AMCOR LTD
Form 6-K
August 25, 2005

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of August 2005

Amcor Limited

(Translation of registrant s name into English)

679 Victoria Street Abbotsford

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ý Form 40-F o

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ý No o

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- 0000869428

Amcor News Release

For Release: Wednesday 24 August, 2005

Amcor Limited Senior Executive Appointment

Amcor announces today the appointment of Ron Delia to the role of Executive General Manager Operations Development. Mr Delia is presently Associate Principal with McKinsey & Company in New York, and will take up his new role with Amcor on 21 September 2005.

Mr Delia has an extensive background working with global manufacturing and packaging businesses since he joined McKinsey in 2000. Prior to joining McKinsey he held a senior management role in a business that is now part of Alcan Packaging.

As a member of Amcor s Global Executive Team, Mr Delia will report directly to Amcor s CEO and Managing Director, Ken MacKenzie, and his role, which is new, will focus on customer and market-facing activities, global IT, procurement and other cross-divisional opportunities.

For more information:

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

FULL YEAR FINANCIAL REPORT

FULL REPORT

30 JUNE 2005

24th August 2005

Amcor Limited and its controlled entities

Statements of Financial Performance

For the year ended 30 June	**Note**	**CONSOLIDATED 2005 $m**	**CONSOLIDATED 2004 $m**	**AMCOR LIMITED 2005 $m**	**AMCOR LIMITED 2004 $m**
Revenues from sale of goods	2	11,099.6	10,405.9		
Other revenues from ordinary activities	2	174.7	175.0	365.5	406.8
Total revenue from ordinary activities	2	11,274.3	10,580.9	365.5	406.8
Expenses from ordinary activities excluding borrowing costs	3	(10,871.2)	(9,964.0)	287.1	(95.9)
Borrowing costs	1(8),3	(158.1)	(145.4)	(217.2)	(179.8)
PROFIT FROM ORDINARY ACTIVITIES BEFORE RELATED INCOME TAX EXPENSE		245.0	471.5	435.4	131.1
Income tax (expense) / benefit relating to ordinary activities	5	(58.8)	(111.3)	37.9	46.9
PROFIT FROM ORDINARY ACTIVITIES AFTER RELATED INCOME TAX EXPENSE		186.2	360.2	473.3	178.0
Net profit attributable to outside equity interests		(13.0)	(14.5)		
NET PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	27	173.2	345.7	473.3	178.0
NON-OWNER TRANSACTION CHANGES IN EQUITY					
Net exchange difference relating to self-sustaining foreign operations	26	(159.8)	(65.4)		
Total revenues, expenses and valuation adjustments attributable to members of the parent entity recognised directly in equity		(159.8)	(65.4)		
TOTAL CHANGES IN EQUITY FROM NON-OWNER RELATED TRANSACTIONS ATTRIBUTABLE TO THE MEMBERS OF THE PARENT ENTITY	29	13.4	280.3	473.3	178.0
NET OPERATING PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY:					
Before significant items		443.0	440.3	473.3	178.0
After significant items	4	173.2	345.7	473.3	178.0
		cents	**cents**		
EARNINGS PER SHARE					
Basic earnings per share	7	13.8	33.8		

Diluted earnings per share	7	13.7	33.7

The Statements of Financial Performance are to be read in conjunction with the notes to the financial statements set out on pages 6 to 81.

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Amcor Limited and its controlled entities

Statements of Financial Position

As at 30 June	Note	CONSOLIDATED 2005 $m	CONSOLIDATED 2004 $m	AMCOR LIMITED 2005 $m	AMCOR LIMITED 2004 $m
CURRENT ASSETS					
Cash assets	9	210.8	131.0	3.7	7.5
Receivables	10	1,685.9	1,551.4	6,027.4	8,103.3
Inventories	11	1,440.1	1,369.6		
TOTAL CURRENT ASSETS		3,336.8	3,052.0	6,031.1	8,110.8
NON-CURRENT ASSETS					
Receivables	12	71.6	81.8	33.8	41.8
Other financial assets	13	48.4	12.9	4,678.7	3,647.9
Property, plant and equipment	14	4,400.1	4,745.0	8.7	5.6
Intangibles	15	1,766.9	2,062.7	5.5	5.0
Deferred tax assets	16	176.2	238.8	88.4	100.0
Other non-current assets	17	98.9	93.2	11.4	13.4
TOTAL NON-CURRENT ASSETS		6,562.1	7,234.4	4,826.5	3,813.7
TOTAL ASSETS		9,898.9	10,286.4	10,857.6	11,924.5
CURRENT LIABILITIES					
Payables	18	1,991.8	1,831.1	35.9	35.1
Interest-bearing liabilities	19	729.2	728.5	3,849.6	4,846.6
Current tax liabilities	20	82.5	77.4	13.4	23.6
Provisions	21	290.4	339.7	2.1	2.9
TOTAL CURRENT LIABILITIES		3,093.9	2,976.7	3,901.0	4,908.2
NON-CURRENT LIABILITIES					
Payables	22	0.7	13.2		
Interest-bearing liabilities	23	1,747.8	1,776.2	1,275.9	1,463.8
Deferred tax liabilities		292.8	388.5	148.6	169.2
Provisions	21	100.0	91.9	5.2	4.5
Undated subordinated convertible securities	24	301.1	332.3	301.1	332.3
TOTAL NON-CURRENT LIABILITIES		2,442.4	2,602.1	1,730.8	1,969.8
TOTAL LIABILITIES		5,536.3	5,578.8	5,631.8	6,878.0
NET ASSETS		4,362.6	4,707.6	5,225.8	5,046.5
EQUITY					
Contributed equity	25	3,348.1	3,351.9	2,751.5	2,755.3
Reserves	26	(510.9)	(349.2)	40.7	40.9
Retained profits	27	1,446.9	1,614.3	2,433.6	2,250.3
Equity attributable to members of the parent entity		4,284.1	4,617.0	5,225.8	5,046.5
Outside equity interests in controlled entities	28	78.5	90.6		
TOTAL EQUITY	29	4,362.6	4,707.6	5,225.8	5,046.5

The Statements of Financial Position are to be read in conjunction with the notes to the financial statements set out on pages 6 to 81.

Amcor Limited and its controlled entities

Statements of Cash Flows

For the year ended 30 June	Note	CONSOLIDATED 2005 $m	CONSOLIDATED 2004 $m	AMCOR LIMITED 2005 $m	AMCOR LIMITED 2004 $m
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		10,936.7	10,453.7		
Payments to suppliers and employees		(9,900.0)	(9,222.8)	(66.6)	(64.8)
Dividends received		0.6	0.6	40.6	37.3
Interest received		20.6	14.7	309.6	350.2
Borrowing costs paid		(156.3)	(165.6)	(211.8)	(183.4)
Income taxes paid		(115.5)	(105.8)	(42.2)	(4.9)
Other (payments)/receipts		71.3	57.0	31.8	(38.9)
NET CASH FROM OPERATING ACTIVITIES (1)		857.4	1,031.8	61.4	95.5
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans drawn/(repaid) - controlled entities				157.8	(360.8)
Loans drawn by other persons		4.8	24.5	5.7	8.9
Acquisition of:					
Controlled entities and businesses	36(2)	(9.7)	(618.9)	(10.1)	(132.7)
Investments		(35.8)			
Property, plant and equipment / Intangibles		(647.4)	(605.4)	(3.1)	(4.4)
Proceeds on disposal of:					
Controlled entities and businesses (net of cash disposed)	36(3)	10.8	40.2		
Property, plant and equipment		77.4	98.3	0.3	
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		(599.9)	(1,061.3)	150.6	(489.0)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends and other distributions paid		(346.6)	(225.0)	(287.3)	(172.9)
Net proceeds from share issues, convertible securities and calls on partly-paid shares		(3.3)	13.2	(2.5)	13.2
Proceeds from borrowings		3,719.0	5,280.3	3,324.0	4,668.3
Repayment of borrowings		(3,504.3)	(4,817.1)	(3,250.0)	(4,114.1)
Principal lease repayments		(18.1)	(144.8)		
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		(153.3)	106.6	(215.8)	394.5
NET INCREASE / (DECREASE) IN CASH HELD		104.2	77.1	(3.8)	1.0
CASH AT THE BEGINNING OF THE YEAR		121.1	46.1	7.5	6.5
Exchange rate changes on foreign currency cash balances		(11.5)	(2.1)		
CASH AT THE END OF THE YEAR (2)		213.8	121.1	3.7	7.5

The Statements of Cash Flows are to be read in conjunction with the notes to the financial statements set out on pages 6 to 81.

For the year ended 30 June		CONSOLIDATED 2005 $m	CONSOLIDATED 2004 $m	AMCOR LIMITED 2005 $m	AMCOR LIMITED 2004 $m
(1)	**RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES**				
	PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX	186.2	360.2	473.3	178.0
	Add / (less) non-cash items and items classified as financing / investing activities:				
	Depreciation of property, plant and equipment	444.1	459.4	0.6	0.5
	Amortisation of leased assets	7.4	13.2		
	Amortisation of goodwill and other intangibles	131.3	131.2	0.3	0.3
	Interest capitalised	(3.7)	(4.5)		
	Finance charges on capitalised leases	3.9	4.7		
	Profit on disposal of non-current assets	(8.6)	(30.6)	(0.1)	
	Profit on disposal of business/controlled entities	(3.8)	(4.1)	(3.3)	
	Unrealised foreign exchange (gain)/loss	(1.6)		(322.1)	42.4
	Effect of tax consolidation regime on tax balances			(102.7)	
	Non cash significant item	227.5	50.2		
		982.7	979.7	46.0	221.2
	Change in assets and liabilities excluding acquisitions/disposals of controlled entities and businesses:				
	Decrease / (increase) in sundry assets	6.2	(19.9)	(9.2)	(6.1)
	Increase / (decrease) in current and deferred taxes	(6.2)	10.7	22.6	(51.8)
	Increase / (decrease) in provisions	(66.3)	(55.4)	(2.2)	1.4
		(66.3)	(64.6)	11.2	(56.5)
	(Increase) / decrease in receivables	(167.4)	143.7	10.4	(40.1)
	Increase in inventories	(165.5)	(18.1)		
	Increase / (decrease) in payables	273.9	(8.9)	(6.2)	(29.1)
		(59.0)	116.7	4.2	(69.2)
	NET CASH FROM OPERATING ACTIVITIES	857.4	1,031.8	61.4	95.5

(2) **RECONCILIATION OF CASH**

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

Cash - refer Note 9	210.8	131.0	3.7	7.5
Short-term deposits - refer Note 10	19.0	17.3		
Bank overdrafts - refer Note 19	(16.0)	(27.2)		
	213.8	121.1	3.7	7.5

(3) NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year, the consolidated entity acquired property, plant and equipment with an aggregate value of nil (2004 $104.0 million) by means of finance leases. Dividends of nil (2004 $94.7 million) were paid for via the Dividend Reinvestment Plan and convertible securities of $0.1 million (2004 $99.9 million) were converted into fully paid ordinary shares. These transactions are not reflected in the Statements of Cash Flows.

The Statements of Cash Flows are to be read in conjunction with the notes to the financial statements set out on pages 6 to 81.

Amcor Limited and its controlled entities

Notes to the financial statements

For the year ended 30 June 2005

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NOTE 1. ACCOUNTING POLICIES

The significant accounting policies which have been adopted by Amcor Limited (the company) and its controlled entities (the consolidated entity) in the preparation of this financial report are:

(1) **Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the *Corporations Act 2001*.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or fair values of assets. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Certain items in the comparative periods have been reclassified to conform to current period disclosures.

(2) **Consolidated Financial Statements**

The consolidated financial statements comprise the financial statements of the company, being the parent entity, and its controlled entities in accordance with Accounting Standard AASB 1024 Consolidated Accounts . The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases. A list of controlled entities appears in Note 36 to the financial statements.

Outside interests in the equity and results of the entities that are controlled by the company are shown as a separate item in the consolidated financial statements.

Investments in controlled entities are carried in the financial statements of the company at the lower of cost and recoverable amount and dividends are brought to account in the Statement of Financial Performance when they are declared.

In preparing the financial statements all balances and transactions between entities included in the consolidated entity have been eliminated.

(3) **Revenue Recognition**

Sale of Goods

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of products to entities outside the consolidated entity. Sales revenue is recognised when control of the goods passes to the customer.

Interest Income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Sales of Non-Current Assets

The gross proceeds of non-current asset sales are recognised as revenue at the date control passes to the buyer. The profit or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(4) **Taxation**

General

The consolidated entity adopts the accounting policy for treatment of company income tax as set out in Accounting Standard AASB 1020 Tax Effect Accounting issued in December 1999 whereby the taxation benefits or liabilities which arise due to differences between the time when items are taken up in the consolidated entity s financial statements and when they are to be taken up for income tax purposes are shown either as a deferred tax asset or a deferred tax liability. The deferred tax asset and deferred tax liability are taken up at tax rates applicable to the periods in which they are expected to reverse.

The deferred tax asset relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. These benefits will be brought to account as a reduction in income tax expense in the period in which they are recouped. The tax effect of capital losses is not recorded unless realisation is virtually certain.

The company is the head entity in the tax-consolidated group comprising all the Australian wholly-owned subsidiaries set out in Note 36. The head entity recognises all of the current and deferred tax assets and liabilities of the tax-consolidated group (after elimination of intragroup transactions).

The tax-consolidated group has entered into a tax sharing agreement that requires wholly-owned subsidiaries to make contributions to the head entity for tax liabilities arising from external transactions during the year. The contributions are calculated as if each subsidiary was a stand-alone entity. The contributions are payable annually.

The assets and liabilities arising under the tax sharing agreement are recognised as intercompany assets and liabilities with a consequential adjustment to income tax expense/revenue.

Capital Gains Tax

Capital gains tax, where applicable, is provided in the period in which an asset is sold.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST 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 included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statements of Financial Position.

Cash flows are included in the Statements of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(5) **Depreciation**

Property, plant and equipment, excluding freehold land, are depreciated at rates based upon their expected useful lives using the straight line method.

Depreciation rates used for each class of asset are as follows:

Leasehold land between 1% - 3% (2004 1% - 3%)

Land improvements between 1% - 3% (2004 1% - 3%)

Buildings between 1% - 5% (2004 1% - 5%)

Plant and equipment between 3% - 25% (2004 3% - 25%)

Finance leased assets between 4% - 20% (2004 4% - 20%)

(6) **Employee Entitlements**

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 service provided to reporting date, calculated at undiscounted amounts based on wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs.

Long Service Leave

Liabilities relating to long service leave and post-employment benefits have been calculated to represent the present value of estimated future cash outflows discounted to reporting date.

Liabilities for employee entitlements include, where appropriate, forecast future increases in wages and salaries, grossed up for on-costs, and are based on the consolidated entity s experience with staff departures.

Liabilities which are not expected to be settled within 12 months are discounted using the rate attaching to those national government securities at reporting date which most closely match the terms of maturity of the related entitlements.

Profit Sharing and Bonus Plans

A liability 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.

Employee Share and Option Plans

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.

Options relating to the ESOP are generally issued at the closing market price on the date of allotment. Options are issued under the plan upon such terms and conditions as determined by the directors at the time of the invitation.

Issues relating to the ESPP and the ESOP are detailed in Note 35.

Loans to assist in the purchase of shares are shown as receivables. Shares are held in trust until the loan is settled. The loans can be paid off at any time and must be settled when an individual ceases to be employed by the consolidated entity. No value is recognised at the time of the issue of options under the ESOP. If exercised, contributions are recognised as equity. Shares issued under the ESOP are treated as equity to the extent the shares are paid-up. Shares issued under the ESPP are credited to equity at the discounted value at the time of allotment.

Superannuation Funds

The consolidated entity contributes to employee superannuation funds. Contributions are charged against profit as and when they are incurred. Further information is set out in Note 35.

(7) **Provisions**

A provision is recognised when there is a legal, equitable 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, the timing or amount of which is uncertain.

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 probable that the recovery will be received and is measured on a basis consistent with the measurement of the related provision.

In the Statements of Financial Performance, the expense recognised in respect of a provision is presented net of the recovery. In the Statements of Financial Position, the provision is recognised net of the recovery receivable only when the entity:

has a legally recognised right to set-off the recovery receivable and the provision; and

intends to settle on a net basis, or to realise the asset and settle the provision simultaneously.

Restructuring

A provision for restructuring, including employee termination benefits, related to an acquired entity or operation is recognised at the date of acquisition where:

the main features of the restructuring were announced, implementation of the restructuring commenced, or contracts were entered into by the date of acquisition

a detailed formal plan is developed by the earlier of three months after the date of acquisition and the completion of this financial report.

The provision only relates to costs associated with the acquired entity, and is included in the determination of the fair value of the net assets acquired. The provision includes liabilities for termination benefits that will be paid to employees of the acquired entity as a result of the restructuring.

Other provisions for restructuring or termination benefits are only recognised when a detailed plan has been formally approved and the restructuring or termination benefits have either commenced or been publicly announced, or firm contracts related to the restructuring or the termination benefits have been entered into. Costs related to ongoing activities are not provided for. The liabilities for termination benefits that will be paid as a result of these restructurings have been included in the provision for restructuring.

Dividends

A provision for dividends payable is recognised in the reporting period in which the dividends are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

Onerous Contracts

A provision for onerous contracts is recognised after impairment losses on assets dedicated to the contract have been recognised and when the expected benefits are less than the unavoidable costs of meeting the contractual obligations. A provision is recognised to the extent that the contract obligations exceed future economic benefits.

Insurance and Other Claims

Provisions for workers compensation, insurance and other claims are made for claims received and claims expected to be received in relation to incidents occurring prior to reporting date, 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.

(8) **Borrowing Costs**

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, lease finance charges and foreign exchange differences on borrowings other than those designated as net investment hedges.

Borrowing costs are brought to account in determining profit for the year, except to the extent the interest incurred relates to major capital items in which case interest is capitalised as a cost of the asset up to the time it is ready for its intended use and amortised over the expected useful economic life.

The total amount of interest capitalised during the year as part of the carrying amount of assets is shown in Note 3.

(9) **Investments and Other Financial Assets**

Investments in listed and unlisted securities, other than controlled entities and associates, in the financial report, are brought to account at cost and dividend income is recognised in the Statements of Financial Performance when receivable.

The consolidated entity follows the requirements of AASB 1016 Accounting for Investments in Associates and applies the equity method of accounting for investments in associates. Associates are those entities over which the consolidated entity exercises significant influence, but does not control. The equity method requires the carrying amount of investments in associates to be adjusted by the consolidated entity s share of associates net profit or loss after tax and other movements in reserves. Investments in associates are carried at the lower of the equity accounted amount and the recoverable amount. These amounts are recognised in the consolidated Statement of Financial Performance and consolidated reserves.

(10) **Non-Current Assets**

The recoverable amount of non-current assets carried at cost is reviewed at each reporting date using profit multiples and undiscounted or discounted cash flows as deemed appropriate. Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. The write-down is recognised as an expense in the Statements of Financial Performance in the reporting period in which it occurs.

(11) **Inventories**

Inventories are valued at the lower of cost (including an appropriate proportion of fixed and variable overheads) and net realisable value in the normal course of business.

(12) **Foreign Currency Translation**

The financial statements of overseas controlled entities which are classified as self-sustaining are converted to Australian currency at balance date using the current rate method as set out in Accounting Standard AASB 1012 Foreign Currency Translation . Any exchange gains/losses arising from the effect of currency fluctuations on these investments are taken directly to the exchange fluctuations reserve on consolidation.

Prior to translation, the financial reports of self-sustaining operations in hyper-inflationary economies are restated to account for changes in the general purchasing power of the local currency, based on relevant price indices at reporting date.

For hyper-inflationary self-sustaining operations, the translated amounts for non-monetary assets, other than inventory, are compared to recoverable amounts translated at spot rates at reporting dates and any excess is expensed.

(13) **Financial Instruments**

Financial Instruments Included in Equity

Details of shares and other securities issued and the terms and conditions of options outstanding over ordinary shares at balance date are set out in Notes 25 and 35.

The issue of $400 million of Perpetual Amcor Convertible Reset Securities (PACRS) and $210 million of 2002 Perpetual Amcor Convertible Reset Securities (PACRS2) are classified as equity and the coupon interest payable on the PACRS and PACRS2 is treated as a distribution of shareholders equity. The Consolidated Statement of Financial Performance does not include the coupon interest on the PACRS or PACRS2.

Financial Instruments Included in Liabilities

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Bank overdrafts, bank loans, mortgage loans and other loans are carried at their principal amounts. Interest is charged as an expense as it accrues other than for amounts capitalised. Refer Note 1 (8).

Commercial paper is carried at face value. The discount interest is carried as a deferred expense and brought to account on an accruals basis.

US$ notes are carried at face value and translated at the rates ruling at reporting date. Interest is charged as an expense as it accrues.

Eurobond notes are carried at face value. The discount is carried as a deferred expense and amortised over the period to maturity. Interest is charged as an expense as it accrues.

Undated subordinated convertible securities were initially recorded at the amount of consideration received. These securities have been translated at the rate of exchange ruling at reporting date. Interest payable on these securities is recognised when entitlements accrue and is calculated in accordance with the terms of each issue. The terms and conditions of undated subordinated convertible securities outstanding are set out in Note 24.

Financial Instruments Included in Assets

Trade debtors are carried at nominal amounts due less any provision for doubtful debts. Collectability of overdue accounts is assessed on an ongoing basis. Specific provision is made for all doubtful accounts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.

Receivables other than trade debtors are carried at nominal amounts due.

Derivatives

The consolidated entity s policy on interest rate risk management is to monitor and, where appropriate, hedge the consolidated entity s exposure to movements in interest rates through the use of various hedging products available in the financial markets.

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The consolidated entity may enter into interest rate and cross currency swaps, forward rate agreements and interest rate options to hedge interest rate and foreign currency exposures. These instruments are not held for speculative purposes. Where hedge transactions are designated as a hedge of the anticipated purchase or sale of goods or services or an anticipated interest transaction, gains and losses on the hedge arising up to the date of the anticipated transactions are included in the measurement of the anticipated transaction when the transaction has occurred as designated. Any gains or losses on the hedge transaction after that date are included in the Statements of Financial Performance.

The net amounts receivable or payable under forward foreign exchange contracts and the associated deferred gains or losses are recorded on the Statements of Financial Position until the hedge transaction occurs. When recognised, the net receivables or payables are revalued using the rate of exchange ruling at reporting date.

Where a hedge transaction is terminated early and the anticipated transaction is still expected to occur, the deferred gains or losses that arose prior to its termination are included in the measurement of the purchase or sale or interest transaction as it occurs. Where a hedge transaction is terminated early because the anticipated transaction is no longer expected to occur, deferred gains or losses that arose on the hedge instrument are included in the Statements of Financial Performance.

Net receipts and payments under the interest rate swap contracts, forward rate agreements and cross currency swaps are recognised on an accruals basis as an adjustment to interest expense. The premiums paid on interest rate options are included in other assets and amortised to borrowing costs over the term of the agreement.

Net Investment in Foreign Operation

Foreign exchange differences relating to foreign currency transactions hedging a net investment in a self-sustaining foreign operation, together with any related income tax, are transferred to the exchange fluctuations reserve on consolidation.

(14) **Leased Assets**

Leases under which the company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Payments made under operating leases are expensed over the term of the lease.

(15) **Research and Development Expenditure**

Expenditure on research and development associated with product research and development innovation is charged against operating profit in the year in which the expenditure is incurred.

Where such expenditure is considered to have a demonstrable future economic benefit and commercial value, it is capitalised and amortised over the period of time during which the benefits are expected to arise.

Expenditure on significant commercial development, including major software applications and associated systems, is capitalised and amortised over the period of time during which the benefits are expected to arise, typically not exceeding ten years.

(16) **Trademarks / Licences**

The consolidated entity writes off expenditure on trademarks / licences to profit as incurred.

(17) **Goodwill**

Goodwill represents the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired on acquisitions of controlled entities and businesses.

All goodwill is amortised in equal instalments over the period of time during which the benefits are expected to arise but for a period not exceeding 20 years. The unamortised balance of goodwill is reviewed at reporting date and adjusted where it is considered that the carrying amount exceeds the expected future benefits.

(18) **Earnings per Share (EPS)**

Basic Earnings per Share

Basic earnings per share is calculated by dividing the net profit attributable to members of the company for the reporting period, after adjusting for distributions on PACRS, by the weighted average number of ordinary shares of the company, adjusted for any bonus issue.

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.

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 (refer Note 7).

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.

(19) **Acquisition of Assets**

All assets acquired, including property, plant and equipment and intangibles other than goodwill, are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Acquired in-process research and development is only recognised as a separate asset when future benefits are expected beyond any reasonable doubt to be recoverable.

NOTE 2. REVENUE

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	2004 $m	2005 $m	2004 $m
Revenue				
Revenue from sale of goods	11,099.6	10,405.9		
Other revenues from operating activities				
Interest received/receivable				
Controlled entities			320.5	351.1
Other	20.9	13.2	2.6	1.7
	20.9	13.2	323.1	352.8
Dividend received/receivable				
Controlled entities			40.6	37.3
Other	0.6	0.6		
	0.6	0.6	40.6	37.3
Other revenues from outside operating activities				
Gross proceeds on disposal of non-current assets	77.8	98.7	0.3	
Gross proceeds on disposal of businesses and controlled entities	10.8	2.1		
Other	64.6	60.4	1.5	16.7
	153.2	161.2	1.8	16.7
Total other revenues	174.7	175.0	365.5	406.8
TOTAL REVENUE FROM ORDINARY ACTIVITIES	11,274.3	10,580.9	365.5	406.8

NOTE 3. PROFIT FROM ORDINARY ACTIVITIES

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	**2004 $m**	**2005 $m**	**2004 $m**
Profit from ordinary activities before income tax has been arrived at after (charging)/crediting:				
Depreciation				
of property, plant and equipment - refer Note 1 (5)	(444.1)	(459.4)	(0.6)	(0.5)
Amortisation:				
of leased assets- refer Note 1 (5)	(7.4)	(13.2)		
of goodwill - refer Note 1 (17)	(127.2)	(127.6)		
of other intangibles	(4.1)	(3.6)	(0.3)	(0.3)
	(582.8)	(603.8)	(0.9)	(0.8)
Borrowing costs				
Interest paid/payable:				
Controlled entities			(125.3)	(92.2)
Finance charges on leased assets	(3.9)	(4.7)		
Other persons	(150.0)	(138.4)	(91.0)	(87.6)
Interest capitalised - refer Note 1 (8)	3.7	4.5		
	(150.2)	(138.6)	(216.3)	(179.8)
Other borrowing costs	(7.9)	(6.8)	(0.9)	
Total borrowing costs	(158.1)	(145.4)	(217.2)	(179.8)
Other				
Bad debts written off:				
Trade debtors	(3.0)	(6.2)		
Provisions:				
Employee entitlements and directors retiring allowances	(63.6)	(106.0)	(1.6)	(1.6)
Doubtful debts	(5.8)	(1.1)		
Diminution in value of inventories	(26.8)	5.4		
Insurance/workers compensation and other claims	(37.4)	(24.6)		
Onerous Contracts	(12.6)	(12.8)		
Restructuring	(64.9)	(57.0)		
Lease rentals				
Operating leases	(131.7)	(131.6)		
Asset impairments - refer Note 4	(242.4)			
Net profit on disposal of businesses and non-current assets	12.4	34.7	0.1	
Net foreign exchange gains / (losses)	4.6	4.8	324.1	(50.3)
Net loss on sale of receivables	(7.5)			

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	2004 $m	2005 $m	2004 $m
Cost of sales	(9,304.8)	(8,589.7)		
Other expenses				
Sales and marketing expenses	(303.2)	(312.6)		
General and administration expenses including foreign exchange gains / (losses)	(1,223.5)	(1,015.3)	287.4	(95.2)
Research and development costs	(39.7)	(46.4)	(0.3)	(0.7)
Expenses from ordinary activities excluding borrowing costs	(10,871.2)	(9,964.0)	287.1	(95.9)

NOTE 4. SIGNIFICANT ITEMS

Significant items before income tax		
PET business integration and restructure	(51.8)	(19.9)
Flexibles market sector rationalisation	(34.2)	(69.3)
Write-down residual assets of the former Twinpak group		(10.6)
Asset impairments	(242.4)	
Significant items before income tax	(328.4)	(99.8)
Related income tax on significant items (where applicable)		
Income tax benefit on PET business integration and restructure	14.8	
Income tax benefit on Flexibles market sector rationalisation	9.5	2.4
Income tax benefit on write-down residual assets of the former Twinpak group		2.8
Income tax benefit on asset impairments	34.3	
Income tax on significant items	58.6	5.2
SIGNIFICANT ITEMS AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	(269.8)	(94.6)

DETAILS OF CONSOLIDATED SIGNIFICANT ITEMS BEFORE INCOME TAX

	Restructuring				(1)	
		Plant		Goodwill	Asset	
			Onerous			
	Redundancy	Closure	Lease	Impairment	Impairments	Total
	$m	$m	$m	$m	$m	$m
PET	20.7	19.1	12.0	5.6	49.9	107.3
Australasia					108.7	108.7
Flexibles	27.7	6.5			27.2	61.4
Asia				0.7	44.2	44.9
Corporate					6.1	6.1
Total	**48.4**	**25.6**	**12.0**	**6.3**	**236.1**	**328.4**

(1) Comprises $7.3m related to inventory, $1.1m related to other intangibles, $0.4 related to other non current assets and the balance relates to property plant & equipment reflecting the reassessment of carrying values in a number of operating units.

NOTE 5. INCOME TAX EXPENSE

	CONSOLIDATED		AMCOR LIMITED	
	2005	2004	2005	2004
	$m	$m	$m	$m
Prima facie income tax expense calculated at 30% rate of tax on profit from ordinary activities	(73.5)	(141.5)	(130.6)	(39.3)
(Add) / deduct the tax effect of:				
Effect of different overseas tax rates	5.6	(6.9)		
Tax rebate on dividends from investments			12.2	11.2
Capital structures and PACRS	57.3	71.9		
Amortisation / write down of goodwill	(37.3)	(25.7)		
(Under) / over provision in prior years	8.6	9.3	3.5	1.7
Income tax benefit related to current and deferred tax transactions of the wholly-owned subsidiaries in the tax consolidated group			98.1	20.5
Income tax benefit related to tax losses of the wholly owned subsidiaries in the tax consolidated group			66.8	55.8
Tax loss utilisation	11.1	22.9		
Significant items	(30.6)	(25.0)		
Other		(16.3)	(12.1)	(3.0)
TOTAL INCOME TAX (EXPENSE) / BENEFIT	(58.8)	(111.3)	37.9	46.9

The balance of the franking account as at 30 June 2005 was nil (2004 nil) after taking into account the payment of income tax payable at that date and any franking credits included therein which may not be distributable in the

following year.

NOTE 6. AUDITORS REMUNERATION

	CONSOLIDATED		AMCOR LIMITED	
	2005 $000 s	**2004 $000 s**	**2005 $000 s**	**2004 $000 s**
Audit services:				
Auditors of the company - KPMG:				
Audit and review of financial reports (1)	9,151	7,407	1,765	984
Other services:				
Auditors of the company - KPMG:				
Taxation services	785	1,157	299	345
Completion audits and acquisition / equity raising due diligence		82		
Other assurance services (2)	2,805	2,606	340	428
	3,590	3,845	639	773
Total Auditors Remuneration	12,741	11,252	2,404	1,757

(1) Audit fees for 2005 include amounts associated with the audit of transition to AIFRS of $1,560,000 (Amcor Limited $260,000).

(2) Predominantly comprises fees in relation to the audit of local statutory filings.

NOTE 7. EARNINGS PER SHARE

Classification of securities as ordinary shares

The following securities have been classified as ordinary shares and included in basic earnings per share:

(a) ordinary shares

Classification of securities as potential ordinary shares

The following securities have been classified as potential ordinary shares and included in diluted earnings per share as at 30 June 2005:

(a) ordinary shares

(b) convertible securities

(c) partly paid shares

(d) employee options

	June 2005 $m	June 2004 $m
Earnings reconciliation		
Net profit attributable to members of the parent entity	173.2	345.7
Distribution on PACRS	(52.3)	(52.4)
Basic earnings	120.9	293.3
After tax effect of interest on convertible securities		1.4
Diluted earnings	120.9	294.7
	millions	**millions**
Weighted average number of shares used as denominator		
Ordinary shares **- Number for basic EPS**	879.0	867.1
Effect of employee options	1.1	2.7
Effect of partly-paid shares	0.1	0.3
Effect of convertible securities		4.8
Number for diluted EPS	880.2	874.9
	cents	**cents**

Earnings per share		
Basic earnings per share	13.8	33.8
Diluted earnings per share	13.7	33.7

NOTE 8. SEGMENT REPORT

Business Segments	**Amcor PET**		**Amcor Australasia**		**Amcor Flexibles**		**Amcor Sunclipse**		**Amcor Rentsch/ Amcor Closures**		**Amcor Asia**		**Other**		**Unallocated / Inter segment eliminations**		**Consolidated**	
For the year ended 30 June	**2005 $m**	**2004 $m**	**2005 $m**	**2004 $m**	**2005 $m**	**2004 $m**	**2005 $m**	**2004 $m**	**2005 $m**	**2004 $m**	**2005 $m**	**2004 $m**	**2005 $m**	**2004 $m**	**2005 $m**	**2004 $m**	**2005 $m**	**2004 $m**
<u>Revenue</u>																		
External segment revenue	3,645.1	3,205.2	2,566.3	2,524.3	2,409.3	2,233.7	1,214.7	1,155.4	976.1	1,009.2	262.7	248.9	25.4	29.2			11,099.6	10,405.9
Inter-segment revenue			5.4	13.6	9.6	7.3	4.0	2.7	8.0	3.0	0.6	0.6			(27.6)	(27.2)		
Total segment revenue	3,645.1	3,205.2	2,571.7	2,537.9	2,418.9	2,241.0	1,218.7	1,158.1	984.1	1,012.2	263.3	249.5	25.4	29.2	(27.6)	(27.2)	11,099.6	10,405.9
Unallocated revenue																	174.7	175.0
Total revenue																	11,274.3	10,580.9
<u>Result</u>																		
Profit before interest, income tax, amortisation of goodwill and significant items	260.5	268.2	316.8	316.5	143.0	131.2	55.8	57.6	109.1	100.6	27.0	30.5	(74.4)	(73.5)			837.8	831.1
Profit before interest, tax and significant items	194.6	199.9	300.7	300.6	123.0	113.5	42.6	43.9	98.1	89.5	26.0	29.6	(74.4)	(73.5)			710.6	703.5
Net borrowing costs - refer Note 1(8)																	(137.2)	(132.2)
Profit from ordinary activities before income tax and significant items																	573.4	571.3
Significant items	(107.3)	(19.9)	(108.7)		(61.4)	(69.3)					(44.9)		(6.1)	(10.6)			(328.4)	(99.8)
Profit from ordinary activities before income tax																	245.0	471.5
Depreciation & amortisation	256.2	261.8	130.1	123.6	95.8	114.1	25.7	25.8	58.7	61.7	14.1	13.8	2.2	3.0			582.8	603.8
Other non-cash expenses	61.5	3.4	52.0	(3.2)	15.7	86.4	9.0	17.1	16.7	8.7	3.3	2.0	48.0	11.1			206.2	125.5
Segment assets	3,460.2	3,482.0	2,407.0	2,418.0	1,986.6	2,101.8	504.2	547.6	942.2	1,022.8	304.6	339.6	159.0	187.8	135.1	186.8	9,898.9	10,286.4
Segment liabilities	(891.8)	(708.2)	(502.6)	(483.7)	(553.0)	(612.3)	(129.1)	(132.7)	(174.8)	(216.7)	(55.6)	(53.9)	(418.3)	(452.7)	(334.1)	(413.9)	(3,059.3)	(3,074.1)
																	(2,477.0)	(2,504.7)

Unallocated corporate borrowings															
Total liabilities														(5,536.3)	(5,578.8)
Capital expenditure	225.3	275.3	189.4	242.6	133.4	587.6	23.2	23.2	78.6	63.5	42.8	29.5	0.2	692.9	1,221.7

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 other revenue, interest-bearing loans and borrowings.

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.

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Amcor Australasia

Corrugated boxes, cartons, folding cartons; steel and aluminium cans for foods, beverages and household products; PET plastic jars and bottles; plastic and metal closures; glass wine bottles; multiwall sacks and paper recycling.

Amcor PET

PET packaging for a broad range of predominantly beverage & food products, including carbonated soft drinks, water, juices, sports drinks, milk-based beverages, spirits and beer, sauces, dressings, spreads and personal care items.

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 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.

Amcor Asia

Tobacco carton packaging; flexible plastic packaging; corrugated boxes, fibre sacks for the food and industrial markets and closures for the beverage industry.

Amcor Rentsch/Closures

Specialty folding cartons for tobacco, confectionery and cosmetics; and plastic and metal caps and lids for a wide variety of applications.

Geographic Segment	Australia and New Zealand		Europe		North America		Latin America		Asia		Consolidated	
For the year ended 30 June	2005 $m	2004 $m	2005 $m	2004 $m	2005 $m	2004 $m	2005 $m	2004 $m	2005 $m	2004 $m	2005 $m	2004 $m
Total Segment Revenue	2,566.3	2,524.3	3,921.1	3,852.3	3,425.9	3,120.2	895.7	632.0	290.5	277.1	11,099.6	10,405.9
Segment Assets	2,526.4	2,346.1	2,999.0	3,321.2	2,846.2	3,059.7	992.3	892.3	358.8	428.3	9,722.7	10,047.6
Unallocated Assets											176.2	238.8
Total Assets											9,898.9	10,286.4
Capital expenditure	189.6	242.6	231.1	677.8	180.1	78.7	49.3	190.9	42.8	31.7	692.9	1,221.7

Segment Reporting

The primary reporting segments have been classified based on the consolidated entity s management reporting system.

The secondary reporting segments have been classified based on the geographical location of the consolidated entity s business segments.

NOTE 9. CASH ASSETS

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	2004 $m	2005 $m	2004 $m
Cash on hand and at bank	198.8	127.6	3.7	7.5
Deposits at call	12.0	3.4		
TOTAL CASH ASSETS	210.8	131.0	3.7	7.5

NOTE 10. RECEIVABLES

Trade Debtors	1,361.8	1,283.4		
Provision for doubtful debts	(49.7)	(51.6)		
	1,312.1	1,231.8		
Other debtors	139.2	157.5	28.8	74.9
Prepayments	118.0	127.1	37.6	40.7
Other loans	97.6	17.7		
Short-term deposits	19.0	17.3		
Amounts owing by controlled entities			5,961.0	7,987.7
TOTAL CURRENT RECEIVABLES	1,685.9	1,551.4	6,027.4	8,103.3

NOTE 11. INVENTORIES

At cost:		
Raw materials and stores	614.4	550.5
Provision for diminution in value	(40.2)	(34.1)
	574.2	516.4
Work in progress	142.1	143.8
Provision for diminution in value	(6.6)	(5.7)
	135.5	138.1
Finished goods	754.2	731.7
Provision for diminution in value	(37.1)	(32.5)
	717.1	699.2
At net realisable value:		

Raw materials		3.7
Finished goods	13.3	12.2
	13.3	15.9
TOTAL INVENTORIES	1,440.1	1,369.6

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NOTE 12. NON-CURRENT RECEIVABLES

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	2004 $m	2005 $m	2004 $m
Loans to executive directors, officers and employees in the full time employment of the companies: (1)				
Directors of Amcor Limited		1.1		1.1
Directors of controlled entities		0.1		0.1
Other employees	26.6	34.0	26.5	33.9
Other loans	45.0	46.6	7.3	6.7
TOTAL NON-CURRENT RECEIVABLES	71.6	81.8	33.8	41.8

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(1) Loans to executive directors, officers and employees in the full time employment of the company or its controlled entities are made in accordance with:

the scheme for the provision of housing and other loans to employees of the company or its controlled entities approved by shareholders on 19 September 1980; and

the scheme to provide financial assistance to enable executive directors and employees of the company or its controlled entities to purchase shares in the company as approved by Amcor Limited shareholders on 29 January 1985 (as subsequently amended).

NOTE 13. OTHER FINANCIAL ASSETS

	CONSOLIDATED 2005 $m	CONSOLIDATED 2004 $m	AMCOR LIMITED 2005 $m	AMCOR LIMITED 2004 $m
Investments in associates accounted for using the equity method	40.7	6.7		
Investments in companies listed on stock exchanges at cost	5.7	4.5		
Investments in companies not listed on stock exchanges at cost	2.0	1.7		
	48.4	12.9		
Shares in controlled entities at cost (refer Note 36)			4,678.7	3,647.9
TOTAL OTHER FINANCIAL ASSETS	48.4	12.9	4,678.7	3,647.9

	Ordinary Share ownership interest CONSOLIDATED	CONSOLIDATED

Name	Principal Activities	2005 %	2004 %	2005 $m	2004 $m
Tien Wah Press (M) Sdn Bhd	Print packaging	25	25	6.6	6.7
Vision Grande Group Holdings Limited	Tobacco packaging	17		34.1	
				40.7	6.7

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	2004 $m	2005 $m	2004 $m
Land:				
At cost	209.6	233.6		
Accumulated depreciation	(1.8)	(0.4)		
	207.8	233.2		
Land improvements:				
At cost	20.1	20.6		
Accumulated depreciation	(3.2)	(3.3)		
	16.9	17.3		
Buildings:				
At cost	763.2	772.3		
Accumulated depreciation	(153.1)	(120.8)		
	610.1	651.5		
Plant and equipment				
At cost	7,343.6	7,371.0	10.9	7.6
Accumulated depreciation	(3,865.6)	(3,642.2)	(2.2)	(2.0)
	3,478.0	3,728.8	8.7	5.6
Leased assets:				
Finance leases	126.6	150.4		
Accumulated depreciation	(39.3)	(36.2)		
	87.3	114.2		
TOTAL PROPERTY, PLANT AND EQUIPMENT	4,400.1	4,745.0	8.7	5.6

As at 30 June 2003, the Directors carried out a valuation of the consolidated entity s land, land improvements and buildings based on independent valuations (Jones Lang LaSalle) and carrying value assessments. The valuation was carried out on the basis of existing use, resulting in an aggregate valuation of $981.1 million compared with net book value of land, land improvements and buildings at 30 June 2003 of $855.1 million.

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment

CONSOLIDATED

2005 **$million**	**Land**	**Land improvements**	**Buildings**	**Plant & equipment**	**Finance leases**	**TOTAL**
Carrying amount at 30 June 2004	233.2	17.3	651.5	3,728.8	114.2	4,745.0
Additions	3.3	0.1	18.7	607.6		629.7
Disposals	(11.5)	(0.4)	(19.5)	(36.5)	(1.3)	(69.2)
Depreciation/amortisation	(0.3)	(0.4)	(27.8)	(415.6)	(7.4)	(451.5)
Acquisitions of businesses and controlled entities				0.1		0.1
Disposal of businesses and controlled entities				(7.0)	(4.2)	(11.2)
Impairment loss recognised	(1.2)		(11.6)	(214.5)		(227.3)
Foreign exchange fluctuations on translation of overseas controlled entities	(12.9)	(0.3)	(40.0)	(151.3)	(11.0)	(215.5)
Transfers	(2.8)	0.6	38.8	(33.6)	(3.0)	
Carrying amount at 30 June 2005	207.8	16.9	610.1	3,478.0	87.3	4,400.1

AMCOR LIMITED

2005 **$million**	**Land**	**Land improvements**	**Buildings**	**Plant & equipment**	**Finance leases**	**TOTAL**
Carrying amount at 30 June 2004				5.6		5.6
Additions				3.9		3.9
Disposals				(0.2)		(0.2)
Depreciation/amortisation				(0.6)		(0.6)
Carrying amount at 30 June 2005				8.7		8.7

NOTE 15. INTANGIBLES

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	2004 $m	2005 $m	2004 $m
Goodwill at cost	2,425.0	2,652.4		
Other intangibles at cost	46.4	53.0	6.0	5.3
Accumulated amortisation/write-downs	(704.5)	(642.7)	(0.5)	(0.3)
TOTAL INTANGIBLES	1,766.9	2,062.7	5.5	5.0

NOTE 16. DEFERRED TAX ASSETS

Deferred tax assets comprise the estimated future benefit at the applicable rate on the following items:				
Tax losses carried forward	44.2	94.0		
Timing differences	132.0	144.8	88.4	100.0
TOTAL DEFERRED TAX ASSETS	176.2	238.8	88.4	100.0

Potential further future income tax benefits of the consolidated entity relating to accumulated tax-effected losses at balance date of $223.1 million (2004 $249.0 million) are not included in the above. These benefits will only be obtainable if:

the entities derive future assessable income of a nature and amount sufficient to enable the benefit of the deductions to be realised;

the entities continue to comply with the conditions for deductibility imposed by income tax law; and

changes in income tax legislation do not adversely affect the ability of the entities to realise the benefits of the deductions.

NOTE 17. OTHER NON-CURRENT ASSETS

Supply contract deposits	34.1	26.6		

Unamortised borrowing costs	10.4	13.1	10.4	13.1
Other non-current assets	54.4	53.5	1.0	0.3
TOTAL OTHER NON-CURRENT ASSETS	98.9	93.2	11.4	13.4

NOTE 18. CURRENT PAYABLES

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	2004 $m	2005 $m	2004 $m
Unsecured creditors				
Trade creditors	1,493.6	1,230.0	9.2	6.2
Other creditors and accruals	498.2	601.1	26.7	28.9
TOTAL CURRENT PAYABLES	1,991.8	1,831.1	35.9	35.1

NOTE 19. CURRENT INTEREST BEARING LIABILITIES

Secured borrowings:				
Bank overdrafts (1) (2)	0.4	0.3		
Bank loans (3)	3.1	0.6		
Other loans (2)		0.3		
Unsecured borrowings:				
Bank overdrafts (1)	15.6	26.9		
Commercial paper (4)	307.7	186.3	209.3	41.8
Bank loans (5)	389.4	501.9	45.5	115.8
Other loans (6)	11.1	10.0		
Amounts owing to controlled entities			3,594.8	4,689.0
Lease liabilities	1.9	2.2		
TOTAL CURRENT INTEREST BEARING LIABILITIES	729.2	728.5	3,849.6	4,846.6

(1) The consolidated entity has committed bank overdraft facilities (both secured and unsecured) to a maximum of $92.8 million (2004 $95.5 million). As at 30 June 2005 the unused portions of the facilities were $76.8 million (2004 $68.3 million). The bank overdrafts are payable on demand and are subject to annual review.

(2) These bank overdrafts/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 $11.2 million (2004 $54.9 million). The carrying value of the pledged property is $11.2 million (2004 $54.5 million).

(4) Borrowings in commercial paper markets include:

Promissory Note Facility

An uncommitted promissory note facility of $600 million. This facility continues indefinitely until terminated by giving written notice to the dealer panel.

As at 30 June 2005, there were $149 million promissory notes outstanding with an average maturity of 58 days (2004 nil).

Euro-Commercial Paper/Medium Term Note Program

A US$200 million non-underwritten facility under which commercial paper and medium term notes can be issued into the Asian and European capital markets. As at 30 June 2005, there were nil euro notes outstanding (2004 nil).

US Commercial Paper Program

An uncommitted commercial paper program of US$200 million. As at 30 June 2005, A$158.7 million of commercial paper was outstanding with an average maturity of 30 days (2004 A$186.3 million).

(5) Relates to various bank borrowings including:

Amcor Finance (New Zealand) Limited A$63.4 million (2004 A$50.6 million) drawn under NZ$100 million revolving cash advance facility maturing in April 2006. This facility bears interest at the bank bill rate plus an applicable credit margin.

Amcor Limited and Amcor Finance (USA) Inc - $350 million multi-currency facility maturing in September 2005. A$170.5 million (2004 US$304.0 million) drawn under this facility bears interest at BBSY or LIBOR plus an applicable credit margin.

Amcor Limited - $45.5 million (2004 nil) drawn under an uncommitted at call facility. Amounts borrowed under this facility bear interest at the overnight cash rate plus an applicable margin.

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

NOTE 20. CURRENT TAX LIABILITIES

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	2004 $m	2005 $m	2004 $m
Income Tax	82.5	77.4	13.4	23.6

NOTE 21. PROVISIONS

Current				
Dividends/Distributions	8.7	8.8		
Employee Entitlements & Directors Retirement Allowances	138.4	159.2	2.1	2.9
Insurance and Other Claims	54.1	71.0		
Onerous Contracts	17.4	9.6		
Amcor Flexibles Restructuring	20.5	56.8		
Amcor PET/Amcor Closures Restructuring	24.8	8.5		
Other Business Groups Restructuring	26.2	25.8		
Total Restructuring Provisions	71.5	91.1		
Other Current Provisions	0.3			
Total Current Provisions	290.4	339.7	2.1	2.9
Non-Current				
Employee Entitlements & Directors Retirement Allowances	76.3	74.2	5.2	4.5
Insurance and Other Claims	13.6	3.3		
Onerous Contracts	5.0	7.8		
Amcor Flexibles Restructuring	2.1	6.3		
Amcor PET/Amcor Closures Restructuring	1.6	0.3		
Other Business Groups Restructuring	1.4			
Total Restructuring Provisions	5.1	6.6		
Total Non-Current Provisions	100.0	91.9	5.2	4.5
TOTAL PROVISIONS	390.4	431.6	7.3	7.4

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	2004 $m	2005 $m	2004 $m
Reconciliations				
Reconciliations of the carrying amounts of each class of provision, except for employee benefits, are set out below:				
Dividends/Distributions				
Carrying amount at beginning of year	8.8	8.8		
Provisions made during the year:				
Final dividend 2004	140.6	127.6	140.6	127.6
Interim dividend 2005	149.6	139.7	149.6	139.7
PACRS distribution	52.3	52.4		
Payments made during the year	(342.6)	(319.7)	(290.2)	(267.3)
Carrying amount at end of year	8.7	8.8		
Insurance and Other Claims				
Current				
Carrying amount at beginning of year	71.0	67.0		
Provisions made during the year	26.8	23.0		
Payments made during the year	(41.5)	(19.5)		
Other movements	(2.2)	0.5		
Carrying amount at end of year	54.1	71.0		
Non-Current				
Carrying amount at beginning of year	3.3	1.6		
Provisions made during the year	10.6	1.6		
Other movements	(0.3)	0.1		
Carrying amount at end of year	13.6	3.3		
Onerous Contracts				
Current				
Carrying amount at beginning of year	9.6	4.2		
Provisions made during the year	12.6	12.5		
Payments made during the year	(4.1)	(9.6)		
Net Transfers in	2.8	2.2		
Net Disposals	(3.0)			
Other movements	(0.5)	0.3		
Carrying amount at end of year	17.4	9.6		
Non-Current				
Carrying amount at beginning of year	7.8	10.0		
Net Transfers out	(2.8)	(2.2)		
Carrying amount at end of year	5.0	7.8		

	CONSOLIDATED		AMCOR LIMITED	
	2005	2004	2005	2004
	$m	$m	$m	$m
Amcor Flexibles Restructuring				
Current				
Carrying amount at beginning of year	56.8	9.9		
Provisions made during the year	5.3	43.5		
Payments made during the year	(38.2)	(10.3)		
Net Acquisitions		11.3		
Other movements	(3.4)	2.4		
Carrying amount at end of year	20.5	56.8		
Non-Current				
Carrying amount at beginning of year	6.3	8.9		
Provisions released during the year	(1.3)	(0.5)		
Payments made during the year	(2.6)	(2.4)		
Other movements	(0.3)	0.3		
Carrying amount at end of year	2.1	6.3		
Amcor PET/Amcor Closures Restructuring				
Current				
Carrying amount at beginning of year	8.5	31.3		
Provisions made during the year/(provisions released)	38.5	(7.0)		
Payments made during the year	(21.5)	(16.1)		
Net Transfers in	0.2			
Other movements	(0.9)	0.3		
Carrying amount at end of year	24.8	8.5		
Non-Current				
Carrying amount at beginning of year	0.3	4.6		
Provisions made during the year/(provisions released)	1.5	(1.4)		
Payments made during the year	(0.2)	(2.9)		
Net Transfers out	(0.2)			
Other movements	0.2			
Carrying amount at end of year	1.6	0.3		

	CONSOLIDATED		AMCOR LIMITED	
	2005	**2004**	**2005**	**2004**
	$m	**$m**	**$m**	**$m**
Other Business Groups Restructuring				
Current				
Carrying amount at beginning of year	25.8	32.2		
Provisions made during the year	20.9	20.0		
Payments made during the year	(18.7)	(26.7)		
Net Transfers out	(1.4)			
Other movements	(0.4)	0.3		
Carrying amount at end of year	26.2	25.8		
Non-Current				
Net Transfers in	1.4			
Carrying amount at end of year	1.4			

NOTE 22. NON-CURRENT PAYABLES

Unsecured creditors:				
Other creditors	0.7	13.2		
TOTAL NON-CURRENT PAYABLES	0.7	13.2		

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NOTE 23. NON-CURRENT INTEREST BEARING LIABILITIES

		CONSOLIDATED		AMCOR LIMITED	
		2005 $m	2004 $m	2005 $m	2004 $m
Secured borrowings:					
Bank loans	(1)	3.7	9.0		
Other loans	(1)	5.6			
Unsecured borrowings:					
Bank loans	(2)	445.7	303.7	65.6	128.1
US$ Notes	(3)	655.8	723.7	655.8	723.7
Eurobond	(4)	554.5	612.0	554.5	612.0
Other loans	(5)	7.6	30.1		
Lease liabilities		74.9	97.7		
TOTAL NON-CURRENT INTEREST-BEARING LIABILITIES		1,747.8	1,776.2	1,275.9	1,463.8
Reconciliation of Consolidated Net Debt					
Current - refer Note 19		729.2	728.5		
Non-current - refer above		1,747.8	1,776.2		
Total interest bearing liabilities		2,477.0	2,504.7		
Cash assets - refer Note 9		(210.8)	(131.0)		
Short-term deposits - refer Note 10		(19.0)	(17.3)		
Net Debt		2,247.2	2,356.4		

(1) Comprises loans secured over property, plant and equipment in overseas controlled entities to the extent of $10.4 million (2004 $10.8 million). The carrying value of the pledged property is $18.3 million (2004 $11.7 million).

(2) Principally relates to bank borrowings in:
Amcor Packaging (USA) Inc Group - A$116 million (2004 A$116 million) fully-drawn under an Australian dollar bill facility maturing in October 2006. The amount drawn under this facility bears interest at BBSY plus a credit margin and has been converted to Canadian dollars 103.9 million under a cross currency and interest rate swap.
Amcor Limited/Amcor UK Finance Limited - A$315.5 million (2004 A$128.2 million) drawn under a US$1,000 million global syndicated multi-currency facility term-tranche of US$650 million maturing June 2008. Drawings are in various currencies and bear interest at the applicable LIBOR rate plus a credit margin.

(3) Represents US$500 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.

(4) Represents EUR350 million Amcor Limited unsecured notes issued in the Eurobond market. The notes mature in March 2011 and pay an annual coupon of 4.25%.

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

NOTE 24. UNDATED SUBORDINATED CONVERTIBLE SECURITIES

		CONSOLIDATED		AMCOR LIMITED	
		2005 $m	2004 $m	2005 $m	2004 $m
1997 issue of 7.25% Undated Subordinated Convertible Unsecured Notes - refer Note 1(13)	(1)	301.1	332.3	301.1	332.3
TOTAL UNDATED SUBORDINATED CONVERTIBLE SECURITIES		301.1	332.3	301.1	332.3

(1) Original issue of US$230 million 7.25% undated subordinated convertible notes convertible into American Depository Shares, representing four ordinary shares of the company, at the rate in the range of 2.347 to 2.664 for each US$50 principal amount of notes converted depending on the market price at the date of conversion. The market price at the date of conversion is the last bid price of the Nasdaq National Market on the date of conversion. The notes were convertible from 19 November 1996 and may be converted until 19 November 2006.

These notes have no maturity dates, are only redeemable after 19 November 2006, and then only at Amcor Limited s option, and are subordinated to all other obligations of the company save for issued capital. Interest on these notes is payable semi-annually.

During the year ended 30 June 2005, 1,000 notes were converted to ordinary shares (2004 4,000).

NOTE 25. CONTRIBUTED EQUITY

	CONSOLIDATED		AMCOR LIMITED	
	2005 $m	2004 $m	2005 $m	2004 $m
Issued and paid-up:				
878,182,834 ordinary shares (2004 877,949,796)	2,751.4	2,755.2	2,751.4	2,755.2
1,467,000 partly paid ordinary shares (2004 1,792,000)	0.1	0.1	0.1	0.1
6,099,087 Perpetual Amcor Convertible Reset Securities (2004 6,099,087)	596.6	596.6		
TOTAL CONTRIBUTED EQUITY	3,348.1	3,351.9	2,751.5	2,755.3

	CONSOLIDATED 2005		CONSOLIDATED 2004	
	No. 000	$m	No. 000	$m
Fully Paid Ordinary Shares				
Balance at beginning of year	877,950	2,755.2	848,224	2,538.6
Issue of shares under the employee share purchase plan			1,698	7.5
Issue of shares to employees in lieu of bonus payments	34		259	1.4
Exercise of options under the employee share / option plan	2,069	12.0	2,372	13.2
Calls on partly paid shares	325	2.1	475	3.3
Dividend Reinvestment Plan			11,339	94.7
Conversion of convertible securities	10	0.1	13,583	99.9
Share buy-back	(2,205)	(15.4)		
Employee share / option plan costs		(2.6)		(3.4)
Balance at end of year	878,183	2,751.4	877,950	2,755.2

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

Partly Paid Ordinary Shares				
Balance at beginning of year	1,792	0.1	2,267	0.1
Converted to fully paid ordinary shares	(325)		(475)	
Balance at end of year	1,467	0.1	1,792	0.1

The partly paid ordinary shares comprise 1,035,000 (2004 1,215,000) shares paid to five cents and 432,000 (2004 577,000) shares paid to one cent under Employee Share / Option Plans. The aggregate uncalled capital of $10.0 million (2004 $12.0 million) will be brought to account when these shares are fully paid.

On 19 April 2005 the Company completed the on market buy-back of 2,205,000 fully paid ordinary shares, representing 0.25% of ordinary shares on issue on that date. The total consideration of shares bought back on market was $15,442,612 being an average, including incidental costs, of $7.00 per share. The consideration was allocated in the following proportions:

Share Capital	$	15,427,185
Share buy-back costs expensed	$	15,427

	CONSOLIDATED 2005		CONSOLIDATED 2004	
	No. 000	$m	No. 000	$m
Perpetual Amcor Convertible Reset Securities (PACRS)				