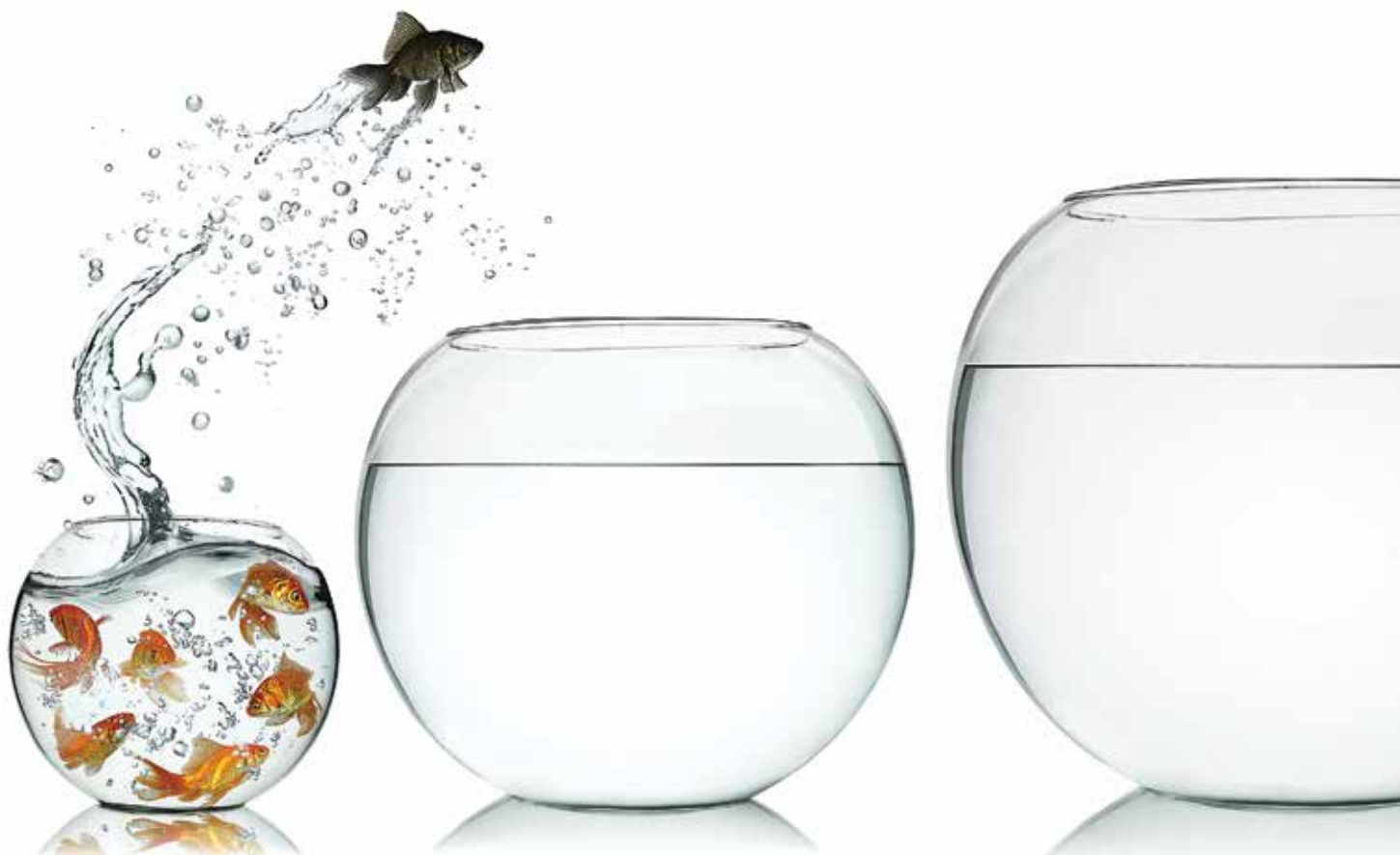


Annual Report
2015



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Annual General Meeting

The Annual General Meeting of Amcor Limited will be held at the Melbourne Convention and Exhibition Centre, Clarendon Auditorium, 2 Clarendon Street, South Wharf, Melbourne at 11.00am (Melbourne time), Wednesday 21 October 2015.

Formal notice of the meeting is sent to each shareholder.

Julie McPherson
Company Secretary
Amcor Limited

About this report

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

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

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

In this report, 'the year', '2014/15' and '2015' refer to the financial year ended 30 June 2015. '2013/14' and '2014' refer to the financial year ended 30 June 2014.

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

The Financial Report was authorised for issue by the directors on 25 August 2015. The Directors have the power to amend and reissue the Financial Report.

Continuing operations results

Unless otherwise stated, comparative financial information for the year ended 30 June 2014 has been presented on a continuing operations basis. Effective 31 December 2013, the Australasia and Packaging Distribution business (AAPD) was demerger from the Amcor Group. As a result of the demerger, the AAPD business was renamed Orora Limited and listed on the Australian Securities Exchange.

Note regarding non-IFRS financial information

Within this report, Amcor has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Amcor uses these measures to assess the performance of the business and believes that the information is useful to investors.

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

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

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



Message from the Chairman

Dear shareholder,

The 2014/15 financial year has been another successful period for your Company with continued constant currency earnings growth and higher returns. These improvements have enabled the Company to increase the dividend paid to shareholders by 23.3% to 53.0 Australian cents per share.

Highlights for the year

Profit from continuing operations after tax for the year was US\$680.3 million. On a constant currency basis this represented a 7.2% increase. There was ongoing improvement in the sales margin from 10.9% to 11.1% and returns, measured as profit before interest and tax (PBIT) over average funds employed, increased to a record 20.5%.

The result was a strong performance reflecting benefits from acquisitions, continued growth in emerging markets and improved product mix driven by an ongoing focus on innovation. Economic conditions in developed economies remained subdued.

Amcor has two business segments. The Flexibles business achieved earnings of €652 million up 2.9% on a constant currency basis. There was a continued improvement in the sales margin from 12.1% to 12.3%, and returns, measured as PBIT over average funds employed, increased to 25.1%, excluding the benefits from one off gains.

The Rigid Plastics business achieved earnings of US\$321 million, an increase of 7.7%. Returns, measured as PBIT over average funds employed increased to 20.3%.

Operating cash flow for the continuing businesses was \$778.4 million, and Amcor has a strong balance sheet and an excellent debt profile. Leverage, measured as net debt to profit before interest, tax and depreciation (PBITDA) was 2.0 times and interest cover measured as PBITDA to net interest was 8.4 times.

“

The business strategy and operating model remain unchanged under Mr Delia's leadership. The objective is to continue to grow earnings and maintain high returns.

”

During the year the business announced a number of acquisitions in the Flexible Packaging business. These included Nampak Flexibles in South Africa, Souza Cruz's internal tobacco packaging operation in Brazil and Packaging India Private Limited in India. In addition, the Company announced the construction of two new greenfield plants. The first, a dedicated site for an international FMCG customer located in the Philippines and the second, a new tobacco packaging plant in Indonesia. Further details relating to these growth initiatives are in the Review of operations commencing on page 10.

After 10 years at the helm of Amcor, Mr Ken MacKenzie retired from the position of Managing Director and Chief Executive Officer on 17 April 2015. Mr MacKenzie made an extraordinary contribution to the Company during his tenure, creating a global leader in the packaging industry which has considerable opportunity for further growth. The Board thanks Mr MacKenzie for this leadership and commitment through that 10 year period.

Ron Delia succeeds Mr MacKenzie as Managing Director and Chief Executive Officer. Mr Delia joined Amcor in 2005 and was Chief Financial Officer from February 2011 to April 2015. It was very pleasing to appoint a successor from Amcor's Global Management Team.

The business strategy and operating model remain unchanged under Mr Delia's leadership. The objective is to continue to grow earnings and maintain high returns. This will be achieved through creating a differentiated offering for customers, growing in emerging markets and undertaking value-creating acquisitions.

Your Board remains confident that all the building blocks are in place for sustained growth and continued improvement in shareholder returns. On behalf of your Board I would like to thank Amcor's stakeholders including customers, shareholders, co-workers and suppliers for their continued support over the past twelve months.

Graeme Liebelt
Chairman

Our Global Management Team



Ron Delia
Managing Director
and Chief Executive Officer



Michael Casamento
Acting Executive Vice President Finance
and Chief Financial Officer



Tom Cochran
President, Amcor Flexibles Americas



Jerzy Czubak
President, Amcor Tobacco Packaging



Steve Keogh
Executive Vice President,
Human Resources



Peter Konieczny
President, Amcor Flexibles Europe,
Middle East & Africa



Michael Schmitt
President, Amcor Rigid Plastics



Ian Wilson
Executive Vice President,
Strategic Development



Ralf K. Wunderlich
President, Amcor Flexibles Asia Pacific

Message from the Managing Director and Chief Executive Officer



Amcor is in a very strong position today. Over the past 10 years, the Company has built a strong foundation with a focused portfolio of market leading businesses, differentiated capabilities ('The Amcor Way'), a disciplined approach to cash and capital and a resilient shareholder value creation model. This foundation has delivered substantial value for all our stakeholders including strong returns for shareholders.

Amcor operates more than 190 plants in 43 countries and our marketplaces are dynamic and constantly evolving. This creates new challenges and brings new opportunities for growth. To capture these opportunities, we will build on the strong foundation that is in place and adapt to changes in our operating environment. At the same time, we will accelerate in areas where we see the most potential and to ensure we are differentiated from our competitors in everything we do.

Customers are at the heart of our thinking and their needs constantly evolve. Responding to these changing requirements will require a deep understanding of customer needs, world class innovation capabilities and a manufacturing footprint that will support their growth objectives.

Our people are the key enabler in everything we do. We have great people today and there is an opportunity to build out our team even further to ensure we are not resource constrained as we pursue opportunities. Over the next few years we plan to make another step change in the depth of our talent pool and in the way in which we develop our people.

Sustained success only occurs if value is created for all stakeholders. We need to ensure customers, co-workers, shareholders and the community all benefit from our growth. For shareholders, the objective is to continue delivering strong returns on the capital employed and generating strong cash flow. The strong cash flow creates a virtuous cycle that enables us to grow dividends, re-invest in the business, continue to make value enhancing acquisitions and undertake appropriate capital management.

Amcor has delivered strong returns for shareholders over the past 10 years and yet there is conviction among our co-workers across the Company that the best is still to come. These are exciting times for your Company and I am confident we can continue to improve and to deliver value for all of our stakeholders.

A handwritten signature in blue ink that reads "Ron Delia".

Ron Delia
Managing Director
and Chief Executive Officer

“

These are exciting times for your Company and I am confident we can continue to improve and to deliver value for all of our stakeholders.

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Operating and Financial Review

Amcor at a glance

Sales

US\$ **10** billion

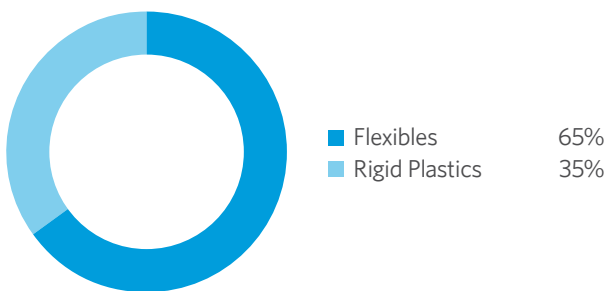
Sites

190+

Amcor Group

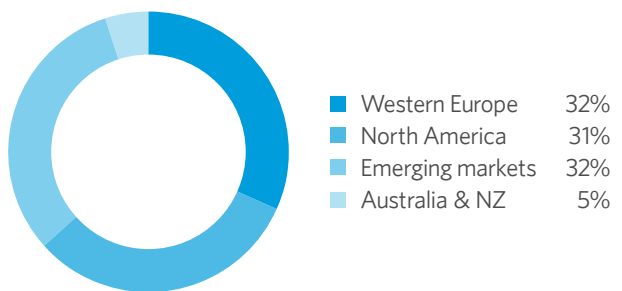
Focused portfolio

Sales by Business Group (%)



Global footprint*

Sales by region* (%)



The world of Amcor



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

Employees

29,000+

Countries

43

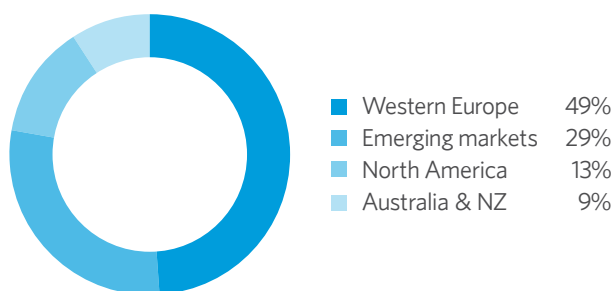
Flexibles

Flexibles is one of the world's largest suppliers of flexible packaging and folding carton packaging. Effective 1 July 2015, Flexibles has four operating divisions, each manufacturing flexible and film packaging for their respective industries: Flexibles Europe, Middle East and Africa, Flexibles Americas, Flexibles Asia Pacific and Global Tobacco Packaging.

Overview 2015

Sales (€ million)	5,232
Number of plants	136
Countries	36
Employees	23,400

Sales by Region (%)



End markets

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

Growth drivers

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

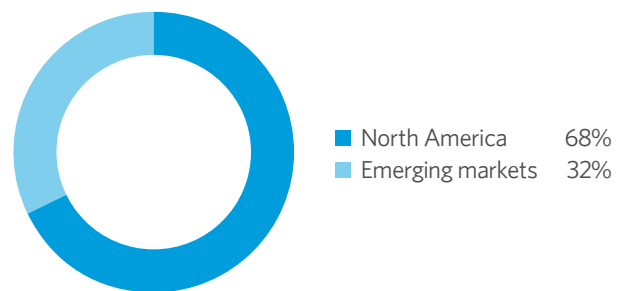
Rigid Plastics

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

Overview 2015

Sales (US\$ million)	3,317
Number of plants	58
Countries	12
Employees	6,000

Sales by Region (%)



End markets

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

Growth drivers

- Manufacturing and quality excellence
- Innovation leadership
- Further expansion of Diversified Products business unit
- Emerging markets growth
- Continued focus on new techniques and materials

Operating and Financial Review

Contents of Operating and Financial Review

- 4 Amcor at a glance
- 7 Our strategy and business model
- 10 Review of operations
- 15 Financial review
- 18 Sustainability
- 22 Principal risks

Operating and Financial Review

Our strategy and business model

Amcor is a global packaging company with more than 190 sites in 43 countries. Over 90% of its sales are into the food, beverage, healthcare and tobacco packaging industries. Although these markets are not immune from broader economic conditions, they are substantially more resilient than many sectors in the economy.

The businesses convert raw materials, predominately polymers, aluminium foil and fibre, into finished products. The costs of those raw materials are generally passed on to customers via contractual arrangements.

Amcor's current strategy and business model has evolved over the past ten years. The key elements have been to:

- focus the portfolio on those businesses where Amcor could create leadership positions and a differentiated customer value proposition;
- build core capabilities across the Company that are required for sustainable success in the packaging sector;
- pursue opportunities to improve industry structures and strengthen Amcor's leadership positions in its chosen market segments; and
- deliver shareholder value through a combination of dividends, organic growth opportunities, acquisitions and capital management.

The business portfolio has undergone substantial changes during that time, however the strategy has remained consistent.

Business portfolio and structure

Amcor's origins are in the paper packaging business. Paper based packaging remained a significant component of the business until as little as 15 years ago. Through a number of acquisitions and divestments over many years, Amcor today has emerged as a global leader focused on flexible and rigid plastics packaging.

The transactions which have had a material impact on Amcor's business portfolio in recent years include:

- Acquisitions of Alcan Packaging and Ball Plastics Packaging in 2010 – These acquisitions, made during the Global Financial Crisis, transformed the industry and the Company. They brought together the number one and number two players in the flexible packaging market and the number one and number three players in key rigid plastic market segments. These acquisitions, also delivered improved industry structure and significant cost synergies which further increased margins and returns, and resulted in a step change in the cash generation of the Company.
- Demerger of the Australasia and Packaging Distribution (Orora Limited) business in 2013 – The Australasia and Packaging Distribution business represented 13% of Amcor's earnings, and was focused on fibre packaging, glass wine and beer bottles, aluminium beverage cans and wine closures in Australasia and Packaging Distribution in North America. The remaining 87% of Amcor's earnings was generated by

very different businesses, with a global presence within the flexible packaging and rigid plastics segments. The Australasia and Packaging Distribution business was demerged and renamed Orora Limited, allowing the two distinct businesses to focus on their own strategic priorities as separate entities.

- New Flexibles organisational structure in 2015 – Amcor's global flexible operations has a broad footprint with more than 110 plants across 30 countries and for many years had been managed in two business units; Europe and Americas, and Asia Pacific. In June 2015 it was decided to create a third business unit by splitting the Europe and Americas operations. The three flexibles business units are now primarily geographically focused on:
 - The Americas;
 - Asia Pacific; and
 - Europe, Middle East and Africa.

This new structure allows each of the Flexibles business groups to focus on the priorities in their respective regions. In particular there will be a greater focus on The Americas region, as Amcor has a relatively modest position in this region compared with other key markets around the world.

As a result of these portfolio changes, Amcor now has a focused portfolio with global leadership positions in:

- rigid plastics packaging;
- flexibles food packaging;
- flexibles healthcare packaging; and
- tobacco packaging

Operating and Financial Review

Our strategy and business model (continued)

Shareholder value creation model

Today, the strategy for Amcor remains unchanged. The objective is to deliver increases in shareholder value of more than 10% p.a. Given the defensive nature of Amcor's end markets, the volatility in value created from year to year should be relatively low, measured on a constant currency basis.

A key component in achieving this objective, is appropriately allocating the strong cash generated across a combination of dividends, organic growth opportunities, acquisitions and capital management.

Although it is clearly a growth oriented agenda, it will not be growth for growth's sake. Returns on investment is a key financial metric and 20% return in the third year is the target for all investments.

Disciplined growth will be achieved through:

- continuous improvement in the customer value proposition;
- building innovation excellence;
- growing in emerging markets; and
- undertaking value-creating acquisitions.

Building innovation excellence

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

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

The Company already has a strong focus on innovation with dedicated centres of

excellence for all key market segments, and established leadership positions in terms of technology and talent.

Going forward, Amcor's objective with regard to innovation is to build on the strong existing base and ensure customers universally perceive the Company as the innovation leader for the industry.

Growth in emerging markets

The Company has an extensive footprint in emerging markets, with 81 plants and more than 10,000 co-workers in 27 countries across Asia, including China and India, South and Central America, Eastern Europe and Russia. Approximately 30% of total revenue for Amcor was derived from emerging markets during the year ended 30 June 2015, including Amcor's share of sales from the equity accounted investment in AMVIG.

Over the past 15 years, Amcor's sales revenue into these markets has grown at a compound rate of 17% p.a. through a combination of organic expansion and acquisitions.

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

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

As per capita income in these economies increases, the demand for packaged

goods grows at a faster rate than GDP, albeit from a lower base. This growth is predominately driven by the desire of the emerging middle class to purchase more packaged goods and services. It is anticipated this trend will continue for a number of years.

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

Value-creating acquisitions

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

Acquisitions will focus on four areas:

- expanding the footprint in emerging markets;
- improving industry structure, primarily in developed markets;
- adding new technologies to capture additional value; or
- synergistic bolt-ons that lower operating costs or accelerate growth in regions where Amcor's market share is low.

In recent years the key acquisitions included:

Detmold

In March 2014, Detmold Flexibles, a privately owned Australian flexibles business was acquired for A\$50.0 million (US\$46 million). With sales of A\$55.0

million, this acquisition builds on the success of the Aperio acquisition in 2012. It enables the Australian Flexibles business to further improve the customer value proposition in that market by enhancing the ability to invest in both product and process innovation.

Bella Prima

In December 2014, Bella Prima Packaging, an Indonesian flexibles packaging business with annual sales of approximately A\$30.0 million, was acquired for A\$27.0 million (US\$25 million). Indonesia is an attractive market for flexible packaging and this acquisition provides the opportunity to broaden the product portfolio in attractive end-market segments and strengthen relationships with key customers.

Zhongshan TianCai

In June 2015, Zhongshan TianCai Packaging, a Chinese flexible packaging business with sales of approximately RMB 280 million (US\$44 million), was acquired for RMB237 million (US\$38 million). China is one of the most attractive markets for flexible packaging globally. Amcor has a strong and successful position in the Chinese flexible packaging market and this acquisition provides the opportunity to further expand the customer base and product offering in the South China region.

Nampak

In July 2015, Nampak Flexibles, the market leader in flexible packaging in South Africa with sales of ZAR 1.0 billion (US\$85 million) was acquired for ZAR 250 million (US\$21 million). This acquisition provides a platform for growth in the African region. Nampak services many of Amcor's existing global customers and creates the

opportunity to leverage product innovation and design capabilities into this market.

Packaging India Private Limited

In July 2015, the INR 1,650 million (US\$26 million) acquisition of Packaging India Private Limited (PIPL) was completed. PIPL has three plants located in the north and south of India and produces flexible packaging predominantly for the food and personal care markets. This acquisition provides an opportunity for the business to further expand its customer base and value proposition in the high growth Indian market.

Souza Cruz

In April 2015, the BRL 96 million (US\$30 million) acquisition of Souza Cruz's internal tobacco packaging operations in Brazil was announced. Completion is expected in the first half of FY16. This acquisition is aligned with Amcor's strategic objective of growing our business in Latin America and represents an excellent opportunity to support important global customers in that region.

Dividends

The dividend for FY2014/15 was 40.0 US cents per share, which was a payout ratio of 71% on earnings per share of 56.6 US cents. Based on the share price of \$10.28 on 1 July 2014, and an exchange rate of 0.76, this represents a dividend yield of 5.2%. It is the Board's intention that the dividend should increase at approximately the same rate as growth in earnings per share expressed in US dollar terms.

Capital management

Directors approved a US\$500 million on-market share buy-back on 17 February

2015. At close of business on Friday 21 August 2015, approximately 60% of the buy-back had been completed, with 27.0 million shares repurchased. This represents 2.24% of shares outstanding at the time of announcement, and resulted in a 0.27% reduction in the weighted average number of shares used to calculate EPS for the current year.

For the year ended 30 June 2016, the weighted average number of shares will reduce by a further 1.97% to reflect the full year impact of the 27.0 million shares repurchased to date.

Summary

Amcor has had a consistent strategy and clear business model for more than a decade. The company has built the core competencies required for success in the packaging industry and embedded them in the Company through a proprietary operating model, 'The Amcor Way'.

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

Over the past ten years there have been significant improvements in the financial performance of the Company through higher margins and returns, as well as a substantial increase in the operating cash flow.

This cash flow provides the opportunity for the Company to deliver further consistent growth in shareholder value.

Operating and Financial Review

Review of Operations

Flexibles

Earnings

million	US\$ 2015	US\$ 2014	Change (%)	€ 2015	€ 2014	Change (%)
Sales revenue	6,295	6,779	(7.1)	5,232	4,996	4.7
PBIT	784.5	822.6	(4.6)	652.1	606.2	7.6
Operating Margin (%)	12.5	12.1		12.5	12.1	
Average funds employed (AFE)	3,080	3,391	(9.2)	2,560	2,498	2.5
PBIT/AFE (%)	25.5	24.3		25.5	24.3	
USD: Euro average exchange rate (cents)	0.83	0.74				

Cash flow

million	US\$ 2015	US\$ 2014	Change (%)	€ 2015	€ 2014	Change (%)
PBITDA	998.2	1,050.1	(4.9)	829.7	773.9	7.2
Capital Expenditure	(165.8)	(191.7)		(137.8)	(141.3)	
Movement in Working Capital	(26.2)	61.1		(21.7)	45.1	
Other	45.2	15.9		37.7	11.7	
Operating cash flow	851.4	935.4	(8.9)	707.9	689.4	2.7

The Flexibles segment had a good year with PBIT, expressed in Euro terms, up 7.6% to €652.1 million.

Underlying constant currency PBIT was up 2.9% to €623.9 million, after adjusting for a one off gain of €9.2 million related to the sale of excess land in Turkey. This 2.9% increase reflects the benefit from prior period acquisitions and organic growth in emerging markets. Underlying demand in developed markets remained subdued and there was an unfavourable impact on earnings from movements in the Swiss Franc against the Euro.

Head office costs for the Europe and Americas and Tobacco Packaging businesses are largely denominated in Swiss Francs. In addition, for the plants located in Switzerland a large portion of the sales are denominated in Euros while the cost base is in Swiss Francs. The

adverse earnings impact of translating Swiss Franc costs into Euros in the second half of the year due to the Franc appreciation against the Euro was approximately €9 million.

Operating margins (after adjusting for a one off gain of €9.2 million related to the sale of excess land in Turkey) continued to improve from 12.1% to 12.3%, and returns, measured as PBIT (excluding a one off gain of €9.2 million related to the sale of excess land in Turkey) over average funds employed, increased to 25.1%.

Flexibles Europe and Americas

The Flexibles Europe and Americas business operates in the defensive market segments of food and healthcare in Europe and the Americas. The major end markets served, making up approximately 95% of sales, are healthcare, medical and pharmaceutical, snacks and confectionery,

cheese and yoghurt, fresh produce, beverage, pet food as well as wine and spirit closures.

The business had another good year with higher sales and earnings.

On a constant currency basis, sales were modestly higher than the prior year, reflecting relatively flat demand.

In the European region, volumes were higher in the healthcare segment with growth in the medical category. In the food segment, volume growth was strong in ambient ready meal, liquid beverage, single serve coffee and pet food. This was offset by weakness in the fresh produce, confectionery and multi-serve coffee segments.

In North America volume growth was strong in the medical and hospital segments after a period of slower growth

in the prior year. There was good volume growth in the specialty food end market as the trend towards high barrier packaging for fresh and additive free products continues.

The overall business remained focused on improving costs and operating efficiencies, as well as innovation and simplification to significantly enhance the customer value proposition and improve product mix. These benefits were partly offset by an unfavourable impact on earnings from the Swiss Franc appreciation against the Euro in the second half of the year.

On 1 July 2015 the ZAR 250 million (US\$21 million) acquisition of Nampak Flexibles was completed. The business, renamed Amcor Flexibles South Africa, is the market leader in South Africa and generates revenue of approximately ZAR 1 billion (US\$85 million) from the sale of flexible packaging for the beverage, food and home care end markets. The business services many of Amcor's existing global customers and provides a platform for growth in the African region.

Effective 1 July 2015, the Flexibles Europe and Americas business was divided into two new groups, both reporting directly to the Managing Director and CEO – Flexibles Americas and Flexibles Europe, Middle East and Africa. This geographic based structure enables each of the Flexibles business groups to focus on the strategic priorities within their respective regions and to accelerate profitable growth.

The Flexibles Americas business is focused on accelerating Amcor's growth in the North American market and pursuing opportunities in Latin America, regions where Amcor's market share is less than 5%. The Flexibles Europe, Middle

East and Africa business is continuing to focus on growth driven by innovation, cost and efficiency improvements as well as opportunities in emerging markets.

Flexibles Asia Pacific

The Flexibles Asia Pacific business has 40 plants in eight countries throughout the region. The business had a challenging year, with subdued economic conditions in many of its key markets, however sales reached a record level of A\$1,454 million, up 9.1% and earnings were higher than last year. This mainly reflects the benefits of prior period acquisitions and strong cost performance.

In China, earnings were higher than the prior year, mainly driven by the full year benefit of the Jiangsu Shenda Group acquisition completed in October 2013. Organic growth for the year was relatively weak. There was considerable customer destocking that adversely impacted demand in the December 2014 and March 2015 quarters. Demand improved in the June 2015 quarter compared with the March 2015 quarter, but remained below the same period last year.

In June 2015, the RMB 211 million (US\$38 million) acquisition of Zhongshan TianCai Packaging Company was completed. TianCai generates revenue of approximately RMB 280 million (US\$44 million) from the sale of flexible packaging products for the food, beverage and pharmaceutical end markets. The business supplies leading local and multinational customers from one plant located in Zhongshan. This acquisition complements Amcor's existing business in South China and broadens the product offering to include production of pharmaceutical packaging in the South China region.

Across the rest of Asia, organic growth remained strong in Singapore, India and Indonesia, with these businesses gaining market share with key customers during the year. The business in Thailand had a difficult year with weaker export volumes. In November 2014 the A\$27 million acquisition of Bella Prima Packaging, an Indonesian flexible packaging business with two plants in Jakarta and sales of approximately A\$30 million, was completed. The integration of this business has proceeded well, with business performance exceeding expectations.

On 13 July 2015, the INR 1,650 million (US\$26 million) acquisition of Packaging India Private Limited (PIPL) was completed. PIPL generates sales of approximately INR 2,500 million (US\$40 million) from three plants located in the North and South of India and produces flexible packaging predominately for the food and personal care markets. This acquisition provides an opportunity for the business to further expand its customer base and value proposition in the high growth Indian market.

Construction of a new flexibles packaging plant in the Philippines also commenced during the year. This greenfield plant will be dedicated to a large multinational customer in the fast moving consumer goods segment, and provides an excellent opportunity to further expand the business in the Philippines and continue to improve the customer value proposition in the high growth South East Asian region.

In Australia earnings were significantly higher predominately due to synergy benefits from the Aperio and Detmold acquisitions. The performance of the former Detmold business in particular has been pleasing, with earnings exceeding

Operating and Financial Review

Review of Operations

Flexibles (continued)

target for the first full year of ownership. Excluding acquisitions, demand in the Australian market remained relatively flat.

The business in New Zealand continued to improve earnings in the second half of the year and momentum remains strong. This followed the implementation of a comprehensive improvement plan which stabilised earnings in the September 2014 quarter, after a challenging year in FY14 where earnings declined.

Tobacco Packaging

The Tobacco Packaging business had a solid year with earnings higher than the same period last year.

The business has continued to benefit from prior period acquisitions and the ongoing customer trend towards higher value add packaging. As the only manufacturer with a global footprint the business is uniquely positioned to deliver innovations and manufacturing improvements to customers across the various regions.

In Western Europe market decline rates returned to long term trend through the year, following an 18 month period where decline rates were greater than the long term trend. Earnings were negatively impacted by the Swiss Franc appreciation against the Euro in the second half of the year. The business also incurred restructuring costs of approximately €6 million related to the previously announced closure of a plant in Germany. In total, earnings in Western Europe were lower than last year.

In Eastern Europe, tobacco industry volumes weakened, mainly due to the unfavourable impact of tax driven price

increases in Russia. The business more than offset this impact through continued mix improvements, driven by a higher exposure towards premium brands and commercialisation of new innovations.

In the Americas, the business continues to benefit from the integration of the Shorewood acquisition. Earnings were higher than the prior period driven by strong volume growth in Latin America and improved operating efficiencies throughout the region.

In April 2015, the BRL 96 million (US\$30 million) acquisition of Souza Cruz's internal tobacco packaging operations in Brazil was announced. Souza Cruz is majority-owned by British American Tobacco plc. The Brazilian market represents 35% of Latin American cigarette consumption and Souza Cruz is the market leader. This investment is supported by a long-term supply agreement between Amcor and Souza Cruz and annual sales are expected to be approximately BRL 200 million (US\$63 million). The transaction is expected to close in the December 2015 half year.

In the high growth Asian region, the business had an excellent year with strong volume growth and improved operating performance. The business was successful in securing new volumes for a multinational customer within the Philippines market. These volumes were progressively transferred across to Amcor during the second half of the year. Capital works on a new greenfield plant in Indonesia commenced during the year. The new plant will supply both existing and new customers and better position the business to be awarded additional new volumes. It is expected the plant will be operational in early calendar year 2016.

Outlook

The 2015/16 outlook for the Flexibles business is for modest constant currency earnings growth, with a challenging first half comparative period. This outlook takes into account:

- Continued benefits from recently acquired businesses, although at a lower amount than the 2014/15 year;
- Moderate organic growth, inclusive of below trend growth in China;
- A negative impact on earnings in the first half of the year resulting from the Swiss Franc appreciation against the Euro from January 2015; and
- The non-repeat of the of the €9.2 million one off gain on sale of excess land in Turkey in the first half of the 2014/15 year.

Operating and Financial Review

Review of Operations

Rigid Plastics

Earnings

million	US\$ 2015	US\$ 2014	Change (%)
Sales revenue	3,317	3,192	3.9
PBIT	321.3	298.2	7.7
Operating Margin (%)	9.7	9.3	
Average funds employed (AFE)	1,582	1,630	(2.9)
PBIT/AFE (%)	20.3	18.3	

Cash flow

million	US\$ 2015	US\$ 2014	Change (%)
PBITDA ⁽¹⁾	454.4	443.0	2.6
Capital Expenditure	(134.2)	(125.5)	
Movement in Working Capital	(31.9)	(19.1)	
Other	24.5	35.1	
Operating cash flow	312.8	333.5	(6.2)

(1) Includes share of net profit of equity accounted investments.

The Rigid Plastics business had a strong year with PBIT of US\$321.3 million, 7.7% higher than the prior period.

Returns, measured as PBIT over average funds employed increased from 18.3% to 20.3%

Sales revenue for the business increased 3.9% to US\$3,317 million. For the year, the average cost of PET resin was lower than the same period last year negatively impacting reported sales.

Included in the result for the first half of the year were one off benefits of approximately US\$20 million from the early settlement of indirect tax liabilities in Brazil and profits from the sale of properties in the US. Offsetting these benefits were one off costs related to closing a plant in Southern California and impairment of excess assets in Mexico.

North America Beverage

The North American Beverage business achieved higher earnings than the same period last year. Total volumes were 2.3% higher than last year, reflecting higher customer volumes and favourable weather conditions compared to last year.

In the hot-fill custom beverage segment, volumes increased 2.9%, with good growth in both the isotonic and higher value-add speciality container markets.

In the carbonated soft drink and water segment, overall volumes were up 1.8% and there was an ongoing product mix movement from containers to preforms.

North America Diversified Products

The Diversified Products segment consists of rigid plastic containers predominately for the pharmaceutical/healthcare, food, alcoholic beverage and personal care/homecare markets.

The business had higher sales and earnings than last year.

Over the past four years the business has invested in equipment to support commercialisation of innovative new products, exited low margin volumes, restructured the operating footprint and improved manufacturing efficiencies by installing capacity at sites co-located with the beverage operations. These initiatives are driving product mix improvements, solid volume growth in attractive market segments and improvements in operating costs.

Operating and Financial Review

Review of Operations

Rigid Plastics (continued)

Latin America

The Latin American operations achieved higher sales and earnings than the same period last year.

Volumes were 5.6% higher than last year, reflecting increases in all countries except Argentina. In Brazil, despite weakening economic conditions in the second half, volume growth for the year remained strong mainly driven by an increase in market share. Over the past few years there has been considerable new investment in Brazil including a new plant in the Northeast coastal city of Suape and additional injection molding capacity at the plant in Manaus.

In Argentina there were weaker economic conditions however the business had a solid year and volumes were only modestly lower.

The business in Mexico had a strong year, with strong volume growth and a significant improvement in operating costs.

Ammcor translates its Venezuelan earnings into US dollars and repatriates Bolivars into US dollars at the official fixed exchange rate of 6.3 Bolivars to the US dollar. To date, this rate has remained available to the business. Should this rate change or the rate is no longer available to Ammcor, the sensitivity to earnings will depend on the magnitude of the movement. If the rate moves within a range of 6.3 to 12 Bolivars to the US dollar, the annual profit after tax sensitivity is approximately US\$2 million for each 1 Bolivar movement against the US dollar.

Bericap

The Bericap North America joint venture is managed and reported within the Rigid Plastics segment. This business produces plastic closures for beverage containers and has plants in Ontario, Canada, and in California and South Carolina in the United States.

The business achieved higher earnings and sales than the same period last year. This reflects favourable weather conditions in the North American market compared with last year, along with the benefit of new, innovation led, volumes secured with key customers in the June 2014 half year.

Outlook

The outlook for the Rigid Plastics business is for solid growth in earnings in the 2015/16 year, with:

- Continued volume growth in North America; and
- Growth in Latin America, notwithstanding challenging economic conditions in the large economies of Brazil, Argentina and Venezuela.

Operating and Financial Review

Financial review

Profit after tax was \$680.3 million up 0.4% on a continuing operations basis. On a constant currency basis the increase was 7.2%. This reflects underlying profit before interest and tax (PBIT) growth in both the Rigid Plastics segment of 7.7% and the Flexibles segment in Euros of 7.6%. During the year Amcor closed acquisitions in the Flexible Packaging segment in China, Indonesia and India. Throughout the financial review, certain non-IFRS financial information is included. Refer to the inside front cover for further details.

Consolidated Income Statement

US\$ million	2015	2014
Sales revenue	9,611.8	9,964.5
PBITDA	1,420.4	1,458.0
– Depreciation and amortisation	(355.3)	(375.9)
PBIT	1,065.1	1,082.1
– Net finance costs	(169.2)	(193.2)
Profit before related income tax expense and significant items	895.9	888.9
– Income tax expense	(188.0)	(182.2)
– Non-controlling interest	(27.6)	(28.9)
PAT	680.3	677.8
Significant items after tax	-	-
Profit from continuing operations attributable to owners of Amcor	680.3	677.8
Loss from discontinued operations	-	(174.9)
Profit attributable to owners of Amcor	680.3	502.9

Approximately 50% of Amcor's earnings are generated in US dollars or US dollar linked currencies. Approximately 20-25% of earnings are generated in Euros with the remaining 25%-30% generated in more than 20 different currencies. The impact of translating Euro and other non US dollar earnings into US dollars for reporting purposes will vary depending on the movement of those currencies from period to period.

On a constant currency basis using 2014 exchange rates, sales revenue would have been higher by US\$554.2 million (2.0%)

at US\$10,166.0 million and PAT before significant items would have been higher by US\$46.6 million (7.2%) at US\$726.9 million.

Net financing costs were US\$169.2 million; US\$24.0 million lower than 2014. Whilst foreign exchange translation contributed US\$8.2 million to the reduction, underlying costs were lower due to rebalancing the debt portfolio, generally lower interest rates across the globe and the use of interest rate swaps.

Income tax expense increased by 3.2% to US\$188.0 million, which reflects an

effective tax rate of 21.0% compared to 20.5% in 2014. The prior year was impacted by the demerger of the Australasia and Packaging Distribution business.

In the current year there were no significant items compared to last year which included the demerger of the Australasia and Packaging Distribution business.

Operating and Financial Review

Financial review (continued)

Consolidated Balance Sheet

US\$ million	2015	2014
Current assets	3,413.0	3,326.5
Property, plant and equipment	2,566.7	2,920.1
Intangible assets	1,845.3	1,996.3
Investments and other assets	722.1	891.0
Total assets	8,547.1	9,133.9
Current interest-bearing liabilities	1,012.7	521.8
Non-current interest-bearing liabilities	2,572.6	3,001.3
Creditors and provisions	3,374.8	3,471.7
Shareholders' equity	1,587.0	2,139.1
Total liabilities and equity	8,547.1	9,133.9

Total assets decreased by US\$586.8 million. Due to the strengthening of the US dollar against many of the currencies in which assets are held, the asset values reduced by US\$916.2 million from 2014. The remaining increase in assets of US\$329.4 million is mainly due to the US\$106.5 million impact of acquisitions during the year, increased inventory holdings and cash on hand at year end.

Total interest-bearing liabilities increased by US\$62.2 million from US\$3,523.1 million to US\$3,585.3 million. Underlying debt increased by US\$343.9 million, mainly due to the on-market purchase of Amcor shares. These shares were acquired under a pre announced buy-back program and to fulfil obligations under employee incentive programs.

During the first half of the FY2014/15 financial year, the company increased the size of the facility on the U.S. originated syndicated facility from US\$500.0 million to US\$750.0 million, which also supports the U.S. uncommitted commercial paper program.

Tranche A of the global syndicated multi-currency facility that supports the Australian uncommitted commercial paper program was reduced during the first half of FY2014/15 from US\$900.0 million to US\$425.0 million. Tranche B of the global syndicated multi-currency facility, which is used for general corporate purposes, was also reduced from US\$740.0 million to US\$615.0 million.

Post the 30 June 2015 year end, to extend the duration of the Group's debt profile and re-price the global facility at attractive terms, Tranche A was increased to US\$565.4 million and the maturity renewed for 5 years to 17 July 2020 and Tranche B was increased to US\$776.6 million and the maturity extended to 31 October 2018.

A new ANZ A\$100.0 million bilateral facility was also established for three years on 15 June 2016.

As at 30 June 2015, the Group had undrawn committed credit facilities in place of US\$706.0 million.

Consolidated Cash Flow

US\$ million	2015	2014
PBITDA	1,420.4	1,458.0
Interest received/Interest paid	(165.8)	(194.3)
Income tax paid	(154.7)	(136.8)
Capital expenditure	(323.0)	(332.6)
Movement in working capital	(46.0)	61.8
Other	47.5	(38.2)
Operating cash flow from continuing operations	778.4	817.8
Operating cash flow from discontinued operations	-	(11.2)
Operating cash flow (including discontinued operations)	778.4	806.6
Dividends and other equity distributions	(480.1)	(463.8)
Free cash flow (including discontinued operations)	298.3	342.8
Divestments	0.8	23.4
Acquisitions	(98.4)	(116.8)
Growth capital expenditure	-	(26.0)
Proceeds from share issues	45.9	46.7
Payments for shares bought back	(420.7)	(122.4)
Proceeds/(return) of capital contribution from/(to) non-controlling interests	(1.5)	3.5
Foreign exchange rate changes and hedges	(21.1)	26.6
Decrease/(Increase) in net debt⁽¹⁾	(196.7)	177.8

Continuing operations operating cash flow for the year was US\$778.4 million, down US\$39.4 million from US\$817.8 million. The reduction is mainly due to foreign exchange rate fluctuations against the US dollar.

Dividends paid during the year were higher than the prior period at US40.8 cents per share (2015 interim and 2014

final) versus US36.0 cents per share in 2014 (2014 interim and 2013 final).

Cash outflows relating to acquisitions totalled US\$98.4 million for the year and are primarily related to the acquisitions of PT Bella Prima Perkasa in Indonesia, Zhongshan TianCai Packaging Company in China, Nampak Flexibles in South Africa and deferred payments associated with prior period acquisitions.

Payments for shares bought back relate to the US\$500.0 million on-market share buy-back which is approximately 60% complete and settlement of forward contracts and shares purchased to satisfy employee incentive plans. The increase in net debt of US\$196.7 million is mainly attributable to the on-market share buy-back.

(1) The movement in net debt is reconciled to the net increase in cash held calculation according to IFRS and extracted from the financial statements as follows:

US\$ million	2015	2014
Proceeds from borrowings	(6,084.0)	(9,118.1)
Repayment of borrowings	5,698.7	9,154.2
Net cash from discontinuing financing activities	-	(83.0)
Net increase in cash held	193.7	196.4
Effects of exchange rate changes on cash and cash equivalents	(1.4)	28.9
Other items	(3.7)	(0.6)
Decrease/(increase) in net debt	(196.7)	177.8

Operating and Financial Review

Sustainability

As a packaging leader, our commitment to responsible packaging is integral to the success of our business. Responsible packaging protects the product, extends its shelf life and can reduce a significant amount of waste throughout the supply chain.

As the world population continues to grow, the demand for higher volumes of quality food and medicine is rising. Meeting these needs requires packaging that will protect the product as it moves through the supply chain to the consumer. Amcor's packaging extends the life of packaged products and ensures the product is safe and hygienic to use.

We focus on creating innovative packaging solutions that support our customers as they seek to meet the needs of consumers while also reducing their impact on the environment. We do this by reducing the weight of our packaging, ensuring the efficient use of resources in the production process, supporting recycling infrastructure, and developing packaging technologies to give products a longer life.

We are proud of our commitment to sustainability and how we connect with and support our communities.

Our approach to sustainability

At Amcor, we embrace the opportunity to demonstrate leadership in environmental, social, and economic sustainability. We work with our suppliers and customers to reduce environmental impacts throughout our supply chains and the life cycle of our products.

We identify sustainability opportunities and risks by working closely with our stakeholders including co-workers, customers, suppliers, industry groups, investors, and non-governmental organisations. We also apply an Enterprise Risk Management (ERM) framework to identify, prioritise and manage our sustainability risks and opportunities.

We address these interests via specific plans and actions across five areas: Environment, Community, Workplace, Marketplace and Economy. Our transparent reporting in these areas allows for benchmarking against international standards and our corporate peers.

Details of Amcor's sustainability activities and performance are included in our Sustainability Review and in our GRI report based on the Global Reporting Initiative (GRI) sustainability framework. You can find these on the Amcor website at amcor.com/sustainability. Furthermore, we invite all stakeholders to share feedback via our online inquiry tool: amcor.com/contact_us

Here are the highlights of our sustainability performance in 2014/2015.

Environment

With over 190 sites across the globe, we are committed to responsibly managing our environmental impacts.

EnviroAction is Amcor's global program driving continuous improvement in the environmental performance of Amcor's operations. We monitor greenhouse gas (GHG) emissions, waste sent to landfill and water use at all of our sites.

EnviroAction targets

Greenhouse gas (GHG) emissions

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

Waste to landfill

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

Water use

- Water management plans for every site

Please download our Sustainability Review or GRI Report for more information on our environmental performance: amcor.com/sustainability

Incidents

In 2014/15, there were no material non-compliances with environmental laws or regulations across the Amcor group.

Community

As an employer, neighbour, customer and supplier in more than 40 countries, we strive to make a positive impact in the communities where we operate.

Last year we launched the Amcor Community Program and to date we've invested almost one million US dollars on programs working toward the following goals:

1. Increase access to food and essential products,
2. Reduce the environmental impacts of packaging, and
3. Educate people about how responsible packaging contributes to a more sustainable future.

As part of the program, we continue to look for value-adding partnerships with leading international organisations who share our passion for responsible packaging and helping people in need.

This year our co-workers have been actively participating in the Community Program, undertaking many activities. Examples included:

- Partnering with Planet Water, a non-profit group bringing clean water to the world's most disadvantaged communities, to raise awareness of water health and hygiene across the Philippines, India, and Indonesia. Amcor and Planet Water co-workers installed water tanks and held water hygiene education sessions at local schools across participating countries.
- As part of Amcor's ongoing partnership with the Earthwatch Institute, ten co-workers travelled to the Indian Himalayas to collect data on the effects of climate change and agricultural pesticides on the pollinators. An additional five co-workers went to Brazil's Emas National Park to study the effects of agriculture on wildlife populations.
- Amcor participated in a collaborative, industry funded program to boost residential recycling in the U.S. Other companies taking part in the Recycling Partnership include Coca Cola, Alcoa and Sonoco. This groundbreaking effort leverages one-time private investments with public funding to support recycling efforts in several cities.
- Amcor invested in local schools by providing funding in two school classrooms to collaborate and share ideas with the aim of enhancing the students' learning experiences and encouraging careers in science, technology, engineering and mathematics. Utilising Skype and video technology, students from Klager Elementary School in the U.S. and Greensborough Primary School in Australia worked together to create new packaging designs and learn from each other.

Workplace

We are committed to providing a safe, rewarding and motivating workplace to support our co-workers reach their full potential.

Safety

Across our businesses, to maintain a safe workplace, we have focused on the following areas over FY2014/15:

1. Eliminating serious injuries by focusing on the management of critical risk areas;
2. Developing criteria to determine which operating sites may require specific focus to improve safety;
3. Strengthening processes and sharing what we have learned about fire prevention; and
4. Sharing best practices across all business groups in order to achieve 'No Injuries'.

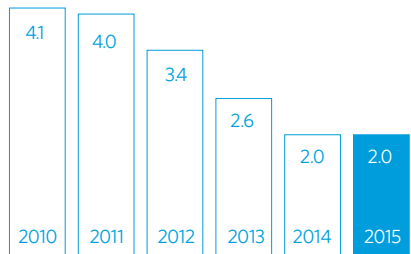
All sites are required to demonstrate they are compliant with our global standards for safety, environmental management, and security. Internal audits are conducted annually, and external audits are conducted at a minimum every three years. Safety leaders track findings from external audits and monitor actions for continuous improvement.

Amcor's business groups report monthly to our Board on safety performance and compliance with Amcor standards and local legislation.

Operating and Financial Review Sustainability (continued)

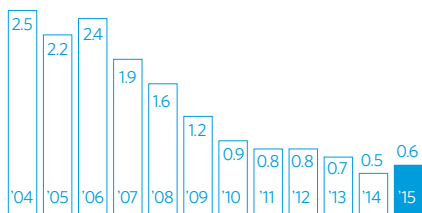
Recordable case frequency rate

Number of recordable cases per million hours worked



Lost time injury frequency rate

Number of full work days lost per million hours worked



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

Rates for 2013 to 2015 exclude the demerged AAPD business.

Safety performance

Amcor is proud of its world-class safety performance. We track our safety results using two industry standard criteria – Lost Time Injury Frequency Rate (LTIFR) and Recordable Case Frequency Rate (RCFR).

Amcor’s LTIFR is measured by calculating the number of injuries resulting in at least one full work day lost per million hours worked. In 2014/2015, the LTIFR was 0.57, corresponding to 38 injuries across our global business.

Amcor’s RCFR is measured by calculating the number of medical treatment cases and lost time injuries per million hours worked. In 2014/15 the RCFR was 2.01, corresponding to 134 injuries across our global business.

There were no fatal accidents in FY14/15.

Talent management

Amcor co-workers are the foundation of the Company’s success. We focus on recruiting and developing highly talented and engaged co-workers around the world. Please refer to the Corporate Governance statement on at amcor.com/about_us/corp_gov for more information.

Marketplace

As a global packaging leader, we have the product development capability and technical knowledge to drive sustainability benefits throughout the supply chain and packaging lifecycle.

We consider the design and development of packaging from a holistic view to create the most sustainable solutions for our customers looking at the entire lifecycle of packaging. For our customers we use our lifecycle assessment tool, ASSET, to calculate the environmental footprint of packaging across its lifecycle in terms of energy use, water use, and GHG emissions. Using this data, our customers can choose packaging that will help them achieve their own environmental goals, while delivering the packaging solution they need. ASSET is certified by The Carbon Trust.

Recognition

We are proud that global and regional sustainability indices recognise Amcor for our sustainability performance. Amcor is included in the Dow Jones Sustainability World Index, the CDP Climate Disclosure Leadership Index for Australia, the MSCI Global Sustainability Index series, the Ethibel Excellence Investment Register and the FTSE4Good Index.

Amcor also received a gold rating in the 2014 Corporate Social Responsibility assessment conducted by EcoVadis, a global platform for the evaluation of companies' social and environmental performance. RobecoSAM recognised Amcor's sustainability performance with silver class distinction in their 2015 Sustainability Yearbook, and we received the Best Climate Disclosure Award for ASX 200 companies from CDP.

Our innovative packaging solutions were also recognised, receiving a number of industry awards in the past year. These include: Gold and Silver Flexible Packaging Association Achievement awards, three European Aluminium Foil Association awards, and two World Packaging Organization's Worldstar awards. Each of the winning design innovations delivered a reduced environmental footprint and other sustainability benefits.

Looking ahead

Over the past year we have enjoyed considerable success in our sustainability efforts. We take our leadership role seriously and as we look towards a new year we are determined to extend on this work to strengthen our sustainability performance.

This year, we signed a multi-year agreement to support the World Food Programme (WFP). We are excited about working closely with WFP, providing them with financial support and packaging expertise that will help improve the shelf life and safety of WFP food. For example, we have provided guidance to WFP on how to improve the packaging for products that nourish children under the age of five in areas affected by poverty and crisis.

We will also review our EnviroAction goals and set new targets for future years to ensure we continue to drive improvements in how we operate, delivering both sustainable and economic benefits to the business.

Another priority is to increase our focus on addressing end-of-life issues for plastic packaging, collaborating with industry to find new and better solutions. For example we are members of the REFLEX consortium, a UK industry body of packaging manufacturers and their customers that aims to create a recycling or repurposing process for flexible packaging to divert it from landfill.

We look forward to another great year delivering on our sustainability strategy.

Operating and Financial Review

Principal risks

Risk identification, assessment and management is an integral part of the Group's annual strategic planning and budgeting processes from which the principal risks and uncertainties are derived. Set out below are the principal risks and uncertainties that could have a material impact on the Company and its ability to achieve its stated objectives. Additional risks not currently known or detailed below may also adversely affect future performance. Further information on Amcor's risk management framework can be found in the corporate governance statement on amcor.com.

Risk	Description and potential consequences	Treatment strategies employed by Amcor
General market risk	Macroeconomic conditions, or economic conditions specifically impacting the value chain or industries on which Amcor is dependent, could materially deteriorate and have a negative impact on Amcor's financial performance.	Amcor seeks to mitigate the severity of the impact that a deterioration in economic conditions in a single country, region or market may have by: <ul style="list-style-type: none"> operating businesses that have a broad spread of geographic locations, raw material inputs and customers servicing a number of end markets; developing and deploying an operating model which focuses on continually improving the value proposition to customers, creating a high-performance culture, remaining disciplined in the use of cash, managing costs and improving plant efficiencies; and proactively managing key risks across the Group through Amcor's Enterprise Risk Management (ERM) program.
Financial risks	Amcor faces risks relating to the cost and availability of funds to meet its business needs, movements in interest rates and foreign exchange rates. In particular, a large proportion of Amcor's businesses report in euros, creating potential exposures to earnings and net asset values from volatility in the exchange rate of the euro against the US dollar.	Amcor's Group Treasury undertakes financial risk management policies approved by the Board. Appropriate commercial terms are negotiated or derivative financial instruments used, such as foreign exchange contracts and interest rate swaps to hedge these risk exposures. In addition, Amcor endeavours to proportionally draw down debt in currencies that aligns with the proportion of assets in those same currencies, thereby creating a natural hedge. A detailed discussion of financial risks is included in note 3.3 Financial Risk Management.
Customer risks	Amcor has strong relationships with key customers for the supply of packaging products and associated packaging-related services. These relationships are fundamental to Amcor's success, and the loss of key customers may have a negative impact on Amcor's financial performance.	Amcor seeks to manage this risk by delivering a superior value proposition to customers by leveraging its operating model. Key to the success of this strategy is a continued drive on customer focus (delivery in full, on time and in specification), low cost and innovation.
Competitor risks	Amcor operates in a highly competitive market, with varying degrees of barriers to entry, industry structures and competitor motivational patterns. The actions of established or potential competitors may have a negative impact on Amcor's financial performance.	Amcor is ideally placed to leverage its global insight, footprint and scale to deliver new ideas and value propositions to customers and, in doing so, gain competitive advantage. In particular, Amcor recognises innovation as a source of competitive advantage.

Risk	Description and potential consequences	Treatment strategies employed by Amcor
Mergers and acquisitions (M&A) risks	Amcor's growth opportunities are dependent in part on disciplined selection of suitable acquisition targets in the right geographic regions with the right participation strategy. Failure to be disciplined in selection, effective at integration or focused on capturing value could impact operations and have adverse consequences for the achievement of expected financial benefits.	Amcor's Strategic Development Group works with the businesses to identify suitable targets aligned to Amcor's strategy. Amcor implements an M&A framework that instils rigour in target selection, approval, due diligence, integration preparation/planning and post-merger value capture. In support of the framework, Amcor has developed an integration toolkit which shares best practice and provides the businesses with a methodology to manage post-merger integration execution and culture risk.
Talent retention and attraction	The operating and financial performance of Amcor is largely dependent on its ability to retain and attract talent in particular key personnel. Any loss of key personnel could adversely impact Amcor's operating and financial performance.	Amcor's human resource policies are designed to ensure that: <ul style="list-style-type: none"> • access to the widest possible pool of talent is available through Amcor's diversity in the workforce strategy; • Amcor provides co-workers with mobility and development opportunities through its leadership framework; • Amcor delivers a high performance culture by setting challenging objectives and rewarding high-performing individuals; • remuneration is competitive in the relevant employment markets to support the attraction, motivation and retention of talent; and • remuneration is aligned with business outcomes that deliver value to shareholders.
Country risks	Amcor operates in over 40 countries, across a broad range of legal, regulatory or political systems, some of which are subject to rapid change and civil unrest. The profitability of those operations, and their ability to maintain and repatriate funds to Amcor, may be adversely impacted by changes in the fiscal or regulatory regimes, currency devaluation, difficulties in interpreting or complying with the local laws of those countries, and reversal of current political, judicial or administrative policies.	Amcor continually monitors changes or proposed changes in regulatory regimes that may impact on Amcor's operations. Where possible, Amcor elects to appoint local management teams, who bring an in-depth understanding of the local operating environment and strong customer relationships. Amcor also implements training on compliance matters globally, and regular review of country risks is performed by business leaders through Amcor's ERM program.

Operating and Financial Review

Principal risks (continued)

Risk	Description and potential consequences	Treatment strategies employed by Amcor
Supply chain risk	Disruption to Amcor's supply chain caused by an interruption to the availability of key components or raw materials, or by technology failure, may adversely impact the price of raw materials, sales volumes, and/or customer relations, resulting in unexpected costs.	Amcor's approach to supply chain risk management is multi-faceted and includes: <ul style="list-style-type: none"> ensuring customer contracts provide for regular and timely pass-through of movements in input costs of raw materials; supplier due diligence and risk management; and implementing a multi-sourcing strategy for the supply of raw materials
Business interruption and key site risk	Amcor operates from more than 190 locations globally. Circumstances may arise which preclude key sites from operating, including natural disaster, technology failure or industrial disruption. Where this occurs Amcor's financial performance may be negatively impacted.	Amcor undertakes business continuity planning and disaster preparedness for high-value or strategically important sites. In addition, Amcor management undertakes continuous identification, review and management of property risks, as well as independent loss-prevention audits.
Change in consumer preferences	Changes in consumer preferences may result in some of Amcor's existing product range becoming obsolete, or new products not meeting sales and/or margin expectations.	Amcor seeks to manage this risk by working closely with its customers and suppliers to propose solutions that address evolving consumer preferences. Amcor is continuing to build on its innovation capability to achieve the objective of being an innovation leader for the packaging industry.
Compliance and control risks	The risk of inadequate internal processes, awareness or an internal control failure potentially resulting in both financial loss and reputational damage to the business. Examples of risks that could arise, include: <ul style="list-style-type: none"> fraud, bribery or insider trading by co-workers due to a lack of integrity or awareness; failure to comply with laws (such as antitrust, competition laws and sanction regimes) and regulations. The Company's considerable global reach and diverse activities mean that a wide range of jurisdiction-specific laws apply; and cyber-attack and/or information loss. The Company relies on information technology and control systems to support its business. The Company may experience threats to the confidentiality, integrity and availability of key information systems. 	'The Amcor Way' operating model and Corporate Code of Conduct and Ethics provide a framework for all policies across the Group. To manage compliance and control risk, Amcor implements group-wide policies and procedures such as a Share Trading Policy, Sanctions Policy and a Competition Compliance Program, which are communicated periodically to Amcor co-workers. To maintain awareness of these policies, annual compliance training is mandatory for applicable co-workers. <p>During the year, Amcor reviewed and updated its Fraud Prevention Policy. This policy clearly outlines the principals and standards to be adopted in order to minimise the risk of fraud. Amcor's Fraud Prevention Program was also enhanced with improvements to investigation procedures and the appointment of a new global Whistleblower service provider.</p> <p>While no material cyber-attacks or confidentiality breaches have been discovered, the increasing sophistication and evolving nature of the cyber threat has highlighted the need for the Company to build on its existing Information Security capability through a targeted improvement program.</p>

Risk	Description and potential consequences	Treatment strategies employed by Amcor
Tax risks	Amcor operates in over 40 countries, each with unique and dynamic tax environments. The tax affairs of operations in each country may be adversely impacted by changes in the fiscal or regulatory regimes, differences in interpretation of the local tax laws of those countries, and changes to current political, judicial or administrative policies relating to tax.	<p>Amcor's tax affairs are managed in accordance with a tax risk framework that is agreed with, reviewed and reported against by the Audit and Compliance Committee on a regular basis. This framework ensures that:</p> <ul style="list-style-type: none"> • tax risks across the company are identified, monitored and managed utilising the ERM methodology; • tax risks are prioritised so that appropriate attention and action can be taken on key risks; • an active approach to tax risk management is pursued (including an open and co-operative approach with revenue authorities); and • informed judgement is exercised to establish the required level of provisioning for financial statement purposes.
Product safety and integrity risk	As one of the world's largest packaging companies with over 95% of sales into food, beverage, healthcare and tobacco packaging industries, a product safety or integrity incident could have severe adverse consequences should it occur.	<p>Amcor is committed to being a responsible and safe packaging company. Amcor is committed to being a partner our customers can rely on and Customer Focus is core to 'The Amcor Way'. Product safety is supported by a unique infrastructure that includes:</p> <ul style="list-style-type: none"> • dedicated product safety and compliance personnel responsible for the implementation of processes and controls; • continuous focus on quality; • supplier due diligence and risk assessment; and • trained crisis management teams.

G R (Graeme) Liebelt

(BEc (Hons), FAICD, FTSE)

Independent Non-Executive Director and Chairman

Skills and experience

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

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

Directorships of listed entities within the past three years:

- Director of Australia and New Zealand Banking Group Limited (since July 2013)
- Director of The Australian Foundation Investment Company (since 2012)

Board Committee membership

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

Term of office

- Director since April 2012
- Non-Executive Chairman since December 2013

Dr A (Armin) Meyer

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

Independent Non-Executive Director and Deputy Chairman

Skills and experience

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

Until 2009, Dr Meyer was the Chairman of the Board of Ciba Ltd, a position he had held since 2000. He was also Chief Executive Officer of that company between 2001 and 2007. From 1995 until 2000, Dr Meyer was Executive Vice President of ABB Ltd and a member of that group's executive committee. Until April 2013, Dr Meyer was a Director of Zurich Financial Services, a global insurance company and was, until the end of 2011, a member of the executive committee and the foundation Board of the International Institute for Management Development, IMD, in Lausanne, Switzerland. In June 2014, Dr Meyer was appointed a Director of Bracell Limited, a specialty cellulose producer listed on the Hong Kong Stock Exchange.

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

Directorships of listed entities within the past three years:

- Director of Bracell Limited (formerly Sateri Holdings Ltd) (since June 2014)
- Director of Zurich Financial Services Limited (May 2001 to April 2013)
- Director of Zurich Insurance Company Ltd (April 2001 to April 2013)

Board Committee membership

- Chairman of the Human Resources Committee
- Member of the Nomination Committee
- Member of the Executive Committee
- Member of the Audit & Compliance Committee (June 2010 to February 2014)

Term of office

- Director since April 2010
- Deputy Chairman since December 2013

R S (Ron) Delia

(MBA, B Sc)

Managing Director and Chief Executive Officer

Skills and experience

Mr Delia joined Amcor in 2005 and his former positions at Amcor have been: Executive Vice President Finance and Chief Financial Officer, Amcor Ltd (2011-2015); Vice President & General Manager, Amcor's Rigid Plastics Latin America (2008-2011) based in Miami; Executive Vice President Corporate Operations, Amcor Ltd (2005-2008) based in Melbourne and Brussels. Prior to joining Amcor, Mr. Delia was an Associate Principal, McKinsey & Company based in New York and also held senior commercial roles in American National Can Co., based in New Jersey.

Board Committee membership

- Member of the Executive Committee

Term of office

- Appointed Managing Director and Chief Executive Officer April 2015



P V (Paul) Brasher

BEC (Hons), FCA

Independent Non-Executive Director**Skills and experience**

Mr Brasher brings to the Board his local and global experience as a senior executive and director, particularly in the areas of strategy, finance, audit and risk management and public company governance.

Mr Brasher is Chairman of Incitec Pivot Limited and a Non-Executive Director and Chairman of the Audit, Risk & Compliance Committee of Perpetual Limited. From 1982 to 2009, Mr Brasher was a partner of PricewaterhouseCoopers (and its predecessor firm Price Waterhouse), one of the world's major chartered accounting and professional services firms, including four years as the Chairman of the Global Board of PricewaterhouseCoopers.

Mr Brasher is the Deputy Chairman of Essendon Football Club. His former roles include Chairman of the Reach Foundation, Chairman of the National Gallery of Victoria's Business Council, member of the Committee for Melbourne, board member of Asialink, a trustee of the Victorian Arts Centre Trust and member of the Committee for Economic Development of Australia.

Directorships of listed entities within the past three years:

- Chairman, Incitec Pivot Limited (since June 2012) and Director (since September 2010)
- Director of Perpetual Limited (since November 2009)

Board Committee membership

- Chairman of the Audit & Compliance Committee (since February 2015)
- Member of the Executive Committee

Term of office

- Director since January 2014

E (Eva) Cheng

BA (Hons), MBA

Independent Non-Executive Director**Skills and experience**

Mrs Cheng is a former Executive Vice President of Amway Corporation responsible for Greater China and Southeast Asia (2005-2011). She led Amway's market launch in China in 1991 and held its Executive Chairman position for 20 years. Mrs Cheng has extensive knowledge of fast moving consumer goods and has received numerous accolades for her business talent. In 2008 and 2009, she was twice named in the "World's 100 Most Powerful Women" by Forbes Magazine.

Mrs Cheng is currently a Director of Trinity Limited (since November 2011), Nestle S.A. (since April 2013), Haier Electronics Group Company Limited (since June 2013) and Our Hong Kong Foundation (since January 2015).

Mrs Cheng previously held positions with Amway (Malaysia) Holdings Berhad (June 2005 – June 2014), Esprit Holdings Ltd (December 2012 – June 2014) and The Link Management Limited (February 2014 – January 2015).

Directorships of listed entities within the past three years:

- Director of Trinity Limited (since November 2011)
- Director of Nestle S.A. (since April 2013)
- Director of Haier Electronics Group Company Limited (since June 2013)
- Director of The Link Management Limited (February 2014 – January 2015)
- Director of Amway (Malaysia) Holdings Berhad (June 2005 – June 2014)
- Director of Esprit Holdings Limited (December 2012 – June 2014)
- Executive Director of The Our Hong Kong Foundation (Since January 2015)

Term of office

- Director since June 2014

K J (Karen) Guerra

(BSc)

Independent Non-Executive Director**Skills and experience**

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

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

Directorships of listed entities within the past three years:

- Director of Electrocomponents PLC (since January 2013)
- Director of Swedish Match AB (April 2008 – April 2015)
- Director of Davide Campari-Milano S.p.A (since April 2010)

Board Committee membership

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

Term of office

- Director since April 2010

The Board of Directors and Company Secretary



J L (Jeremy) Sutcliffe

(LLB (Hons), OAMP, MAICD)

Independent Non-Executive Director**Skills and experience**

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

Mr Sutcliffe is a Director and Member of the Australian Rugby League Commission Limited and a member of the Advisory Board of Veolia Environmental Services Australia Pty Ltd.

Directorships of listed entities within the past three years:

- Director of Orora Limited (since December 2013)
- Chairman, CSR Limited (since July 2011) and Director (since December 2008)

Board Committee membership

- Member of the Human Resources Committee

Term of office

- Director since October 2009

J G (John) Thorn

(FCA, FAICD)

Independent Non-Executive Director**Skills and experience**

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

Directorships of listed entities within the past three years:

- Director of Salmat Limited (since September 2003)
- Director of National Australia Bank Limited (October 2003 – December 2014)
- Director of Caltex Australia Limited (June 2004 -May 2013)

Board Committee membership

- Member of the Audit & Compliance Committee (Chairman February 2005 – February 2015)
- Member of the Executive Committee
- Member of the Nomination Committee

Term of office

- Director since December 2004

J F (Julie) McPherson

(Dip Law SAB, M AppFin, LLM)

Company Secretary and Group General Counsel**Skills and experience**

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

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

Other directorships and offices (current and recent):

- Chairman of the Amcor Superannuation Fund (November 2008 to October 2011)
- Member of the Federal Government's Takeovers Panel (March 2011 – March 2014)
- Member of the Law Committee of AICD (since 2006)

Term of office

- Company Secretary since April 2005

The Board of Directors and Company Secretary (continued)



Directors' Report

Your Directors present their report together with the financial report of Amcor Limited, being the Company and its controlled entities, for the year ended 30 June 2015 and the independent audit report thereon.

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Directors' Report

Statutory Matters

Board of Directors

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

G R (Graeme) Liebelt

A (Armin) Meyer

R S (Ron) Delia (since 17 April 2015)

P V (Paul) Brasher

E (Eva) Cheng

K J (Karen) Guerra

J L (Jeremy) Sutcliffe

J G (John) Thorn

K N (Ken) MacKenzie
(retired effective 17 April 2015)

The qualifications, experience, special responsibilities of Directors, and other directorships held by them during the previous three years, are set out on pages 26 to 28 of this report.

Company Secretaries

J F (Julie) McPherson was the Company Secretary of Amcor Limited during the whole of the financial year and up to the date of this report. Her qualifications and experience are set out on page 28 of this report.

Ms Rebecca Farrell, BA LLB, was appointed as an additional Company Secretary in December 2013. Ms Farrell also holds the position as Vice President and General Counsel, Corporate. Prior to joining Amcor, Ms Farrell was the Group Company Secretary for the Westpac Group.

Officers

The names and roles of other Officers of the Company during the year are disclosed in Table 10 in section 3 of the Remuneration Report on page 47 of this report.

Principal activities

The general activities of the consolidated entity (comprising Amcor Limited and its controlled entities) are set out on pages 4 to 25 of this report. There were no significant changes in the nature of the principal activities of the consolidated entity during the year under review.

Table 1: Directors' meetings held between 1 July 2014 and 30 June 2015

	Board		Executive Committee		Audit & Compliance Committee		Human Resources Committee		Nomination Committee**	
	A	B	A	B	A	B	A	B	A	B
Scheduled meetings	10		2		4		4		-	
Unscheduled meetings	-		2		-		-		-	
P V Brasher	9	10	3 ⁽³⁾	1	4	4	1*	-	-	-
E Cheng	10	10	-	-	-	-	-	-	-	-
R S Delia ⁽¹⁾	3	3	-	-	1*	-	1*	-	-	-
K J Guerra	10	10	1*	-	-	-	4	4	-	-
G Liebelt	10	10	4	4	4	4	4	4	-	-
K N MacKenzie ⁽²⁾	7	7	4	4	3*	-	3*	-	-	-
A Meyer	10	10	4	4	-	-	4	4	-	-
J L Sutcliffe	10	10	1*	-	-	-	4	4	-	-
J G Thorn	10	10	4	4	4	4	1*	-	-	-

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

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

A Number of meetings attended.

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

(1) Appointed as a Director effective 17 April 2015.

(2) Retired as a Director effective 17 April 2015.

(3) Mr Brasher was appointed to the Executive Committee on 22 April 2015. He had previously attended two Executive Committee meetings by invitation.

Operating and financial review

An operating and financial review of the consolidated entity during the financial year and the results of these operations are contained on pages 4 to 25 of this report.

State of affairs

Significant changes in the state of affairs of the consolidated entity that occurred during the financial year ended 30 June 2015:

- On 17 April 2015, Mr Ken MacKenzie retired from the position of Managing Director and CEO and was succeeded by Mr Ron Delia. Mr Delia joined Amcor in 2005 and had been Amcor's Chief Financial Officer since February 2011.
- Throughout the year, Amcor announced a number of acquisitions. Please refer to pages 8 to 9 for further details.

Dividends

Dividends paid or declared by the Company to members during the financial year are set out in Note 1.2 to the Financial Statements.

Organisational changes

On 17 June 2015, Amcor announced its intention to undertake an organisational restructure, whereby the Flexibles Europe and Americas business would be divided into two new business groups – Flexibles Americas and Flexibles Europe, Middle East and Africa. The organisational restructure took effect on 1 July 2015. As part of the restructure, Peter Konieczny, formerly President Amcor Tobacco Packaging, was appointed President Flexibles Europe, Middle East and Africa, and Jerzy Czubak, formerly Chief Operating Officer Tobacco Packaging, was appointed President Amcor Tobacco Packaging. Tom Cochran, formerly Vice President Flexibles with responsibility for the medical, extrusion and Americas-based businesses, was appointed President Flexibles Americas.

Events subsequent to the end of the financial year

Business acquisitions

On 1 July 2015 the acquisition of Nampak Flexibles was completed. The acquisition price of ZAR 250 million (US\$20.6 million) was paid on 30 June 2015; however control of the business was obtained on 1 July 2015. The business, renamed Amcor Flexibles South Africa, produces flexible packaging for the beverage, food and home care end markets and is the market leader in South Africa. The business services many of Amcor's existing global customers and provides a platform for growth in the African region.

On 13 July 2015, the INR 1,650 million (US\$26 million) acquisition of Packaging India Private Limited (PIPL) was completed. PIPL has three plants located in the North and South of India and produces flexible packaging predominantly for the food and personal care markets. This acquisition provides an opportunity for the business to further expand its customer base and value proposition in the high growth Indian market.

Committed debt facilities refinanced

The syndicated multi-currency facility to support uncommitted commercial paper programs was due to mature on 20 August 2015. Subsequent to year end, this facility was increased from US\$425.0 million to US\$565.4 million for five years, now maturing on 17 July 2020.

In addition, subsequent to year end, the facility limit of the syndicated multi-currency facility that was to mature on 31 October 2016 was increased to US\$776.6 million and the maturity was extended to 31 October 2018.

Likely developments

The Operating and Financial Review on pages 4 to 25 of this report contains information on Amcor's business strategies and prospects for future financial years and refers to likely

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

Environmental performance and reporting

Commentary regarding the Company's performance on environmental regulations is outlined in the Review of Operations – Sustainability section on pages 18 to 21 and the Corporate Governance Statement which is available at www.amcor.com/corpgovstatement. The Company also publishes a Sustainability Report annually which is available on www.amcor.com/sustainability.

The Company currently participates in the European Union's Emissions Trading Scheme, the 'Climate Change Agreements' program in the UK, the 'Covenants' program in Belgium and the Swiss Emissions Trading Scheme. Amcor also pays carbon taxes in any countries where they are applicable.

The Australian business of the Company is subject to the reporting requirements of the *National Greenhouse and Energy Reporting Act 2007*, which requires the Australian business to report its annual greenhouse gas emissions and energy use.

There were no material breaches of environmental regulations and specific requirements of site environmental licences identified across all of the consolidated entity's operations in the 2014/15 financial year.

Directors' Report Statutory Matters (continued)

Table 2: Directors' interests

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

Name	Balance at date of 2014 Annual Report	Received during the year on the exercise of rights and options	Other changes during the year	Balance as at the date of this report
Directors of Amcor Limited				
G R Liebelt	33,490	-	-	33,490
A Meyer	40,000	-	-	40,000
R S Delia	442,674	104,402	(397,076)	150,000
P V Brasher	1,000	-	3,000	4,000
E Cheng	1,000	-	37	1,037
K J Guerra	27,050	-	-	27,050
J L Sutcliffe	54,446	-	944	55,390
J G Thorn	25,994	-	-	25,994

Table 3: Unissued shares under option

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

Date options granted	Expiry date	Exercise price of options(A\$) ⁽²⁾	Number under option
5/08/2010	29/09/2016 ⁽¹⁾	5.17	155,000
9/12/2011	30/11/2017	5.81	434,900
9/12/2011	30/11/2018	5.81	9,730,100
12/06/2012	30/11/2018	5.81	50,600
30/11/2012	31/10/2019	6.09	5,274,900
20/11/2013	30/10/2020	9.31	4,453,500
9/05/2014	30/10/2020	9.31	71,800
24/11/2014	29/10/2021	10.28	4,554,800
11/05/2015	29/10/2021	10.28	17,700
TOTAL			24,743,300

(1) Shareholder approval was granted at the 2011 AGM to extend the expiry date from 30 June 2016. The actual expiry date is 28 days after the release of full year results.

(2) The exercise prices of certain options were amended as a result of the demerger of the Orora business. The method of adjustment was disclosed in the demerger booklet and approved by shareholders. New exercise price = exercise price pre-demerger - A\$1.22 (Orora five-day VWAP).

Shares issued on exercise of options

There were no ordinary shares of Amcor Limited issued during the year ended 30 June 2015 on the exercise of options granted.

Indemnification and insurance of officers

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

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

Non-audit services

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

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Compliance Committee to ensure they do not impact upon the impartiality and

objectivity of the auditor. In particular, all non-audit services are approved in accordance with the non-audit services delegations and approvals framework and reported to the Audit and Compliance Committee at each meeting; and

- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards. A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is included in the Directors' Report on page 54.

Details of the amounts paid to PwC and its related practices for audit and non-audit services provided during the year are set out in Note 6.1 to the Financial Statements on page 123.

The non-audit services provided by PwC mostly relate to taxation advice and compliance services. The Company's considerable global reach is such that it is critical that the Company can obtain external tax advice across a number of relevant jurisdictions. In many cases it is both efficient and effective to source such advice from a single service provider. Further, PwC has been providing tax advice since the year 2000. This pre-dates their appointment as the Company's auditor and, consequently, their historical knowledge is of material value to the Company.

In each of the above cases, the engagement of PwC was made on its merits (based on service level, knowledge and expertise, cost as well as geographical spread) and after careful consideration of the factors noted above.

Rounding off

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

Loans to directors and senior executives

Information on loans to Directors and senior executives, including amounts, interest rates and repayment terms, is set out in Note 5.3 to the Financial Statements.

Corporate Governance Statement

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

The Company complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ('the ASX Principles'). Amcor's Corporate Governance Statement, which summarises the Company's corporate governance practices and incorporates the disclosures required by the ASX Principles, can be viewed at www.amcor.com/corpgovstatement.

Declaration

This Directors' Report is made in accordance with a resolution of the Directors, dated at Melbourne, in the State of Victoria, on 25 August 2015.



Graeme Liebelt
Chairman

Directors' Report

Remuneration Report

Dear Shareholder,

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

Ammcor has again performed well in 2015, with the Company's leadership delivering excellent results in a year where we saw a change in the CEO role and other well managed changes in senior leadership positions. The commitment to talent management programs and initiatives over the past several years has created strong talent depth and has provided Ammcor with internal succession for senior roles. Ken MacKenzie retired on 17 April 2015 after 10 years of outstanding leadership of the Company to be replaced by Ammcor's former CFO, Ron Delia. The smooth leadership transition allows Ammcor to maintain the strong momentum of recent years and continue to build on and improve performance.

A competitive remuneration program is essential to the attraction, retention and motivation of talented executives and is integral to the Company's talent management strategy. In Ammcor's case – operating in 43 countries, with a leadership group made up of many nationalities working in various locations around the world – our programs must stand up to competition from the best companies anywhere in the world. Importantly, our programs must also be aligned to the interests of our shareholders and reward executives for delivering value.

Ammcor's leadership continue to manage the Company in accordance with 'The Ammcor Way' – this operating model has now been in place for many years and focuses on:

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

The rigorous application of 'The Ammcor Way' continues to support strong operational performance across all of Ammcor's businesses. The use of 'The Ammcor Way', a disciplined growth strategy and the application of Ammcor's Shareholder Value Creation Model has been linked to a carefully designed remuneration strategy including incentive plans and performance metrics that align the leadership of the Company to the interests of shareholders.

To ensure that the remuneration strategy and plans remain relevant into the future, the Board undertook a review in 2015 and decided to make changes to the long term incentive plan in order to fine tune performance metrics to further improve the alignment to Ammcor's Shareholder Value Creation Model. A discussion on the changes is included later in this report.

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



Graeme Liebelt
Chairman

Introduction and summary of contents

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

Key management personnel

For the purpose of this report, Key Management Personnel (KMP) are members of the leadership team who have the authority and responsibility for planning, directing and controlling the activities of the consolidated entity of Amcor either directly or indirectly. They include all Directors of the Board (executive and non-executive).

The use of the term Senior Executives in this report is a reference to direct reports of the CEO who are also KMP.

Structure of this report

Amcor's 2015 Remuneration Report is divided into the following sections:

1. Overview of Amcor's Executive Remuneration arrangements
2. Company Performance – A Key Driver of Remuneration
3. Details of CEO and Senior Executive Remuneration for the financial year ended 30 June 2015
4. CEO and Senior Executive Service Agreements
5. Non-Executive Directors' Remuneration
6. Director and Senior Executive remuneration disclosures
7. Appendix: Details of Share-Based Awards

1. Overview of Amcor's Executive Remuneration arrangements

Remuneration strategy

At Amcor, remuneration for the CEO and Senior Executives is determined by reviewing what is generally paid for similar roles in both Australia and other selected overseas markets. This is not a simple matter given that Amcor is an international company made up of a diverse group of Senior Executives working in a range of different countries predominantly outside of Australia. Furthermore, their responsibilities extend beyond their own geographic location. This requires Amcor to attract and retain a CEO and Senior Executives who are global leaders with the experience and ability to perform in this environment.

This creates a challenge in our remuneration market benchmarking, in particular against the Australian market. When considering market benchmarks from other Australian companies with a similar market capitalisation, Amcor almost always has a larger share of its revenues sourced from abroad and has a higher number of executives who are based in other countries. This has obvious remuneration and talent implications.

Therefore, although it is important to understand and consider general market practice in Australia, reference to selected overseas markets is more relevant in determining competitive pay structures for Amcor executives.

Remuneration principles

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

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

Overview of remuneration arrangements

We remunerate the CEO and Senior Executives using a combination of fixed and variable plans, with a greater emphasis on variable performance-based plans. Performance metrics are carefully selected to ensure alignment with business imperatives and the delivery of shareholder value.

Directors' Report Remuneration Report (continued)

Changes to the long term incentive (LTI) in 2016

During 2015, the Board undertook a review of the Company's incentive framework and determined that it would make a change to the LTI. The changes are to ensure that the LTI remains relevant in the value proposition for shareholders and incentivises management for delivering profitable growth whilst ensuring that a focus remains on disciplined and sustainable returns.

	Current structure	New structure	Rationale
Performance conditions	<ul style="list-style-type: none"> vesting of Options determined based on return on average funds employed (RoAFE) performance in the financial year prior to vesting. Range of 16.2% (50% vesting) to 18.2% (100% vesting) and a share price condition (share price on vesting exceeds the option exercise price). vesting of Performance Rights determined based on relative Total Shareholder Return (TSR) performance against a select list of ASX companies and international packaging peers. Award vests if Amcor's performance is between the 50th (50% vesting) to 75th percentile (100% vesting) of the comparator groups. 	<ul style="list-style-type: none"> half the vesting of the award is determined by growth in Earnings Per Share (EPS) over the period of the plan provided that a certain level of RoAFE is also achieved in the financial year prior to vesting. The EPS hurdle is based on a calculation of Amcor's annual EPS growth over the period of the plan, and must be between 5% (50% vesting) and 8% (100% vesting) and is conditional on RoAFE being 18% or more. half the vesting of the award is determined based on relative TSR performance against a select list of ASX companies and international packaging peers. Award vests if Amcor's performance is between the 50th (50% vesting) to 75th percentile (100% vesting) of the comparator groups. a share price condition will apply to the Options (share price on vesting exceeds the option exercise price). 	<p>The combination of EPS with a RoAFE condition ensures that profitable growth with strong returns is rewarded. EPS is set by reference to Amcor's Shareholder Value Creation Model (which aims to deliver increases in shareholder value of more than 10% p.a. including dividends). The RoAFE condition reflects returns that are significantly above the weighted average cost of capital and is included to ensure that growth is not pursued at the expense of returns.</p> <p>The use of relative TSR provides a shareholder perspective of the Company's relative performance against comparable companies both in Australia and internationally.</p>

	Current structure	New structure	Rationale
Instrument	Options and Performance Rights	No change	The use of Options ensures that a large part of the award relies on an absolute increase in the share price. Even if EPS and RoAFE targets are met, the share price will need to increase in absolute terms in order for the Options to have value. This provides strong alignment to the creation of shareholder value. The use of a mix of Options and Performance Rights across the performance hurdles described above is considered to be a fair and balanced way to incentivise and reward executives in a long term plan.
Term	4 years	3 years	A 3-year term is far more consistent with what other companies use (~80% of the ASX100 as well as comparable to other international packaging companies). At present, the 4-year term can result in a new executive not being eligible for rewards until beyond 4 years after their employment. The purpose of this change is therefore to ensure that the Company is competitive in attracting, retaining and engaging new executive talent. The transition to a 3-year term will occur next year (i.e. the 3-year term will begin on 1 July 2016) and as a result there will be no grant to existing participants (including the CEO) until then to ensure there is no overlap with the vesting of previous awards made with a 4-year term.

Further details and terms of the award are included in the Notice of Meeting.

An overview of remuneration arrangements is included in the table on page 38.

Directors' Report

Remuneration Report

(continued)

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

		% of total	
		CEO	Senior Executives
Fixed⁽¹⁾		36%	44%
Variable or 'at risk'			
Short Term Incentive (STI) Cash		23%	18%
Purpose	Reward the achievement of annual business objectives		
Term	1 year		
Instrument	Cash		
Performance conditions ⁽²⁾	<ul style="list-style-type: none"> • 5% Safety (reduction in recordable case frequency rate from previous year) • 65–80% Financial (Earnings per share (EPS), Profit before interest and tax (PBIT), Cash Flow, Working Capital, Return on Average Funds Employed (RoAFE)) • 15–30% Priority project goals linked to 'The Amcor Way' 		
Why these were chosen	To incentivise continuous safety improvement; successful and sustainable financial business outcomes; and annual objectives that drive long-term business success and sustainability		
Short Term Incentive (STI) Deferred Equity⁽³⁾		12%	9%
Purpose	Defer a portion of the STI to build equity ownership; align management incentives with shareholder value creation; and act as a retention incentive		
Term	2 years (following payment of cash STI)		
Instrument	Share Rights		
Performance conditions	Time restricted and continuation of employment (subject to forfeiture in the event of voluntary termination or termination for cause)		
Why these were chosen	To provide a mid-term retention incentive based on impact on business performance		
Long Term Incentive (LTI)^{(4),(5)} (Effective from 2016)		29%	29%
Purpose	Reward the achievement of long-term sustainable business outcomes and value creation for shareholders		
Term	3 years		
Instrument	Options and Performance Rights (Performance Shares are awarded to US participants in place of Performance Rights)		
Performance conditions ⁽²⁾	<ul style="list-style-type: none"> • Half the vesting outcome is based on annual growth of earnings per share (EPS) with an additional minimum RoAFE condition • Half the vesting outcome is based on relative Total Shareholder Return (TSR) • Time restricted and continuation of employment (subject to forfeiture in the event of voluntary termination or termination for cause) 		
Why these were chosen	The combination of EPS with a RoAFE condition ensures that management is rewarded for achieving profitable growth while sustaining strong returns. The use of relative TSR provides a shareholder perspective of the Company's relative performance against comparable companies both in Australia and internationally.		
Retention Share/Payment Plan⁽⁶⁾		-	-
Purpose	Used on a limited basis at recruitment to replace existing entitlements from previous employers or as retention awards to selected executives		
Term	Up to 5 years		
Instrument	Shares or cash		
Performance conditions	Time restricted and continuation of employment (subject to forfeiture in the event of voluntary termination or termination for cause)		
Why these were chosen	To provide a retention incentive when required		

- (1) Consists of base salary, retirement and other benefits. Retirement benefits are delivered under defined contribution funds for all new executives. These and other benefits are set by reference to regulatory and salary market requirements in the relevant employing jurisdictions.
- (2) Performance conditions are assessed using both quantitative and qualitative assessments. All financial performance conditions are determined on an after significant items basis. The Board may apply discretion to exclude significant items for the purposes of determining outcomes under financial performance conditions. The outcomes for the CEO and Senior Executives are reviewed and approved by the Human Resources Committee. This approach provides appropriate oversight and a rigorous review of the outcomes.
- (3) Details provided in the Appendix to this report.
- (4) The CEO and Senior Executives were granted an LTI award in the year ended 30 June 2015. The details of the award can be found in the Appendix to this report.
- (5) At the 2015 Annual General Meeting, approval will be sought from Amcor Shareholders for an award to the CEO under the terms of the new Amcor Long Term Incentive Plan. This award will not be made until late in 2016 (vesting in 2019) to ensure there is no overlap with the vesting of existing 4-year awards that have scheduled vesting dates through to 2018. Senior Executives and other selected executives who are in a position to influence the outcome of the performance hurdles will also be invited to participate. Details of this award are included in the Notice of Meeting.
- (6) During the year to 30 June 2015, no awards were made to the CEO or Senior Executives.

Equity related remuneration policies

Hedging of securities	Minimum Shareholding Policy	Share Trading Policy	Clawback Policy
The CEO and Senior Executives are prohibited from engaging in hedging arrangements over unvested securities issued under any employee share plan. This extends to vested securities over which the Minimum Shareholding Policy applies. (Note: no Non-Executive Directors participate in our employee share plans.)	To strengthen alignment of the interests of the CEO and Senior Executives with value creation for shareholders, the CEO and Senior Executives must build and maintain a minimum shareholding of Amcor shares. The CEO is required to build and maintain a shareholding equivalent to 100% of base salary; Senior Executives are required to build and maintain a shareholding equivalent to 50% of base salary.	The Board has implemented blackout periods during which the Directors, CEO, Senior Executives and co-workers are prohibited from trading in Amcor shares. Further detail is provided in the Corporate Governance Statement available on the Amcor website. The Share Trading Policy reminds all co-workers of the insider trading prohibition under the Corporations Act.	Allows the Board to forfeit awards in the event of fraud, dishonesty, breach of obligations, financial misstatements, or if awards were made on the basis of a misrepresentation or an omission, or on the basis of facts or circumstances that were later proven to be untrue or inaccurate.

Remuneration governance

The Human Resources Committee

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

Where appropriate, the Human Resources Committee seeks advice from independent remuneration consultants in determining appropriate Senior Executive remuneration. During 2015, the Committee engaged the services of PricewaterhouseCoopers to provide a report to the Committee on general remuneration market trends both in Australia and in selected overseas markets. In addition, the Committee engaged the services of 3 Degrees Consulting to provide a report on a number of matters relating to incentive frameworks. In each of these cases, the reports did not contain remuneration recommendations in relation to any KMP.

Directors' Report Remuneration Report (continued)

2. Company Performance – A Key Driver of Remuneration

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

Short Term Incentive (STI)

Details of the range of potential STI cash payments, the proportion to be received at 'target' performance, actual payments made and the amounts forfeited by the CEO and Senior Executives in respect of the 2015 financial year are shown in Table 4 below. The actual outcomes are based on the performance of the CEO and Senior Executives against a selected range of safety, financial and priority project goals both on an Amcor and business group level. Table 3 below also includes a more detailed analysis of the targets and respective outcome for the CEO. The scorecards for other Senior Executives are also primarily financial based and consist of business unit specific financial targets. Given commercial sensitivities around these targets, the details of actual targets and outcomes have not been disclosed.

The outcomes under the STI align with an improvement in earnings, an increase in the dividend, and increased shareholder returns.

Table 3: STI performance outcomes

Name	Safety (weighting = 5%)	Financials (weighting = 75%)	Priority Project Goals (weighting = 20%)
Executive Directors			
R Delia ⁽¹⁾	Target not met	Maximum	Target met
Assessment of targets applicable for period following appointment as CEO	Amcor's recordable case frequency rate is now at 2.0. Although this represents a world class standard, it did not meet the year-on-year improvement target.	Amcor's financial performance for the year exceeded targets across several measures. EPS for the year was US56.6 cents (up 7.5% on a constant currency basis); cash flow was US\$779m; returns were 20.5%.	Included initiatives on organisation and leadership engagement during and after the CEO transition. These goals were successfully executed resulting in the targets being met.
K N MacKenzie ⁽²⁾	Target not met	Maximum	Target met
Assessment of targets undertaken based on the last audited results prior to retirement (half-year ending 31 December 2014)	Amcor's recordable case frequency rate at the end of the half-year was also at world class standards but did not meet the year-on-year improvement target.	Amcor's financial performance for the half-year exceeded targets across several measures. EPS for the half-year was US26.6 cents (up 10.4% from the previous period on a constant currency basis); cash flow was US\$103m; returns were 20.4%	Included succession planning and organisation development leading to the CEO transition. Also included goals relating to strategy execution and growth. These goals were successfully executed resulting in the targets being met.

(1) Mr Delia was appointed as Managing Director and Chief Executive Officer effective 17 April 2015

(2) Mr MacKenzie retired as Managing Director and Chief Executive Officer effective 17 April 2015 and ceased to be KMP from this date

Table 4: STI cash and deferred equity awards

Name	STI % Range (as % of TFR/ base salary)	STI % at target	STI Payment (US\$)	Paid in Year (as % of maximum STI)	Forfeited in Year (as % of maximum STI)	Deferred Equity Awarded (US\$)	Deferred Equity Awarded (No. Rights) ⁽¹⁾
Executive Directors							
R Delia ⁽²⁾	0% to 120% of Base Salary	80%	268,000	95.7%	4.3%	134,000	
R Delia ⁽³⁾	0% to 100% of Base Salary	50%	610,000	100.0%	0.0%	305,000	38,576
K N MacKenzie ⁽⁴⁾	0% to 120% of TFR	80%	2,101,233	100.0%	0.0%	1,050,616	n/a ⁽⁵⁾
Senior Executives							
P Brues ⁽⁶⁾	0% to 100% of Base Salary	50%	996,696	95.5%	4.5%	498,348	n/a ⁽⁷⁾
M Schmitt	0% to 100% of Base Salary	50%	849,420	100.0%	0.0%	424,710	39,493
I G Wilson	0% to 100% of Base Salary	50%	964,013	100.0%	0.0%	482,006	44,834

(1) The cash and deferred equity awarded are usually paid and granted during the month of September following the determination of the STI. Equity allocations were determined based on the volume weighted average price (VWAP) of Amcor Limited shares for the five trading days prior to 30 June 2015 (A\$13.96 per share). Where bonuses are determined in currencies other than Australian dollars, the average foreign exchange rate for the same five day period was applied to determine the Australian dollar equivalent.

(2) Mr Delia was appointed as Managing Director and Chief Executive Officer effective 17 April 2015; reflects the STI opportunity and outcome on a pro-rata basis following an assessment against targets relevant to this role.

(3) Mr Delia was previously Executive Vice President Finance and Chief Financial Officer up to 17 April 2015; reflects the STI opportunity and outcome on a pro-rata basis following an assessment against targets relevant to this role.

(4) Mr MacKenzie retired as Managing Director and Chief Executive Officer effective 17 April 2015 and ceased to be KMP from this date; reflects the STI opportunity and outcome on a pro-rata basis following an assessment against targets relevant to this role. Safety and financial targets were assessed based on performance using the last audited results prior to retirement (31 December 2014). Cash consideration was provided in lieu of an award of deferred equity. The amounts were paid to Mr MacKenzie on his retirement on 17 April 2015. This treatment is in accordance with the plan rules and the approval provided by shareholders under section 200E of the Corporations Act.

(5) Deferred equity was settled as a cash payment to Mr MacKenzie on his retirement.

(6) Mr Brues ended his role effective 30 June 2015 following a reorganisation and ceased to be KMP from this date.

(7) Deferred equity was settled as a cash payment to Mr Brues in September 2015.

Directors' Report Remuneration Report (continued)

Long Term Incentive (LTI)

The following table illustrates Amcor's performance against the key metrics that exist in the LTI plans awarded to the CEO and Senior Executives. Amcor's relative TSR performance against a group of comparable companies determines the level of Performance Rights that vest; while RoAFE performance determines the level of Options that vest – although an improvement in share price is also required before any rewards are delivered. This ensures there is a strong correlation between rewards for management and shareholder returns. The following table shows the performance outcomes for the LTI plans that vested during the year. Vesting levels are due to the considerable improvement in the financial performance of the company and returns to shareholders. The new LTI that will be granted in 2016 (see earlier discussion) will now also include an EPS metric to ensure that there is an ongoing focus on profitable growth.

Table 5: LTI plans assessed for vesting during the year

Performance Rights					Options				
Relative TSR performance (percentile ranking)					RoAFE (%) & share price increase				
Grant year	min	max	Performance at vesting		Grant year	min	max	Performance at vesting	
			ASX International comparator	group comparator				RoAFE	Share price increase since grant
2012	50	75	86	57	2012	15.7	18.2	20.5	Yes

Table 6: Shareholder return information over the past five financial years

	2011	2012	2013	2014	2015
Net profit before significant items after tax (US\$ million)	564.5	655.1	691.0	677.8 ⁽¹⁾	680.3
Basic EPS before significant items (US cents)	46.1	54.0	57.3	56.2 ⁽¹⁾	56.6
Dividend paid (US\$ million)	418.4	441.5	485.1	448.1	472.4
Dividends per share (US cents)	35.6	39.4	38.7	39.2 ⁽²⁾	40.0
Opening share price at 1 July (A\$)	6.38	7.20	7.09	10.14	10.43
				(1.22) ⁽³⁾	
Change in share price (A\$)	0.82	(0.11)	3.05	1.51	3.29
Closing share price at 30 June (A\$)	7.20	7.09	10.14	10.43	13.72
Total Shareholder Return (TSR) % pa ⁽⁴⁾	18.3	3.6	48.7	19.4	36.6
On-market share buy-back (US\$ million)	-	152.4	-	-	295.6

(1) Represents results for continuing operations only (i.e. excluding Orora)

(2) Includes a 3.0 cent dividend paid by Orora immediately following the Demerger and assumes that the shareholder retained the Orora share and received the dividend.

(3) An adjustment was made to the Amcor share price in the 2014 column of this table to reflect the value received by shareholders (in the form of Orora shares) following the Demerger. This approach intends to provide a more accurate representation of Amcor's share price performance and TSR during this period. The adjustment was based on the VWAP of Orora shares on first five days of listing on ASX.

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

3. Details of CEO and Senior Executive Remuneration for the financial year ended 30 June 2015

Table 7 details awards granted that are still in progress or those that were tested during 2015 which impact the remuneration received by the CEO and Senior Executives for the year ended 30 June 2015:

Table 7: Grants of Options and Rights affecting remuneration

Grant Year	Grant Type	Instrument	Vesting condition(s)	Performance/ Vesting Period	Status
2012 ⁽¹⁾	Long Term Incentive	Options and Performance Rights	<ul style="list-style-type: none"> Return on average funds employed Relative TSR performance to comparator group Share price increase Continuous service 	31 October 2015	Testing completed. This resulted in 100% of Options and 81% of Performance Rights vesting.
2013 ⁽²⁾	Short Term Incentive Deferred Equity	Share Rights	<ul style="list-style-type: none"> Continuous service 	1 September 2014	Vested in full
	Long Term Incentive	Options and Performance Rights	<ul style="list-style-type: none"> Return on average funds employed Relative TSR performance to comparator group Share price increase Continuous service 	31 October 2016	In progress
2014 ⁽³⁾	Short Term Incentive Deferred Equity	Share Rights	<ul style="list-style-type: none"> Continuous service 	1 September 2015	In progress
	Long Term Incentive	Options and Performance Rights	<ul style="list-style-type: none"> Return on average funds employed Relative TSR performance to comparator group Share price increase Continuous service 	31 October 2017	In progress
2015 ⁽⁴⁾	Short Term Incentive Deferred Equity	Share Rights	<ul style="list-style-type: none"> Continuous service 	1 September 2016	In progress
	Long Term Incentive	Options and Performance Rights	<ul style="list-style-type: none"> Return on average funds employed Relative TSR performance to comparator group Share price increase Continuous service 	31 October 2018	In progress

(1) The grant of the Long Term Incentive Award occurred on 9 December 2011.

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

(3) The Short Term Incentive Deferred Equity Award was granted on 2 September 2013, whilst the Long Term Incentive Award was granted on 20 November 2013.

(4) The Short Term Incentive Deferred Equity Award was granted on 1 September 2014, whilst the Long Term Incentive Award was granted on 24 November 2014.

Refer to Section 5 of the Financial Statements for further information regarding the terms and conditions of the awards.

Directors' Report

Remuneration Report

(continued)

Table 8: Details of awards granted, vested and exercised

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

Name	Number				\$		
	Opening Balance	Granted during the year ^{(1),(2)}	Exercised during the year ⁽³⁾	Lapsed/cancelled during the year	Closing Balance ⁽⁴⁾	Vested during the year	Fair value of grant yet to vest ⁽⁵⁾
Executive Directors							
R Delia							
Short Term Incentive							
Deferred Equity Awards							
– Share Rights	81,956	27,190	(41,042)	0	68,104	41,042	80,146
Long Term Incentive Awards:							
– Options	1,691,800	244,800	(103,900)	0	1,832,700	103,900	370,220
– Performance Rights	263,400	65,700	(12,100)	0	317,000	12,100	357,604
K N MacKenzie⁽⁶⁾							
Short Term Incentive							
Deferred Equity Awards							
– Share Rights	309,013	107,340	(155,519)	(260,834)	0	155,519	0
Long Term Incentive Awards:							
– Options	4,937,800	917,900	(552,000)	(2,182,875)	3,120,825	3,672,825	0
– Performance Rights	815,600	246,300	(82,100)	(979,800)	0	82,100	0
Senior Executives							
P Brues⁽⁷⁾							
Short Term Incentive							
Deferred Equity Awards							
– Share Rights	83,327	42,814	(46,271)	0	79,870	46,271	126,199
Long Term Incentive Awards:							
– Options	2,334,500	328,600	(343,000)	(1,244,300)	1,075,800	343,000	0
– Performance Rights	343,100	88,200	(35,100)	(333,200)	63,000	35,100	0
M Schmitt							
Short Term Incentive							
Deferred Equity Awards							
– Share Rights	67,250	23,157	(29,645)	0	60,762	29,645	68,258
Long Term Incentive Awards:							
– Options	1,958,200	310,200	(507,000)	0	1,761,400	141,400	469,126
– Performance Rights	247,000	83,300	(14,600)	0	315,700	14,600	453,400
I G Wilson							
Short Term Incentive							
Deferred Equity Awards							
– Share Rights	102,419	36,081	(51,594)	0	86,906	51,594	106,353
Long Term Incentive Awards:							
– Options	1,349,000	195,200	(260,000)	0	1,284,200	260,000	295,208
– Performance Rights	216,400	52,400	(34,000)	0	234,800	34,000	285,212

- (1) The Long Term Incentive Awards were granted on 24 November 2014. Options granted had an exercise price of A\$10.28 on grant, a fair value of US\$1.83 and will expire on 29 October 2021. Performance Shares or Performance Rights granted have a fair value of US\$6.57 and will expire on 29 October 2021. The Short Term Incentive Deferred Equity Awards were granted on 1 September 2014 and have a fair value of US\$9.48 and will expire on 1 September 2016. No exercise price is applicable to Share Rights or Performance Rights granted. No awards granted during the period vested during the period.
- (2) The value of all awards granted during the period to the CEO and Senior Executives are as follows: R Delia US\$1,093,993; K N MacKenzie \$1,123,474; P Brues \$554,126; M Schmitt \$1,286,668 and I G Wilson \$999,747. For the Long Term Incentive, awards are only exercisable upon satisfaction of performance conditions after 1 July 2018. For the Short Term Deferred Equity, awards are exercisable on 1 September 2016.
- (3) The value of awards exercised during the period by the CEO and each Senior Executive are as follows: R Delia \$1,093,394; K N MacKenzie \$6,169,115 (up to the date he ceased to be KMP); P Brues \$2,904,360; M Schmitt \$3,685,616 and I G Wilson \$2,744,744. These values represent awards that were exercised from a combination of different grants made in prior years.
- (4) Mr MacKenzie retired as Managing Director and Chief Executive Officer effective 17 April 2015 and ceased to be KMP from that date. The closing balance for Mr MacKenzie reflects the balance on that date.
- (5) This represents the fair value for future years of the Long Term Performance Awards and Short Term Deferred Equity Awards as at their grant date. The minimum possible total value of the grants is nil if the applicable performance/vesting conditions are not met.
- (6) In order to settle awards upon Mr MacKenzie's retirement (as a "good leaver"), certain treatment was applied in accordance with the plan rules and the approval provided by shareholders under section 200E of the Corporations Act. This included:
- 260,834 earned but unvested short term incentive deferred equity awards lapsed and were converted to a cash payment that was paid on retirement.
 - 2,097,000 Options and 122,900 Performance Rights issued as part of the 2012 long term incentive plan (LTI) were awarded to Mr MacKenzie as the performance conditions were fully met prior to retirement and the performance period was substantially complete. The Options vested in full and became exercisable by Mr MacKenzie. The Performance Rights lapsed and were converted to a cash payment that was paid on retirement.
 - 1,365,100 Options and 353,900 Performance Rights issued as part of the 2013 LTI were pro-rated based on time served and tested against the relevant performance conditions prior to retirement. As a result, 1,023,825 Options vested and became exercisable by Mr MacKenzie. 252,154 Performance Rights lapsed and were converted to a cash payment that was paid on retirement. The remaining Options and Performance Rights lapsed.
 - 923,700 Options and 256,700 Performance Rights issued as part of the 2014 LTI were pro-rated based on time served and tested against the relevant performance conditions prior to retirement. As a result, 461,850 Options and 96,263 Performance Rights lapsed and were converted to a cash payment that was paid on retirement. The remaining Options and Performance Rights lapsed.
 - 917,900 Options and 246,300 Performance Rights issued as part of the 2015 LTI lapsed in full without compensation.
- (7) In order to settle awards upon the departure of Mr Brues' (as a "good leaver"), certain treatment was applied in accordance with the plan rules and the approval provided by shareholders under section 200E of the Corporations Act. This included:
- 79,870 earned but unvested short term incentive deferred equity awards will vest in September 2015.
 - 1,075,800 Options and 63,000 Performance Rights issued as part of the 2012 long term incentive plan (LTI) will be tested against the relevant performance conditions and will vest in accordance with the terms of this award in August 2015.
 - 514,200 Options and 133,300 Performance Rights issued as part of the 2013 LTI were pro-rated based on time served and tested against the relevant performance conditions prior to departure. As a result, 417,788 Options and 102,891 Performance Rights were converted to a cash payment that will be paid in the future subject to certain post-employment conditions. All of the underlying Options and Performance Rights relating to this award lapsed.
 - 401,500 Options and 111,700 Performance Rights issued as part of the 2014 LTI were pro-rated based on time served and tested against the relevant performance conditions prior to departure. As a result, 225,844 Options and 47,123 Performance Rights were converted to a cash payment that will be paid in the future subject to certain post-employment conditions. All of the underlying Options and Performance Rights relating to this award lapsed.
 - 328,600 Options and 88,200 Performance Rights issued as part of the 2015 LTI lapsed in full without compensation.

There are no additional Options or Rights over Amcor shares held by a close member of the family of the CEO or Senior Executives, or an entity over which the CEO or Senior Executives has either directly or indirectly control, joint control or significant influence during the period.

Directors' Report Remuneration Report (continued)

Table 9: Ordinary Shareholding

The following table details the number of Ordinary Shares in Amcor Limited held by the CEO and Senior Executives on 30 June 2015, either directly, indirectly or beneficially, including those held by a close member of the family of the CEO or Senior Executives, or an entity over which the CEO or Senior Executives or a close family member of the CEO or Senior Executives, has either direct or indirect control, joint control or significant influence, and the movement in such during the period:

Name	Number				Balance at 30 June 2015 ⁽²⁾
	Balance at 1 July 2014	Granted/Received on exercise ⁽¹⁾	Purchased	Sold	
Executive Directors					
R Delia	442,674	104,402	0	397,076	150,000
K N MacKenzie	2,368,403	608,476	0	400,000	2,576,879
Senior Executives					
P Brues	200,000	81,371	0	224,371	57,000
M Schmitt	79,443	44,245	0	0	123,688
I G Wilson	90,885	51,594	0	0	142,479

(1) No shares were granted during the period.

(2) Mr MacKenzie retired as Managing Director and Chief Executive Officer effective 17 April 2015 and ceased to be KMP from that date. The closing balance for Mr MacKenzie reflects the balance on that date.

Table 10: Remuneration of CEO and Senior Executives

Table 10 shows the nature and amount of remuneration received by the CEO and Senior Executives during the year ended 30 June 2015.

US\$	Name	Position	Short-Term Employee Benefits				Other Long-Term Employment			Share-Based Payments ⁽⁵⁾		% of Total Employee Compensation Received as Options and/or Right	Total Employee Compensation	
			Base Salary	Non Monetary Benefits	Relocation Expenses	Bonus	Long Service Leave	Superannuation Benefits	Other	Cash Settled	Equity Settled			
Executive Directors														
	R Delia ⁽²⁾	Managing Director and Chief Executive Officer (effective 17 April 2015)	2015	867,634	158,900	61,248	878,000	17,512	149,433	0	0	1,215,120	36.3%	3,347,847
			2014	709,421	123,348	139,707	520,248	63,373	105,770	0	0	1,001,405	37.6%	2,663,272
	K N MacKenzie ⁽³⁾	Managing Director and Chief Executive Officer (retired 17 April 2015)	2015	1,497,920	223,724	104,586	3,151,849	43,543	146,411	338,487	6,172,084	4,416,731	65.8%	16,095,335
			2014	1,928,349	274,327	161,724	2,053,769	55,244	160,668	0	0	3,099,484	40.1%	7,733,565
Other Key Management Personnel														
	P Brues ⁽⁴⁾	President, Amcor Flexibles Europe and Americas (up to 30 June 2015)	2015	998,106	218,054	215,732	1,495,044	0	448,256	894,061	2,160,267	1,080,680	43.2%	7,510,200
			2014	1,020,998	210,108	209,240	819,172	0	502,320	0	0	1,279,358	31.7%	4,041,196
	M Schmitt	President, Amcor Rigid Plastics	2015	841,604	57,908	0	849,420	0	124,587	0	0	1,045,581	35.8%	2,919,100
			2014	785,198	56,650	0	443,081	0	194,386	0	0	916,323	38.2%	2,395,638
	I G Wilson	Executive Vice President, Strategy and Development	2015	979,882	151,965	10,975	964,013	0	0	0	0	988,099	31.9%	3,094,934
			2014	955,734	205,807	209,978	690,358	24,707	16,319	0	0	1,011,772	32.5%	3,114,675
Total			2015	5,185,146	810,551	392,541	7,338,326	61,055	868,687	1,232,548	8,332,351	8,746,211	51.8%	32,967,416
			2014	5,399,700	870,240	720,649	4,526,628	143,324	979,463	0	0	7,308,342	36.6%	19,948,346

(1) In addition to the equity awards granted under the Short Term Incentive Deferred Equity and the Long Term Incentive for the year ended 30 June 2015, the amounts disclosed as share-based payments above include Awards for the years ending 30 June 2014, 2013, and 2012. Details of these awards can be found in past Annual Reports.

(2) Mr Delia was appointed as Managing Director and Chief Executive Officer effective 17 April 2015; Mr Delia was previously Executive Vice President and Chief Financial Officer

(3) Mr MacKenzie retired as Managing Director and Chief Executive Officer effective 17 April 2015 and ceased to be KMP from this date. Awards were settled upon Mr MacKenzie's retirement in accordance with the plan rules and the approval provided by shareholders under section 200E of the Corporations Act. This included settlement of the short term incentive on a pro-rata basis including cash consideration for the deferred equity component of the award (refer to tables 3 and 4 for details). Certain treatment was applied to unvested Share Rights, Options and Performance Rights as detailed in table 8. The amount included in the "other" column of \$338,487 relates to a payment made to settle the balance of the contractual notice period following retirement.

(4) Mr Brues ended his role effective 30 June 2015 and ceased to be KMP from this date. Awards were settled upon the departure of Mr Brues, in accordance with the plan rules and the approval provided by shareholders under section 200E of the Corporations Act. This included settlement of the short term incentive and cash consideration for the deferred equity component of the award (refer to table 4 for details). Certain treatment was applied to unvested Share Rights, Options and Performance Rights as detailed in table 8. The amount included in the "other" column of \$894,061 relates to an accounting provision for payments relating to contractual obligations (e.g. payments relating to employment during the contractual notice period) to be paid after 30 June 2015.

Directors' Report Remuneration Report (continued)

4. CEO and Senior Executive Service Agreements

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

Table 11: Summary of specific terms of Executive Service Agreements

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

(1) Mr Brues ended his role effective 30 June 2015 and ceased to be KMP from this date.

5. Non-Executive Directors' Remuneration

Fee Policy

The Non-Executive Director fee policy enables the Company to attract and retain high quality Directors with relevant experience. At the same time, the cost to the Company is managed in relation to the maximum aggregate fee limit. The current aggregate fee limit of A\$3,000,000 was approved by shareholders at the 2011 Annual General Meeting. Although the following table presents fees in US dollars (consistent with the remainder of the report) the underlying contractual arrangements are in Australian dollars and are used as the basis for compliance with the fee limit.

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

The fee policy is reviewed periodically by the Human Resources Committee.

Performance-based remuneration and minimum shareholding

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

Non-Executive Directors' remuneration for the 2015 financial year

Table 12: Details of Non-Executive Directors' remuneration

US\$		Post-Employment			Total Compensation
Non-Executive Directors	Salary and Fees	Non Monetary Benefits	Superannuation Benefits		
G R Liebelt ⁽¹⁾	2015	490,003	16,473	15,715	522,191
	2014	367,703	20,272	16,319	404,294
A Meyer	2015	234,885	3,311	1,005	239,201
	2014	233,337	3,683	1,189	238,209
P V Brasher ⁽²⁾	2015	190,706	3,219	15,715	209,640
	2014	99,384	2,328	8,159	109,871
E Cheng ⁽³⁾	2015	180,111	3,438	5,916	189,465
	2014	15,417	207	0	15,624
K J Guerra	2015	186,779	3,304	518	190,601
	2014	194,178	3,705	537	198,420
J L Sutcliffe	2015	178,921	3,014	15,715	197,650
	2014	194,178	4,228	16,319	214,725
J G Thorn	2015	196,089	4,205	15,715	216,009
	2014	221,721	6,761	16,319	244,801
Total	2015	1,657,494	36,964	70,299	1,764,757
	2014	1,325,918	41,184	58,842	1,425,944

(1) G R Liebelt was appointed Chairman on 17 December 2013 and therefore received a fee as Chairman on a pro-rata basis for 2014. The higher fee in 2015 represents a full year as Chairman.

(2) P V Brasher was appointed a Director on 1 January 2014 and therefore received fees on a pro-rata basis for 2014.

(3) E Cheng was appointed a Director on 2 June 2014 and therefore received fees on a pro-rata basis for 2014.

CI Roberts and GJ Pizzey retired as Directors on 17 December 2013 and are therefore not included in this table.

Directors' Report Remuneration Report (continued)

Table 13: Details of Non-Executive Directors' Ordinary Shareholding

The following table details the number of Ordinary Shares in Amcor Limited held by each Non-Executive Director on 30 June 2015, either directly, indirectly or beneficially, including those held by a close member of the family of the Non-Executive Director, or an entity over which the Non-Executive Director or a close family member of the Non-Executive Director, has either direct or indirect control, joint control or significant influence, and the movement in such during the period:

Name	Number			Balance at 30 June 2015
	Balance at 1 July 2014	Movements during the period		
		Purchased	Sold	
Directors				
G R Liebelt	33,490	0	0	33,490
A Meyer	40,000	0	0	40,000
P V Brasher	1,000	3,000	0	4,000
E Cheng	1,000	37	0	1,037
K J Guerra	27,050	0	0	27,050
J Sutcliffe	54,446	944	0	55,390
J G Thorn	25,994	0	0	25,994

6. Director and Senior Executive remuneration disclosures

No individual KMP or close member of the family of the KMP, or an entity over which the KMP has either direct or indirect control, joint control or significant influence has held a loan with the consolidated entity nor any of its subsidiaries during the financial year ended 30 June 2015.

From time to time, KMP (and close members of the family of the KMP, or an entity over which the KMP has either direct or indirect control, joint control or significant influence) 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 it is reasonable to expect the Company would have adopted on similar transactions with an unrelated person on an arm's length basis.

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

Directors' Report Appendix to Remuneration Report – Details of Share-Based Awards

Details of STI deferred equity award

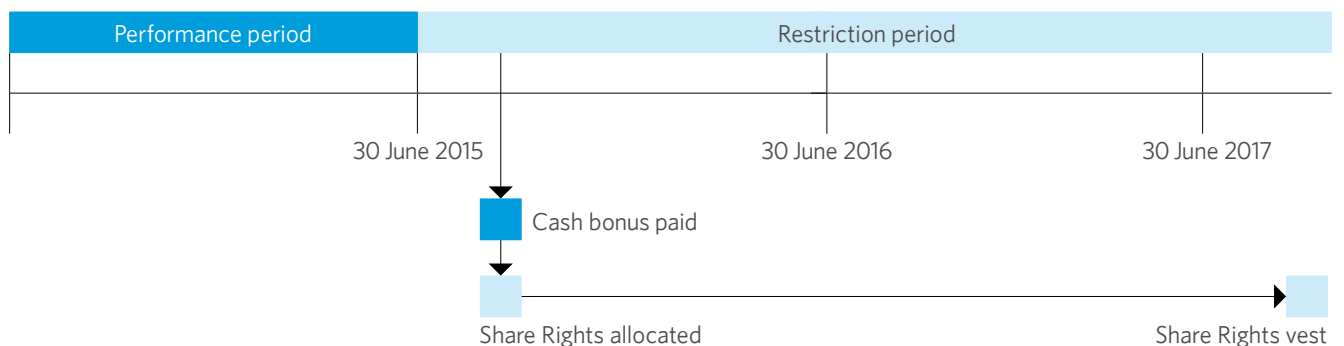
The Human Resources Committee considers that the use of time-restricted equity in Amcor's STI program provides for greater retention in Amcor's remuneration arrangements and alignment with shareholders through exposure to Amcor's share price movements. The deferred STI is delivered in the form of Share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

As part of the STI a number of Share Rights may be allocated which will then be deferred. The allocations are made on the following basis:

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

In relation to the year ended 30 June 2015, STI deferred equity awards will be allocated in September 2015. These will be subject to a risk of forfeiture if the CEO or a Senior Executive either voluntarily leaves Amcor employment during the restriction period or if the CEO or a Senior Executive's employment is terminated for cause. Board discretion regarding vesting and/or forfeiture applies in the case of involuntary termination of employment and change of control. This award is subject to Amcor's Clawback policy – this can result in both vested and unvested awards being subject to the risk of forfeiture in the event of fraud, dishonesty, breach of obligations, financial misstatements, or if awards were made on the basis of a misrepresentation or an omission, or on the basis of facts or circumstances that were later proven to be untrue or inaccurate.

Financial Year 2015: Illustrations



Directors' Report

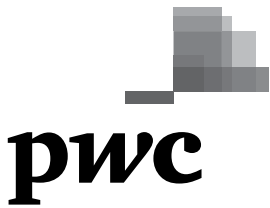
Appendix to Remuneration Report – Details of Share-Based Awards (continued)

Details of LTI Awards made in 2015 are shown below:

Feature	Description								
Participation	Selected Executives (including CEO and Senior Executives)								
Performance period	Four years to 30 June 2018								
Vehicle	Options and Performance Rights (Performance Shares are awarded to US participants in place of Performance Rights)								
Performance conditions	Return on Average Funds Employed (RoAFE) combined with a Share Price Condition for Options; Relative Total Shareholder Return (TSR) for Performance Rights								
Re-tests	None								
Expiry	The expiry date of the Options and Performance Rights is 29 October 2021.								
TSR peer group	<p>Companies in the ASX 100 with exclusions to those companies either in (or with heavy exposure to) the financial, resources, media, and property trust sectors; plus a select list of international industry peers.</p> <p>Those companies are:</p> <p>ASX companies: Adelaide Brighton Limited, Ansell Limited, Asciano Limited, Boral Limited, Brambles Limited, Coca-Cola Amatil Limited, Cochlear Limited, Computershare Limited, CSL Limited, Downer EDI Limited, Dulux Group Limited, Fletcher Building Limited, Goodman Group, GrainCorp Limited, Incitec Pivot Limited, James Hardie Industries plc, Cimic Group Limited, Metcash Limited, Primary Health Care Limited, Qantas Airways Limited, Ramsay Health Care Limited, ResMed Inc, Sonic Healthcare Limited, Sydney Airport Holdings Limited, Spark New Zealand Limited, Telstra Corporation Limited, Toll Holdings Limited, Transurban Group, Treasury Wine Estates Limited, Wesfarmers Limited, Woolworths Limited.</p> <p>International industry peers: Ball Corp., Bemis Co Inc, Berry Plastics Group Inc, CCL Industries Inc, Crown Holdings Inc, Graphic Packaging Corp., Huhtamaki PPL, International Paper Co., Mayr-Melnhof Karton AG, MeadWestvaco Corp., Owens-Illinois Inc, Rexam Plc, RPC Group Plc, Sealed Air Corp., Silgan Holdings Inc, Sonoco Products Co, Wipak Ltd.</p> <p>Certain events may occur which could affect the structure of either of the Peer Groups and therefore whether a share in a Peer Group is considered to be a relevant share, for the purposes of calculating the TSR for each relevant share in each Peer Group (for example, takeovers, mergers and acquisitions, demergers, delisting, company failures and capital reconstructions, including a material transaction or other strategic initiative that affects Amcor's capital structure and/or the relevance of a share in a Peer Group). The Board retains the discretion to determine how such events will be treated at the time they arise, including altering the make up of the companies contained in Peer Group.</p>								
Vesting schedule for TSR performance (applicable to Performance Rights)	<p>The table below sets out the TSR hurdle, and the percentage of Performance Rights that will vest based on satisfaction of this hurdle as determined by the Board.</p> <table border="1"> <tbody> <tr> <td>Less than 50th percentile</td> <td>Nil</td> </tr> <tr> <td>50th percentile</td> <td>50%</td> </tr> <tr> <td>Between 50th and 75th percentile</td> <td>50% of the Performance Rights will vest plus an additional 2% for each 1 percentile increase above the 50th percentile</td> </tr> <tr> <td>75th percentile and above</td> <td>100%</td> </tr> </tbody> </table>	Less than 50th percentile	Nil	50th percentile	50%	Between 50th and 75th percentile	50% of the Performance Rights will vest plus an additional 2% for each 1 percentile increase above the 50th percentile	75th percentile and above	100%
Less than 50th percentile	Nil								
50th percentile	50%								
Between 50th and 75th percentile	50% of the Performance Rights will vest plus an additional 2% for each 1 percentile increase above the 50th percentile								
75th percentile and above	100%								

Feature	Description										
Vesting schedule for RoAFE performance (applicable to Options)	<p>The table below sets out the indicative RoAFE hurdle, and the percentage of Options that will vest based on satisfaction of this indicative RoAFE hurdle (and the Share Price Condition), as determined by the Board.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">RoAFE percentage achieved over the year ending 30 June 2018</th> <th style="text-align: left;">Vesting percentage</th> </tr> </thead> <tbody> <tr> <td>Less than 16.2%</td> <td>0%</td> </tr> <tr> <td>Equal to 18.2%</td> <td>50%</td> </tr> <tr> <td>Greater than 16.2% but less than 18.2%</td> <td>50% of the Options will vest plus an additional 2.5% for each 0.1% above 16.2%</td> </tr> <tr> <td>Equal to or greater than 18.2%</td> <td>100%</td> </tr> </tbody> </table> <p>For the purposes of calculating the vesting outcome for Options, RoAFE is calculated as the annualised profit before interest, tax and after significant items earned by Amcor during a reporting period, as a percentage of the average funds employed by Amcor during a reporting period.</p> <p>The Board may apply discretion to exclude significant items in the calculation of RoAFE for the purpose of determining vesting outcomes. Such items may be those relating to strategic initiatives or material events that are outside of normal operational activities.</p> <p>The Board will determine the final RoAFE hurdle to be used for the purposes of determining the percentage of Options that may vest by no later than 30 June 2017. This is to allow the Board flexibility to increase the performance hurdle (e.g. in the event of a windfall following a divestment) or decrease the performance hurdle (e.g. so as not to discourage management from pursuing acquisition opportunities in the event they have adverse consequences on RoAFE). The Board may also at its discretion change the structure of the RoAFE hurdle in the event of a material transaction or other strategic initiative that affects Amcor's capital structure and the relevance of the RoAFE hurdle as the Performance Condition.</p>	RoAFE percentage achieved over the year ending 30 June 2018	Vesting percentage	Less than 16.2%	0%	Equal to 18.2%	50%	Greater than 16.2% but less than 18.2%	50% of the Options will vest plus an additional 2.5% for each 0.1% above 16.2%	Equal to or greater than 18.2%	100%
RoAFE percentage achieved over the year ending 30 June 2018	Vesting percentage										
Less than 16.2%	0%										
Equal to 18.2%	50%										
Greater than 16.2% but less than 18.2%	50% of the Options will vest plus an additional 2.5% for each 0.1% above 16.2%										
Equal to or greater than 18.2%	100%										
Share Price Condition (applicable to Options)	The volume weighted average price (VWAP) of shares over the five trading days on which Amcor shares trade on the Australian Stock Exchange (ASX) prior to 30 June 2018 exceeds the Option exercise price. If the condition is not satisfied, testing continues at the end of each calendar month until the earlier of vesting or expiry of the Option.										
Option exercise price	A\$10.28 (VWAP of shares over the twenty trading days on which Amcor shares traded on the ASX including and following 1 July 2014).										
Clawback	This award is subject to Amcor's Clawback policy – this can result in both vested and unvested awards being subject to the risk of forfeiture in the event of fraud, dishonesty, breach of obligations, financial misstatements, or if awards were made on the basis of a misrepresentation or an omission, or on the basis of facts or circumstances that were later proven to be untrue or inaccurate.										
Participation in future issues	Executives cannot participate in new issues of shares in respect of Options and Performance Rights held under the LTI until the Options and Performance Rights have been validly exercised and the underlying shares registered in their name. However, in the case of certain bonus or rights issues or a reorganisation of the capital of the Company, then subject to the Listing Rules, an appropriate adjustment may be made to the outstanding awards.										

Auditor's Independence Declaration



As lead auditor for the audit of Amcor Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, appearing to read 'John Yeoman', written in a cursive style.

John Yeoman
Partner
PricewaterhouseCoopers

Melbourne
25 August 2015

PricewaterhouseCoopers, ABN 52 780 433 757

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Financial Report

Financial Report

Introduction

This is the financial report of Amcor Ltd (the Company) and its subsidiaries (together referred to as 'the Group') and including the Group's interest in associates and jointly controlled entities.

Over the past year we have reviewed the content and structure of the financial report looking for opportunities to make them less complex and more relevant to users. This included:

- a thorough review of content to eliminate immaterial disclosures that may undermine the usefulness of the financial report by obscuring important information;
- reorganisation of the notes to the financial statements into sections to assist users in understanding the Group's performance; and
- using diagrams and graphs to improve the communication of certain important financial information.

The purpose of these changes is to provide users with a clearer understanding of what drives financial performance and financial position of the Group and linkage to the Group's strategy, whilst still complying with the provisions of the *Corporations Act 2001*.

What's new in this report

Change in structure

Note disclosures are split into 6 distinct sections to enable a better understanding of how the Group has performed.

We have included an introduction at the start of each section to explain its purpose and content. Accounting policies and critical accounting judgements applied to the preparation of the financial statements have been moved to where the related accounting balance or financial statement matter is discussed and we have refined wording of the policies to allow them to be easily understood by users of this report. To assist in identifying critical accounting judgements, we have highlighted them with the following symbol:



Information is only being included in the financial report to the extent it has been considered material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if, for example:

- the dollar amount is significant in size (quantitative factor)
- the dollar amount is significant by nature (qualitative factor)
- the Group's results cannot be understood without the specific disclosure (qualitative factor)
- it is critical to allow a user to understand the impact of significant changes in the Group's business during the period such as business acquisitions (qualitative factor)
- it relates to an aspect of the Group's operations that is important to its future performance.

Change in presentation currency

Amcor changed its reporting currency from Australian dollars to US dollars in the current financial year. The financial report for the year ended 30 June 2015 is the first full year financial report with results in US dollars. The change in presentation currency is a change in accounting policy which is accounted for retrospectively and therefore requires the presentation of a third statement of financial position. Information included in the financial report for the year ended 30 June 2014, previously reported in Australian Dollars has been restated into US dollars using the procedures outlined below:

- assets and liabilities were translated into US dollars at the closing foreign currency rates on the relevant balance sheet date;
- income and expenditure were translated at the average foreign currency rates prevailing for the relevant period;
- the cumulative exchange fluctuation reserves were set to nil at 1 July 2004, the date of transition to IFRS in Australia, and these reserves have been restated on the basis that the Group has reported in US dollars since that date. Share capital and the other reserves were translated at the historic rates prevailing at 1 July 2004, and subsequent rates prevailing on the date of each transaction; and
- all exchange rates were sourced from Reuters and applied to the Group's underlying financial records.

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Financial Report

Income Statement

for the financial year ended 30 June 2015

US\$ million	Note	2015	2014
Continuing Operations			
Revenue from sale of goods	1.4	9,611.8	9,964.5
Cost of sales		(7,679.6)	(8,082.6)
Gross profit		1,932.2	1,881.9
Other income	1.4	136.9	116.4
Sales and marketing expenses		(214.7)	(223.6)
General and administration expenses		(747.1)	(643.0)
Research costs		(62.9)	(69.7)
Share of net profit of equity accounted investments		20.7	20.1
Profit from operations		1,065.1	1,082.1
Finance income	1.4	27.3	28.2
Finance expenses	1.4	(196.5)	(221.4)
Net finance costs		(169.2)	(193.2)
Profit before related income tax expense		895.9	888.9
Income tax expense	1.5	(188.0)	(182.2)
Profit for the financial period from continuing operations		707.9	706.7
Profit from continuing operations attributable to:			
Owners of Amcor Limited		680.3	677.8
Non-controlling interest		27.6	28.9
		707.9	706.7
Discontinued Operations			
Loss from discontinued operations, net of tax	4.4(a)	-	(174.9)
Profit for the financial period		707.9	531.8
Profit attributable to:			
Owners of Amcor Limited		680.3	502.9
Non-controlling interest		27.6	28.9
		707.9	531.8
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of Amcor Limited			
Basic earnings per share	1.1	56.6	56.2
Diluted earnings per share	1.1	55.5	55.2
Earnings per share for profit attributable to the ordinary equity holders of Amcor Limited			
Basic earnings per share	1.1	56.6	41.7
Diluted earnings per share	1.1	55.5	41.0

The above income statement should be read in conjunction with the accompanying notes.

Financial Report

Statement of comprehensive income for the financial year ended 30 June 2015

US\$ million	Note	2015	2014
Profit for the financial period		707.9	531.8
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
<i>Available-for-sale financial assets</i>			
Net change in fair value of available-for-sale financial assets	3.6	-	2.5
<i>Cash flow hedges</i>			
Changes in fair value of cash flow hedges	3.6	4.4	2.7
Tax on cash flow hedges	3.6	(0.6)	(0.8)
<i>Share based payments</i>			
Net transfer of Share Based Payment Reserve to accruals for cash settlement	3.6	-	(3.9)
<i>Exchange differences on translating foreign operations</i>			
Exchange differences on translation of foreign operations		(75.5)	19.2
Net investment hedge of foreign operations		(170.4)	(38.0)
Share of equity accounted investees exchange fluctuation reserve		(6.4)	6.4
Tax on exchange differences on translating foreign operations	3.6	(6.2)	7.0
Items that will not be reclassified to profit or loss:			
<i>Retained earnings</i>			
Actuarial losses on defined benefit plans	5.2	(155.1)	(26.0)
Tax on actuarial losses on defined benefit plans		31.2	5.7
Other comprehensive income/(loss) for the financial period, net of tax		(378.6)	(25.2)
Total comprehensive income for the financial period		329.3	506.6
Total comprehensive income attributable to:			
Owners of Amcor Limited		306.3	477.6
Non-controlling interest		23.0	29.0
		329.3	506.6
Total comprehensive income for the period attributable to owners of Amcor Limited arises from:			
Continuing operations		306.3	652.5
Discontinued operations	4.4(a)	-	(174.9)
		306.3	477.6

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Financial Report

Statement of financial position for the financial year ended 30 June 2015

US\$ million	Note	2015	2014	2013
Current assets				
Cash and cash equivalents	3.2	704.9	509.7	366.0
Trade and other receivables	2.1	1,468.5	1,465.9	1,781.0
Inventories	2.2	1,213.9	1,329.0	1,682.2
Other financial assets	3.3	12.2	8.4	34.1
Other current assets		13.5	13.5	27.8
Total current assets		3,413.0	3,326.5	3,891.1
Non-current assets				
Equity accounted investments	4.3	458.2	486.8	463.0
Other financial assets	3.3	25.7	51.9	0.4
Property, plant and equipment	2.3	2,566.7	2,920.1	4,526.5
Deferred tax assets	1.5	77.9	95.1	164.2
Intangible assets	2.4	1,845.3	1,996.3	2,132.8
Retirement benefit assets	5.2	20.8	41.4	33.0
Other non-current assets		139.5	215.8	304.6
Total non-current assets		5,134.1	5,807.4	7,624.5
Total assets		8,547.1	9,133.9	11,515.6
Current liabilities				
Trade and other payables		2,345.7	2,490.3	2,862.1
Interest-bearing liabilities	3.2	1,012.7	521.8	1,098.3
Other financial liabilities	3.3	102.1	62.9	83.5
Current tax liabilities		118.4	97.6	41.3
Provisions	2.6	95.5	123.4	273.4
Total current liabilities		3,674.4	3,296.0	4,358.6
Non-current liabilities				
Interest-bearing liabilities	3.2	2,572.6	3,001.3	2,945.7
Other financial liabilities	3.3	-	-	11.5
Deferred tax liabilities	1.5	230.0	252.2	261.1
Provisions	2.6	85.8	126.7	168.8
Retirement benefit obligations	5.2	386.2	313.8	316.1
Other non-current liabilities		11.1	4.8	20.4
Total non-current liabilities		3,285.7	3,698.8	3,723.6
Total liabilities		6,960.1	6,994.8	8,082.2
NET ASSETS		1,587.0	2,139.1	3,433.4
Equity				
Contributed equity	3.5	1,680.6	2,072.0	2,755.5
Reserves	3.6	(666.5)	(414.3)	253.2
Retained earnings		452.1	370.4	335.9
Total equity attributable to the owners of Amcor Limited		1,466.2	2,028.1	3,344.6
Non-controlling interest		120.8	111.0	88.8
TOTAL EQUITY		1,587.0	2,139.1	3,433.4

The above statement of financial position should be read in conjunction with the accompanying notes.

Financial Report

Statement of changes in equity

for the financial year ended 30 June 2015

US\$ million	Note	Attributable to owners of Amcor Limited				Non-controlling interest	Total equity
		Contributed equity	Reserves	Retained earnings	Total		
Balance at 1 July 2014	3.5, 3.6	2,072.0	(414.3)	370.4	2,028.1	111.0	2,139.1
Profit for the financial period		-	-	680.3	680.3	27.6	707.9
Total other comprehensive income/(loss)		-	(250.1)	(123.9)	(374.0)	(4.6)	(378.6)
Total comprehensive income for the financial period		-	(250.1)	556.4	306.3	23.0	329.3
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and related tax		44.2	-	-	44.2	-	44.2
Shares purchased on-market to satisfy exercise of options and rights under share-based payment plans		(14.0)	-	-	(14.0)	-	(14.0)
Purchase of treasury shares	3.5	(77.7)	-	-	(77.7)	-	(77.7)
Dividends paid	1.2	-	-	(472.3)	(472.3)	(7.8)	(480.1)
Forward contracts to purchase own equity to meet share plan obligations and related tax		(78.7)	-	-	(78.7)	-	(78.7)
Share buy-back		(295.6)	-	-	(295.6)	-	(295.6)
Settlement of options and performance rights	3.6	30.4	(30.4)	-	-	-	-
Share-based payments expense	3.6	-	28.3	-	28.3	-	28.3
Non-controlling interest buy-out		-	-	(2.4)	(2.4)	(5.4)	(7.8)
Balance at 30 June 2015	3.5, 3.6	1,680.6	(666.5)	452.1	1,466.2	120.8	1,587.0
Balance at 1 July 2013	3.5, 3.6	2,755.5	253.2	335.9	3,344.6	88.8	3,433.4
Profit for the financial period		-	-	502.9	502.9	28.9	531.8
Total other comprehensive income/(loss)		-	(5.0)	(20.3)	(25.3)	0.1	(25.2)
Total comprehensive income/(loss) for the financial period		-	(5.0)	482.6	477.6	29.0	506.6
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and related tax		46.7	-	-	46.7	5.7	52.4
Purchase of treasury shares	3.5	(54.6)	-	-	(54.6)	-	(54.6)
Demerger of Australasia and Packaging Distribution business	3.5, 3.6	(659.7)	(655.2)	-	(1,314.9)	-	(1,314.9)
Dividends paid	1.2	-	-	(448.1)	(448.1)	(12.5)	(460.6)
Forwards contract to purchase own equity to meet share plan and related tax	3.6	(51.5)	(4.5)	-	(56.0)	-	(56.0)
Settlement of options and performance rights	3.6	35.6	(35.6)	-	-	-	-
Share-based payments expense	3.6	-	32.8	-	32.8	-	32.8
Balance at 30 June 2014	3.5, 3.6	2,072.0	(414.3)	370.4	2,028.1	111.0	2,139.1

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Financial Report

Cash flow statement

for the financial year ended 30 June 2015

US\$ million	Note	2015	2014
Cash flows from operating activities			
Profit from continuing operations		707.9	706.7
Depreciation, amortisation and net impairment losses		376.8	374.3
Non-cash retirement benefit (gain)/expense		6.8	(0.9)
Net finance costs		169.2	193.1
Net gain on disposal of non-current assets	1.4	(29.4)	(19.8)
Share of net profits of equity accounted investments		(20.7)	(20.1)
Net foreign exchange (gain)/loss		1.0	(1.4)
Share-based payments expense	1.4	28.3	30.3
Other sundry items		(20.1)	(26.0)
Income tax expense	1.5	188.0	182.2
Operating cash flows before changes in working capital and provisions		1,407.8	1,418.4
– (Increase)/Decrease in trade and other receivables		(86.0)	(5.2)
– (Increase)/Decrease in inventories		(17.4)	14.2
– Decrease/(Increase) in other operating assets		1.8	(16.8)
– Increase/(Decrease) in trade and other payables		43.6	50.3
– (Decrease)/Increase in provisions		(22.4)	(32.5)
– (Decrease)/Increase in employee benefits and other operating liabilities		(36.4)	(32.9)
		1,291.0	1,395.5
Dividends received		31.8	10.7
Interest received		22.5	42.7
Interest expense		(188.3)	(237.0)
Income tax paid		(154.7)	(136.9)
Net cash from continuing operating activities		1,002.3	1,075.0
Net cash from discontinued operating activities	4.4 (c)	-	19.1
Net cash flows from operating activities		1,002.3	1,094.1
Cash flows from investing activities			
Granting/(Repayment) of loans to associated companies and other persons		1.8	0.8
Payments for acquisition of controlled entities, businesses and associates, net of cash acquired		(98.4)	(111.1)
Payments for property, plant and equipment and intangible assets		(323.0)	(332.6)
Proceeds on disposal of associates, controlled entities and businesses		0.8	23.4
Proceeds on disposal of property, plant and equipment		83.5	71.9
Net cash from continuing investing activities		(335.3)	(347.6)
Net cash from discontinued investing activities	4.4 (c)	-	(61.5)
Cash, net of overdraft, disposed of on demerger of the Australasia and Packaging Distribution business		-	(59.8)
Net cash flows from investing activities		(335.3)	(468.9)

The above cash flow statement should be read in conjunction with the accompanying notes.

US\$ million	Note	2015	2014
Cash flows from financing activities			
Proceeds from share issues		45.9	46.7
Shares purchased on-market and settlement of forward contracts		(343.0)	(67.8)
Payments for treasury shares	3.5	(77.7)	(54.6)
Proceeds on capital contribution from non-controlling interest		(1.5)	3.5
Proceeds from borrowings		6,084.0	9,118.1
Repayment of borrowings		(5,698.7)	(9,154.2)
Principal lease repayments		(2.2)	(3.1)
Dividends and other equity distributions paid		(480.1)	(460.2)
Net cash from continuing financing activities		(473.3)	(571.6)
Net cash from discontinued financing activities	4.4(c)	-	83.0
Net cash flows from financing activities		(473.3)	(488.6)
Net increase in cash held from continuing activities		193.7	155.8
Net increase in cash held from discontinued activities		-	40.6
Cash and cash equivalents at the beginning of the financial period		505.2	339.7
Cash, net of overdraft, disposed of on demerger of the Australasia and Packaging Distribution business		-	(59.8)
Effects of exchange rate changes on cash and cash equivalents for continuing and discontinued activities		(1.4)	28.9
Cash and cash equivalents at the end of the financial period⁽¹⁾		697.5	505.2

(1) Refer note 3.2 for details of the financing arrangements of the Group.

Reconciliation of cash and cash equivalents

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

Cash and cash equivalents	3.2	704.9	509.7
Bank overdrafts	3.2	(7.4)	(4.5)
Cash and cash equivalents at the end of the financial period		697.5	505.2

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

The above cash flow statement should be read in conjunction with the accompanying notes.

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Notes to the Financial Statements

Section 1: Key Performance Metrics

In this section

This section provides insight into how the Group has performed in the current year, with the headline results being:

- Earnings per share (EPS) was US cents 56.6, up 0.7%
- Annual dividend of US cents 40.0 per share, up 2.0%
- Profit after tax of US\$680.3 million, up 0.4%

1.1 Earnings per share

	2015	2014
EPS for profit from continuing operations attributable to the ordinary equity holders of Amcor Limited	US Cents	US Cents
Basic EPS	56.6	56.2
Diluted EPS	55.5	55.2
EPS for profit attributable to the ordinary equity holders of Amcor Limited		
Basic EPS	56.6	41.7
Diluted EPS	55.5	41.0
Profit from continuing operations attributable to the ordinary equity holders of Amcor Limited (US\$ million)	680.3	677.8
Profit attributable to the ordinary equity holders of Amcor Limited (US\$ million)	680.3	502.9
Weighted average number of ordinary shares for basic EPS (shares, million)	1,202.6	1,205.9
Weighted average number of ordinary shares and potential ordinary shares for diluted EPS (shares, million)	1,225.1	1,228.0

Refer note 4.4 for basic EPS and diluted EPS for discontinued operations.

Calculation methodology

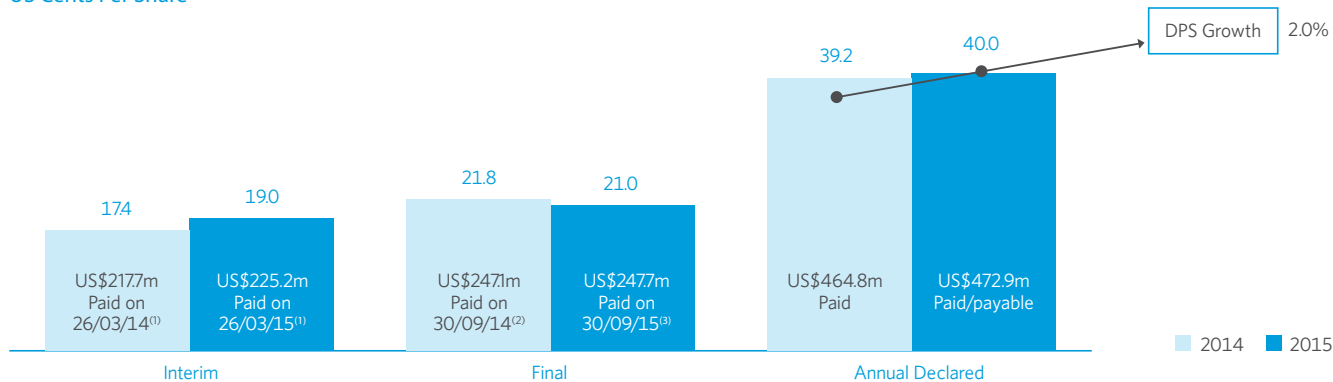
Basic EPS is profit for the year attributable to ordinary equity holders of the Company, divided by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (refer note 3.5).

Diluted EPS is calculated on the same basis as Basic EPS except that it reflects the impact of any potential commitments the Group has to issue shares in the future. In 2015, the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares in relation to employee options and performance rights is 22.5 million shares (2014: 22.1 million shares).

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements that would impact on the above EPS calculations.

1.2 Dividends

Unfranked Dividends Paid or Declared US Cents Per Share



(1) Declared and paid during the period.

(2) Estimated final 2014 dividend amount was US\$263.1million, the difference to the actual amount is mainly foreign exchange related.

Dividends proposed as at 30 June 2013 amounting to US\$230.4 million (US 18.6 cents per share) were paid on 30 September 2013 and are not included in the 2014 numbers in the graph above.

(3) Estimated final dividend payable, subject to variations in number of shares up to record date. This dividend has not been recognised as a liability as at 30 June 2015 and will be recognised in subsequent consolidated financial statements.

Franking credits and Conduit Foreign Income Account

There are insufficient franking credits available for distribution from the franking account. For the dividend payable on 30 September 2015, 100% of the dividend to non-residents is sourced from the parent entity's Conduit Foreign Income Account (2014: 100%). As a result, 100% of the dividend paid to a non-resident will not be subject to Australian withholding tax.

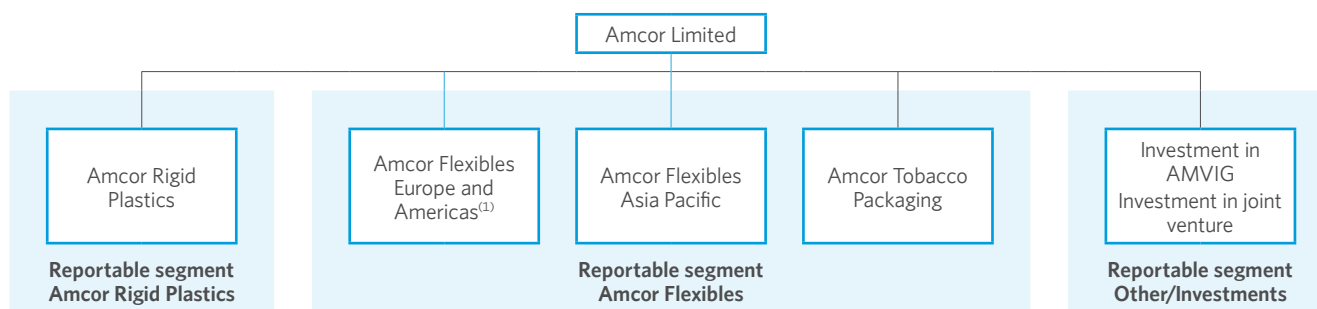
Financial Report

Notes to the Financial Statements

Section 1: Key Performance Metrics (continued)

1.3 Segment Performance

Ancor is a global market leader in its industry with the following operational structure and reportable segments:



(1) Effective 1 July 2015 Amcor Flexibles Europe and Americas will be split into two new Business Groups – Amcor Flexibles Europe, Middle East and Africa and Amcor Flexibles Americas.

Reportable Segment	Operations
Ancor Rigid Plastics	Manufactures rigid plastic containers 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.
Ancor Flexibles	<p>This reporting segment represents the aggregation of three operating segments of which each manufactures flexible and film packaging for their respective industries. The operating segments are:</p> <ul style="list-style-type: none"> • Amcor Flexibles Europe & Americas which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy, pet food packaging, champagne and wine closures and medical packaging for the pharmaceutical sector. • Amcor Tobacco Packaging which manufactures flexible packaging for specialty folding cartons for tobacco packaging and other industries. • Amcor Flexibles Asia Pacific which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy and packaging for the pharmaceutical and home and personal care. <p>These operating segments share similar characteristics as they are engaged in the printing and packaging of fast moving consumer products. Management believe that it is appropriate to aggregate these three operating segments as one reporting segment due to the similarities in the nature of each operating segment.</p>
Other/Investments	This segment holds the Group's equity accounted investments in the associate AMVIG Holdings Limited (AMVIG) and the joint venture Discma AG (Discma). AMVIG is principally involved in the manufacture of tobacco packaging while Discma's operations primarily relate to the development and licensing of packaging product innovations. This segment also includes the Corporate function of the Group.

On 31 December 2013 the Amcor Australasia and Packaging Distribution (AAPD) reportable segment was demerged and has been treated as a discontinued operation within this financial report. Refer to note 4.4 for the nature of operations.

Segment disclosures are consistent with the information reviewed by Ancor's chief operating decision makers, the Group Management Team (GMT). The GMT consists of the Managing Director and Chief Executive Officer and his direct reports and provides strategic direction and management oversight of the day to day activities of the Group in terms of monitoring results, approving capital expenditure decisions and the strategic plans for the business.

Segment performance is evaluated based on operating profit before interest and tax and is measured consistently with profit and loss in the consolidated financial report. Group financing (including finance income and costs) and income tax are managed on a group basis and are not allocated to operating segments.

Segment information provided to the GMT

The following segment information was provided to the GMT for the reportable segments for the financial years ended 30 June 2015 and 2014:

	Continuing Operations								Discontinued Operations
	Amcor Rigid Plastics		Amcor Flexibles		Other/Investments		Total Consolidated		
	2015	2014	2015	2014	2015	2014	2015	2014	
US\$ million									
Reportable segment revenue									
Revenue from sale of goods (refer Income Statement)	3,317.2	3,192.3	6,294.6	6,772.2	-	-	9,611.8	9,964.5	1,483.2
Inter-segment revenue	-	-	-	7.2	-	-	-	7.2	1.7
Total reportable segment revenue	3,317.2	3,192.3	6,294.6	6,779.4	-	-	9,611.8	9,971.7	1,484.9
Reportable segment profit/(loss)									
Profit/(loss) before depreciation, amortisation, interest, related income tax expense and significant items	454.4	443.0	998.2	1,050.1	(32.2)	(35.1)	1,420.4	1,458.0	144.2
Depreciation and amortisation	(133.1)	(144.8)	(213.7)	(227.5)	(8.5)	(3.6)	(355.3)	(375.9)	(56.3)
Profit/(loss) before interest, related income tax expense and significant items	321.3	298.2	784.5	822.6	(40.7)	(38.7)	1,065.1	1,082.1	87.9
Significant items before related income tax expense (refer note 4.4 (a))	-	-	-	-	-	-	-	-	(175.5)
Profit/(loss) before interest and related income tax expense	321.3	298.2	784.5	822.6	(40.7)	(38.7)	1,065.1	1,082.1	(87.6)
Share of net profits of equity accounted investments	-	-	-	-	20.7	20.1	20.7	20.1	-
Other									
Net impairment losses on property, plant and equipment and other non-current assets	(15.4)	-	(2.4)	(0.1)	-	-	(17.8)	(0.1)	(185.4)
Acquisition of property, plant and equipment and intangibles	134.2	125.5	165.8	191.7	23.0	15.3	323.0	332.5	56.1
Receivables	388.4	349.4	969.8	1,069.5	55.2	44.0	1,413.4	1,462.9	-
Inventory	451.5	480.8	762.4	848.2	-	-	1,213.9	1,329.0	-
Payables	(864.6)	(868.0)	(1,312.5)	(1,468.6)	(105.6)	(107.4)	(2,282.7)	(2,444.0)	-
Management Working Capital	(24.7)	(37.8)	419.7	449.1	(50.4)	(63.4)	344.6	347.9	-
Average funds employed	1,581.9	1,629.7	3,080.3	3,390.6	527.1	560.7	5,189.3	5,581.0	840.4
Equity accounted investments	-	-	-	-	458.2	486.8	458.2	486.8	-

Financial Report

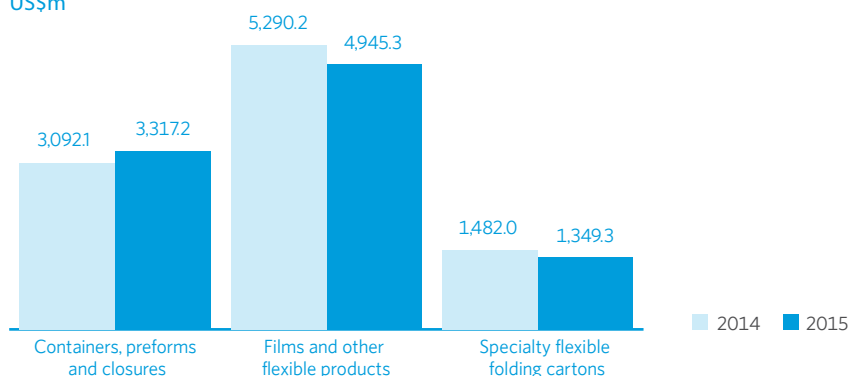
Notes to the Financial Statements

Section 1: Key Performance Metrics (continued)

1.3 Segment Performance (continued)

Product segment revenue

Sales by Product US\$m

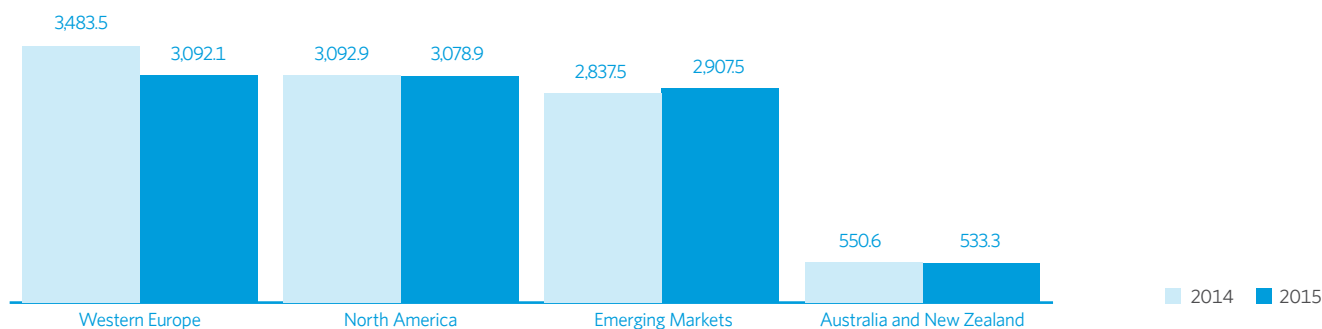


The Group does not have an economic exposure to any individual contract that is in excess of 10% of net revenue. However, from time to time a single customer, depending on the current status and volumes of a number of separate contracts in disparate locations, may account for approximately 10% of net revenue.

Geographic segments

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

US\$m

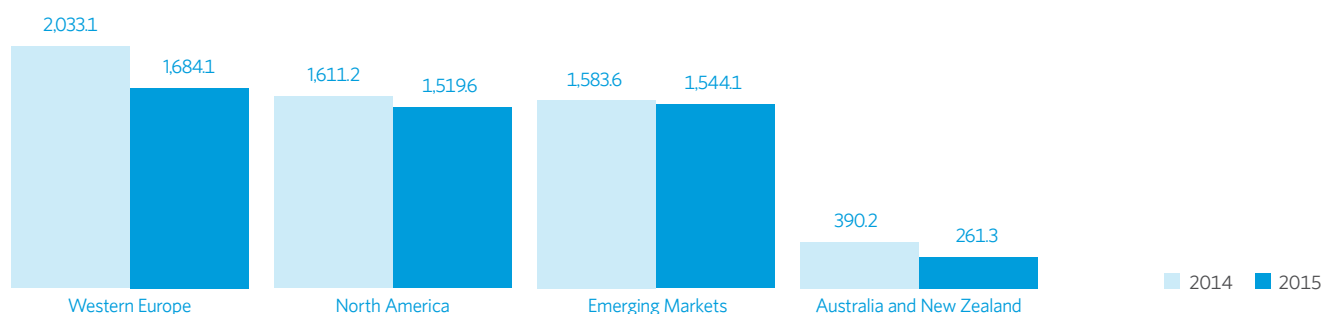


Revenues in Australia (Amcor's country of domicile) amounted to US\$383.7 million in 2015 (2014: US\$393.9 million).

Revenues in the United States of America and included within the North America geographical segment amounted to US\$2,869.9 million in 2015 (2014: US\$ 2,900.0 million) and represented more than 10% of the Group's revenue. There was no other individual country with more than 10% of the Group's revenue.

Non-current assets based on the location of the assets:

US\$m



Non-current assets exclude retirement benefit assets, deferred tax assets and non-current financial assets and amounted to US\$187.4 million (2014: US\$ 270.9 million) in Australia.

Non-current assets in the United States of America in 2015: US\$1,440.2 million (2014: US\$1,623.0 million) and included within the North America geographical segment represented more than 10% of the Group's non-current assets.

There was no other individual country with more than 10% of the Group's non-current assets.

Reconciliation of segment information to consolidated results

Segment receivables

US\$ million	2015	2014
Working capital receivables		
Total reportable segment working capital receivables	1,413.4	1,462.9
Financial instruments included for management reporting purposes	(12.2)	(8.4)
Other receivables excluded for management reporting purposes	67.3	11.4
Consolidated trade and other receivables (refer note 2.1)	1,468.5	1,465.9

Segment payables

US\$ million	2015	2014
Working capital payables		
Total reportable segment working capital payables	(2,282.7)	(2,444.0)
Financial instruments included for management reporting purposes	5.1	11.1
Capital creditors and other payables excluded for management reporting purposes	(68.1)	(57.4)
Consolidated trade and other payables	(2,345.7)	(2,490.3)

Segment acquisition of property, plant and equipment and intangible assets

US\$ million	2015	2014
Acquisition of property, plant and equipment and intangibles		
Total consolidated reportable segment	323.0	332.5
Discontinued Operations reportable segment	-	56.1
Movement in capital creditors	17.7	(23.4)
Other non-cash adjustments	0.6	15.3
Consolidated acquisition of property, plant and equipment and intangibles⁽¹⁾	341.3	380.5

(1) Additions for the period exclude acquired balances through businesses acquired. Refer note 4.1.

Financial Report

Notes to the Financial Statements

Section 1: Key Performance Metrics (continued)

1.4 Income and Expenses

Income

Revenue from sale of goods

Revenue from sale of goods is recognised when risks and rewards of ownership transfer to the customer. Depending on customer terms, this can be at the time of despatch, delivery or upon formal customer acceptance. 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.

Income for the year is shown in the table below:

US\$ million	2015	2014
Revenue from sale of goods	9,611.8	9,964.5
Other income:		
Net gain on disposal of property, plant and equipment	29.4	19.8
Net foreign exchange gains	0.5	14.6
Curtailment gains and settlements	11.9	18.8
Rebates, incentives and claims	9.9	21.4
Other ⁽¹⁾	85.2	41.8
Total other income	136.9	116.4
Finance income ⁽²⁾	27.3	28.2
Total revenue from continuing operations	9,776.0	10,109.1

(1) Other is mainly made up of gain on settlement of derivative, dividend income, government grants and bargain purchase on acquisition of business.

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

Expenses

Profit before related income tax includes the following specific expenses:

US\$ million	2015	2014
Employee benefits expenses		
Wages and salaries	1,777.7	1,745.0
Workers' compensation and other on-costs	151.0	155.1
Retirement benefit funds	14.9	14.5
Superannuation costs - accumulation funds	36.1	35.5
Share-based payments expense	28.3	30.3
Other employment benefits expense	7.9	7.1
Total employee benefits expense	2,015.9	1,987.5
Depreciation and amortisation	355.2	375.9
Finance expenses		
Interest and borrowing costs	186.4	208.4
Other	10.1	13.0
Total finance expenses	196.5	221.4
Rental expense relating to operating leases		
Minimum lease payments	93.3	98.1
Contingent rentals	4.7	5.1
Total rental expense relating to operating leases	98.0	103.2
Restructuring costs	38.5	7.2

Finance expenses

Finance expenses comprise mainly of interest expense on borrowings, interest costs related to defined benefit pension plans and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. They are recognised in profit or loss when they are incurred, except to the extent the expenses are directly attributable to the acquisition, construction or production of a qualifying asset. Such financing costs are capitalised as part of the cost of the asset up to the time it is ready for its intended use and are then amortised over the expected useful economic life.

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.

1.5 Taxation

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



Key judgements and estimates

The Group is subject to income taxes in Australia and foreign jurisdictions and as a result the calculation of the Group's tax charge involves a degree of estimation and judgement in respect of certain items. There are transactions and calculations relating to the ordinary course of business for which the ultimate tax determination is uncertain. The Group 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.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are offset where the Group 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.

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Notes to the Financial Statements

Section 1: Key Performance Metrics (continued)

1.5 Taxation (continued)

Deferred tax

Deferred tax is recognised for all taxable temporary differences and is 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 temporary differences relating to:

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

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

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

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



Key judgements and estimates

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

Income tax expense for the year

US\$ million	2015	2014
Current tax (expense)/benefit		
Current period	(206.7)	(114.1)
Adjustments to current tax expense relating to prior periods	14.6	(8.7)
Tax losses, tax credits and temporary differences not recognised for book in prior years now recouped	11.1	12.1
Tax losses and credits derecognised	-	(104.7)
Total current tax expense	(181.0)	(215.4)
Deferred tax (expense)/benefit		
Origination and reversal of temporary differences	(10.9)	(40.7)
Change in applicable tax rates	3.9	3.6
Total deferred tax expense	(7.0)	(37.1)
Total income tax expense	(188.0)	(252.5)

Numerical reconciliation of income tax expense to prima facie tax payable

US\$ million	2015	2014
Profit from continuing operations	895.9	888.9
Loss from discontinued operations	-	(104.6)
Profit before related income tax expense	895.9	784.3
Tax at the Australian tax rate of 30% (2014: 30%)	(268.8)	(235.3)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Net operating items non-deductible/non-assessable for tax	24.1	20.0
Capital structures	18.9	24.9
Previously unrecognised tax losses, tax credits and temporary differences now used to reduce income tax expense	11.1	12.1
Tax losses and credits derecognised	-	(104.7)
Effect of local tax rate change	3.9	3.6
	(210.8)	(279.4)
Over provision in prior period	(7.2)	23.1
Foreign tax rate differential	30.0	3.8
Total income tax expense	(188.0)	(252.5)
Less income tax (expense) / benefit attributable to discontinued operations	-	(70.3)
Total income tax expense attributable to continuing operations	(188.0)	(182.2)

Tax on items recognised directly in equity

The aggregate current and deferred tax relating to items that are credited/(charged) directly to equity is US \$2.5 million for the year ended 30 June 2015 (2014: US\$(4.5) million).

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Notes to the Financial Statements

Section 1: Key Performance Metrics (continued)

1.5 Taxation (continued)

Deferred tax assets and liabilities reconciliation

Deferred tax relates to the following:

US\$ million	Statement of financial position		Income statement	
	2015	2014	2015	2014
Property, plant and equipment	(229.8)	(248.3)	(0.8)	84.0
Impairment of trade receivables	(1.4)	3.1	(4.2)	0.3
Intangibles	(156.5)	(161.7)	1.9	(20.8)
Valuation of inventories	8.0	2.2	5.0	1.4
Employee benefits	84.8	62.6	1.0	(3.8)
Provisions	30.5	47.3	(13.7)	2.3
Financial instruments at fair value and net investment hedges	(3.8)	36.9	(23.6)	23.6
Tax losses carried forward	74.6	93.8	16.3	(111.7)
Accruals and other items	41.5	7.0	11.1	(12.4)
Deferred tax (expense)/benefit			(7.0)	(37.1)
Net deferred tax assets/(liabilities)	(152.1)	(157.1)		

Presented in the statement of financial position as follows:

Deferred tax assets	77.9	95.1
Deferred tax liabilities	(230.0)	(252.2)
Net deferred tax assets/(liabilities)	(152.1)	(157.1)

Unrecognised deferred tax assets

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

US\$ million	2015	2014
Unused tax losses for which no deferred tax asset has been recognised ⁽¹⁾	896.5	997.8
Potential tax benefits on unused tax losses at applicable rates of tax	257.6	291.9
Unrecognised tax credits	23.4	30.6
Deductible temporary differences not recognised	75.9	31.5
Total unrecognised deferred tax assets	356.9	354.0

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

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 Group's investments in subsidiaries and associates. The deferred tax liability will only arise in the event of disposal of the subsidiary or associate and no such disposal is expected in the foreseeable future.

Unremitted earnings of the Group's international operations are considered to be reinvested indefinitely and relate to the ongoing operations. Upon distribution of any earnings in the form of dividends or otherwise, the Group may be subject to withholding taxes payable to various foreign countries; however, such amounts are not considered to be significant. As the Group 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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Notes to the Financial Statements

Section 2: Operating assets and liabilities

In this section

This section highlights the primary operating assets used and liabilities incurred to support the Group's operating activities.

Liabilities relating to the Group's financing activities are covered in Section 3: Group's capital and risks. Deferred tax assets and liabilities are shown in note 1.5 with the current year tax expense.

2.1 Trade and other receivables

Trade and other receivables are initially recognised at the value of the invoice issued to the customer and subsequently at the amount considered recoverable from the customer (amortised cost using the effective interest rate method).

Trade and other receivables as at 30 June comprises of:

US\$ million	Not Impaired		Impaired		Total	
	2015	2014	2015	2014	2015	2014
Not past due	1,090.0	1,102.2	0.9	0.6	1,090.9	1,102.8
Past due 0-30 days	71.8	84.0	0.4	1.6	72.2	85.6
Past due 31-120 days	24.8	22.9	1.0	2.5	25.8	25.4
More than 121 days	3.0	9.3	15.9	17.1	18.9	26.4
Trade receivables	1,189.6	1,218.4	18.2	21.8	1,207.8	1,240.2
Less provision for impairment losses					(14.7)	(17.0)
					1,193.1	1,223.2
Prepayments					82.8	74.1
Other receivables					192.6	168.6
Total trade and other receivables					1,468.5	1,465.9

Management has assessed that a portion of the impaired receivables as at 30 June is expected to be recovered.

Credit risk – customer contracts

Nature of credit risk

The risk of financial loss to Amcor if a customer does not pay in full the amounts owing to Amcor under their customer contract.

Credit risk management

Customer-related credit risk is managed by each business group in accordance with procedures and controls set out in the Group's credit risk management policy. These include:

- Credit limits are established for all customers based on external or internal rating criteria and letters of credit or other forms of credit insurance cover are obtained where appropriate.
- Credit quality of trade receivables is constantly monitored in order to identify any potential adverse changes.
- Collectability of trade and other receivables reviewed on an ongoing basis.

While the Group holds no significant collateral as security, it also has no material exposure to any individual customer contract. The Group undertakes transactions with a large number of customers and counterparties in various countries with policies in place to ensure that sales are made to customers with appropriate credit history.

Financial difficulty of a customer, default in payments and the probability that a customer will enter bankruptcy are considered indicators that outstanding customer invoices on which Amcor is awaiting payment may be impaired. Where it is considered unlikely that the full amount of a customer invoice will be paid, a provision is raised for the amount that is doubtful. An impairment provision is recognised when there is objective evidence that the Group will be unable to collect amounts due and is recognised in the income statement within 'general and administration' expense. Individual customer debts which are known to be uncollectable are written off when identified.

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Notes to the Financial Statements

Section 2: Operating assets and liabilities (continued)

2.2 Inventories

Inventories are valued at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, which is the estimated selling price less estimated costs to sell.

US\$ million	2015	2014	Costs included to bring each product to its present location and condition ⁽¹⁾
Raw materials and stores	533.4	581.0	Purchase cost on a first-in first-out or weighted average basis
Work in progress	166.4	199.0	Direct materials and labour and a proportion of manufacturing overheads incurred in the normal course of business.
Finished goods	514.1	549.0	
Total inventories	1,213.9	1,329.0	

(1) Cost also includes reclassification from equity of any gains or losses on qualifying cash flow hedges relating to the purchase of inventories in foreign currency.

Inventory pledged as security

No inventory in the current or prior year is pledged as security over any borrowings.

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost comprises expenditure that is directly attributable to the acquisition of the item and subsequent costs incurred to replace parts that are eligible for capitalisation. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset or in the case of leasehold improvements and leased assets over the period of the lease or useful life of the asset, whichever is shorter.



Key judgements and estimates

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

Leased assets


Leases under which the Group 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.

All other leases are operating leases and are expensed to the income statement over the lease term.

Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing disposal proceeds with the carrying amount of the disposed asset and are recognised within 'other income' in the income statement in the period the disposal occurs.

Property, plant and equipment is analysed as follows:


US\$ million	Land	Land improve- ments	Buildings	Plant and equipment	Finance leases	Total
 Key judgements and estimates	Land – nil					
Depreciation policy	Leasehold land – over lease term	Shorter of lease term or 1%–3%	1%–5%	2.5%–25%	Shorter of lease term or 4%–20%	
2015						
Cost						
Opening balance	178.4	8.5	914.2	4,621.2	18.2	5,740.5
Additions for the period	2.4	-	27.2	285.3	-	314.9
Disposals during the period	(12.8)	-	(60.6)	(124.0)	-	(197.4)
Additions through business acquisitions	5.2	-	4.8	10.1	-	20.1
Other transfers	-	0.2	8.2	(8.4)	-	-
Effect of movements in foreign exchange rates	(19.7)	(1.2)	(99.1)	(527.2)	(3.1)	(650.3)
Closing balance	153.5	7.5	794.7	4,257.0	15.1	5,227.8
Accumulated depreciation and impairment						
Opening balance	(0.6)	(4.1)	(274.7)	(2,531.3)	(9.7)	(2,820.4)
Depreciation charge	(0.1)	(0.4)	(50.7)	(274.4)	(1.1)	(326.7)
Disposals during the period	-	-	30.6	119.4	-	150.0
Impairment loss	-	-	(1.0)	(16.8)	-	(17.8)
Effect of movements in foreign exchange rates	-	0.5	33.2	318.2	1.9	353.8
Closing balance	(0.7)	(4.0)	(262.6)	(2,384.9)	(8.9)	(2,661.1)
Carrying value 30 June 2015	152.8	3.5	532.1	1,872.1	6.2	2,566.7

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Notes to the Financial Statements

Section 2: Operating assets and liabilities (continued)

2.3 Property, plant and equipment (continued)

US\$ million	Land	Land improvements	Buildings	Plant and equipment	Finance leases	Total
 Key judgements and estimates	Land – nil Leasehold land – over lease term	Shorter of lease term or 1%–3%	1%–5%	2.5%–25%	Shorter of lease term or 4%–20%	
Depreciation policy						
2014						
Cost						
Opening balance	241.1	18.6	1,339.6	7,217.3	17.2	8,833.8
Additions for the period	1.0	-	34.0	325.4	0.2	360.6
Disposals during the period	(8.0)	-	(102.7)	(480.9)	(0.1)	(591.7)
Additions through business acquisitions	1.1	-	3.1	29.4	-	33.6
Disposal of businesses and controlled entities	(65.7)	(10.1)	(409.1)	(2,446.9)	-	(2,931.8)
Other transfers	6.7	-	38.8	(45.5)	-	-
Effect of movements in foreign exchange rates	2.2	-	10.5	22.4	0.9	36.0
Closing balance	178.4	8.5	914.2	4,621.2	18.2	5,740.5
Accumulated depreciation and impairment						
Opening balance	(0.8)	(6.3)	(373.3)	(3,918.8)	(8.1)	(4,307.3)
Depreciation charge	(0.2)	(0.6)	(34.0)	(363.7)	(1.2)	(399.7)
Disposals during the period	0.1	-	66.3	458.2	-	524.6
Disposal of businesses and controlled entities	0.4	2.9	100.8	1,442.2	-	1,546.3
Impairment loss	(0.2)	-	(31.4)	(131.7)	-	(163.3)
Reversal of impairment loss	-	-	-	0.1	-	0.1
Effect of movements in foreign exchange rates	0.1	(0.1)	(3.1)	(17.6)	(0.4)	(21.1)
Closing balance	(0.6)	(4.1)	(274.7)	(2,531.3)	(9.7)	(2,820.4)
Carrying value 30 June 2014	177.8	4.4	639.5	2,089.9	8.5	2,920.1

Non-current assets pledged as security

At 30 June 2015, property, plant and equipment with a carrying value of US\$6.2 million (2014: US\$8.5 million) were provided as security for certain interest-bearing borrowings. Refer to note 3.2 for more information on non-current assets pledged as security by the Group.

In addition, property with a carrying value of US\$3.3 million has been pledged as security with regards to the Group's Brazil excise and income tax claims (2014: US\$4.9 million).

2.4 Intangible assets

The Group's intangible assets comprise goodwill and other intangible assets.

Goodwill represents the excess amount the Group has paid in acquiring a business over the fair value of the assets and liabilities acquired. Goodwill is carried at cost less any accumulated impairment losses and is considered as having an indefinite useful economic life. It is allocated to the cash generating unit of which the acquisition forms part. Goodwill is not amortised and is reviewed for impairment at least annually or when there is an indication of impairment.

Other intangible assets which are separately identifiable and can be sold separately comprise acquired and internally developed assets. A summary of the major classes of other intangible assets is as follows:

- Customer relationships obtained through acquiring businesses are measured at fair value at the date of acquisition. These assets are subsequently carried at cost less accumulated amortisation and impairment losses.
- Computer software, developed internally or acquired externally, is initially measured at cost and includes development expenditure. Subsequently, these assets are carried at cost less accumulated amortisation and impairment losses.
- Product development which includes innovation expenditure is recognised at cost if the product is technically and commercially feasible, future economic benefits are probable and the Group intends to and has adequate resources available to complete the development. Subsequently, these assets are carried at cost less accumulated amortisation and impairment losses. Expenditure on product research activities is recognised in the income statement in the period in which the expenditure is incurred.



Key judgements and estimates

Assessment of the recoverable value of an intangible asset, the useful economic life of an asset or that an asset has an indefinite life requires management judgement and are reassessed at each reporting date.

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Notes to the Financial Statements

Section 2: Operating assets and liabilities (continued)

2.4 Intangible assets (continued)

US\$ million	Goodwill	Other intangible assets				Total
		Customer relationships	Computer software	Product development	Other	
Key judgements and estimates	Not applicable	10–20 years	3–10 years	Less than 10 years	Less than 10 years	
Amortisation policy						
2015						
Cost						
Opening balance	1,695.7	276.5	153.0	26.3	14.0	2,165.5
Additions through internal activities	-	-	25.6	-	-	25.6
Additions for the period	-	-	0.8	-	-	0.8
Additions through business acquisitions	40.7	5.2	-	-	9.5	55.4
Disposals during the period	-	-	(4.2)	-	-	(4.2)
Other transfers	-	-	0.2	(0.2)	-	-
Effect of movements in foreign exchange rates	(176.3)	(26.6)	(14.0)	(1.5)	(3.0)	(221.4)
Closing balance	1,560.1	255.1	161.4	24.6	20.5	2,021.7
Accumulated amortisation and impairment						
Opening balance	(4.8)	(58.2)	(91.6)	(5.5)	(9.1)	(169.2)
Amortisation charge ⁽¹⁾	-	(13.6)	(10.0)	(4.2)	(0.7)	(28.5)
Disposals during the period	-	-	3.9	-	-	3.9
Impairment loss	-	-	(0.2)	-	-	(0.2)
Other transfers	-	-	(0.2)	0.2	-	-
Effect of movements in foreign exchange rates	0.7	6.1	8.6	0.7	1.5	17.6
Closing balance	(4.1)	(65.7)	(89.5)	(8.8)	(8.3)	(176.4)
Carrying value 30 June 2015	1,556.0	189.4	71.9	15.8	12.2	1,845.3
2014						
Cost						
Opening balance	1,795.6	270.7	275.2	21.1	17.3	2,379.9
Additions through internal activities	-	-	0.3	4.8	-	5.1
Additions for the period	-	-	14.5	-	0.3	14.8
Additions through business acquisitions	54.7	-	-	-	1.5	56.2
Disposals during the period	-	-	(3.6)	-	-	(3.6)
Disposal of businesses and controlled entities	(194.9)	(0.8)	(134.8)	-	(5.3)	(335.8)
Effect of movements in foreign exchange rates	40.3	6.6	1.4	0.4	0.2	48.9
Closing balance	1,695.7	276.5	153.0	26.3	14.0	2,165.5
Accumulated amortisation and impairment						
Opening balance	(12.3)	(42.9)	(174.3)	(4.1)	(13.4)	(247.0)
Amortisation charge ⁽¹⁾	-	(14.2)	(16.7)	(1.1)	(0.7)	(32.7)
Disposals during the period	-	-	2.2	-	-	2.2
Disposal of businesses and controlled entities	7.0	-	109.5	-	5.3	121.8
Impairment loss	-	-	(13.6)	-	-	(13.6)
Effect of movements in foreign exchange rates	0.5	(1.1)	1.3	(0.3)	(0.3)	0.1
Closing balance	(4.8)	(58.2)	(91.6)	(5.5)	(9.1)	(169.2)
Carrying value 30 June 2014	1,690.9	218.3	61.4	20.8	4.9	1,996.3

(1) Amortisation expenses are included in general and administration expenses US\$28.1 million (2014: US\$32.2 million), sales and marketing expenses US\$0.2 million (2014: US\$0.3 million) and research costs US\$0.2 million (2014: US\$0.2 million).

2.5 Carrying value assessment of Property, Plant and Equipment and Intangible assets

The Group tests property, plant and equipment and intangible assets for impairment to ensure they are not carried at above their recoverable amounts:

- at least annually for goodwill; and
- where there is an indication that the assets may be impaired (which is assessed at least each reporting date).

These tests are performed by assessing the recoverable amount of each individual asset or, if this is not possible, then the recoverable amount of the cash generating unit (CGU) to which the asset belongs. CGUs are the lowest levels at which assets are grouped and generate separately identifiable cash flows. The recoverable amount is the higher of an asset or a CGU's fair value less costs of disposal and value in use. The value in use calculations are based on discounted cash flows expected to arise from the asset.



Key judgements and estimates

Management is required to make significant estimates and judgements in determining whether the carrying amount of the non-financial assets has any indication of impairment, in particular in relation to:

- the forecasting of future cash flows – these are based on the Group's latest approved internal five year forecasts and reflect expectations of sales growth, operating costs, margin, capital expenditure and cash flows, based on past experience and management's expectation of future market changes.
- discount rates applied to those cash flows - pre-tax discount rates used are the weighted average cost of capital determined by current market inputs and adjusted for the risks specific to the asset or CGU.
- the expected long term growth rates - cash flows beyond the five year period are extrapolated using estimated growth rates. The growth rates are based on the long-term performance of each CGU in their respective market and are consistent with the long-term average industry growth rates in which the CGU operates.

Such estimates and judgements are subject to change as a result of changing economic and operational conditions. Actual cash flows may therefore differ from forecasts and could result in changes in the recognition of impairment charges in future periods. Any impairment change is recognised in the income statement if the carrying amount of an asset or a CGU exceeds its recoverable amount.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

CGU	Goodwill Allocation		Pre-Tax Discount Rate		Growth Rate	
	2015 US\$ million	2014 US\$ million	2015 %	2014 %	2015 %	2014 %
Continuing Operations						
Rigid Plastics						
Rigid Plastics	669.5	671.3	12.9	11.8	1.5	1.1
Flexibles						
Flexibles Europe & Americas	399.6	485.4	7.6	7.6	0.0	0.0
Tobacco Packaging	251.0	302.3	7.6	7.6	0.0	0.0
Flexibles Asia Pacific	235.9	231.9	9.2	9.6	3.0	3.0
	1,556.0	1,690.9				

Sensitivity analysis on reasonably possible changes to the discount rates or growth rates did not result in an outcome where impairment would be required.

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Notes to the Financial Statements

Section 2: Operating assets and liabilities (continued)

2.5 Carrying value assessment of Property, Plant and Equipment and Intangible assets (continued)

Recognised impairment

Property, plant and equipment

During the year ended 30 June 2015, the Group recorded impairments totalling US\$17.8 million (2014: US\$0.3million) within 'general and administration' expense in the income statement. The impairments recognised during the period related to specific items of property, plant and equipment that were identified as surplus to current requirements.

Impairments amounting to US\$171.0 million in relation to the Corrugated Converting operations of the Fibre CGU were recognised in Discontinued Operations in 2014 as a result of the demerger of Amcor Australasia and Packaging Distribution (AAPD). The impairments recognised were due to a change in key assumptions, mainly an increase in the discount rate, to reflect AAPD as a standalone entity.

Intangibles

There were no impairments in relation to intangible assets in the current or prior year.

Impairments of computer software amounting to US\$13.7 million were recognised in Discontinued Operations in 2014 as a result of the demerger of AAPD.

Reversal of impairment

Impairment losses recognised for goodwill are not reversed. Impairment losses recognised in prior periods for 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.


There were no material reversals of impairment in the current or prior year.

2.6 Provisions

Provisions are:

- recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that cash will be required to settle the obligation and the amount can be reliably estimated.
- measured at the present value of management's best estimate of the cash outflow required to settle the obligation at reporting date. Any reasonable change in these assumptions is not expected to have a significant impact on the provisions.

The present value of a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a financing cost in the income statement.

Provision	Description	 Key judgements and estimates
Employee entitlements	<p>Liabilities for wages and salaries, including non-monetary benefits, and annual leave which are expected to be settled with 12 months of the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.</p> <p>Liabilities for long service leave are measured as the present value of estimated future payments for the services provided by employees up to the reporting date. Liabilities which are not expected to be settled within 12 months are discounted at the reporting date using market yields of high quality corporate bonds or government bonds for countries where there is no deep market for corporate bonds. The rates used reflect the terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.</p>	<ul style="list-style-type: none"> • Expected future wages and salary levels • Experience of employee departures • Periods of service (long service leave provisions only)
Insurance and other claims	<p>The Group is self-insured for insurance and other claims. Provisions are recognised based on claims reported and claims expected to be reported in relation to incidents occurring prior to reporting date, based on historical claim rates.</p>	<p>Likelihood of settling customer and insurance claims</p>
Onerous contracts	<p>Onerous contract provisions relate to rental of land and buildings which are not able to be fully used or sublet by the Group, and certain customer and supply contracts procured through business acquisitions.</p> <p>A provision for onerous contracts is recognised when the expected benefits to be derived by the Group 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.</p>	<p>Surplus lease space which the Group is not using and contracts the Group has entered into that are now unprofitable</p>
Asset restoration	<p>The asset restoration provision comprise mainly:</p> <ul style="list-style-type: none"> • make-good provisions included in lease agreements for which the Group has a legal or constructive obligation • decommissioning costs associated with environmental risks. At a number of sites, there are areas of contamination caused by past practice, many of which relate to operations prior to the Group's ownership. In addition, the Group recognises the environmental risks associated with underground storage tanks. 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 and costs associated with the decommissioning, removal or repair of any tanks which may fail integrity tests. <p>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.</p> <p>At each reporting date, the liability is remeasured in line with changes in discount rates, estimated cash flows and the timing of those cash flows. Any changes in the liability are added to or deducted from the related asset, other than the unwinding of the discount, which is recognised as a financing cost in the income statement.</p>	<p>Future costs associated with dismantling and removing assets and restoring sites to their original condition</p>
Restructuring	<p>Restructuring provisions are recognised when the Group has a detailed formal plan identifying the business or part of the business concerned, the location and approximate number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the restructuring has either commenced or been publicly announced. Payments falling due greater than 12 months after the reporting date are discounted to present value.</p> <p>During the period Amcor continued to utilise the restructuring provisions for the streamlining and reorganisation of operations, including the closure of certain manufacturing plants, mainly in America and Europe. The provisions made during the period mainly relate to the relocation of the Corporate Office.</p>	<p>Future costs associated with the restructuring and time line the restructure will take</p>

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Notes to the Financial Statements

Section 2: Operating assets and liabilities (continued)

2.6 Provisions (continued)

Provisions as at 30 June are analysed as follows:

US\$ million	Employee entitlements	Insurance and other claims	Onerous contracts	Asset restoration	Restructuring	Other	Total
Balance at 1 July 2014	70.2	83.7	9.6	44.2	39.4	3.0	250.1
Provisions made during the period	24.3	14.0	0.1	0.8	19.2	1.1	59.5
Payments made during the period	(23.9)	(23.2)	(4.1)	(1.4)	(16.6)	(0.2)	(69.4)
Released during the period	(0.2)	(14.8)	-	(3.5)	(3.4)	(0.9)	(22.8)
Additions through business acquisitions	-	0.2	-	0.3	0.3	-	0.8
Unwinding of discount	-	-	-	-	1.0	-	1.0
Effect of movement in foreign exchange rate	(8.0)	(17.3)	(0.8)	(4.1)	(7.2)	(0.5)	(37.9)
Balance at 30 June 2015	62.4	42.6	4.8	36.3	32.7	2.5	181.3
Current	33.9	23.4	3.4	0.1	32.5	2.2	95.5
Non-current	28.5	19.2	1.4	36.2	0.2	0.3	85.8

Section 3: Group's capital and risks

In this section

The Group is exposed to a number of market and financial risks, and this section outlines these key risks and how they are managed.

The Group announced on 17 February 2015 that it would undertake an on-market share buy-back as part of its capital management strategy. The US\$500.0 million buy-back provides flexibility between returning capital to shareholders, maintaining flexibility to pursue growth and retaining strong credit metrics.

Management uses the following metrics to assist in maintaining an efficient capital structure. The balance sheet position reflects leverage (net debt/profit before interest, tax, depreciation and amortisation (PBITDA)) at 2.0 times (2014: 2.1 times), net debt at US\$2,880.4 million (2014: US\$3,013.4 million) and PBITDA interest cover at 8.4 times (2014: 7.5 times). These are well within Group limits.

3.1 Capital management

The Group's objective when managing capital (net debt and total equity) is to safeguard its ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. Management aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the Group.

The key objectives include:

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

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

The capital management strategy aims to achieve an investment grade rating. The ratings at 30 June 2015 were investment grade BBB/Baa2 (2014: BBB/Baa2). The Group uses a range of financial metrics to monitor the efficiency of its capital structure, including leverage ratio (net debt/ PBITDA) and PBITDA interest cover (pre non-cash significant items).

At 30 June the Group's position in relation to these metrics was:

Metric	Policy Range	2015	2014
Leverage ratio (times)	2.25 to 2.75	2.0	2.1
PBITDA interest cover (pre non-cash significant items) (times)	>6.0	8.4	7.5

Metrics are maintained in excess of any debt covenant restrictions. At 30 June 2015, the reported Leverage ratio is 2.0 times which currently sits below the current Management target range of 2.25 to 2.75 times. This ratio is impacted by a number of factors including the level of operating cash flows generated by the Group, foreign exchange rates when expressed in US dollars and the speed at which the current share buy-back is completed.

3.2 Net debt

The Group borrows money from financial institutions and debt investors in the form of bank overdrafts, bank loans, corporate bonds, unsecured notes and commercial paper. The Group has a mixture of fixed and floating interest rates and uses interest rate swaps to provide further flexibility in managing the interest cost of borrowings.

Interest-bearing liabilities are initially recognised at their fair value, net of transaction costs incurred. Similarly, the foreign currency liabilities are carried at amortised cost, translated at exchange rates ruling at reporting date. Subsequent to initial recognition, the interest-bearing and foreign currency liabilities are measured at amortised cost with any difference between the net proceeds received and the maturity amount to be paid recognised in the income statement over the period of the borrowings using the effective interest rate method.

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

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

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Notes to the Financial Statements

Section 3: Group's capital and risks (continued)

3.2 Net debt (continued)

The following table details the net debt position of the Group:

US\$ million	2015		2014	
	Current	Non-current	Current	Non-current
Secured borrowings:				
Bank loans	9.6	-	-	-
Other loans	-	11.0	-	11.0
Lease liabilities	0.9	5.5	1.5	7.1
Total secured borrowings	10.5	16.5	1.5	18.1
Unsecured borrowings:				
Bank overdrafts	7.4	-	4.5	-
Bank loans	100.7	333.1	96.2	455.0
Commercial paper	837.0	-	238.5	-
US dollar notes	-	953.7	180.0	973.3
Euro notes	56.2	112.3	-	204.7
Eurobond	-	971.5	-	1,181.2
Swiss bond	-	161.5	-	167.4
Other loans	0.9	24.0	1.1	1.6
Total unsecured borrowings	1,002.2	2,556.1	520.3	2,983.2
Total interest-bearing liabilities	1,012.7	2,572.6	521.8	3,001.3
Total Current and Non-current interest-bearing liabilities		3,585.3		3,523.1
Cash on hand and at Bank ⁽¹⁾		(596.3)		(390.1)
Deposits – Short term and at call		(108.6)		(119.6)
Total cash and cash equivalents		(704.9)		(509.7)
Net Debt		2,880.4		3,013.4

(1) The Group operates in 43 countries, some of which may impose restrictions over cash. The estimated restricted cash balance at 30 June 2015 is between US\$95.0 million and US\$105.0 million (2014: US\$65.0 million to US\$75.0 million). Deposits for the Group across various jurisdictions bear floating interest rates between 0.0% and 9.5% (2014: 0.0% and 10.5%).

Facility Details	Facility Limit million	Maturity	Facility Usage	
			2015	2014
Land, plant and buildings Mortgages	USD 11.0	May 2021 - USD 8.0m November 2053 - USD 2.7m	11.0	11.0
Property, plant and equipment is provided as security for lease liabilities. Refer note 2.3			27.1	19.7
Bank Loans				
– committed multi-currency facility	AUD 100.0	January 2016	65.1	83.8
– committed multi-currency facility	AUD 100.0	June 2018	25.0	-
– committed syndicated multi-currency facility to support uncommitted commercial paper programs. Refer note 6.5	USD 425.0	August 2015	-	-
– committed global syndicated multi-currency facility. Refer note 6.5	USD 615.0	October 2016	310.7	431.4
– Syndicated facility entered into in April 2014 to support US commercial paper program	USD 750.0	April 2019	-	-
– Other loans			33.0	36.0
Commercial paper markets borrowing – Uncommitted promissory note facility ⁽²⁾	AUD 600.0		237.2	98.5
Commercial paper markets borrowing – Uncommitted commercial paper program ⁽²⁾	USD 600.0		599.8	140.0
United States Private Placement borrowing – Senior unsecured notes issued 2002	USD 100.0	Maturity in December 2017	99.9	285.8
United States Private Placement borrowing – Senior unsecured notes issued 2009	USD 850.0	Bullet maturities between 2016 and 2021	853.8	867.5
United States Private Placement borrowing – Senior unsecured notes issued 2010	EUR 50.0 EUR100.0	1 September 2015 Euro 50.0m 1 September 2020 Euro 100.0m	56.2 112.3	68.2 136.5
Eurobond market borrowings - unsecured notes	EUR 550.0	April 2019	614.9	764.3
Eurobond market borrowings - unsecured notes	EUR 300.0	March 2023	356.6	416.9
Swiss bond market borrowings - unsecured notes	CHF 150.0	April 2018	161.5	167.4

(2) The commercial paper borrowings are classified as a current interest-bearing liability due to the short term rollover nature of the borrowings. The US\$425.0 million syndicated multi-currency facility tranche due in August 2015 along with the US\$750.0 million Syndicated Facility due in April 2019 act as a liquidity back stop to the commercial paper should there be any difficulty in rolling over the commercial paper. Usage of these facilities reduces the available facilities under the syndicated multi-currency facility.

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Notes to the Financial Statements

Section 3: Group's capital and risks (continued)

3.2 Net debt (continued)

Risks Associated with Net Debt

(i) Liquidity Risk

Nature of liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Liquidity risk management

Liquidity risk is managed centrally by Amcor Group Treasury and involves maintaining available funding and ensuring the Group has access to an adequate amount of committed credit facilities. Due to the dynamic nature of the business, Amcor Group Treasury aims to maintain flexibility within the funding structure through the use of bank overdrafts, bank loans, corporate bonds, unsecured notes and commercial paper. The following is used to manage the risk:

- maintaining minimum undrawn committed liquidity of at least US\$300.0 million (in various currencies) that can be drawn upon at short notice;
- regularly performing a comprehensive analysis of all cash inflows and outflows in relation to operational, investing and financing activities;
- generally using tradeable instruments only in highly liquid markets;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- monitoring duration of long-term debt;
- only investing surplus cash with major financial institutions; and
- to the extent practicable, spreading the maturity dates of long-term debt facilities.

Financing arrangements

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

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

US\$ million	2015			2014		
	Committed	Uncom- mitted	Total	Committed	Uncom- mitted	Total
<i>Financing facilities available:</i>						
Bank overdrafts	-	113.8	113.8	-	125.2	125.2
Unsecured bill acceptance facility/standby facility	1,175.0	-	1,175.0	900.0	-	900.0
Loan facilities and term debt	3,035.4	95.2	3,130.6	4,040.0	91.1	4,131.1
	4,210.4	209.0	4,419.4	4,940.0	216.3	5,156.3
<i>Facilities utilised:</i>						
Bank overdrafts	-	7.4	7.4	-	4.5	4.5
Unsecured bill acceptance facility/standby facility	837.0	-	837.0	238.5	-	238.5
Loan facilities and term debt	2,667.4	73.5	2,740.9	3,220.8	59.3	3,280.1
	3,504.4	80.9	3,585.3	3,459.3	63.8	3,523.1
<i>Facilities not utilised:</i>						
Bank overdrafts	-	106.4	106.4	-	120.7	120.7
Unsecured bill acceptance facility/standby facility	338.0	-	338.0	661.5	-	661.5
Loan facilities and term debt	368.0	21.7	389.7	819.2	31.8	851.0
	706.0	128.1	834.1	1,480.7	152.5	1,633.2

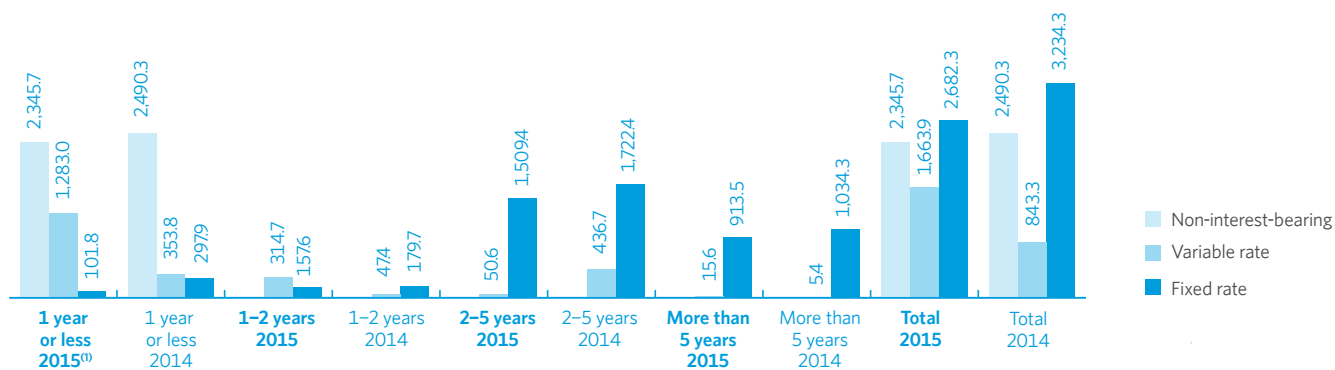
For the purposes of reporting on management's internal liquidity targets to the Board, undrawn committed facility capacity excludes bank overdrafts and other short-term subsidiary loan borrowings.

Maturity of financial liabilities

The graph below analyses the Group's financial liabilities excluding derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows, including principal and/or interest, calculated at 30 June. Non-derivative financial liabilities comprise of interest-bearing liabilities and trade and other payables. Trade and other payables are recognised at the value of the invoice received from the supplier. The carrying value of trade payables is considered to approximate fair value, are un-secured and non-interest bearing.

Maturity of non-derivative financial liabilities

US\$m



(1) Commercial paper borrowings are classified as current interest bearing liabilities due to the short term rollover nature of those borrowings. A US\$425.0 million syndicated multicurrency facility tranche and a US\$750.0 million syndicated facility act as a liquidity back stop to the commercial paper should there be any difficulty in rolling over the commercial paper. Usage of these facilities reduces the available facilities under the syndicated multi-currency facility. The US\$425.0 million syndicated multi-currency facility tranche was due to mature on 20 August 2015 and subsequent to year end was increased to US\$565.4 million for 5 years, now maturing on 17 July 2020. The US\$750.0 million syndicated facility is due to mature in April 2019.

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Notes to the Financial Statements

Section 3: Group's capital and risks (continued)

3.2 Net debt (continued)

(ii) Interest rate risk

Nature of interest rate risk

Interest rate risk is the risk that the Group is impacted by significant changes in interest rates. Borrowings issued at or swapped to floating rates expose the Group to interest rate risk.

Interest rate risk management

Amcor Group Treasury manages the Group's exposure to interest rate risk by maintaining an appropriate mix between fixed and floating rate borrowings, monitoring global interest rates and, where appropriate, hedging floating interest rate exposure or borrowings at fixed interest rates through the use of interest rate swaps and forward interest rate contracts. The Group's policy is to hold up to 75.0% fixed debt. At 30 June 2015 approximately 43.0% of the Group's debt is fixed rate, after inclusion of interest rate swaps (2014:54.0%).

All of the Group's interest rate swaps are classified as fair value through profit or loss so any movements in the fair value is recorded in the income statement rather than equity.

Interest rate sensitivity

A sensitivity analysis has been performed, based on the exposure to interest rates, for both derivative and non-derivative instruments at the end of the financial year utilising a 100 basis points movement in the floating rate on the relevant interest rate yield curve applicable to the underlying currency the borrowings are denominated in, with all other variables held constant. No individual currency has an impact to the post-tax profit greater than US\$10.0 million increase/decrease, with the most significant exposure to the United States dollar which has a movement of US\$9.8 million. 100 basis points has been determined reasonable based on the Group's current credit rating and mix of debt in Australia and foreign countries, relationships with financial institutions, the level of debt that is expected to be renewed as well as a review of the last two year's historical movements and economic forecaster's expectations.

(iii) Credit risk

Nature of credit risk

Credit risk is the risk of loss if a counterparty fails to fulfil their obligation under a financial instrument contract. The Group is exposed to credit risk arising from financing activities including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk management

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

3.3 Financial risk management

The Group's risk management program seeks to mitigate market risks including foreign exchange volatility, commodity price risk and employee share plan risk and reduce the volatility of the Group's financial performance. All financial risk management is carried out or monitored centrally by Group Treasury and is undertaken in accordance with treasury risk management policies approved by the Board.

(i) Foreign exchange risk



Key judgements and estimates

Foreign exchange transactions

Transactions in foreign currencies are translated into the functional currency of the entity using exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at year end are translated to the functional currency at the year end spot rate. Foreign exchange gains and losses arising from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or net investment hedges.

Foreign exchange risk – transaction management

There is a risk that the value of a financial commitment, recognised monetary asset or liability or cash flow will fluctuate due to changes in foreign currency rates. Management's policy is to use forward exchange contracts to hedge forecast or actual foreign currency exposures, on transactions in currencies other than the entity's functional currency as follows:

	Transactions >US\$500,000	Transactions <US\$500,000	Capital Expenditure > US\$100,000
Policy where contractual certainty	Must hedge 100%	Local management discretion	Must hedge 100% or have a hedge strategy in place

Where contractual uncertainty exists, the proportion of exposure hedged is dependent upon the timeframe of the forecasted transaction as follows:

Forecast period	< 6 Months	7 to 12Months	1-2 Years	>2 years
Percentage Hedged	75%	50%	25%	Nil

Forecast exposure greater than two years from the forecast date must not be hedged unless specifically approved by the Executive Vice President Finance and Chief Financial Officer. Businesses are not permitted to speculate on future currency movements.

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Notes to the Financial Statements

Section 3: Group's capital and risks (continued)

3.3 Financial risk management (continued)

Exposure

The following table details the maturity of receipts/payments of forward currency contracts (US dollar equivalents) outstanding at balance date for the material currency exposures of the Group:

US\$ million	Contract amounts			
	2015		2014	
	Months 0-12	Years 1-2	Months 0-12	Years 1-2
Buy CHF Sell EUR	82.0	-	30.2	-
Buy GBP Sell USD	144.7	1.7	56.7	-
Buy USD Sell AUD	218.7	-	275.4	-
Buy MXN Sell USD	6.7	-	41.0	10.1
Buy NZD Sell AUD	18.1	-	-	-
Buy AUD Sell SGD	48.5	-	-	-
Buy SGD Sell AUD	-	-	75.8	-
Buy CHF Sell USD	6.8	-	164.8	13.0
Buy USD Sell CHF	10.6	-	13.1	2.6
Buy AUD Sell EUR	-	-	2.8	-
Buy EUR Sell AUD	416.7	-	593.8	-
Buy EUR Sell GBP	25.4	-	23.8	-
Buy GBP Sell EUR	98.7	-	181.5	-
Buy EUR Sell USD	39.5	0.7	45.6	-
Buy USD Sell EUR	0.5	-	7.7	-

During the 12 months to 30 June 2015, the Group transferred a US\$1.3 million loss (2014: US\$4.8 million loss in cost of sales) from equity to operating profit (cost of sales) while a US\$0.1 million loss was added to the measurement of non-financial assets (2014: US\$0.1 million loss).



Key judgement and estimates

Foreign exchange translation

Each individual entity within the Group records its transactions in its relevant functional currency, which is the currency of the economic environment in which the entity primarily generates and expends cash. For all entities within the Group with a functional currency that is not United States dollars:

- assets and liabilities are translated at the closing exchange rate at the date of that balance sheet; and
- income and expenses are translated at year to date average exchange rates;

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

Foreign exchange risk – translation management

The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant currency. The following table details the denomination of the net assets and net debt (US dollar equivalents) at the end of the financial period:

US\$ million	USD	Euro	GBP	CHF	NZD	HKD	Other	Total
2015								
Designated hedges	375.0	1,180.4	115.6	162.2	65.1	331.4	-	2,229.7
Natural hedges	710.0	(65.2)	(26.8)	(24.9)	(8.2)	-	65.8	650.7
Net debt	1,085.0	1,115.2	88.8	137.3	56.9	331.4	65.8	2,880.4
Net assets, excluding net debt	1,252.1	1,216.0	104.8	139.0	95.7	437.4	1,222.4	4,467.4
Net assets	167.1	100.8	16.0	1.7	38.8	106.0	1,156.6	1,587.0
2014								
Designated hedges	600.7	1,357.7	187.3	167.4	83.4	22.5	-	2,419.0
Natural hedges	832.3	136.9	(24.7)	(28.1)	(16.8)	-	(305.2)	594.4
Net debt	1,433.0	1,494.6	162.6	139.3	66.6	22.5	(305.2)	3,013.4
Net assets, excluding net debt	1,455.7	1,531.0	183.6	183.1	131.8	470.9	1,196.4	5,152.5
Net assets	22.7	36.4	21.0	43.8	65.2	448.4	1,501.6	2,139.1

Venezuela

As of 21 March 2015, the Venezuelan Government has introduced a three-tiered exchange rate mechanism for exchanging Bolivars into US dollars including:

- The government-operated National Center of Foreign Commerce (CENCOEX), which has a fixed exchange rate of 6.3 Bolivars per US dollar, mainly intended for the import of essential goods and services by designated industry sectors.
- The auction-based Supplementary Foreign Currency Administration System (now known as SICAD, resulting from the unification in February 2015 of SICAD I and II), is intended for certain transactions, including foreign investments and has an exchange rate of 12 Bolivars per US dollar.
- An open market Marginal Foreign Exchange System (SIMADI), established in February 2015, which is available to companies and individuals to exchange foreign currency based on supply and demand.

During the current year Amcor has been able to access US dollars for its key manufacturing input of resin at the CENCOEX rate of 6.3 Bolivars per US dollar, accordingly this rate has been used to translate both the profit and loss and balance sheet at 30 June 2015 into US dollars.

Despite the ability to access US dollars at the CENCOEX rate of 6.3 Bolivars per US dollar during FY15, management's view is that uncertainty exists regarding the exchange mechanisms in Venezuela, including the nature of transactions that are eligible to flow through CENCOEX, SICAD or SIMADI, or any other new exchange mechanism that may emerge, how any such mechanisms will operate in the future, as well as the availability of US dollars under each mechanism.



Key judgements and estimates

The profitability of the Venezuelan operations and its ability to maintain and repatriate funds to the Group, may be adversely impacted by changes in the fiscal or regulatory regimes, currency devaluation, difficulties in interpreting or complying with the local laws of Venezuela, and reversal of current political, judicial or administrative policies. Management continues to monitor developments closely and should the CENCOEX rate change or no longer be available to Amcor, the sensitivity to earnings will depend on the magnitude of the movement. If the rate moves within a range of 6.3 to 12 Bolivars to the US dollar, the annual profit after tax sensitivity for the Group is approximately US\$2.0 million for each 1 Bolivar movement against the US dollar. Refer to footnote 1 in note 3.2 Net Debt for details of restricted cash.

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Notes to the Financial Statements

Section 3: Group's capital and risks (continued)

3.3 Financial risk management (continued)

Hedge of net investment in foreign operation

On consolidation, foreign currency differences arising on external borrowings designated as net investment hedges of a foreign operation are recognised in other comprehensive income and accumulated in the Exchange Fluctuation Reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, the foreign currency differences are recognised in the income statement. When a hedged net investment is disposed of, a percentage (calculated as the percentage of funds employed disposed compared to the Group's total funds employed of that relevant currency) of the cumulative amount 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.

Exchange rate sensitivity

The following table illustrates the sensitivity of the Group's debt and financial derivatives movements in the value of the USD against the relevant foreign currencies, with all other variables held constant, taking into account all underlying exposures and related hedges. Any translation impacts from the net assets of foreign subsidiaries, has been ignored.

All forward contracts that do not have an underlying exposure already within the balance sheet are designated as cash flow hedges at inception. Subsequent testing of effectiveness ensures that all effective hedge movements flow through the cash flow hedge reserve within equity and have a minimal pre-tax impact on profit.

	Change in foreign exchange rate increase/ (decrease)		Impact on equity decrease/(increase)	
	2015	2014	2015	2014
	%	%	US\$ million	US\$ million
Euro	10.8	7.6	43.4	42.1
British pound	7.9	7.9	18.7	19.0
Swiss franc	11.2	8.2	8.4	17.3
New Zealand dollar	12.0	5.9	5.8	2.4

(ii) Commodity price risk

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

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

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

(iii) Employee share plan risk

The Group's Employee Share Plans require the delivery of shares to employees in the future when rights vest or options are exercised. The Group currently acquires shares on market to deliver shares to employees to satisfy vesting or exercising commitments, this exposes the Group to cash flow risk, i.e. as the share price increases it costs more to acquire the shares on market.

Management of risk

The Amcor Employee Share Trust (the 'Trust') manages and administers the Group's responsibilities under the Employee Share Plans through acquiring, holding and transferring shares or rights to shares, in the Company to participating employees.

The Trust is consolidated as the substance of the relationship is that the Trust is controlled by the Group. All shares held by the Trust are disclosed as treasury shares and deducted from contributed equity. As at 30 June 2015, the Trust held 3,433,629 (2014: 1,507,134) of the Company's shares, out of which 1,725,000 relates to shares bought back and not cancelled at year end, refer note 3.5.

To manage the cash flow risk, the Group has entered into forward contracts for the on-market purchase of ordinary shares of the Company. The details are:

	2015			2014		
	Expiry date	Contract volume	Average hedged price US\$	Expiry date	Contract volume	Average hedged price US\$
Less than one year	May-16	7,400,000	13.91	-	-	-
Between one and five years ⁽¹⁾	-	-	-	May-17	5,300,000	9.78

(1) The forward contract for the on-market purchase of ordinary shares is expected to be called within 12 months and has been classified as current.

The financial liability of the forward contract is measured at the present value of the expenditure required to settle the contract with a corresponding reduction, net of any related income tax effects, recognised in equity.

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Notes to the Financial Statements

Section 3: Group's capital and risks (continued)

3.3 Financial risk management (continued)

(iv) Derivative financial instruments

The Group documents, at the inception of the transaction, the type of hedge, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The documentation also demonstrates, both at hedge inception and on an ongoing basis that the hedge has been and is expected to continue to be highly effective.

The Group has two types of hedges:

Types of hedges	Fair value hedges	Cash flow hedges
What is it?	A derivative or financial instrument designated as hedging the change in fair value of a recognised asset or liability	A derivative or financial instrument to hedge the exposure to variability in cash flows attributable to a particular risk associated with an asset, liability or forecast transaction
Recognition date	At the date the instrument is entered into	At the date the instrument is entered into
Measurement	Measured at fair value	Measured at fair value
Changes in fair value	The gains or losses on both the derivative or financial instrument and hedged asset or liability attributable to the hedged risk are recognised in the income statement immediately. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within finance costs, together with loss or gain in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the income statement within other income or other expenses. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the period to maturity using a recalculated effective interest rate.	Changes in the fair value of derivatives designated as cash flow hedges are recognised directly in other comprehensive income and accumulated in equity in the hedging reserve to the extent that the hedge is highly effective. To the extent that the hedge is ineffective, changes in fair value are recognised immediately in the income statement within other income or other expenses. Amounts accumulated in equity are transferred to the income statement or the balance sheet, for a non-financial asset, at the same time as the hedged item is recognised. 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 underlying forecast transaction occurs. 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.

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

The tables below provide details of the derivative financial assets and liabilities included on the balance sheet:

US\$ million	2015		2014	
	Asset	Liability	Asset	Liability
Current				
Derivative financial instruments - fair value through profit and loss:				
Forward exchange contracts	11.9	4.8	8.1	7.4
Commodity contracts	-	0.2	-	1.3
Derivative financial instruments - cash flow hedges:				
Forward exchange contracts	0.3	-	0.3	2.4
Forward contracts to purchase own equity to meet share plan obligations	-	97.1	-	51.8
Total current other financial assets/liabilities	12.2	102.1	8.4	62.9
Non-current				
Derivative financial instruments - fair value through profit and loss:				
Hedge contracts for cash settled Employee Share Plan Options	0.2	-	0.2	-
Interest rate swaps	25.5	-	51.7	-
Total non-current other financial assets/liabilities	25.7	-	51.9	-

The table below analyses the Group's 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 calculated at 30 June.

US\$ million	1 year or less	1-2 years	Total
2015			
Derivatives			
Gross settled			
– Inflow	1,293.2	21.4	1,314.6
– Outflow	(1,271.4)	(25.6)	(1,297.0)
Total financial liabilities	21.8	(4.2)	17.6
2014			
Derivatives			
Gross settled			
– Inflow	1,940.3	34.7	1,975.0
– Outflow	(1,923.3)	(31.4)	(1,954.7)
Total financial liabilities	17.0	3.3	20.3

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Notes to the Financial Statements

Section 3: Group's capital and risks (continued)

3.4 Fair value measurement

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



Key judgements and estimates

Financial Asset and Liability	Fair Value Approach
Cash and cash equivalents	Carrying value approximates fair value due to short term nature of the assets and liabilities
Short term monetary financial assets and liabilities	
Trade and other receivables	
Trade payables	
Other monetary financial assets and liabilities	Based on market prices (if they exist) or discounting the expected future cash flows by the current interest rate for financial assets and liabilities with similar risk profiles
Unquoted equity investments	Based on underlying net assets, future maintainable earnings and any special circumstances pertaining to the particular investment
Derivative financial instruments - reflects the estimated amounts which the Group would be required to pay or receive to terminate the contracts or replace them at their current market rates	Based on internal valuations using standard valuation techniques with current market inputs including interest and forward exchange rates. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

The Group has a number of financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values approximate their carrying amounts. Differences between the carrying amount and fair value were identified for the following instruments at 30 June:

US\$ million	Note	2015		2014	
		Total carrying value	Total fair value	Total carrying value	Total fair value
Financial liabilities					
US Dollar notes	3.2	953.7	1,077.0	1,153.3	1,310.8
Euro notes	3.2	168.5	172.7	204.7	236.3
Eurobond	3.2	971.5	1,063.7	1,181.2	1,293.2
Swiss bond	3.2	161.5	170.5	167.4	175.1
		2,255.2	2,483.9	2,706.6	3,015.4

The fair value of the US dollar notes, Euro notes, the Eurobond and the Swiss bond reflects the revaluation of these instruments, at prevailing market rates. The US dollar notes mature between December 2016 and December 2021, the Euro notes mature between September 2015 and September 2020, while the Eurobonds mature between April 2019 and March 2023, and the Swiss bond in April 2018.

For financial assets and liabilities carried at fair value, the Group uses the following to categorise the method used:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as over the counter prices) or indirectly (i.e. derived from over the counter prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3. The Group holds no level 1 or level 3 instruments at 30 June 2015 (2014: nil).

The derivative financial instruments in note 3.3 were recognised at fair value using level 2 valuation method.

3.5 Contributed equity

Ordinary shares

Ordinary shares issued are classified as equity and are fully paid, have no par value and carry one vote per share and the right to dividends. 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.

Treasury shares

Treasury shares are shares in the Company that are held by the Amcor Employee Share Trust for the purpose of issuing shares to employees under the Group's Employee Share Plans. Treasury shares are recognised at cost and deducted from equity, net of any income tax effects. When the treasury shares are subsequently sold or re-issued any consideration received, net of any directly attributable costs and income tax effects, is recognised as an increase in equity. Any difference between the carrying amount and the consideration, if re-issued, is recognised in retained earnings.

Repurchase of share capital

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

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Section 3: Group's capital and risks (continued)

3.5 Contributed equity (continued)

	2015		2014	
	No. '000	US\$ million	No. '000	US\$ million
Ordinary shares				
Balance at beginning of period	1,206,685	2,086.1	1,206,685	2,765.9
Exercise of options under the Long Term Incentive Plan	10,786	60.4	9,637	61.5
Exercise of performance rights under the Long Term Incentive Plan	716	2.1	1,085	5.2
Exercise of performance rights under the Equity Management Incentive Plan	2,033	11.9	2,459	15.6
Exercise under the Senior Executive Retention Share Plan	-	0.2	-	-
Forward contract settled to satisfy exercise of options and rights under Employee Share Plans	-	(78.7)	-	(51.5)
Treasury shares used to satisfy exercise of options and rights under Employee Share Plans	(13,535)	(87.6)	(13,181)	(50.9)
Capital reduction on demerger of Australasia Packaging and Distribution business ⁽¹⁾	-	-	-	(659.7)
Share buy-back ⁽²⁾	(25,270)	(277.5)	-	-
Balance at end of period	1,181,415	1,716.9	1,206,685	2,086.1
Treasury shares				
Balance at beginning of period	(1,507)	(14.1)	(1,122)	(10.4)
Acquisition of shares by the Amcor Employee Share Trust	(7,036)	(77.7)	(5,642)	(54.6)
Forward contract settled	(5,300)	-	(7,924)	-
Employee Share Plan issue	13,535	87.6	13,181	50.9
Shares purchased on-market to satisfy the exercise of options and rights under Employee Share Plans	(1,400)	(14.0)	-	-
Share buy-back, shares not cancelled at 30 June 2015	(1,725)	(18.1)	-	-
Balance at end of period	(3,433)	(36.3)	(1,507)	(14.1)
Total contributed equity	1,177,982	1,680.6	1,205,178	2,072.0

(1) Demerger of AAPD business

The demerger of the AAPD business on 31 December 2013 was implemented through a capital reduction which reduced the contributed equity of the Company by US\$659.7 million and the establishment of a demerger reserve of US\$652.1 million. The capital reduction, together with the demerger reserve, was applied to provide Amcor shareholders with one share of the demerged business, Orora Limited, for each share held in the Company.

(2) Share buy-back

The Company announced a US\$500.0 million on market share buy-back on 17th February 2015 and purchases commenced on 16th March 2015. US\$295.6 million and 27.0 million shares have been purchased to 30 June 2015, out of which US\$18.1 million and 1.7 million shares were not cancelled at year end as they settled after year end.

3.6 Reserves

Amcor has the following reserves:

Available-for-sale revaluation reserve

Changes in the fair value of available-for-sale investments are recognised in the available-for-sale revaluation reserve. Amounts are recognised in the income statement when the associated asset is disposed of or impaired.

Cash flow hedge reserve

The hedging reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

Share-based payments reserve

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

Demerger reserve

This reserve arose on the demerger of the AAPD group. It represents the difference between the fair value of the AAPD shares (being the distribution liability arising on demerger), the amount allocated as a capital reduction and any transfers to other reserves.

Exchange fluctuation reserve (EFR)

Exchange differences arising on translation of foreign controlled operations are recognised in the EFR. Gains or losses accumulated in equity are recognised in the income statement when a foreign operation is disposed of.

US\$ million	Available- for-sale revaluation reserve	Cash flow hedge reserve	Share-based payments reserve	Demerger Reserve	Exchange fluctuation reserve	Total reserves
Balance at 1 July 2014	-	(3.4)	60.5	(652.1)	180.7	(414.3)
Reclassification to profit or loss	-	1.3	-	-	-	1.3
Reclassified to non-financial assets	-	0.1	-	-	-	0.1
Effective portion of changes in fair value	-	3.0	-	-	-	3.0
Currency translation differences	-	-	-	-	(247.7)	(247.7)
Deferred tax	-	(0.6)	-	-	(6.2)	(6.8)
Tax effect on forward contracts entered into to purchase own equity to meet share plan obligations	-	-	2.5	-	-	2.5
Settlement of performance rights	-	-	(32.9)	-	-	(32.9)
Share-based payments expense	-	-	28.3	-	-	28.3
Balance at 30 June 2015	-	0.4	58.4	(652.1)	(73.2)	(666.5)
Balance at 1 July 2013	(1.3)	(3.0)	71.7	-	185.8	253.2
Net change in fair value	2.5	-	-	-	-	2.5
Reclassification to profit or loss	-	4.8	-	-	-	4.8
Reclassified to non-financial assets	-	0.1	-	-	-	0.1
Effective portion of changes in fair value	-	(2.2)	-	-	-	(2.2)
Transfer to accruals for deferred cash settlement	-	-	(3.9)	-	-	(3.9)
Currency translation differences	-	-	-	-	(12.5)	(12.5)
Deferred tax	-	(0.8)	-	-	7.0	6.2
Tax effect on forward contracts entered into to purchase own equity to meet share plan obligations	-	-	(4.5)	-	-	(4.5)
Settlement of performance rights	-	-	(35.6)	-	-	(35.6)
Share-based payments expense	-	-	32.8	-	-	32.8
Demerger of Australasia and Packaging Distribution	(1.2)	(2.3)	-	(652.1)	0.4	(655.2)
Balance at 30 June 2014	-	(3.4)	60.5	(652.1)	180.7	(414.3)

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Section 4: Business portfolio

In this section

This section provides further insight into the business portfolio of the Group, including the value-creating acquisition opportunities which the Group has secured to improve industry structures and strengthen its leadership positions in chosen market segments. Ampcor made two acquisitions during the period in emerging markets, one in Indonesia and one in China which have been included in the key numbers of the Ampcor Flexibles segment.

Further financial information regarding the Group's business portfolio and reportable segments is set out in Section 1.3.

4.1 Businesses acquired

Business combinations are accounted for using the acquisition method. Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at the acquisition date.

The fair value of the consideration transferred comprises the initial cash paid to the sellers and an estimate for any future payments the Group may be liable to pay, based on future performance of the business. This latter amount is classified as contingent consideration and can be either classified as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

The excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the fair value of the net identifiable assets acquired is goodwill. When the excess is negative, the difference is recognised directly in profit or loss as a bargain purchase. Acquisition related costs are expensed as incurred.

On the acquisition of a subsidiary, or of an interest in an associate or joint venture, fair values are attributed to the net assets including identifiable intangible assets and contingent liabilities acquired.

The non-controlling interests on the date of acquisition can be measured at either fair value or at the non-controlling shareholders' proportion of the net fair value of the identifiable assets assumed. This choice is made separately for each acquisition. Transactions with non-controlling interests are recorded directly in retained earnings.

The fair value of net assets acquired and cash consideration paid in respect of each immaterial acquisition of businesses were as follows with the more substantial acquisitions discussed below:

US\$ million	2015	2014
Cash and cash equivalents	-	3.3
Trade and other receivables	12.3	27.4
Inventories	8.9	17.1
Property, plant and equipment	15.4	38.7
Deferred tax assets	1.6	0.5
Intangible assets	14.7	-
Other non-current assets	3.7	2.7
Trade and other payables	(13.0)	(19.3)
Current interest-bearing liabilities	(4.8)	-
Current tax liabilities	(2.8)	(0.1)
Current provisions	(0.1)	(0.9)
Deferred tax liabilities	(1.9)	(1.8)
Non-current provisions	(0.2)	(0.6)
Fair value of net identifiable assets acquired	33.8	67.0
Add goodwill	37.3	49.0
Bargain purchase recognised in other income	(4.4)	(2.6)
Fair value of net assets acquired	66.7	113.4
Purchase consideration		
Cash paid	53.5	111.0
Deferred consideration	13.2	2.4
Total purchase consideration	66.7	113.4
Cash flows on acquisition		
Cash consideration	53.5	111.0
Less: cash acquired	-	(3.3)
Outflow of cash	53.5	107.7

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Notes to the Financial Statements

Section 4: Business portfolio (continued)

4.1 Businesses acquired (continued)

Acquisitions made during the financial year ended:

30 June 2015

PT Bella Prima Perkasa

On 28 November 2014 the Group completed the acquisition of 100% of PT Bella Prima Perkasa (Bella Prima), a flexible packaging business in Indonesia for US\$25.1 million (IDR305.3 million), of which US\$1.4 million (IDR16.5 million) is deferred to be paid in future periods.

Bella Prima has two plants in Jakarta and specialises in the high growth shrink sleeve, label and lidding business primarily in the consumer beverage, food and personal care industries. The acquired entity is a strong fit with the Group's existing plant in Indonesia and will broaden the Group's strategy within the food and beverage markets.

Goodwill of US\$4.8 million has been recorded at 30 June 2015 based on the preliminary values and purchase price adjustments recorded to that date.

Zhongshan TianCai Packaging Company

On 1 June 2015 the Group completed the acquisition of 100% of Zhongshan TianCai Packaging Company (TianCai), a Chinese flexible packaging business for US\$38.2 million (CNY237.0 million), of which US\$11.8 million (CNY73.2 million) is deferred to be paid in future periods. Preliminary balance sheet numbers have been included at 30 June 2015 and goodwill of \$US32.5 million has been recorded.

TianCai has one plant located in Zhongshan and produces flexible packaging products for food, beverage and pharmaceutical end markets and supplies leading local and multinational customers.

Other

During the year amounts were paid related to deferred settlements on a number of prior period acquisitions for US\$6.0 million, buy-out of small non-controlling interests to obtain 100% control of three subsidiaries for US\$9.1 million and US\$20.6 million for the South African acquisition, refer to note 6.5 subsequent events for details.

30 June 2014

Jiangsu Shenda Group

On 21 October 2013, the Group successfully completed the acquisition of 100% of Jiangsu Shenda Group a flexible packaging business for US\$57.9 million (RMB 350.0 million).

The acquired business operates out of two plants in the Jiangsu province in Eastern China and services the pharmaceutical, snacks and culinary end markets and is a strong fit with the Group's existing plant in the Jiangsu province. Goodwill of US\$30.5 million has been recorded at 30 June 2014 and is mainly attributable to expected synergies to the Group upon becoming a market leader in Eastern China with a strong position in both film manufacturing and conversion.

Detmold Flexibles

On 31 March 2014, the Group successfully completed the acquisition of 100% of Detmold Flexibles a privately-owned Australian flexible packaging business for US\$46.3 million. Detmold Flexibles operates two plants in Melbourne and has sales of approximately US\$50.5 million (A\$55.0 million). During the year goodwill increased by US\$3.3 million to US\$19.9 million due to the payment of customary closing true-ups and completion of purchase price adjustments.

The aggregate purchase consideration, the fair value of net assets acquired and goodwill for Jiangsu Shenda, Detmold Flexibles and other individually immaterial acquisitions occurring during the year is shown in the 2014 comparatives in the table above.

4.2 Subsidiaries

The consolidated financial statements include Amcor Limited (Parent entity) and the following significant wholly owned subsidiaries, unless stated otherwise, in the table below. Subsidiaries are fully consolidated from the date of acquisition, being the date on which Amcor obtains control, and continue to be consolidated until the date that such control ceases. Control exists where the Group has the power to govern the financial and operating policies of the entity in order to obtain benefits from its activities.

Controlled entity	Country of incorporation
Amcor Limited (Parent)	Australia
Vinisa Fueguina S.R.L	Argentina
Amcor Rigid Plastics de Argentina SA	Argentina
Amcor Flexibles (Australia) Pty Limited	Australia
Amcor Flexibles Transpac BVBA	Belgium
Amcor Embalagens Da Amazonia SA	Brazil
Amcor Rigid Plastics do Brasil Ltda	Brazil
Amcor Packaging Canada Inc.	Canada
Jiangyin Propack Packaging Co Limited	China
Propack Huizhou Limited	China
Amcor Flexibles Denmark ApS	Denmark
Amcor Flexibles Sarrebourg SAS	France
Amcor Flexibles Selestat SAS	France
Amcor Flexibles Packaging France SAS	France
Amcor Flexibles Capsules France SAS	France
Amcor Flexibles Singen GmbH	Germany
Tscheulin-Rothal GmbH (98.8%)	Germany
Amcor Flexibles Italia S.r.l.	Italy
Amcor Packaging Korea Limited	Korea
Amcor Flexibles (New Zealand) Limited	New Zealand
Amcor Tobacco Packaging Polska Spolka z.o.o	Poland
Amcor Flexibles Reflex Sp z.o.o	Poland
Amcor Tobacco Packaging Novgorod	Russia
Amcor Tobacco Packaging St.Petersburg LLC	Russia
Amcor Fibre Packaging - Asia Pte Ltd	Singapore
Amcor Flexibles Espana SL	Spain
Amcor Flexibles Kreuzlingen AG	Switzerland
Amcor Flexibles Rorschach AG	Switzerland
Amcor Flexibles Burgdorf GmbH	Switzerland
Amcor Flexibles Bangkok Public Company Limited (99.4%)	Thailand
Amcor Tobacco Packaging Izmir Gravür Baski Sanayi Ticaret AS	Turkey
Amcor Flexibles UK Ltd	United Kingdom
Amcor Packaging UK Ltd	United Kingdom
Amcor Rigid Plastics USA, Inc.	United States of America
Amcor Flexibles Inc.	United States of America
Amcor Tobacco Packaging Americas Inc.	United States of America
Amcor Rigid Plastics de Venezuela SA (61.0%)	Venezuela

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Notes to the Financial Statements

Section 4: Business portfolio (continued)

4.3 Equity accounted investments



Key judgements and estimates

Amcors has one associate AMVIG Holdings Limited (AMVIG) over which it has significant influence, but not control or joint control, to govern the financial and operating policies of AMVIG.

The Group's investment in its associate and joint venture (investees) is initially recorded at cost and subsequently accounted for using the equity method. The carrying amount of the investment is adjusted to recognise changes in the Group's interest in the net assets of the investees. Dividends received from the investees are recognised as a reduction in the carrying amount of the investment. Goodwill relating to the investees is included in the carrying amount of the investment and is not tested for impairment individually.

The Group's share of the results of the investees is reported in the income statement and its share of movements in other comprehensive income is recognised in other comprehensive income. Changes in the Group's share of the net assets of the investees, due to dilution caused by an issue of equity by the investees, are recognised in the income statement as a gain or loss.

Investments in investees are reviewed for impairment at least annually or whenever events or circumstances indicate that the carrying amount may not be recoverable. The impairment review compares the net carrying value with the recoverable amount, where the recoverable amount is the higher of the value in use calculated as the present value of the Group's share of the associate's future cash flows and its fair value less costs of disposal.

The associates and joint ventures of the Group are listed below:

Name of entity	Principal activity	Country of incorporation	Ordinary share ownership interest (%)		Nature of relationship	Carrying amount US\$ million	
			2015	2014		2015	2014
AMVIG Holdings Limited	Tobacco packaging	Cayman Islands	47.6	48.0	Associate	437.4	471.0
Aggregate carrying amount of individually immaterial joint ventures						20.8	15.8
Total equity accounted investments						458.2	486.8

Summarised financial information for AMVIG Holdings Limited

AMVIG is material to the Group. The balance date for AMVIG is 31 December which is different to that of the Group due to the listing requirements of this entity on the Hong Kong Stock Exchange. In determining the Group's share of profits of AMVIG for the financial year ended 30 June 2015, the Group has used the latest publicly available financial information, being the audited results for the year ended 31 December 2014 plus management's best estimate for the six months ended 30 June 2015. The Group's share of net assets is based on the latest publicly available set of financial statements dated 31 December 2014 (2013: 31 December 2013).

The following tables provide summarised financial information for 100% of AMVIG as at 31 December 2014:

US\$ million	2015	2014
Summarised statement of comprehensive income		
Revenues	458.5	485.2
Profit after tax from continuing operations	52.5	56.7
Other comprehensive income	(14.5)	14.0
Total comprehensive income	38.0	70.7
Dividends received from AMVIG for the year ended 30 June 2015	33.1	9.7
Summarised statement of financial position		
Current assets	520.2	432.9
Non-current assets	479.2	497.4
Total assets	999.4	930.3
Current liabilities	160.4	191.2
Non-current liabilities	331.7	201.1
Total liabilities	492.1	392.3
Net assets reported by AMVIG	507.3	538.0

Reconciliation to carrying value of AMVIG

US\$ million	2015	2014
Group's share of net assets	241.5	258.2
Notional goodwill	204.7	220.5
Effects of movement in foreign exchange rates and other adjustments	(8.8)	(7.7)
Carrying amount at the end of the financial year	437.4	471.0

The Amcor carrying value of AMVIG when expressed in Hong Kong dollars per share is greater than the Hong Kong dollar per share quoted for AMVIG on the Hang Seng at 30 June 2015.



Key judgements and estimates

Management's view is that AMVIG's quoted share price does not accurately reflect the fundamental value of the business. Accordingly, Amcor management has assessed the recoverable amount measured at the higher of fair value less costs of disposal and value in use. Value in use is calculated from cash flow projections for five years using management's best estimates based on historical publicly available information from AMVIG. The value in use calculation included a pre-tax discount rate of 10.8% and the perpetual growth rate of 5%. Based on this value in use assessment management believes that the recoverable amount of the investment in AMVIG exceeds the Group's carrying value of the investment at 30 June 2015.

Acquisitions and disposals

In 2015, AMVIG issued additional shares to one of its Directors, resulting in a dilution of the Group's ownership percentage to 47.6%. There have been no other additions or disposals in the financial period 30 June 2015.

In 2014, AMVIG Holdings Limited repurchased 1.6 million shares on market and cancelled the shares. This increased the Group's ownership percentage to 48.0%.

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Notes to the Financial Statements

Section 4: Business portfolio (continued)

4.3 Equity accounted investments (continued)

Transactions with equity accounted investments

During the year ended 30 June 2015, the Group incurred research and development expenditure totalling US\$3.7 million (2014: US\$4.4 million) on behalf of the joint venture Discma AG. These costs were on-charged during the period and as at 30 June 2015 an amount of US\$1.0 million (2014: US\$0.9 million) is due from the equity accounted investment. The Group also injected capital of US\$6.3 million in the joint venture.

During the 12 months to 30 June 2015, the Group received dividends of US\$33.1 million from associates (2014: US\$9.7 million).

4.4 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. An operation would be classified as held for sale if the carrying value of the assets of the operation will be principally recovered through a sale transaction rather than continuing use. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as discontinued the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

The Orora business (previously known as Amcor Australasia and Packaging Distribution (AAPD)) was demerged in December 2013 and is reported as a discontinued operation in the prior year. The business group consists of two businesses being Australasia and Packaging Distribution. The Australasia business is focused on fibre (such as, recycled paper and corrugated boxes) and beverage packaging (such as, glass bottles and beverage cans) within Australia and New Zealand and the Packaging Distribution operations, predominately located in North America, is focused on the distribution of a wide variety of packaging and related products.

The results of the discontinued operations for the prior year are presented below:

(a) Results of discontinued operations

US\$ million	2014
Revenue	1,484.8
Expenses	(1,413.9)
Profit before significant items and income tax expense	70.9
Income tax expense	(21.8)
Profit from discontinued operations before significant items	49.1
Significant items	
Asset impairments, net of reversals	(192.8)
Legal costs ⁽¹⁾	(15.2)
Gain on demerger	79.3
Transaction and separation costs	(46.8)
Significant items before related income tax expense	(175.5)
Income tax expense ⁽²⁾	(48.5)
Total significant items, net of tax	(224.0)
Total loss from discontinued operations	(174.9)
Earnings per share for profit from discontinued operations attributable to the ordinary equity holders of Amcor Limited	US Cents
Basic earnings per share	(14.5)
Diluted earnings per share	(14.2)

(1) Legal costs relate to expenditure associated with the defence and settlement of claims with respect to Australian Competition and Consumer Commission and New Zealand Commerce Commission matters.

(2) Income tax expense includes a write-off of US\$104.7 million relating to deferred tax assets on carried forward tax losses. As a result of the demerger it is no longer considered probable that future taxable profit will be available in the Australian Tax Group against which the unused tax losses can be utilised.

(b) Carrying value of net assets divested

Major classes of assets and liabilities demerged were:

US\$ million	2014
Cash and cash equivalents	61.0
Trade and other receivables	433.3
Inventories	355.7
Property, plant and equipment	1,385.5
Deferred tax assets	85.6
Intangible assets	214.0
Other assets	99.5
Total assets	2,634.6
Trade and other payables	(506.3)
Borrowings	(679.2)
Current provisions	(121.7)
Deferred tax liability	(57.4)
Non-current provisions	(25.6)
Total liabilities	(1,390.2)
Net assets divested	1,244.4

(c) Cash flows from/(used in) discontinued operations

US\$ million	2014
Net cash flows from operating activities	19.1
Net cash flows used in investing activities	(61.5)
Net cash flows from financing activities	83.0
Net cash inflow	40.6

(d) Loss on demerger of AAPD

US\$ million	2014
Fair value of Orora shares	1,311.7
Carrying amount of net assets divested	(1,244.4)
Gain on demerger	67.3
One-off transaction costs	(46.8)
Recycling of foreign currency translation reserve, other comprehensive items and foreign exchange translation of demerged business	12.0
Net gain on demerger before related income tax expense	32.5
Income tax expense	(109.2)
Net loss on demerger of AAPD	(76.7)

The fair value of the Orora shares was determined with reference to the Volume Weighted Average Price (VWAP) over the first five trading days of Orora Limited on the Australian Securities Exchange from 17 December 2013. The fair value of Orora was US\$1.09 (A\$1.22) per share, applied to the 1,206.7 million ordinary shares on issue giving a capitalisation value of US\$1,311.7million.

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Section 5: Employee reward and recognition

In this section

This section provides financial insight into employee reward and recognition for creating a high performance culture and Amcor's ability to attract and retain talent. Amcor's remuneration is competitive in the relevant employment markets to support the attraction and retention of talent.

This section should be read in conjunction with the Remuneration Report as set out in the Directors' Report, which contains detailed information regarding the setting of remuneration for Key Management Personnel. Employee expenses and Employee Provisions are shown in note 1.4 and note 2.6 respectively.

5.1 Share based payments

The Company provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for options or rights over shares. Share-based payments can either be equity-settled or cash-settled. The expense arising from these transactions is shown in note 1.4.

The Group operates a number of share-based payment plans. A description of each type of share-based payment arrangement that existed at any time during the period is described below. The fair value of options and rights granted under equity-settled share based arrangements are measured at grant date and spread over the vesting period via a charge to employee benefit expense in the income statement and a corresponding increase in the share-based payments reserve in equity. The fair value of options takes into account market performance conditions, but excludes the impact of any non-market vesting conditions (e.g. profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to be vested.

Upon exercise of the options or rights, the relevant amount in the share-based payments reserve is transferred to contributed equity.

Equity-settled share-based payments

Description of plans

Senior Executive Retention Share Plan

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

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

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

	Weighted average 2015 fair value		Weighted average 2014 fair value	
	No.	AUD	No.	AUD
Restricted shares at beginning of financial period	60,000	7.11	268,750	7.70
Issued during the period			-	-
Restriction lifted	(30,000)	7.11	(30,000)	6.35
Forfeited shares due to demerger of Australasia and Packaging Distribution business	-	-	(178,750)	8.13
Cancelled	(15,000)	7.11	-	-
Restricted shares at end of financial period	15,000	7.11	60,000	7.11

Long Term Incentive Plan

Under the Long Term Incentive Plan (LTIP), share options or performance rights over shares in the Company, or performance shares, may be issued to executive officers, senior executives and senior co-workers. The terms and conditions of each award are determined by the Directors of the Company at the time of granting.

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Notes to the Financial Statements

Section 5: Employee reward and recognition (continued)

5.1 Share based payments (continued)

A description of the equity plans in place during the year ended 30 June 2015 is described below:

Type of arrangement	Share Options	Performance Rights and Performance Shares	Management Incentive Plan – Equity (EMIP)	CEO Special Equity Award
Overview	Give the co-worker the right to acquire a share at a future point in time upon meeting specified vesting conditions described below and require payment of an exercise price. They 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.	Give the co-worker the right to receive a share at a future point in time upon meeting specified vesting conditions described below with no exercise price payable. They 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.	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: <ul style="list-style-type: none"> • 50% of the value of the cash bonus payable under the EMIP, following the end of the performance period • the volume weighted average price of Amcor Limited ordinary shares for the five trading days prior to 30 June, being the end of the performance period; and • where cash bonuses are determined in currencies other than Australian dollars, the average foreign exchange rate for the same five day period. 	Give the co-worker the right to receive fully paid ordinary shares upon meeting specified vesting conditions described below with no exercise price payable. They are granted at no consideration and carry no dividend entitlement or voting rights until they vest into ordinary shares on a one-for-one basis.
Vesting conditions	Subject to a Return on Average Funds Employed (RoAFE) test, and employee remaining in employment of the Company after granted.	Subject to a relative TSR test and employee remaining in employment of the Company after granted.	Remain in employment of the Company after granted.	Subject to alignment of performance with the Amcor Values as assessed by the Company Managing Director and Chief Executive Officer and employee remaining in employment of the Company after granted.
Vesting period	4 years	4 years	2 years	The performance period is for a defined period from 1 July 2013 to 30 June 2016.
Vested awards	Vested share options will remain exercisable until the expiry date. On expiry, any vested but unexercised share options will lapse.	Vested performance rights or performance shares will remain exercisable until the expiry date. On expiry, any vested but unexercised performance rights or performance shares will lapse.	Shares issued upon vesting.	Vested awards will remain exercisable until the expiry date. On expiry, any vested but unexercised awards will lapse.
Unvested awards	Unvested awards are forfeited if the co-worker voluntarily ceases employment or is dismissed for poor performance.	Unvested awards are forfeited if the co-worker voluntarily ceases employment or is dismissed for poor performance.	Unvested awards are forfeited if the co-worker voluntarily ceases employment or is dismissed for poor performance.	Unvested awards are forfeited if the co-worker voluntarily ceases employment or is dismissed for poor performance.

The following table shows the movement of awards under the equity plans:

Weighted average	Options		Rights	EMIP	CEO Awards
	No.	Exercise price AUD	No.	No.	No.
2015					
Outstanding at beginning of financial period ⁽¹⁾	33,569,846	6.19	5,017,200	3,851,652	704,700
Granted	5,870,600	10.28	1,578,400	1,595,967	40,000
Exercised	(10,785,684)	5.10	(715,953)	(2,033,304)	-
Lapsed/Cancelled ⁽²⁾	(3,740,262)	9.05	(1,373,447)	(348,869)	-
Outstanding at end of financial period	24,914,500	7.34	4,506,200	3,065,446	744,700
Exercisable at end of financial period	589,900	5.73	34,100	-	-
2014					
Outstanding at beginning of financial period	40,981,096	5.12	4,563,070	4,224,145	-
Granted	5,996,000	9.31	1,496,100	1,885,300	704,700
Exercised	(8,455,650)	3.48	(1,007,034)	(2,080,591)	-
Cancelled	(1,269,800)	5.72	(168,716)	(210,315)	-
<i>Demerger of Australasia and Packaging Distribution business</i>					
Vested early and exercised ⁽³⁾	(1,181,600)	5.26	(77,800)	(378,498)	-
Forfeited award replaced by deferred cash settlement ⁽⁴⁾	(1,631,000)	5.81	(85,800)	-	-
Forfeited ⁽⁵⁾	(869,200)	6.09	(247,900)	-	-
Additional rights allocated due to Demerger ⁽⁶⁾	-	-	545,280	411,611	-
Outstanding at end of financial period	33,569,846	6.19	5,017,200	3,851,652	704,700
Exercisable at end of financial period	1,160,400	4.34	32,500	-	-

The weighted average share price as at the date of exercise for share options was 2015: AUD11.29 (2014: AUD10.64) and performance rights were 2015: AUD6.43 (2014: AUD9.86).

The exercise price of the Rights, EMIP and CEO Awards are nil.

The word demerger in the following footnotes refers to the demerger of the Australasia and Packaging Distribution business by Amcor on 17 December 2013.

- (1) Exercise price has been adjusted due to the change in capital structure post demerger. The exercise price was reduced by A\$1.22 which represented the 5-day Volume Weighted Average Price of the demerged business, Orora Limited. This adjustment was made to maintain the relative entitlements of the option holders at the same level pre and post demerger.
- (2) Includes awards that were lapsed and converted to cash payment upon departure of Mr MacKenzie and Mr Brues. Refer to Tables 8 and 10 in the Remuneration Report.
- (3) Options and rights that vested early and exercised on demerger.
- (4) Options and rights forfeited in return for a deferred cash award due to the demerger. The Company reimbursed Orora Limited the cash paid to these employees provided they remained employed by Orora Limited at the time of payment in March 2015. This is in accordance with the terms and conditions of the Demerger Deed.
- (5) Options and rights forfeited on demerger and were replaced by awards provided by the demerged business post demerger.
- (6) Additional rights were allocated due to the change in capital structure post demerger. The number of rights pre demerger were increased by 12%, rounded to the nearest hundred. These allocations were made to maintain the relative entitlements of the rights holders at the same level pre and post demerger.

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Notes to the Financial Statements

Section 5: Employee reward and recognition (continued)

5.1 Share based payments (continued)

Share options outstanding at the end of the year have the following exercise prices:

Grant date	Exercise price	2015	2014
	AUD	No.	No.
24 Nov 09 to 8 Jun 10	3.51	-	3,481,846
12 Apr 10	4.64	-	1,463,200
5 Aug to 22 Sep 10	5.17	75,439	334,000
23 May 11	5.57	-	103,900
9 Dec 11 to 12 Jun 12	5.81	514,461	2,792,500
9 Dec 11 to 12 Jun 12	5.81	9,875,200	12,143,800
30 Nov 12	6.09	5,305,500	7,318,600
20 Nov 13	9.31	4,548,600	5,932,000
24 Nov 14	10.28	4,595,300	-
Outstanding at end of financial period		24,914,500	33,569,846
Weighted average remaining contractual life of options outstanding at end of period		3.9 years	4.4 years

Fair value of options and rights granted

Options

At each reporting date, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to share-based payment reserve.



Key judgements and estimates

The fair value of options granted is measured using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of options granted on 24 November 2014 (2014: 20 November 2013) was AUD2.12 (2014: AUD1.75). The assumptions made in determining the fair value of options granted during the year are detailed below:

	2015	2014
Expected dividend yield (%)	4.20	4.40
Expected price volatility of the Company's shares (%)	20.00	21.00
Share price at grant date (A\$)	12.04	11.02
Exercise price (A\$)	10.28	10.53
Historical volatility (%)	20.00	21.00
Risk-free interest rate (%)	2.94	3.75
Expected life of option (years)	4.00	4.00

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.

Performance rights

**Key judgements and estimates**

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

The fair value of performance rights granted on 24 November 2014 (2014: 20 November 2013) was AUD7.63 (2014: AUD6.00).

Cash-settled share-based payments

Cash-settled share-based payments plans are in place in countries where the Company is unable to issue shares or options.

Description of plans

Senior Executive Retention Payment Plan

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

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

	2015		2014	
	No.	Fair value AUD	No.	Fair value AUD
Weighted average				
Outstanding at beginning of financial period	78,400	7.62	70,000	7.62
Cancelled	(39,200)	7.62	-	-
Additional allocation due to the change in capital structure post demerger of Australasia and Packaging Distribution business ⁽¹⁾	-	-	8,400	-
Outstanding at end of financial period	39,200	7.62	78,400	7.62
Exercisable at end of financial period	-	-	-	-

(1) The pre demerger awards were increased by 12%, rounded to the nearest hundred. These allocations were made to maintain the relative entitlements of the holders at the same level pre and post demerger.

Liabilities for share-based payments

US \$ million	2015	2014
Total carrying amount of liabilities for cash settled arrangements	2.2	4.8

In 2015, the carrying amount of liabilities for cash-settled arrangements related to certain awards of Mr Brues which were converted to a cash payment upon his departure and will be paid in the future subject to certain post-employment conditions. Refer to Tables 8 and 10 in the Remuneration Report.

In 2014, the liabilities for cash-settled arrangements included \$4.0 million relating to forfeited awards replaced by deferred cash settlement on demerger. This liability was settled in March 2015.

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Section 5: Employee reward and recognition (continued)

5.2 Retirement benefit obligations

The Group also contributes to a number of defined contribution funds on behalf of employees and the Group's legal or constructive obligation is limited to these contributions. Contributions payable by the Group are recognised as an expense in the income statement as incurred. The expense is not material for further disclosures.

Historically, the Group has also offered its employees the opportunity to participate in a number of defined benefit schemes. The Group is progressively moving away from defined benefit plans because of the increased financial risk and uncertainty associated with these arrangements. During the year, the Group maintained 54 defined benefit arrangements, including both pension and post-retirement plans, providing benefits for its co-workers and their dependants. Of the pension plans, 22 plans are funded.

Under defined benefit plans, members receive cash payments at and in retirement, the value of which is dependent on factors such as expected future wage and salary levels, experience of employee departures and length of service. The Group underwrites investment, mortality and inflation risks necessary to meet these obligations. In the event of poor returns the Group needs to address this through a combination of increased level of contribution or by making adjustments to the plan. Plans can be funded, where regular cash contributions are made by the employer into the fund which is invested, or unfunded, where no regular cash is required to be put aside to cover future payments. In the unfunded plans the Group is responsible for meeting pension obligations as they fall due.

The Group's liability or asset in respect of defined benefit and other post-retirement plans is calculated separately for each plan and is measured as the present value of the future benefit that employees have earned in return for their service in the current and prior periods, less the fair value of any plan assets. The net of the Group's defined benefit asset and liabilities is shown in the statement of financial position. The present value of the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. 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.

For any funded plans in deficit, the Group agrees with the trustees and plan fiduciaries to undertake suitable funding programmes to provide additional contributions over time in accordance with local country requirements. When the calculation results in a benefit to the Group, the recognised asset is limited to the present economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan, or on settlement of the plan liabilities.

Movements in defined benefit obligation and fair value of plan assets

The movement in defined benefit obligation and fair value of plan assets is due to the following:

Items	Description	Recognised in
Current service cost	The cost to the Group of future benefits resulting from employee service in the current period.	Operating costs in the income statement
Past service cost	Refers to the cost or credit as a result of changes in the benefits offered to members (Plan amendments), a reduction in the number of employees (Curtailments) covered by the plan or transactions entered into by the Group to eliminate all further legal or constructive obligations for some or all of the benefits provided by the schemes (Settlement). Settlement gains or losses can arise from the transfer of member benefits into alternative pension arrangements, fully insuring benefits or on business disposals.	Operating costs in the income statement.
Interest (expense)/ income	Interest expense is the unwinding of the discount on the present value of the obligation. Interest income on plan assets is based on the value of the scheme assets at the beginning of the year multiplied by the same rate as the discount rate applied to the obligation.	Net finance costs in the income statement.
Experience (gains)/ losses	In order to value the Group's defined benefit obligation at the end of the period, it is necessary to apply certain assumptions in relation to demographic and financial trends. Actuarial gains or losses arise when there is a difference between previous estimates and actual experience, or a change in assumptions.	Other comprehensive income
Re-measurement return on plan assets	Arise from differences between actual and the expected final asset values.	Other comprehensive income
Contributions	The Group's contributions and cash contributions by the scheme participants are paid into the schemes to be managed and invested.	Statement of financial position
Benefits paid	Any benefits paid out by the scheme will lower the obligations of those plans.	Statement of financial position

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Notes to the Financial Statements

Section 5: Employee reward and recognition (continued)

5.2 Retirement benefit obligations (continued)

US\$ million	2015			2014		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at 1 July	1,503.6	(1,231.2)	272.4	1,531.1	(1,248.0)	283.1
<i>Included in profit or loss</i>						
Current service cost	18.7	-	18.7	20.9	-	20.9
Past Service Cost - Plan Amendments	(11.3)	-	(11.3)	(18.0)	-	(18.0)
Past service cost - Curtailments / Settlements	(0.6)	-	(0.6)	(142.8)	135.8	(7.0)
Interest expense/(income)	45.2	(38.6)	6.6	51.7	(44.4)	7.3
Total amount recognised in profit or loss	52.0	(38.6)	13.4	(88.2)	91.4	3.2
<i>Included in other comprehensive income</i>						
Re-measurements:						
- loss/(gain) from change in demographic assumptions	7.7	-	7.7	4.0	-	4.0
- loss/(gain) from change in financial assumptions	214.6	-	214.6	27.4	-	27.4
- experience loss/(gain)	3.1	-	3.1	5.6	-	5.6
- return on plan assets, excluding amounts included in interest expense/(income)	-	(70.3)	(70.3)	-	(11.0)	(11.0)
Total amount recognised in other comprehensive income	225.4	(70.3)	155.1	37.0	(11.0)	26.0
<i>Other</i>						
Contributions:						
- paid by the employer	-	(38.7)	(38.7)	-	(45.3)	(45.3)
- paid by participants	6.6	(6.6)	-	7.3	(7.3)	-
Benefits paid	(57.1)	57.1	-	(80.0)	80.0	-
Restrictions on assets recognised	-	(0.2)	(0.2)	-	0.3	0.3
Effect of movements in exchange rates	(130.3)	93.7	(36.6)	96.4	(91.3)	5.1
Total other	(180.8)	105.3	(75.5)	23.7	(63.6)	(39.9)
Balance at 30 June	1,600.2	(1,234.8)	365.4	1,503.6	(1,231.2)	272.4
Non-current asset			(20.8)			(41.4)
Non-current liability			386.2			313.8

US\$ million	2015			2014		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/ (asset)	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/ (asset)
Balance at 30 June	1,600.2	(1,234.8)	365.4	1,503.6	(1,231.2)	272.4
Restrictions on asset recognised		(0.5)			(0.6)	
Fair value of plan assets		(1,235.3)			(1,231.8)	
Present value of unfunded defined benefit obligation	169.8			165.2		
Present value of funded defined benefit obligation	1,430.4			1,338.4		
Liabilities for defined benefit obligations	1,600.2			1,503.6		
Actives	490.3			494.7		
Vested Terminees	496.5			466.9		
Retirees	613.4			542.0		
	1,600.2			1,503.6		
The plan assets and liabilities by country is analysed below:						
UK	637.7	(615.7)	22.0	566.7	(600.0)	(33.3)
Switzerland	495.6	(380.6)	115.0	451.3	(375.4)	75.9
Other Europe	335.8	(148.2)	187.6	341.1	(165.4)	175.7
North America	145.9	(88.4)	57.5	137.9	(88.2)	49.7
Asia	(14.8)	(1.9)	(16.7)	6.6	(2.2)	4.4
	1,600.2	(1,234.8)	365.4	1,503.6	(1,231.2)	272.4

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Notes to the Financial Statements

Section 5: Employee reward and recognition (continued)

5.2 Retirement benefit obligations (continued)

Principal plans

The characteristics and risks associated with the principal plans of the Group are described below:

United Kingdom	<ul style="list-style-type: none"> • Two funded plans in existence • Both closed to new entrants and no longer accrue service-related or salary-related benefits • Benefits increase in line with at least the statutory indexation as required by local legislation • The Company is required to finance any funding shortfall • Trustees consult with the Company and agree an affordable and reasonable funding plan for cash injections by the Company • Trustees responsible for the plans' assets in terms of investment strategy and asset allocations • At least once every three years, the Statement of Investment Principles (SIP) is reviewed by the Trustees in consultation with the Company • SIPs are kept under review and the Trustees inform, and agree with, the Company an amended SIP before implementing any changes
Switzerland	<ul style="list-style-type: none"> • Cash balance funded retirement plan • Contributions based on a fixed percentage of salary are paid by both the Company and the co-worker to build a cash balance in the name of the co-worker • Interest is credited to each co-workers cash balance each year • Interest credits can be positive or nil, negative credits are not permitted. Due to accounting rules this causes the fund to be recorded as a defined benefit fund despite the Company not being responsible for any funding deficit • Funding surpluses belong to the members and are not refundable to the Company • At retirement, co-workers' cash balances are converted at a fixed rate into a retirement annuity or if they leave the Company, transferred to another fund of the co-workers choice • The Pension Fund Board is responsible for managing funding and ensuring no funding deficit
Other Europe – France	<ul style="list-style-type: none"> • There are six defined benefit plans of which two are closed to new entrants • Two are partially indemnified by Rio Tinto Limited on the same basis as in Germany below • Eleven plans in France provide unfunded lump sum benefits at retirement as required under collective employee agreements
Other Europe – Germany	<ul style="list-style-type: none"> • There are 16 defined benefit plans of which 14 are closed to new entrants • A group of 228 employees who are approaching retirement age continue to accrue service-related or salary-related benefits • Legislation requires the pensions in payment must be reviewed every three years and adjusted based on the increase in the Retail Price Index • Four plans are funded and the balance unfunded • Six of the unfunded plans are partially indemnified by Rio Tinto Limited which assumes responsibility for its former employees' retirement entitlements as at 1 February 2010 when the Group acquired Alcan Packaging from Rio Tinto Limited • Rio Tinto Limited pays monthly pension instalments to a significant proportion of the plans' retirees via a Contractual Trust Agreement
North America – Canada	<ul style="list-style-type: none"> • There are five defined benefit plans, four provide retirement benefits and one provides post-retirement medical benefits • The retirement plans no longer accrue future benefits and provide indexation in line with inflation and salaries where required under local legislation
North America – United States of America	<ul style="list-style-type: none"> • There are two defined benefit plans, a retirement plan and a post-retirement medical plan • The retirement plan is closed to future accrual • The Group has agreed to provide contributions to finance the funding shortfall in line with local funding standards • Following the introduction of significant legislation changes to medical insurance arrangements in the USA last year, the Group has terminated the benefit for a majority of plan participants • A small number of retirees are still eligible for the benefit until 31 December 2015 only

Categories of plan assets

The funded pension plans hold assets across a number of different classes, these being equities, bonds, real estate, cash and other investments. These assets are managed by each Plan's Trustees, although the Trustees are required to consult with the Group on changes to their investment policy.

The fair value of the major categories of plan assets is as follows:

US\$ million	2015			2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Equity instruments:	340.9	-	340.9	334.0	-	334.0
North American	49.0	-	49.0	48.9	-	48.9
European	75.1	-	75.1	111.2	-	111.2
Emerging Markets	29.8	-	29.8	55.8	-	55.8
Other ⁽¹⁾	187.0	-	187.0	118.1	-	118.1
Government Bonds – fixed interest:	313.5	-	313.5	314.7	-	314.7
North American	14.3	-	14.3	25.0	-	25.0
European	286.6	-	286.6	277.4	-	277.4
Emerging Markets	12.6	-	12.6	12.3	-	12.3
Corporate Bonds:	235.6	-	235.6	226.5	-	226.5
North American	7.4	-	7.4	4.0	-	4.0
European	228.2	-	228.2	222.5	-	222.5
Real Estate	61.0	-	61.0	59.3	0.2	59.5
Cash and Cash-Equivalents	8.0	-	8.0	11.8	-	11.8
Indemnified Assets	-	0.6	0.6	-	108.3	108.3
Other	166.1	109.6	275.7	160.1	16.9	177.0
	1,125.1	110.2	1,235.3	1,106.4	125.4	1,231.8

(1) Equity instruments allocated in 'Other' consist of instruments held in diversified growth funds.



Key judgements and estimates

The main assumptions used in the valuation of retirement benefit assets and obligations 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). The Group takes independent actuarial advice in determining these assumptions. A change in assumptions or the application of different assumptions could have a significant effect on the income statement, other comprehensive income and statement of financial position.

The table below shows the significant actuarial assumptions (expressed as weighted averages) used for the purposes of reporting under AASB 119 *Employee Benefits* for the Group's defined benefit plans are as follows:

	2015	2014
Discount rate	2.32%	3.31%
Rate of inflation	2.26%	2.46%
Longevity at age 65 for current pensioners	Years	Years
Males	19.0–24.2	18.9–24.5
Females	22.6–27.7	21.2–27.6

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Notes to the Financial Statements

Section 5: Employee reward and recognition (continued)

5.2 Retirement benefit obligations (continued)

The following sensitivity analysis gives an estimate of the potential impacts on the defined benefit obligation as at year end:

US\$ million	2015		2014	
	Impact on defined benefit obligation		Impact on defined benefit obligation	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (10% movement)	(48.7)	97.7	(87.5)	94.7
Rate of inflation (10% movement)	(47.1)	(124.1)	36.5	(35.2)
Future mortality (1 year movement)	42.8	(69.6)	45.9	(46.8)

The sensitivity to inflation rate includes the impact from movements in all inflation linked assumptions such as salary and pension increases.

Amount and timing of future cash flows

The table below provides information on the timing of future benefit payments, average duration of the defined benefit obligations and expected contributions to the plan for the next annual period:

US\$ million	Maturity analysis of benefits expected to be paid					Total
	1 year or less	1-2 years	2-5 years	More than 5 years		
2015	58.3	59.1	194.0	399.4		710.8
2014	56.5	56.0	191.5	407.0		711.0
					2015	2014
Weighted average duration of defined benefit obligation, years					19.3	18.3
Contributions next period, US\$ million					34.1	25.5

5.3 Key Management Personnel

Key Management Personnel compensation

Key Management Personnel (KMP) compensation is set out below. Detailed remuneration disclosures are provided in the audited remuneration report section in the Directors' report.

US\$ thousand	2015	2014
Short term employee benefits	15,421	13,239
Long term employee benefits	61	143
Post employment benefits	939	1,070
Termination benefits	1,233	18
Share-based payments expense	17,079	7,308
	34,733	21,778

Individual Directors' and Executives' compensation disclosures

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

No individual KMP or related party holds a loan greater than US\$100,000 with the consolidated entity (2014: nil). No impairment losses have been recognised in relation to any loans made to KMP (2014: nil) and no loans were advanced during the current year (2014: nil). Other than those items discussed above, there have been no other transactions between KMP and the Company.

Section 6: Other disclosures

In this section

This section includes additional financial information that is required by the accounting standards and the *Corporations Act 2001*.

6.1 Auditors' remuneration

US\$ thousand	2015	2014
Auditors of the Company – PwC Australia		
<i>Audit and other assurance services</i>		
Audit and review of financial reports	2,322	2,837
Other assurance services	79	970
<i>Other services</i>		
Taxation services, transaction related taxation advice and due diligence	809	2,434
Other advisory services	-	77
	3,210	6,318
Network firms of PwC Australia		
<i>Audit and other assurance services</i>		
Audit and review of financial reports	640	769
Other regulatory audit services	3,980	3,861
Other assurance services	320	-
<i>Other services</i>		
Taxation services, transaction related taxation advice and due diligence	4,885	2,021
	9,825	6,651
Non-PwC Audit Firms		
<i>Audit and other assurance services</i>		
Other regulatory services	369	490
<i>Other services</i>		
Taxation services and transaction related taxation advice	66	223
	435	713
Total auditors' remuneration	13,470	13,682

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Notes to the Financial Statements

Section 6: Other disclosures (continued)

6.2 Commitments and contingencies

Commitments

US\$ million	2015	2014	Description
Operating lease commitments			The Group leases motor vehicles, plant and equipment and property under operating leases. The leases have varying terms, escalation clauses and renewal rights.
Lease expenditure contracted but not provided for or payable:			
Within one year	71.7	78.1	Not included in the above commitments are contingent rental payments which may arise as part of the rental increase indexed to the consumer price index (CPI) or in the event that units produced by certain leased assets exceed a predetermined production capacity.
Between one and five years	187.5	181.1	
More than five years	149.9	114.5	
	409.1	373.7	
Less sub-lease rental income	(4.8)	(7.3)	
	404.3	366.4	
Capital commitments			Capital commitments contracted but not provided for in respect of additional cash contributions to the joint venture Discma AG and for the acquisition of property, plant and equipment.
Discma cash contribution	10.4	10.4	
Property, plant and equipment	33.7	22.5	
	44.1	32.9	
Other commitments			The Group had other commitments contracted but not provided for in respect of other supplies and services yet to be provided.
Supply and service commitments	4.5	6.0	

Contingencies

US\$ million	2015	2014
Contingent liabilities	40.7	52.2

Details of the contingent liabilities are set out below:

- 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 6.4. No liabilities subject to the deed of cross guarantee at 30 June 2015 are expected to arise to Amcor Limited and subsidiaries, as all such subsidiaries were financially sound and solvent at that date.
- The Group operates in many territories around the globe under different direct and indirect tax regimes. From time to time the Group receives assessments for additional tax from revenue authorities which, having consulted with experts including external counsel, it believes is unfounded. Nonetheless, at any point in time matters will be under discussion and review with revenue authorities for which a theoretical exposure may exist.

Specifically, the Brazil operations have received a series of excise and income tax claims from the local tax authorities which are being challenged via a court process. In the opinion of outside counsel these claims have a remote likelihood of being upheld, however as these cases progress through the court system in Brazil, Amcor is required to pledge assets, provide letters of credit and/or deposit cash with the courts to continue to defend the cases. The company will continue to provide such pledges in the future as the matters are being vigorously defended by Amcor. At this stage, it is not possible to make a reasonable estimate of the amount or range of expense that could result from an unfavourable outcome in respect of these or any additional assessments that may be issued in the future as penalties and interest may be applied should the entity be unsuccessful in defending the cases. Management continues to monitor with the support of external counsel and all means are being examined in order to minimise any exposure.

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.

6.3 Amcor Limited – parent entity

The financial information for the Company has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries – carried at cost less, where applicable, accumulated impairment losses.

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

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

Summary financial information

US\$ million	Amcor Limited	
	2015	2014
Total current assets	5,792.8	6,235.6
Total assets	9,814.9	10,309.4
Total current liabilities	6,224.6	6,350.9
Total liabilities	7,828.5	8,285.5
Net assets	1,986.4	2,023.9
Equity		
Contributed equity	1,698.9	2,086.1
Reserves:		
Share-based payments reserve	58.3	60.5
Demerger reserve of Australasia and Packaging Distribution business	(652.1)	(652.1)
Cash flow hedge reserve	-	(0.5)
Exchange fluctuation reserve	1,354.5	999.5
Accumulated losses ⁽¹⁾	(473.2)	(469.6)
Total equity	1,986.4	2,023.9
Profit for the financial period	468.8	892.6
Total comprehensive income	1,823.8	1,892.4
Financial guarantees		
Bank term loans of controlled entities (a)	4.5	5.1
Contingent liabilities of Amcor Ltd		
Contingent liabilities arising in respect of guarantees (b)	163.8	142.3

(1) Amcor Limited's functional currency is Australian dollars. The prior year profit for the financial period included a one-off loss of US\$97.6 million associated with the demerger of the Australian and Packaging Distribution business and US\$490.1 million higher intercompany dividends.

Retained earnings at 30 June 2015 are A\$88.6 million (2014: A\$84.8 million). Post year-end further intercompany dividends will be passed to Amcor Limited to cover for the payment of the 2015 final dividends.

(a) Financial guarantees

The Company has guaranteed the bank overdrafts, finance leases and drawn components of bank loans of a number of subsidiaries. Under the terms of the financial guarantee contracts, the Company will make payments to reimburse the lenders upon failure of the guaranteed entity to make payments when due. As at 30 June 2015, the carrying value recognised in respect of these financial guarantees is nil (2014: nil).

The Company has also entered into a Deed of Cross Guarantee with certain subsidiaries. Refer to note 6.4 for more details.

(b) Contingent liabilities of Amcor Limited

The contingent liabilities comprises of guarantees given by Amcor Limited in respect of property leases and other financial obligations in wholly-owned subsidiaries including letter of credit to support the ongoing defence of tax cases in Brazil.

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Notes to the Financial Statements

Section 6: Other disclosures (continued)

6.3 Amcor Limited – parent entity (continued)

Tax consolidation

Amcor Limited 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.

Members of the tax-consolidated group recognise their own current tax expense/income and deferred tax assets and liabilities as if each entity in the tax consolidated group continues to be a 'stand-alone taxpayer' in its own right.

In addition to its current and deferred tax balances, Amcor Limited 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.

Members of the tax-consolidated group have entered into a tax funding agreement which requires each member of the tax-consolidated group to pay a tax equivalent amount to or from the parent in accordance with their notional current tax liability or current tax asset. The funding amounts are recognised as intercompany receivables or payables.

Assets or liabilities arising under tax funding agreements with members of the tax-consolidated group are recognised as current amounts receivable or payable from the other members of the tax-consolidated group.

Any difference between the amounts assumed by Amcor Limited and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

6.4 Deed of Cross Guarantee

The parent entity, Amcor Limited, and subsidiaries listed below are subject to a Deed of Cross Guarantee (Deed) under which each company guarantees the debts of the others:

Amcor Packaging (Asia) Pty Ltd	Amcor European Holdings Pty Ltd
Amcor Services Pty Ltd	Amcor Holdings (Australia) Pty Ltd
Amcor Investments Pty Ltd	Techni-Chem Australia Pty Ltd
Amcor Finance (NZ) Ltd	Amcor Flexibles Group Pty Limited
Anfor Investments Pty Ltd	Amcor Flexibles (Australia) Pty Limited
Packsys Pty Ltd	Packsys Holdings (Aus) Pty Ltd
Amcor Flexibles (Dandenong) Pty Ltd	Amcor Flexibles (Port Melbourne) Pty Ltd

By entering into the Deed, the wholly owned subsidiaries have been relieved from the requirement to prepare a financial report and directors' report under class order 98/1418 (as amended) dated 13 August 1998 issued by the Australian Securities and Investment Commission.

Financial statements for the Amcor Limited Deed of Cross Guarantee

The functional currency of the Deed of Cross Guarantee is Australian dollars. The consolidated income statement, statement of comprehensive income and statement of financial position of the entities under the Deed for the year ended and as at 30 June are set out below:

Income statement

US\$ million	2015	2014
Sales revenue	409.2	424.5
Cost of sales	(343.3)	(357.3)
Gross profit	65.9	67.2
Other income	476.2	571.1
Operating expenses	(61.9)	(118.9)
Profit from operations	480.2	519.4
Financial income	47.3	68.6
Financial expenses	(129.4)	(155.3)
Net finance costs	(82.1)	(86.7)
Profit before related income tax expense	398.1	432.7
Income tax benefit/(expense)	26.2	(112.9)
Profit for the financial period	424.3	319.8

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Notes to the Financial Statements

Section 6: Other disclosures (continued)

6.4 Deed of Cross Guarantee (continued)

Statement of comprehensive income

US\$ million	2015	2014
Profit for the financial period	424.3	319.8
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
<i>Cash flow hedges</i>		
Changes in fair value of cash flow hedges	1.1	0.4
Tax on cash flow hedges	(0.2)	0.2
<i>Exchange differences on translating foreign operations</i>		
Exchange differences on translation of foreign operations	450.5	(866.5)
Exchange differences on translating disposed foreign operations reclassified to profit or loss	-	18.1
Items that will not be reclassified to profit or loss:		
<i>Retained earnings</i>		
Actuarial gains/(losses) on defined benefit plans	-	(1.1)
Tax on actuarial (gains)/losses on defined benefit plans	-	0.3
Other comprehensive income/(loss) for the financial period, net of tax	451.4	(848.6)
Total comprehensive income for the financial period	875.7	(528.8)

Summarised income statement and accumulated losses

US\$ million	2015	2014
Profit for the financial period	424.3	319.8
Accumulated losses	(86.7)	(697.3)
Actuarial gains/(losses) recognised directly in equity	-	(0.7)
Movement predominantly due to demerger of AAPD	-	739.6
	337.6	361.4
Dividends recognised during the financial period	(472.3)	(448.1)
Accumulated losses at the end of the financial period	(134.7)	(86.7)

Statement of financial position

US\$ million	2015	2014
Current assets		
Cash and cash equivalents	13.6	57.4
Trade and other receivables	1,276.2	1,437.9
Inventories	65.8	69.1
Other financial assets	5.0	1.7
Other current assets	1.3	1.9
Total current assets	1,361.9	1,568.0
Non-current assets		
Other financial assets	32.3	25.9
Property, plant and equipment	84.3	116.1
Deferred tax assets	139.1	122.6
Intangible assets	136.1	151.4
Other non-current assets	4,453.9	4,520.0
Total non-current assets	4,845.7	4,936.0
Total assets	6,207.6	6,504.0
Current liabilities		
Trade and other payables	112.6	137.0
Interest-bearing liabilities	2,260.6	2,107.5
Other financial liabilities	97.7	56.9
Current tax liabilities	2.2	44.3
Provisions	40.2	56.2
Total current liabilities	2,513.3	2,401.9
Non-current liabilities		
Interest-bearing liabilities	1,578.0	1,874.5
Provisions	2.0	5.1
Other non-current liabilities	0.1	0.3
Total non-current liabilities	1,580.1	1,879.9
Total liabilities	4,093.4	4,281.8
Net assets	2,114.2	2,222.2
Equity		
Contributed equity	1,698.9	2,086.1
Reserves	550.0	222.8
Accumulated losses	(134.7)	(86.7)
Total equity	2,114.2	2,222.2

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Notes to the Financial Statements

Section 6: Other disclosures (continued)

6.5 Subsequent events

Business Acquisitions

On 1 July 2015 the acquisition of Nampak Flexibles was completed. The acquisition price of ZAR 250 million (US\$20.6 million) was paid on 30 June 2015; however control of the business was obtained on 1 July 2015. The business, renamed Amcor Flexibles South Africa, produces flexible packaging for the beverage; food and home care end markets and is the market leader in South Africa. The business services many of Amcor's existing global customers and provides a platform for growth in the African region.

On 13 July 2015, the INR 1,650 million (US\$26.0 million) acquisition of Packaging India Private Limited (PIPL) was completed. PIPL has three plants located in the North and South of India and produces flexible packaging predominantly for the food and personal care markets. This acquisition provides an opportunity for the business to further expand its customer base and value proposition in the high growth Indian market.

Committed Debt Facilities Refinanced

The syndicated multi-currency facility to support uncommitted commercial paper programs was due to mature on 20 August 2015, subsequent to year end this facility was increased from US\$425.0 million to US\$565.4 million for five years, now maturing on 17 July 2020.

The syndicated multi-currency facility that was to mature on 31 October 2016, subsequent to year end the facility limit has been increased to US\$776.6 million and the maturity has been extended to 31 October 2018.

6.6 Basis of preparation and compliance

Basis of preparation

The Company is domiciled in Australia and the Group is a for-profit entity for the purpose of preparing the financial statements. The consolidated financial statements were approved by the Board of Directors on 25 August 2015.

The financial report:

- is a general purpose financial report;
- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (AASBs) including Australian Accounting Interpretations, adopted by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) and Interpretations as issued by the International Accounting Standards Board;
- has been prepared on a going concern basis using historical cost conventions except for the following items in the statement of financial position measured at fair value:
 - available-for-sale financial assets;
 - derivative financial instruments;
 - non-derivative financial instruments at fair value through profit or loss;
 - liabilities for cash settled share-based payment arrangements; and
 - defined contribution plan assets, refer note 5.2 for more details;
- is presented in United States Dollars with all values rounded to the nearest \$100,000 or, where the amount is US\$50,000 or less, zero, unless otherwise stated, in accordance with the Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998;
- presents reclassified comparative information where required for consistency with the current year's presentation;
- adopts all new and amended AASBs and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2014;
- does not early adopt any AASBs and Interpretations that have been issued or amended but are not yet effective; and
- have all intercompany balances, income and expenses, unrealised gains and losses and dividends resulting from intercompany transactions eliminated in full.

Financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

New and amended accounting standards and interpretations adopted from 1 July 2014

The Group has applied AASB 2014-1 *Amendments to Australian Accounting Standards* for the first time in the annual reporting period commencing 1 July 2014.

The Group also elected to early adopt the following Standards:

- AASB 2015-1 *Amendments to Australian Accounting Standards (Improvements 2012-2014 Cycle)*;
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*; and
- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*.

The adoption of these amendments did not have any significant impact on the Group's results or its accounting policies as these amendments either clarified the existing requirements or required additional note disclosures, which have been incorporated into these financial statements.

Financial Report

Notes to the Financial Statements

Section 6: Other disclosures (continued)

6.6 Basis of preparation and compliance (continued)

New and amended standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are non-mandatory for the year ended 30 June 2015. The table below outlines an assessment of the impact of these new standards and interpretations relevant for the Group:

Title of Standard	Summary and impact on Group's financial statements	Application date of Standard	Application date for Group for financial year ending
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<p>The amendments require a full gain or loss to be recognised by the investor where non-monetary assets sold or contributed to an associate or joint venture constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests.</p> <p>The amendments will only apply if the Group sells or contributes assets to its associate or joint venture.</p>	1 January 2016	30 June 2017
AASB 15 Revenue from contract with customers	<p>AASB 15 replaces AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i> and related Interpretations. The core principle of AASB 15 is that revenue is recognised when control of a good or service transfers to a customer at the transaction price. An entity recognises revenue by applying the following steps:</p> <p>Step 1: Identify the contract with a customer</p> <p>Step 2: Identify the performance obligations in the contract</p> <p>Step 3: Determine the transaction price</p> <p>Step 4: Allocate the transaction price to the performance obligations in the contract</p> <p>Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.</p> <p>The Group has decided not to early adopt AASB 15. Due to the timing of issue of the new Standard, the Group is still currently evaluating the impact of the new Standard. Detailed assessments of the impact will be made over the next twelve months.</p>	1 January 2017	30 June 2018
AASB 9 Financial Instruments	<p>AASB 9 replaces AASB 139 and addresses the classification, measurement and derecognition of financial assets and financial liabilities. It also addresses the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs and risk components that can be hedged.</p> <p>AASB 9 introduces a new expected-loss impairment model that will require entities to account for expected credit losses at the time or recognising the asset.</p> <p>The Group does not expect the adoption of the new Standard to have a material impact on its classification and measurement of the financial assets and liabilities, its hedging arrangements or its results on adoption of the new impairment model.</p> <p>The new Standard will result in extended disclosures in the financial statements. The Group has decided not to early adopt AASB 9.</p>	1 January 2018	30 June 2019

Directors' Declaration

1. In the opinion of the Directors of Amcor Limited ('the Company'):
 - (a) the financial statements and notes, and remuneration disclosures that are detailed within the Remuneration Report in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

2. At the date of this declaration, there are reasonable grounds to believe that the Company and the consolidated entities identified in note 6.4 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those consolidated entities pursuant to ASIC Class Order 98/1418.
3. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and the chief financial officer for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Directors, dated at Melbourne Victoria, this 25th day of August 2015.



Graeme Liebelt
Chairman

Independent auditor's report to the members of Amcor Limited



Report on the financial report

We have audited the accompanying financial report of Amcor Limited (the company), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Amcor Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

PricewaterhouseCoopers, ABN 52 780 433 757

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

Liability limited by a scheme approved under Professional Standards Legislation.

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of Amcor Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001* and Report on the Remuneration Report.
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the Remuneration Report

We have audited the remuneration report included in pages 34 to 53 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Amcor Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



PricewaterhouseCoopers



John Yeoman
Partner

Melbourne
25 August 2015

Statement of Shareholdings

Statement pursuant to Australian Securities Exchange official list requirements:

Holders of shares in Amcor

The 20 largest holders of shares in Amcor as at 11 August 2015:

Rank	Name	Shares Held	% held
1	HSBC Custody Nominees (Australia) Limited	338,874,822	28.73%
2	J P Morgan Nominees Australia Limited	290,267,634	24.61%
3	National Nominees Limited	154,189,352	13.07%
4	Citicorp Nominees Pty Limited	71,436,607	6.06%
5	BNP Paribas Noms Pty Ltd	29,180,613	2.47%
6	Australian Foundation Investment Company Limited	12,864,129	1.09%
7	Citicorp Nominees Pty Limited	7,623,659	0.65%
8	Argo Investments Limited	4,918,564	0.42%
9	AMP Life Limited	4,408,051	0.37%
10	RBC Investor Services Australia Nominees Pty Limited	3,780,266	0.32%
11	UBS Wealth Management Australia Nominees Pty Ltd	3,634,061	0.31%
12	The Senior Master Of The Supreme Court	2,769,033	0.23%
13	HSBC Custody Nominees (Australia) Limited	2,659,700	0.23%
14	BNP Paribas Nominees Pty Ltd	2,513,375	0.21%
15	Mr John Vincent Murray	2,426,000	0.21%
16	UBS Nominees Pty Ltd	2,352,792	0.20%
17	SBN Nominees Pty Limited	2,300,000	0.19%
18	Custodial Services Limited	1,993,605	0.17%
19	Pacific Custodians Pty Limited	1,708,629	0.14%
20	KN MacKenzie Pty Ltd	1,501,220	0.13%
TOTAL		941,402,112	79.80%

Substantial shareholders

The Capital Group of Companies, Inc. by notice dated 22 December 2014 has a relevant interest in 126,453,083 shares.

Distribution of shareholdings

Distribution of fully-paid ordinary shares as at 11 August 2015:

Size of Holding (Range)	Number of Holders	Number of Securities	% Issued Capital
100,001 and Over	146	983,163,422	83.34
10,001 to 100,000	3,157	63,356,337	5.37
5,001 to 10,000	5,843	41,252,924	3.50
1,001 to 5,000	33,392	77,495,259	6.57
1 to 1,000	31,042	14,422,200	1.22
Total	73,580	1,179,690,142	100.00
Unmarketable Parcels	2,239	30,367	0.00

Voting rights

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

Unquoted Equity Securities

Unquoted equity securities issued pursuant to various Amcor Employee Incentive Plans as at 11 August 2015:

Unquoted equity securities	Number of employees participating	Number of securities
Options over ordinary shares exercisable at various prices	94	24,743,300
Rights	266	6,601,768
Performance Shares	32	1,666,400

On market buy-back

On 17 February 2015, the Company announced that it would be undertaking an on-market buy-back of US\$500 million worth of shares within 12 months of the date of the announcement. The on-market buy-back remains current as at the date of this report.

On market share acquisitions

During the 2014/15 financial year, 13,721,435 Amcor ordinary shares were purchased on market at an average price of A\$12.12 per share to satisfy obligations under various Amcor employee incentive plans. Refer to the Remuneration Report, pages 34 to 53, for further details of the Company's employee incentive plans.

Statistical Summary

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

For the years ended 30 June	2015	2014 ⁽¹⁾	2013	2012	2011	2010
Amcor Consolidated Results						
Net sales	9,611.8	9,964.5	12,763.2	12,580.7	12,285.7	8,627.2
Operating profit before interest and tax pre significant items	1,065.1	1,082.1	1,155.6	1,095.2	993.0	665.0
Operating profit before tax pre significant items	895.9	888.9	916.0	882.9	778.1	504.4
Net operating profit pre significant items	680.3	677.8	691.0	655.1	564.5	358.4
Net operating profit after significant items	680.3	677.8	602.7	425.5	362.5	160.3
Earnings per share (cents) pre significant items ⁽²⁾	56.6	56.2	57.3	54.0	46.1	30.9
Earnings per share (cents) after significant items	56.6	56.2	50.0	35.1	29.6	13.8
Return on average shareholders' equity pre significant items (% p.a.)	34.7	25.4	19.5	17.9	14.7	10.9
Dividend and distribution	472.4	448.1	485.1	441.5	418.4	266.0
Dividend per ordinary share (cents)	40.0	39.2	38.7	39.4	35.6	26.4
Dividend franking (% p.a.)	-	-	-	-	-	-
Dividend cover (times)	1.41	1.43	1.48	1.37	1.29	1.17
Financial Ratios						
Net tangible asset backing per share (US\$)	(0.39)	(0.05)	0.87	0.97	1.46	1.29
Net PBITDA interest cover pre significant items (times)	8.4	7.5	7.3	7.6	7.0	6.6
Gearing (net debt/net debt and shareholders' equity) (%)	64.5	58.5	51.7	51.3	46.0	42.5
Financial Statistics						
Income from dividends and interest	28.2	28.6	28.4	23.1	19.2	20.1
Depreciation and amortisation provided during the year	355.2	375.9	489.1	511.2	505.7	398.2
Net finance costs	169.2	193.2	226.1	212.3	214.9	160.7
Cash flow from operations	1,002.3	1,075.0	1,074.4	1,045.4	778.4	696.7
Capital expenditure and acquisitions	421.4	443.7	717.4	994.0	1,050.5	2,541.9
Balance Sheet Data as at 30 June						
Current assets	3,413.0	3,326.5	3,891.1	3,742.2	3,905.3	3,059.8
Non-current assets	5,134.1	5,807.4	7,624.5	7,633.2	7,754.4	6,700.7
Total Assets	8,547.1	9,133.9	11,515.6	11,375.4	11,659.7	9,760.5
Current liabilities	3,674.4	3,296.0	4,358.6	4,215.2	3,574.5	3,637.4
Non-current liabilities	3,285.7	3,698.8	3,723.6	3,760.7	4,083.5	2,564.3
Total Liabilities	6,960.1	6,994.8	8,082.2	7,975.9	7,658.0	6,201.7
Net Assets	1,587.0	2,139.1	3,433.4	3,399.5	4,001.7	3,558.8
Shareholders' Equity						
Share capital	1,680.6	2,072.0	2,755.5	2,709.9	3,000.2	2,959.1
Reserves	(666.5)	(414.3)	253.2	316.7	542.1	98.9
Retained profits	452.1	370.4	335.9	282.0	400.8	458.5
Shareholders' equity attributable to Amcor Limited	1,466.2	2,028.1	3,344.6	3,308.6	3,943.1	3,516.5
Non controlling interests in controlled entities	120.8	111.0	88.8	90.9	58.6	42.3
Total Shareholders' equity	1,587.0	2,139.1	3,433.4	3,399.5	4,001.7	3,558.8
Other data as at 30 June:						
Fully paid shares (000's)	1,181,415	1,206,685	1,206,685	1,206,685	1,227,470	1,221,647
Amcor share price (4)						
- year's high (\$AUD)	14.72	10.83	9.27	6.94	6.62	6.06
- year's low (\$AUD)	10.02	9.00	6.29	5.61	5.63	3.88
- close (\$AUD)	13.72	10.43	9.10	6.37	6.46	5.73
Market capitalisation (\$AUD) ⁽³⁾	16,209.0	12,585.7	10,986.4	7,681.8	7,935.3	6,998.2
Employee numbers	27,902	27,679	33,354	32,986	33,868	33,606
Number of shareholders	73,580	69,578	64,400	67,589	70,161	72,046

(1) The statistical summary for 2014 consists of the continuing operations of Amcor Limited Group and excludes the Australasia and Packaging Distribution business demerged during the year. The 2014 statistical summary also includes changes to accounting policy for retirement benefit obligations under the revised standard AASB 119 Employee Benefits.

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

(3) Share price and market capitalisation for 2014 and prior years have been adjusted to reflect the AAPD demerger

Investor Information

Share registry enquiries

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

Contact details are:

Link Market Services Limited

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

Postal Address:
Locked Bag A14,
Sydney South NSW 1235

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

Facsimile: +61 3 9287 0303

Email: amcor@linkmarketservices.com.au

Website: www.linkmarketservices.com.au

Online Shareholder Services

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

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

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

Dividends

The Company normally pays dividends around March and September each year. Shareholders should retain all remittance

advice relating to dividend payments for tax purposes.

Dividends are declared in US dollars, but are paid in Australian dollars. The applicable exchange rate used to convert the dividend into the Australian dollar amount payable is made available at the time the dividend is declared.

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

- 1. By direct deposit to an Australian bank, building society or credit union account.** Shareholders may choose to have their dividends paid directly into a nominated bank, building society or credit union account anywhere in Australia. Payments are electronically credited on the dividend date and confirmed by a payment advice sent to the shareholder. Forms for this service are available from Amcor's Share Registry or Amcor's website.
- 2. By cheque payable to the shareholder.** Lost or stolen cheques should be reported, in writing, immediately to Amcor's Share Registry to enable a 'stop payment' and replacement.
- 3. Dividend Reinvestment Plan (DRP).** The DRP provides shareholders with the opportunity to re-invest their dividends to acquire additional Amcor shares. Shares acquired under the DRP rank equally with existing fully paid ordinary shares and have been provided to participants with no discount at a price equivalent to the arithmetic average of the weighted average market price of Amcor shares sold on the ASX during a period of nine business days after the record date for the relevant dividend. That period begins on the second business day after the record date and ends on the tenth business day.

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

Tax File Numbers

Amcor is required to withhold tax at the rate of 49.0% on any unfranked component of a dividend or interest paid to investors resident in Australia who have not supplied the Company with a tax file number (TFN) or exemption form. Investors are not required by law to provide their TFN and can choose whether or not they wish to do so.

Stock Exchange Listings

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

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

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

American Depositary Receipts

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

Amcor Publications

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

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

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

Corporate Directory

Website: www.amcor.com

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Jerzy Czubak
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United States of America

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Facsimilie: +1 734 302 2298

Mike Schmitt
President Amcor Rigid Plastics

Share Registry

Amcor Share Registry
C/- Link Market Services
Locked Bag A14
Sydney South NSW 1235
Australia

Telephone: 1 300 302 458
(available from all locations)
Facsimilie: +61 3 9287 0303

Email: amcor@linkmarketservices.com.au

American Depositary Receipts Registry

C/- JP Morgan Depositary Receipts
4 New York Plaza
New York, NY 10004

Telephone: 1 866 JPM ADRS

Financial Calendar 2015/16

Financial year 2014/15 ends	30 June 2015
Announcement of full year results for 2014/15	25 August 2015
Ex-dividend date for final dividend for 2014/15	7 September 2015
Record date for final dividend and DRP for 2014/15	9 September 2015
Final dividend payment date for 2014/15	30 September 2015
Annual General meeting	21 October 2015
Financial half year 2015/16 ends	31 December 2015
Announcement of interim results for 2015/16	February 2016
Ex-dividend date for interim dividend for 2015/16	Late Feb/Early March 2016
Record date for interim dividend for 2015/16	Late Feb/Early March 2016
Interim dividend payment date for 2015/16	Late March 2016
Financial year 2015/16 ends	30 June 2016

Paper and printing of this annual report

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





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