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

Preliminary Final report

AMCOR LIMITED
ABN 62 000 017 372

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

Reporting Period:	Year Ended 30 June 2008
Previous Corresponding Period:	Year Ended 30 June 2007

2. Results for announcement to the market

				$A million
2.1 Revenues from ordinary activities				
• From Continuing Operations	down	4.9%	to	9,234.9
• From Discontinued Operations	down	93.0%	to	81.9
2.2 Net profit from ordinary activities after tax but before significant items, attributable to members	down	7.0%	to	369.1
2.3 Net profit for the period attributable, after significant items, attributable to members	down	51.5%	to	258.8

Dividends	**Amount per security**	**Franked amount per security**
Current period		
2.4 Final dividend	17.0 cents	nil
2.4 Interim dividend	17.0 cents	nil
Previous corresponding period		
2.4 Final dividend	17.0 cents	nil
2.4 Interim dividend	17.0 cents	nil
2.5 Record date for determining entitlements to the dividend	Final dividend – 10 September 2008	

2.6 Brief explanation of figures in 2.1 to 2.4 –:

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

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

3. Statement of Financial Performance – refer attached

4. Statement of Financial Position – refer attached

5. Statement of Cash Flows – refer attached

6. Details of individual dividends and payment dates – refer attached, Note 25 Dividends

7. Details of dividend reinvestment plan

The Dividend Reinvestment Plan (DRP) is in operation. Issue price will be calculated on the arithmetic average of the volume weighted average price for the nine ASX trading days September 12 to 24, 2008 inclusive. The last date for receipt of election notices for the DRP is 10 September 2008.

8. Statement of retained earnings – refer attached, Note 24 Contributed Equity and Reserves

9. Net tangible assets

	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	$1.86	$2.29

10. Control gained over entities having a material effect – refer attached, Note 32 Particulars in Relation to Controlled Entities and Businesses

11. Details of associates and joint venture entities – refer attached, Note 14 Equity Accounted Investments

12. Significant information – refer press release attached

13. Not applicable

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

15. This report is based on accounts which have been audited.

21st August, 2008

……………………………………………………… Date: ………………………

Julie McPherson
Company Secretary

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

ANNUAL FINANCIAL REPORT

FULL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

21 August 2008

Amcor Limited and its controlled entities

Income Statements
For the financial year ended 30 June 2008

$ million	Note	Consolidated 2008	Consolidated 2007 Restated*	Amcor Limited 2008	Amcor Limited 2007
Sales revenue from continuing operations	2, 4	**9,234.9**	9,710.5	**-**	**-**
Cost of sales		**(7,752.5)**	(8,117.0)	**-**	-
Gross profit		**1,482.4**	1,593.5	**-**	-
Other income	2, 4	**96.9**	62.7	**137.2**	481.2
Sales and marketing expenses		**(318.4)**	(315.8)	**-**	-
General and administration expenses		**(785.2)**	(854.8)	**(75.6)**	(43.2)
Research costs		**(36.2)**	(31.5)	**-**	(0.1)
Share of net profit of equity accounted investments	14	**27.7**	22.0	**-**	**-**
Profit from operations		**467.2**	476.1	**61.6**	437.9
Financial income	4	**29.7**	23.4	**355.8**	393.6
Financial expenses	5	**(209.4)**	(233.7)	**(377.1)**	(338.3)
Net finance costs		**(179.7)**	(210.3)	**(21.3)**	55.3
Profit before related income tax expense		**287.5**	265.8	**40.3**	493.2
Income tax (expense)/benefit	7	**(49.4)**	(34.4)	**4.0**	(4.1)
Profit from continuing operations		**238.1**	231.4	**44.3**	489.1
Profit/(loss) from discontinued operations, net of tax	2, 3	**28.4**	313.7	**(9.9)**	(0.6)
Profit for the financial period		**266.5**	545.1	**34.4**	488.5
Profit attributable to:					
Members of Amcor Limited		**258.8**	533.7	**34.4**	488.5
Minority interest		**7.7**	11.4	**-**	-
		266.5	545.1	**34.4**	488.5

	Note	Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of Amcor Limited			
Basic earnings per share	9	**26.9**	24.5
Diluted earnings per share	9	**26.6**	24.1
Earnings per share for profit attributable to the ordinary equity holders of Amcor Limited			
Basic earnings per share	9	**30.1**	59.5
Diluted earnings per share	9	**29.8**	58.4

* See discontinued operations – note 3.

The above income statements should be read in conjunction with the accompanying notes on pages 7 to 91.

Amcor Limited and its controlled entities

Balance Sheets
As at 30 June 2008

$ million	Note	Consolidated 2008	2007	Amcor Limited 2008	2007
Current assets					
Cash and cash equivalents	10	**258.3**	114.7	**115.7**	0.1
Trade and other receivables	11	**1,235.4**	2,087.3	**5,362.4**	6,568.8
Inventories	12	**1,117.9**	1,189.1	**-**	-
Other financial assets	13	**6.7**	3.4	**0.9**	1.2
Total current assets		**2,618.3**	3,394.5	**5,479.0**	6,570.1
Non-current assets					
Investments accounted for using the equity method	14	**310.9**	279.3	**-**	-
Other financial assets	13	**30.0**	43.0	**4,856.3**	4,705.4
Property, plant and equipment	15	**3,624.4**	3,835.4	**0.2**	0.3
Deferred tax assets	16	**88.2**	56.7	**-**	-
Intangible assets	17	**1,309.2**	1,458.7	**8.0**	14.7
Other non-current assets	18	**88.9**	74.7	**3.0**	3.2
Total non-current assets		**5,451.6**	5,747.8	**4,867.5**	4,723.6
Total assets		**8,069.9**	9,142.3	**10,346.5**	11,293.7
Current liabilities					
Trade and other payables	19	**1,808.9**	1,853.5	**40.5**	53.7
Interest-bearing liabilities	20	**677.5**	1,378.6	**4,179.3**	4,787.8
Other financial liabilities	21	**3.8**	11.6	**0.3**	2.6
Current tax liabilities		**21.8**	36.1	**0.6**	14.4
Provisions	22	**230.0**	241.8	**3.0**	1.5
Total current liabilities		**2,742.0**	3,521.6	**4,223.7**	4,860.0
Non-current liabilities					
Trade and other payables	19	**26.3**	27.9	**-**	-
Interest-bearing liabilities	20	**1,833.2**	1,620.5	**1,695.0**	1,395.4
Other financial liabilities	21	**0.1**	0.4	**0.8**	2.9
Deferred tax liabilities	16	**182.7**	196.5	**33.8**	59.5
Provisions	22	**115.3**	92.7	**4.5**	6.2
Retirement benefit obligations	23	**167.0**	101.4	**25.2**	7.6
Total non-current liabilities		**2,324.6**	2,039.4	**1,759.3**	1,471.6
Total liabilities		**5,066.6**	5,561.0	**5,983.0**	6,331.6
NET ASSETS		**3,003.3**	3,581.3	**4,363.5**	4,962.1
Equity					
Contributed equity	24	**2,406.1**	2,742.8	**2,406.1**	2,742.8
Reserves	24	**(443.7)**	(313.5)	**9.0**	(4.4)
Retained profits	24	**986.4**	1,099.8	**1,948.4**	2,223.7
Total equity attributable to equity holders of Amcor Limited		**2,948.8**	3,529.1	**4,363.5**	4,962.1
Minority interest	24	**54.5**	52.2	**-**	-
TOTAL EQUITY		**3,003.3**	3,581.3	**4,363.5**	4,962.1

The above balance sheets should be read in conjunction with the accompanying notes on pages 7 to 91.

Amcor Limited and its controlled entities

Statements of Recognised Income and Expense
For the financial year ended 30 June 2008

$ million	Note	Consolidated 2008	2007	Amcor Limited 2008	2007
Net change in fair value of available-for-sale financial assets		**(7.9)**	7.5	**-**	-
Effective portion of changes in fair value of cash flow hedges		**13.7**	(13.1)	**8.7**	(1.4)
Net change in fair value of cash flow hedges transferred to profit or loss	24	**3.0**	7.5	**(2.2)**	5.2
Net change in fair value of cash flow hedges transferred to non-financial assets	24	**(1.5)**	(1.5)	**-**	-
Exchange differences on translation of foreign operations		**(142.5)**	(210.6)	**-**	-
Actuarial (losses)/gains on defined benefit plans	23	**(103.4)**	58.7	**(22.1)**	19.6
Income tax on income and expense recognised directly in equity	7, 16	**16.2**	(44.4)	**4.6**	(7.0)
Income and expense recognised directly in equity		**(222.4)**	(195.9)	**(11.0)**	16.4
Profit for the financial period		**266.5**	545.1	**34.4**	488.5
Total recognised income and expense for the financial period	24	**44.1**	349.2	**23.4**	504.9

Total recognised income and expense for the financial period is attributable to:					
Members of Amcor Limited	24	**41.6**	341.5	**23.4**	504.9
Minority interest	24	**2.5**	7.7	**-**	-
		44.1	349.2	**23.4**	504.9

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

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The above statements of recognised income and expense should be read in conjunction with the accompanying notes on pages 7 to 91.

Amcor Limited and its controlled entities

Cash Flow Statements
For the financial year ended 30 June 2008

$ million	Note	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Cash flows from operating activities					
Profit for the financial period		**266.5**	545.1	**34.4**	488.5
Depreciation	15	**386.6**	440.3	**0.1**	0.2
Amortisation of intangible assets		**26.5**	26.6	**1.6**	1.9
Amortisation of financial guarantee contracts	4	**-**	-	**(2.0)**	(0.9)
Impairment losses on property, plant and equipment	15	**15.1**	63.1	**-**	-
Reversal of impairment losses on property, plant and equipment	15	**(3.4)**	-	**-**	-
Impairment losses on intangible assets	17	**9.4**	2.2	**-**	-
Non-cash retirement benefit expense	23	**29.2**	35.0	**(0.4)**	(0.1)
Net finance costs		**179.4**	214.9	**21.3**	(55.3)
Grant income recognised	4	**(2.2)**	(2.7)	**-**	-
Net gain on disposal of non-current assets	4	**(38.1)**	(4.0)	**-**	(0.2)
Net gain on disposal of businesses/controlled entities	4	**(9.4)**	(0.9)	**-**	-
Net gain/(loss) on disposal of equity accounted investment		**0.1**	(0.5)	**-**	-
Fair value losses/(gains) on other financial assets at fair value through income statement	4, 5	**1.8**	0.1	**0.3**	(0.6)
Share of net profits of associates, net of dividends received	14	**(27.7)**	(22.0)	**-**	-
Net foreign exchange loss/(gain)		**43.2**	(1.9)	**58.4**	(254.4)
Dividends from controlled and other entities	4	**(0.6)**	(0.5)	**(133.3)**	(222.9)
Non cash significant items		**39.8**	(261.0)	**12.8**	0.8
Other sundry items		**(6.6)**	3.0	**6.0**	(6.8)
Income tax expense	7	**35.8**	62.8	**(6.2)**	4.1
Operating profit before changes in working capital and provisions		**945.4**	1,099.6	**(7.0)**	(45.7)
- (Increase)/decrease in prepayments and other operating assets		**(41.7)**	(1.0)	**1.0**	4.6
- (Decrease) in employee benefits and other operating liabilities		**(32.3)**	(72.0)	**(1.2)**	(5.0)
- (Decrease)/increase in provisions		**(3.4)**	(59.0)	**(0.2)**	1.7
- Decrease/(increase) in trade and other receivables		**25.7**	52.3	**3.9**	(3.2)
- (Increase)/decrease in inventories		**(69.0)**	13.2	**-**	-
- Increase/(decrease) in trade and other payables		**88.0**	191.0	**(8.2)**	4.3
		912.7	1,224.1	**(11.7)**	(43.3)
Dividends received		**3.9**	5.8	**126.8**	119.5
Interest (paid)/received		**(192.4)**	(203.5)	**(63.8)**	29.8
Income tax (paid)/refunded		**(62.8)**	(80.1)	**4.3**	(11.0)
Net cash from operating activities		**661.4**	946.3	**55.6**	95.0
Cash flows from investing activities					
Payment/(granting) of loans relating to associated companies and other persons		**0.4**	(1.8)	**-**	-
Payments for controlled entities, businesses and associates, net of cash		**(41.8)**	(31.0)	**-**	-
Payments for property, plant and equipment and intangible assets		**(544.0)**	(606.8)	**(0.8)**	(1.6)
Proceeds on disposal of associates, controlled entities and businesses		**10.9**	70.4	**(0.2)**	(4.5)
Proceeds on disposal of controlled entities and business treated as discontinued operations, net of cash[1]	3	**962.5**	(154.4)	**-**	-
Proceeds on disposal of property, plant and equipment		**149.7**	156.8	**4.0**	1.5
Net cash from investing activities		**537.7**	(566.8)	**3.0**	(4.6)

[1] Proceeds on disposal of controlled entities and business for the year ended 30 June 2008 includes cash received of $823.5 million, and for the year ended 30 June 2007 the balance is net of $176.8 million cash transferred, in respect of the disposal of the PET European business, refer note 3.

The above cash flow statements should be read in conjunction with the accompanying notes on pages 7 to 91.

Cash Flow Statements (continued)
For the financial year ended 30 June 2008

$ million	Note	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Cash flows from financing activities					
Proceeds from share issues and calls on partly-paid shares		**11.0**	23.1	**11.0**	23.1
Payments for shares bought back	24	**(350.0)**	(332.9)	**(350.0)**	(332.9)
Share issue and buy-back transaction costs	24	**(0.1)**	(0.8)	**(0.1)**	(0.8)
Proceeds on capital contribution from minority interest		**9.0**	-	**-**	-
Proceeds from borrowings		**6,252.0**	6,098.2	**6,941.8**	6,076.2
Repayment of borrowings		**(6,513.1)**	(5,966.5)	**(6,239.3)**	(5,556.6)
Principal lease repayments		**(43.6)**	(10.6)	**-**	-
Dividends and other equity distributions paid		**(305.8)**	(319.2)	**(294.2)**	(305.7)
Net cash from financing activities		**(940.6)**	(508.7)	**69.2**	(96.7)
Net increase/(decrease) in cash held		**258.5**	(129.2)	**127.8**	(6.3)
Cash and cash equivalents at the beginning of the financial period		**(69.8)**	65.0	**(12.1)**	(5.8)
Effects of exchange rate changes on cash and cash equivalents		**(22.7)**	(5.6)	**-**	-
Cash and cash equivalents at the end of the financial period[(2)]		**166.0**	(69.8)	**115.7**	(12.1)

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

Reconciliation of cash and cash equivalents

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

Cash assets and cash equivalents	10	**258.3**	114.7	**115.7**	0.1
Bank overdrafts	20	**(92.3)**	(184.5)	**-**	(12.2)
		166.0	(69.8)	**115.7**	(12.1)

Non-cash Financing and Investing Activities

During the year ended 30 June 2007, non-cash activities of the consolidated entity and the Company included the conversion of $242.5 million convertible securities into 35,700,223 fully paid ordinary shares.

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The above cash flow statements should be read in conjunction with the accompanying notes on pages 7 to 91.

Amcor Limited and its controlled entities

Contents of notes to the financial statements

Notes to the financial statements

30 June 2008

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

Statement of compliance

This general purpose financial report for the year ended 30 June 2008 has been prepared in accordance with Australian Accounting Standards ('AASBs'), including Australian Accounting Interpretations, adopted by the Australian Accounting Standards Board ('AASB') and with the Corporations Act 2001. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report of the consolidated entity and the Company also complies with the International Financial Reporting Standards ('IFRSs') and Interpretations adopted by the International Accounting Standards Board ('IASB').

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

The financial statements were approved by the Board of Directors on 21 August 2008.

Basis of measurement

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

Critical accounting estimates and assumptions

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

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

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

- The testing for impairment of assets – refer note 1(p), notes 15 and 17;
- The testing for impairment of goodwill – refer note 1(o), 1(p) and note 17;
- Income tax related assumptions and estimates – refer note 1(i) and note 16;
- The calculation of annual pension costs and related assets and liabilities – refer note 1(t) and note 23;
- The provisioning for restructuring and market sector rationalisation costs – refer note 1(r), note 22 and note 6.

(b) Principles of consolidation

Subsidiaries

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

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

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

Associates

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

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

Note 1. Summary of Significant Accounting Policies (continued)

(b) Principles of consolidation (continued)

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

(c) Foreign currency translation

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

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

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

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

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

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

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

(d) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published price at the date of exchange unless it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

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

(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.

Note 1. Summary of Significant Accounting Policies (continued)

(e) Revenue (continued)

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

(f) Government grants

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

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

(g) Lease payments

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

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

(h) Net finance costs

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

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

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

(i) Income tax

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

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

(i) Income tax (continued)

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

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

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

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

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

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

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

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

(j) Financial instruments

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

(j) Financial instruments (continued)

Non-derivative financial instruments (continued)

(ii) Trade receivables, loans and other receivables

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

The collectibility of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An impairment loss is recognised when there is objective evidence that the consolidated entity will not be able to collect amounts due according to the original terms of the receivables.

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

(iii) Investments in equity securities

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

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

(iv) Trade and other payables

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

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

(v) Interest-bearing liabilities

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

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

Derivative financial instruments

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

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

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.

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.

(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.

Note 1. Summary of Significant Accounting Policies (continued)

(j) Financial instruments (continued)

Derivative financial instruments (continued)

(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 directly in equity. The change in the fair value that is identified as ineffective is recognised immediately in the income statement.

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

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

(iii) Net investment in a foreign operation

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

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

Embedded derivatives

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

(k) Contributed equity

(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.

(ii) Repurchase of share capital

If the entity reacquires its own equity instruments, for example 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.

(l) Inventories

Inventories 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.

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 is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

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

Property, plant and equipment, excluding freehold land, is depreciated at rates based upon their expected useful lives using the straight line method. Depreciation rates used for each class of asset for the current and comparative periods are as follows:

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

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

Note 1. Summary of Significant Accounting Policies (continued)

(m) Property, plant and equipment (continued)

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.

(n) Leased assets

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

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

(o) Intangible assets

Goodwill
Goodwill arises on the acquisition of subsidiaries and associates and represents the difference between the cost of a business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. When deferred tax assets relating to income tax losses not previously recognised in relation to a business combination are subsequently recognised, in accordance with the consolidated entity's accounting policy Income Tax (note 1(i)), goodwill relating to that business combination is consequently reduced to reflect the deferred tax assets that have been recognised.

Goodwill is measured at cost less any accumulated impairment losses. In respect of equity accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment.

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

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

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

Capitalised development expenditure is amortised on a straight-line basis over the period of time during which the benefits are expected to arise, typically not exceeding 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 3 to 10 years.

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

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

(p) Impairment

Non-financial assets
The recoverable amount of the consolidated entity's non-financial assets, excluding inventories, deferred tax assets, defined benefit assets, and goodwill 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 are not ready for use, impairment testing is completed at each reporting date, or more frequently if events or changes in circumstances indicate that there might be impairment.

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

The recoverable amount of an asset or a CGU is the greater of fair value less costs to sell and value in use. An impairment loss is recognised in the income statement if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then, to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

Note 1. Summary of Significant Accounting Policies (continued)

(p) Impairment (continued)

Non-financial assets (continued)
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 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 and available-for-sale financial assets that are debt securities, 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 judgments and estimates that include, but are not limited to, the cause, timing and measurement of the impairment.

Management is required to make significant judgments 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 business restructuring. In addition, management is also required to make significant estimates regarding future cash flows and the determination of fair values when assessing the recoverable amount of an asset (or groups of assets). Inputs into these valuations require assumptions and estimations to be made about forecast earnings before interest and tax and related future cash flows, growth rates, applicable discount rates, useful lives and residual values.

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

(q) Financial guarantee contracts

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

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

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

(r) Provisions

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

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

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

Note 1. Summary of Significant Accounting Policies (continued)

(r) Provisions (continued)

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

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

Dividends
A provision for dividends payable is recognised in the reporting period in which the dividends are declared on or before the end of the financial period but not distributed at balance date.

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

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

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

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

(s) Employee benefits

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

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

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

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

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

The Company maintains two Employee Share Schemes: the Employee Share Purchase Plan ('ESPP') and the Employee Share/Option Plan ('ESOP'). Both schemes were introduced in 1985, and have been subsequently amended and approved by shareholders at Annual General Meetings. A number of sub-plans exist under the ESPP, including the Employee Incentive Share Plan ('EISP") and the senior executive Retention Share Plan ('SERSP').

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.

Note 1. Summary of Significant Accounting Policies (continued)

(s) Employee benefits (continued)

Share options granted after 7 November 2002 which have vested after 1 January 2005
The fair value of options granted is recognised as an employee benefit expense in the income statement with a corresponding increase in the share-based payments reserve in equity. The fair value is measured at grant date taking into account market performance conditions only, and spread over the vesting period during which the employees become unconditionally entitled to the options. The fair value of options granted is measured using the Black Scholes model. The amount recognised as an expense is adjusted to reflect the actual number of options that vest, except where forfeiture is due to market related conditions.

Upon exercise of the options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 9).

(t) Retirement benefit obligations

Defined Contribution Plans
Obligations for contributions by the Company or the consolidated entity to defined contribution funds are recognised as an expense in the income statement as they become payable.

Defined Benefit Plans
The consolidated entity's liability or asset in respect of defined benefit plans and other post-retirement plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

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

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

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

Use of estimates and judgements
In determining the liability or asset that the consolidated entity recognises in the balance sheet in respect of defined benefit obligations and other post-retirement plans, the main categories of assumptions used in the valuations include: discount rate; rate of inflation; expected return on plan assets; future salary increases; and medical cost trend rates (in the case of the post-retirement health plans). Refer to note 23 for details of the key assumptions used this financial period in accounting for these plans. The assumptions made have a significant impact on the calculations and any adjustments arising thereon.

If the discount rate were to differ by 10% from management's estimates, the carrying amount of defined benefit obligations would be an estimated $57.4 million lower or $74.8 million higher which would be recognised directly in equity. A one-half percentage point change in the actuarial assumption regarding the expected return on plan assets would result in a change of approximately $15.1 million in pre-tax defined benefit expense and the defined benefit obligation for the year ended 30 June 2008. In addition, changes in external factors, including fair values of plan assets could result in possible future changes to the amount of the defined benefit obligations recognised in the balance sheet.

(u) Discontinued operations

A discontinued operation is a component of the consolidated entity's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as discontinued the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

(v) Earnings per Share

The consolidated entity presents basic and diluted earnings per share ('EPS') data for its ordinary shares.

Basic Earnings per Share
Basic EPS is calculated by dividing the net profit attributable to ordinary shareholders of the Company for the reporting period, by the weighted average number of ordinary shares of the Company for the reporting period, adjusted for any bonus issue.

Note 1. Summary of Significant Accounting Policies (continued)

(v) Earnings per Share (continued)

Diluted Earnings per Share
Diluted EPS is calculated by adjusting the basic EPS for the after tax effect of financing costs and the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

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

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

(w) Fair value estimation

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

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

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

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

(x) New accounting standards and interpretations not yet adopted

The following new or amended accounting standards and interpretations adopted by the AASB have been identified as those which may impact the consolidated entity in the period of initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing this financial report:

- Revised AASB 3 *Business Combinations* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (March 2008) changes the application of acquisition accounting for business combinations and the accounting for non-controlling (minority) interests. Key changes include: the immediate expensing of all transaction costs; measurement of contingent consideration at acquisition date with subsequent changes through the income statement; measure of non-controlling (minority) interest at full fair value or the proportionate share of the fair value of the underlying net assets; provides guidance on issues such as reacquired rights and vendor indemnities; and the inclusion of combinations by contract along and those involving mutuals. The revised standard becomes mandatory for the consolidated entity's 30 June 2010 financial statements. The consolidated entity has not yet determined the potential effect of the revised standard on the consolidated entity's financial report.
- AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (February 2007) replace the presentation requirements of segment reporting in AASB 114 *Segmental Reporting*. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. AASB 8 becomes mandatory for the consolidated entity's 30 June 2010 financial statements and may result in different segments, segment results and different types of information being reported in the segment not of the financial report. The application of AASB 8 is not expected to have an impact on the financial results of the consolidated entity as the standard is only concerned with disclosures.
- Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (September 2007) introduces a financial statement, the 'statement of comprehensive income' and requires that where an entity has made a prior period adjustment or has reclassified items in the financial statements, it will be required to disclose a third balance sheet, being as at the beginning of the comparative period. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs and will become mandatory for the consolidated entity's 30 June 2010 financial statements. The consolidated entity has not yet determined the potential effect of the revised standard on the consolidated entity's disclosures.

Note 1. Summary of Significant Accounting Policies (continued)

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

- Revised AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (March 2008) changes the accounting for investments in subsidiaries. Key changes include: the measurement to fair value of any previous/retained investment when control is obtained/lost, with any resulting gain or loss being recognised in profit or loss; and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The revised standard will become mandatory for the consolidated entity's 30 June 2010 financial statements. The consolidated entity has not yet determined the potential effect of the revised standard on the consolidated entity's financial report.
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payment: Vesting Conditions and Cancellations* (February 2008) changes the measurement of share-based payments that contain non-vesting conditions. AASB 2008-1 becomes mandatory for the consolidated entity's 30 June 2010 financial statements. The consolidated entity has not yet determined the potential effect of the amending standard on the consolidated entity's financial report.
- AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation (March 2008)* introduces an exception to the definition of financial liability. Instruments that impose an obligation on an entity to deliver to another party a pro rata share of the net assets on liquidation be classified as equity. AASB 2008-2 becomes mandatory for the consolidated entity's 30 June 2010 financial statements. The consolidated entity has not yet determined the potential effect of the amending standard on the consolidated entity's financial report.
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008)* amends a number of standards resulting in accounting changes for presentation, recognition or measurement purposes, while other amendments relate to terminology and editorial changes that will have minimal or minimal effect on accounting. The amendments will become mandatory for the consolidated entity's 30 June 2010 financial statements. The consolidated entity does not expect that any adjustment will be necessary as the result of applying the amendments.
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008)* amends AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations* to require all assets and liabilities of a subsidiary to be classified as held for sale when an entity is committed to a sale plan that involves the loss of control of a subsidiary. AASB 2008-6 becomes mandatory for the consolidated entity's 30 June 2010 financial statements. The application of AASB 2008-6 is not expected to have any impact upon the financial results of the consolidated entity.
- AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate (July 2008)*. This standard requires dividends received from investments in subsidiaries, jointly controlled entities or associates to be recognised as revenue, even if they are paid out of pre-acquisition profits, however as a result of the dividend payment the investment may need to be tested for impairment. Furthermore, when a new intermediate parent entity is created in an internal reorganisation it will be necessary to measure the investment in subsidiary at the carrying amounts of the net assets of the subsidiary rather than the subsidiaries fair value. The application of the amendments in AASB 2008-7 will become mandatory, and will be applied prospectively, for the consolidated entity's 30 June 2010 financial statements.
- Interpretation 14 *AASB 119 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction* (August 2007). This interpretation provides guidance in a number of areas of defined benefit pension accounting including when refunds or reductions in future contributions can be recognised as a gain in accordance with AASB 119 *Employee Benefits;* how minimum funding requirements might impact the availability of reductions in future contributions; and when minimum funding requirements might give rise to the recognition of a liability. Interpretation 14 comes mandatory for the consolidated entity's 30 June 2009 financial statements. An assessment of the impact of Interpretation 14 is currently being performed, and as yet it is not possible to make a reliable measurement of the financial impact upon the consolidated entity.

Note 2. Segment Information

Segment information is presented in the financial statements in respect of business segments, which are the primary reporting segments of the consolidated entity as they reflect the management and internal reporting structure of the consolidated entity during the financial period. The secondary reporting segments have been classified based on the geographical location of the consolidated entity's business segments.

(a) Description of segments

Business segments
The consolidated entity is organised on a global basis into the following business segments:

Amcor PET
Polyethylene Terephthalate (PET) packaging for a broad range of predominantly beverage and food products, including carbonated soft drinks, water, juices, sports drinks, milk-based beverages, spirits and beer, sauces, dressings, spreads and personal care items and plastic caps for a wide variety of applications.

Note 2. Segment information (continued)

(a) Description of segments (continued)

Business segments (continued)

Amcor Australasia

Corrugated boxes, cartons, folding cartons; aluminium beverage cans and household products; flexible packaging; plastic and metal closures; glass wine bottles; multi-wall sacks; cartonboard; paper and paper recycling.

Amcor Flexibles

Flexible and film packaging in the food and beverage and pharmaceutical sectors, including confectionery, coffee, fresh food and dairy, as well as high value-added medical applications. Specialty folding cartons for tobacco, confectionery and cosmetics.

Amcor Sunclipse

The distribution unit purchases, warehouses, sells and delivers a wide variety of products. The business also manufactures corrugated and other, mostly fibre based, specialty product packaging including 'point of sale' displays.

Amcor Asia

Tobacco carton packaging; flexible plastic packaging for the food and industrial markets.

Geographic segments

Although the consolidated entity's operations are managed on a global basis, they operate in five main geographical areas:

Australia and New Zealand

Comprises operations carried on in Australia and New Zealand which are largely managed together. The areas of operations are principally corrugated boxes, cartons, folding cartons; aluminium beverage cans and household products; flexible packaging; plastic and metal closures; glass wine bottles; multiwall sacks; cartonboard; paper and paper recycling.

Europe

Comprises operations carried on in the United Kingdom, Germany, France, Spain, Netherlands, Belgium, Italy, Sweden, Norway, Finland, Ireland, Russia, Poland, Hungary, Czech Republic, Denmark, Ukraine, Switzerland, Portugal and Morocco. The Flexibles business operates manufacturing facilities in these countries.

North America

Comprises operations carried on in the United States of America and Canada. The PET, Sunclipse and Flexibles businesses operate manufacturing or distribution facilities in these countries.

Latin America

Comprises operations carried on in Brazil, Argentina, Venezuela, Colombia, Peru, Ecuador, Mexico, Honduras, El Salvador and Puerto Rico. The PET and Flexibles businesses operate manufacturing facilities in these countries. Sunclipse distributes products in Mexico.

Asia

Comprises operations carried out in Malaysia, China, Indonesia, India and Singapore. The PET and Asian businesses operate manufacturing facilities in these countries.

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

The segment information is prepared in conformity with the accounting policies of the consolidated entity as disclosed in note 1 and Accounting Standard AASB 114 *Segment Reporting*.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-bearing loans and borrowings, corporate assets and head office expenses. Segment result is profit before unallocated finance costs and income tax. Segment assets and liabilities do not include investments in associates accounted for using the equity method and deferred taxes.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Inter-segment transfers

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

Changes in Reported Segments

30 June 2008

On 31 August 2007, the consolidated entity announced the sale of its Australasian Food Can and Aerosols business for $147.7 million with effect from 31 October 2007. This business has been classified as a discontinued operation and has therefore been excluded from the Amcor Australasia business segment for 30 June 2008 reporting purposes. Comparative period information has also been restated to reflect this change. Refer to note 3 for further information regarding the disposal.

30 June 2007

On 29 June 2007, the consolidated entity disposed of the PET European operations for $711.6 million. This disposal has been recognised as a discontinued operation and as such has been excluded from the Amcor PET business segment for 30 June 2007 reporting purposes.

Note 2. Segment Information (continued)

(c) Business segments

For the year ended 30 June	Amcor PET*		Amcor Australasia*		Amcor Flexibles		Amcor Sunclipse		Amcor Asia		Other		Consolidated continuing operations		Discontinued operations*		Consolidated	
$ million	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Segment revenue																		
Revenue from external customers	**2,932.5**	3,064.5	**2,214.6**	2,273.9	**2,866.1**	3,002.6	**1,105.1**	1,248.7	**116.6**	120.8	**-**	-	**9,234.9**	9,710.5	**81.9**	1,164.7	**9,316.8**	10,875.2
Inter-segment revenue	**-**	-	**0.4**	0.7	**6.1**	6.2	**1.6**	1.9	**1.0**	1.1	**-**	-	**9.1**	9.9	**-**	19.3	**9.1**	29.2
Total sales revenue	**2,932.5**	3,064.5	**2,215.0**	2,274.6	**2,872.2**	3,008.8	**1,106.7**	1,250.6	**117.6**	121.9	**-**	-	**9,244.0**	9,720.4	**81.9**	1,184.0	**9,325.9**	10,904.4
Other income	**15.4**	11.7	**43.2**	14.9	**15.2**	21.4	**13.6**	1.0	**3.9**	15.1	**5.6**	(1.4)	**96.9**	62.7	**0.3**	9.5	**97.2**	72.2
Total segment revenue	**2,947.9**	3,076.2	**2,258.2**	2,289.5	**2,887.4**	3,030.2	**1,120.3**	1,251.6	**121.5**	137.0	**5.6**	(1.4)	**9,340.9**	9,783.1	**82.2**	1,193.5	**9,423.1**	10,976.6
Intersegment elimination													**(9.1)**	(9.9)	**-**	(19.3)	**(9.1)**	(29.2)
Total external segment revenue													**9,331.8**	9,773.2	**82.2**	1,174.2	**9,414.0**	10,947.4
Segment result																		
Profit/(loss) before depreciation, amortisation, interest, related income tax expense and significant items	**376.9**	361.2	**322.1**	325.5	**291.5**	301.6	**74.6**	76.6	**40.9**	39.0	**(46.1)**	(45.8)	**1,059.9**	1,058.1	**10.2**	140.8	**1,070.1**	1,198.9
Depreciation and amortisation	**(155.8)**	(165.8)	**(133.6)**	(131.8)	**(101.6)**	(103.1)	**(13.4)**	(13.3)	**(4.3)**	(4.0)	**(1.7)**	(2.4)	**(410.4)**	(420.4)	**(2.7)**	(46.6)	**(413.1)**	(467.0)
Profit/(loss) before interest, related income tax expense and significant items	**221.1**	195.4	**188.5**	193.7	**189.9**	198.5	**61.2**	63.3	**36.6**	35.0	**(47.8)**	(48.2)	**649.5**	637.7	**7.5**	94.2	**657.0**	731.9
Net finance costs													**(179.7)**	(210.3)	**0.3**	(4.6)	**(179.4)**	(214.9)
Profit from ordinary activities before related income tax expense and significant items													**469.8**	427.4	**7.8**	89.6	**477.6**	517.0
Significant items before related income tax expense	**(2.2)**	(38.2)	**(51.4)**	(72.8)	**(112.3)**	(65.7)	**-**	-	**3.7**	15.1	**(20.1)**	-	**(182.3)**	(161.6)	**7.0**	252.5	**(175.3)**	90.9
Profit before related income tax expense													**287.5**	265.8	**14.8**	342.1	**302.3**	607.9
Income tax (expense)/benefit													**(49.4)**	(34.4)	**13.6**	(28.4)	**(35.8)**	(62.8)
Profit for the financial period													**238.1**	231.4	**28.4**	313.7	**266.5**	545.1

*Discontinued operations include the Australasia Food Can and Aerosols business (previously reported in Amcor Australasia) that was sold on 31 October 2007 and the PET European business (previously reported in Amcor PET segment) that was sold on 29 June 2007, refer note 3.

Amcor Limited and its controlled entities

Notes to the financial statements
30 June 2008

Note 2. Segment Information (continued)

(c) Business segments (continued)

For the year ended 30 June	Amcor PET*		Amcor Australasia*		Amcor Flexibles		Amcor Sunclipse		Amcor Asia		Other		Consolidated continuing operations		Discontinued operations*		Consolidated	
$ million	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Segment assets	**2,588.4**	2,754.7	**2,203.0**	2,314.1	**2,630.9**	2,586.5	**377.6**	446.5	**127.0**	126.3	**(267.0)**	398.0	**7,659.9**	8,626.1	**10.9**	180.2	**7,670.8**	8,806.3
Investment in associates accounted for using the equity method	**3.0**	3.7	**-**	-	**-**	-	**-**	-	**307.9**	275.6	**-**	-	**310.9**	279.3	**-**	-	**310.9**	279.3
Unallocated assets													**88.2**	56.7	**-**	-	**88.2**	56.7
Total assets													**8,059.0**	8,962.1	**10.9**	180.2	**8,069.9**	9,142.3
Segment liabilities	**717.4**	719.4	**481.7**	508.2	**828.9**	755.8	**120.2**	121.3	**34.4**	43.0	**157.5**	119.3	**2,340.1**	2,267.0	**11.6**	62.3	**2,351.7**	2,329.3
Unallocated corporate borrowings													**2,510.5**	2,997.7	**-**	1.4	**2,510.5**	2,999.1
Unallocated liabilities													**204.4**	232.6	**-**	-	**204.4**	232.6
Total liabilities													**5,055.0**	5,497.3	**11.6**	63.7	**5,066.6**	5,561.0
Share of net profits of associates	**(0.2)**	0.2	**-**	-	**-**	-	**-**	-	**27.9**	21.8	**-**	-	**27.7**	22.0	**-**	-	**27.7**	22.0
Acquisition of property, plant and equipment, intangibles and other non-current assets	**195.0**	268.8	**132.5**	165.3	**197.9**	110.2	**5.8**	5.5	**5.5**	45.3	**0.8**	1.6	**537.5**	596.7	**6.5**	41.1	**544.0**	637.8
Impairment losses of property, plant and equipment, intangibles and other non-current assets	**(0.6)**	(32.9)	**(10.4)**	(13.5)	**(13.5)**	(18.6)	**-**	**-**	**-**	(0.3)	**-**	-	**(24.5)**	(65.3)	**-**	-	**(24.5)**	(65.3)
Impairment losses - inventories	**-**	(2.6)	**-**	(1.4)	**(2.1)**	(2.5)	**-**	(0.1)	**-**	(0.9)	**-**	-	**(2.1)**	(7.5)	**-**	1.6	**(2.1)**	(5.9)
Impairment losses - trade receivables	**(2.6)**	(8.4)	**(0.3)**	(0.8)	**0.8**	3.1	**(2.2)**	(3.4)	**(0.3)**	0.5	**0.5**	(18.7)	**(4.1)**	(27.7)	**-**	6.8	**(4.1)**	(20.9)
Reversal of previous impairment losses on property, plant and equipment, intangible and other non-current assets	-	-	-	-	**3.4**	-	-	-	-	-	-	-	**3.4**	-	-	-	**3.4**	-
Other non-cash expenses/(income)	**17.6**	12.1	**98.8**	131.7	**48.1**	18.2	**5.4**	(1.9)	**6.2**	2.3	**18.4**	2.3	**194.5**	164.7	**3.4**	14.6	**197.9**	179.3

*Discontinued operations include the Australasia Food Can and Aerosols business (previously reported in Amcor Australasia) that was sold on 31 October 2007 and the PET European business (previously reported in Amcor PET segment) that was sold on 29 June 2007, refer note 3.

Notes to the financial statements
30 June 2008

Note 2. Segment Information (continued)

(d) Geographic segments

The geographic segments have been prepared for continuing operations only.

For the year ended 30 June	Australia and New Zealand		Europe		North America		Latin America		Asia		Consolidated	
$ million	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Revenue from external customers	**2,267.3**	2,326.7	**2,614.0**	2,725.0	**3,302.9**	3,599.5	**980.4**	975.1	**70.3**	84.2	**9,234.9**	9,710.5
Segment assets	**1,887.6**	2,147.4	**2,527.3**	2,940.3	**2,213.8**	2,467.5	**944.1**	932.2	**398.0**	418.0	**7,970.8**	8,905.4
Acquisition of property, plant and equipment, intangibles and other non-current assets	**136.8**	120.5	**194.7**	141.0	**126.5**	226.1	**74.8**	62.7	**4.7**	46.4	**537.5**	596.7

Notes to the financial statements
30 June 2008

Note 3. Discontinued Operations

(a) Description of events

30 June 2008
On 31 August 2007, the consolidated entity announced the sale of its Australasian Food Can and Aerosols business to Impress Group BV for $147.7 million with effect from 31 October 2007. This business has been presented as a discontinued operation in this financial report.

During the twelve months to 30 June 2008 the consolidated entity has recognised an additional gain of $23.5 million (after tax) arising on the PET European sale, the Company recognised a loss of $5.2 million. In addition, the consolidated entity recognised a loss of $4.7 million (after tax) (2007: $8.2 million gain), the Company a $4.7 million loss (2007: $0.6 million loss) relating to the White Cap Metal Closures business that was disposed of in 2006, refer note 6.

30 June 2007
On 2 July 2007, the consolidated entity announced the sale of its PET European operations to La Seda de Barcelona S.A. for $711.6 million (€427.8 million) with effect from 29 June 2007. This business has been presented as a discontinued operation in this financial report.

The financial information related to these discontinued operations for the period to the date of disposal is set out below. Further information is also provided in note 2.

$ million	Discontinued operations 2008	2007
(b) Financial performance and cash flow information		
Profits attributable to the discontinued operations were as follows:		
Revenue (refer note 2) [1]	**82.2**	1,174.2
Expenses	**(74.4)**	(1,084.6)
Operating profit before related income tax expense	**7.8**	89.6
Income tax expense	**(2.5)**	(25.5)
Operating profit after related income tax expense of discontinued operations	**5.3**	64.1
Profit/(loss) on sale of discontinued operations before related income tax benefit/(expense)	**7.0**	252.5
Income tax benefit/(expense)	**16.1**	(2.9)
Profit on sale of discontinued operations after related income tax benefit/(expense)	**23.1**	249.6
Profit from discontinued operations	**28.4**	313.7
Profit attributable to:		
Members of Amcor Limited	**27.9**	313.4
Minority interest	**0.5**	0.3
	28.4	313.7
cents		
Basic earnings profit per share	**3.2**	35.0
Diluted earnings profit per share	**3.2**	34.3
(c) Cash flows from discontinued operations		
Net cash inflow/(outflow) from operating activities	**(7.7)**	206.6
Net cash inflow/(outflow) from investing activities	**956.1**	224.7
Net cash inflow/(outflow) from financing activities	**(127.0)**	(302.9)
Net cash from discontinued operations	**821.4**	128.4

[1] As inter-segment revenue is eliminated for the consolidated results, revenue from discontinued operations shown above is inclusive of revenue from external customers and other revenue only.

Note 3. Discontinued Operations (continued)

$ million	Discontinued operations 2008	2007
(d) Carrying amounts of assets and liabilities disposed of		
Cash and cash equivalents	**-**	176.8
Trade and other receivables	**34.5**	178.2
Inventories	**57.4**	80.3
Property, plant and equipment	**95.5**	230.3
Deferred tax assets	**4.5**	17.6
Intangible assets	**0.1**	217.2
Other	**0.7**	0.1
Total assets	**192.7**	900.5
Trade and other payables	**35.1**	323.9
Interest bearing liabilities	**-**	82.1
Current tax liabilities	**-**	9.3
Deferred tax liabilities	**9.2**	10.5
Provisions	**3.1**	6.2
Retirement benefit obligations	**-**	26.3
Total liabilities	**47.4**	458.3
Net assets	**145.3**	442.2

(e) Details of the sale of operations		
Consideration received or receivable:		
Cash and short-term deposits	**139.0**	-
Present value of deferred sales proceeds, net of transaction costs	**8.7**	711.6
Total disposal consideration	**147.7**	711.6
Less carrying amounts of net assets disposed of	**(145.3)**	(442.2)
Less share of exchange fluctuation reserve and foreign exchange translation	**(0.3)**	(21.9)
Profit on sale before related income tax benefit	**2.1**	247.5
Income tax benefit/(expense)	**2.1**	(2.1)
Profit on sale after related income tax benefit of disposed operations	**4.2**	245.4
Settlement adjustments on prior year disposal, net of tax	**18.9**	4.2
Profit on sale of discontinued operations after related income tax benefit	**23.1**	249.6

Net cash inflow/(outflow) on disposal		
Cash and cash equivalents consideration	**139.0**	-
Cash received from prior period disposals[1]	**823.5**	22.4
Less cash and cash equivalents balance disposed of	**-**	(176.8)
Reported in the cash flow statement	**962.5**	(154.4)

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

Notes to the financial statements

30 June 2008

Note 4. Revenue, Other Income and Financial Income

	Consolidated		Amcor Limited	
$ million	**2008**	2007 Restated*	**2008**	2007
Revenue from continuing operations				
Sales Revenue				
Revenue from sale of goods	**9,234.9**	9,710.5	**-**	-
Other income				
Dividend received/receivable				
- Controlled entities	**-**	-	**133.3**	222.9
- Other	**0.6**	0.5	**-**	-
Sub-lease rentals	**1.1**	3.1	**-**	-
Net gain on disposal of property, plant and equipment	**38.1**	4.0	**-**	0.2
Net gain on disposal of businesses	**9.4**	0.9	**-**	-
Net foreign exchange gains (refer note 5 for net losses)	**9.8**	1.9	**-**	254.4
Fair value gains on other financial assets designated at fair value through income statement (refer note 5 for net losses)	**-**	-	**-**	0.6
Government grants	**2.2**	2.7	**-**	-
Amortisation of financial guarantee contracts	**-**	-	**2.0**	0.9
Other	**32.0**	34.5	**1.9**	2.2
Significant items (refer note 6)				
- Gain arising on equity issue of associate - AMVIG	**3.7**	-	**-**	-
- Gain arising on disposal of equity investment - K Laser	-	15.1	**-**	-
Total other income	**96.9**	62.7	**137.2**	481.2

Financial income				
Interest received/receivable				
- Controlled entities	**-**	-	**355.5**	393.3
- Other	**29.7**	23.4	**0.3**	0.3
Total financial income	**29.7**	23.4	**355.8**	393.6

*Restated for discontinued operations, refer to notes 2 and 3 for details of revenue and other income related to discontinued operations.

Note 5. Expenses

$ million	Consolidated 2008	Consolidated 2007 Restated*	Amcor Limited 2008	Amcor Limited 2007
Profit before related income tax includes the following specific expenses:				
Depreciation:				
- Property, plant and equipment	**382.3**	386.3	**0.1**	0.2
- Leased assets	**1.6**	8.2	**-**	-
Amortisation:				
- Other intangibles	**26.5**	25.9	**1.6**	1.9
Total depreciation and amortisation	**410.4**	420.4	**1.7**	2.1
Financial expenses				
Interest paid/payable:				
- Controlled entities	**-**	-	**238.8**	218.0
- Finance charges on leased assets	**1.0**	4.4	**-**	-
- External	**203.1**	223.0	**135.1**	117.4
Amount capitalised	**(0.5)**	(0.2)	**-**	-
	203.6	227.2	**373.9**	335.4
Borrowing costs	**5.8**	6.5	**3.2**	2.9
Total financial expenses	**209.4**	233.7	**377.1**	338.3
Impairment of trade receivables	**4.1**	27.7	**-**	-
Write-downs of inventories	**2.1**	7.5	**-**	-
Provisions:				
- Insurance/workers' compensation and other claims	**23.6**	10.0	**-**	**-**
- Onerous contracts	**4.2**	0.6	**-**	-
- Asset restoration expense	**6.3**	3.2	**-**	-
- Restructuring	**103.2**	103.5	**-**	-
Employee benefits expense:				
- Wages and salaries	**1,507.8**	1,582.8	**23.5**	27.5
- Workers' compensation and other on-costs	**153.9**	158.7	**-**	-
- Superannuation costs - defined benefit funds	**29.2**	35.0	**(0.4)**	(0.1)
- Superannuation costs - accumulation funds	**32.5**	40.1	**1.7**	2.5
- Other employment benefits expense	**12.0**	14.1	**3.3**	4.2
- Share based payments expense	**10.2**	6.2	**5.0**	2.2
Total employee benefits expense	**1,745.6**	1,836.9	**33.1**	36.3
Rental expense relating to operating leases				
- Minimum lease payments	**88.4**	91.3	**0.7**	1.0
- Contingent rentals	**7.3**	9.3	**-**	-
Total rental expense relating to operating leases	**95.7**	100.6	**0.7**	1.0
Asset impairment reversal	**(3.4)**	-	**-**	-
Asset impairments	**16.6**	65.3	**-**	-
Goodwill impairment	**7.9**	-	**-**	-
Net loss on sale of receivables	**0.5**	0.6	**-**	-
Fair value losses on other financial assets designated at fair value through income statement (refer note 4 for net gains)	**1.8**	0.1	**0.3**	-
Net foreign exchange losses (refer note 4 for net gains)	**-**	-	**28.0**	-

*Restated for discontinued operations, refer to notes 2 and 3 for details of expenses related to discontinued operations.

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Note 6. Significant Items

$ million	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Significant items before related income tax expense				
Income				
Gain arising on equity issue of associate - AMVIG[1]	**3.7**	-	**-**	-
Gains arising on disposal of Australasia Food Can and Aerosols business (refer note 3)	**2.1**	-	**-**	-
Gains arising on disposal of PET Europe business (refer note 3)	**9.6**	247.5	**(7.4)**	-
Gain arising on disposal of equity investment	**-**	15.1	**-**	-
	15.4	262.6	**(7.4)**	-
Expense				
PET business integration and restructure	**(1.6)**	(5.3)	**-**	-
Australasia restructuring	**(41.0)**	(60.3)	**-**	-
Flexibles market sector rationalisation	**(101.6)**	(47.1)	**(0.7)**	(0.2)
Disposal of Asian corrugated, sacks and closures businesses[2]	**-**	(4.0)	**-**	-
Closures business restructure and loss on disposal (refer note 3)	**(4.7)**	9.0	**(4.7)**	(0.6)
Legal costs	**(4.8)**	-	**(4.8)**	-
Recognition of acquired US tax losses[3]	**(16.0)**	-	**-**	-
Asset impairments, net of reversals	**(21.0)**	(64.0)	**-**	-
	(190.7)	(171.7)	**(10.2)**	(0.8)
Significant items before related income tax (expense)/benefit	**(175.3)**	90.9	**(17.6)**	(0.8)
Related income tax benefit/(expense) on significant items (where applicable)				
Income tax benefit/(expense) on disposal of PET Europe business	**13.9**	(2.1)	**2.2**	-
Income tax benefit on disposal of Australasia Food Can and Aerosols business	**2.1**	-	**-**	-
Income tax expense on disposal of equity investment	**-**	(6.3)	**-**	(6.3)
Income tax benefit on PET business integration and restructure	**-**	1.8	**-**	-
Income tax benefit on Australasia restructuring	**12.3**	33.8	**-**	19.1
Income tax benefit on Flexibles market sector rationalisation	**16.3**	10.4	**-**	-
Income tax expense on Closures business restructure and loss on disposal[2]	**-**	(0.8)	**-**	-
Income tax benefit on legal costs	**1.5**	-	**1.5**	-
Income tax benefit on recognition of US tax losses	**16.0**	-	**-**	-
Income tax benefit on asset impairments	**2.9**	9.0	**-**	-
Income tax benefit on significant items	**65.0**	45.8	**3.7**	12.8
Significant items after related income tax benefit/(expense)	**(110.3)**	136.7	**(13.9)**	12.0
Significant items attributable to:				
Members of Amcor Limited	**(110.3)**	136.7	**(13.9)**	12.0
Minority interest	**-**	-	**-**	-
	(110.3)	136.7	**(13.9)**	12.0
Significant items before related income tax expense:				
Continuing operations	**(182.3)**	(161.6)	**(5.5)**	(0.2)
Discontinued operations	**7.0**	252.5	**(12.1)**	(0.6)
	(175.3)	90.9	**(17.6)**	(0.8)
Related income tax benefit/(expense) on significant items:				
Continuing operations	**48.9**	48.7	**1.5**	12.8
Discontinued operations	**16.1**	(2.9)	**2.2**	-
	65.0	45.8	**3.7**	12.8
Significant items after related income tax benefit/(expense) attributed to:				
Continuing operations	**(133.4)**	(112.9)	**(4.0)**	12.6
Discontinued operations	**23.1**	249.6	**(9.9)**	(0.6)
	(110.3)	136.7	**(13.9)**	12.0

(1) The amount represents the increase in the consolidated entity's share of the associate's net worth, as a result of an equity issue by the associate.
(2) The amounts recognised in the current reporting period represent settlement adjustments in relation to prior year disposals.
(3) Out-of-period goodwill adjustments associated with recognition of acquired tax losses.

Note 6. Significant Items (continued)

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

2008

$ million	Restructuring: Redundancy	Restructuring: Plant closure	Impairment of assets	Disposal of controlled entities	Other	Total
PET	**-**	**(1.6)**	**(0.6)**	**-**	**-**	**(2.2)**
Flexibles	**(28.8)**	**(50.6)**	**(10.0)**	**(20.8)**	**(2.1)**	**(112.3)**
Australasia	**(31.3)**	**(9.7)**	**(10.4)**	**-**	**-**	**(51.4)**
Asia	**-**	**-**	**-**	**-**	**3.7**	**3.7**
Corporate	**-**	**-**	**-**	**0.7**	**(20.8)**	**(20.1)**
Discontinued Operations	**-**	**-**	**-**	**7.0**	**-**	**7.0**
Total	**(60.1)**	**(61.9)**	**(21.0)**	**(13.1)**	**(19.2)**	**(175.4)**

2007

$ million	Restructuring: Redundancy	Restructuring: Plant closure	Impairment of assets	Disposal of controlled entities	Other	Total
PET	(0.3)	(5.0)	(32.9)	-	-	(38.2)
Flexibles	(15.3)	(31.8)	(18.6)	-	-	(65.7)
Australasia	(43.5)	(16.8)	(12.5)	-	-	(72.8)
Asia	-	-	-	-	15.1	15.1
Discontinued Operations	-	-	-	252.5	-	252.5
Total	(59.1)	(53.6)	(64.0)	252.5	15.1	90.9

Note 7. Income Tax Expense

$ million	Consolidated 2008	2007	Amcor Limited 2008	2007
(a) Recognised in the income statement				
Current tax (expense)/benefit				
Current period	**(53.2)**	(67.0)	**6.1**	77.4
Adjustments relating to current tax expense of prior periods	**(15.7)**	(0.5)	**(21.0)**	7.4
Tax losses, tax credits and temporary differences not recognised for book in prior years now recouped	**17.2**	12.6	**-**	-
Total current tax (expense)/benefit	**(51.7)**	(54.9)	**(14.9)**	84.8
Deferred tax benefit/(expense)				
Origination and reversal of temporary differences	**21.9**	(9.4)	**21.1**	(88.9)
Change in applicable tax rates	**(6.0)**	1.5	**-**	-
Total deferred tax benefit/(expense)	**15.9**	(7.9)	**21.1**	(88.9)
Total income tax (expense)/benefit	**(35.8)**	(62.8)	**6.2**	(4.1)
Less income tax benefit/(expense) attributable to discontinued operations	**13.6**	(28.4)	**2.2**	-
Total income tax (expense)/benefit attributable to continuing operations	**(49.4)**	(34.4)	**4.0**	(4.1)
Deferred income tax benefit/(expense) included in income tax expenses comprises:				
Increase/(decrease) in deferred tax assets	**11.1**	(61.6)	**12.5**	(78.0)
Decrease/(increase) in deferred tax liabilities	**4.8**	53.7	**8.6**	(10.9)
Deferred income tax benefit/(expense) included in income tax (note 16)	**15.9**	(7.9)	**21.1**	(88.9)
(b) Numerical reconciliation of income tax (expense)/benefit to prima facie tax payable				
Profit from continuing operations	**287.5**	265.8	**40.3**	493.2
Profit/(loss) from discontinued operations	**14.8**	342.1	**(12.1)**	(0.6)
Profit before related income tax expense	**302.3**	607.9	**28.2**	492.6
Tax at the Australian tax rate of 30% (2007 - 30%)	**(90.7)**	(182.4)	**(8.5)**	(147.8)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Net operating items non-deductible/non-assessable for tax	**(7.3)**	(12.2)	**(3.0)**	(4.7)
Goodwill tax adjustments	**0.9**	0.8	**-**	-
Net significant items non-deductible/non-assessable for tax	**2.4**	69.4	**(1.6)**	12.5
Tax rebate on dividends from investments	**-**	-	**40.1**	66.9
Capital structures	**50.4**	46.5	**-**	-
Tax losses, tax credits and temporary differences not recognised for book in prior years now recouped	**17.2**	12.6	**-**	-
Effect of local tax rate change	**(6.0)**	1.5	**-**	-
Income tax benefit related to tax losses of the wholly-owned subsidiaries in the tax-consolidated group	**-**	-	**-**	61.6
	(33.1)	(63.8)	**27.0**	(11.5)
Over provision in prior period	**(11.4)**	0.5	**(20.8)**	7.4
Foreign tax rate differential	**8.7**	0.5	**-**	-
Total income tax (expense)/benefit	**(35.8)**	(62.8)	**6.2**	(4.1)
Less income tax benefit/(expense) attributable to discontinued operations	**13.6**	(28.4)	**2.2**	**-**
Total income tax (expense)/benefit attributable to continuing operations	**(49.4)**	(34.4)	**4.0**	(4.1)
(c) Amounts recognised directly in equity				
Current tax benefit/(expense) recognised directly in equity	**-**	-	-	-
Deferred tax benefit/(expense) recognised directly in equity	**16.2**	(44.4)	**4.6**	(7.0)
Total income tax benefit/(expense) recognised directly in equity	**16.2**	(44.4)	**4.6**	(7.0)

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Note 8. Auditors' Remuneration

	Consolidated		Amcor Limited	
$ thousands	**2008**	2007	**2008**	2007
Audit services:				
PwC Australian firm:				
Audit and review of financial reports	**2,688**	-	**1,954**	-
Other regulatory audit services	**144**	-	**65**	-
Overseas PwC firms:				
Audit and review of financial reports	**2,032**	-	**-**	-
Other regulatory audit services	**1,935**	-	**-**	-
Total remuneration for PwC audit services	**6,799**	-	**2,019**	-
KPMG Australian firm:				
Audit and review of financial reports	**-**	2,472	**-**	1,572
Overseas KPMG firms:				
Audit and review of financial reports	**-**	3,406	**-**	-
Other regulatory audit services	**-**	2,115	**-**	-
Total remuneration for KPMG audit services	**-**	7,993	**-**	1,572
Total remuneration for audit services	**6,799**	7,993	**2,019**	1,572
Other services:				
PwC Australian firm:				
Taxation services	**1,989**	-	**1,989**	-
Completion audits and acquisition/equity raising due diligence	**576**	-	**576**	-
Other assurance services	**378**	-	**378**	-
Overseas PwC firms:				
Taxation services	**1,054**	-	**-**	-
Completion audits and acquisition/equity raising due diligence	**-**	-	**-**	-
Other assurance services	**-**	-	**-**	-
Total remuneration for PwC other services	**3,997**	-	**2,943**	-
KPMG Australian firm:				
Taxation services	**-**	400	**-**	400
Other assurance services	**-**	1,099	**-**	949
Overseas KPMG firms:				
Taxation services	**-**	659	**-**	-
Other assurance services	**-**	1,010	**-**	-
Total remuneration for KPMG other serivces	**-**	3,168	**-**	1,349
Total remuneration for other services	**3,997**	3,168	**2,943**	1,349
Total auditors' remuneration	**10,796**	11,161	**4,962**	2,921

Note 9. Earnings per Share

cents	2008	2007
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	**26.9**	24.5
From discontinued operations	**3.2**	35.0
Attributable to the ordinary equity holders of the company	**30.1**	59.5
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	**26.6**	24.1
From discontinued operations	**3.2**	34.3
Attributable to the ordinary equity holders of the company	**29.8**	58.4

$ million		
(a) Reconciliation of earnings used in calculating earnings per share		
Basic earnings per share		
Profit from continuing operations	**238.1**	231.4
Profit from continuing operations attributable to minority interests	**(7.2)**	(11.1)
Profit from continuing operations attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**230.9**	220.3
Profit from discontinued operations	**27.9**	313.4
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**258.8**	533.7
Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	**230.9**	220.3
Profit from discontinued operations	**27.9**	313.4
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	**258.8**	533.7

Number million		
(b) Weighted average number of shares used as denominator		
Weighted average number of ordinary shares for basic earnings per share	**860.0**	897.7
Effect of partly-paid shares	**-**	0.1
Effect of employee options	**7.6**	3.3
Effect of convertible securities	**-**	13.0
Weighted average number of ordinary shares and potential ordinary shares for diluted earnings per share	**867.6**	914.1

Note 9. Earnings per Share (continued)

(c) Information concerning classification of securities

In the calculation of basic earnings per share, only ordinary shares have been included in the calculation. The following securities have been classified as potential ordinary shares and their effect included in diluted earnings per share as at 30 June 2008:

- ordinary shares
- partly-paid shares
- employee options and rights

(d) Details of securities

(i) Partly-paid ordinary shares

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

(ii) Options and rights

Options and rights granted to employees under the Amcor Limited employee share/option and rights plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options and rights have not been included in the determination of basic earnings per share. Details relating to the options and rights plans are set out in note 27.

(iii) Convertible notes

Convertible notes issued were considered to be potential ordinary shares and were included in the determination of diluted earnings per share as at 30 June 2007. During the twelve months ending 30 June 2007, the notes outstanding under the Undated Subordinated Convertible Unsecured Notes (PRIDES) and the Perpetual Amcor Convertible Reset Securities Second Tranche (PACRS2) were repurchased by the consolidated entity or were converted into ordinary shares.

Note 10. Cash and Cash Equivalents

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Cash on hand and at bank	**214.8**	78.3	**115.7**	0.1
Short-term deposits	**17.1**	9.5	**-**	-
Deposits at call	**26.4**	26.9	**-**	-
Total cash and cash equivalents	**258.3**	114.7	**115.7**	0.1

Short-term deposits and deposits at call for the consolidated entity bear floating interest rates between 1.8% and 7.3% (2007: 1.9% and 6.3%). Details regarding interest rate risk, foreign currency risk, credit risk and the fair value of cash and cash equivalents are disclosed in note 26.

Note 11. Trade and Other Receivables

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Trade receivables(1)	**1,022.3**	1,144.4	**0.2**	-
Less provision for impairment losses	**(30.4)**	(31.1)	**-**	**-**
	991.9	1,113.3	**0.2**	-
Amounts owing by controlled entities	**-**	-	**5,357.5**	6,565.7
Other receivables(2)	**178.0**	826.6	**4.1**	2.7
Other loans	**13.7**	78.4	**-**	-
Prepayments	**51.8**	69.0	**0.6**	0.4
Total current trade and other receivables	**1,235.4**	2,087.3	**5,362.4**	6,568.8

Note 11. Trade and Other Receivables (continued)

Details regarding interest rate risk, foreign currency risk, credit risk and fair values of receivables are disclosed in note 26.

(1) Impaired trade receivables
The consolidated entity has recognised a loss of $4.1 million (2007: $27.7 million) in respect of impaired trade receivables during the financial year ended 30 June 2008. The loss has been included in 'general and administration' expenses in the income statement.

(2) Other receivables
These amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. As at 30 June 2007, other receivables included $711.6 million deferred consideration relating to the sale of the PET European businesses on 29 June 2007, refer note 3.

Note 12. Inventories

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Raw materials and stores at cost	**441.7**	417.8	**-**	**-**
Work in progress at cost	**98.1**	85.3	**-**	**-**
Finished goods at cost	**517.7**	555.3	**-**	**-**
	1,057.5	1,058.4	**-**	-
Raw materials and stores at net realisable value	**15.7**	35.6	**-**	-
Work in progress at net realisable value	**5.8**	28.5	**-**	-
Finished goods at net realisable value	**38.9**	66.6	**-**	-
	60.4	130.7	**-**	-
Total inventories	**1,117.9**	1,189.1	**-**	-

Write-downs of inventories to net realisable value recognised as an expense during the financial year ended 30 June 2008 amounted to $2.1 million (2007: $7.5 million). The expense has been included in 'cost of sales' expenses in the income statement. As at 30 June 2008 no inventory of the consolidated entity is pledged as security over any borrowing (2007: nil).

Note 13. Other Financial Assets

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Current				
Derivative financial instruments:				
Forward exchange contracts	**0.9**	-	**-**	-
Contracts for cash settled employee share plan options ("American" style contracts)	**-**	0.1	**-**	0.1
Hedge contracts for cash settled bonus and retention payment plans ("Equity Share Swap contracts")	**0.9**	1.1	**0.9**	1.1
	1.8	1.2	**0.9**	1.2
Derivative financial instruments - cash flow hedges:				
Forward exchange contracts	**2.4**	1.9	**-**	-
Commodity contracts	**2.5**	0.3	**-**	-
	4.9	2.2	**-**	-
Total current other financial assets	**6.7**	3.4	**0.9**	1.2

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Note 13. Other Financial Assets (continued)

$ million	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Non-current				
Shares in controlled entities at cost (refer note 32)	**-**	-	**4,854.3**	4,697.4
Investments in companies listed on stock exchanges at fair value	**7.7**	15.6	**-**	-
Investments in companies not listed on stock exchanges at cost	**0.2**	0.2	**-**	-
	7.9	15.8	**4,854.3**	4,697.4
Derivative financial instruments:				
Contracts for cash settled employee share plan options ("American" style contracts)	**0.2**	0.7	**0.2**	0.7
Contracts for cash settled bonus and retention payment plans ("Equity Share Swap contracts")	**0.4**	0.7	**0.4**	0.7
	0.6	1.4	**0.6**	1.4
Derivative financial instruments - cash flow hedges:				
Commodity contracts	**0.2**	0.4	**-**	-
	0.2	0.4	**-**	-
Loans and other receivables	**21.3**	25.4	**1.4**	6.6
Total non-current other financial assets	**30.0**	43.0	**4,856.3**	4,705.4

Details regarding the interest rate risk, foreign currency risk, commodity price risk, employee share plan risk and fair values of the other financial assets are disclosed in note 26.

In relation to the cash settled Employee Share Plan Options, the Employee Bonus Payment Plan and the Senior Executive Retention Payment Plan, the consolidated entity is exposed to movements in the value of the underlying ordinary shares of Amcor Limited. The consolidated entity has hedged its exposure by entering into cash settled equity share option or equity share swap contracts that mirror the terms and conditions of the employee benefit. Refer to note 26(a)(iv) for details of the expiry or vesting date (if applicable), the outstanding option/share hedged contract positions and the hedged price of the contracts as at 30 June 2008.

Note 14. Equity Accounted Investments

The consolidated entity accounts for investments in associates using the equity method and has no investments in joint ventures. The Company does not hold any equity accounted investments.

The consolidated entity has the following equity accounted investments:

Name of associate	Principal activity	Incorporated	Reporting date	Ordinary share ownership interest 2008 %	Ordinary share ownership interest 2007 %
AMVIG Holdings Limited[(1)]	Tobacco packaging	Cayman Islands	31 December	**35.4**	41.1
Silgan White Cap de Venezuela S.A.	Metal and plastic closures	Venezuela	31 December	**37.0**	37.0

(1) AMVIG Holdings Limited ('AMVIG') is listed on the Hong Kong Stock Exchange. At 30 June 2008, the fair value of the consolidated entity's investment in this associate is $378.7 million (2007: $515.1 million).

Note 14. Equity Accounted Investments (continued)

Financial information related to equity accounted investments

$ million	Consolidated 2008	2007
Revenues (100%)	**406.2**	282.5
Expenses (100%)	**(328.5)**	(228.5)
Profit (100%)	**77.7**	54.0
Current assets (100%)	**285.0**	205.0
Non-current assets (100%)	**665.6**	324.6
Total assets (100%)	**950.5**	529.6
Current liabilities (100%)	**177.4**	70.2
Non-current liabilities (100%)	**160.9**	94.4
Total liabilities (100%)	**338.3**	164.6
Net assets reported by equity accounted investments	**612.2**	365.0
Consolidated entity's share of net assets equity accounted	**310.9**	279.3

Results of equity accounted investments

Consolidated entity share of profits before taxes	**28.8**	23.8
Consolidated entity share of income tax expense	**(1.1)**	(1.8)
Consolidated entity share of profits after tax	**27.7**	22.0

Commitments

$ million	Consolidated 2008	2007
Share of capital commitments contracted but not provided for or payable:		
Within one year	**9.0**	5.9
Between one and five years	**-**	-
More than five years	**-**	-
	9.0	5.9
Share of other expenditure commitments contracted but not provided for or payable (including operating lease commitments):		
Within one year	**1.0**	0.4
Between one and five years	**3.3**	0.8
More than five years	**5.8**	0.1
	10.1	1.3

Acquisitions and disposals

AMVIG Holdings Limited
During the twelve months to 30 June 2008, the consolidated entity’s ownership in AMVIG Holdings Limited (‘AMVIG’) fluctuated a number of times due to transactions entered into by AMVIG and additional investments made by the consolidated entity in the equity accounted investment during the period.

Note 14. Equity Accounted Investments (continued)

Acquisitions and disposals (continued)

On 31 October 2007, AMVIG acquired 100% of Brilliant Circle Holdings Limited which was settled by way of a cash payment and share issue by AMVIG, thereby reducing the consolidated entity's ownership interest in the equity accounted investment and resulting in the recognition of a gain on the equity issue of $3.7 million.

In September 2007 and February 2008, the consolidated entity acquired, on market, an additional $9.9 million and $25.0 million in the share capital of AMVIG.

As at 30 June 2008 the consolidated entity's ownership interest in AMVIG is 35.4% as a result of the transactions described above.

Reporting date

The balance dates for AMVIG and Silgan White Cap de Venezuela S.A. are both 31 December.

The balance date of AMVIG is different to that of the consolidated entity due to commercial reasons and the listing requirements of this entity on the Hong Kong Stock Exchange. In determining the consolidated entity's share of profits of AMVIG for the financial year ending 30 June 2008, the consolidated entity has used the latest publicly available financial information, being the unaudited interim results announcement for the six months to 30 June 2008 which was made to the Hong Kong Stock Exchange on 13 August 2008. This result, in conjunction with the audited results for the 12 months to 31 December 2007, has formed the basis for the consolidated entity's share of profits recognised for the 12 months ended 30 June 2008.

Silgan White Cap de Venezuela S.A. ('Silgan White Cap') balance date is different to that of the consolidated entity due to commercial reasons in aligning its balance date to its ultimate controlling parent company Silgan Holdings Inc, which is listed on NASDAQ. The 30 June 2008 unaudited management accounts of Silgan White Cap have formed the basis of the financial information used in determining the consolidated entity's share of profits for the period from the date of acquisition of this entity to 30 June 2008.

Amcor Limited and its controlled entities

Notes to the financial statements

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Note 15. Property, Plant and Equipment

Consolidated

$ million	Land	Land improvements	Buildings	Plant and equipment	Assets under construction	Finance leases	Total
Cost							
Balance at 1 July 2007	**231.5**	**30.4**	**810.7**	**6,341.9**	**9.4**	**100.2**	**7,524.1**
Additions for the period	**1.5**	**0.2**	**78.0**	**431.8**	**38.4**	**-**	**549.9**
Disposals during the period	**(25.5)**	**(2.7)**	**(51.0)**	**(182.0)**	**(1.0)**	**(6.4)**	**(268.6)**
Disposal of business and controlled entities	**(0.9)**	**(0.4)**	**(4.3)**	**(293.3)**	**-**	**-**	**(298.9)**
Other transfers(1)	**-**	**-**	**8.5**	**79.0**	**(3.4)**	**(84.1)**	**-**
Effect of movements in foreign exchange rates	**(3.1)**	**-**	**(24.3)**	**(205.9)**	**3.2**	**(4.8)**	**(234.9)**
Balance at 30 June 2008	**203.5**	**27.5**	**817.6**	**6,171.5**	**46.6**	**4.9**	**7,271.6**
Balance at 1 July 2006	260.4	32.7	891.7	7,177.8	13.0	130.6	8,506.2
Additions for the period	1.8	0.1	49.5	542.7	26.3	-	620.4
Disposals during the period	(13.8)	(1.5)	(22.7)	(463.4)	-	-	(501.4)
Disposal of business and controlled entities	(7.6)	(0.1)	(57.3)	(580.3)	-	(16.9)	(662.2)
Other transfers	-	0.1	4.1	26.8	(31.0)	-	-
Effect of movements in foreign exchange rates	(9.3)	(0.9)	(54.6)	(361.7)	1.1	(13.5)	(438.9)
Balance at 30 June 2007	231.5	30.4	810.7	6,341.9	9.4	100.2	7,524.1
Accumulated depreciation and impairment							
Balance at 1 July 2007	**(0.1)**	**(6.8)**	**(196.9)**	**(3,434.5)**	**-**	**(50.4)**	**(3,688.7)**
Depreciation charge	**(0.1)**	**(1.0)**	**(39.2)**	**(344.7)**	**-**	**(1.6)**	**(386.6)**
Disposals during the period	**-**	**0.5**	**7.5**	**151.7**	**-**	**4.6**	**164.3**
Disposal of business and controlled entities	**-**	**-**	**(1.1)**	**172.3**	**-**	**-**	**171.2**
Impairment loss	**-**	**-**	**(0.7)**	**(14.4)**	**-**	**-**	**(15.1)**
Reversal of impairment loss	**-**	**-**	**-**	**3.4**	**-**	**-**	**3.4**
Other transfers(1)	**-**	**-**	**(0.1)**	**(40.3)**	**-**	**40.4**	**-**
Effect of movements in foreign exchange rates	**-**	**-**	**6.2**	**95.9**	**-**	**2.2**	**104.3**
Balance at 30 June 2008	**(0.2)**	**(7.3)**	**(224.3)**	**(3,410.6)**	**-**	**(4.8)**	**(3,647.2)**
Balance at 1 July 2006	(0.1)	(6.5)	(191.4)	(3,960.6)	-	(50.8)	(4,209.4)
Depreciation charge	-	(0.7)	(39.7)	(391.1)	-	(8.8)	(440.3)
Disposals during the period	-	0.1	2.2	421.4	-	-	423.7
Disposal of business and controlled entities	-	-	21.8	368.3	-	4.5	394.6
Impairment loss	-	-	(3.8)	(59.3)	-	-	(63.1)
Effect of movements in foreign exchange rates	-	0.3	14.0	186.8	-	4.7	205.8
Balance at 30 June 2007	(0.1)	(6.8)	(196.9)	(3,434.5)	-	(50.4)	(3,688.7)
Carrying amounts							
Balance at 30 June 2008	**203.3**	**20.2**	**593.3**	**2,760.9**	**46.6**	**0.1**	**3,624.4**
Balance at 30 June 2007	231.4	23.6	613.8	2,907.4	9.4	49.8	3,835.4

(1) During the period the consolidated entity affected a buy-out of certain finance lease arrangements, refer note 20 for finance lease obligations.

Note 15. Property, Plant and Equipment (continued)

Amcor Limited

The only class of property, plant and equipment held by the Company are items of plant and equipment.

As at 30 June 2008 the carrying value of plant and equipment, held by the Company, amounted to $0.2 million (2007: $0.3 million), representing a cost value of $3.2 million (2007: $3.2 million) and accumulated depreciation of $3.0 million (2007: $2.9 million).

For the twelve months to 30 June 2008, the Company did not purchase or dispose of any items of plant and equipment (2007: nil). A depreciation charge of $0.1 million (2007: $0.2 million) was recognised in general and administration expenses in the income statement.

(a) Non-current assets pledged as security

At 30 June 2008 property, plant and equipment with a carrying value of $16.4 million (2007: $153.7 million) was provided as security for certain interest-bearing borrowings. Refer to note 20 for more information on non-current assets pledged as security by the consolidated entity and the Company.

(b) Non-current asset impairments

30 June 2008
During the year ended 30 June 2008, the consolidated entity recorded impairments of property, plant and equipment totalling $15.1 million within general and administration expense in the income statement. The impairments were recognised in the following segments:

- Amcor Australasia impaired items of property, plant and equipment totalling $2.5 million as the result of plant closures that occurred during the period. The recoverable amount of these items of property, plant and equipment was assessed using fair value, based on the consolidated entity's historical experience of the sale of similar assets in the market place.
- Amcor Flexibles recognised an impairment of $12.0 million relating to restructuring activities undertaken in the United Kingdom and Denmark with regards to the repositioning of the Amcor Flexibles Europe business, as announced in April 2007. The recoverable amount of these items of property, plant and equipment was assessed using fair value, based on the consolidated entity's historical experience of the sale of similar assets in the relevant market place.
- Other asset impairments of $0.6 million were also recorded in the current year.

30 June 2007
During the year ended 30 June 2007, the consolidated entity recorded impairments of property, plant and equipment totalling $63.1 million within general and administration expense in the income statement. The impairments were recognised in the following segments:

- Amcor PET recorded an impairment of $11.3 million relating to equipment used in the business's North American operations and $21.6 million in Latin America. The impairments recognised were the result of plant closures and the identification of changes in the business environment and market conditions, which resulted in a number of items of equipment becoming idle or technically obsolete. The recoverable amount of the equipment was determined using fair value less estimated costs of sale.
- Amcor Australasia recognised impairments for items of property, plant and equipment of $5.8 million relating to plant closures and $7.7 million relating to the 'Fibre Turnaround' restructuring plan. The recoverable amount of these items of property, plant and equipment were determined using fair value less estimated costs to sell.
- On the announcement of the closure of the Laupen plant in Switzerland, Amcor Flexibles recognised an impairment loss of $13.5 million. The recoverable amount of the plant was assessed using fair value, based on valuations provided by external independent valuers, less estimated costs to sell. The closure of the plant was finalised in December 2007.
- Other asset impairments of $3.2 million were also recorded in the current year.

(c) Non-current asset impairment reversals

30 June 2008
During the year ended 30 June 2008, the consolidated entity reversed previously recognised impairments of property, plant and equipment totalling $3.4 million in the Amcor Flexibles segment.

In the comparative period Amcor Flexibles recognised an impairment loss of items of property, plant and equipment as a result of the closure of the Laupen Plant in Switzerland. The recoverable amount of the plant had been assessed using fair value less estimated costs to sell based on valuations from external independent valuers. During the year certain items of the impaired plant were sold at a value greater than anticipated resulting in a $3.4 million reversal of the previously recognised impairment.

30 June 2007
During the year ended 30 June 2007, the consolidated entity did not reverse any impairment that had previously been recognised.

Amcor Limited and its controlled entities

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Note 16. Deferred Tax Assets and Liabilities

(a) Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

	2008			2007		
$ million	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Consolidated						
Property, plant and equipment	**-**	**(283.2)**	**(283.2)**	-	(346.5)	(346.5)
Impairment of trade receivables	**6.1**	**-**	**6.1**	7.6	-	7.6
Valuation of inventories	**49.0**	**(3.2)**	**45.8**	50.9	(4.9)	46.0
Employee benefits	**75.1**	**-**	**75.1**	60.2	2.9	63.1
Provisions	**50.1**	**-**	**50.1**	55.4	-	55.4
Financial instruments at fair value	**26.3**	**(8.3)**	**18.0**	0.7	-	0.7
Tax losses carry-forward	**68.8**	**-**	**68.8**	33.8	-	33.8
Accruals and other items	**49.7**	**(124.9)**	**(75.2)**	143.5	(143.4)	0.1
Tax assets/(liabilities)	**325.1**	**(419.6)**	**(94.5)**	352.1	(491.9)	(139.8)
Set off of tax	**(236.9)**	**236.9**	**-**	(295.4)	295.4	-
Net deferred tax asset/(liability)	**88.2**	**(182.7)**	**(94.5)**	56.7	(196.5)	(139.8)
Amcor Limited						
Property, plant and equipment	**-**	**(0.4)**	**(0.4)**	0.3	-	0.3
Employee benefits	**7.2**	**-**	**7.2**	4.0	-	4.0
Provisions	**-**	**-**	**-**	0.1	-	0.1
Financial instruments at fair value	**(1.9)**	**-**	**(1.9)**	0.7	-	0.7
Tax losses carry-forward	**11.1**	**-**	**11.1**	-	-	-
Accruals and other items	**-**	**(49.8)**	**(49.8)**	(4.7)	(59.9)	(64.6)
Tax assets/(liabilities)	**16.4**	**(50.2)**	**(33.8)**	0.4	(59.9)	(59.5)
Set off of tax	**(16.4)**	**16.4**		(0.4)	0.4	-
Net deferred tax asset/(liability)	**-**	**(33.8)**	**(33.8)**	-	(59.5)	(59.5)

Note 16. Deferred Tax Assets and Liabilities (continued)

(b) Movement in temporary differences during the year

Consolidated

$ million	Net asset/ (liability) at 1 July	Recognised in income statement	Recognised in equity	Included in disposal group	Exchange difference	Net asset/ (liability) at 30 June
2008						
Property, plant and equipment	**(346.5)**	**43.0**	**-**	**9.0**	**11.3**	**(283.2)**
Impairment of trade receivables	**7.6**	**(1.6)**	**-**	**-**	**0.1**	**6.1**
Valuation of inventories	**46.0**	**3.9**	**-**	**(2.2)**	**(1.9)**	**45.8**
Employee benefits	**63.1**	**(8.3)**	**25.3**	**(2.4)**	**(2.6)**	**75.1**
Provisions	**55.4**	**(4.2)**	**-**	**-**	**(1.1)**	**50.1**
Financial instruments at fair value	**0.7**	**24.5**	**(6.6)**	-	**(0.6)**	**18.0**
Tax losses carry-forward	**33.8**	**37.4**	**-**	**-**	**(2.4)**	**68.8**
Accruals and other items	**0.1**	**(78.8)**	**(2.5)**	**0.3**	**5.7**	**(75.2)**
	(139.8)	**15.9**	**16.2**	**4.7**	**8.5**	**(94.5)**
2007						
Property, plant and equipment	(436.8)	18.6	-	(11.0)	82.7	(346.5)
Impairment of trade receivables	7.9	(0.2)	-	0.4	(0.5)	7.6
Valuation of inventories	17.6	0.6	-	-	27.8	46.0
Employee benefits	99.5	(11.9)	(15.4)	8.7	(17.8)	63.1
Provisions	46.1	6.1	-	0.8	2.4	55.4
Financial instruments at fair value	14.9	(5.1)	1.9	-	(11.0)	0.7
Tax losses carry-forward	78.6	(23.0)	-	4.8	(26.6)	33.8
Accruals and other items	55.7	7.0	(30.9)	3.6	(35.3)	0.1
	(116.5)	(7.9)	(44.4)	7.3	21.7	(139.8)

Amcor Limited

$ million	Net asset/ (liability) at 1 July	Recognised in income statement	Recognised in equity	Net asset/ (liability) at 30 June
2008				
Property, plant and equipment	**0.3**	**(0.7)**	**-**	**(0.4)**
Employee benefits	**4.0**	**(3.4)**	**6.6**	**7.2**
Provisions	**0.1**	**(0.1)**	**-**	**-**
Financial instruments at fair value	**0.7**	**(0.6)**	**(2.0)**	**(1.9)**
Tax losses carry-forward	**-**	**11.1**	**-**	**11.1**
Accruals and other items	**(64.6)**	**14.8**	**-**	**(49.8)**
	(59.5)	**21.1**	**4.6**	**(33.8)**
2007				
Property, plant and equipment	1.1	(0.8)	-	0.3
Employee benefits	12.8	(2.9)	(5.9)	4.0
Provisions	0.1	-	-	0.1
Financial instruments at fair value	9.1	(7.3)	(1.1)	0.7
Tax losses carry-forward	-	-	-	-
Accruals and other items	13.3	(77.9)	-	(64.6)
	36.4	(88.9)	(7.0)	(59.5)

Note 16. Deferred Tax Assets and Liabilities (continued)

(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:

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Unused tax losses for which no deferred tax asset has been recognised	**438.8**	598.2	**-**	-
Potential tax benefits at applicable rates of tax losses	**139.9**	186.2	**-**	-
Deductible temporary differences	**21.5**	17.7	**-**	-
Total unrecognised deferred tax assets	**161.4**	203.9	**-**	-

Unused tax losses have been incurred by entities in foreign jurisdictions.

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the consolidated entity can utilise the benefits there from.

(ii) Unrecognised deferred tax liabilities

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

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

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Note 17. Intangible Assets

Consolidated

$ million	Product development	Computer software	Goodwill	Other intangible assets	Total
Cost					
Balance at 1 July 2007	**10.5**	**208.8**	**1,334.6**	**22.3**	**1,576.2**
Additions through internal activities	**-**	**3.6**	**-**	**-**	**3.6**
Additions for the period	**-**	**20.9**	**-**	**-**	**20.9**
Disposals during the period	**(2.0)**	**(6.5)**	**-**	**(1.0)**	**(9.5)**
Disposal of business and controlled entities	**-**	**(4.7)**	**(5.7)**	**-**	**(10.4)**
Subsequent recognition of acquired tax losses	**-**	**-**	**(22.8)**	**-**	**(22.8)**
Effect of movements in foreign exchange rates	**0.2**	**(7.2)**	**(96.2)**	**(0.7)**	**(103.9)**
Balance at 30 June 2008	**8.7**	**214.9**	**1,209.9**	**20.6**	**1,454.1**
Balance at 1 July 2006	11.3	209.8	1,749.9	25.2	1,996.2
Additions through internal activities	0.1	13.4	-	-	13.5
Additions for the period	-	9.9	-	0.1	10.0
Disposals during the period	-	(3.7)	-	(1.4)	(5.1)
Disposal of business and controlled entities	-	(8.1)	(217.8)	-	(225.9)
Subsequent recognition of acquired tax losses	-	-	(9.6)	-	(9.6)
Effect of movements in foreign exchange rates	(0.9)	(12.5)	(187.9)	(1.6)	(202.9)
Balance at 30 June 2007	10.5	208.8	1,334.6	22.3	1,576.2
Accumulated amortisation and impairment					
Balance at 1 July 2007	**(5.4)**	**(92.3)**	**(5.8)**	**(14.0)**	**(117.5)**
Amortisation charge	**(1.3)**	**(25.2)**	**-**	**(2.3)**	**(28.8)**
Disposals during the period	**2.0**	**1.5**	**-**	**1.0**	**4.5**
Disposal of business and controlled entities	**-**	**2.2**	**-**	**-**	**2.2**
Impairment loss	**(1.5)**	**-**	**(7.9)**	**-**	**(9.4)**
Other transfers	**-**	**0.1**	**-**	**(0.1)**	**-**
Effect of movements in foreign exchange rates	**(0.1)**	**3.0**	**0.4**	**0.8**	**4.1**
Balance at 30 June 2008	**(6.3)**	**(110.7)**	**(13.3)**	**(14.6)**	**(144.9)**
Balance at 1 July 2006	(3.8)	(83.8)	(6.3)	(13.9)	(107.8)
Amortisation charge	(2.0)	(22.2)	-	(2.4)	(26.6)
Disposals during the period	-	2.4	-	1.0	3.4
Disposal of business and controlled entities	-	7.1	-	-	7.1
Impairment loss	-	(2.2)	-	-	(2.2)
Effect of movements in foreign exchange rates	0.4	6.4	0.5	1.3	8.6
Balance at 30 June 2007	(5.4)	(92.3)	(5.8)	(14.0)	(117.5)
Carrying amounts					
Balance at 30 June 2008	**2.4**	**104.2**	**1,196.6**	**6.0**	**1,309.2**
Balance at 30 June 2007	5.1	116.5	1,328.8	8.3	1,458.7

Note 17. Intangible Assets (continued)

Amcor Limited

$ million	2008 Computer software	2008 Other intangible assets	2008 Total	2007 Computer software	2007 Other intangible assets	2007 Total
Cost						
Balance at 1 July	**9.7**	**8.2**	**17.9**	9.3	8.2	17.5
Additions through internal activities	**0.8**	**-**	**0.8**	0.9	-	0.9
Additions for the period	**-**	**-**	**-**	0.7	-	0.7
Disposals during the period	**(5.9)**	**-**	**(5.9)**	(1.2)	-	(1.2)
Balance at 30 June	**4.6**	**8.2**	**12.8**	9.7	8.2	17.9
Accumulated amortisation and impairment						
Balance at 1 July	**(1.2)**	**(2.0)**	**(3.2)**	(0.6)	(0.7)	(1.3)
Amortisation charge	**(0.4)**	**(1.2)**	**(1.6)**	(0.6)	(1.3)	(1.9)
Balance at 30 June	**(1.6)**	**(3.2)**	**(4.8)**	(1.2)	(2.0)	(3.2)
Carrying amounts						
Balance at 30 June	**3.0**	**5.0**	**8.0**	8.5	6.2	14.7

In the comparative period the parent entity's external software costs included $5.9 million of SAP licences that were not being amortised as they were not yet in use. During the period the parent entity transferred the licences to entities within the consolidated entity as the SAP software was implemented across the Business Groups and, at this time, amortisation of the licences commenced in accordance with the consolidated entity's accounting policies, refer note 1(o)(ii).

As at 30 June 2008 there are no indefinite life intangible assets for the parent and the consolidated group.

(a) Amortisation and impairment charge

30 June 2008
During the year ended 30 June 2008, the consolidated entity recorded impairments of intangible assets totalling $9.4 million in the following segments:

- During the period Amcor Australasia announced the closure of a converting (Fibre packaging division) facility in Moorabbin, Victoria. As a result of the closure Amcor Australasia impaired goodwill of $7.9 million associated with the operations at the Moorabbin site and has recognised the impairment in general and administration expense in the income statement.
- Amcor Flexibles recognised an impairment of $1.5 million of product development assets identified as not longer viable as a result of the restructuring activities undertaken with regards to the repositioning of the Amcor Flexibles Europe business, as announced in April 2007. The impairment charge has been recognised in general and administration expense in the income statement.

30 June 2007
During the year ended 30 June 2007, the consolidated entity recorded impairment of computer software assets totalling $2.2 million in the Amcor Flexibles business segment. The assets related to computer software development projects that were superseded by other software development activities and priorities of the consolidated entity during the period. The impairment charge is recognised in 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 groups of cash-generating units ('CGUs') according to the level at which management monitors goodwill.

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

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

Note 17. Intangible Assets (continued)

(b) Impairment tests for goodwill (continued)

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

	Goodwill Allocation		Discount Rate		Growth Rate	
	2008	2007	**2008**	2007	**2008**	2007
CGU	**$ million**	$ million	**%**	%	**%**	%
PET						
North America	**511.1**	579.2	**10.0**	9.5	**3.0**	2.0
Latin America	**174.2**	197.7	**16.9**	13.4	**3.0**	2.0
Australasia						
Flexibles packaging division	**40.1**	42.9	**11.9**	9.6	**-**	-
Fibre packaging division	**43.7**	52.2	**11.9**	9.6	**-**	-
Beverage can group	**14.5**	16.6	**11.9**	9.6	**-**	-
Other	**0.8**	0.8	**-**	-	**-**	-
Flexibles						
Healthcare	**190.1**	183.9	**9.5**	8.0	**-**	-
Food	**162.0**	156.7	**9.5**	8.0	**-**	-
Rentsch	**13.6**	12.8	**9.5**	8.0	**-**	-
Sunclipse						
North America Distribution	**68.6**	77.9	**10.0**	9.5	**2.0**	-
North America Corrugator	**8.3**	9.4	**10.0**	9.5	**2.0**	-
North America Multi Purpose Packaging	**20.3**	23.1	**10.0**	9.5	**2.0**	-
Other (including utilisation of acquired tax losses)	**(50.7)**	(24.4)				
	1,196.6	1,328.8				

The discount rate used in performing the value in use calculations reflects the consolidated entity's post-tax 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.

30 June 2008

During the current reporting period impairment indicators were identified across the consolidated group as a result of general market volatility and in particular global credit markets. To address the impact of these external pressures there was an increased focus upon on the consolidated entity's valuation practices and methodologies used in performing the current year CGU impairment assessments.

Whilst all operations of the consolidated entity faced increased exogenous pressures, at June 2008, management have determined that no further adjustments to the carrying value of assets and goodwill are warranted.

30 June 2007

In June 2007, impairment reviews were performed by comparing the carrying value of assets and goodwill with the recoverable amount of the CGUs to which goodwill has been allocated. Management determined that there has been no impairment for the financial year ending 30 June 2007.

Note 18. Other Non-Current Assets

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Contract incentive payments	**39.6**	34.8	**-**	**-**
Retirement benefit assets (note 23)	**1.2**	3.2	**-**	-
Other non-current assets	**48.1**	36.7	**3.0**	3.2
	88.9	74.7	**3.0**	3.2

Notes to the financial statements
30 June 2008

Note 19. Trade and Other Payables

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Current				
Trade creditors	**1,335.3**	1,350.9	**4.7**	8.6
Deferred grant income	**1.9**	1.9	**-**	**-**
Other creditors and accruals	**471.7**	500.7	**35.8**	45.1
	1,808.9	1,853.5	**40.5**	53.7
Non-current				
Deferred grant income	**22.3**	24.0	**-**	-
Other unsecured creditors	**4.0**	3.9	**-**	-
	26.3	27.9	**-**	-

Note 20. Interest-Bearing Liabilities

		Consolidated		Amcor Limited	
$ million	**Footnote**	**2008**	2007	**2008**	2007
Current					
Secured borrowings:					
Bank loans	(3)	**7.2**	5.3	**-**	**-**
Other loans	(2)	**-**	5.3	-	-
Lease liabilities (refer note 31)	(7)	**0.5**	45.5	**-**	**-**
		7.7	56.1	**-**	-
Unsecured borrowings:					
Bank overdrafts	(1)	**92.3**	184.5	**-**	12.2
Commercial paper	(4)	**249.7**	450.4	**249.7**	380.4
Bank loans	(5), (6)	**321.6**	682.0	**300.0**	575.9
Other loans	(6)	**6.2**	5.6	**-**	-
Amounts owing to controlled entities		**-**	-	**3,629.6**	3,819.3
		669.8	1,322.5	**4,179.3**	4,787.8
Total current interest-bearing liabilities		**677.5**	1,378.6	**4,179.3**	4,787.8
Non-current					
Secured borrowings:					
Other loans	(8)	**7.2**	135.8	**-**	**-**
Lease liabilities (refer note 31)	(7)	**3.0**	5.2	**-**	**-**
		10.2	141.0	**-**	-
Unsecured borrowings:					
Bank loans	(9)	**727.8**	334.0	**602.9**	253.4
US$ notes	(10)	**519.6**	589.0	**519.6**	589.0
Eurobond	(11)	**572.5**	553.0	**572.5**	553.0
Other loans	(6)	**3.1**	3.5	**-**	-
		1,823.0	1,479.5	**1,695.0**	1,395.4
Total non-current interest-bearing liabilities		**1,833.2**	1,620.5	**1,695.0**	1,395.4

Note 20. Interest Bearing Liabilities (continued)

$ million	2008	2007
Reconciliation of consolidated net debt		
- Current	**677.5**	1,378.6
- Non-current	**1,833.2**	1,620.5
Total interest bearing liabilities	**2,510.7**	2,999.1
- Cash and cash equivalents (refer note 10)	**(258.3)**	(114.7)
Net debt	**2,252.4**	2,884.4

Adequate committed facilities exist to refinance the current interest-bearing liabilities of the consolidated entity, if required (refer footnotes below). Details of the interest rate risk, foreign currency risk and fair value of interest bearing liabilities for the consolidated entity are set out in note 26.

(1) The consolidated entity has committed bank overdraft facilities (both secured and unsecured) to a maximum of $148.1 million (2007: $184.8 million). As at 30 June 2008, the unused portions of the facilities were $55.8 million (2007: $0.3 million). The bank overdrafts are payable on demand and are subject to annual review.

(2) These other current secured loans are secured by a charge over assets of certain controlled entities.

(3) Comprises loans secured over property, plant and equipment in overseas controlled entities to the extent of $8.2 million (2007: $7.2 million). The carrying value of the pledged property is $8.2 million (2007: $17.9 million).

(4) Borrowings in commercial paper markets include:
Promissory Note Facility - $249.7 million (2007: $380.4 million)
This is an uncommitted promissory note facility of $600.0 million (2007: $600.0 million). This facility continues indefinitely until terminated by giving written notice to the dealer panel members. As at 30 June 2008, there were $249.7 million in promissory notes outstanding with an average maturity of 61 days (2007: $380.4 million).

US Commercial Paper Program - nil (2007: $70.0 million)
This is an uncommitted commercial paper program of US$400.0 million (2007: US$400.0 million). As at 30 June 2008 nil commercial paper was outstanding (2007: $70.0 million).

(5) Various bank borrowings including:
Amcor Limited - nil (2007: $21.5 million) drawn under uncommitted at call facilities. Amounts borrowed under these facilities bear interest at the overnight cash rate plus an applicable margin.

Amcor Limited - $300.0 million multi-currency facility maturing in December 2008. $300.0 million (2007: $278.0 million) drawn under this facility bears interest at BBSY or LIBOR plus an applicable credit margin.

(6) Comprises various funding facilities made available to subsidiary companies predominantly in Europe and North America.

(7) Lease liabilities (other than liabilities recognised in relation to surplus space under non-cancellable operating leases) are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

(8) Comprises loans secured over property, plant and equipment in Australian and overseas controlled entities to the extent of $8.2 million (2007: $135.8 million). The carrying value of the pledged property is $8.2 million (2007: $135.8 million).

(9) Principally relates to bank borrowings in:
Amcor Limited/Amcor UK Finance Limited/Amcor Finance (USA) Inc. - $514.4 million (2007: $330.3 million) drawn under a US$1,250.0 million (2007: US$1,250.0 million) global syndicated multi-currency facility term-tranche of US$750.0 million (2007: US$750.0 million) maturing June 2011. Drawings are in various currencies and bear interest at the applicable BBSY or LIBOR rate plus a credit margin.

Amcor Limited/Amcor Finance (USA) Inc - $200.0 million multi-currency facility maturing in November 2009. $156.0 million (2007: $276.0 million) drawn under this facility bears interest at BBSY or LIBOR plus an applicable credit margin.

Amcor Finance (New Zealand) Limited - $57.0 million (2007: $46.4 million) drawn under NZ$100.0 million revolving cash advance facility maturing in May 2010. This facility bears interest at the bank bill rate plus an applicable credit margin.

(10) Represents US$500.0 million Amcor Limited senior unsecured guaranteed notes issued in the United States Private Placement market. The notes have final bullet maturities between 2009 and 2017. Interest on these notes is payable semi-annually, at a fixed rate.

(11) Represents €350.0 million Amcor Limited unsecured notes issued in the Eurobond market. The notes mature in March 2011 and pay an annual coupon of 4.25%.

Note 21. Other Financial Liabilities

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Current				
Liabilities for financial guarantees	**-**	-	**0.1**	0.1
Derivative financial instruments:				
Forward exchange contracts	**0.9**	2.1	**0.1**	1.9
Commodity contracts	**-**	1.1	**-**	-
	0.9	3.2	**0.2**	2.0
Derivative financial instruments - cash flow hedges:				
Forward exchange contracts	**1.5**	8.4	**0.1**	0.6
Commodity contracts	**1.4**	-	**-**	-
	2.9	8.4	**0.1**	0.6
	3.8	11.6	**0.3**	2.6
Non-current				
Liabilities for financial guarantees	**-**	-	**0.8**	2.9
Derivative financial instruments - cash flow hedges:				
Forward exchange contracts	**0.1**	0.4	**-**	-
	0.1	0.4	**0.8**	2.9

Financial guarantees
The Company has guaranteed the bank overdrafts and finance leases of a number of subsidiaries. Under the terms of the financial guarantee contracts, the Company will make payments to reimburse the lenders upon failure of the guaranteed entity to make payments when due.

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

$ million	**Year of maturity**	**30 June 2008 Face value**	**30 June 2007 Face value**
Bank term loans of controlled entities	2008-2009	**9.5**	32.6
Finance leases of controlled entities	2010-2018	**-**	53.5

The Company has also entered into a Deed of Cross Guarantee with certain subsidiaries. Under the terms of the deed, the Company has guaranteed the repayment of all relevant current and future creditors in the event any of the entities party to the deed are wound up. Details of the deed and the consolidated financial position of the Company and the subsidiaries party to the deed are set out in note 33.

The method used in determining the fair value of these guarantees has been disclosed the consolidated entity's accounting policy Financial Guarantee Contracts, refer note 1(q).

Note 22. Provisions

Consolidated

$ million	Employee entitlements	Insurance & other claims	Onerous contracts	Asset restoration	Restructuring	Other	Total
Balance at 1 July 2007	**141.4**	**70.3**	**20.3**	**50.5**	**52.0**	**-**	**334.5**
Provisions made during the period	**56.0**	**23.6**	**4.2**	**7.7**	**103.2**	**-**	**194.7**
Payments made during the period	**(54.5)**	**(10.2)**	**(7.1)**	**(1.5)**	**(88.7)**	**-**	**(162.0)**
Released during the period	**(1.7)**	**(0.1)**	**-**	**(4.5)**	**(4.6)**	**-**	**(10.9)**
Disposal of business and controlled entities	**(9.1)**	**-**	**-**	**(1.4)**	**-**	**-**	**(10.5)**
Unwinding of discount	**-**	**0.7**	**0.2**	**2.1**	**-**	**-**	**3.0**
Effect of movement in foreign exchange rate	**(2.6)**	**1.7**	**(0.9)**	**(1.2)**	**(0.5)**	**-**	**(3.5)**
Balance at 30 June 2008	**129.5**	**86.0**	**16.7**	**51.7**	**61.4**	**-**	**345.3**
Current	**110.5**	**52.5**	**16.7**	**5.1**	**45.2**	**-**	**230.0**
Non-current	**19.0**	**33.5**	**-**	**46.6**	**16.2**	**-**	**115.3**
Balance at 1 July 2006	157.0	79.5	27.7	52.1	74.0	0.3	390.6
Provisions made during the period	56.9	12.4	6.9	4.2	105.8	0.9	187.1
Payments made during the period	(65.6)	(17.7)	(12.2)	(1.1)	(110.7)	(1.2)	(208.5)
Released during the period	(0.7)	(1.4)	(0.1)	(3.3)	(13.1)	-	(18.6)
Disposal of business and controlled entities	(3.0)	(1.9)	(0.1)	(1.8)	(1.4)	-	(8.2)
Unwinding of discount	-	0.4	-	2.7	-	-	3.1
Effect of movement in foreign exchange rate	(3.2)	(1.0)	(1.9)	(2.3)	(2.6)	-	(11.0)
Balance at 30 June 2007	141.4	70.3	20.3	50.5	52.0	-	334.5
Current	120.5	48.2	20.0	1.3	51.8	-	241.8
Non-current	20.9	22.1	0.3	49.2	0.2	-	92.7

Amcor Limited

As at 30 June 2008, the Company held an employee entitlements provision of $5.7 million (2007: $5.9 million) of which $3.0 million (2007: $1.5 million) is current and $2.7 million (2007: $4.4 million) is non-current. The Company also carries a provision relating to asset restoration costs totalling $1.8 million (2007: $1.8 million), all of which is non-current.

For the twelve months to 30 June 2008, the Company recognised an increase in the employee entitlements provision of $1.4 million (2007: $1.4 million), there was no change to the asset restoration provision during the period (2007: nil). In addition, payments totalling $1.6 million (2007: $1.2 million) were made.

Description of provisions

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

Insurance and other claims
Insurance and other claims provisions include provisions for workers' compensation, insurance and other claims and are made for claims received and claims expected to be received in relation to incidents occurring prior to 30 June 2008, based on historical claim rates.

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

Onerous contracts
Onerous contract provisions relate to rental of land and buildings by Amcor Flexibles and PET business groups which are not able to be fully used or sublet by the consolidated entity. The provision reflects only the onerous element of these commitments.

Note 22. Provisions (continued)

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

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

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

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

Restructuring provisions

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

Consolidated

$ million	Amcor Flexibles	Amcor PET	Australasia	Other	Total
Balance at 1 July 2007	**18.2**	**2.2**	**31.0**	**0.6**	**52.0**
Provisions made during the period	**53.4**	**1.6**	**48.1**	**0.1**	**103.2**
Payments made during the period	**(43.2)**	**(3.2)**	**(41.6)**	**(0.6)**	**(88.6)**
Released during the period	**-**	**-**	**(4.6)**	**-**	**(4.6)**
Other transfers	**-**	**(0.5)**	**-**	**0.5**	**-**
Effect of movement in foreign exchange rate	**(0.3)**	**(0.1)**	**(0.2)**	**-**	**(0.6)**
Balance at 30 June 2008	**28.1**	**-**	**32.7**	**0.6**	**61.4**
Current	**25.9**	**-**	**18.7**	**0.6**	**45.2**
Non-current	**2.2**	**-**	**14.0**	**-**	**16.2**
Balance at 1 July 2006	44.1	8.9	15.5	5.5	74.0
Provisions made during the period	14.9	6.1	84.8	-	105.8
Payments made during the period	(37.3)	(9.7)	(59.3)	(4.4)	(110.7)
Released during the period	(1.3)	(1.2)	(10.0)	(0.6)	(13.1)
Disposal of business and controlled entities	-	(1.4)	-	-	(1.4)
Other transfers	(0.2)	-	-	0.2	-
Effect of movement in foreign exchange rate	(2.0)	(0.5)	-	(0.1)	(2.6)
Balance at 30 June 2007	18.2	2.2	31.0	0.6	52.0
Current	18.0	2.2	31.0	0.6	51.8
Non-current	0.2	-	-	-	0.2

The Amcor Flexibles restructuring provision includes costs relating to activities undertaken with regards to the repositioning and market sector rationalisation of the Amcor Flexibles European business, as announced by the consolidated entity in April 2007.

The Australasia restructuring provision includes costs relating to the construction of the new Recycled Paper Mill in Botany, New South Wales, as announced on 20 February 2008. The provision includes employee costs associated with the closure of existing mills at Botany and Fairfield, Victoria and costs associated with the relocation and rebuild of assets currently located at the Botany site.

The Company did not have any restructuring provisions as at 30 June 2008 (2007: nil).

Note 23. Retirement Benefit Obligations

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Defined benefit pension plans	**147.9**	78.4	**25.2**	7.6
Defined benefit post-retirement plans	**19.1**	23.0	**-**	-
	167.0	101.4	**25.2**	7.6

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
The consolidated entity maintains several defined benefit pension arrangements internationally. On a vested benefit basis, some arrangements are in actuarial surplus, others 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 advisers. The consolidated entity expects that the contribution rates will be determined after taking into account sound actuarial principles and would be designed to enable all consolidated entity defined benefit funds to meet retirement expectations and relevant regulatory requirements. The consolidated entity's current intention is based on these assumptions. The consolidated entity reserves the right to increase, reduce or suspend its contributions to the funds as it sees fit.

The following tables set out financial information in relation to both defined benefit pension plans and defined benefit post-retirement plans. The Company does not participate in any defined benefit post-retirement plans either in the current or comparative reporting period.

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Note 23. Retirement Benefit Obligations (continued)

(i) Amounts recognised in the balance sheet

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Present value of the unfunded defined benefit obligation	**45.4**	47.6	**-**	-
Present value of the funded defined benefit obligation	**843.4**	933.3	**233.2**	317.1
Liabilities for defined benefit obligations	**888.8**	980.9	**233.2**	317.1
Fair value of defined benefit plan assets	**(728.0)**	(890.7)	**(208.0)**	(309.5)
	160.8	90.2	**25.2**	7.6
Unrecognised past service cost	**(0.4)**	-	**-**	-
Net liability after adjustment for contributions tax	**160.4**	90.2	**25.2**	7.6
Amounts not recognised as an asset	**5.4**	8.0	**-**	-
Net liability in the balance sheet	**165.8**	98.2	**25.2**	7.6
Net liability in the balance sheet comprises:				
Retirement benefit assets (note 18)	**(1.2)**	(3.2)	**-**	-
Retirement benefit obligations	**167.0**	101.4	**25.2**	7.6
	165.8	98.2	**25.2**	7.6

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

	Consolidated		Amcor Limited	
%	**2008**	2007	**2008**	2007
Equity securities	**29.7**	55.7	**5.0**	70.0
Real Estate	**4.2**	3.4	-	-
Debt Securities	**36.4**	34.5	**21.0**	21.0
Other Assets[1]	**29.7**	6.4	**74.0**	9.0
	100.0	100.0	**100.0**	100.0

[1] Other assets include investments held in emerging market debt, currency, cash and other alternative investments,

The defined benefit plan assets of the parent entity may include Amcor Limited securities at various times throughout the year. At 30 June 2008, the plan did not hold any Amcor Limited securities (2007: nil).

(iii) Movement in the liability for defined obligations

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Defined benefit obligation at 1 July	**980.9**	1,091.8	**317.1**	290.4
Current service cost	**33.8**	42.4	**15.8**	18.0
Interest cost on benefit obligation	**54.3**	49.9	**21.5**	13.8
Actuarial loss/(gain) recognised directly in equity	**1.1**	(4.6)	**(23.9)**	16.2
Contributions by plan participants	**9.7**	12.3	**1.9**	2.4
Benefits paid by the plan	**(126.7)**	(55.4)	**(94.2)**	(19.5)
Past service cost	**0.6**	(1.6)	**-**	-
Disposal of businesses and controlled entities	**-**	(70.5)	**-**	-
Losses/(gains) on curtailment	**(4.2)**	(5.7)	**-**	-
Losses/(gains) on settlement	**(3.8)**	(19.4)	**-**	-
Expenses, taxes, premiums paid	**(8.0)**	(8.1)	**(5.0)**	(4.2)
Exchange differences on foreign plans	**(48.9)**	(50.2)	**-**	-
Defined benefit obligations at 30 June	**888.8**	980.9	**233.2**	317.1

Amcor Limited and its controlled entities

Notes to the financial statements
30 June 2008

Note 23. Retirement Benefit Obligations (continued)

(iv) Movement in plan assets

$ million	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Fair value of plan assets at 1 July	**890.7**	848.8	**309.5**	254.6
Contributions by employer	**51.1**	77.3	**17.3**	20.1
Contributions by plan participants	**9.7**	12.3	**1.9**	2.4
Benefits paid by the plan	**(126.7)**	(55.4)	**(94.2)**	(19.5)
Disposal of businesses and controlled entities	**-**	(43.2)	**-**	-
Expenses, Taxes, Premiums Paid	**(8.0)**	(8.1)	**(4.9)**	(4.2)
Gains/(losses) on settlement	**(2.2)**	(14.8)	**-**	-
Expected return on assets	**59.9**	55.8	**24.4**	20.3
Actuarial gain/(loss) recognised directly in equity	**(105.3)**	56.9	**(46.0)**	35.8
Plan converted from defined contribution to defined benefit	**-**	1.1	**-**	-
Exchange differences on foreign plans	**(41.2)**	(40.0)	**-**	-
Fair value of plan assets at 30 June	**728.0**	890.7	**208.0**	309.5

(v) Amounts recognised in the income statement

$ million	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Current service cost	**33.8**	42.4	**15.8**	18.0
Interest cost on benefit obligation	**54.3**	49.9	**21.5**	13.8
Expected return on plan assets	**(59.9)**	(55.8)	**(24.4)**	(20.3)
Past service cost	**0.2**	(1.6)	**-**	-
Losses/(gains) on curtailments and benefits paid	**(5.9)**	(10.3)	**-**	-
Impact of asset ceiling recognised directly in income statement	**-**	4.5	**-**	-
	22.5	29.1	**12.9**	11.5
Actual return on plan assets	**(45.3)**	112.7	**(21.6)**	56.1

(vi) Actuarial gains and losses recognised directly in equity

$ million	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Cumulative amount at 1 July	**34.6**	(24.1)	**32.6**	13.0
Recognised in equity during the period				
Movement in plan liabilities	**(1.1)**	4.6	**23.9**	(16.2)
Movement in plan assets	**(105.3)**	56.9	**(46.0)**	35.8
Impact of asset ceiling recognised directly in equity	**3.0**	(2.8)	**-**	-
	(103.4)	58.7	**(22.1)**	19.6
Cumulative amount at 30 June	**(68.8)**	34.6	**10.5**	32.6

Notes to the financial statements
30 June 2008

Note 23. Retirement Benefit Obligations (continued)

(vii) Principal actuarial assumptions

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

	Consolidated		**Amcor Limited**	
%	**2008**	2007	**2008**	2007
Discount rate	**5.1**	4.9	**5.5**	5.0
Expected return on plan assets	**6.6**	6.8	**8.0**	8.0
Future salary increases	**4.1**	4.0	**4.5**	4.5
Medical cost trend rates	**5.0**	8.4	**-**	-

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

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

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

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

(viii) Estimated future contributions

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

Employer contributions to defined benefit funds and defined benefit post-retirement plans for the consolidated entity during the financial year ending 30 June 2009 are expected to total $37.5 million. Employer contributions to defined benefit plans for the parent entity during the financial year ending 30 June 2009 are expected to total $15.3 million.

Note 23. Retirement Benefit Obligations (continued)

(ix) Historical summary

$ million	2008	2007	2006	2005
Consolidated				
Present value of the defined benefit obligation	**894.2**	988.9	1,092.5	983.2
Fair value of plan assets	**728.0**	890.7	848.8	624.9
Deficit in the plans	**166.2**	98.2	243.7	358.3
Experience adjustments arising on plan liabilities	**22.2**	(2.5)	42.1	29.5
Experience adjustments arising on plan assets	**(105.3)**	57.3	(37.9)	(38.6)
Amcor Limited				
Present value of the defined benefit obligation	**233.2**	317.1	290.4	265.6
Fair value of plan assets	**208.0**	309.5	254.6	206.8
Deficit in the plans	**25.2**	7.6	35.8	58.8
Experience adjustments arising on plan liabilities	**22.9**	(22.3)	26.2	2.1
Experience adjustments arising on plan assets	**(46.0)**	35.8	(12.0)	(15.4)

The consolidated entity and the Company have used the AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* paragraph 20A exemption and disclosed amounts under AASB 1 paragraph 20A(p) above for each annual reporting period prospectively from transition date.

(x) Defined benefit expense

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

	Consolidated		**Amcor Limited**[1]	
$ million	**2008**	2007	**2008**	2007
Cost of sales	**4.1**	7.5	**-**	-
Sales and marketing expenses	**1.4**	2.3	**-**	-
General and administration expenses	**23.2**	25.0	**15.8**	18.0
Research and development costs	**0.5**	0.2	**-**	-
Net financing costs	**(6.7)**	(5.9)	**(2.9)**	(6.5)
	22.5	29.1	**12.9**	11.5

(1) Included within the above defined benefit expense for Amcor Limited are $16.2 million (2007: $18.1 million) of costs incurred by wholly owned subsidiaries of the Company.

Note 24. Contributed Equity and Reserves

(a) Reconciliation of movement in contributed equity and reserves

Consolidated

$ million	Contributed equity	Available-for-sale revaluation reserve	Cash flow hedge reserve	Share-based payments reserve	Exchange fluctuation reserve	Retained profits	Total Attributable to Members of Amcor	Minority interest	Total equity
Balance at 1 July 2007	2,742.8	5.7	(24.2)	14.2	(309.2)	1,099.8	3,529.1	52.2	3,581.3
Total recognised income and expense	-	(7.9)	10.7	-	(142.0)	180.8	41.6	2.5	44.1
Contributions of equity, net of transaction costs	13.3	-	-	-	-	-	13.3	-	13.3
Share-based payments option expense	-	-	-	9.0	-	-	9.0	-	9.0
Share buy-back	(350.0)	-	-	-	-	-	(350.0)	-	(350.0)
Dividends paid (note 25)	-	-	-	-	-	(294.2)	(294.2)	-	(294.2)
Dividends paid to minority interests in subsidiaries	-	-	-	-	-	-	-	(11.5)	(11.5)
Minority interest buy-out		-	-	-	-	-	-	(3.5)	(3.5)
Acquisitions of controlled entities and businesses		-	-	-	-	-	-	14.8	14.8
Balance at 30 June 2008	2,406.1	(2.2)	(13.5)	23.2	(451.2)	986.4	2,948.8	54.5	3,003.3
Balance at 1 July 2006	2,810.3	(1.8)	(19.0)	7.8	(71.5)	828.6	3,554.4	51.6	3,606.0
Total recognised income and expense	-	7.5	(5.2)	-	(237.7)	576.9	341.5	7.7	349.2
Contributions of equity, net of transaction costs	265.4	-	-	(0.6)	-	-	264.8	-	264.8
Share-based payments option expense	-	-	-	7.0	-	-	7.0	-	7.0
Share buy-back	(332.9)	-	-	-	-	-	(332.9)	-	(332.9)
Dividends paid (note 25)	-	-	-	-	-	(305.7)	(305.7)	-	(305.7)
Dividends paid to minority interests in subsidiaries	-	-	-	-	-	-	-	(5.8)	(5.8)
Disposals of controlled entities and businesses	-	-	-	-	-	-	-	(1.3)	(1.3)
Balance at 30 June 2007	2,742.8	5.7	(24.2)	14.2	(309.2)	1,099.8	3,529.1	52.2	3,581.3

Note 24. Contributed Equity and Reserves (continued)

(a) Reconciliation of movement in contributed equity and reserves (continued)

Amcor Limited

$ million	Contributed equity	Cash flow hedge reserve	Share-based payments reserve	Retained profits	Total equity
Balance at 1 July 2007	**2,742.8**	**(18.6)**	**14.2**	**2,223.7**	**4,962.1**
Total recognised income and expense	**-**	**4.5**	**-**	**18.9**	**23.4**
Contributions of equity, net of transaction costs	**13.3**	**-**	**-**	**-**	**13.3**
Share-based payments option expense	**-**	**-**	**8.9**	**-**	**8.9**
Share buy-back	**(350.0)**	**-**	**-**	**-**	**(350.0)**
Dividends paid (note 25)	**-**	**-**	**-**	**(294.2)**	**(294.2)**
Balance at 30 June 2008	**2,406.1**	**(14.1)**	**23.1**	**1,948.4**	**4,363.5**
Balance at 1 July 2006	2,810.3	(21.2)	7.8	2,027.1	4,824.0
Total recognised income and expense	-	2.6	-	502.3	504.9
Contributions of equity, net of transaction costs	265.4	-	(0.6)	-	264.8
Share-based payments option expense	-	-	7.0	-	7.0
Share buy-back	(332.9)	-	-	-	(332.9)
Dividends paid (note 25)	-	-	-	(305.7)	(305.7)
Balance at 30 June 2007	2,742.8	(18.6)	14.2	2,223.7	4,962.1

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

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

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

Exchange fluctuation reserve
Exchange differences arising on translation of foreign controlled operations are taken to the exchange fluctuation reserve, as described in note 1(c). The relevant position of the reserve is recognised in the income statement when a foreign operation is disposed of.

Note 24. Contributed Equity and Reserves (continued)

(b) Contributed equity

$ million	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Issued and paid-up:				
834,752,317 ordinary shares with no par value (2007: 883,119,239)[1]	**2,406.1**	2,742.7	**2,406.1**	2,742.7
784,000 partly paid ordinary shares with no par value (2007: 1,084,000)[2]	**-**	0.1	**-**	0.1
	2,406.1	2,742.8	**2,406.1**	2,742.8

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

[2] The partly paid ordinary shares comprise 580,000 (2007: 800,000) shares paid to five cents and 204,000 (2007: 284,000) shares paid to one cent under Employee Share/Option Plans. The aggregate uncalled capital of $5.4 million (2007: $7.5 million) will be brought to account when these shares are fully paid.

(i) Reconciliation of fully paid ordinary shares

	2008 No. '000	2008 $ million	2007 No. '000	2007 $ million
Balance at beginning of period	**883,119**	**2,742.8**	890,252	2,810.3
Calls on partly paid shares	**300**	**2.1**	233	1.5
Issue of shares under the employee share purchase plan (note 27(a)(ii))	**393**	**-**	40	-
Exercise of options and loan repayments under the Employee Share/ Option Plan (note 27(b))	**703**	**10.2**	2,702	22.2
Exercise of performance rights under the Long Term Incentive Plan (note 27(c)(vii))	**273**	**1.1**	-	-
Conversion of convertible securities	**-**	**-**	35,700	242.5
Share buy-back[1]	**(50,035)**	**(350.0)**	(45,808)	(332.9)
Transaction costs associated with the issue of capital	**-**	**(0.1)**	-	(0.8)
Balance at end of period	**834,753**	**2,406.1**	883,119	2,742.8

[1] On 13 May 2008 (2007: 13 June 2007), the Company completed the on market buy-back of 50,034,924 (2007: 45,808,370) fully paid ordinary shares, representing 6.0% (2007: 5.2%) of ordinary shares on that date. The total consideration of shares bought back on market was $349,994,859 (2007: $332,896,005) being an average, including incidental costs, of $7.00 (2007: $7.27) per share.

(ii) Reconciliation of partly paid ordinary shares

	2008 No. '000	2008 $ million	2007 No. '000	2007 $ million
Balance at beginning of period	**1,084**	**0.1**	1,317	0.1
Converted to fully paid ordinary shares	**(300)**	**(0.1)**	(233)	-
Balance at end of period	**784**	**-**	1,084	0.1

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Note 25. Dividends

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

	Cents per share	Total amount $ million	Franked/ unfranked[1]	Day of payment
2008				
2008 Interim dividend per fully paid share	17.0	144.1	Unfranked	31 March 2008
2007 Final dividend per fully paid share	17.0	150.1	Unfranked	5 October 2007
		294.2		
2007				
2007 Interim dividend per fully paid share	17.0	152.3	Unfranked	30 March 2007
2006 Final dividend per fully paid share	17.0	153.4	Franked at 15%	29 September 2006
		305.7		

(1) 75% is sourced from the Conduit Foreign Income Account.

In addition to the above dividends, since the end of the financial year, the directors have declared the following final dividend. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2008 and will be recognised in subsequent financial reports.

	Cents per share	Total amount $ million	Franked/ unfranked[1]	Date of payment
2008				
2008 Final dividend per fully paid share[2]	17.0	141.9	Unfranked	3 October 2008
2007				
2007 Final dividend per fully paid share[2]	17.0	150.1	Unfranked	5 October 2007

(1) 100% is sourced from the Conduit Foreign Income Account (2007: 75%).
(2) Estimated final dividend payable, subject to variations in number of shares up to record date.

Franking Account
There are no franking credits available for distribution from the franking account. Accordingly, the final dividend for 2008 is unfranked. Franking credits that will arise from payment of income tax in the year ending 30 June 2008 have been factored into the franking account balance.

Conduit Foreign Income Account
For non-resident shareholders for Australian Tax purposes, future dividends will not be subject to Australian withholding tax to the extent that they are franked or sourced from the parent entity's Conduit Foreign Income Account. For the dividend payable on 3 October 2008, 100% of the dividend is sourced from the parent entity's Conduit Foreign Income Account. As a result, 100% of the dividend paid to a non-resident will not be subject to Australian withholding tax.

The balance of the Conduit Foreign Income Account as at 30 June 2008 is $1,071.9 million (2007: $1,154.2 million). It is estimated that this will reduce to $930.0 million (2007: $1,041.6 million) after payment of the estimated final dividend on 3 October 2008.

Note 26. Financial Risk Management

The consolidated entity and the Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk, commodity price risk and employee share plan risk), liquidity risk and credit risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the consolidated entity and the Company's financial performance. Appropriate commercial terms are negotiated or derivative financial instruments are used, such as foreign exchange contracts and interest rate swaps, to hedge these risk exposures.

Financial risk management is carried out by Amcor Group Finance under policies approved by the Board. The Board has determined written principles for overall risk management, as well as written policies covering specific areas such as mitigating foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments.

(a) Market risk

(i) Foreign currency risk

The consolidated entity and the Company operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and US dollar. Foreign currency exposures arise from future commercial transactions, recognised assets and liabilities denominated in a currency that is not the functional currency of the individual entities within the consolidated entity and net investments in foreign operations.

To manage the foreign currency exchange risk arising from commercial transactions, management has set a policy to use forward exchange contracts to hedge forecast or actual foreign currency exposures greater than A$500,000, where the exposure is measured as 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 must be hedged. In previous reporting periods, the consolidated entity's policy was to hedge foreign exchange exposures greater than A$100,000 – this policy was amended after a re-assessment of amounts and volume of foreign currency exposures. In the presence of contractual certainty of a foreign currency transaction 100% of the foreign currency exposure is hedged. The proportion of a forecasted foreign currency exposure hedged is dependent upon the time frame of the forecasted transaction. Forecast hedge proportions are as follows:

- Up to 6 months 75%
- 7 to 12 months 50%
- 1 to 2 years 25%
- Over 2 years Nil

Forecasted exposure greater than two years from the forecast date must not be hedged unless specifically approved by the Executive General Manager Finance.

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

The Company has a number of borrowings that from a consolidated entity perspective represent a hedge of a net investment in foreign operations. For the Company, foreign exchange gains or losses are recognised in the income statement, while for the consolidated entity these gains/losses are recognised as movements in the exchange fluctuation reserve.

No portion of hedges of net investments in foreign currency operations was ineffective for the consolidated entity for the financial years ending 30 June 2008 and 30 June 2007.

Details of outstanding forward currency contracts (Australian dollar equivalents) at balance date for the consolidated entity and the Company are outlined below, specifying currency and the average exchange rate of the outstanding contracts:

Consolidated	**Weighted Average Rate**		**Contract Amounts**	
	2008	2007	**2008 $ million**	2007 $ million
Sell CAD Buy USD 0-12 months	**1.01**	1.07	**(11.5)**	(33.0)
Net CAD position - Sell CAD			**(11.5)**	(33.0)
Buy CHF Sell AUD 0-12 months	**-**	0.97	**-**	0.8
Net CHF position - Buy CHF			**-**	0.8
Buy CHF Sell EUR 0-12 months	**-**	-	**-**	-
Sell CHF Buy EUR 0-12 months	**1.63**	-	**(0.2)**	-
Net CHF position - Sell CHF			**(0.2)**	-
Buy DKK Sell EUR 0-12 months	**7.46**	7.45	**5.9**	6.6
Sell DKK Buy EUR 0-12 months	**7.46**	7.45	**(1.9)**	(4.4)
Net DKK position - Buy DKK			**4.0**	2.2

Amcor Limited and its controlled entities

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Note 26. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Consolidated	Weighted Average Rate		Contract Amounts	
	2008	2007	**2008 $ million**	2007 $ million
Buy EUR Sell AUD 0-12 months	**0.61**	0.60	**50.4**	39.2
Net EUR position - Buy EUR			**50.4**	39.2
Buy EUR Sell SGD - 0-12 months	**-**	1.99	**-**	1.5
Net EUR position - Buy EUR			**-**	1.5
Buy EUR Sell USD 0-12 months	**1.46**	1.27	**13.9**	26.0
Buy EUR Sell USD 1-2 years	**1.53**	-	**3.9**	-
Net EUR position - Buy EUR			**17.8**	26.0
Buy EUR Sell NZD - 0-12 months	**0.51**	-	**0.6**	-
Net EUR position - Buy EUR			**0.6**	-
Buy GBP Sell AUD 0-12 months	**0.43**	0.40	**0.2**	3.8
Net GBP position - Buy GBP			**0.2**	3.8
Buy GBP Sell EUR 0-12 months	**0.80**	0.68	**34.8**	11.3
Buy GBP Sell EUR 1-2 years	**0.80**	-	**1.2**	-
Sell GBP Buy EUR 0-12 months	**0.78**	0.68	**(29.1)**	(16.6)
Sell GBP Buy EUR 1-2 years	**-**	0.69	**-**	(2.1)
Net GBP position - Buy/(Sell) GBP			**6.9**	(7.4)
Buy JPY Sell EUR 0-12 months	**165.76**	162.65	**0.2**	0.1
Net JPY position - Buy JPY			**0.2**	0.1
Buy NOK Sell EUR 0-12 months	**-**	8.10	**-**	0.1
Sell NOK Buy EUR 0-12 months	**7.98**	8.14	**(1.4)**	(3.0)
Net NOK position - Sell NOK			**(1.4)**	(2.9)
Sell NZD Buy AUD 0-12 months	**1.16**	1.13	**(10.4)**	(14.1)
Net NZD position - Sell NZD			**(10.4)**	(14.1)
Buy PLN Sell EUR 0-12 months	**3.37**	-	**1.5**	-
Sell PLN Buy EUR 0-12 months	**3.66**	-	**(4.3)**	-
Net PLN position - Sell PLN			**(2.8)**	-
Buy SEK Sell AUD 0-12 months	**5.67**	5.68	**0.1**	0.9
Net SEK position - Buy SEK			**0.1**	0.9
Buy SEK Sell EUR 0-12 months	**9.43**	9.27	**1.9**	12.2
Sell SEK Buy EUR 0-12 months	**9.38**	9.31	**(1.9)**	(2.0)
Net SEK position - Buy SEK			**-**	10.2
Buy USD Sell AUD 0-12 months	**0.88**	0.80	**55.4**	113.8
Buy USD Sell AUD 1-2 years	**0.83**	0.76	**1.6**	1.1
Sell USD Buy AUD 0-12 months	**0.94**	0.84	**(2.8)**	(17.8)
Sell USD Buy AUD 1-2 years	**-**	0.83	**-**	(15.3)
Sell USD Buy AUD 2-3 years	**-**	0.83	**-**	(1.6)
Net USD position - Buy USD			**54.2**	80.2
Buy USD Sell NZD 0-12 months	**0.77**	0.66	**11.5**	35.0
Buy USD Sell NZD 1-2 years	**0.70**	0.71	**1.3**	21.1
Buy USD Sell NZD 2-3 years	**-**	0.64	**-**	0.5
Net USD position - Buy USD			**12.8**	56.6
Buy USD Sell EUR 0-12 months	**1.55**	-	**26.0**	-
Sell USD Buy EUR 0-12 months	**1.54**	1.34	**(22.8)**	(16.2)
Net USD position - Buy/(Sell) USD			**3.2**	(16.2)

Note 26. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Amcor Limited	Weighted Average Rate		Contract Amounts	
	2008	2007	**2008 $ million**	2007 $ million
Buy EUR Sell AUD 0-12 months	**0.59**	0.60	**4.7**	26.5
Net EUR position - Buy EUR			**4.7**	26.5
Buy USD Sell AUD 0-12 months	**0.92**	0.80	**5.6**	36.1
Net USD position - Buy USD			**5.6**	36.1

The following table summarises the estimated impact on the financial results of the consolidated entity and the Company of a 10% increase and a 10% decrease in the value of the AUD against the relevant foreign currencies, with all other variables held constant. The sensitivity of a 10% movement is considered reasonable given the volatility of the AUD observed over the preceding two years.

Foreign Currency Risk Sensitivites	Impact on post-tax profit		Impact on equity	
$ million	**2008**	2007	**2008**	2007
Consolidated				
FX Rate Increase				
AUD/USD	**-**	-	**51.6**	56.6
AUD/EUR	**0.2**	-	**36.0**	62.9
AUD/NZD	**-**	-	**0.4**	-
EUR/USD	**0.3**	0.1	**0.5**	0.3
EUR/European currencies	**-**	0.1	**0.2**	0.5
	0.5	0.2	**88.7**	120.3
FX Rate Decrease				
AUD/USD	**-**	-	**(63.0)**	(69.2)
AUD/EUR	**(0.2)**	-	**(44.0)**	(76.9)
AUD/NZD	**-**	-	**(0.4)**	-
EUR/USD	**(0.3)**	(0.1)	**(0.7)**	(0.4)
EUR/European currencies	**-**	(0.1)	**(0.3)**	(0.6)
	(0.5)	(0.2)	**(108.4)**	(147.1)
Amcor Limited				
FX Rate Increase				
AUD/USD	**52.3**	58.5	-	-
AUD/EUR	**36.4**	63.0	-	-
	88.7	121.5	**-**	-
FX Rate Decrease				
AUD/USD	**(63.9)**	(71.5)	-	-
AUD/EUR	**(44.5)**	(77.0)	-	-
	(108.4)	(148.5)	**-**	-

Note 26. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

During the twelve months to 30 June 2008 the consolidated entity transferred a $3.0 million gain (2007: $7.5 million gain) from equity to operating profit and a $1.5 million loss (2007: $1.5 million loss) was added to the measurement of non-financial assets. For the Company a $2.2 million loss (2007:$5.2 million gain) was transferred from equity to operating profit. The amounts that were transferred to operating profit have been included in the following income statement lines:

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Cost of sales	**(5.2)**	(2.3)	**-**	-
Financial expenses	**2.2**	(5.2)	**2.2**	(5.2)
	(3.0)	(7.5)	**2.2**	(5.2)

(ii) Interest rate risk

Interest rate risk is the risk that the consolidated entity and the Company's financial position will be adversely affected by movements in floating interest rates that will increase the cost of floating rate debt or opportunity losses that may arise on fixed borrowings in a falling interest rate environment.

The consolidated entity and the Company are exposed to interest rate risk as they invest and borrow funds at both fixed and floating rates. Borrowings issued at variable rates expose the consolidated entity and the Company to cash flow interest rate risk. The consolidated entity and the Company's income and operating cash flows are largely independent of changes in market interest rates.

Amcor Group Finance manages the consolidated entity and the Company's exposure to interest rate risk by maintaining an appropriate mix between fixed and floating rate borrowings, monitoring global interest rates and, where appropriate, hedging interest rate exposure or borrowings at fixed interest rates through the use of interest rate swaps and forward rate agreements. Such interest rate swaps have the effect of converting borrowings from floating rates into fixed rates and vice versa.

The following table summarises the impact of a 1% increase and decrease in the floating interest rate on AUD, Euro and USD denominated interest bearing financial assets and liabilities upon the financial results of the consolidated entity and the Company.

Interest Rate Risk Sensitivites	Impact on post-tax profit		Impact on equity	
$ million	**2008**	2007	**2008**	2007
Consolidated				
Interest rate increase				
AUD	**(5.2)**	(2.5)	**-**	-
EUR	**(2.0)**	(2.6)	**-**	-
USD	**(2.8)**	(2.8)	**-**	-
	(10.0)	(7.9)	**-**	-
Interest rate decrease				
AUD	**5.2**	2.5	**-**	-
EUR	**2.0**	2.6	**-**	-
USD	**2.8**	2.8	**-**	-
	10.0	7.9	**-**	-

Note 26. Financial Risk Management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Interest Rate Risk Sensitivites	Impact on post-tax profit		Impact on equity	
$ million	**2008**	2007	**2008**	2007
Amcor Limited				
Interest rate increase				
AUD	**(5.1)**	(2.5)	**-**	-
EUR	**(2.2)**	(2.8)	**-**	-
USD	**(2.3)**	(1.8)	**-**	-
	(9.6)	(7.1)	**-**	-
Interest rate decrease				
AUD	**5.1**	2.5	**-**	-
EUR	**2.2**	2.8	**-**	-
USD	**2.3**	1.8	**-**	-
	9.6	7.1	**-**	-

The above analysis shows the sensitivity of movements subject to cash flow risk only. For both the consolidated entity and the Company, no financial assets or liabilities that are subject to interest rate risk have been designated at fair value or as available for sale.

(iii) Commodity price risk
The consolidated entity is exposed to commodity price risk from a number of commodities, including aluminium.

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

The following table sets out, for the consolidated entity, the gross value (Australian dollar equivalents) to be received under commodity fixed priced contracts, the weighted average contracted London Metals Exchange rates and the settlement periods of contracts outstanding at 30 June:

	Average fixed price		Contract amounts $Am	$Am
	2008	2007	**2008**	2007
Buy Aluminium contracts US$ denominated				
Less than one year	**2,942.7**	2,738.4	**9.5**	6.9
Buy Aluminium contracts A$ denominated				
Less than one year	**3,178.5**	3,337.2	**4.3**	32.1

	Strike price per tonne		Contract amounts	
	$US/tonne	$US/tonne	**$A m**	$A m
Buy Aluminium 'call' options US$ denominated				
Less than one year	**3,000.0**	3,000.0	**5.8**	6.6
Between one and two years	**-**	3,000.0	**-**	6.6

Note 26. Financial Risk Management (continued)

(a) Market risk (continued)

(iii) Commodity price risk (continued)
At 30 June 2008, if the US aluminium price increased by 10%, with all other variables held constant, equity would have reduced by $0.1 million (2007: increase $0.6 million). If the aluminium price had decreased by 10%, with all other variables held constant, there would be no impact on equity in the current period (2007: $0.8 million). The change in equity would result from changes in fair value of commodity fixed price contracts. As mentioned previously, there is no impact on profit as the consolidated entity passes the price risk contractually through rise and fall adjustments in customer contractual arrangements.

The Company is not exposed to commodity price risk.

(iv) Employee share plan risk
In relation to the cash settled variants of the Employee Share Plan Options, the Employee Bonus Payment Plan and the Senior Executive Retention Payment Plan, the consolidated entity and the Company are exposed to movements in the value of the underlying ordinary shares of Amcor Limited. For all such entitlements offered, the consolidated entity and the Company have hedged their exposure by entering into cash settled equity share options or equity share swap contracts that mirror the terms and conditions, and therefore offset the fluctuations, in the value of the employee benefit.

The following tables set out, for both the consolidated entity and the Company, the expiry or vesting date (if applicable), the outstanding option/share hedge contract positions and the hedged price of the contracts as at 30 June:

Equity share option "American" style contracts

	2008				2007		
	Expiry date	**Contract amounts**	**Average hedged price $**		Expiry date	Contract amounts	Average hedged price $
Less than one year	11-Sep-08	50,000	8.28	Less than one year	01-Jul-07	70,000	7.40
Between one and five years	24-Mar-10	222,500	7.87		02-Aug-07	21,500	6.84
	02-Aug-10	275,200	6.84		11-Sep-07	50,000	8.28
	31-Dec-10	29,100	6.78		12-Sep-07	100,000	7.20
	01-Nov-12	310,000	8.20	Between one and five years	11-Sep-08	50,000	8.28
					24-Mar-10	249,200	7.87
					02-Aug-10	309,600	6.84
					31-Dec-10	29,100	6.78
				More than five years	01-Nov-12	365,200	8.20

Equity share swap contracts

	2008				2007		
	Vesting date	**Contract amounts**	**Average hedged price $**		Vesting date	Contract amounts	Average hedged price $
Vested	Jan-08	4,213	7.11	Vested	Dec-03	4,000	7.11
Less than one year	Jan-09	23,050	6.55		Dec-04	11,400	7.11
Between one and five years	Sep-11	8,410	7.11		Dec-05	93,800	7.11
	Sep-12	28,315	7.11		Feb-07	72,500	7.11
More than five years	Sep-13	17,425	7.11	Less than one year	Jan-08	9,325	7.11
				Between one and five years	Sep-11	8,410	7.11
				More than five years	Sep-12	28,315	7.11
					Sep-13	17,425	7.11

For both the consolidated entity and the Company, the impact of movements in the underlying share price of Amcor Limited is expected to have a nil impact on post-tax profit and equity for the period. Variations in cash-settled liabilities are expected to be offset by movements in the hedge contracts described above.

Note 26. Financial Risk Management (continued)

(b) Liquidity risk

Liquidity risk management involves maintaining available funding and ensuring the consolidated entity has an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Amcor Group Finance aims at maintaining flexibility in funding. The consolidated entity targets a minimum undrawn committed liquidity of at least $A300.0 million.

Financing arrangements
At reporting date, the standby arrangements and unused credit facilities of both the consolidated entity and the Company were as follows:

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Financing facilities available				
Bank overdrafts	**148.1**	184.8	**20.0**	20.0
Unsecured bill acceptance facility	**520.4**	590.0	**395.5**	448.7
Loan facilities and term debt	**2,684.2**	3,140.9	**2,060.4**	2,294.3
	3,352.7	3,915.7	**2,475.9**	2,763.0
Facilities utilised				
Bank overdrafts	**92.3**	184.5	**-**	12.2
Unsecured bill acceptance facility	**249.7**	450.4	**249.7**	380.4
Loan facilities and term debt	**2,168.7**	2,364.2	**1,996.0**	1,971.3
	2,510.7	2,999.1	**2,245.7**	2,363.9
Facilities not utilised				
Bank overdrafts	**55.8**	0.3	**20.0**	7.8
Unsecured bill acceptance facility	**270.7**	139.6	**145.8**	68.3
Loan facilities and term debt	**515.5**	776.7	**64.4**	323.0
	842.0	916.6	**230.2**	399.1

For the purposes of reporting on management's internal liquidity targets to the Board, undrawn committed facility capacity excludes bank overdrafts and other short term subsidiary loan borrowings. Refer to note 20 for further details of the major funding arrangements of both the consolidated entity and the Company.

Actual and forecasted cash flows of each business segment are regularly monitored to assess the funding requirements of the consolidated entity to enable management to ensure that the consolidated entity has access to a range of diverse funding sources over various time frames in order to meet the cash flow requirements of the group and to maintain adequate liquidity of the consolidated entity.

Maturity of financial liabilities
The table below analyses the consolidated entity and the Company's financial liabilities and net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Consolidated

$ million	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
30 June 2008					
Non-derivatives					
Non-interest bearing	**1,809.3**	**0.7**	**1.1**	**27.3**	**1,838.4**
Variable rate	**733.5**	**250.3**	**544.9**	**-**	**1,528.7**
Fixed rate	**53.4**	**93.9**	**868.9**	**334.0**	**1,350.2**
Total non-derivatives	**2,596.2**	**344.9**	**1,414.9**	**361.3**	**4,717.3**
Derivatives					
Net settled (interest rate swaps)	**-**	**-**	**-**	**-**	**-**
Gross settled					
- inflow	**284.7**	**7.8**	**-**	**-**	**292.5**
- outflow	**(286.1)**	**(8.0)**	**-**	**-**	**(294.1)**
Total financial liabilities	**(1.4)**	**(0.2)**	**-**	**-**	**(1.6)**

Note 26. Financial Risk Management (continued)

(b) Liquidity risk (continued)

Maturity of financial liabilities (continued)

Consolidated

$ million	1 year or less	1-2 years	2-5 years	More than 5 years	Total
30 June 2007					
Non-derivatives					
Non-interest bearing	1,859.9	0.3	1.8	27.4	1,889.4
Variable rate	1,361.9	19.3	365.3	2.7	1,749.2
Fixed rate	120.0	77.9	905.3	615.3	1,718.5
Total non-derivatives	3,341.8	97.5	1,272.4	645.4	5,357.1
Derivatives					
Net settled (interest rate swaps)	-	-	-	-	-
Gross settled					
- inflow	346.6	37.8	2.0	-	386.4
- outflow	(359.4)	(39.3)	(2.1)	-	(400.8)
Total financial liabilities	(12.8)	(1.5)	(0.1)	-	(14.4)

Amcor Limited

$ million	1 year or less	1-2 years	2-5 years	More than 5 years	Total
30 June 2008					
Non-derivatives					
Non-interest bearing	**40.5**	**-**	**-**	**-**	**40.5**
Variable rate	**4,225.2**	**186.1**	**474.9**	**-**	**4,886.2**
Fixed rate	**52.9**	**93.4**	**860.8**	**334.0**	**1,341.1**
Total non-derivatives	**4,318.6**	**279.5**	**1,335.7**	**334.0**	**6,267.8**
Derivatives					
Net settled (interest rate swaps)	**-**	**-**	**-**	**-**	**-**
Gross settled					
- inflow	**10.0**	**-**	**-**	**-**	**10.0**
- outflow	**(10.4)**	**-**	**-**	**-**	**(10.4)**
Total financial liabilities	**(0.4)**	**-**	**-**	**-**	**(0.4)**
30 June 2007					
Non-derivatives					
Non-interest bearing	53.7	-	-	-	53.7
Variable rate	4,812.1	12.4	278.3	-	5,102.8
Fixed rate	56.0	56.0	742.0	615.3	1,469.3
Total non-derivatives	4,921.8	68.4	1,020.3	615.3	6,625.8
Derivatives					
Net settled (interest rate swaps)	-	-	-	-	-
Gross settled					
- inflow	59.3	-	-	-	59.3
- outflow	(62.6)	-	-	-	(62.6)
Total financial liabilities	(3.3)	-	-	-	(3.3)

Note 26. Financial Risk Management (continued)

(c) Credit risk

Credit risk is the risk that a contracting entity will not fulfil its obligation under a financial instrument, resulting in a financial loss to the consolidated entity or the Company.

The consolidated entity and the Company manage the exposure to credit risk through assessing the overall financial and competitive strength of the counterparty. Credit policies cover exposures generated from the sale of products and the use of derivative instruments.

For the sale of products and associated trade receivables, the consolidated entity minimises where possible its concentration of risk by undertaking transactions with a large number of customers and counterparties in various countries with policies in place to ensure that sales of products and services are made to customers with appropriate credit history. In cases where a limited number of customers exist due to business specifics the customer's size, credit rating, dependence on supplier and long-term history of full debt recovery is indicative of lower credit risk. In respect of these financial assets and the credit risk embodied within them, the consolidated entity holds no significant collateral as security. The credit quality of trade receivables that are neither past due nor impaired are consistently monitored in order to identify any potential adverse changes in credit quality. The consolidated entity and the Company have no material exposure to any individual customer.

For financial derivative instruments, bank counterparties are limited to high-credit-quality financial institutions with a minimum long term credit rating of A- or better by Standard & Poor's. In addition, the Board has approved the use of these financial institutions, and specific internal guidelines have been established with regard to limits, dealing and settlement procedures. The consolidated entity and the Company have no significant concentration of credit risk in relation to derivatives undertaken in accordance with the consolidated entity's hedging and risk management activities.

The carrying amount of financial assets recognised in the balance sheet (excluding equity securities and carrying amounts associated with prepayments), are disclosed in note 11 and 13, best represents the consolidated entity and the Company's maximum exposure to credit risk at the reporting date.

Credit risk also arises in relation to financial guarantees given to certain parties, details of the carrying amounts and face value of financial guarantees provided by the consolidated entity and the Company are disclosed in note 21. Financial guarantees are only provided in exceptional circumstances.

Impairment of financial assets
As at 30 June 2008 current trade receivables of the consolidated entity with a nominal value of $35.5 million (2007: $32.1 million) were impaired. The amount of the provision was $30.4 million (2007: $31.1 million). The individually impaired receivables relate to transactions which have been disputed by customers, or receivables owing from customers experiencing financial difficulties. It has been assessed that a portion of the receivables is expected to be recovered. There were no impaired trade receivables for the Company in 2008 or 2007.

As at 30 June 2008, current trade receivables of $40.8 million (2007: $137.9 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing of these receivables is as follows:

	Impaired Receivables		Not Impaired	
$ million	**2008**	2007	**2008**	2007
Consolidated				
Not past due	**2.9**	0.5	**946.0**	1,048.1
Past due 0-30 days	**1.7**	0.8	**24.6**	33.7
Past due 31-120 days	**6.7**	4.3	**14.8**	28.4
More than 121 days	**24.2**	26.5	**1.4**	2.1
	35.5	32.1	**986.8**	1,112.3
Amcor Limited				
Not past due	**-**	-	**0.2**	-
Past due 0-30 days	**-**	-	**-**	-
Past due 31-120 days	**-**	-	**-**	-
More than 121 days	**-**	-	**-**	-
	-	-	**0.2**	-

Note 26. Financial Risk Management (continued)

(c) Credit risk (continued)

Impairment of financial assets (continued)
Movements in the provision for impairments of receivables are as follows:

	Consolidated		Amcor Limited	
$ million	**2008**	2007	**2008**	2007
Opening balance	**31.1**	45.3	**-**	-
Provision for impairment recognised during the year	**4.5**	27.7	**-**	-
Receivables written off during the year as uncollectible	**(3.1)**	(35.8)	**-**	-
Unused amount reversed	**(1.7)**	(2.1)	**-**	-
Disposal of business and controlled entities	**-**	(1.9)	**-**	-
Effects of movement in exchange rate	**(0.4)**	(2.1)	**-**	-
	30.4	31.1	**-**	-

(d) Capital risk management

The key objectives of the consolidated entity and the Company when managing capital is to safeguard their ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the consolidated entity and the Company.

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

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

The capital management strategy aims to achieve an investment grade rating and this has been confirmed by the Board of Directors (the 'Board'). The rating as at 30 June 2008 was BBB/Baa2. Various financial ratios and internal targets are assessed and reported to the Board on a quarterly basis by management to monitor and support the key objectives set out above. These ratios and targets include:
- Gearing ratio
- Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') interest cover
- Fixed/floating debt ratio
- Bank debt/total debt percentage

Management's targeted and actual metrics for the years ending 30 June 2008 and 30 June 2007, based on continuing operations, were as follows:

		Actual	
Measure	**Target**	**2008**	**2007**
Gearing Ratio	50-55%	47.1%	48.2%
EBITDA Interest Cover	> 6 times	6.0 times	5.6 times
Fixed/Floating Debt Ratio	40-60% fixed	44% fixed	43% fixed
Bank Debt/Total Debt Percentage	< 45%	46.6%	43.7%

Management consider the targeted metrics below to be conservative, and actual metrics are maintained in excess of any debt covenant restrictions.

Note 26. Financial Risk Management (continued)

(e) Fair value estimation

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

Listed equity investments have been valued by reference to market prices prevailing at reporting date. The quoted market price used is the current bid price. For unlisted equity instruments, the fair value is an assessment by the directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to the particular investment.

The valuation of derivative financial assets and liabilities detailed below reflects the estimated amounts which the consolidated entity would be required to pay or receive to terminate the contracts or replace the contracts at their current market rates at reporting date. This is based on internal valuations using standard valuation techniques.

As the purpose of these derivative financial instruments is to hedge the consolidated entity's underlying assets and liabilities denominated in foreign currencies and to hedge against risk of interest rate fluctuations, it is unlikely that, in the absence of abnormal circumstances, these contracts would be terminated prior to maturity.

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

The carrying amount and fair values of financial assets and liabilities for the consolidated entity and the Company at 30 June 2008 are:

Consolidated		**Carrying amount**	**Fair value**	Carrying amount	Fair value
$ million	**Note**	**2008**	**2008**	2007	2007
Financial assets					
Cash and cash equivalents	10	**258.3**	**258.3**	114.7	114.7
Trade receivables	11	**991.9**	**991.9**	1,113.3	1,113.3
Other debtors and prepayments	11	**229.8**	**229.8**	895.6	895.6
Loans to other persons, net position	11, 13	**35.0**	**35.0**	103.8	103.8
Available-for-sale financial assets	13	**7.7**	**7.7**	15.6	15.6
Financial assets at fair value through profit or loss	13	**0.2**	**0.2**	0.2	0.2
Forward foreign exchange contracts, net position	13, 21	**0.8**	**0.8**	-	-
Commodity fixed price swaps, net position	13, 21	**1.3**	**1.3**	-	-
Equity share options 'American' contracts	13	**0.2**	**0.2**	0.8	0.8
Equity share swap contracts	13	**1.3**	**1.3**	1.8	1.8
		1,526.5	**1,526.5**	2,245.8	2,245.8
Financial liabilities					
Payables	19	**1,835.2**	**1,835.2**	1,881.4	1,881.4
Bank and other loans	20	**1,165.4**	**1,165.4**	1,356.0	1,356.0
Commercial paper	20	**249.7**	**249.7**	450.4	450.4
US$ Notes	20	**519.6**	**481.0**	589.0	533.2
Eurobond	20	**572.5**	**549.9**	553.0	538.9
Lease liabilities	20	**3.5**	**3.5**	50.7	50.7
Forward foreign exchange contracts, net position	13, 21	**-**	**-**	9.0	9.0
Commodity fixed price swaps, net position	13, 21	**-**	**-**	0.4	0.4
		4,345.9	**4,284.7**	4,889.9	4,820.0

Note 26. Financial Risk Management (continued)

(e) Fair value estimation (continued)

Amcor Limited $ million	Note	Carrying amount 2008	Fair value 2008	Carrying amount 2007	Fair value 2007
Financial assets					
Cash and cash equivalents	10	**115.7**	**115.7**	0.1	0.1
Trade receivables	11	**0.2**	**0.2**	-	-
Other debtors and prepayments	11	**4.7**	**4.7**	3.1	3.1
Loans to other persons, net position	11, 13	**5,358.9**	**5,358.9**	6,572.3	6,572.3
Equity share options "American" style contracts	13	**0.2**	**0.2**	0.8	0.8
Equity share swap contracts	13	**1.3**	**1.3**	1.8	1.8
		5,481.0	**5,481.0**	6,578.1	6,578.1
Financial liabilities					
Payables	19	**40.5**	**40.5**	53.7	53.7
Bank and other loans	20	**4,532.5**	**4,532.5**	4,660.8	4,660.8
Commercial paper	20	**249.7**	**249.7**	380.4	380.4
US$ Notes	20	**519.6**	**481.0**	589.0	533.2
Eurobond	20	**572.5**	**549.9**	553.0	538.9
Financial guarantees	21	**0.9**	**0.9**	3.0	3.0
Forward foreign exchange contracts, net position	13, 21	**0.2**	**0.2**	2.5	2.5
		5,915.9	**5,854.7**	6,242.4	6,172.5

The fair value of the US$ notes and the Eurobond reflects the revaluation of these instruments, at prevailing market rates. The US$ notes mature between December 2009 and December 2017 while the Eurobond matures in March 2011.

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

For details relating to methods and significant assumptions applied in determining fair values of financial assets and liabilities, refer to note 1(w).

Note 27. Share-Based Payments

(a) Employee Share Purchase Plan ('ESPP')

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 ('EISP')
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 twelve months service. The number of shares offered depended upon the Company's annual increase in earnings per share (before significant items).

The EISP has been discontinued for the foreseeable future and there were no commitments at 30 June 2008 (2007: nil) to issue shares under the ESIP and none were granted or exercised during the year ended 30 June 2008 (2007: nil).

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

These retention shares are used to reward outstanding levels of previous performance, with the intention to retain key Senior Executives by:

- tying the longer term interests of Senior Executives more closely to those of its shareholders;
- providing exposure for those Senior Executives to the Company's development; and
- providing an incentive for those Senior Executives to stay with the Company by providing such Senior Executives with Amcor Limited shares which must be retained for certain periods of time in order to gain full access to their values.

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

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

	2008 No.	**Weighted average fair value $**	2007 No.	Weighted average fair value $
Restricted shares at beginning of financial period	**40,000**	**7.42**	45,000	6.68
Issued during the period	**392,500**	**6.75**	40,000	7.42
Restriction lifted	**-**	**-**	(45,000)	7.40
Restricted shares at end of financial period	**432,500**	**6.81**	40,000	7.42

(b) Employee Share Option Plans

(i) Employee Share Option Plan ('ESOP')
In 1985, the consolidated entity also established the Employee Share Option Plan ('ESOP'). Under the ESOP, partly paid shares or options over shares in the Company can be issued to executive officers and directors (including directors who are executives) and senior staff members selected by the directors.

The partly paid shares are issued at the closing market price on the allotment date. The call outstanding only becomes payable on termination, death or at the directors' discretion. Voting rights exercisable by holders of partly paid ordinary shares are reduced pro rata to the portion of the issue price paid up on those shares as per the Australian Securities Exchange Listing Rules.

Options granted under the ESOP may be issued upon such terms and subject to such conditions as the directors of the Company determine at the time. Options granted under the ESOP are exercisable at a price equal to the closing market share price of Amcor Limited shares traded on the Australian Securities Exchange at the date on which the options were granted or a weighted average market price during a period up to and including the date of grant. The options are granted with performance hurdles established by the directors.

Options are granted under the ESOP at no consideration and carry no dividend entitlement or voting rights until they vest and are converted to ordinary shares on a one-for-one basis. The options are issued for a term of up to ten years, they cannot be transferred and are not quoted on any exchange.

Note 27. Share Based Payments (continued)

(b) Employee Share Option Plans (continued)

(i) Employee Share Option Plan ('ESOP') (continued)

For the majority of options issued, executives and certain members of staff are generally only eligible to exercise the options if returns on average funds employed exceed targeted levels at the end of the financial reporting period in which the options were granted. For those options granted prior to 1 July 2006 the return on average funds employed is defined as Earnings Before Interest Tax and significant items ('EBIT') divided by average funds employed. For those options granted subsequent to 1 July 2006 the options become exercisable based on the outcome of a Total Shareholder Return ('TSR') test.

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

	2008 No.	**Weighted average fair value $**	2007 No.	Weighted average fair value $
Outstanding at beginning of financial period	**11,265,097**	**1.37**	15,487,012	1.43
Exercised	**(702,752)**	**1.14**	(2,702,360)	1.62
Lapsed	**-**	**-**	(20,000)	1.34
Cancelled	**(1,464,913)**	**1.44**	(1,499,555)	1.50
Outstanding at end of financial period	**9,097,432**	**1.38**	11,265,097	1.37
Exercisable at end of financial period	**8,597,432**	**1.40**	6,772,635	1.61

(ii) Long Term Incentive Plan – Share Options ('LTIP Options')

In June 2006, the consolidated entity established the Amcor Limited Long Term Incentive Plan. Under the LTIP, performance options or performance rights over shares in the Company, or performance shares, can be issued to executive officers, senior executives and senior staff members selected by the directors. Refer 27(c)(vii) for details of performance rights issued under the LTIP during the period.

Options granted under the LTIP give the employee the right to acquire a share at a future point in time upon meeting specified vesting conditions that are time-based and performance based and upon payment of an exercise price. The number of options that ultimately vest is based on performance over a period of four years from the date of grant and the outcome of a Total Shareholder Return ('TSR') test to be performed at a predetermined time. The relative performance of Amcor's average TSR is to be compared against the average TSR of a comparator group of companies similar to Amcor Limited and will determine the ultimate number of options to be received. The exact terms and conditions of the options granted are determined by the directors of the Company at the time of granting the options.

Options granted under the LTIP are exercisable at a price equal to the closing market share price of Amcor Limited shares traded on the Australian Securities Exchange at the date of the grant. The options are granted at no consideration and carry no dividend entitlement or voting rights until they vest and are exercised to ordinary shares on a one-for-one basis. Upon meeting the vesting conditions, the award may be exercised for up to one year following the end of the vesting period.

Options that do not vest before the end of the vesting period will expire. Awards that have vested during the vesting period will remain exercisable until the expiry date, following which any vested awards that remain unexercised will expire. Any unvested awards will be forfeited if the employee voluntarily ceases employment or if the employee is dismissed for poor performance.

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

	2008 No.	**Weighted average fair value $**	2007 No.	Weighted average fair value $
Outstanding at beginning of financial period	**10,218,600**	**0.98**	-	-
Granted	**1,544,211**	**1.08**	10,296,650	0.98
Cancelled	**(1,839,658)**	**0.99**	(78,050)	0.91
Outstanding at end of financial period	**9,923,153**	**1.00**	10,218,600	0.98
Exercisable at end of financial period	**-**	**-**	-	-

Notes to the financial statements
30 June 2008

Note 27. Share Based Payments (continued)

(b) Employee Share Option Plans (continued)

The following tables provide a summary of the options granted under the ESOP and LTIP Options for the consolidated entity and the Company during the current and comparative period:

30 June 2008

Grant date	Exercise date on or after	Expiry date	Exercise price $	Balance at beginning of period No.	Options granted No.	Options lapsed No.	Options cancelled No.	Options exercised No.	Weighted average share price at exercise date $	Balance at end of period: On issue No.	Balance at end of period: Exercisable No.	Proceeds received $
01-Oct-02	01-Oct-02	01-Oct-07	7.25	40,000	-	-	-	40,000	7.60	-	-	290,000
01-Oct-03	01-Oct-03	01-Oct-07	7.25	40,000	-	-	-	40,000	7.60	-	-	290,000
01-Nov-02 (1)	01-Nov-05	01-Nov-12	8.20	2,898,280	-	-	442,200	-	-	2,456,080	2,456,080	-
13-Oct-03 (1)	01-Nov-05	01-Nov-12	8.20	79,200	-	-	-	-	-	79,200	79,200	-
20-Oct-03 (1)	01-Nov-05	01-Nov-12	8.20	13,200	-	-	-	-	-	13,200	13,200	-
23-Mar-04	23-Mar-07	23-Mar-10	7.87	192,240	-	-	40,050	-	-	152,190	152,190	-
24-Mar-04	24-Mar-07	24-Mar-10	7.87	3,491,915	-	-	657,265	-	-	2,834,650	2,834,650	-
31-May-04	24-Mar-07	24-Mar-10	7.87	17,800	-	-	-	-	-	17,800	17,800	-
02-Aug-04	02-Aug-07	02-Aug-10	6.84	3,716,662	-	-	325,398	622,752	7.24	2,768,512	2,768,512	4,259,624
02-May-05	02-Aug-07	02-Aug-10	6.84	25,800	-	-	-	-	-	25,800	25,800	-
27-Oct-05	01-Jan-08	31-Dec-10	6.78	250,000	-	-	-	-	-	250,000	250,000	-
27-Oct-05	01-Jul-08	30-Jun-11	6.78	250,000	-	-	-	-	-	250,000	-	-
27-Oct-05	01-Jan-09	31-Dec-11	6.78	250,000	-	-	-	-	-	250,000	-	-
04-Aug-06	31-Dec-09	31-Dec-10	6.78	2,550,850	-	-	643,650	-	-	1,907,200	-	-
04-Aug-06	31-Dec-09	31-Dec-10	6.78	1,268,300	-	-	113,200	-	-	1,155,100	-	-
04-Aug-06	31-Dec-09	31-Dec-10	6.78	280,000	-	-	-	-	-	280,000	-	-
04-Aug-06	30-Jun-10	30-Jun-11	6.78	280,000	-	-	-	-	-	280,000	-	-
04-Aug-06	31-Dec-10	31-Dec-11	6.78	280,000	-	-	-	-	-	280,000	-	-
04-Aug-06	31-Dec-09	31-Dec-10	6.78	100,000	-	-	-	-	-	100,000	-	-
04-Aug-06	30-Jun-10	30-Jun-11	6.78	90,000	-	-	-	-	-	90,000	-	-
04-Aug-06	31-Dec-10	31-Dec-11	6.78	90,000	-	-	-	-	-	90,000	-	-
22-Sep-06	31-Dec-09	31-Dec-10	6.78	131,950	-	-	22,800	-	-	109,150	-	-
01-Feb-07	31-Dec-10	31-Dec-11	7.19	3,307,000	-	-	885,050	-	-	2,421,950	-	-
01-Feb-07	31-Dec-10	31-Dec-11	7.19	1,717,900	-	-	85,000	-	-	1,632,900	-	-
05-Mar-07	31-Dec-10	31-Dec-11	7.19	122,600	-	-	24,000	-	-	98,600	-	-
01-Dec-07	31-Oct-11	30-Jun-12	7.07	-	814,787	-	65,958	-	-	748,829	-	-
01-Dec-07	31-Oct-11	30-Jun-12	7.07	-	407,996	-	-	-	-	407,996	-	-
31-Dec-07	31-Oct-11	30-Jun-12	7.07	-	89,107	-	-	-	-	89,107	-	-
01-Nov-07	31-Oct-11	30-Jun-12	7.07	-	165,000	-	-	-	-	165,000	-	-
01-Feb-07	01-Jun-10	31-Dec-11	7.19	-	45,000	-	-	-	-	45,000	-	-
03-May-08	01-Jun-10	31-Dec-11	6.74	-	22,321	-	-	-	-	22,321	-	-
				21,483,697	1,544,211	-	3,304,571	702,752		19,020,585	8,597,432	4,839,624

(1) Fixed exchange rates apply to overseas participants on these share option grants

Note 27. Share Based Payments (continued)

(b) Employee Share Option Plans (continued)

30 June 2007

Grant date	Exercise date on or after	Expiry date	Exercise price $	Balance at beginning of period No.	Options granted No.	Options lapsed No.	Options cancelled No.	Options exercised No.	Weighted average share price at exercise date $	Balance at end of period: On issue No.	Balance at end of period: Exercisable No.	Proceeds received $
13-Sep-01	13-Sep-04	13-Sep-06	6.02	512,500	-	20,000	-	492,500	6.64	-	-	2,964,850
01-Oct-01	01-Oct-01	01-Oct-06	6.03	100,000	-	-	-	100,000	7.42	-	-	603,000
01-Oct-02	01-Oct-02	01-Oct-06	6.03	100,000	-	-	-	100,000	7.42	-	-	603,000
01-Oct-02	01-Oct-02	01-Oct-07	7.25	40,000	-	-	-	-	-	40,000	40,000	-
01-Oct-03	01-Oct-03	01-Oct-06	6.03	100,000	-	-	-	100,000	7.42	-	-	603,000
01-Oct-03	01-Oct-03	01-Oct-07	7.25	40,000	-	-	-	-	-	40,000	40,000	-
01-Nov-02 [(1)]	01-Nov-05	01-Nov-12	8.20	3,397,680	-	-	499,400	-	-	2,898,280	2,898,280	-
13-Oct-03 [(1)]	01-Nov-05	01-Nov-12	8.20	79,200	-	-	-	-	-	79,200	79,200	-
20-Oct-03 [(1)]	01-Nov-05	01-Nov-12	8.20	26,400	-	-	13,200	-	-	13,200	13,200	-
01-Nov-02 [(1)]	01-Nov-02	01-Jul-07	7.30	100,000	-	-	-	100,000	7.49	-	-	730,000
01-Nov-02 [(1)]	30-Sep-03	01-Jul-07	7.30	100,000	-	-	-	100,000	7.49	-	-	730,000
01-Nov-02 [(1)]	30-Sep-04	01-Jul-07	7.30	100,000	-	-	-	100,000	7.49	-	-	730,000
01-Nov-02 [(1)]	30-Sep-03	01-Jul-07	7.40	275,000	-	-	30,000	245,000	7.45	-	-	1,813,000
01-Nov-02 [(1)]	30-Sep-04	01-Jul-07	7.40	805,000	-	-	-	805,000	7.45	-	-	5,957,000
23-Mar-04	23-Mar-07	23-Mar-10	7.87	450,340	-	-	258,100	-	-	192,240	192,240	-
24-Mar-04	24-Mar-07	24-Mar-10	7.87	3,954,270	-	-	462,355	-	-	3,491,915	3,491,915	-
31-May-04	24-Mar-07	24-Mar-10	7.87	17,800	-	-	-	-	-	17,800	17,800	-
02-Aug-04	02-Aug-07	02-Aug-10	6.84	4,487,222	-	-	236,500	534,060	7.09	3,716,662	-	3,652,970
02-May-05	02-Aug-07	02-Aug-10	6.84	51,600	-	-	-	25,800	7.35	25,800	-	176,472
27-Oct-05	01-Jan-08	31-Dec-10	6.78	250,000	-	-	-	-	-	250,000	-	-
27-Oct-05	01-Jul-08	30-Jun-11	6.78	250,000	-	-	-	-	-	250,000	-	-
27-Oct-05	01-Jan-09	31-Dec-11	6.78	250,000	-	-	-	-	-	250,000	-	-
04-Aug-06	31-Dec-09	31-Dec-10	6.78	-	2,594,900	-	44,050	-	-	2,550,850	-	-
04-Aug-06	31-Dec-09	31-Dec-10	6.78	-	1,292,300	-	24,000	-	-	1,268,300	-	-
04-Aug-06	31-Dec-09	31-Dec-10	6.78	-	280,000	-	-	-	-	280,000	-	-
04-Aug-06	30-Jun-10	30-Jun-11	6.78	-	280,000	-	-	-	-	280,000	-	-
04-Aug-06	31-Dec-10	31-Dec-11	6.78	-	280,000	-	-	-	-	280,000	-	-
04-Aug-06	31-Dec-09	31-Dec-10	6.78	-	100,000	-	-	-	-	100,000	-	-
04-Aug-06	30-Jun-10	30-Jun-11	6.78	-	90,000	-	-	-	-	90,000	-	-
04-Aug-06	31-Dec-10	31-Dec-11	6.78	-	90,000	-	-	-	-	90,000	-	-
22-Sep-06	31-Dec-09	31-Dec-10	6.78	-	131,950	-	-	-	-	131,950	-	-
01-Feb-07	31-Dec-10	31-Dec-11	7.19	-	3,317,000	-	10,000	-	-	3,307,000	-	-
01-Feb-07	31-Dec-10	31-Dec-11	7.19	-	1,717,900	-	-	-	-	1,717,900	-	-
05-Mar-07	31-Dec-10	31-Dec-11	7.19	-	122,600	-	-	-	-	122,600	-	-
				15,487,012	10,296,650	20,000	1,577,605	2,702,360		21,483,697	6,772,635	18,563,292

[(1)] Fixed exchange rates apply to overseas participants on these share option grants

Note 27. Share Based Payments (continued)

(c) Other compensation plans

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

(i) Employee Bonus Payment Plan ('EBPP')

The Employee Bonus Payment Plan ('EBPP') is equivalent to the EISP and enables the Company to offer employees, in certain countries, an equivalent plan where the EISP is unavailable. Under the EBPP, participants were offered entitlements which were equivalent to 60% of the weighted average price of Amcor shares, and over the period during which employees held their entitlements, the value mirrored the fluctuating value of Amcor's shares, including all dividends paid on the shares during this time. The consolidated entity hedged its exposure to fluctuations in the value of the underlying Amcor shares. Employees were only able to convert their entitlements into a cash bonus payment when they left the Company or three years had passed since the date on which entitlements were originally issued.

Offers of new entitlements under the EBPP have been discontinued for the foreseeable future.

(ii) Senior Executive Retention Payment Plan ('SERPP')

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

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

	2008 No.	**Weighted average fair value $**	2007 No.	Weighted average fair value $
Outstanding at beginning of financial period	**-**	**-**	78,000	6.68
Granted	**60,000**	**6.02**	-	-
Exercised	**-**	**-**	(78,000)	6.84
Outstanding at end of financial period	**60,000**	**6.02**	-	-
Exercisable at end of financial period	**-**	**-**	-	-

(iii) Share Appreciation Entitlements ('SAE')

Share Appreciation Entitlements ('SAE') may be issued to employees who take part of their bonus by way of entitlements. The value of entitlements is equivalent to the fluctuating value of Amcor Limited shares during the period which the employee holds the entitlements. Details of entitlements issued during the current and comparative period are as follows.

	2008 No.	**Weighted average fair value $**	2007 No.	Weighted average fair value $
Outstanding at beginning of financial period	**200,000**	**0.34**	250,000	0.29
Exercised	**(150,000)**	**0.31**	-	-
Expired	**-**	**-**	(50,000)	-
Outstanding at end of financial period	**50,000**	**-**	200,000	0.34
Exercisable at end of financial period	**50,000**	**-**	200,000	0.34

Note 27. Share Based Payments (continued)

(c) Other compensation plans (continued)

(iv) Cash-Settled Employee Share Plan Options

Cash-settled employee share plan options are issued to employees residing in jurisdictions that, for statutory reasons, are not covered by option plans described above. The cash-settled employee share plan option plans operate in a manner similar to other option plans, although no entitlements to actual shares or options exist. Details of entitlements issued during the current and comparative period are as follows:

	2008 No.	**Weighted average fair value $**	2007 No.	Weighted average fair value $
Outstanding at beginning of financial period	**1,090,575**	**0.76**	1,294,450	0.59
Granted	**-**	**-**	135,075	1.13
Exercised	**(21,500)**	**1.11**	(60,000)	0.31
Lapsed	**(10,000)**	**0.07**	-	-
Cancelled	**(211,937)**	**0.69**	(278,950)	0.49
Outstanding at end of financial period	**847,138**	**0.21**	1,090,575	0.76
Exercisable at end of financial period	**729,000**	**0.19**	624,400	0.52

(v) CEO Medium Term Incentive Plan ('MTIP')

On 19 April 2007, the CEO Medium Term Incentive Plan ('MTIP') was established. The MTIP is at the discretion of the directors and has initially been structured as a cash award. Subject to shareholder approval, the directors will have discretion as to whether any award made will be delivered in the form of cash, rights to Amcor Limited shares or a combination thereof.

Unless otherwise determined by the directors, the award will vest subject to the satisfaction of a number of performance and time hurdles that must be achieved during the period 1 January 2007 to 31 December 2008. The performance measures include:

- a financial performance measure, based upon meeting certain average funds employed and average working capital targets;
- a business unit portfolio and market position measure which focuses on business improvement, restructuring and growth; and
- other operational objectives around customers, cost, capital and culture.

The CEO will become entitled to receive an amount equal to 100% of Average Total Fixed Remuneration ('TFR') calculated over the performance period. Based on performance, the percentage may vary from a minimum of 50% to a maximum of 150%. The vested award is subject to further deferral periods, with 50% of the vested award to be received on 31 December 2009 and the remaining 50% on 31 December 2010. The awards will be forfeited if the CEO resigns during either the performance period or the relevant deferral periods.

The amount payable is impacted by a capping mechanism revolving around options and performance rights previously issued to the CEO. For any of the options and performance rights that vest during the deferral period, the award amount will be reduced on a 'dollar for dollar basis'.

Based on an independent valuation of the MTIP, as at 30 June 2008, the consolidated entity and the Company have recognised a provision of $0.9 million (2007: $0.6 million) in relation to this employee compensation plan.

(vi) Management Incentive Plan – Equity ('EMIP)

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

An executive will forfeit allocated share 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 2008, the equity outcomes will be determined and allocated in September 2008. As at 30 June 2008, the consolidated entity and the Company have recognised $3.0 million in relation to this incentive plan. The CEO did not participate in the EMIP during the year to 30 June 2008.

Note 27. Share Based Payments (continued)

(c) Other compensation plans (continued)

(vii) Long Term Incentive Plan - Performance Rights ('LTIP Rights')
In June 2006, the consolidated entity established the Amcor Limited Long Term Incentive Plan. Under the LTIP performance options or performance rights over shares in the Company, or performance shares, can be issued to executive officers, senior executives and senior staff members selected by the directors. Refer 27(b)(ii) for details of performance options issued under the LTIP during the period.

Rights granted under the LTIP give the employee the right to receive a share at a future point in time upon meeting specified vesting conditions that are time-based and performance based with no exercise price payable. The number of rights that vest are based on performance over a period and the outcome of a Total Shareholder Return ('TSR') test to be performed at a predetermined time. The relative performance of Amcor's average TSR is to be compared against the average TSR of a comparator group of companies similar to Amcor Limited and will determine the ultimate number of rights to be received. The exact terms and conditions of the rights granted are determined by the directors of the Company at the time of granting the right.

The rights are granted at no consideration and carry no dividend entitlement or voting rights until they vest and are exercised to ordinary shares on a one-for-one basis. Upon meeting the vesting conditions, the award may be exercised for up to one year following the end of the vesting period.

Rights that do not vest before the end of the vesting period will expire. Awards that have vested during the vesting period will remain exercisable until the expiry date, following which any vested awards that remain unexercised will expire. Any unvested awards will be forfeited if the employee voluntarily ceases employment or if the employee is dismissed for poor performance.

Details of the total movement in rights issued under the LTIP during the current period are as follows:

	2008 No.	**Weighted average fair value $**	2007 No.	Weighted average fair value $
Outstanding at beginning of financial period	**3,683,375**	**4.44**	300,000	4.15
Granted	**832,464**	**3.71**	3,408,825	4.47
Exercised	**(272,750)**	**4.12**	-	-
Cancelled	**(615,147)**	**4.46**	(25,450)	4.21
Outstanding at end of financial period	**3,627,942**	**4.29**	3,683,375	4.44
Vested at end of financial period	**121,156**	**4.18**	-	-

(d) Fair value of options and rights granted

Fair value of options
The fair value of each option granted is estimated on the date of grant by independent valuers, using a Black-Scholes option-pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, and where applicable the market condition criteria, the impact of dilution, the non-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:

	2008	2007
Expected dividend yield (%)	**4.92**	4.95
Expected price volatility of the company's shares (%)	**21.00**	21.00
Share price at grant date ($)	**6.95**	6.97
Exercise price ($)	**7.08**	7.08
Historical volatility (%)	**21.00**	21.00
Risk-free interest rate (%)	**5.97**	5.92
Expected life of option (years)	**4.80**	4.80

The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated changes. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. For specific details of grant dates and exercise prices, refer note 27(b).

Note 27. Share Based Payments (continued)

(d) Fair value of options and rights granted (continued)

Fair value of rights

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

(e) Expenses arising from share-based payment transactions

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

	Consolidated		**Amcor Limited**	
$ million	**2008**	2007	**2008**	2007
Equity settled share based payment transactions				
Options issued under employee option plan	**3.2**	3.9	**0.2**	1.6
Performance rights issued	**6.8**	3.1	**4.7**	1.5
Cash settled share based payment transactions				
Cash settled share based payments	**0.2**	(0.8)	**0.1**	(0.9)
	10.2	6.2	**5.0**	2.2

(f) Liabilities for share-based payments

	Consolidated		**Amcor Limited**	
$ million	**2008**	2007	**2008**	2007
Cash settled share based payments liability				
Shares	**1.0**	0.8	**1.0**	0.8
Shares - Overseas	**0.3**	0.4	**-**	-
Options	**0.2**	0.7	**0.2**	0.7
Total carrying amount of liabilities for cash-settled arrangements	**1.5**	1.9	**1.2**	1.5
Intrinsic value for vested cash settled shares liability				
Shares	**1.1**	0.9	**1.1**	0.9
Options[(1)]	**-**	-	**-**	-
Total intrinsic value of liability for vested benefits	**1.1**	0.9	**1.1**	0.9

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

Note 28. Key Management Personnel Disclosure

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Amcor Group. All executive and non-executive directors of Amcor Limited are Key Management Personnel of Amcor Limited and the consolidated entity. The following directors and senior executives were considered key management personnel for the entire period unless otherwise indicated.

(a) Directors

Name	Position
Current directors	
C I (Chris) Roberts	Independent Non-Executive Director and Chairman
K N (Ken) MacKenzie	Managing Director and Chief Executive Officer
R K (Keith) Barton	Independent Non-Executive Director
G J (John) Pizzey	Independent Non-Executive Director
J G (John) Thorn	Independent Non-Executive Director
G A (Geoff) Tomlinson	Independent Non-Executive Director
E J J (Ernest) Pope	Independent Non-Executive Director

(b) Senior Executives

The persons that qualified as KMP for the current year are:

Name	Position	Employer
2008		
L A Desjardins	Executive General Manager Finance (appointed 1 June 2007)	Amcor Limited
I G Wilson	Strategic Development Director	Amcor Limited
L J Lachal	Managing Director, Amcor Australasia (retired 31 December 2007)	Amcor Limited
W J Long	President, Amcor PET Packaging	Amcor PET Packaging USA Inc
G Blatrix	Managing Director, Amcor Flexibles Food	Amcor Flexibles Packaging Europe NV
P Brues	President, Amcor Flexibles Healthcare	Amcor Flexibles Inc
J Czubak	Managing Director, Amcor Rentsch and Amcor Flexibles Eastern Europe	Amcor Rentsch Rickenbach AG

During 2007, the persons that were designated as KMP were:

Name	Position	Employer
2007		
W P Day	Executive General Manager Finance (retired 1 June 2007)(1)	Amcor Limited
L A Desjardins	Executive General Manager Finance (appointed 1 June 2007)	Amcor Limited
I G Wilson	Strategic Development Director	Amcor Limited
L J Lachal	Managing Director, Amcor Australasia	Amcor Limited
W J Long	President, Amcor PET Packaging	Amcor PET Packaging USA Inc

(1) On 1 June 2007, W P Day retired from the position of Executive General Manager Finance of the consolidated entity.

Note 28. Key Management Personnel Disclosures (continued)

(c) Key management personnel compensation

The following table details the compensation paid to key management personnel included in ‘employee benefits expense’, refer note 5.

$ million	Consolidated 2008	2007	Amcor Limited 2008	2007
Short-term employee benefits	**13.5**	10.6	**9.1**	9.3
Post-employment benefits	**1.3**	2.1	**0.6**	1.8
Termination benefits	**1.1**	-	**1.1**	-
Share-based payments	**2.8**	2.0	**1.4**	1.8
	18.7	14.7	**12.2**	12.9

(d) Individual director’s and executive’s compensation disclosures

Detailed remuneration disclosures are provided in the Remuneration Report section of the Directors’ Report on pages xx to xx.

Apart from the information disclosed in this note, no director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors’ interests existing at year end.

Loans to key management personnel and their related parties

Details of loans made to the key management personnel of the consolidated entity, including their personally related entities, are set out below:

	Balance at 1 July $	Loan repayments $	Interest paid and payable for the period $	Balance at 30 June $	Interest not charged $	Number of loans at the end of the period
2008						
Directors	**-**	**-**	**-**	**-**	**-**	**-**
Senior Executives	**7,138**	**1,980**	**-**	**5,158**	**525**	**1**
2007						
Directors	-	-	-	-	-	-
Senior Executives	9,173	2,035	-	7,138	615	1

No individual key management person or related party holds a loan greater than $100,000 with the consolidated entity (2007: nil).

Loans to key management personnel are repayable following cessation of employment, have interest charged at varying rates and are secured by holdings locks on employee entitlements and securities. The amount shown for interest not charged in the table above represents the difference between the amount paid and payable for the year and the amount of interest that would have been charged on an arm’s length basis.

No impairment losses have been recognised in relation to any loans made to key management personnel (2007: nil).

Loans for the purchase of shares and other loans are made in accordance with the terms and conditions of the share plans referred to in note 27(a)(i). During the year, under the employee share plans, share loan repayments totalling $1,980 (2007: $2,035) were received from L J Lachal.

No loans were advanced during the current year (2007: nil).

Options and rights over equity instruments

Options and shares are issued as part of long-term incentive plans. Non-executive directors do not participate in the long-term incentive plans. There are two umbrella plans in place: the Employee Share Option Plan (ESOP) and the Employee Share Purchase Plan (ESPP). The details and conditions pertaining to these plans are outlined within the Remuneration Report section of the Directors’ Report and note 27.

Note 28. Key Management Personnel Disclosures (continued)

(d) Individual director's and executive's compensation disclosures (continued)

Options and rights over equity instruments (continued)
The number of options and rights over ordinary shares in the Company held during the financial year by each of the key management personnel of the consolidated entity, including their personally related entities, are set out below:

Name		Balance at 1 July	Granted as compensation		Exercised	Other changes[1]	Balance at 30 June	Balance vested and not yet exercised
			Share options	Share rights				
Directors[2]								
K N MacKenzie	**2008**	**1,313,000**	**165,000**	**100,000**	**-**	**-**	**1,578,000**	**459,000**
	2007	1,313,000	-	-	-	-	1,313,000	177,000
Senior Executives								
L A Desjardins	**2008**	**-**	**62,631**	**33,820**	**-**	**-**	**96,451**	**-**
(appointed 1 June 2007)	2007	- [3]	-	-	-	-	-	-
I G Wilson[4]	**2008**	**405,000**	**84,897**	**45,844**	**-**	**-**	**535,741**	**75,600**
	2007	-	300,000	105,000	-	-	405,000	-
L J Lachal	**2008**	**787,000**	**-**	**-**	**(129,000)**	**(480,000)**	**178,000** [3]	**178,000** [3]
(retired 31 December 2007)	2007	307,000	360,000	120,000	-	-	787,000	178,000
W J Long	**2008**	**874,000**	**65,702**	**35,479**	**(22,400)**	**-**	**952,781**	**463,600**
	2007	694,000	360,000	120,000	(300,000)	-	874,000	222,000
G Blatrix	**2008**	**456,450** [3]	**63,205**	**34,130**			**553,785**	**163,650**
P Brues	**2008**	**447,650** [3]	**46,380**	**25,045**	**(16,800)**		**502,275**	**138,050**
J Czubak	**2008**	**518,300** [3]	**47,904**	**85,868**			**652,072**	**225,500**
W P Day (retired 1 June 2007)	2007	437,500	200,000	70,000	-	-	707,500 [3]	222,500 [3]

[1] Other changes represent options or rights that have expired or were forfeited during the period.

[2] Non-executive directors do not participate in the long-term incentive plans of the consolidated entity and are therefore excluded from the analysis in the above table.

[3] Represents holding on cessation or commencement of designation as key management personnel in accordance with AASB 124 *Related Party Disclosures.*

[4] I G Wilson also holds 50,000 (2007: 200,000) entitlements issued in accordance with the Share Appreciation Entitlements Plan as described in note 27(c)(iii).

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

Note 28. Key Management Personnel Disclosures (continued)

(d) Individual director's and executive's compensation disclosures (continued)

Options and rights over equity instruments (continued)

The movement during the financial period in the number of ordinary shares in Amcor Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Name		Balance at 1 July	Received on exercise of options/rights	Purchased during the period	Sold during the period	Balance at 30 June
Directors						
C I Roberts	**2008**	**164,670**	**-**	**-**	**-**	**164,670**
	2007	160,674	-	3,996	-	164,670
K N MacKenzie	**2008**	**12,223**	**-**	**540**	**-**	**12,763**
	2007	11,703	-	520	-	12,223
R K Barton	**2008**	**33,899**	**-**	**-**	**-**	**33,899**
	2007	33,899	-	-	-	33,899
G J Pizzey	**2008**	**18,181**	**-**	**-**	**-**	**18,181**
	2007	18,181	-	-	-	18,181
J G Thorn	**2008**	**10,380**	**-**	**-**	**-**	**10,380**
	2007	10,380	-	-	-	10,380
G A Tomlinson	**2008**	**43,482**	**-**	**-**	**-**	**43,482**
	2007	43,068	-	414	-	43,482
E J J Pope	**2008**	**5,731**	**-**	**-**	**-**	**5,731**
	2007	5,731	-	-	-	5,731
Senior Executives						
L A Desjardins	**2008**	**40,000**	**-**	**-**	**-**	**40,000**
(appointed 1 June 2007)	2007	- (1)	-	40,000 (2)	-	40,000
I G Wilson	**2008**	**62,085**	**-**	**282,500**	**-**	**344,585**
	2007	62,085	-	-	-	62,085
L J Lachal	**2008**	**223,469**	**129,000**	**-**	**(341,469)**	**11,000** (1)
(retired 31 December 2007)	2007	223,469	-	-	-	223,469
W J Long	**2008**	**40,100**	**22,400**	**21,000**	**(20,000)**	**63,500**
	2007	100	300,000	-	(260,000)	40,100
G Blatrix	**2008**	**300** (1)	-	-	-	**300**
P Brues	**2008**	**1,200** (1)	**16,800**	-	**(16,800)**	**1,200**
J Czubak	**2008**	**30,100** (1)	-	-	-	**30,100**
W P Day (retired 1 June 2007)	2007	64,077	-	802	(29,775)	35,104 (1)

(1) Represents shares owned at commencement or cessation of designation as key management personnel in accordance with AASB 124 *Related Party Disclosures.*

(2) 40,000 fully paid Amcor Limited ordinary shares were issued to L A Desjardins for nil consideration under the terms and conditions of the Senior Executive Retention Share Plan (refer note 27(a)(ii)) on appointment as Amcor's Executive General Manager of Finance

Other key management personnel transactions

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

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

Note 29. Other Related Party Disclosures

Subsidiaries

Loans are provided by the Company to wholly owned subsidiaries on normal commercial terms and conditions at market rates. Interest is charged on all loans that are not repayable on demand at rates based on the consolidated entity's planned investment and borrowing rates at the commencement of the financial period. Interest and dividends received by the Company from controlled entities and interest paid by the Company to controlled entities is disclosed in notes 4 and 5 respectively. Outstanding balances are unsecured and repayable in cash.

During the twelve months to 30 June 2008, the Company charged $27.7 million (2007: $20.9 million) to controlled entities relating to services provided during the period which is included within 'general and administration expenses'.

In addition, the Company assumed a current tax payable of $44.8 million (2007: $50.3 million) and tax losses of $33.3 million (2007: $84.0 million) from wholly-owned tax consolidated entities within the tax consolidated group. As at 30 June 2008, the Company carried a current receivable of $45.7 million (2007: $4.7 million) relating to the tax funding agreement of the tax consolidated group.

The Company recognised reimbursements due from subsidiaries of $5.2 million (2007: $4.0 million) during the twelve months relating to share-based payment arrangements under the Employee Share Option Plans, refer note 27.

Details of investments in associates and controlled entities are disclosed in notes 14 and 32.

Amounts due to and receivable from controlled entities within the wholly owned group are disclosed in notes 11, 19 and 20. These balances comprise:

$ million	**2008**	2007
Trade receivables	**1.6**	7.2
Loans receivable at call	**5,354.9**	6,555.6
Accrued interest	**1.0**	2.9
	5,357.5	6,565.7
Weighted average interest rate	**6.98%**	5.94%
Trade payables(1)	**0.8**	6.4
Loans payable at call	**3,629.6**	3,819.3
Accrued interest(1)	**0.2**	10.6
	3,630.6	3,836.3
Weighted average interest rate	**6.17%**	5.75%

(1) Trade payables and accrued interest amounts are included within 'trade creditors' and 'other creditors and accruals' respectively in note 19.

The Company has also provided guarantees in respect of certain borrowings by controlled entities within the wholly-owned group, refer note 21.

Equity accounted investments

During the year ended 30 June 2008, the consolidated entity and the Company did not enter into any transactions with associates. Refer note 14 for further information on equity accounted investments.

During the twelve months to 30 June 2008, the consolidated entity received dividends of $7.5 million from associates (2007: $6.9 million).

Other related parties

Contributions to superannuation funds on behalf of employees are disclosed in notes 5 and 23.

Note 30. Contingencies

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

$ million	Consolidated 2008	2007	Amcor Limited 2008	2007
Contingent liabilities arising in respect of guarantees[(1)]	**58.3**	10.6	**184.5**	147.1
Total contingent liabilities	**58.3**	10.6	**184.5**	147.1

[(1)] Comprises mainly guarantees given by Amcor Limited in respect of certain borrowings principally in wholly-owned subsidiaries. A subsidiary of the consolidated entity has also given a guarantee in respect of a former subsidiary.

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

- Amcor Limited has indemnified the PaperlinX Limited Group in relation to potential taxation and workcover liabilities in excess of any provisions made in the financial statements of the PaperlinX Limited Group at 31 March 2000.
- Under the terms of the ASIC Class Order 98/1418 (as amended) dated 13 August 1998, which relieved certain wholly-owned subsidiaries from the requirement to prepare audited financial statements, Amcor Limited and certain wholly-owned subsidiaries have entered into an approved deed for the cross guarantee of liabilities with those subsidiaries identified in note 33. No liabilities subject to the Deed of Cross Guarantee at 30 June 2008 are expected to arise to Amcor Limited and subsidiaries, as all such subsidiaries were financially sound and solvent at that date.
- The consolidated entity operates in many territories around the globe under different direct and indirect tax regimes. From time to time the Company receives assessments for additional tax from revenue authorities which, having consulted with experts including external counsel, it believes are unfounded. Nonetheless, at any point in time matters will be under discussion and review with revenue authorities for which a theoretical exposure may exist. The Company believes that the likelihood of these having a material impact on the group's consolidated financial position, results of operations or cash flows is remote.

Competition Law Investigations

Leniency Application – Australia

On 21 December 2005, the Australian Competition and Consumer Commission ('ACCC') commenced legal proceedings in the Federal Court of Australia against certain Visy Group companies and executives. The proceedings are in respect of alleged cartel conduct in the Australian corrugated packaging industry. The ACCC alleged that the Visy Group companies (being Amcor's competitors) and executives engaged in conduct in the corrugated fibreboard container industry with certain former Amcor executives that was anti-competitive, including engaging in price fixing and market sharing, in contravention of section 45 of the Australian *Trade Practices Act* 1974.

Amcor and its former senior executives have been granted immunity from legal proceedings by the ACCC in respect of that alleged conduct. The immunity was granted in accordance with the terms of the ACCC's Leniency Policy for Cartel Conduct (June 2003): see http://www.accc.gov.au/content/index.phtml/itemId/459479. Accordingly, although the ACCC asserts that Amcor Group companies were involved in the relevant conduct, those companies are not the subject of any proceedings by the ACCC for a pecuniary penalty or otherwise for any alleged cartel conduct.

The immunity granted to Amcor and its former executives under the ACCC's Leniency Policy for Cartel Conduct does not exclude or limit claims by third parties who allege to have suffered loss or damage as a result of any cartel conduct.

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

Leniency Application – New Zealand

On 29 November 2004, Amcor notified the New Zealand Commerce Commission ('NZCC') that the Company may have been involved in cartel conduct in New Zealand. The NZCC is the regulatory agency responsible for enforcing New Zealand's anti-trust laws, the *Commerce Act* 1986 ('Commerce Act'). Amcor applied for leniency pursuant to the NZCC's Leniency Policy for Cartel Conduct ("NZ Leniency Policy").

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

Amcor was granted conditional immunity on 1 December 2004. Pursuant to the NZ Leniency Policy, Amcor entered into an agreement with the NZCC under which Amcor is obliged to comply with specified conditions including full cooperation with the NZCC. The NZCC's investigation is continuing and Amcor continues to provide full cooperation. In November 2007, the NZCC issued a proceeding in the High Court at Auckland, alleging cartel conduct by another New Zealand company, its Australian parent, and four former executives. Amcor will assist in the proceeding to the extent required by the NZCC.

Note 30. Contingencies (continued)

Competition Law Investigations (continued)

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 estimate range of any amounts which might become payable by way of damages to any third parties who believe they may have suffered loss as a result of any cartel conduct in New Zealand.

Although it is not possible at present to establish a reasonable estimated range of damages, there can be no assurance that any damages ultimately incurred will not be material to the results of operations or financial condition of Amcor.

Third Party Claims Australia

Jarra Creek Central Packaging Shed Pty Ltd
Jarra Creek Central Packaging Shed Pty Ltd ('Jarra Creek') filed a class action claim in the Federal Court of Australia on 11 April 2006 against Amcor Ltd, Amcor Packaging (Australia) Pty Ltd and Fibre Containers (Queensland) Pty Ltd alleging cartel behaviour and seeking declarations, injunctions and unspecified damages. The proceeding is expressed to have been brought on behalf of all persons or entities that purchased more than $100,000 of corrugated fibreboard packaging products between 1 May 2000 and 5 May 2005.

The allegations made in the class action are broadly similar to the allegations made in the ACCC's proceedings against the Visy Group. In November 2007, Jarra Creek amended the allegations made on the proceedings to conform more closely with the Agreed Statement of Facts reached between the ACCC and Visy parties as defendants to the claim. In broad terms, it is alleged that certain Amcor Group and Visy Group companies engaged in anti-competitive conduct in the corrugated fibreboard container industry, including engaging in price fixing and market sharing, in breach of section 45 of the Australian *Trade Practices Act* 1974. The class members seek, amongst other things, compensation in respect of the alleged effect that the alleged behaviour had on the prices they paid for corrugated fibreboard products during the relevant period.

Amcor is defending the claims made in the class action. Against the possibility that it is not wholly successful in defending these claims, Amcor has cross claimed against certain Visy Group companies (being the corporate respondents to the ACCC's proceeding), claiming contribution for any damages which may be awarded against Amcor in the class action.

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

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

Solicitors for Jarra Creek have asserted in statements in the media that the total damages against both Amcor and Visy if liability is established could be in the vicinity of $300 million. Those assertions have not been made in the litigation and no particulars have been provided to support them. Amcor is not aware of the basis upon which those estimates are made.

Although it is not possible at present to establish a reasonable estimated range of damages, there can be no assurance that any damages ultimately incurred will not be material to the results of operations or financial condition of Amcor.

Cadbury Schweppes
Cadbury Schweppes filed a proceeding in the Federal Court of Australia on 15 December 2006 against Amcor Limited and Amcor Packaging (Australia) Pty Ltd alleging cartel behaviour between Amcor and Visy (and related contract claims). Cadbury Schweppes claims damages and rectification of certain supply contracts. Although the amount claimed totals approximately $120.0 million, certain of the claims overlap.

The proceeding contains allegations of cartel conduct in the corrugated fibreboard container industry that are broadly similar to the allegations made in the Jarra Creek proceeding (see above). However, it also contains allegations that the cartel conduct extended beyond the corrugated business and affected other product lines.

Against the possibility that Amcor is not wholly successful in defending the proceeding, Amcor has cross-claimed against those Visy Group companies which are cross-respondents to the Jarra Creek proceeding, claiming contribution for any damages which may be awarded against Amcor.

It is too early for Amcor to provide any reliable assessment as to the prospects of success or the quantum of damages, if any, that may be awarded in either these proceedings or any other proceedings which may be instituted by third parties.

Note 31. Commitments

(a) Capital expenditure commitments

$ million	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Contracted at the reporting date but not provided for or payable:				
Property, plant and equipment:				
Within one year	**195.0**	60.7	**-**	-
Between one and five years	**165.3**	0.1	**-**	-
	360.3	60.8	**-**	-

(b) Supply and service commitments

$ million	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Expenditure contracted but not provided for or payable covering other supplies and services to be provided:				
Within one year	**56.5**	68.6	**-**	-
Between one and five years	**97.2**	68.4	**-**	-
More than five years	**21.2**	15.5	**-**	-
	174.9	152.5	**-**	-

(c) Operating lease commitments

$ million	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Lease expenditure contracted but not provided for or payable:				
Within one year	**110.3**	117.8	**3.1**	0.7
Between one and five years	**250.8**	284.5	**10.6**	0.2
More than five years	**160.5**	162.0	**-**	-
	521.6	564.3	**13.7**	0.9
Less sub-lease rental income	**(0.2)**	(2.8)	**-**	-
	521.4	561.5	**13.7**	0.9

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

Some leases provide for payment of incremental contingent rentals based on movements in a relevant price index or in the event that units produced by certain leased assets exceed a predetermined production capacity. Contingent rental paid during the period is disclosed in note 5.

(d) Finance lease commitments

$ million	Consolidated 2008	Consolidated 2007	Amcor Limited 2008	Amcor Limited 2007
Lease expenditure contracted and provided for due:				
Within one year	**1.4**	47.9	**-**	-
Between one and five years	**2.2**	3.6	**-**	-
More than five years	**0.1**	0.1	**-**	-
Minimum lease payments	**3.7**	51.6	**-**	-
Less future finance charges	**(0.2)**	(0.9)	**-**	-
	3.5	50.7	**-**	-
Current lease liability (refer note 20)	**0.5**	45.5	**-**	-
Non-current lease liability (refer note 20)	**3.0**	5.2	**-**	-
	3.5	50.7	**-**	-

The consolidated entity leases equipment under finance leases expiring from one to 20 years. At the end of the lease term, the consolidated entity has the option to purchase the equipment at an agreed residual value.

Note 32. Particulars in Relation to Controlled Entities and Businesses

The ultimate controlling party of the consolidated entity is Amcor Limited, a company incorporated in Australia. The companies listed below are those whose results or financial position principally affected the figures shown in this consolidated annual financial report of Amcor Limited. The accounting year end of all subsidiaries is 30 June.

Controlled entities	Note	Country of incorporation	Amcor Group's effective interest 2008	2007
Amcor Packaging (Australia) Pty Ltd	(a)	Australia	100.0%	100.0%
Amcor Fibre Packaging - Asia Pte Ltd		Singapore	100.0%	100.0%
Leigh-Mardon Singapore Pte Ltd		Singapore	100.0%	100.0%
Amcor Packaging (New Zealand) Ltd	(a)	New Zealand	100.0%	100.0%
Amcor PET Packaging USA, Inc		United States of America	100.0%	100.0%
Amcor Sunclipse North America		United States of America	100.0%	100.0%
Amcor PET Packaging de Mexico SA de CV		Mexico	100.0%	100.0%
Amcor PET Packaging de Venezuela SA		Venezuela	61.0%	61.0%
Amcor PET Packaging de Argentina SA		Argentina	100.0%	100.0%
Vinisa Fuegina S.A.		Argentina	100.0%	100.0%
Amcor PET Packaging do Brasil Ltda		Brazil	100.0%	100.0%
Amcor PET Packaging del Peru S.A.		Peru	100.0%	100.0%
Amcor PET Packaging Canada Inc		Canada	100.0%	100.0%
Amcor Flexibles UK Ltd		United Kingdom	100.0%	100.0%
Amcor Flexibles Winterbourne Ltd		United Kingdom	100.0%	100.0%
Amcor Flexibles Denmark A/S		Denmark	100.0%	100.0%
Amcor Flexibles France SA		France	100.0%	100.0%
Amcor Rentsch France SAS		France	100.0%	100.0%
Amcor Flexibles Finland OY		Finland	100.0%	100.0%
Amcor Rentsch Deutschland GmbH		Germany	100.0%	100.0%
Amcor Rentsch Novgorod		Netherlands	100.0%	100.0%
Amcor Rentsch Polska Spolka z.o.o.		Poland	100.0%	100.0%
Grupo Amcor Flexibles Hispania SL		Spain	100.0%	100.0%
Amcor Flexibles Lund AB		Sweden	100.0%	100.0%
Amcor Rentsch Rickenbach AG		Switzerland	100.0%	100.0%
Amcor Flexibles Schupbach AG		Switzerland	100.0%	100.0%

(a) Amcor Limited and these subsidiary companies have entered into an approved deed for the cross guarantee of liabilities, refer note 33.

In the financial statements of the Company investments in subsidiaries are measured at cost. The Company does not have any associate and joint venture investments.

Note 32. Particulars in Relation to Controlled Entities and Businesses (continued)

Acquisition of controlled entities and businesses

Amcor did not acquire any controlled entities or business during the twelve months to 30 June 2008 or in the twelve month period to 30 June 2007.

Disposal of controlled entities and businesses

The following controlled entities and business disposed of are classified as discontinued operations in this financial report, refer note 3.

	Disposal date	Consideration received/ receivable $ million	Consolidated profit/(loss) on disposal $ million
2008			
Australasian Food and Aerosols Can business	31 October 2007	147.7	4.2
2007			
PET European business[(1)]	29 June 2007	711.6	245.4

[(1)] The following entities were disposed of within the PET European business:

- Amcor PET Packaging U.K. Limited
- Amcor PET Packaging Belgium NV
- PET Packaging Amcor Maroc, S.A.R.L
- Amcor PET Packaging France S.A.S.
- Amcor PET Packaging Europe Limited
- Amcor PET Packaging Iberia S.A.
- Amcor PET Packaging Deutschland GmbH
- Amcor PET Recycling France S.A.S.

Note 33. Deed of Cross Guarantee

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

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

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

Amcor Limited [Holding Entity]	Pak Pacific Corporation Pty Ltd
Amcor Packaging (Asia) Pty Ltd	ACN 002693843 Box Pty Ltd
Amcor Nominees Pty Ltd	Lynyork Pty Ltd
Amcor Investments Pty Ltd	Fibre Containers (Qld) Pty Ltd
Amcor Packaging (New Zealand) Ltd	Specialty Packaging Group Pty Ltd (formerly Service Containers Pty Ltd)
Amcor Finance (NZ) Ltd	ACN 089523919 CCC Pty Ltd
Amcor Packaging (Australia) Pty Ltd	Rota Die International Pty Ltd
AGAL Holdings Pty Ltd	Rota Die Pty Ltd Trustee of Rota Die Trust
Envirocrates Pty Ltd	Amcor European Holdings Pty Ltd
PP New Pty Ltd	Amcor Holdings (Australia) Pty Ltd
AP Chase Pty Ltd	Anfor Investments Pty Ltd

Note 33. Deed of Cross Guarantee (continued)

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

(a) Summarised income statement and retained profits

$ million	2008	2007
Profit before related income tax expense	**142.0**	370.3
Income tax expense	**(29.3)**	39.2
Profit from continuing operations after tax	**112.7**	409.5
Retained profits at beginning of financial period	**1,072.3**	952.2
Actuarial gains/(losses) recognised directly in equity	**(17.5)**	16.3
	1,167.5	1,378.0
Dividends recognised during the financial period	**(294.2)**	(305.7)
Retained profits at the end of the financial period	**873.3**	1,072.3

Note 33. Deed of Cross Guarantee (continued)

(b) Balance sheet

$ million	2008	2007
Current assets		
Cash and cash equivalents	**129.0**	9.0
Trade and other receivables	**2,799.7**	2,965.9
Inventories	**318.7**	364.8
Other financial assets	**3.9**	1.6
Total current assets	**3,251.3**	3,341.3
Non-current assets		
Other financial assets	**3,324.0**	3,719.2
Property, plant and equipment	**1,389.7**	1,551.1
Deferred tax assets	**31.0**	-
Intangible assets	**161.6**	186.0
Other non-current assets	**34.6**	26.9
Total non-current assets	**4,940.9**	5,483.2
Total assets	**8,192.2**	8,824.5
Current liabilities		
Trade and other payables	**401.7**	534.4
Interest bearing liabilities	**2,504.1**	2,701.7
Other financial liabilities	**2.9**	11.2
Current tax (receivable)/liability[1]	**(2.6)**	4.1
Provisions	**134.4**	149.2
Total current liabilities	**3,040.5**	3,400.6
Non-current liabilities		
Trade and other payables	**0.4**	0.5
Interest bearing liabilities	**1,752.3**	1,531.2
Other financial liabilities	**0.8**	3.3
Deferred tax liabilities	**11.1**	7.0
Provisions	**41.6**	33.5
Retirement benefit obligations	**26.3**	6.3
Total non-current liabilities	**1,832.5**	1,581.8
Total liabilities	**4,873.0**	4,982.4
Net assets	**3,319.2**	3,842.1
Equity		
Contributed equity	**2,406.1**	2,742.8
Reserves	**39.8**	27.0
Retained profits	**873.3**	1,072.3
Total equity	**3,319.2**	3,842.1

[1] The current tax receivable is reflective of the tax receivable position of the New Zealand entities.

Note 34. Events Subsequent to Balance Date

Increase in holding of equity accounted investment

On 25 June 2008 the consolidated entity announced, that subject to shareholder approval, it would acquire 78.3 million shares in the Hong Kong publicly-listed company AMVIG Holdings Limited ('AMVIG') for consideration of $HK700.0 million. On 29 July 2008 the shareholders of AMVIG approved two resolutions facilitating this additional investment by the consolidated entity.

The shares were acquired by way of placement by AMVIG to the consolidated entity at a price of HK$8.94 per share on 31 July 2008. The placement represents a premium of 5% over the weighted average AMVIG share price for the nine trading days prior to 20 June 2008. As a result of this placement the consolidated entity's shareholding in AMVIG increased from 35.4% to 40.2%.

On 2 June 2008 AMVIG announced the proposed acquisition of Hangzhou Weicheng which is to be settled by way of a cash payment and share issue by AMVIG. AMVIG anticipates that the acquisition of Hangzhou Weicheng is to complete in the near future at which time the consolidated entity's shareholding in AMVIG will decrease from 40.2% to 39.3%.