2015. This is to allow the Board flexibility to increase the performance hurdle (e.g. in the event of a windfall following a divestment) or decrease the performance hurdle (e.g. so as not to discourage management from pursuing acquisition opportunities in the event they have adverse consequences on RoAFE). The Board may also at its discretion change the structure of the RoAFE hurdle in the event of a material transaction or other strategic initiative that affects Amcor's capital structure and the relevance of the RoAFE hurdle as the Performance Condition.</p>	RoAFE percentage achieved over the year ending 30 June 2016	Vesting percentage	Less than 13.5%	0%	Equal to 13.5%	50%	Greater than 13.5% but less than 16.0%	2.0% of Options for each 0.1% above 13.5%	Equal to or greater than 16.0%	100%
RoAFE percentage achieved over the year ending 30 June 2016	Vesting percentage										
Less than 13.5%	0%										
Equal to 13.5%	50%										
Greater than 13.5% but less than 16.0%	2.0% of Options for each 0.1% above 13.5%										
Equal to or greater than 16.0%	100%										
Share Price Condition (applicable to Share Options)	The volume weighted average price (VWAP) of shares over the five trading days on which Amcor shares trade on the Australian Stock Exchange (ASX) prior to 30 June 2016 exceeds the share option exercise price. If the condition is not satisfied, testing continues at the end of each calendar month until the earlier of vesting or expiry of the share option.										
Share Option exercise price	\$7.31 (VWAP of shares over the twenty trading days on which Amcor shares traded on the ASX including and following 1 July 2012).										
Participation in future issues	Executives cannot participate in new issues of shares in respect of Share Options and Share Rights held under the LTI until the Share Options and Share Rights have been validly exercised and the underlying shares registered in their name. However, in the case of certain bonus or rights issues or a reorganisation of the capital of the Company, then subject to the Listing Rules, an appropriate adjustment may be made to the outstanding awards.										

Appendix to Remuneration Report – Details of Share-Based Awards

continued

Extension of expiry date of certain Share Options

The following table details those Share Options that were amended since grant date. Shareholder approval to amend these Share Options was granted at the 2011 Annual General Meeting. The date of amendment for all Share Options is 20 October 2011. In the financial year ended 30 June 2013, no amendments were made to Share Options subsequent to grant date.

Table 10: Share Options that were amended during the financial year ended 30 June 2012

Grant Year	Grant Type	Original Expiry Date	New Expiry Date ⁽¹⁾
2008 ⁽²⁾	Long Term Incentive	30 June 2012	18 September 2012
2009 ⁽³⁾	Long Term Incentive	30 June 2013	29 September 2013
2010 ⁽⁴⁾	Long Term Incentive	30 June 2016	29 September 2016
2011 ⁽⁵⁾	Long Term Incentive	30 June 2016	29 September 2016

(1) The actual expiry date is 28 days after the release of half or full year results (as relevant). This date is determined once Amcor's financial calendar for the relevant year has been set but, in any event, will not be later than the date identified above.

(2) The number of Share Options granted during 2008 is as follows: K N MacKenzie 165,000; P Brues 46,380; R Delia 54,691 and I G Wilson 84,897. All Share Options were issued at an exercise price of \$6.54.

(3) The number of Share Options granted during 2009 is as follows: K N MacKenzie 280,000; P Brues 103,000; R Delia 67,000 and I G Wilson 141,000. All Share Options were issued at an exercise price of \$5.09.

(4) The number of Share Options granted during 2010 and their exercise price is as follows: K N MacKenzie 2,760,000 (\$4.73); P Brues 1,715,000 (\$5.86); R Delia 423,200 (\$6.79); N Garrard 1,100,000 (\$4.73); M Schmitt 707,000 (\$5.86); and I G Wilson 1,300,000 (\$4.73).

(5) The number of Share Options granted during 2011 is as follows: R Delia 120,000 issued at an exercise price of \$6.39.

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders.

The Company complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd Edition ('the ASX Principles'). This Statement incorporates the disclosures required by the ASX Principles, and generally follows the order of the ASX Principles. Amcor's main corporate governance practices are summarised in this Statement. All these practices, unless otherwise stated, were in place for the full reporting period. Copies of Amcor's Board and Board Committee Charters, and key corporate governance policies or summaries, are available in the Corporate Governance section of Amcor's website at www.amcor.com/about_us.

Principle 1: Lay solid foundations for management and oversight

Role of the Board and management

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

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

Responsibilities of the Board

The responsibilities of the Board include:

- Overseeing the management of the Company and direction of its business strategy with the aim of increasing value for shareholders;
- Providing strategic direction for, and approving, the Company's business strategies and objectives;
- Providing oversight of the Company's occupational health and safety policies and standards;
- Monitoring the operational and financial position and performance of the Company;
- Overseeing the identification of the principal risks faced by the Company and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
- Ensuring that financial and other reporting mechanisms are put in place by the Chief Executive Officer that result in adequate, accurate and timely information being provided to the Board and the Company's shareholders and the financial market as a whole being fully informed of all material developments relating to the Company;
- Appointing and, where appropriate, removing the Managing Director, approving other key executive appointments and planning for executive succession;
- Overseeing and evaluating the performance of the Managing Director, and other senior executives, having regard to the Company's business strategies and objectives;
- Instituting and implementing procedures for the annual review and evaluation of the performance of the Board;
- Reviewing and approving remuneration for the senior executives of the Company;
- Approving the Company's budgets and business plans and monitoring the management of the Company's capital, including the progress of any major capital expenditures, acquisitions or divestitures;

- Establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
- Adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- Approving, and reviewing, the Company's internal compliance procedures, including any codes of conduct and taking all reasonable steps to ensure that the business of the Company is conducted in an open and ethical manner; and
- Reviewing and amending the Board and Committee Charters.

Board processes

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

Standing items include the Managing Director's report, business group operating reports, financial reports, strategic matters and governance and compliance updates. All submissions are circulated in advance to allow the Board time to review and give due consideration to each report.

The Board has access to Company executives and management, and independent advisers. Executives are regularly involved in Board discussions and Directors have other opportunities to interact with management and co-workers during visits to business units and plants, both locally and overseas.

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

- Audit and Compliance
- Executive
- Human Resources
- Nomination

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

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

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

A performance evaluation for senior executives takes place every six months and last took place in July 2013, in compliance with the established evaluation process, including emphasis on demonstrating Amcor's values. A description of the process for evaluation and remuneration of senior executives is set out in the Remuneration Report on pages 37 to 52. The Company's policy for senior executive reward and evaluation, upon which the evaluation process is based, is published on the Company's website.

Principle 2: Structure the Board to add value

The names of the members of the Board as at the date of this report are set out below. Details of the Board members' experience, expertise, qualifications, term of office and independence status are set out in the Directors' profiles on pages 28 to 30.

C I Roberts (Chairman)
Independent Non-Executive Director

K N MacKenzie
Managing Director
and Chief Executive Officer

K J Guerra
Independent Non-Executive Director

G R Liebelt
Independent Non-Executive Director

A Meyer
Independent Non-Executive Director

G J Pizzey
Independent Non-Executive Director

J L Sutcliffe
Independent Non-Executive Director

J G Thorn
Independent Non-Executive Director

Composition of the Board

The Board's composition is determined based on criteria set out in the Company's Constitution and the Board Charter, including:

- An objective of eight Directors, with a broad range of expertise both nationally and internationally;
- A majority of Independent Non-Executive Directors and a Non-Executive Director as Chairman;
- A majority of Directors having extensive knowledge of the Company's industries, and those who do not, having extensive expertise in significant aspects of financial reporting and risk management of large companies;

- A number of Directors having international experience in the countries in which the Company operates; and
- Re-election of Directors at least every three years (except for the Managing Director and Chief Executive Officer).

The Board seeks to ensure that:

- At any point in time, its membership represents an appropriate balance between Directors with experience and knowledge of the Group and Directors with an external or fresh perspective;
- There is a sufficient number of Directors to serve on Board Committees without overburdening the Directors or making it difficult for them to fully discharge their responsibilities; and
- The size of the Board is appropriate to facilitate effective discussion and efficient decision making.

In reviewing its membership, the Board adheres to Amcor's diversity framework 'Talent through Diversity'. Further detail is available on page 58 and 59.

Directors' independence

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

- Not being a substantial shareholder of the Company or otherwise associated directly or indirectly with a substantial shareholder of the Company;
- Not, within the past three years, having been employed in an executive capacity by the Company or another Group member, or having been a Director within three years after ceasing to hold any such employment;
- Not, within the past three years, having been a professional adviser to the Company or Group either as a principal, a material consultant, or an employee materially associated with the service provided;

- Not being a partner in or controlling shareholder, or executive officer of a material supplier or customer of the Company or Group, or otherwise being associated, directly or indirectly (to any significant extent), with a material supplier or customer;
- Not having a material contractual relationship with the Company or Group other than as a Director of the Company;
- Being free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- Having the capacity to devote the necessary time to the important tasks entrusted to him/her as a Director of the Company.

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

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

The Chairman has served on the Board for more than ten years. The Board does not believe that Mr Roberts has served for a period that could materially interfere with his ability to act in the best interests of the Company. The Board also believes that Mr Roberts retains independent judgment and has not formed an association with management that might compromise his ability to exercise independent judgment or act in the best interests of the Company.

In addition, in 2012, the Company reported that the Board had formed the view that, in light of the continuing work to integrate and derive costs synergies from acquisitions made to date, the number of capital projects still under construction, the Company's continuing strategy to drive earnings through expanding in emerging markets, and identifying further value creating acquisitions and Mr Roberts' past stewardship through the development and execution of this strategy, the Company's best interests would be served by Mr Roberts continuing to act as a Director and Chairman for a further period of three years. Mr Roberts agreed to this request and is subject to re-election as required by the Constitution in this year's Annual General Meeting.

On 1 August 2013, Amcor announced its intention to demerge its Australasia and Packaging Distribution (**AAPD**) business. Amcor expects completion of the demerger to occur in December 2013, subject to shareholder, court and other approvals. Following the demerger, each company will have its own experienced management team and Board. For the new AAPD company, Mr Roberts will become the Chairman. If the resolution to re-elect Mr Roberts is approved by the shareholders in Amcor's 2013 Annual General Meeting, Mr Roberts will remain as Independent Non-Executive Director and Chairman of the Amcor Board until implementation of the demerger, at which time he will retire from the Amcor Board.

Mr John Pizzey will also retire from the Amcor Board upon implementation of the demerger to join the Board of the new AAPD company.

Mr Graeme Liebelt will be the Chairman of the Amcor Board upon implementation of the demerger.

Term of office held by each Director

The term of office of each Director in office at the date of this report is outlined in the Directors' profiles on pages 28 to 30.

The role of the Chairman

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

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

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

Nomination Committee

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

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

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

The Nomination Committee comprises three Independent Non-Executive Directors, and the Chairman of the Board is Chairman of the Committee. The names of the members as at the date of this report are set out below and further details of their profiles are set out on pages 28 to 30.

C I Roberts (Chairman)
Independent Non-Executive Director

G J Pizzey
Independent Non-Executive Director

J G Thorn
Independent Non-Executive Director

All Nomination Committee matters were dealt with by the full Board during the financial year.

The Board undertakes an assessment of its collective performance, the performance of the Board Committees and the Chairman, on an annual basis. The Chairman meets privately with individual Directors as part of the assessment process. The results of this assessment are documented and any action plans implemented. An assessment in accordance with the established process was undertaken in June 2013. The Nomination Committee's Charter is available on the Company's website.

Individual Director's responsibilities

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

Non-Executive Directors are expected to spend a reasonable time each year preparing for and attending Board and Committee meetings and associated activities. The Directors held nine Board meetings and 11 Committee meetings during the year. The number of meetings attended by each Director is disclosed on page 32 of this report. Directors visited operational sites of the Company in addition to attending Board meetings during the year.

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

The commitments of Non-Executive Directors are considered by the Nomination Committee prior to the Directors' appointment to the Board of the Company and are reviewed each year as part of the annual performance assessment.

Director induction and education

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

Independent professional advice and access to information

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with and approval from the Chairman, may seek independent professional advice from an adviser suitably qualified in the relevant field at the Company's expense.

A copy of the advice received by the Director is made available for all other members of the Board.

The Board and the Company Secretary

The Company Secretary is accountable to the Board and the appointment or removal of the Company Secretary is a matter for the Board as a whole. Each Director is entitled to access the advice and services of the Company Secretary. The names and details of the Company Secretaries as at the date of this report are set out on page 32.

Executive Committee

The Executive Committee's Charter sets out the responsibilities of the Executive Committee. The Charter is available on the Company's website. The Committee deals with matters referred to it by the Board or with urgent matters that may not be deferred until the next meeting of the Board. A majority of the Committee must be independent. The names of the members of the Committee as at the date of this report are set out below and further details of their profiles are set out on pages 28 to 30.

C I Roberts (Chairman)
Independent Non-Executive Director

K N MacKenzie
Executive Director

G J Pizzey
Independent Non-Executive Director

J G Thorn
Independent Non-Executive Director

All other Non-Executive Directors receive the Executive Committee agendas and papers and are encouraged to attend meetings of the Executive Committee as available. The Committee met three times during the year and members' attendance at these meetings is disclosed in the table of Directors' meetings on page 32.

Principle 3: Promote ethical and responsible decision-making

Conflict of interest

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

Details of Director related entity transactions with the Company are set out in note 30 to the Financial Statements.

Code of Conduct and Ethics

Amcor recognises the importance of honesty, integrity and fairness in conducting its business, and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers and co-workers are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Amcor believes that it is not only required to abide by the national laws in each country in which it operates, but that it must also conduct its business in accordance with internationally accepted practices and procedures. These core principles, which the Board and senior management of Amcor are committed to upholding, are enshrined in Amcor's values and encapsulated in Amcor's Corporate Code of Conduct and Ethics Policy, which is available in the Corporate Governance section of the Company's website.

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

Whistleblower Policy

The Code of Conduct and Ethics Policy includes a Whistleblower Policy, and Amcor operates a Whistleblower Service through an independent third party to facilitate reporting of potential misconduct within the Company. The Board regularly reviews the Code of Conduct and Ethics Policy and the Whistleblower Policy, and processes are in place to promote and communicate these policies. The Whistleblower Policy can be found in the Corporate Governance section of the Company's website.

The Whistleblower Service enables co-workers to report potential misconduct, including illegal activity, breach of the Code of Conduct, fraudulent or corrupt practices, harassment or discrimination, misleading or deceptive conduct of any kind, unethical behaviour and health, safety or environmental hazards. Matters raised under the Whistleblower program are reported to the Board through either the Audit and Compliance Committee or the Human Resources Committee, and the Whistleblower program is periodically reviewed for its effectiveness.

A Third Party Complaints email is also available on the Company's website to enable third parties such as suppliers, consumers, contractors and customers to report potential misconduct within the organisation.

Fraud Policy

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

Trading in Company securities by Directors and co-workers

Amcor has a Share Trading Policy that outlines insider trading laws and prohibits Directors, co-workers and certain associates from trading in Amcor's securities during specified 'blackout periods'. The blackout periods are the period from the close of trading on 31 December each year until the day of the announcement to the ASX of the Company's half year results (usually in the third week of February), the period from the close of trading on 30 June each year until the day of the announcement of the Company's full year results (usually in the third week of August) and any other period that the Board specifies from time to time. Trading of securities during a blackout period can only occur in exceptional circumstances and with the approval of the Company Secretary.

Under the policy, Directors and senior executives are required to certify their compliance with the policy at the end of each financial year. The policy also prohibits Directors, co-workers and certain associates from engaging in hedging arrangements over unvested securities issued pursuant to any employee option or share plans and certain vested securities that are subject to the Minimum Shareholding Policy. The policy meets the requirements of the ASX Listing Rule on trading policies and is available in the Corporate Governance section of the Company's website.

People at Amcor

At Amcor, we recognise that our co-workers are our most valuable asset and the foundation of our success. We want to work with the best people, who are engaged and passionate about our business and our customers.

During the year, we continued to focus on Leadership, Engagement and Diversity for Amcor's co-workers globally.

Leadership

Amcor is committed to providing a safe, rewarding and motivating environment to support co-workers in reaching their potential. In April 2012, Amcor introduced the new Amcor Leadership Framework. This Framework outlines the skills and competencies required at all leadership levels to ensure that Amcor achieves success in all its objectives.

Over the last 12 months, we have embedded the Amcor Leadership Framework in all HR processes. This includes induction and onboarding programs, recruitment and Management and Leadership Development programs tailored to these competencies. Leadership competencies are now also assessed through our Amcor performance management process and in November 2012 we launched an Amcor 360 Tool to provide development feedback to co-workers on these competencies.

Diversity

Amcor is a diverse global organisation with over 33,000 co-workers working in 43 countries and with 22 languages spoken around our operations. Amcor's focus is on recruiting, retaining and developing local talent to manage its businesses around the world, and selects from this broad talent pool for its global leadership roles. Amcor strives to achieve 'Talent through Diversity'.

The Board of Directors approved a formal 'Talent through Diversity' policy in April 2011, which is available in the Corporate Governance section of Amcor's website at www.amcor.com/about_us. At Amcor, diversity means the positive recognition of the differences individuals bring to the organisation and how those individuals work together to capture the benefits these differences bring to the business.

The Board has established the following measurable objectives for advancing gender diversity within Amcor. These are reported annually to the Board and the Human Resources Committee:

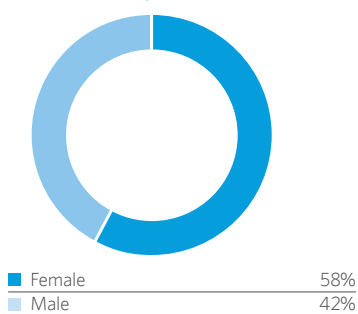
- The number of women employed at Amcor as a proportion of the total workforce; and
- The proportion of women employed at leadership level (defined as middle management including plant level leadership and above).

Amcor's progress in achieving these objectives is set out below:

- The Board includes one female Director, Mrs Karen Guerra (12.5% of total Directors).
- Amcor has an employee population of over 33,000 co-workers in 43 countries and approximately 20% of this population are women.
- The representation of women in leadership positions is 25%. Leadership positions include plant management and above.

The Global Management Team have a strong focus on gender representation in talent acquisition. Over the last 12 months, we have seen a distinct increase in the appointment of women to our senior roles. The following graph outlines the appointments of female co-workers to our Senior Leadership roles (direct reports to our Global Management Team).

2012/2013 GENDER SPLIT OF APPOINTMENTS
to senior leadership roles



There are also a wide range of initiatives underway in our global operations to promote and encourage diversity at Amcor. Examples of these initiatives include:

- The Amcor Australasia Diversity Council, chaired by the President of Amcor Australasia, is continuing to raise the profile of diversity in the business.
- Amcor continues to sponsor the National Association of Women in Operations in Australia.
- An Amcor Australasia Diversity intranet site is in place which includes statistics, research and articles, minutes of diversity council meetings and email contacts to raise concerns. It is well received by the business and continues to be used as a central point of diversity information.
- Our business in the US has established a Young Women's network, which meets monthly to support young women new in their careers.

Co-worker Engagement

Every two years, Amcor conducts a global, Group wide engagement survey which is conducted in 22 languages. Our next Global Engagement Survey is due to be conducted in March 2014.

Some business groups carry out 'pulse surveys' at different sites depending on business conditions. Actions responding to the feedback continue and are monitored regularly.

As a direct result of the Engagement Survey, Amcor Connect, a new social media tool is progressively being rolled out across Amcor to strengthen collaboration across co-workers and share news and information.

Our CEO Outperformance Awards program continued to run during the year. This program recognises co-workers from around the business for their outstanding achievements in Safety, Customer Focus and Being Amcor – our Values and Operating Model, The Amcor Way.

We continue our work on Leadership, Diversity and Engagement and are committed to creating an inclusive environment that supports high performance, engagement and passion to succeed.

Principle 4: Safeguard integrity in financial reporting

Audit and Compliance Committee

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

The Audit and Compliance Committee Charter provides that all members of the Audit and Compliance Committee must be Independent Non-Executive Directors and the Chairman cannot be the Chairman of the Board.

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

The Committee is responsible for the appointment, compensation, retention and oversight of the external auditor, including the independence of the external auditor, and review of any non-audit services provided by the external auditor. The Company's Audit and Compliance Committee policy is to review the performance of the external auditor regularly regarding quality, costs and independence.

PricewaterhouseCoopers was appointed as external auditor by the shareholders in 2007. Mr Dale McKee was appointed as the Company's audit engagement partner at that time. In 2012, the Company sought a declaration from the Australian Securities and Investments Commission under the Corporations Act to extend the term of Mr McKee for an additional year. The declaration was granted and in the Company's Annual Report last year, it was reported that Mr McKee will continue as the Company's audit engagement partner for the 2013 financial year. In July 2012, the law governing audit engagement was changed to permit company directors to extend the term of a lead auditor of an audit firm up to seven years. Given this, the Audit and Compliance Committee, as well as the Board, considered the impact of the rotation of Mr McKee in 2013. The Board considered that the reasons it extended Mr McKee's term in 2012 remain valid. In particular, in relation to audit quality, the Board noted that, amongst other things:

- Amcor occupies a unique position in the Australian market as one of the relatively few companies that is truly global, with such complexity in its operations; and
- While the Company continues its integration, restructuring and acquisition activities, it is important that the detailed knowledge and understanding that Mr McKee has built up in relation to the Company and its industry over the past five and half years is retained to ensure the quality of the audit of the Company for shareholders.

Accordingly, the Board resolved to extend Mr McKee's term for an additional financial year on the basis that such an extension would be in the best interests of the Company. This means that Mr McKee will continue as the Company's audit engagement partner for the 2014 financial year. Importantly, in considering the extension of Mr McKee's term as audit engagement partner, the Board was satisfied that such an extension would not give rise to a conflict of interest situation, as defined in the Corporations Act and, thereby, impair Mr McKee's independence.

Transition planning of Mr McKee has commenced and the Company is working with PricewaterhouseCoopers on transitioning Mr McKee and on-boarding Mr McKee's successor.

It is the policy of the external auditor to provide an annual declaration of their independence to the Audit Committee (page 64). Fees paid to the external auditor, including a breakdown of fees for non-audit services, are reported in note 9 to the Financial Statements. The Audit and Compliance Committee is required under the Charter to meet at least quarterly and otherwise as necessary. The Committee met four times during the year and Committee members' attendance records are disclosed in the table of Directors' meetings on page 32.

The external auditor met with the Audit and Compliance Committee without management being present at each Committee meeting held this year. The names of the members of the Committee as at the date of this report are set out below and further details of their profiles are set out on pages 28 to 30.

J G Thorn (Chairman)
Independent Non-Executive Director

G R Liebelt
Independent Non-Executive Director

A Meyer
Independent Non-Executive Director

C I Roberts
Independent Non-Executive Director

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

Principles 5 and 6: Make timely and balanced disclosure and respect the rights of shareholders

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

- The Annual Report, including relevant information about the operations of the consolidated entity during the year, key financial information and changes in the state of affairs. The Annual Reports for the current year and for several previous years are available under the Investor Relations section of the Amcor website;
- The half year and full year financial results are announced to the ASX and are available to shareholders via the Amcor and ASX websites;
- All announcements made to the market, and related information (including presentations to investors and information provided to analysts or the media during briefings), are made available to all shareholders under the Investors section of the Amcor website after they are released to the ASX; and

- A live webcast of the Chairman's address is available on the Company's website at the time of the Annual General Meeting, and an archived webcast of the Chairman's address is available in the Investors section of the Amcor website, together with other Annual General Meeting materials, including notices of meetings and associated explanatory material. All ASX announcements, media releases and financial information are available on Amcor's website within one day of public release.

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

The external auditor attends the Annual General Meeting to answer any questions concerning the audit and the content of the auditor's report.

A copy of the Constitution is available to any shareholder who requests it, and can be viewed on the Company's website.

Principle 7: Recognise and manage risk

Risk Management Framework

Amcor understands and recognises that rigorous risk and opportunity management is essential for corporate stability and for sustaining its competitive market position and long-term performance. The following objectives drive Amcor's approach to risk management:

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

Amcor has implemented an Enterprise Risk Management (ERM) framework to improve its ability to meet the above objectives and achieve the desired outcomes. Amcor's approach incorporates the principles of effective risk management, as set out in the Global Risk Management Standard ISO31000.

Corporate Governance Statement

continued

In achieving effective risk management, Amcor recognises the importance of leadership. As such, the Board and senior executives have responsibility for driving and supporting risk management across the Group. Each business group then has responsibility for implementing this approach and adapting it, as appropriate, to its own circumstances. The existence of an executive level Risk Champion in each business group helps ensure a consistent approach to risk management.

ERM seeks to apply risk management across an entire organisation and it does this so that all material risks can be identified, assessed and managed. In support of this approach, the Amcor Board sets the risk appetite of the organisation to take account of safety, environment, reputation and corporate governance risks, in addition to financial risks. Amcor's assurance function, which includes the internal audit team, plays a key role in reviewing the effectiveness of Amcor's compliance and control systems, including risk management. Findings from reviews are communicated in formal reports to the Board and the Audit and Compliance Committee, and then appropriate action is taken to support the maintenance of a strong control environment. A summary of Amcor's risk related policies can be found with other corporate governance policies under the Corporate Governance section of the Amcor website.

Internal control

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

control environment and provide regular reports to Directors and management committees. These reports and associated recommendations are considered and acted upon to maintain or strengthen the control environment.

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

Environmental regulation

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

Environmental exposures and compliance with environmental regulations form part of Amcor's Occupational Health and Safety standards. Environmental performance and significant environmental matters are regularly discussed within the Amcor group. Amcor has also established an internal reporting process where environmental performance is reported from each site up through OHSE management to the Board each year. There were no material breaches of environmental regulations and specific requirements of site environmental licences identified across all of Amcor's operations in the 2012/13 financial year.

Information on compliance with significant environmental regulations is set out on page 34 of the Directors' Report. The Sustainability Review on pages 22 to 25 also addresses environmental performance.

Corporate reporting

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

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

The Board has received the relevant declarations from the Managing Director and Chief Executive Officer and the Executive Vice President Finance and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* and the relevant assurances required under Recommendation 7.3 of the ASX Principles.

Principle 8: Remunerate fairly and responsibly

Human Resources Committee

The Human Resources Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the Managing Director and Chief Executive Officer, senior executives and Non-Executive Directors.

It is also responsible for oversight of the Company's policies and procedures for retention of senior management, incentive performance schemes, executive development leadership and succession plans, and human resource plans for each business. The majority of members must be independent, and the Chairman of the Committee is an Independent Non-Executive Director. The Committee reviews the remuneration of the Managing Director and Chief Executive Officer and senior executives, taking advice from external advisers where appropriate. No individual is directly involved in deciding their own remuneration. The Human Resources Committee's Charter is available in the Corporate Governance section of the Company's website.

Details of the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives, and details of senior executives' remuneration and incentives are set out in the Remuneration Report, on pages 37 to 52. Information regarding the structure of Non-Executive Director remuneration, superannuation for Non-Executive Directors and the Company policy on retirement benefits is contained in the Remuneration Report, on pages 47 to 48.

The names of the members of the Human Resources Committee as at the date of this report are set out below and further details of their profiles are set out on pages 28 to 30. The Human Resources Committee meets at least quarterly and, otherwise, as and when required. The Committee met four times during the year and Committee members' attendance records are disclosed in the table of Directors' meetings on page 32.

G J Pizzey (Chairman)
Independent Non-Executive Director

C I Roberts
Independent Non-Executive Director

J L Sutcliffe
Independent Non-Executive Director

K J Guerra
Independent Non-Executive Director

G R Liebelt
Independent Non-Executive Director

The Managing Director and Chief Executive Officer is not a member of this Committee, but attends meetings by invitation. The Managing Director and Chief Executive Officer will not attend for matters relating to the remuneration of the Managing Director and Chief Executive Officer.

Declaration

This Directors' Report is made in accordance with a resolution of the Directors, dated at Melbourne, in the State of Victoria, on 19 August 2013.



Chris Roberts
Chairman

Auditor's Independence Declaration



As lead auditor for the audit of Amcor Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink that reads 'Dale McKee'.

Dale McKee
Partner
PricewaterhouseCoopers

Melbourne
19 August 2013

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Financial Report

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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.

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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:			
<i>Available-for-sale financial assets</i>			
Net change in fair value of available-for-sale financial assets	26(a)	(0.3)	–
<i>Cash flow hedges</i>			
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)
<i>Exchange differences on translating foreign operations</i>			
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:			
<i>Retained earnings</i>			
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.

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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.

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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/(loss) 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 and related tax		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)
Forward contracts to purchase own equity to meet share plan obligations and related tax	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.

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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)
Curtailement (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.

\$ 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			
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.

Notes to the Financial Statements

30 June 2013

Note 1. Summary of Significant Accounting Policies

Amcors 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(o) 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.

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 financial position and statement of changes in equity, 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% 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 (refer note 25).

(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.

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.

Goods and services tax/value added tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax and value 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.

Notes to the Financial Statements

30 June 2013

continued

Note 1. Summary of Significant Accounting Policies *(continued)*

(i) Income tax *(continued)*

Goods and services tax/value added tax *(continued)*

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(v) 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 uncollectable 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 uncollectable 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.

(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.

Note 1. Summary of Significant Accounting Policies (continued)

(j) Financial instruments (continued)

Derivative financial instruments (continued)

(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.

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 EFR 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). 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.

(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 EFR, 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.

(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.

Notes to the Financial Statements

30 June 2013

continued

Note 1. Summary of Significant Accounting Policies *(continued)*

(n) Intangible assets *(continued)*

Other intangible assets *(continued)*

(ii) Computer software *(continued)*

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.

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.

Notes to the Financial Statements

30 June 2013

continued

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 (refer 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.

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.

(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.

Notes to the Financial Statements

30 June 2013

continued

Note 1. Summary of Significant Accounting Policies *(continued)*

(v) Fair value estimation *(continued)*

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

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

(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.
- 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 stand alone taxpayer in its own right. The contributions are payable annually and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authority.

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.

Notes to the Financial Statements

30 June 2013

continued

Note 2. Segment Information

(continued)

(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; multiwall 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 & 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 & 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.

(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.

(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 Australasia and									
	Amcor Rigid Plastics		Packaging Distribution ⁽¹⁾		Amcor Flexibles		Other/ Investments		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
\$ million										
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.

Notes to the Financial Statements

30 June 2013

continued

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.

Segment revenue reconciles to statutory revenue and other income as follows:

\$ million	2013	2012
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:

\$ million	2013	2012
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/(loss) reconciles to statutory profit/(loss) before related income tax expense as follows:

\$ million	2013	2012
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:

\$ million	2013	2012
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:

\$ million	2013	2012
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)

(v) Segment property, plant and equipment

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

\$ million	2013	2012
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:

\$ million	2013	2012
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:

\$ million	2013	2012
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

continued

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 specialty 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.

(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 Pisco, 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.

Notes to the Financial Statements

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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)

Changes to the preliminary acquisition balance sheet presented at 30 June 2012 (continued)

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

\$ 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 Amcor 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

Notes to the Financial Statements

30 June 2013

continued

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
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

\$ million	2013			2012		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
<i>Income</i>						
Gain arising on disposal of Fairfield property	57.3	(9.7)	47.6	-	-	-
	57.3	(9.7)	47.6	-	-	-
<i>Expense</i>						
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.

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 \$4.2 million on the Glass Tubing Business disposed of on 23 June 2011.

Notes to the Financial Statements

30 June 2013

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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)

(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 (note 18)	83.4	27.5

Note 9. Auditors' Remuneration

\$ thousand	2013	2012
Auditors of the Company – PwC Australia		
<i>Audit and other assurance services</i>		
Audit and review of financial reports	3,255	3,220
Other assurance services	46	–
<i>Other services</i>		
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		
<i>Audit and other assurance services</i>		
Audit and review of financial reports	837	837
Other regulatory audit services	3,669	3,629
Other assurance services	579	–
<i>Other services</i>		
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		
<i>Audit and other assurance services</i>		
Other regulatory services	469	217
<i>Other services</i>		
Taxation services and transaction related taxation advice	1,037	346
	1,506	563
Total auditors' remuneration	14,696	14,841

Notes to the Financial Statements

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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

(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.

Notes to the Financial Statements

30 June 2013

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Note 12. Trade and Other Receivables (continued)

Impairment of financial assets (continued)

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

\$ million	Impaired Receivables		Not Impaired	
	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

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 uncollectable	(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 expense and reversal 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
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 property.

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.

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Note 16. Investments Accounted for Using the Equity Method

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

Name	Principal activity	Incorporated	Reporting date	Ordinary share ownership interest	
				2013 %	2012 %
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

\$ million	2013	2012
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 50.0% 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:

\$ million	2013	2012
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
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 50.0% 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 Holdings Limited (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.

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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: \$176 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).

(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 \$14 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 for a value greater than their carrying value.

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Note 18. Deferred Tax Assets and Liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

\$ million	2013			2012		
	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
Intangible assets	-	(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)

(b) Movement in temporary differences during the year

\$ million	Net asset/ (liability) at 1 July	Recognised in income statement	Recognised in other compre- hensive 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 and net investment hedges	(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 notes 26 and 29).

(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.

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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.

(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:

CGU	Goodwill Allocation		Pre-Tax Discount Rate		Growth Rate	
	2013 \$ million	2012 \$ million	2013 %	2012 %	2013 %	2012 %
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.

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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

\$ million	Footnote	2013	2012
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

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: \$176 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 \$3894 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: \$894 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: CHF150.0 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.

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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 – fair value through profit and loss:		
Interest rate swaps	12.4	–
Derivative financial instruments – cash flow hedges:		
Forward exchange contracts	–	0.1
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 movements in foreign exchange rates	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)
Transfer to other creditors and accruals	-	(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 movements in foreign exchange rates	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.

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Note 23. Provisions (continued)

Description of provisions (continued)

Asset restoration (continued)

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 ongoing use of the land as an industrial property.

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

Restructuring provisions

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

\$ 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
Unwinding of discount	-	-	-	-	-
Effect of movements in foreign exchange rates	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 movements in foreign exchange rates	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 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

(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.

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Note 24. Retirement Benefit Assets and Obligations (continued)

(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

(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).

(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;

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Note 24. Retirement Benefit Assets and Obligations (continued)

(h) Principal actuarial assumptions (continued)

Investment strategy (continued)

- where investments are made in equity securities, ensuring there is an appropriate mix of domestic and international securities;
- to achieve returns greater than a predetermined 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.

(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)/loss	(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 \$34 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).

(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

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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)
<i>Other comprehensive income/(loss):</i>					
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
<i>Transactions with owners in their capacity as owners:</i>					
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)
<i>Other comprehensive income/(loss):</i>					
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)
<i>Transactions with owners in their capacity as owners:</i>					
Tax effect on forward contracts entered into 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.

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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).

(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

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/(loss)	(3.9)	(3.2)

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continued

Note 28. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

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.

	Change in foreign exchange rate increase/decrease		Impact on equity decrease/increase	
	2013 %	2012 %	2013 \$ million	2012 \$ 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⁾	
	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.

(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.

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continued

Note 28. Financial Risk Management *(continued)*

(a) Market risk *(continued)*

(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 12 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 notes 25 and 26).

(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 tradeable 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.

\$ million	2013			2012		
	Committed	Uncommitted	Total	Committed	Uncommitted	Total
<i>Financing facilities available:</i>						
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
<i>Facilities utilised:</i>						
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
<i>Facilities not utilised:</i>						
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.

Notes to the Financial Statements

30 June 2013

continued

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					
<i>Non-derivatives</i>					
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
<i>Derivatives</i>					
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					
<i>Non-derivatives</i>					
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
<i>Derivatives</i>					
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 timeframes 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 ongoing 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.

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 sheet gearing and leverage ratios, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) interest cover (pre significant items) 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 sheet 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 sheet gearing ratio between 45% to 55%, the targeted leverage ratio between 2.25 to 2.75 times, the EBITDA interest cover (pre significant items) above 6.0 times and the percentage of bank debt to total debt below 45.0%. EBITDA is accounting profit before Interest, Tax, Depreciation and Amortisation, pre significant items. 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.

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continued

Note 28. Financial Risk Management *(continued)*

(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).

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	Designated at fair			Total carrying value	Total fair value
				Fair value – hedging instruments	value through profit or loss	Other financial assets and liabilities		
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
Commercial 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	–	4.8	–	–	–	4.8	4.8
Derivative financial instruments	14	–	–	1.5	11.1	–	12.6	12.6
Other financial assets	14	0.6	–	–	–	1.0	1.6	1.6
		1,977.1	4.8	1.5	11.1	1.0	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
Commercial 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

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30 June 2013

continued

Note 28. Financial Risk Management *(continued)*

(e) Fair value of financial instruments *(continued)*

Determination of fair values *(continued)*

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.

(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.

\$ million	Note	Level 1		Level 2		Level 3	
		2013	2012	2013	2012	2013	2012
Financial assets							
<i>Available-for-sale financial assets:</i>							
Investments in companies listed on stock exchanges at fair value	14	4.6	4.8	-	-	-	-
<i>Derivative financial instruments:</i>							
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							
<i>Derivative financial instruments:</i>							
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).

(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.

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continued

Note 29. Share-Based Payments (continued)

(a) Employee Share Purchase Plans (continued)

(ii) Senior Executive Retention Share Plan (continued)

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

(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:

Weighted average fair value	Options		Rights	
	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	–	–

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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:

Granted between	Expiry date	Exercise price \$	Balance at beginning of period			Options granted	Options lapsed/cancelled	Options exercised	Weighted average share price at exercise date \$	Balance at end of period		Proceeds received \$		
			No.	No.	No.					No.	No.		Vested and Exercisable	
													No.	No.
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	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	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	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	-	8,504,300	-	-	-	-	8,504,300	-	-	-		
30 Nov 12	31 Oct 19	7.61	-	23,300	-	-	-	-	23,300	-	-	-		
			49,554,221	8,527,600	(1,304,208)	(15,796,517)		40,981,096	713,500	713,500		84,708,761		

(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.

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 \$	Balance at end of period		Proceeds received \$
								On issue No.	Vested and Exercisable No.	
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.

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30 June 2013

continued

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.	Vested and 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	-	-	-	-

(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):

	Weighted average 2013 fair value		Weighted average 2012 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.

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Note 29. Share-Based Payments (continued)

(c) Other compensation plans (continued)

(iv) Management Incentive Plan – Equity (continued)

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):

	Weighted average 2013 fair value		Weighted average 2012 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	-	-	-	-

(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	3.80

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

(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)

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Note 30. Key Management Personnel Disclosures (continued)

(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 and 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 and 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

(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				Balance at 30 June 2013	Balance vested and not yet exercised
		Granted/ Received on exercise	Exercised	Purchased	Other ⁽¹⁾		
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.

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Note 30. Key Management Personnel Disclosures (continued)

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

Ordinary shareholding and holding of options and rights over equity instruments (continued)

Name and Holding	Balance at 1 July 2011	Movements during the period				Balance at 30 June 2012	Balance vested and not yet exercised
		Granted/ Received on exercise	Exercised	Purchased	Other ⁽¹⁾		
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.

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.

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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.

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 \$477 million (2012: \$894 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.

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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%.

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

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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	

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:		
<i>Available-for-sale financial assets</i>		
Net change in fair value of available-for-sale financial assets	(0.3)	–
<i>Cash flow hedges</i>		
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)
<i>Exchange differences on translating foreign operations</i>		
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:		
<i>Retained earnings</i>		
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

(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)

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Note 35. Deed of Cross Guarantee (continued)

(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 earnings	(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 earnings	64.4	887.1
Total equity	3,975.3	4,803.8
(Loss)/Profit 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	30 June 2012
		Face value	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.

Notes to the Financial Statements

30 June 2013

continued

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 ongoing standalone 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 five 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.

Directors' Declaration

1. In the opinion of the Directors of Amcor Limited ('the Company'):
 - (a) the financial statements and notes and remuneration disclosures that are detailed within the Remuneration Report, in the Directors' Report, are in accordance with the *Corporations Act 2001* including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2. At the date of this declaration, there are reasonable grounds to believe that the Company and the consolidated entities identified in note 35 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those consolidated entities pursuant to ASIC Class Order 98/1418.
3. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2013.

Signed in accordance with a resolution of the Directors, dated at Melbourne, Victoria, this 19th day of August 2013.



Chris Roberts
Chairman

Independent Auditor's Report to the members of Amcor Limited



Independent auditor's report to the members of Amcor Limited

Report on the financial report

We have audited the accompanying financial report of Amcor Limited ('the company'), which comprises the statement of financial position as at 30 June 2013, and the income statement, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Amcor Limited Group ('the consolidated entity'). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PricewaterhouseCoopers, ABN 52 780 433 757

Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of Amcor Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

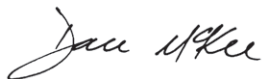
We have audited the remuneration report included in pages 38 to 52 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Amcor Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.



PricewaterhouseCoopers



Dale McKee
Partner

Melbourne
19 August 2013

Statement of Shareholdings

Statement pursuant to Australian Securities Exchange official list requirements:
Holders of shares in Amcor Limited at 9 August 2013

Rank	Name	Shares held	% held
1.	HSBC Custody Nominees (Australia) Limited	312,279,906	25.88%
2.	J P Morgan Nominees Australia Limited	310,393,244	25.72%
3.	National Nominees Limited	182,749,851	15.14%
4.	Citicorp Nominees Pty Limited	39,294,676	3.26%
5.	BNP Paribas Noms Pty Ltd	27,152,536	2.25%
6.	JP Morgan Nominees Australia Limited	23,189,550	1.92%
7.	Citicorp Nominees Pty Limited	21,789,661	1.81%
8.	Australian Foundation Investment Company Limited	12,623,653	1.05%
9.	AMP Life Limited	6,884,529	0.57%
10.	RBC Investor Services Australia Nominees Pty Limited	4,999,991	0.41%
11.	HSBC Custody Nominees (Australia) Limited – ADR A/C	4,904,724	0.41%
12.	ARGO Investments Limited	4,614,711	0.38%
13.	UBS Nominees Pty Ltd	2,897,500	0.24%
14.	The Senior Master Of The Supreme Court	2,769,033	0.23%
15.	UBS Nominees Pty Ltd	2,689,735	0.22%
16.	Aust Executor Trustees SA Ltd	2,679,594	0.22%
17.	Share Direct Nominees Pty Ltd	2,423,604	0.20%
18.	CS Fourth Nominees Pty Ltd	2,115,342	0.18%
19.	Mr Kenneth Norman MacKenzie	2,078,381	0.17%
20.	HSBC Custody Nominees (Australia) Limited – A/C 2	1,979,565	0.16%
Total		970,509,786	80.43%

Substantial Shareholders as at 9 August 2013

The Capital Group of Companies Inc, by notice dated 16 November 2011, has a relevant interest in 115,099,109 shares.

Distribution of Shareholdings

Fully-paid ordinary shares at 9 August 2013

Size of holding (Range)	Number of holders	Number of securities	% Issued capital
100,001 and Over	159	1,026,129,473	85.04
10,001 to 100,000	3,065	61,084,042	5.06
5,001 to 10,000	5,354	37,418,417	3.10
1,001 to 5,000	29,973	69,729,427	5.78
1 to 1,000	27,875	12,323,564	1.02
Total	66,426	1,206,684,923	100.00
Unmarketable Parcels	2,411	38,032	–

Votes of shareholders are governed by Rules 43 to 48 of the Company's Constitution. In broad summary, but without prejudice to the provisions of these rules, on a show of hands every shareholder present in person shall have one vote and upon a poll every shareholder present in person or by proxy or attorney shall have one vote for every fully-paid share held.

Unquoted Equity Securities – Issued pursuant to various Amcor Employee Incentive Plans as at 9 August 2013

Unquoted equity securities	Number of employees participating	Number of securities
Options over ordinary shares exercisable at various prices	104	40,981,096
Rights	319	7,431,694
Performance Shares	32	1,282,230

Statistical Summary

Results shown for all operations before significant items except where indicated.
\$ million (except where indicated)

For the years ended 30 June	2013	2012	2011	2010	2009	2008
Amcor Consolidated Results						
Net sales	12,425.3	12,192.9	12,412.3	9,849.5	9,535.4	9,316.8
Operating profit before interest and tax pre significant items	1,133.7	1,061.4	1,003.2	759.2	646.6	657.0
Operating profit before tax pre significant items	913.6	855.6	786.1	575.8	464.9	477.6
Net operating profit pre significant items	689.5	634.9	570.3	409.2	360.5	369.1
Net operating profit after significant items	600.6	412.6	356.7	183.0	211.7	258.8
Earnings per share (cents) pre significant items ⁽¹⁾	57.2	52.3	46.5	35.2	40.9 ⁽²⁾	42.9
Earnings per share (cents) after significant items	49.8	34.0	29.1	15.8	24.0 ⁽²⁾	30.1
Return on average shareholders' equity pre significant items (% p.a.)	19.9	17.9	14.5	9.8	11.0	11.5
Dividend and distribution	464.7	438.4	416.7	295.9	284.2	294.2
Dividend per ordinary share (cents)	40.0	37.0	35.0	29.5	34.0	34.0
Dividend franking (% p.a.)	-	-	-	-	-	-
Dividend cover (times)	1.43	1.41	1.33	1.19	1.27	1.26
Financial Ratios						
Net tangible asset backing per share (\$)	0.94	0.96	1.37	1.50	1.60	1.90
Net PBITDA interest cover pre significant items (times)	7.3	7.6	7.0	6.6	6.0	6.0
Gearing (net debt/net debt and shareholders' equity) (%)	51.7	51.3	46.0	42.5	46.2	42.9
Financial Statistics						
Income from dividends and interest	27.6	22.4	19.4	22.9	12.0	30.3
Depreciation and amortisation provided during the year	476.1	495.5	511.0	454.7	442.1	413.1
Net finance costs	220.1	205.8	217.1	183.4	181.7	179.4
Cash flow from operations	1,046.5	1,040.2	785.8	784.1	673.7	661.4
Capital expenditure and acquisitions	697.5	956.1	1,095.9	2,956.0	716.1	585.8
Balance Sheet Data as at 30 June						
Current assets	4,197.5	3,728.1	3,660.3	3,545.7	2,317.9	2,618.3
Non-current assets	8,223.7	7,601.0	7,264.0	7,571.6	6,128.1	5,451.6
Total Assets	12,421.2	11,329.1	10,924.3	11,117.3	8,446.0	8,069.9
Current liabilities	4,700.8	4,195.7	3,350.5	4,214.9	2,952.3	2,742.0
Non-current liabilities	4,019.5	3,753.8	3,825.2	2,778.5	2,418.1	2,324.6
Total Liabilities	8,720.3	7,949.5	7,175.7	6,993.4	5,370.4	5,066.6
Net Assets	3,700.9	3,379.6	3,748.6	4,123.9	3,075.6	3,003.3
Shareholders' Equity						
Share capital	3,821.3	3,784.4	4,070.4	4,029.8	2,440.3	2,406.1
Reserves	(776.2)	(994.0)	(1,015.2)	(657.1)	(311.5)	(443.7)
Retained earnings	562.3	500.7	633.2	695.2	883.8	986.4
Shareholders' equity attributable to Amcor Limited	3,607.4	3,291.1	3,688.4	4,067.9	3,012.6	2,948.8
Non-controlling interests in controlled entities	93.5	88.5	60.2	56.0	63.0	54.5
Total Shareholders' Equity	3,700.9	3,379.6	3,748.6	4,123.9	3,075.6	3,003.3
Other data as at 30 June:						
Fully-paid shares (000's)	1,206,685	1,206,685	1,227,470	1,221,647	842,759	834,753
Convertible securities – number of shares (000's)	-	-	-	-	-	-
Amcor share price						
– year's high (\$)	10.32	7.73	7.38	6.75	6.45	7.69
– year's low (\$)	7.00	6.25	6.27	4.37	3.90	4.97
– close (\$)	10.14	7.09	7.20	6.38	4.99	5.05
Market capitalisation	12,235.8	8,555.4	8,837.8	7,794.1	4,205.4	4,215.5
Employee numbers	33,354	32,986	33,868	33,606	19,974	21,030
Number of shareholders	64,400	67,589	70,161	72,046	73,165	75,676

(1) Based on net operating profit before significant items divided by the weighted average number of shares on issue.

(2) The 2009 earnings per share figures have been restated to reflect the bonus element of the Entitlement Offer that was completed in September 2009.

Investor Information

Amcor provides a progress report to shareholders in two different formats. Shareholders can choose the detailed financial information available in the comprehensive Full Year Financial Report produced annually. Alternatively, shareholders can choose to receive an easy-to-read environmentally friendly Annual Review.

The Amcor Annual Review contains the information of most interest to shareholders, including key financial results, performance highlights and a report from the Chairman.

Both or either of these reports are sent by post or email to shareholders who are on record and wish to receive a copy.

Amcor also provides these reports on its website www.amcor.com in a user friendly format. The reports are interactive, searchable, printable, downloadable and easily able to be viewed quickly on your computer at any time.

Share registry enquiries

Shareholders who wish to approach the Company on any matter related to their shareholding should contact Amcor's Share Registry.

Contact details are:

Link Market Services Limited

Street address:
Level 1, 333 Collins Street,
Melbourne VIC 3000

Postal address:
Locked Bag A14,
Sydney South NSW 1235

Telephone:
+61 1300 302 458
(available from all locations)

Facsimile:
+61 3 9287 0303

Email:
amcor@linkmarketservices.com.au

Website:
www.linkmarketservices.com.au

Internet facilities

Shareholders can access Amcor's Share Registry information via Amcor's website www.amcor.com. This facility provides a 24-hour service to shareholders, enabling access to information such as current holding balances, TFN notification, dividend history, choice about receipt of reports, historical price information and graphs of the share price against market indices. This information can be accessed by clicking on 'Investors' in the main menu, then choosing Shareholder Information > Amcor Shareholder Services > Amcor Share Registry Online. You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and your registered postcode in order to access this information.

Amendments to your shareholder details, such as a change of name or address, or notification of your tax file number, direct credit of dividend advice or Dividend Reinvestment Plan preferences, can be submitted directly from this website.

Alternatively, you can complete downloadable forms and forward them to Amcor's Share Registry.

Dividends

The Company normally pays dividends around March and September each year. Shareholders should retain all remittance advices relating to dividend payments for tax purposes.

The following alternatives are available to shareholders regarding payment of dividends:

1. By direct deposit to an Australian bank, building society or credit union account.

Shareholders may choose to have their dividends paid directly into a nominated bank, building society or credit union account anywhere in Australia. Payments are electronically credited on the dividend date and confirmed by a payment advice sent to the shareholder. Forms for this service are available from Amcor's Share Registry or Amcor's website.

2. By cheque payable to the shareholder.

Lost or stolen cheques should be reported, in writing, immediately to Amcor's Share Registry to enable a 'stop payment' and replacement.

3. Dividend Reinvestment Plan (DRP).

The DRP provides shareholders with the opportunity to re-invest their dividends to acquire additional Amcor shares. Shares acquired under the DRP rank equally with existing fully-paid ordinary shares and have been provided to participants with no discount at a price equivalent to the arithmetic average of the weighted average market price of Amcor shares sold on the ASX during a period of nine business days after the record date for the relevant dividend. That period begins on the second business day after the record date and ends on the tenth business day.

Due to legal constraints that apply, security holders who reside in certain countries will not be able to participate in the DRP and will receive dividends by cheque. A booklet containing full details of the DRP and a DRP election form are available on request from Amcor's Share Registry. The DRP election form and booklet are also available from Amcor's website in PDF format.

Tax file numbers

Amcor is required to withhold tax at the rate of 46.5% on any unfranked component of a dividend or interest paid to investors resident in Australia who have not supplied the Company with a tax file number (TFN) or exemption form. Investors are not required by law to provide their TFN and can choose whether or not they wish to do so.

Stock exchange listings

Amcor shares are listed on the Australian Securities Exchange (ASX). All shares are recorded on the principal share register of Amcor Limited, located in Victoria, Australia.

Amcor Limited's Eurobond Notes issued under Amcor's €2,000,000,000 Euro Medium Term Note Programme are listed on the Singapore Stock Exchange (SGX).

Amcor Limited's CHF Notes issued under Amcor's €2,000,000,000 Euro Medium Term Note Programme are listed on the Swiss Stock Exchange (SIX).

American depositary receipts

Amcor shares are traded in the form of American Depositary Shares (ADSs) evidenced by American Depositary Receipts (ADRs) on the Over-The-Counter market in the US. Each ADS represents four Amcor ordinary shares. Information about ADRs is available from the depositary, JPMorgan Chase Bank and via the internet on ADR.com

Amcor publications

The Company's Full Year Financial Report has historically been the main source of information for investors. Changes to the law in 2007 mean that the report is now published on the Company's website. The printed report is mailed in late September only to those shareholders who request a copy.

The Half Year Financial Report reviewing the Company's performance for the six months to 31 December is similarly available in March.

These publications, and many others that may also be of interest, such as the annual Sustainability Report, are best sourced from the Company's website.

Senior Management and Corporate Directory

Website: www.amcor.com

Amcor Limited Corporate Head Office

Registered office and principal place of business

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and Chief Executive Officer
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Mike Schmitt
President Amcor Rigid Plastics

Corporate Executives

Billy Chan
Chairman AMVIG

Ron Delia
Executive Vice President Finance
and Chief Financial Officer

Steve Keogh
Executive Vice President Human Resources

Julie McPherson
Group General Counsel
and Company Secretary

John Murray
Senior Vice President Corporate Affairs

Ian Wilson
Executive Vice President Strategy
and Development

Share Registry

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Sydney South NSW 1235

Telephone:
+61 1300 302 458
(available from all locations)

Facsimile:
+61 3 9287 0303

Email:
amcor@linkmarketservices.com.au

Website:
www.linkmarketservices.com.au

Financial Calendar 2013/14

Financial year 2012/13 ends	30 June 2013
Announcement of full year results for 2012/13	19 August 2013
Ex-dividend date for final dividend for 2012/13	2 September 2013
Record date for final dividend and DRP for 2012/13	6 September 2013
Final dividend payment date for 2012/13	30 September 2013
Annual General Meeting	24 October 2013
Financial half year ends	31 December 2013
Announcement of interim results for 2013/14	February 2014
Ex-dividend date for interim dividend for 2013/14	Early March 2014
Record date for interim dividend for 2013/14	Early March 2014
Interim dividend payment date for 2013/14	Late March 2014
Financial year 2013/14 ends	30 June 2014

Paper and printing of this annual report

This report is printed on ecoStar, an environmentally friendly 100% recycled paper, certified by the Forest Stewardship Council (FSC).

The printing process used digital printing plates to eliminate film and chemicals. Vegetable-based inks were used rather than traditional mineral oils that emit higher volumes of greenhouse gases.



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