

Appendix 4E Rule 4.3A

Preliminary Final report

AMCOR LIMITED
ABN 62 000 017 372

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

Reporting Period:	Year Ended 30 June 2015
Previous Corresponding Period:	Year Ended 30 June 2014

2. Results for announcement to the market

<i>US\$ million</i>				
2.1 Revenues from ordinary activities				
• From Continuing Operations	Down	3.5%	to	9,611.8
• From Discontinued Operations	Down	100.0%	to	Nil
2.2 Net profit for continuing operations from ordinary activities after tax but before significant items, attributable to members	Up	0.4%	to	680.3
Net profit for continuing and discontinued operations from ordinary activities after tax but before significant items, attributable to members ¹	Down	6.4%	to	680.3
2.3 Net profit for the period, after significant items, attributable to members	Up	35.3%	To	680.3

¹ For the year ended 30 June 2014 significant items, after tax, totalled US\$ 224.0 million all relating to the demerger activities of the Australasia and Packaging Distribution business.

Dividends	Amount per security	Franked amount per security
<i>Current period</i>		
2.4 Final dividend	21.0 US cents	nil
2.4 Interim dividend	19.0 US cents	nil
<i>Previous corresponding period</i>		
2.4 Final dividend	21.8 US cents	nil
2.4 Interim dividend	17.4 US cents	nil
2.5 Record date for determining entitlements to the dividend	Final dividend – 9 September 2015	

2.6 Brief explanation of figures in 2.1 to 2.4 –:

- i) The increase/decrease from the prior period is based on restated numbers; Amcor has changed its presentation currency to US Dollars, refer to the section 'What's new in this report' in the financial statements for further details.
- ii) Dividends in the current period are unfranked. Dividends to non-residents are sourced from the parent entity's Conduit Foreign Income Account. As a result, 100% of the dividend paid to a non-resident will not be subject to Australian withholding tax.
- iii) Refer to attached press release for further details relating to 2.1 to 2.4.

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

4. Statement of Financial Position – Refer attached

5. Statement of Cash Flows – Refer attached

6. Statement of Retained Earnings – Refer attached, Note 3.6 Reserves

7. Details of individual dividends and payment dates – refer attached, Note 1.2 Dividends

8. Details of dividend reinvestment plan

The Dividend Reinvestment Plan (DRP) is in operation. No discount is available under the DRP. Issue price will be calculated on the arithmetic average of the weighted average market price for the nine ASX trading days September 14 to 24, 2015 inclusive. The last date for receipt of election notices for the DRP is 10 September 2015. Shares allotted under the DRP rank equally with existing fully paid ordinary shares of Amcor Limited.

9. Net tangible assets

	Current period	30 June 2014
Net tangible asset backing per ordinary security	(US\$0.39)	(US\$0.05)

10. Control gained over entities having a material effect – Refer attached, Note 4.1 Businesses Acquired

11. Details of associates and joint venture entities – Refer attached, Note 4.3 Equity Accounted Investments

12. Significant information – Refer press release attached

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

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

15. This report is based on accounts which have been audited. The audit report, which is unmodified, will be made available with the Company's financial report, which also contains the Director's Report (including the audited Remuneration Report) and Director's Declaration. These will all be released at the same time as part of the Company's Annual Report which is nearing completion and will be released on approximately 17 September 2015.



Julie McPherson
Company Secretary

Date: 25 August 2015

A M C O R L I M I T E D
A.B.N. 62 000 017 372

ANNUAL FINANCIAL REPORT
PRESENTED IN USD

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2015

30 June 2015

Amcor Limited and its controlled entities

Financial Report

30 June 2015

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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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
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of Amcor Limited			
		Cents	Cents
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.

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

US\$ million	Note	2015	2014
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Profit for the financial period		707.9	531.8
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
<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
<i>Items that will not be reclassified to profit or loss:</i>			
<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
<hr/>			
Total comprehensive income attributable to:			
Owners of Amtcor Limited		306.3	477.6
Non-controlling interest		23.0	29.0
		329.3	506.6
<hr/>			
Total comprehensive income for the period attributable to owners of Amtcor Limited arises from:			
Continuing operations		306.3	652.5
Discontinued operations	4.4(a)	-	(174.9)
		306.3	477.6
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The above statement of comprehensive income should be read in conjunction with the accompanying notes.

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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.

Amcor Limited and its controlled entities

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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

US\$ million	Note	Attributable to owners of Amcor Limited				Non-controlling interest	Total equity
		Contributed equity	Reserves	Retained earnings	Total		
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.

Amcor Limited and its controlled entities

Financial Report

30 June 2015

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.

Amcor Limited and its controlled entities

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30 June 2015

Cash flow statement (continued) for the financial year ended 30 June 2015

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

30 June 2015

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:

- Basic 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
	US Cents	US Cents
EPS for profit from continuing operations attributable to the ordinary equity holders of Amcor Limited		
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 to 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).

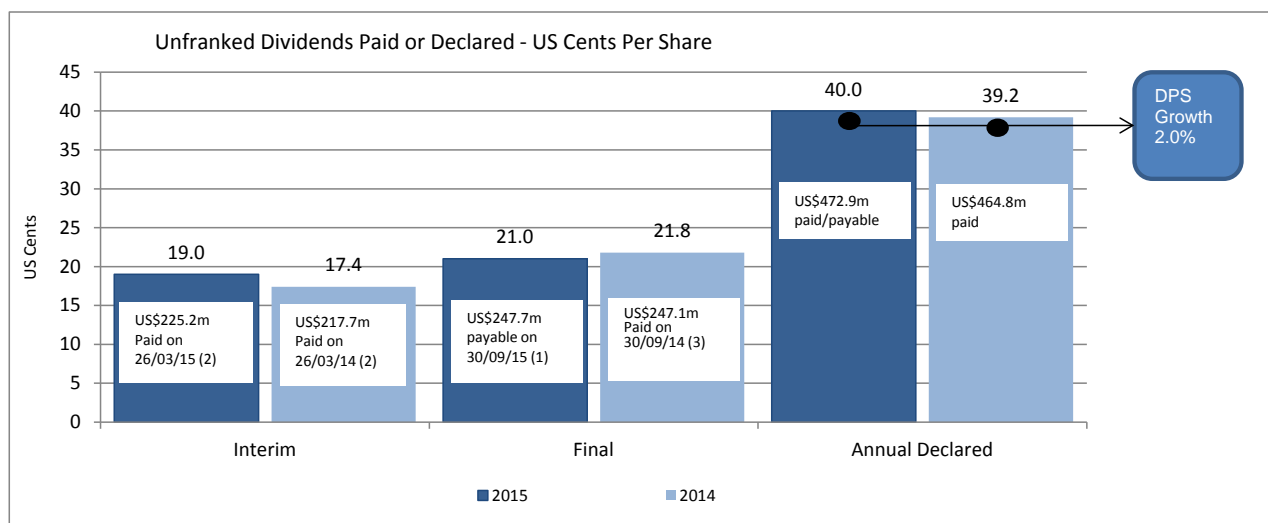
Diluted EPS is calculated on the same basis as Basic EPS except that it reflects the impact of any potential commitments the Group has to issue shares in the future. In 2015, the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares 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.

Amtcor Limited and its controlled entities **Financial Report** **Notes to the financial statements** **Section 1: Key Performance Metrics**

30 June 2015

1.2 Dividends



⁽¹⁾ 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.

⁽²⁾ Declared and paid during the period.

⁽³⁾ Estimated final 2014 dividend amount was US\$263.1million, the difference to the actual amount is mainly foreign exchange related.

⁽⁴⁾ 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.

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.

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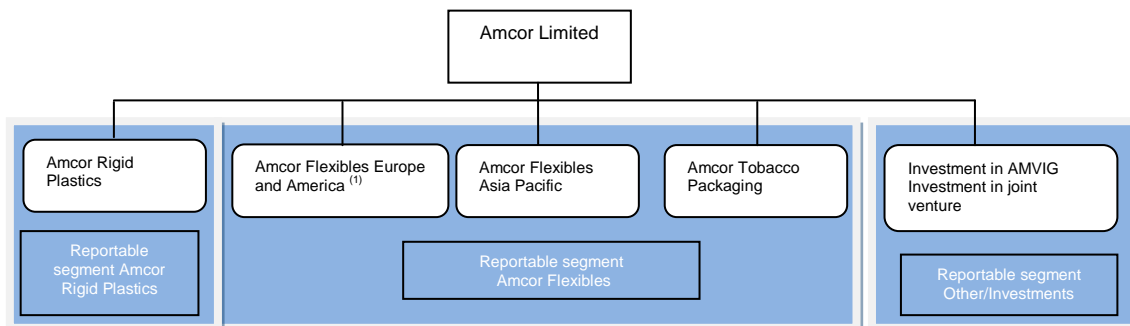
Notes to the financial statements

Section 1: Key Performance Metrics

30 June 2015

1.3 Segment Performance

Amcor 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 America will be split into two new Business Groups – Amcor Flexibles Europe, Middle East and Africa and Amcor Flexibles Americas.

Reportable Segment	Operations
Amcor 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.
Amcor 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 Amcor'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.

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1.3 Segment Performance (continued)

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		
US\$ million	2015	2014	2015	2014	2015	2014	2015	2014	2014
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	-

Amcor Limited and its controlled entities

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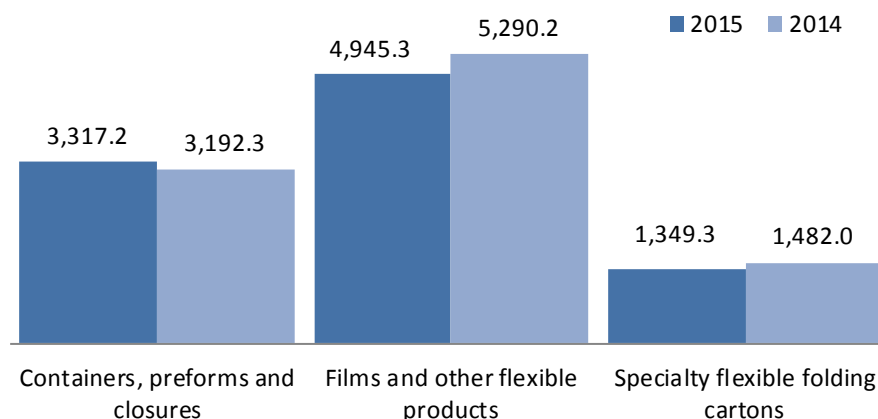
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Section 1: Key Performance Metrics

30 June 2015

1.3 Segment Performance (continued)

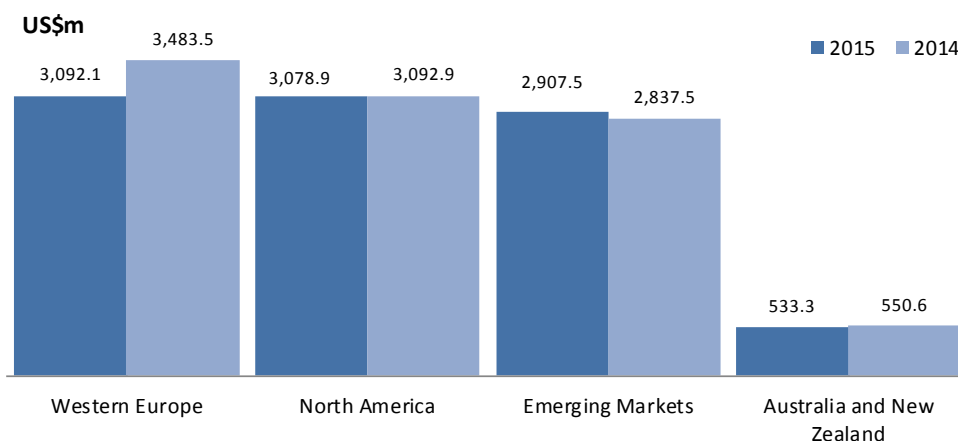
Product segment revenue



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:



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.

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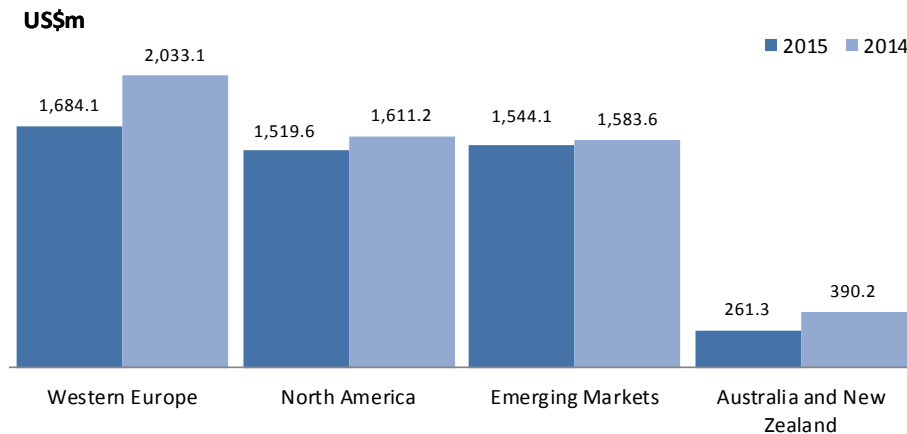
Section 1: Key Performance Metrics

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1.3 Segment Performance (continued)

Geographic segments (continued)

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



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.

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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

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1.4 Income and Expenses (continued)

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.

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.

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30 June 2015

1.5 Taxation (continued)

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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Section 1: Key Performance Metrics

30 June 2015

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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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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Section 2: Operating assets and liabilities

30 June 2015

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
Finished goods	514.1	549.0	incurred in the normal course of business.
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.

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Section 2: Operating assets and liabilities

30 June 2015

2.3 Property, plant and equipment (continued)

Property, plant and equipment is analysed as follows:

US\$ million	Land	Land improvements	Buildings	Plant and equipment	Finance leases	Total
	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						
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
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.

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2.4 Intangible assets (continued)

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. This asset is 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.

US\$ million	Other intangible assets					Total
	Goodwill	Customer relationships	Computer software	Product development	Other	
	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).

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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	2014	2015	2014	2015	2014
	US\$ million	US\$ million	%	%	%	%
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.

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.

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

Intangibles

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

Impairments of computer software amounting to \$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	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.	Likelihood of settling customer and insurance claims
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>	Surplus lease space which the Group is not using and contracts the Group has entered into that are now unprofitable

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2.6 Provisions (continued)

Provision	Description	Key judgements and estimates 
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>	Future costs associated with dismantling and removing assets and restoring sites to their original condition
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>	Future costs associated with the restructuring and time line the restructure will take

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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Section 3: Group's capital and risks

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3.2 Net debt (continued)

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

US\$ million					Facility Details	Facility Limit million	Maturity	Facility Usage	
	2015	2015	2014	2014				2015	2014
	Current	Non-current	Current	Non-current					
Secured borrowings:									
Bank loans	9.6	-	-	-	Land, plant and buildings				
Other loans	-	11.0	-	11.0	Mortgages	USD 11.0	May 2021 - USD 8.m Nov 2053 - USD 2.7m	11.0	11.0
Lease liabilities	0.9	5.5	1.5	7.1	Property, plant and equipment is provided as security for lease liabilities. Refer note 2.3			27.1	19.7
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	Bank Loans				
					- committed multi-currency facility	AUD 100.0	Jan 2016	65.1	83.8
					- committed multi-currency facility	AUD 100.0	Jun 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	837.0	-	238.5	-	Commercial paper markets borrowing - Uncommitted promissory note facility	AUD 600.0	Footnote 1	237.2	98.5
					Commercial paper markets borrowing - Uncommitted commercial paper program	USD 600.0	Footnote 1	599.8	140.0
US dollar notes	-	953.7	180.0	973.3	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
Euro notes	56.2	112.3	-	204.7	United States Private Placement borrowing - Senior unsecured notes issued 2010	EUR 50.0	1 September 2015 Euro 50m	56.2	68.2
						EUR100.0	1 September 2020 Euro 100m	112.3	136.5
Eurobond	-	971.5	-	1,181.2	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	-	161.5	-	167.4	Swiss bond market borrowings - unsecured notes	CHF 150.0	April 2018	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		(596.3)		(390.1)	Footnote 2				
Deposits - Short term and at call		(108.6)		(119.6)	Short-term deposits and short-term money market investments				
Total cash and cash equivalents		(704.9)		(509.7)					
Net Debt		2,880.4		3,013.4					

Footnotes:

- 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 multicurrency facility tranche due in August 2015 along with the US\$750m 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.
- 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 million and US\$105 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%).

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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 table below.

US\$ million	2015			2014		
	Committed	Uncommitted	Total	Committed	Uncommitted	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.

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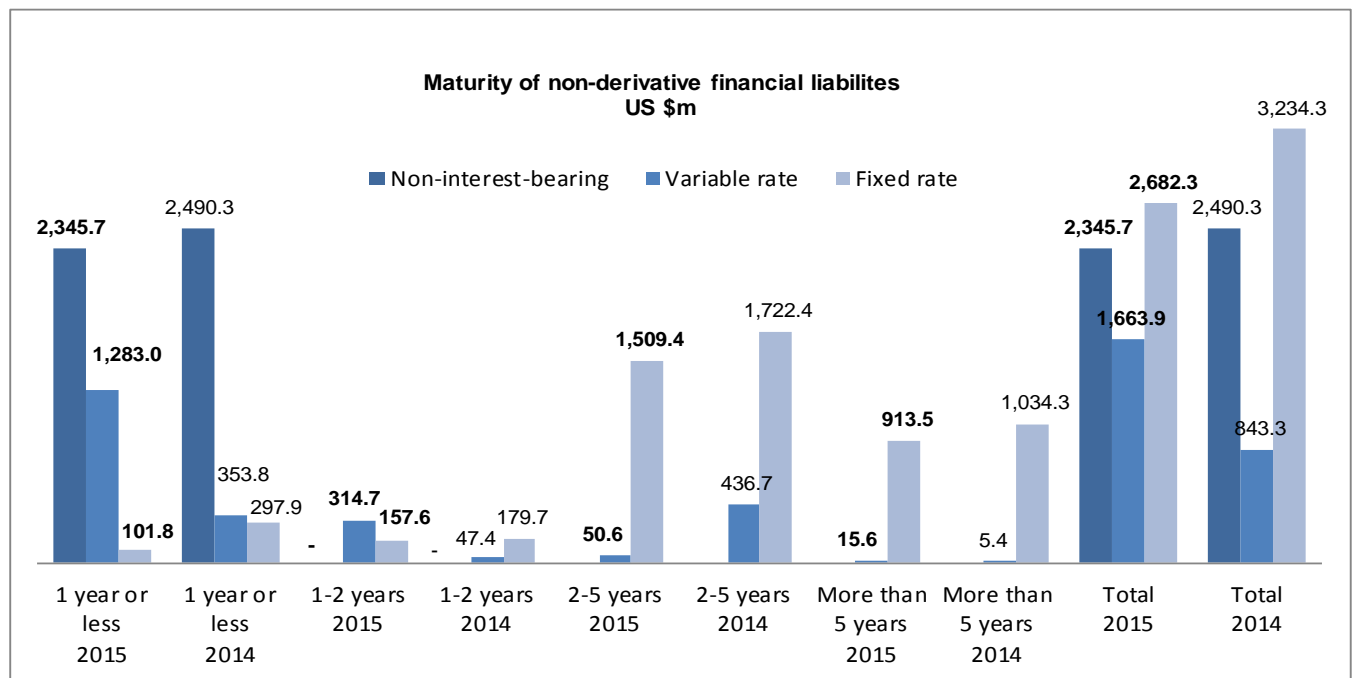
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3.2 Net debt (continued)

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.



(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 to determine, 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 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.

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3.2 Net debt (continued)

(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.

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:

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3.3 Financial risk management (continued)

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

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3.3 Financial risk management (continued)

Foreign exchange risk – translation management (continued)

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.

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 Amcor Ltd is approximately US\$2.0 million for each 1 Bolivar movement against the US dollar. Refer to footnote 2 in note 3.2 Net Debt for details of restricted cash.

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

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3.3 Financial risk management (continued)

(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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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	<p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>

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.

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3.3 Financial risk management (continued)

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

US\$ million	2015		2014	
	Asset	Liability	Asset	Liability
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			
<i>Derivatives</i>			
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			
<i>Derivatives</i>			
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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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 Short term monetary financial assets and liabilities Trade and other receivables Trade payables	Carrying value approximates fair value due to short term nature of the assets and liabilities
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:

		2015		2014	
US\$ million	Note	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.

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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.

	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 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.

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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. Amcor 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 Amcor 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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4.1 Businesses acquired (continued)

Acquisitions made during the financial year ended:

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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.

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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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4.3 Equity accounted investments

Key judgements and estimates

Amcor 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).

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4.3 Equity accounted investments (continued)

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%.

Transactions with equity accounted investments

During the year ended 30 June 2015, the Group incurred research and development expenditure totalling \$3.7 million (2014: \$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 \$1.0 million (2014: \$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 \$33.1 million from associates (2014: \$9.7 million).

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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.

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4.4 Discontinued operations (continued)

(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.

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
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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5.1 Share based payments (continued)

A description of the LTIP 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	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	<p>Provides an additional short-term incentive opportunity to selected executives, globally, in the form of rights to Amcor Limited shares.</p> <p>The number of rights that are allocated to each eligible executive is based on:</p> <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. 	<p>Give the co-worker the right to receive fully paid ordinary shares upon meeting specified vesting conditions described below with no exercise price payable.</p> <p>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.</p>
Vesting conditions	Subject to a Return on Average Funds Employed (RoAFE) test, the satisfaction of a relative Total Shareholder Return (TSR) 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.

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5.1 Share based payments (continued)

The following table shows the movement of the awards under the LTIP:

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 following events occurred as a result of the demerger of the Australasia and Packaging Distribution business:

- (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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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 the 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).

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5.1 Share based payments (continued)

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:

Weighted average	2015		2014	
	No.	Fair value AUD	No.	Fair value AUD
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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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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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
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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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

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5.2 Retirement benefit obligations (continued)

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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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:

Maturity analysis of benefits expected to be paid					
US\$ million	1 year or less	1-2 years	2-5 years	More than 5 years	Total
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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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	
Between one and five years	187.5	181.1	
More than five years	149.9	114.5	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.
	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.

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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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Section 6: Other disclosures

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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.

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6.4 Deed of Cross Guarantee (continued)

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

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)

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6.4 Deed of Cross Guarantee (continued)

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
Deferred tax liabilities	-	-
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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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
- 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.

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6.6 Basis of preparation and compliance (continued)

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*
- 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.

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 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	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. The amendments will only apply if the Group sells or contributes assets to its associate or joint venture.	1 January 2016	30 June 2017
AASB 15 <i>Revenue from contract with customers</i>	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: Step 1: Identify the contract with a customer Step 2: Identify the performance obligations in the contract Step 3: Determine the transaction price Step 4: Allocate the transaction price to the performance obligations in the contract Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. 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.	1 January 2017	30 June 2018
AASB 9 <i>Financial Instruments</i>	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. 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. 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. The new Standard will result in extended disclosures in the financial statements. The Group has decided not to early adopt AASB 9.	1 January 2018	30 June 2019