AMCOR LTD
Form 20-F
December 23, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

o	**Registration Statement pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934**
	Or
ý	**Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
	For the fiscal year ended June 30, 2004
	Or
o	**Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
	For the transition period from to

Commission file number: 0 - 18893

AMCOR LIMITED

ABN 62 000 017 372

(Exact name of Registrant as specified in its charter)

NEW SOUTH WALES, AUSTRALIA

(Jurisdiction of incorporation of organisation)

679 VICTORIA STREET, ABBOTSFORD, VICTORIA 3067 AUSTRALIA

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

None

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Ordinary Shares

American Depositary Shares

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the Annual Report.

Ordinary Shares 877,949,796

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ý No o

Indicate by check mark which financial statement item the registrant elected to follow:

Item 17 o Item 18 ý

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report constitute forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words such as may , will , expect , intend , plan , estimate , anticipate , believe , continue , or These forward-looking statements, including economic predictions and assumptions and business and financial projections and statements concerning Amcor s business, involve known and unknown risks, uncertainties and other factors that may cause its actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These factors include, among others, risks to Amcor s businesses, including changes in the legal and regulatory regimes under which we operate, changes in the behaviour of our major customers and competitors and general changes in the economic conditions of the markets in which we operate.

Other factors are discussed under Item 3 - Risk Factors and elsewhere in this Annual Report. This list of important factors is not exhaustive. Given these risks, uncertainties and other factors, potential investors are cautioned not to place undue reliance on forward-looking statements.

These forward-looking statements speak only as of the date of this Annual Report, and Amcor does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

ITEM 3 KEY INFORMATION

A. Selected Financial Data

Definitions

Company or Amcor Limited means Amcor Limited ABN 62 000 017 372, the listed holding company of the Amcor Group. Amcor or we or our means Amcor Limited and all its controlled entities.

Our fiscal year ends on June 30. The fiscal year ended June 30, 2004 is referred to herein as 2003-04 and other fiscal years are referred to in a corresponding manner. All other references are to calendar years.

A-GAAP or Australian GAAP means Australian generally accepted accounting principles.

US-GAAP or US GAAP means United States generally accepted accounting principles.

Significant items means items of revenue and expense included in the operating profit or loss which are disclosed as significant under A-GAAP by reason of their size and effect on the operating profit or loss. Significant items are not necessarily non-recurring items. See Note 4 to the Consolidated Financial Statements.

Consolidated Financial Statements means the audited consolidated balance sheets of Amcor as of June 30, 2004 and 2003 and the audited consolidated income statements and statements of cash flows for each of the one-year periods ended June 30 for the years 2004, 2003, and 2002 together with accompanying notes, included and incorporated by reference herein.

PBITDA refers to profit before interest, income tax, depreciation and amortization excluding significant items.

PBITA refers to profit before interest, income tax and amortization excluding significant items.

PBIT refers to profit before interest and income tax excluding significant items.

Segment Result refers to profit before interest, income tax and amortization excluding significant items (PBITA).

ACCC refers to the Australian Competition and Consumer Commission.

NZCC refers to the New Zealand Commerce Commission.

The selected financial data appearing below as at June 30, 2004 and 2003, and for years ended June 30, 2004, 2003 and 2002, are set forth in Australian dollars (except as otherwise indicated), are derived from our audited Consolidated Financial Statements which are included in this Annual Report. Certain A$ amounts have been translated into US$ amounts at the exchange rate specified. These translations are indicative only and do not mean that the A$ amounts could be converted to US$ at the rate indicated. The selected financial data at June 30, 2002, 2001 and 2000 and for years ended June 30, 2001 and 2000 have been derived from our audited Consolidated Financial Statements not included in this Annual Report. Amcor s audited Consolidated Financial Statements are prepared in accordance with A-GAAP, which differ in certain respects from US-GAAP. See Note 33 to the Consolidated Financial Statements for a discussion of the significant differences between A-GAAP and US-GAAP as they apply to Amcor for the periods presented therein.

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The following selected financial data should be read in conjunction with, and is qualified in its entirety by reference to, the Consolidated Financial Statements, including Notes thereto.

Selected Financial Data prepared in accordance with A-GAAP

	Year Ended June 30,											
	2004 (1)		2004		2003		2002		2001		2000	
	(In millions, except ratios and per share amounts)											
Income Statement Data:												
Sales revenue	US$	7,173.8	A$	10,405.9	A$	10,709.9	A$	7,472.4	A$	5,667.2	A$	5,737.2
Profit from ordinary activities before income tax		325.1		471.5		488.6		981.2		404.0		380.1
Income tax		(76.7)		(111.3)		(110.5)		(120.2)		(118.2)		(83.3)
Minority interests		(10.0)		(14.5)		(16.8)		(9.3)		(3.4)		(5.9)
Net profit	US$	238.4	$A	345.7	A$	361.3	A$	851.7	A$	282.4	A$	290.9
Dividends paid and payable	US$	193.2	A$	280.3	A$	252.7	A$	206.2	A$	179.1	A$	237.9
Dividends per Ordinary Share (A$)			A$	0.32	A$	0.30	A$	0.28	A$	0.28	A$	0.38
Dividends per Ordinary Share (US$) (2)			US$	0.22	US$	0.18	US$	0.15	US$	0.14	US$	0.23
Earnings per Share												
Basic	US$	0.23	A$	0.34	A$	0.37	A$	1.22	A$	0.45	A$	0.46
Diluted	US$	0.23	A$	0.34	A$	0.37	A$	1.10	A$	0.44	A$	0.45

	Year Ended June 30,											
	2004 (1)		2004		2003		2002		2001		2000	
	(In millions, except ratios, other data and per share amounts)											
Balance Sheet Data (at period end):												
Current assets	US$	2,104	A$	3,052	A$	2,951	A$	4,591	A$	2,683	A$	1,749
Total assets		7,091		10,286		9,562		8,842		7,026		4,956
Total long-term interest bearing liabilities (including finance leases)		1,224		1,776		1,004		1,145		1,559		990
Other capital resources (3)		229		332		446		543		426		426
Shareholders equity/net assets		3,183		4,617		4,440		4,395		2,361		1,773

Refer to page 7 for notes relating to above table

Selected Financial Data prepared in accordance with US GAAP

	2004 (1)		2004		2003		2002		2001		2000
			(In millions, except ratios, other data and per share amounts)									
Income Statement Data:												
Sales revenue	US$	7,173.8	A$	10,405.9	A$	10,709.9	A$	7,472.4	A$	5,667.2	A$	5,737.2
Net profit from continuing operations		263.8		382.7		367.6		819.3		266.0		214.1
Net Profit		263.8		382.7		367.6		819.3		266.0		303.4
Earnings per Share (4)												
Continuing Operations												
Basic	US$	0.30	A$	0.44	A$	0.44	A$	1.23	A$	0.42	A$	0.34
Diluted	US$	0.29	A$	0.43	A$	0.44	A$	1.11	A$	0.42	A$	0.34
Net Profit												
Basic	US$	0.30	A$	0.44	A$	0.44	A$	1.23	A$	0.42	A$	0.48
Diluted	US$	0.29	A$	0.43	A$	0.44	A$	1.11	A$	0.42	A$	0.46
Balance Sheet Data (at period end):												
Current assets	US$	2,241	A$	3,250	A$	3,141	A$	4,591	A$	2,683	A$	1,749
Total assets		7,396		10,728		9,902		8,952		6,990		4,933
Total long-term debt (including finance leases)		1,751		2,540		1,768		2,057		1,938		990
Other capital resources (3)		229		332		446		543		426		426
Shareholders equity/net assets		2,939		4,263		3,984		3,982		2,099		1,912
Number of shares (millions)				878.0		848.2		822.6		633.2		624.1

(1) Income statement data and balance sheet data have been translated at the noon buying rate on June 30, 2004 of A$1.00 = US$0.6894.

(2) Dividends have been translated into U.S. dollars at the noon buying rate on the date of payment, except for the 2003-04 final dividend of A$0.16 per Ordinary Share, payable on September 29, 2004, which has been translated at the June 30, 2004 noon buying rate of A$1.00 = US$0.6894.

(3) Includes subordinated convertible unsecured notes which have no maturity dates. These notes are subordinated to all other obligations of Amcor save for issued capital.

(4) Includes undated subordinated convertible securities, partly-paid ordinary shares and Perpetual Amcor Convertible Rest Securities (PACRS).

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Exchange Rates

A majority of Amcor s revenue and earnings are derived from assets and operations outside of Australia, and those assets, revenue and earnings are denominated in foreign currencies. Most of these are denominated either in US dollars or Euros. Therefore, because Amcor presents its financial statements in A$, appreciation of the A$ against the US$ or the Euro will adversely affect the A$ amount of those assets, revenue and earnings. In addition, fluctuations in the exchange rate between A$ and US$ or Euros will affect the US$ or Euro equivalent of the A$ price of our shares on the ASX and the US$ or Euro value of any cash distributions paid on the shares in A$.

Fluctuations in the A$/US$ exchange rate will affect the US$ equivalent of the A$ price of Ordinary Shares on the ASX and, as a result, are likely to affect the market price of the our American Depositary Shares (ADSs) in the United States. Such fluctuations would also affect the US$ amounts received by holders of ADSs on conversion by the depositary of cash dividends paid in A$ on the Ordinary Shares underlying the ADSs (see Item 3D Risk Factors).

In this Annual Report, unless otherwise specified or the context otherwise requires, Australian dollar amounts are denoted by A$, Euro dollar amounts are denoted by and United States dollar amounts are denoted by US$. For convenience, certain A$ amounts have been translated into US$ amounts at the exchange rate specified. These translations are indicative only and do not mean that the A$ amounts could be converted to US$ at the rate indicated.

On December 20 2004, the noon buying rate was US$0.7636 = A$1.00.

For each of the periods indicated, the relevant noon buying rate for cable transfers of US$ payable in Australian dollars as certified for customs purposes by the Federal Reserve Bank of New York, were:

Fiscal Year:	**2003-04**	**2002-03**	**2001-02**	**2000-01**	**1999-00**
Average (1)	.7164	.5891	.5242	.5372	.6238
Period-end	.6947	.6714	.5644	.5100	.5971
High	.8008	.6738	.5756	.5996	.6703
Low	.6339	.5278	.4842	.4828	.5685

(1) The average of the closing buying rates on the last day of each month during the year.

The high and low exchange rates for the six months preceding the date of this report were:

Month:	Nov 2004	Oct 2004	Sept 2004	Aug 2004	July 2004	June 2004
High	.7945	.7510	.7285	.7261	.7345	.7171
Low	.7431	.7184	.6850	.6957	.6930	.6785

B. Capitalization and Indebtedness

Not applicable

C. Reasons for the Offer and the Use of Proceeds

Not applicable

D. Risk Factors

General Economic Conditions

Amcor s business may be affected by general economic conditions within Australia and globally (including, for example, government fiscal, monetary and regulatory policies, interest rates, tax rates, foreign exchange rates, oil prices, inflation and the industrial relations environment). Changes in the economic conditions in markets in which we operate may result in customers changing spending patterns and their level of general consumption, which may have a material adverse effect on our operating and financial performance.

Technology

We operate in highly competitive business segments. Our industry continues to change in response to technological innovations and other factors. We cannot predict with certainty the changes that may affect our competitiveness. In particular, Polyethylene Terephthalate (which we will refer to as PET) product design and development may be subject to rapid technological change. We cannot predict whether technological innovations will make some of our products, production processes or distribution techniques wholly or partially obsolete. If this were to occur, we may be required to invest significant resources to further adapt to the changing competitive environment. In such a case the investments could negatively affect our profitability and results of operations.

Increased or New Competition

While we have a strong position in each of our key market segments (both in Australia and internationally), new competitors may emerge in the market and potential rivals may seek to increase market share. Price competition may have the effect of reducing margins and profitability.

Laws and Regulations

Our operations could be affected by government actions such as controls on prices, new forms of taxation and increased government regulation in the countries in which we operate. We also operate in some countries that pose political risks including civil unrest, nationalisation and changes in laws and policy. These political risks could have an adverse impact on the profitability of our operations.

Competition Law Investigations and Management Changes

The ACCC and the NZCC have commenced investigations of conduct by the Company that may breach Australian and New Zealand competition laws. These investigations and the Company s internal investigations of the same matters are at an early stage and may continue for a considerable period of time. While it is not possible at this early stage to predict the outcome of these investigations, the conduct being investigated could result in the imposition of substantial civil pecuniary penalties under the trade practices laws in Australia and New Zealand, claims by third parties, and loss of customers. Also, these matters have resulted in the resignation of the Managing Director of the Company and the Managing Director, Amcor Australasia. These resignations and the process of replacing these executives, together with the ongoing investigations may result in distractions or disruptions to the ongoing operations of the Company.   No assurance can be given that these investigations, the related resignations of senior executives, and any resulting claims by third parties will not have a material adverse effect on our financial condition and results of operations.

Exchange Rates

We are exposed to movement in exchange rates of foreign currencies mainly the US$ and the Euro. The negative impact of a stronger Australian dollar, however, has only a notional effect as there is little repatriation of net profit from Amcor s overseas businesses to Australia. We estimate that for each one cent change in the US$ or the Euro exchange rate against the A$ over a full year, the translation impact on A$ net profit would be approximately A$1.8 million or A$2.0 million respectively.

Impact of Proposed Tax Law Changes

Amcor operates in 40 jurisdictions and pays tax on its income according to the specific tax laws in each of these jurisdictions. As with any business, there are various factors, some of which are beyond our control, that impact the overall effective tax rate for the Amcor Group. One such factor is changes in, or interpretations of, tax laws that apply in any given jurisdiction.

Of particular relevance at the current time are proposed changes in U.S. Federal tax laws. The Amcor Group currently derives a significant portion of global income from operations in the U.S. As a result, the proposed U.S. Federal legislative and regulatory changes could, if enacted, increase the Group s effective tax rate.

Specifically, such proposals recommend measures that include (a) amending the existing earnings stripping rules to further restrict the ability to use interest payments to related foreign parties as a means of reducing U.S. taxable income; (b) a more stringent enforcement of the arm s length standards applying to related-party cross-border transactions, including pre-approval of certain transactions; (c) amending the rules governing cross-border reorganisations; and (d) denying treaty benefits for certain tax deductible payments to a foreign entity.

The enacting of any or all of these proposals could adversely impact Amcor s U.S. Federal income tax liability and, consequently, the earnings of the Group. At this stage it is not possible to predict either the extent to which the proposed changes might be enacted or the extent of any resulting impact on Amcor.

In any event, Amcor operates a tax risk model that seeks to identify, monitor and manage tax risks as and when they occur throughout the Group.

At the current time Amcor considers the above proposed changes to be the most likely to have an impact on the Amcor Group s future effective tax rate if enacted.

Environmental

Amcor s worldwide manufacturing operations are subject to extensive environmental regulation. We believe that we are currently substantially in compliance with these regulations. However, although compliance costs in future years will depend on legislative and technological developments which cannot be accurately predicted, Amcor believes the costs of compliance with environmental laws and regulations will increase as these laws and regulations become more stringent. These laws and regulations may, therefore have an unpredictable and adverse effect on our operations and profits.

Legal Proceedings

In June 2000, the Construction, Forestry, Mining and Energy Union (CFMEU) filed a proceeding in the Federal Court of Australia against Amcor. The proceeding related to a claim for redundancy-related payments arising out of the change of employment of CFMEU members stemming from the demerger by Amcor in April 2000 of the PaperlinX Group.

In May 2002, a single judge of the Federal Court found that Amcor employees whose employment was transferred to PaperlinX Ltd had technically been made redundant and that Amcor had an obligation to make redundancy severance payments to the transferred employees. Amcor s appeal of this decision to the Full Bench of the Federal Court was dismissed in March 2003. Amcor subsequently filed an application for special leave to appeal to the High Court, which was granted in December 2003. The appeal was heard by the High Court in August 2004 and the decision on the appeal is pending. After considering legal advice, we are of the opinion that no provision is required.

However, in the event we are ultimately unsuccessful in the appeal, we could be required to make redundancy payments to former employees. Such payments, if eventually required, may have a material effect on Amcor s results of operations in the year such a judgement is made. It is not possible to reliably estimate the amounts which may be involved. See Item 8, Financial Information Legal Proceedings , for further information relating to the CFMEU proceeding.

ITEM 4 INFORMATION ON THE COMPANY

The discussion below contains certain forward-looking statements. Amcor s actual results could differ materially from those anticipated by those forward-looking statements due to a variety of factors, including those set forth under Forward-Looking Statements , Risk Factors and elsewhere in this annual report.

A. History and Development

General

Amcor Limited was incorporated in 1926 in the State of New South Wales, Australia under the Australian Corporations Act (2001) and is a public company with limited liability. We are headquartered in Australia at 679 Victoria Street Abbotsford, Victoria, 3067 and our telephone number is (61) (3) 9226 9000. Amcor has operations in Australia, New Zealand, Asia, Europe and the Americas. At October 2004, our market capitalization was approximately A$7.1 billion, making us one of the larger public companies in Australia, by market capitalization.

Amcor s history dates back to the 1860s and Australia s first paper making activities. Until 1980, Amcor was almost exclusively a forestry, pulp and paper company in Australia. Since that time, however, Amcor has implemented a major program of expansion that resulted in a shift away from sole reliance on pulp and paper products in Australia and the development of a diversified and integrated international packaging and paper company. Amcor has grown through a combination of acquisitions, greenfield developments where suitable acquisitions could not be obtained and expansion of capacity of existing businesses.

After a two year rationalization and restructuring program in 1997-98 and 1998-99, when a number of non-core or under-performing businesses were disposed of, Amcor demerged its paper manufacturing and fine paper distribution businesses in April 2000 following shareholder and court approval. In May 2001, we announced our intention to sell our 50% investment in Kimberly-Clark Australia Pty Ltd (KCA). The demerger and sale of KCA were strategic initiatives intended to enable us to realize our goal of becoming a leading global packaging company by enhancing our ability to pursue opportunities to further develop our businesses in new products, services and markets. The acquisition of Schmalbach-Lubeca s PET and closures businesses in July 2002 and Rexam s healthcare flexibles packaging operations in August 2003 were our latest steps in implementing this strategy.

Amcor s Strategy

Amcor s aim is to be a global leader in the packaging industry, targeting specific segments predominantly in the food and beverage industries.

In Australia and New Zealand, Amcor has a broad product offering and is the number one or number two supplier in most segments in which it participates. Over the past three years, Amcor s Australian and New Zealand businesses have delivered a stable earnings stream.

Outside of Australia and New Zealand, Amcor s strategy is to be a leader in specific segments. These segments are:

- flexible packaging for the food, beverage, healthcare and industrial markets;
- PET bottles and jars for beverage and food applications;
- specialty printed cartons for tobacco, confectionery and health and beauty markets;
- distribution of packaging products and related goods; and
- plastic and metal closures.

Amcor believes that all these segments are attractive because they exhibit one or more of the following key characteristics:

- prospects of higher than industry average growth;
- the ability to create value-added products and services, which provides the opportunity for Amcor to differentiate itself from its competitors; and
- the ability to obtain a leading presence, either regionally or globally.

Amcor has implemented this strategy through a number of transactions that have reshaped it over recent years. The most significant of these include:

- the creation in June 2001 of the leading European flexible packaging business through a three way joint venture between Amcor Flexibles Europe, Danisco Flexible and Ahlstrom and the subsequent purchase of the minority stake in July 2003; and
- the acquisition in July 2002 of the PET Container and closures operations of Schmalbach-Lubeca.

The Schmalbach-Lubeca businesses represented an attractive opportunity that was consistent with Amcor s strategy. In acquiring these businesses, Amcor has become the leading manufacturer of PET containers globally. Additionally, the acquisition has allowed us to expand our activities in segments that exhibit higher than average industry growth and given us the ability to offer a greater number of value-added products.

Capital Expenditure and Divestures

Since July 1, 2001 we have made the following principal capital expenditure and divestures:

Purchase of PET Assets in Mexico

In November 2003, Amcor entered into an agreement to purchase the PET injection and blow moulding assets of Embotelladoras Arca S.A. de C.V. (Arca) with an initial supply agreement of eight years to supply bottles to Arca. Amcor purchased the PET on site injection and blow moulding assets of Arca for around A$60 million which will be paid in yearly instalments throughout the life of the contract.

Acquisition of Rexam s Healthcare Flexibles Packaging Operations

In October 2003, Amcor purchased Rexam plc s (Rexam) healthcare flexibles business for A$327.1 million. The business, which has annual sales of approximately A$390 million, has ten plants in six countries four in the United States and one each in England, Ireland, France, Singapore, Brazil and Puerto Rico.

The acquisition is consistent with Amcor s strategy of targeting higher value added and higher growth market segments. The four plants in the United States will increase Amcor s presence in that country and are expected to provide a solid base in a high value business from which to build.

Purchase of Amcor Flexibles Europe Minorities

In August 2003, Amcor purchased the 28.1% minority stake in Amcor Flexibles Europe A/S from Danisco and Ahlstrom for 99.5 million (A$165.1 million), effective from July 1, 2003.

Purchase of Alcoa s Latin American PET Packaging Business

In June 2003 Amcor purchased Alcoa s Latin American PET packaging business for A$110.0 million.

Alcoa s Latin American PET business consisted of nine production facilities located across Brazil, Argentina, Columbia, Peru, Uruguay and Chile. Sales were approximately A$200 million in 2002.

A$125 Million Wine Bottle Plant Expansion

Amcor announced in March 2003 that it is building a second furnace on its existing wine bottle facility in Gawler, South Australia. The new furnace, which will cost A$125 million and have a capacity of 200 million wine bottles per year, is expected to commence output by January 2005.

The building of the second furnace is expected to increase production at the Gawler site to 400 million bottles per year. The strong customer demand for Amcor s wine bottles has enabled new long term supply contracts to be both extended and upgraded and has underpinned demand for the new furnace.

Sale of Joint Venture Stake in White Cap North American Closure Operations

31 December 2002, Amcor entered into a definitive agreement to sell its 65% stake in Amcor White Cap LLC to Silgan Holdings Inc, its 35% joint venture partner. The joint venture, which consisted of seven plants, six in the United States and one in Mexico, was sold for A$66 million equivalent to book value. The joint venture also had debt of approximately A$100 million which was consolidated on Amcor s balance sheet.

Purchase of PET Assets in Mexico

Acquisition of PET Container and Closure Operations of Schmalbach-Lubeca

On July 1, 2002 Amcor successfully completed the acquisition of the PET container and closure assets of Schmalbach-Lubeca for A$2.827 billion.

Schmalbach-Lubeca was the world s largest manufacturer of PET containers with calendar 2001 sales of A$2.5 billion. It was also a manufacturer of food and beverage closures with calendar 2001 sales of A$825 million.

Acquisition of Spanish Flexible Packaging Business

In May 2002 Amcor acquired Tobepal SA, a flexible packaging and extrusion business, situated in Spain, for A$84.5 million. Tobepal SA operates three plants in Spain and is a strategic fit with Amcor Flexibles existing operations in that area.

UK Flexible Packaging Acquisition

In May 2002, Amcor completed the acquisition of two flexible packaging plants from Rexam PLC for A$30 million. Both plants are located in the United Kingdom and in 2001 had aggregate sales of A$115 million. The acquisition of these two plants continued the consolidation of Amcor s flexible packaging business in Europe and followed the three way merger of Amcor Flexibles Europe, Danisco Flexible and Akerlund & Rausing in 2001.

Other Recent Developments

Board Changes

On December 2, 2004 the Chairman announced that Mr J G (John) Thorn accepted an invitation to join the Amcor Board, effective December 8, 2004. Mr Thorn accepted an appointment to the Audit and Compliance Committee effective December 21, 2004.

On December 7, 2004, the Chairman of Amcor Limited, Mr Chris Roberts, announced the resignation of Mr R H (Russell) Jones,. Mr Roberts has been appointed Executive Chairman and Mr Louis Lachal (Executive General Manager Operations) has been appointed Acting Chief Operating Officer during the interim period prior to appointing a replacement Managing Director.

China Tobacco Packaging Expansion

Amcor announced on 13 December, 2004 an agreement to subscribe for 80 million new shares, representing a 16.7% equity interest, at HK$2.50 per share in Vision Grande Group Holdings Limited (Vision Grande) for a cost of HK$200 million (approximately A$34 million).

Amcor has also agreed to acquire an option to subscribe for an additional 96 million shares, also at HK$2.50 per share, to increase its equity interest to approximately 30.6% for an additional cost of HK$240 million (approximately A$41 million). This option expires on December 31, 2005. The transaction is subject to approval from Vision Grande shareholders and the regulatory authorities.

Vision Grande, which was listed on the Hong Kong Stock Exchange in March 2004, is a leading supplier of tobacco packaging in China with operations in Shenzhen, Nanjing and Kunming.

Anti-Trust Investigations and Related Management Changes

The ACCC and the NZCC have commenced investigations of conduct by the Company that may breach Australian and New Zealand competition laws. These investigations and the Company s internal investigations of the same matters are at an early stage. See Item 8, Financial Information Legal Proceedings , for further information relating to the investigations.

B. Business Overview

General Overview of Our Business

Amcor operates its business through six main divisions:

Amcor PET Packaging manufactures PET containers and preforms for consumer goods companies worldwide.

Amcor Australasia manufactures a broad range of packaging items throughout Australia and New Zealand.

Amcor Flexibles is a manufacturer of flexible packaging, servicing a range of food, beverage, healthcare and industrial segments.

Amcor Sunclipse is a manufacturer and distributor of industrial packaging supplies and related products and services.

Amcor Rentsch & Closures

Amcor Rentsch is a producer of specialty folding cartons for the tobacco, cosmetics and confectionery industries.

Amcor Closures manufactures plastic and metal closures.

Amcor Asia is a supplier of corrugated boxes, tobacco carton packaging, closures, flexible packaging and fibre sacks.

At August 31, 2004, Amcor had approximately 29,000 employees at 242 manufacturing plants and 37 distribution facilities in 40 countries and 135,000 shareholders, including more than 16,000 employee shareholders.

The manufacturing plants by business are as follows:

Amcor PET Packaging	83 plants in 21 countries*
Amcor Australasia	66 plants in 2 countries
Amcor Flexibles	47 plants in 18 countries
Amcor Sunclipse	12 plants and 37 distribution facilities in 2 countries
Amcor Rentsch & Closures	19 plants in 15 countries
Amcor Asia	15 plants in 5 countries

* Includes all on-site blowing and injection facilities.

The table below shows a breakdown of our sales revenue by geographic and industry category for the last three financial years. See also Item 5 - Operating and Financial Review and Prospects for a discussion of revenue performance during the last three years and Note 27 Segment Reporting on page F-69 for a break-up of sales for each material country for the years ended June 30, 2004 and June 30, 2003.

	Year Ended June 30, (in A$millions)		
	2004	**2003**	**2002**
Geographic Segments			
Australia & New Zealand	2,524.3	2,440.1	2,361.9
Europe	3,852.3	4,005.3	2,412.9
North America	3,120.2	3,519.4	2,258.2
Latin America	632.0	462.6	129.0
Asia	277.1	282.5	310.4
	10,405.9	10,709.9	7,472.4
Industry Segments			
Amcor PET Packaging	3,205.2	3,236.2	802.5
Amcor Australasia	2,537.9	2,455.7	2,367.7
Amcor Flexibles Europe	2,241.0	2,170.3	1,976.6
Amcor Sunclipse	1,158.1	1,299.0	1,413.2
Amcor Rentsch & Closures	1,012.2	1,310.6	611.3
Amcor Asia	249.5	263.4	310.4
Inter-segment eliminations & other	2.0	(25.3)	(9.3)
	10,405.9	10,709.9	7,472.4

Amcor PET Packaging

Products

In July 2002 Amcor acquired the PET Containers business of Schmalbach-Lubeca. The Amcor PET Packaging business was formed following the integration of this PET business with the former Amcor Twinpak s PET operations.

Amcor PET Packaging has a broad product portfolio ranging from preforms and containers for carbonated soft drinks and water applications and custom products ie other beverage and food segments. Products manufactured include PET bottles for carbonated soft drinks, mineral water, juices, spirits and beer, milk and other dairy products, PET containers for hot-filled drinks and food products, PET containers for household chemicals, preforms (for moulding by customers) and recycled PET materials.

Headquartered in the US and employing approximately 6,200 people, the business has 83 plants (which includes all on-site blowing and injection facilities) across 21 countries including 20 operations co-located with customers.

PET containers are supplied primarily unlabeled, although labelling options are available for some products.

Amcor s customers are among the leading consumer products companies around the world.

Significant new products utilize evolving technologies, including barrier for increased shelf life and heat set for increased filling and processing temperatures. Markets impacted by these new products/technologies include beer and processed foods.

Seasonality

Amcor PET Packaging experiences some seasonality in its supply of carbonated soft drink, bottled water and isotonic product lines. The ramp up for seasonal products begins in March and lasts until late August in the northern hemisphere. It is the reverse in the southern hemisphere. In addition there is a slight increase in demand in preparation for the major December holidays. Offsetting these are demand patterns for other products, including foods and juices, with demand sometimes heaviest in harvest seasons.

Raw Materials

PET resin is the principal raw material used within Amcor PET Packaging and PET resin is considered a commodity by the plastics industry. For North America, PET resin is available from 6 major domestic suppliers and can be imported from Asian suppliers. Amcor has established relationships with all major suppliers.

For Europe and South America, a combination of regionally produced and imported resins is employed. The supply of PET resin has become more predictable and the pricing less volatile as the resin industry has consolidated and as Asian resin has become scarce and expensive.

Competitive Position

Amcor PET Packaging is one of the few major PET converters that supply a full range of products to nearly all segments of the market.

In North America, the five major PET suppliers hold just under 60% of the market. Self-manufacturers make up another 20%. The remaining 20% is comprised of small regional or niche converters, many with strong positions in their chosen markets. The major converters as well as the self-manufacturers tend to supply the beverage market soft drinks, waters, juices and isotonics. The smaller competitors are producers of food, dairy, personal care, pharmaceutical and household products containers.

In Latin America, the competition is more fragmented. The major converters hold over 50% of the market. There are smaller competitors that are very strong in specific countries, but are not pan-regional. There is also a significant percentage of self-manufacturing however, the trend seems to be moving away from consumer product companies making their own packaging. Consolidation in Latin America continues as small competitors are acquired.

In Europe, the major converters make up less than 50% of the market. Self-manufacturing is stronger in Europe than in any of the other regions and in addition there are a greater number of small, in-country suppliers. Competition from East Europe into West Europe is also increasing.

Patents and Licences

Amcor PET Packaging holds approximately 120 patents in the U.S. Many of these innovations are also patented in our major markets outside the US, especially in Europe and Brazil. The bulk of these patents are held for the competitive advantage of our business, and our income from licensing is marginal.

Amcor PET Packaging has a significant relationship with Yoshino Kogyosho, a Japanese packaging company from which we license heat set technology. Over the years, this relationship has grown to a strategic partnership, with technical information and innovations shared between our two companies exceeding the scope of the original contract. This relationship has been mutually beneficial.

Amcor Australasia

Products

Amcor Australasia manufactures a range of corrugated boxes, cartons, packaging papers, aluminium beverage cans, aluminium and steel aerosol cans, steel cans for food, flexible and film packaging, pouches, PET plastic jars and bottles, rigid plastic containers, glass wine bottles, plastic and metal closures and multiwall paper sacks.

Based in Melbourne, the group operates from 66 facilities and employs over 6,700 people throughout Australia and New Zealand. Major manufacturing sites include 13 corrugated box plants, 12 metal packaging plants, 13 flexible and plastic packaging plants, 13 carton and sack plants, four paper mills and a glass plant.

Amcor Australasia had a turnover of over A$2.5 billion in 2003-04, of which 95% relates to sales within Australia and New Zealand. Approximately 8% of the paper manufacturing group s sales relates to exports into South East Asian countries and to Amcor subsidiaries in the US. The metals, cartons and plastics businesses have some export sales within the Pacific region and some small volumes to South East Asia and the US. For these businesses, however, export sales represent no more than 4 to 8% of the total sales of each business. The fibre and glass businesses have no significant export sales.

Amcor Australasia participates in most packaging segments and therefore supplies packaging to most manufacturing sectors in Australia and New Zealand. Its main market however is the food and beverage industry, with approximately 70% of total sales made to this market.

Seasonality

The Australasian packaging market is not subject to large seasonal swings in demand, given the high dependence on the food and beverage industry. Consumer demand does increase over the main holiday periods of Christmas and Easter and this is reflected in increased demand from Amcor Australasia s customers in the lead up to these holiday periods. In particular, this affects Amcor Australasia s Beverage Can business and the confectionery segments of the Cartons and Flexibles businesses. These seasonal variations are well understood and planned for by the food and beverage industry and as a result, Amcor Australasia s monthly turnover during peak periods is no more than 10% higher than average.

Fresh fruit and produce is a major part of the Australasian food industry and the Corrugated Fibre Box and Food Can businesses have significant sales into that market. Clearly, individual crops within this segment have seasonal peaks but the product range of the industry and Amcor Australasia s broad customer base means that individual seasons do not have a significant overall impact.

Raw Materials

Raw Materials of the business fall into three broad areas. The main raw material of the Paper, Corrugated Box and Carton business is wood fibre, either virgin or recycled. Globally the price of fibre does follow a cycle as the supply/demand balance is affected by the large changes in supply brought on by new, high capacity paper mills as opposed to more gradual, market driven changes in demand. This cycle tends to run over a period of several years. In Australasia, the industry is somewhat insulated from these movements as there is a good supply of virgin fibre from the domestic forest industry and a well developed recycling industry to supply recycled fibres. Fibre prices have therefore remained relatively stable in recent years. Furthermore, when increases have occurred in the past, it has generally been possible to recover them from the market.

The main raw materials of the plastic packaging businesses are petroleum based and with a reasonable correlation to the price of crude oil, are more volatile than fibre prices. In these businesses, the impact of changing raw material prices is passed on to customers through rise and fall pricing contract clauses wherever possible. This is generally achieved with the larger and more sophisticated customers, with whom we have long term contracts and who understand the raw material markets. With smaller customers and commodity type products, the ability to pass on price changes depends on market conditions at the time.

The main raw materials of the metal packaging businesses are steel and aluminium. Both of these materials are subject to world pricing movements and aluminium in particular is traded globally.   The impact of changes in these raw material prices is also passed on to customers through rise and fall clauses wherever possible.

Competitive Position

Australasia is a relatively small market in global terms with a relatively small number of major competitors. These factors allow market research to provide a reasonably accurate picture of our market position. Such market research is conducted on a regular basis by a small central marketing team and Amcor Australasia is also a member of several industry associations.

Our overall share of the Australasian packaging market is approximately 26%, which is higher than any of our competitors. Within each of the segments that we compete in, we hold the number 1 or 2 position in terms of turnover in most segments.

Broadly, the Australasian packaging market is mature and has limited growth prospects. Within packaging however, some segments such as flexible packaging, wine bottles and PET bottles, have growth opportunities. Others, while profitable, are either static or in decline due to substitution from other packaging and from the industry life cycle of products.

Excess capacity exists in most packaging segments and most major competitors continue to replace old equipment with state of the art technology. At the same time, our customers continue to find attractive returns difficult to achieve as the major supermarket chains seek greater market power and continue to increase demands upon their suppliers. The concentration in the retail sector has risen, with the two major supermarket chains increasing their market share from 65% to 80% in the last eight to ten years.

To meet this competitive business environment, Amcor Australasia focuses on product leadership, growth of niche food & beverage segments, adding value for customers, and continually lowering of the cost base. Amcor Australasia also has an active reinvestment program and the total value of major new capital projects is consistently in excess of annual depreciation.

Patents and Licences

Amcor Australasia has an extensive portfolio of over 100 patents and over 200 trademarks and registered designs. Many of these intellectual property rights are registered in both Australia and New Zealand and a selected few also have wider international registrations, reflecting their world-leading nature. Historically, patents and designs were held for the competitive advantage of our business and current income from licensing is minimal but Amcor Australasia is now actively pursuing revenue opportunities in this area, including through collaborations with other international Amcor divisions.

Several businesses are also party to a number of technical assistance agreements with international manufacturers, especially in metal packaging. These provide access to new technology in terms of both product design and manufacturing processes. In particular, Amcor Glass pays an annual fee to Heye Glass of Europe, under a Technical Assistance Agreement that allows Amcor to use their technical knowledge, including their recuperative furnace technology.

Amcor Flexibles

Amcor Flexibles was initially created in 2001 through the combination of all relevant flexible packaging assets of Amcor Limited, Danisco A/S and Ahlstrom Corporation. The following acquisitions have since been undertaken to create the current business:

- The acquisition of Tobepal the flexible packaging and extrusion operations of the Tobepal Spanish operations in May 2002;

- The acquisition of two flexible packaging plants in the UK from Rexam in May 2002;

- The purchase of the 28.1% minority stake in Amcor Flexibles from Danisco and Ahlstrom in July 2003; and

- The acquisition of the flexible healthcare business of Rexam in October 2003.

Amcor Flexibles is headquartered in the United Kingdom and it operates 40 manufacturing plants throughout Europe and 7 in the Americas.

Products

Amcor Flexibles is active in providing high quality flexible packaging and supplies a wide range of food and beverage markets including confectionery, coffee, fresh food, dairy and healthcare applications. Its technological capabilities include gravure and flexographic printing, coating and lamination, co-extrusion, metallising, micro-perforation pouch and bag making and Die Cut lids.

Flexible packaging is part of the wider packaging industry which includes rigid and semi-rigid packaging using materials such as glass, cartonboard, tin and rigid plastic (e.g. carton boxes for cigarettes and biscuits, tins for food, jars for coffee, cans for beer, plastic bottles for milk and other drinks, yoghurt cups, PVC sandwich packaging etc.) Flexible packaging involves the manufacture, supply and conversion of plastic and cellulose films, aluminium foils and papers into reels of packaging to be used for primary retail food packaging and labelling and certain other non-food sectors. There are thousands of different flexible packaging products, based on a variety of films, papers and foils. These materials can be used independently (as monowebs) or in combinations (laminates) for a very wide range of different end uses.

Most demand for flexible packaging is bespoke in the sense that each customer has very specific requirements for each product it is packaging. The customer selects a bespoke product based on a number of considerations: cost, functionality, shelf life, machinability and look and feel . A combination of these factors determined by the customer will set the parameters within which the raw materials and conversion processes used for the specific product supplied will be chosen. As a result, similar products may often be packaged very differently, whilst different products may be packaged with similar packaging. On the demand-side, it is therefore not meaningful to sub-divide the flexible packaging market into narrower sub-markets.

Seasonality

Given the wide diversity of product offering that Amcor Flexibles produces it is not considered to be a seasonal business. However elements of its product portfolio are by their nature seasonal, for example ice cream and snacks, which experience a growth in sales during warm weather, while products such as coffee will have slower sales during this type of weather. In terms of fresh produce these products are packed during specific crop seasons and as such show higher sales during these periods. Given Amcor Flexibles position as a predominantly European business, July and August are slower months as there are manufacturing shut downs and holiday periods for certain European countries such as France and Sweden.

Raw Materials

The principal raw materials used in the production of flexible packaging are as follows: polyethylene (PE), polyamide (PA-nylon), ethylvinylalcohol (EVOH), biaxially oriented polypropylene (BOPP), cast polypropylene (CPP), polyvinylchloride (PVC), polyvinylidene chloride (PVdC), polyester, cellulose film, aluminium foil and various types of paper. Raw materials generally have a wide range of applications across our products and have numerous suppliers with which Amcor has established relationships.

Competitive Position

Amcor Flexibles is the number two producer of flexible packaging material within Europe behind Alcan (measured in terms of sales value). Amcor Flexibles is the global leader in terms of sales and service capability for medical packaging. The Company has a European leadership position in the following segments, Diary, Produce and Beverage. While within other key segments such as Confectionery, Snacks and Processed Food it holds the number two position. With 40 plants in Europe Amcor Flexibles has a large manufacturing footprint which enables it to not only service its Pan-European customers but also to provide local or regional production for national customers.

There is a very high degree of supply-side substitutability in the sense that manufacturers of flexible packaging with one set of characteristics can readily produce flexible packaging displaying a different set of characteristics. Amcor Flexibles distinguishes itself from its competitors through innovation, product quality, safety, focus on customer service and its ability to deliver global packaging solutions to its customers.

Patents and Licences

Innovation is a key component of Amcor Flexibles strategy to be an industry leader and it invests significant resources to ensure that it meets the market needs for innovation. Amcor Flexibles has a rigorous intellectual property development system, based on an Amcor wide business process of Product Leadership & Innovation which facilitates the efficient development of new concepts and the filing of appropriate patents to ensure protection.

Amcor Flexibles currently holds 103 patents. Patents are held for a wide variety of process improvements and new products. Patents are held both at a national and regional level as appropriate.

As noted Amcor Flexibles technical capabilities include gravure and flexographic printing, coating and lamination, co-extrusion, metallising, micro-perforation pouch and bag making and Die Cut lids.

Amcor Sunclipse

Products

The Amcor Sunclipse business is made up of both manufacturing and distribution operations. The manufacturing business produces corrugated board and boxes and consists of 3 corrugated sheet operations and 9 manufactured packaging products facilities. The distribution group, known as the Kent H. Landsberg Company, operates from 33 distribution facilities in 13 US states and 4 in Mexico. There are also 4 divisions that are considered re-distributors who sell to other distributors. The distribution group sells all types of industrial and janitorial supplies including flexible packaging. It services markets with heavy concentrations of manufacturing. The company has been gradually expanding from its California roots.

Seasonality

The overall business is vulnerable to the levels of manufacturing activity in the US and Mexico and benefits during periods of prosperity in manufacturing. The shift of manufacturing from Mexico to Asia has adversely impacted the Mexican operations particularly in Guadalajara. The strongest period for the business is typically the September through November time frame prior to the Christmas holidays. The quietest time is usually in January and February after the holidays.

Raw Materials

The three corrugated sheet manufacturers presently rely on three major suppliers for their paper roll stock. However there are in excess of ten other minor supply relationships in place. Many of these minor suppliers have far reaching capabilities. This creates a healthy competitive environment even in a market that has experienced some tightness after an extended three to four year period of abundant supply. The distribution group has access to numerous suppliers for all its products both domestic and overseas.

There is exposure to typical raw material or finished goods supply price movements. These are initiated for a variety of reasons, such as supply conditions tightening and or increases in the price of oil and labour. The business has shown an ability to pass on these costs to their customers as the price increases usually impact the competition in a similar manner.

Competitive Position

Business is conducted typically on an order by order basis. Sales emanating from supply agreements with customers do not represent a significant percentage of total sales. The company s suppliers also work on an order by order basis although there are some supply agreements in place with our major corrugated rollstock suppliers. The company does not rely on patents, exclusive licenses or contracts.

Amcor Rentsch and Closures

Amcor Rentsch, headquartered in Switzerland, is a producer of tobacco packaging and specialty folding cartons for the cosmetics and confectionery industries. It has seven manufacturing plants in six countries Switzerland (2), France, Germany, Poland, Portugal and Russia. There is also a small joint venture operation in Spain, Litographia Romero, where Amcor Rentsch is a minority shareholder (40%).

As Amcor Rentsch s main product line is tobacco packaging the demand profile is not seasonal. There are external factors, e.g. regulatory health warnings or tax increases, which from time to time can drive demand and activity peaks.

The principal raw material is fibreboard, in both roll and sheet stock. The vast majority of customers control the purchase price of these raw materials and consequently our supply contracts have full raw material cost movement and price adjustment mechanisms.

Business is conducted on a contractual basis, with typical terms of 1 to 4 years. In Europe, our principal market, four competitors have over 75% of the market. The tobacco industry has extremely demanding quality requirements, which raises the barriers to entry.

Amcor Closures is a global producer of metal and plastic closures with 12 plants in 11 countries and is headquartered in Switzerland. This business group s main products are metal vacuum closures for glass jars and bottles. It also produces a range of plastic closures for beverage and specialty applications through its Bericap joint venture in North America.

The Closures business has a significant amount of business in the beverage, fruit and vegetable segments and volume is consequently higher during the Northern Hemisphere summer season.

Principal raw materials are tinplate steel for metal closures and polypropylene resin for plastic closures. The business has numerous suppliers of these materials.

Business is generally conducted on an annual supply agreement. In the case of metal closures prices are generally agreed for a 12 month period. For plastic closures, agreements have full pass through of resin and foreign exchange movements on a six month basis. The metal closures business derives its competitive position from its leading market share in Europe and Asia and industry leading low cost position. The plastic closure business has a number of innovative products with predominantly its own intellectual property and some license arrangements.

Amcor Asia

Amcor Asia, headquartered in Singapore, supplies corrugated and tobacco packaging in the region. Other products supplied include flexible packaging, paper sacks and closures. The business has 15 manufacturing plants across five countries - Singapore, Malaysia, Indonesia, China and Thailand.

The business has six corrugated box plants and four tobacco packaging plants in the area. Its other products include closures, flexible packaging and paper sacks.

Corrugated packaging is normally a very competitive market with excess capacity throughout Asia. The ability of key customers to reposition their production facilities to alternative countries as labour costs impact on their products causes a continual shift and scramble for corrugating work.

Tobacco packaging is a market segment Amcor operates in, that has only three major international cigarette manufacturers together with the monopoly of the State run industry within China, Thailand and other Asian countries. The dominance of these three international cigarette manufacturers creates strong pricing pressure as they benchmark packaging prices around the world.

Flexibles packaging is a growing segment in Asia as the cost base is so much lower than Europe or US. However the majority of specialized Flexible packaging for Asia is still supplied by European or US manufacturing.

Paper sacks is a specialised market, with a relatively small market size, excluding cement sacks. It operates in an over capacity environment within Asia. Most large paper sack manufacturers have positioned production facilities within the Asian region. There is quite a limited choice in the sourcing of sack kraft paper throughout the world.

Within the corrugated market the demand for food and beverage packaging is higher in the annual festive season of December through to April. This is offset by the electronic segments high season of June through to November. There are no significant seasonal factors influencing the tobacco segment. Flexibles packaging is influenced by the food and beverage segments which causes a higher level of activity in the period November to February.

Raw materials are sourced throughout the world with Amcor Asia directly affected by both world prices (driven by supply and demand) and foreign currency exchange fluctuations.

Environmental and Other Regulations

The regulatory constraints on Amcor s businesses include compliance with the following:

the provisions of various jurisdictions corporate regulations;

trade practices and consumer protection legislation

labor legislation;

the provisions of various jurisdictions Anti Trust legislation;

numerous laws relating to workers compensation and rehabilitation, occupational health and safety, dangerous goods handling; and

environmental regulations of various kinds.

The ACCC and the NZCC have commenced investigations of conduct by the Company that may breach Australian and New Zealand competition laws. These investigations and the Company s internal investigations of the same matters are at an early stage. See Item 8, Financial Information Legal Proceedings , for further information relating to the investigations.

Amcor s worldwide manufacturing operations are subject to extensive environmental regulation. Amcor believes it is substantially in compliance with these regulations. There were no significant environmental incidents in 2003-04.

Amcor s current environmental management system is based on International Standard ISO14001. A detailed program of environmental auditing provides feedback on the effectiveness of the management system and includes site inspections and assessments of environmental risk. Amcor s environmental performance is monitored regularly by management and the Board and is a component of management performance appraisal and remuneration.

Amcor s major environmental objectives are to ensure that:

all major manufacturing sites are certified to ISO14001;

there is a reduction in energy per unit of product; and

there is a reduction in waste to landfill per unit of product.

During 2003-04, the number of sites certified to ISO14001 increased with the flexibles sites in the UK achieving certification.

The Dow Jones Sustainability Index includes the top 10% of the world s leading sustainability companies. Sustainability encompasses a company s activities, performance and contribution in regard to environment, safety and the community, without compromising the needs of future generations. Amcor was assessed against other packaging companies and was included in the Index in 2004 for the fourth consecutive year.

Amcor is committed to recycling and is actively involved in recycling many of its products. Amcor Australasia is a recycler of packaging and glass and is involved with local supermarkets in the recycling of soft plastics, while Amcor PET Packaging operates a recycling plant in France.

Amcor was a founding member of Australia s National Packaging Covenant in 1999 which was established for an initial period of five years. Its fourth Action Plan was published in November 2003 and reported on Amcor s activities in relation to recycling, resource utilisation, product development and research, education and support systems. We are currently reviewing the Covenant with a view to extending it for a further five years.

Amcor complies with a number of food and medical packaging standards such as EN 868 for medical packing produced within Europe, standards published by the Agricultural Development Advisory Service (ADAS), The American Institute of Baking (AIB), the British Retail Consortium (BRC) and US Food and Drug Administration (FDA).

Amcor, like all corrugated suppliers, continues to prepare for the implementation of the Radio Frequency Identification (RFID) tagging requirements. This is a mandatory U.S. Department of Defense requirement for corrugated boxes sold to the military branch of the U.S. government effective January 1, 2005. The company does not presently do business with the U.S. government however this RFID requirement may lead to a more general acceptance.

C. Organizational Structure

The chart set out below describes our organizational structure as at June 30, 2004.

The Chairman of Amcor Limited, Mr Chris Roberts, announced the resignation of Mr R H (Russell) Jones, effective December 7, 2004. Mr Roberts became Executive Chairman and Mr Louis Lachal (Executive General Manager Operations) became Acting Chief Operating Officer during the interim period prior to appointing a replacement Managing Director. Mr Darryl Roberts, who was previously the Group General Manager Fibre Packaging in Australasia, became the Acting Managing Director of Amcor Australasia.

Amcor s Significant Subsidiaries as at December 20, 2004 were:

	Country of Incorporation	**Percentage Held by Parent Entities**
Amcor Investments Pty. Ltd.	Australia	100%
Amcor Packaging (New Zealand) Ltd.	New Zealand	100%
Amcor Packaging (U.S.A.), Inc.	U.S.A.	100%
Amcor Sunclipse North America, Inc.	U.S.A.	100%
Amcor Europe	United Kingdom	100%
Amcor Packaging Asia Pty. Ltd.	Australia	100%
Amcor Packaging (Australia) Pty. Ltd.	Australia	100%
Amcor European Holdings Pty. Ltd.	Australia	100%
Amcor European Consolidated Holdings Limited	Cyprus	100%
Amcor Holding	United Kingdom	100%
Amcor Flexibles A/S	Denmark	100%

D. Property, Plant and Equipment

At August 31, 2004, Amcor operated manufacturing* and distribution facilities in the 40 countries listed in the following table.

Geographic Region	Number of Manufacturing Facilities	Number of Distribution Facilities
Argentina	2	
Australia	53	
Belgium	3	
Brazil	12	
Canada	7	
China	6	
Colombia	6	
Denmark	3	
Ecuador	1	
El Salvador	1	
Finland	2	
France	6	
Germany	7	
Honduras	1	
Hungary	1	
India	1	
Indonesia	2	
Ireland	1	
Italy	2	
Malaysia	4	
Mexico	13	4
Morocco	1	
The Netherlands	2	
New Zealand	13	
Norway	1	
Peru	1	
Philippines	2	
Poland	4	
Portugal	4	
Puerto Rico	1	
Russian Federation	1	
Singapore	3	
Spain	12	
Sweden	1	
Switzerland	3	
Thailand	1	
Turkey	2	
United Kingdom	13	
United States of America	40	33
Venezuela	3	
	242	37

* Includes PET on-site blowing and injection facilities.

Amcor believes that its facilities are suitable and adequate for its present needs and are generally well maintained and in good operating condition. Amcor carries insurance covering property, casualty and certain other risks to which its worldwide facilities and operations may be subject.

108 of Amcor s principal manufacturing and distribution facilities are owned. Those facilities which are not owned are leased by Amcor for periods varying from one to 10 years. Amcor does not believe any of its businesses is dependent on any single facility.

Capital expenditure on property, plant and equipment, excluding acquisition of controlled entities and businesses is outlined in the table below. Net capital expenditure is arrived at after deducting proceeds on disposal of property, plant and equipment and does not include proceeds on disposal of controlled entities, businesses and investments.

	Year Ended June 30		
	2004 A$m	2003 A$m	2002 A$m
Gross capital expenditure	605	890	351
Proceeds on disposal on property, plant and equipment	98	58	207
Net Capital expenditure	507	832	144

In 2003-04 the major items of capital expenditure included the PET injection and blow moulding assets of Arca in Mexico, upgrade of the paper mill in Queensland, Australia and additional printing presses at Rentsch s plant in Russia.

In 2002-03 the major items of capital expenditure included the expansion of PET Packaging s injection moulding and blow moulding capacity, upgrade of paper mill in Queensland, Australia to improve board quality and expansion of plastic closure capacity in Poland.

In 2001-02 the major items of capital expenditure included the expansion of the PET business in Canada, purchase and installation of a flexograph press for Amcor Australasia at Scoresby Preprint, Victoria, Australia; and purchase of blowmould machines for CNC Containers at Arizona and Washington, USA.

ITEM 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

A. Operating Results

The discussion below contains certain forward-looking statements. Amcor s actual results could differ materially from those anticipated by those forward-looking statements due to a variety of factors, including those set forth under Forward-Looking Statements , Risk Factors and elsewhere in this Annual Report.

Critical Accounting Policies **(refer F-11 Note 1 Accounting Policies)**

Amcor s consolidated financial statements have been prepared in accordance with Australian GAAP. Our significant accounting policies are more fully described in Note 1 to our financial statements. The preparation of our financial statements requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. We continually evaluate our estimates and judgements including those related to bad debts, inventories, intangible assets, income taxes, financing activities, restructuring costs, contingencies and litigation. We base our estimates and judgements on historical experience and on various other assumptions we believe to be reasonable under the circumstances. This forms the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions.

Our accounting policies have been developed over many years as generally accepted accounting principles or GAAP have evolved. As our financial statements are prepared under A-GAAP our accounting policies are necessarily compliant with all aspects of A-GAAP. A-GAAP is based on a substance over form conceptual framework that requires us to look through the legal interpretation of an arrangement or transaction to its underlying purpose and to reflect it in our financial statements on that basis.

Changes in Amcor s accounting policies generally reflect changes to currently applicable Australian Accounting Standards and disclosure requirements of Australia s professional accounting bodies. These changes are described in Note 1 to our financial statements, as are the financial effects of these changes in the current or prior periods.

In developing accounting policies, in addition to A-GAAP requirements, we also consider industry practice. Where there is no conflict with A-GAAP we also consider the suitability of accounting policies under US-GAAP. This reduces the number of A-GAAP/US-GAAP reconciliation differences required to be adjusted in Note 33 to our financial statements.

In all material respects our accounting policies are applied consistently across Amcor. The critical accounting policies discussed below generally apply to all segments of Amcor. Management has discussed the development and selection of these critical accounting policies with the Audit and Compliance Committee of our Board of Directors. The following are the critical accounting policies we apply in producing our A-GAAP financial statements.

On July 3 2002, the Australian Financial Reporting Council announced that Australia would adopt International Financial Reporting Standards (IFRS), formerly known as International Accounting Standards, for financial years beginning on or after January 1, 2005 (fiscal year ending June 2006 for Amcor). Refer to Note 32 to our financial statements for a discussion of the key areas where accounting policies will change and may have an impact on the financial report of Amcor. At this stage the consolidated entity has not been able to reliably quantify the impacts on the financial report.

Recovery of Long-lived Assets

Critical Accounting Policies (refer F-11 Note 1 Accounting Policies)

Long-lived assets, consisting primarily of property, plant and equipment and intangibles, comprise a significant portion of Amcor s total assets. Changes in the intended use of these assets may cause the estimated period of use or the value of these assets to change.

Long-lived assets, including goodwill and intangibles, are reviewed for impairment whenever events or changes in circumstances have indicated that changes in their carrying amounts may not be recoverable. Estimates and assumptions used in both setting depreciable lives and testing for recoverability require both judgements and estimations. Property assets are independently valued on an existing use basis every three years and we assess the recoverable amounts of our plant and equipment bi-annually, based on an analysis of the current replacement cost of plant and equipment at each business location. We assess the carrying value of acquired goodwill for impairment at least annually based on its recoverable amount. Our assessments include methodologies such as earnings multiples and discounted cash flow. If earnings and earnings multiples change, Amcor may have to record additional impairment charges not previously recognized.

Acquisition Accounting

Critical Accounting Policies (refer F-11 Note 1 Accounting Policies)

In future years, Amcor may continue to grow our business through acquisitions. Amcor accounts for the acquisitions using the purchase method of accounting. The accounting for business acquisitions is complex and involves the use of significant judgment.

Under the purchase method of accounting, a business acquisition is accounted for at a purchase price based upon the fair value of the consideration given, whether it is in the form of cash, assets, stock or the assumption of liabilities. The assets and liabilities acquired are measured at their fair values, and the purchase price is allocated to the assets and liabilities, since the majority of the assets and liabilities acquired do not have fair values that are readily determinable. Different techniques may be used to determine fair values, including market prices, where available, appraisals, comparisons to transactions for similar assets and liabilities and present value of estimated future cash flows. Since these estimates involve the use of significant judgment, they can change as new information becomes available.

Capitalization of Costs

When we incur costs, we classify them as either operating expenses or capital costs. We expense operating expenses to the statement of financial performance as they are incurred. We only capitalize costs where we consider that they will generate future economic benefits. Capital costs are recorded as assets and shown in our statement of financial position based on the asset class considered most appropriate to those costs. Management and accounting policy guidelines are used in determining costs to be capitalized.

Doubtful Debts

Critical Accounting Policies (refer F-11 Note 1 Accounting Policies)

We maintain provisions for doubtful debts based on an estimate of the inability of our customers to pay amounts due to us. These provisions are based on historical trends and management s assessment of general economic conditions. If the financial condition of our customers deteriorates these provisions may not be sufficient and may lead to an increase in bad and doubtful debt expenses. We have no reason to believe that the provisions we have raised will not sufficiently cover bad debts arising out of the receivables we currently have on hand. Our provision for doubtful debts was A$52 million at June 30, 2004, A$60 million at June 30, 2003 and A$43 million at June 30, 2002. Trade debtors before any provision for doubtful debts were A$1,283 million at June 30, 2004, A$1,163 million at June 30, 2003 and A$1,122 million at June 30, 2002.

Slow Moving and Obsolete Inventory

Amcor s policy is to maintain a provision for slow moving and obsolete inventory based on our best estimate of such amounts at year-end. We base our estimate on a systematic, on-going review and evaluation of inventory balances. As part of this evaluation, we also consider the average age of the inventory as compared to anticipated necessary levels for future periods. We believe that the accounting estimate related to the establishment of a provision for slow moving and obsolete inventory is a critical accounting estimate because the evaluation is inherently judgemental and requires the use of significant judgements about expected future sales levels which may be susceptible to significant change.

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

Our provision for diminution in value of inventories was A$72 million at June 30, 2004, A$72 million at June 30, 2003 and A$58 million at June 30, 2002. Total value of inventories before any provision for diminution were A$1,442 million at June 30, 2004, A$1,356 at June 30, 2003 and A$1,003 at June 30, 2002.

Results of Operations

The following discussion is based on Amcor s consolidated financial statements as prepared under A-GAAP. A discussion of the differences between A-GAAP and US-GAAP, and the impact of those differences on the consolidated financial statements, is set out in Note 33 to the consolidated financial statements.

Amcor s senior management and Board review results on a PBITA basis and believe it is the most informative and reliable gauge for measuring and understanding trends across a diverse range of businesses. Given that Amcor will report under IFRS next year when there will be no amortization of goodwill, it is more appropriate to report segment results currently on a pre amortization basis.

	Sales Year Ended June 30,			Profit Year Ended June 30,		
	2004	**2003**	**2002**	**2004**	**2003**	**2002**
Industry Segments (1)						
Amcor PET Packaging	3,205.2	3,236.2	802.5	268.2	301.6	79.2
Amcor Australasia	2,537.9	2,455.7	2,367.7	316.5	282.8	254.2
Amcor Flexibles	2,241.0	2,170.3	1,976.6	131.2	132.6	93.2
Amcor Sunclipse	1,158.1	1,299.0	1,413.2	57.6	84.8	95.2
Amcor Rentsch and Closures	1,012.2	1,310.6	611.3	100.6	83.3	48.6
Amcor Asia	249.5	263.4	310.4	30.5	32.1	44.5
Other	2.0	(25.3)	(9.3)	(73.5)	(56.8)	7.5
Total sales revenue	10,405.9	10,709.9	7,472.4			
Significant items before tax (2)				(99.8)	(86.7)	534.8

Profit before interest, tax and amortization	731.3	773.7	1,157.2
Amortization	(127.6)	(138.8)	(54.5)
Profit before interest and tax	603.7	634.9	1,102.7
Net borrowing costs	(132.2)	(146.3)	(121.5)
Income tax	(111.3)	(110.5)	(120.2)
Minority interests	(14.5)	(16.8)	(9.3)
Net profit after tax	345.7	361.3	851.7

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(1) The individual industry segments profit results refer to profit before interest, tax and goodwill amortization, excluding significant items (PBITA).

(2) Details of significant items are as follows:

2004 PET business integration and restructure expense A$19.9 million; Flexibles market sector rationalization expense A$69.3 million; write-down residual assets of the former Twinpak group A$10.6 million.

2003 restructuring expenses following acquisition of Schmalbach-Lubeca businesses A$86.7 million.

2002 loss on disposal of tobacco packaging business in Canary Islands A$18.6 million; profit on disposal of balance of investment in Kimberly Clark Australia Pty Ltd A$553.4 million.

Year Ended June 30, 2004 Compared with Year Ended June 30, 2003

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Consolidated Results of Operations

Sales

Sales revenue decreased slightly from A$10.7 billion in 2002-03 to A$10.4 billion in 2003-04. The decrease of 2.8% reflected a combination of increases due to the acquisitions of Rexam s Healthcare flexibles packaging business, Alcoa s Latin American PET packaging business, and the negative impact of translating foreign sales into Australian dollars. Other revenue was lower in 2003-04 due mainly to the sale in 2002-03 of our 65% share of Amcor White Cap LLC to Silgan Holdings Inc.

Interest

Amcor s overall average interest rate in 2003-04 of 4.7%, was down from 5.0% in 2002-03. This, coupled with the impact of currency translation were the main reasons that net borrowing costs fell in 2003-04 to A$132.2 million from A$146.3 million in 2002-03 despite net debt increasing by 17% from A$2,297 million in 2002-03 to A$2,689 million in 2003-04.

Income Tax

Amcor s income tax rate in 2003-04 before significant items of 20.4% fell from 22.1% in 2002-03. This is primarily due to debt push down in higher rate jurisdictions and increases in loss recoupment in high tax rate jurisdictions.

Significant Items

The significant item in 2002-03 of A$86.7 million related to restructuring expenses following the acquisition of the PET and Closures businesses from Schmalbach-Lubeca. The significant items in 2003-04 totalled A$99.8 million and were made up of expenses associated with the PET business integration and restructure A$19.9 million; the Flexibles market sector rationalization A$69.3 million; and the write-down of residual assets of the former Twinpak group A$10.6 million

Net Profit

Amcor s Australian GAAP net profit after tax decreased from A$361.3 million in 2002-03 to A$345.7 million in 2003-04. This result was negatively impacted by A$34 million from the translation, for reporting purposes, of overseas profits into Australian dollars, the currency in which we report our results. If exchange rates in 2002-03 had remained unchanged in 2003-04, net profit after tax would have been A$34 million higher in 2003-04.

The Company s US GAAP net profit increased from A$367.6 million in 2002-03 to A$377.6 million in 2003-04. The difference between the 2003-04 Australian GAAP net profit and the US GAAP net profit is detailed in Note 33 to the consolidated financial statements included in Item 18.

Dividend

A final dividend of A$0.16 per share (franked to 40%) was declared on all fully paid ordinary shares registered as at September 9, 2004, and paid on September 29, 2004. The final dividend, combined with the interim dividend of A$0.16 per share, represented an annual dividend of A$0.32 per share. This represents an increase of A$0.02 per share over the 2002-03 dividend.

Amcor PET Packaging

	2003-04 A$m	2002-03 A$m	Change %
Sales	3,205.2	3,236.2	(0.9)
Segment result (PBITA)	268.2	301.6	(11.1)

Amcor PET Packaging had a mixed year in 2003-04 with PBITA in US dollars increasing by 7.6% compared with 2002-03 (from US$176.8 million to US$190.3 million). As can be seen from the table, above, however, in Australian dollar terms, PBITA in 2003-04 fell by 11.1% from 2002-03. This was before significant items of A$19.9 million expense in 2004 relating to the PET business integration and restructure and A$ 59.5 million restructuring expenses in 2003 following acquisition of Schmalbach-Lubeca businesses.

Overall unit volumes in 2003-04 grew by 17% to 32.4 billion, of which just under 5% was due to acquisitions (see Recent Developments). This volume growth was achieved in all three regions (North America, Latin America and Europe).

The North American operations, including Canada, experienced volume growth in 2003-04 of 13.6% over 2002-03. This growth came primarily from the strength of the bottled water and custom markets, the latter driven by growth in the single serve juice and sports drinks categories. PBITA, however was down in 2003-04 by 13% compared with 2002-03. The higher Canadian dollar against US dollar forced prices lower and in the US there was strong pricing pressure from large customers.

In response, the business has undergone a rationalisation and restructuring plan which, together with a review of overhead expenses, is expected to reduce the number of North American employees by 250 people. In addition, PET Packaging has begun a review of pricing in the carbonated soft drink/water segment as, in many cases, prices are delivering unacceptable returns on the assets employed.

In Latin America (excluding acquisitions) volume growth in 2003-04 was 7.7% up on 2002-03. PBITA in this region was 25% higher in 2003-04 compared with 2002-03 with strong performances in Argentina and Venezuela helping offset shortfalls in Brazil where over-capacity and general economic conditions are causing some concern.

The European operations volumes in 2003-04 were 9% ahead of 2002-03 and PBITA, in US dollar terms was 42% ahead for the equivalent period (in local currency terms, PBITA in 2003-04 was 20% ahead of 2002-03). The good summer weather in Europe in 2003-04 assisted the businesses in the UK, Spain and France to improve volumes and PBITA over 2002-03 and the German operations also benefited from strong growth in the carbonated soft drink market and increased volumes in 2003-04 by 75%.

Excluding acquisitions, capital expenditure in 2003-04 was significantly less than in 2002-03 and was well under 2003-04 s depreciation expense. Capital in 2003-04 was invested primarily in strengthening the push into higher margin, custom markets, including juices, food and personal care products.

Amcor Australasia

	2003-04 A$m	2002-03 A$m	Change %
Sales	2,537.9	2,455.7	3.3
Segment result (PBITA)	316.5	282.8	11.9

Growth in sales volume of glass wine bottles and restructuring initiatives in the fibre packaging, folding cartons and food can sectors contributed to Amcor Australasia s sales and profit improvement in 2003-04 over 2002-03. Sales and PBITA increased in 2003-04 by 3.3% and 11.9% respectively. One-off costs of restructuring were effectively offset by profit on sale of properties. However, the strength of the Australian dollar in 2003-04 had a negative impact on export margins, particularly in the paper and flexibles businesses.

In the fibre packaging segment the drought in Australia in 2003-04 had an adverse affect on corrugated box volumes in the dairy, fruit and produce markets. However this was partly offset by stronger demand in the meat market in Australia and New Zealand. Overall corrugated box volumes in 2003-04 were slightly down in Australia and up 5% in New Zealand compared with 2002-03.

The recycled paper mills continued to operate efficiently in 2003-04 but experienced a difficult year with lower demand from the Australian fibre box business, lower pulp sales and an adverse impact of the strengthening of the Australian dollar on export pricing.

The folding carton business improved its PBITA in 2003-04 over 2002-03 due in part to the restructuring of its operations on the east coast of Australia resulting in a lower cost base. The upgrade of the Petrie Mill in Queensland, Australia is expected to improve board quality and create an opportunity for replacement of imported whiteboards. Low margin export volumes, as expected, were adversely impacted by the shutdown of the mill for the upgrade.

The sacks business experienced a difficult year in 2003-04 with the drought conditions in Australia affecting dairy volumes. Additionally, the sacks market in Australia is very competitive. In the metal packaging segment, beverage can volumes in 2003-04 were 4% up on 2002-03, mainly in the soft and mixer drink sectors.

The full year benefits of the closure of the Dandenong, Australia food can plant contributed to the improved PBITA in 2003-04 of this business despite sales volumes being flat. Overall sales volumes in the aerosol can business improved in 2003-04, particularly aluminium cans.

In Amcor Australasia s plastics segment, the flexibles business s sales volumes in 2003-04 were slightly higher than 2002-03; however the strengthening of the Australian dollar had an adverse impact on the profit margins of exports. Resin supply was adversely affected by a gas field fire at Moomba, South Australia which necessitated importing resin and unfavourably impacted productivity. Overall, however, PBITA in 2003-04 was slightly up on 2002-03.

The glass wine bottle operation operated at full capacity in 2003-04 and sales volume exceeded expectations. Most major customers experienced strong export volumes during the year. A second glass furnace is on schedule for start-up in January 2005.

Amcor Flexibles

	2003-04 A$m	2002-03 A$m	Change %
Sales	2,241.0	2,170.3	3.3
Segment result (PBITA)	131.2	132.6	(1.1)

In local currency (euros), Amcor Flexibles PBITA in 2003-04 increased 5.4% on 2002-03, from 74.2 million to 78.2 million. In Australian dollar terms, however, there was a decrease of 1.1%. This was before a significant item of A$69.3 million expense in 2004 for the Flexibles market sector rationalization. The result was below expectations due to a decline in sales in the processed food sector, operational underperformance at some plants, poor economic conditions across much of Europe and a strong euro which impacted margins on export sales.

In Europe, Amcor Flexibles is organised into three markets fresh food, healthcare and processed foods. Our Americas business is predominantly a healthcare business with some positions in processed and fresh food.

The fresh food sector, benefited from increased demand from consumers for fresh produce, chilled foods and dairy products in the UK and Southern Europe. As a result, PBITA in 2003-04 showed a substantial improvement over 2002-03.

The healthcare business has operations in Europe and the Americas. Assisted by the acquisition of the Rexam healthcare flexibles business in October 2003, sales volume and PBITA improved in 2003-04 compared with 2002-03. The integration of the Rexam acquisition has been completed and it is expected that synergy benefits will be achieved in future periods.

Difficult conditions in certain market segments and operational performance below expectations contributed to a difficult year in the processed food sector. Sales values in 2003-04 were around 7% below 2002-03 and volumes for the sector were impacted by economic conditions in Europe including a trend to more generic packaging. PBITA in 2003-04 was 15 million below 2002-03.

In order to address the operational difficulties experienced in 2003-04 in the processed food sector, Amcor Flexibles has recently announced plans to restructure or close a number of plants. It also plans to improve profitability in 2004-05 by reducing overheads.

Amcor Sunclipse

	2003-04 A$m	2002-03 A$m	Change %
Sales	1,158.1	1,299.0	(10.8)
Segment result (PBITA)	57.6	84.8	(32.1)

Reflecting adverse economic conditions in the USA, Amcor Sunclipse experienced a difficult year in 2003-04 with PBITA in US dollars down 17.7% from US$49.7 million in 2002-03 to US$40.9 million. In Australian dollar terms, PBITA was down 32.1% in 2003-04 compared with 2002-03.

In local currency, volume growth contributed to an 8% improvement in sales value in 2003-04 over 2002-03, however substantial pricing pressure led to reduced margins and a lower return on funds invested.

The manufacturing business, concentrated in California, was negatively impacted in 2003-04 by overcapacity, pricing pressures and loss of business to Asia and Mexico. Although volumes remained steady year on year, margins in 2003-04 were below those in 2002-03.

Paper suppliers implemented price increases in 2003-04 for the first time in 18 months, US$50 per tonne in March 2004 and US$50 per tonne in June 2004. The increases are expected to have a positive effect on the manufacturing business s profitability in 2004-05.

For the distribution business, a more complete full line selling approach contributed to sales values improving in 2003-04 by 7.6% over 2002-03 which helped to ensure PBITA was steady year on year.

Amcor Sunclipse s focus has been and will continue to be on reducing its cost base in an effort to ensure any improvement in sales values also reflects higher margins.

Amcor Rentsch and Closures

	2003-04 A$m	2002-03 A$m	Change %
Sales	1,012.2	1,310.6	(22.8)
Segment result (PBITA)	100.6	83.3	20.8

The combined Amcor Rentsch and Amcor Closures business improved PBITA in local currency (euros) and Australian dollars in 2003-04 compared with 2002-03 by 28.9% and 20.8% respectively. This was before a significant item of A$8.2 million restructuring expenses in 2003 following the acquisition of Schmalbach-Lubeca businesses.

In Amcor Rentsch, sales increased by 6% in 2003-04 to 325 million and PBITA was also ahead of the equivalent period in the previous year.

In Russia, demand remains strong; a fourth printing press installed in the first half of 2003-04 is fully loaded and a fifth machine is currently being installed and is expected to start-up in December 2004. After the installation of the fifth press, this plant, which was first commissioned in 2000, will supply product to all major cigarette producers.

Ongoing growth has necessitated a second line be added to the new press in Portugal, which was started up in late 2003 to meet increased demand resulting from a new contract in the Southern European market.

As new health warnings on cigarette packets are progressively introduced across Europe, increased printing capability is required. Accordingly, Amcor Rentsch s present machines, which range from six to nine-colour, will be upgraded to 10-colour over the next two to three years.

Amcor Closures sales volumes and PBITA in 2003-04 were ahead of 2002-03 on a comparable basis. Sales and PBITA in 2002-03 included the 65% owned North American plastic and metal closures operations that were sold in January 2003 to the joint venture partner, Silgan Holdings.

In Europe a number of projects were completed or commenced in 2003-04 which are expected to support the business going forward. These included the relocation of the plant in Turkey to new premises; the start-up of the new plastic closures plant in Poland and the commissioning of three new, in-house designed, manufacturing lines in Germany.

Despite the stronger Canadian dollar, the Bericap joint venture had a satisfactory year with strong operational performances in the Canadian plants. The new plant in California, which is in its second year of operation, is performing profitably.

Amcor Asia

	2003-04 A$m	2002-03 A$m	Change %
Sales	249.5	263.4	(5.3)
Segment result (PBITA)	30.5	32.1	(5.0)

Amcor Asia s PBITA in Singapore dollars was up 12.7% in 2003-04 compared with 2002-03 (2003-04 S$37.2 million; 2002-03 S$32.1 million). PBITA in the six months to June 2004 of S$20.0 million was 55% ahead of the equivalent period in 2002-03 which was severely affected by the SARS epidemic in the region.

Overcapacity, aggressive pricing and paperboard price increases in the corrugating business, particularly in Malaysia, led to a difficult year and an adverse impact on PBITA.

The tobacco packaging business had a strong 2003-04 with sales volumes and PBITA substantially ahead of 2002-03. The two plants in China performed better than expected and Malaysian and Singaporean operations PBITA in 2003-04 improved on 2002-03.

The flexibles operation, which consists of two plants in China and the recently acquired Rexam Healthcare plant in Singapore, had a solid year with PBITA in 2003-04 ahead of 2002-03.

The outlook for Asia is positive and it is expected that improving economic conditions will assist growth in the region in 2004-05.

Year Ended June 30, 2003 Compared with Year Ended June 30, 2002

Consolidated Results of Operations

Sales

Sales revenue grew 43% from A$7.5 billion in 2001-02 to A$10.7 billion in 2002-03 mainly as a consequence of the increased sales in Amcor PET Packaging and Amcor Rentsch and Closures following the acquisition of Schmalbach-Lubeca in July 2002. Other revenue in 2001-02 of A$1.1 billion was A$0.8 billion more than 2002-03 due mainly to the disposal in 2001-02 of Amcor s remaining 45% investment in KCA. Amcor s share of associates net profit in 2001-02 was A$48 million but was zero in 2002-03 following the disposal of KCA.

Interest

Amcor s average interest rate decreased in 2002-03 to 5.0% from 5.2% in 2001-02; however net interest increased to A$146.3 million in 2002-03 from A$121.5 million in 2001-02 due to the increase in debt levels following the Schmalbach-Lubeca acquisition.

Income Tax

Amcor s income tax rate before significant items fell from 26.9% in 2001-02 to 22.1% in 2002-03. This is in part due to the full-year benefit of the tax deduction on the PACRS issued in 2001-02 (which is charged below net profit after tax and shown as a distribution of profits); this had a 2.2% positive effect on the tax rate in 2002-03. Amcor also implemented more efficient offshore capital structures in 2002-03 by pushing debt into higher tax environments.

Significant Items

The majority of the significant gain in 2001-02 of A$534.8 related to the gain on sale of Amcor s remaining holding in KCA and compares with a significant loss (after tax) in 2002-03 of A$70.1 million. This loss refers to the restructuring expenses consequent upon the acquisition of the PET and Closures businesses from Schmalbach-Lubeca.

Net Profit

Amcor s Australian GAAP net profit after tax decreased from A$851.7 million in 2001-02 to A$361.3 million in 2002-03.

The Company s US GAAP net profit decreased from A$819.3 million in 2001-02 to A$367.6 million in 2002-03. The difference between the 2002-03 Australian GAAP net profit and the US GAAP net profit is detailed in Note 33 to the consolidated financial statements included in Item 18.

Dividend

A final dividend of A$0.15 per share (franked to 40%) was declared on all fully paid ordinary shares registered as at September 11, 2003, and paid on October 1, 2003. The final dividend, combined with the interim dividend of A$0.15 per share, represented an annual dividend of A$0.30 per share. This represented an increase of A$0.02 per share over the 2001-02 dividend.

Amcor PET Packaging

	2002-03 A$m	2001-02 A$m	Change %
Sales	3,236.2	802.5	303.1
Segment result (PBITA)	301.6	79.2	280.8

Amcor PET Packaging had a strong year in 2002-03 with volumes up 11%, on a comparable year basis over 2001-02, to 27.7 billion containers. Growth in the higher margin custom business was 27% with this business segment representing 16% of total annual sales volume in 2002-03. This was before significant items of A$59.5 million restructuring expenses in 2003 following acquisition of Schmalbach-Lubeca businesses.

PBITA was up 280% in 2002-03 to A$301.6 million, reflecting the acquisition of Schmalbach-Lubeca businesses as well as strong volume growth in all sectors of the market.

The business in the US showed particularly strong volume growth in 2002-03; it grew 23% over 2001-02 on a comparable basis. This was due to underlying volume growth in the bottled water market and continued penetration of single serve juices and sports drinks.

In 2002-03 custom bottle growth was 25% over 2001-02 continuing the strong trend in this higher margin segment over the past few years. The Canadian business experienced volume growth during the year of 12%, mainly attributable to increased demand in the water segment.

The North American business yielded an increase in PBITA in 2002-03 of 22% over the prior year on a comparable basis due to increased demand for PET bottles and the benefit of synergies.

In Latin America, overall volumes in 2002-03 were in line with the 2001-02. In Mexico, volumes were up strongly, particularly in the higher margin custom business driven mainly by the rapid growth of sports drink and juice containers.

In Brazil, volumes were down year on year due to a renewed focus on strategic customers, while in Argentina, the overall market in 2002-03 was slowly recovering from the 2002 economic crisis. For the Latin American region, PBITA in 2002-03 was ahead of 2001-02.

In Europe, volume growth in 2002-03 was 4% on a comparable basis, but with an improved performance in the second half when volumes were up 6%. There was continued strong growth in the UK, France and Spain, while volumes in Germany were impacted by government deposit legislation and were well down on 2001-02.

PBITA in Europe for 2002-03 was up 18% on 2001-02, after being slightly lower in the first half. The UK operations had a strong growth in profit, however the delayed start-up of the new recycling facility at Beaune in France had an adverse impact. Elsewhere, volume and profit expectations were largely met and custom containers continued to grow as a percent of the overall product mix.

The PET business continued to experience new growth opportunities and during 2002-03 over US$120 million, excluding the acquisition of Alcoa s PET operations in Latin America (see Recent Developments), was approved for expansion; this consisted of an additional 26 injection moulding machines and 29 blow moulding machines.

The 2002-03 year marked the first full year of operation after the acquisition of Schmalbach-Lubeca s PET business. The business ended the year having completed its restructuring program (combining two plants in Southern California and upgrading the remaining plant and combining the Peru and Venezuela businesses) and implemented an integrated worldwide management structure.

Amcor Australasia

	2002-03 A$m	2001-02 A$m	Change %
Sales	2,455.7	2,367.7	3.7
Segment result (PBITA)	282.8	254.2	11.3

Amcor Australasia recorded another sound performance with sales up 4% from A$2.368 billion in 2001-02 to A$2.456 billion in 2002-03 and PBITA improving by 11.3% from A$254.2 million to A$282.8 million in 2002-03.

In the fibre packaging segment, corrugated box volumes were up 6%. More settled industrial conditions in Australia underpinned volume growth of 7% with 2% volume growth in New Zealand. Earnings improved both in Australia and New Zealand due to continued productivity gains, fibreboard rationalisation initiatives and price increases recovering cost increases.

The recycled paper mills buoyant first half continued with strong domestic demand while export prices held their first half levels. The mills continued to operate efficiently and were assisted by paperboard specification rationalisation. Wastepaper collections totalled 815,000 tonnes in 2002-03 up 4% on 2001-02.

The folding carton business consists of a paper mill at Petrie in Queensland, Australia as well as a number of conversion plants in Australia and New Zealand. The Petrie Mill experienced strong domestic demand and productivity levels, which offset some volume losses in the conversion business. During 2002-03 a $55 million upgrade was approved for the Petrie Mill to improve the board quality and in the conversion business there was a restructuring of operations, which included a labour force reduction of 6%.

The sacks business continued to focus on the dairy market, with innovative new products that reduce transport costs of bulk products. The drought conditions impacted volumes in 2002-03, which were down 9% from 2001-02.

In metal packaging, the beverage can business had a solid year with volumes up 2% in 2002-03 on the previous year. Pre-mixed alcoholic beverages and soft drink multipack promotions were the main drivers of growth. Strategic capital investment totalling $30 million was approved for product development initiatives that include shaped and poly coated steel cans and a new low cost can end.

The food can business performed strongly in 2002-03 despite being impacted by drought conditions in Australia. With the closure of the plant at Dandenong, Australia the business had three focused manufacturing plants in the Goulburn Valley in Victoria, South Queensland and Hamilton, New Zealand at June 30, 2003.

In plastics, the flexible packaging business achieved volume growth of 3% in 2002-03, which was slightly below expectations due to the drought conditions affecting the dairy and produce segments of their market. Profit rose in 2002-03 compared with 2001-02 and with further capital investment targeted at cost reduction, a strong focus on product development together with synergies flowing from the flexibles sector, the business is positioned to deliver improved results in future periods.

The glass wine bottle operation generated a positive profit contribution for the 2002-03 year. A trouble free start up, strong customer support with sales above forecast levels and strong productivity levels were the key drivers to the profit contribution. Growth rates in the export wine market remain strong and during 2002-03 Amcor obtained customer support to enable the justification of a further investment of $125 million in a second furnace that is expected to come on stream in the first half of calendar year 2005 (see Recent Developments).

Amcor Flexibles (AF)

	2002-03 A$m	2001-02 A$m	Change %
Sales	2,170.3	1,976.6	9.8
Segment result(PBITA)	132.6	93.2	42.3

AF continued to make strong progress in 2002-03 with PBITA up 42.3% on 2001-02 to A$132.6 million. This performance was achieved in an environment of volatile raw material prices and uncertain economic conditions, particularly in France and Germany in the second half of the fiscal year.

The PBITA to sales margin improved from 4.7% in 2001-02 to 6.1% in 2002-03. Further improvements came from ongoing cost reductions and new product developments in prior years.

The primary focus in 2002-03 was to improve the product mix to higher margin products and actively manage the impact of volatile raw material prices and as a result, volumes were flat. However, added value improved in all market sectors and raw material price increases were successfully managed through strong relationships with our customers and suppliers.

The acquisitions of Rexam Food Flexibles and Tobepal (see Recent Developments) were integrated into the AF business successfully in 2002-03.

The portfolio restructuring programme, which commenced in 2001-02, continued during the year with the sale of the non-core Unibag business in Denmark, the acquisition of the Leaderpack (Portugal) minorities in July 2002, the closure of the Dutch Flexibles business at Haarlem in August 2002 and the closure of the small Synco operation in Belgium in December 2002. Further minor restructuring continued at a number of plants with a resultant improvement in the operating cost base. Synergy benefits from the three-way merger in June 2001 continued to remain ahead of expectations.

During the 2002-03 year great emphasis was placed on plant focus, product leadership and innovation (PLI) and customer service. The PLI strategy strengthened AF s market, customer and product portfolio. Improvements were also achieved in customer satisfaction, with service, quality and on-time deliveries contributing to stronger customer relationships.

The small North American flexibles business performed to expectations and, along with other non-European Amcor flexibles operations, delivered synergy benefits from its association with a large European flexibles group.

The second half of 2002-03 saw softer demand due to economic weakness in France and Germany and, as a result, order books were generally weaker than anticipated going into the summer period.

Industry consolidation continued in the European flexibles packaging industry and AF was an active participant with emphasis on value and strategic enhancement.

Amcor Sunclipse

	2002-03 A$m	2001-02 A$m	Change %
Sales	1,299.0	1,413.2	(8.1)
Segment result(PBITA)	84.8	95.2	(10.9)

For the 2002-03 year Amcor Sunclipse s PBITA was flat in US$ terms, after being up 8% on 2001-02 in the first half. In A$ terms, PBITA in 2002-03 was down 10.9% compared with 2001-02.

The economy in the second half of 2002-03 was impacted by the war in Iraq, reducing demand across all segments of the business.

In the manufacturing business, cost containment efforts were not able to keep up with reduced prices and margins and PBITA was down 10% in 2002-03 compared with 2001-02. Competition and difficult economic conditions were especially prevalent in the main area of operation, Southern California.

In the distribution business, the Mexican operations experienced a reduction in demand as increased NAFTA tariffs resulted in several multinational customers moving manufacturing operations from Mexico to Asia. In response, the Mexican operations increased their focus on Mexican based opportunities.

The distribution business s largest United States sales regions are Southern California, Northern California and Texas. The Northern Californian operations experienced reduced demand from the technology sector and, as a consequence, increased their focus on wine and produce opportunities. Southern California and Texas operations generally experienced flat activity.

Overall, in local currency, sales grew by 4.8% in 2002-03 over the previous year and operating margins remained stable despite intense competitive pressure caused by the severe contraction in business activity. In A$ terms sales were down 8.1% in 2002-03 from A$1,413 million in 2001-02 to A$1,299 million.

In 2002-03 the rookie sales force was increased by 11% over 2001-02 aimed at increasing the ability to penetrate both new and existing accounts and markets. Best practices in the areas of procurement and logistics proved effective in defending market share and improving customer service. Specifically, worldwide purchasing, the development of a hub and satellite logistics network and inventory rationalisation projects yielded positive results.

Amcor Rentsch and Closures

	2002-03 A$m	2001-02 A$m	Change %
Sales	1,310.6	611.3	114.4
Segment result(PBITA)	83.3	48.6	71.4

For the combined Amcor Rentsch and Amcor Closures operations, PBITA was up 73% from A$48.6 million in 2001-02 to A$84.1 million in 2002-03 and sales were up 114% for the equivalent period mainly due to the acquisition of Schmalbach-Lubeca s closures operations. This was before significant items A$8.2 million restructuring expenses in 2003 following the acquisition of Schmalbach-Lubeca businesses and A$18.6 million loss on disposal of a business.

Amcor Rentsch had a strong year with sales up 15% in 2002-03 to A$549 million (from A$477 million in 2001-02) and profit before interest, tax and goodwill amortisation in 2002-03 also up on the equivalent period last year.

Volumes were particularly strong in Russia with the third printing press installed at Novgorod in November 2002 operating at full capacity.

Volume growth in Western Europe was assisted by the implementation of the European Union s directive for new health warnings on cartons. New designs from customers led to strong sales for product development services.

The business started up a new press in Portugal in late 2003, to meet increased volumes resulting from a new contract in the Southern European market.

In January 2003 Amcor announced the sale of its 65% holding in the North American metal and plastic closure business to its joint venture partner Silgan Holdings, via an existing agreement where Silgan Holdings exercised its right to acquire Amcor s shareholding.

Subsequent to the 2002-03 year-end, Amcor sold its plastic tub business for A$36 million. This business did not make a positive contribution to profit for the 2002-03 year.

For the ongoing White Cap Closures operations, volumes in 2002-03 were down 3.6% compared with 2001-02 due to a combination of the impact of deposit legislation in Germany, the weaker economy in Europe and the political uncertainty in Venezuela. The business continued to focus on ongoing cost cutting initiatives to improve operating productivity.

Expansion of the plastic closure capacity in Poland was completed and production commenced in January 2004. A new plant in the Philippines commenced operations and is supplying innovative proprietary closure technology to a food customer in the Asian region.

The 51% owned plastic closure joint venture with Bericap in North America operated two plants in 2002-03, one in Ontario and a new plant in California, which commenced production in July 2002. Sales for the 2002-03 year were

up 12% on 2001-02, mainly due to the start-up of this new plant. The weakness in the US$ impacted margins in Canada for those closures exported to the US.

Amcor Asia

	2002-03 A$m	2001-02 A$m	Change %
Sales	263.4	310.4	(15.1)
Segment result	32.1	44.5	(27.9)

Amcor Asia had a difficult year with PBITA in 2002-03 down 21% in local currency terms and down 28% in Australian dollar terms to A$32 million from A$45 million in 2001-02.

After a flat first half of 2002-03, the economies of Asia were severely impacted by the SARS virus and the advent of the war in Iraq. Sales were down 15% from A$310 million in 2001-02 to A$263 million in 2002-03.

As a result of the SARS virus, the corrugated business, which has exposure to a broad range of industries, faced unstable paper prices and a substantial fall in demand. The plant at Dongguan in Southern China was particularly hard hit by its impact.

The tobacco carton business performed satisfactorily, although the plant in Beijing was severely impacted when distribution in the city almost came to a halt during the SARS epidemic.

The two flexible plants in China continued to improve their operating performance and PBITA in 2002-03 was ahead of 2001-02.

**B.	Liquidity and Capital Resources**

Amcor believes that its operating cash flow and existing credit facilities should be sufficient to fund all of its existing business needs for the foreseeable future, including currently anticipated capital expenditure, debt repayments and other contingent liabilities.

As indicated in the following table, Amcor has expended significant funds on capital expenditure projects and acquisitions over the past five fiscal years.

	Year Ended June 30,									
	2004		2003		2002		2001		2000	
	(In millions, except percentages)									
Capital expenditure	A$	605	A$	890	A$	351	A$	289	A$	330
Acquisitions	A$	618	A$	2,858	A$	371	A$	663	A$	101
Gearing: net debt/net debt and shareholders equity		36%		33%		(6)%		46%		43%
Total liabilities as % of total assets		54%		52%		48%		63%		63%

Capital expenditure commitments and contingent liabilities at June 30, 2004 were A$122 million and nil, respectively. Acquisition expenditure in 2003-04 of A$618 million related mainly to the acquisition of Rexam s Healthcare flexibles business and Alcoa s Latin American PET packaging business and the buyout of the minority interest of Amcor Flexibles.

Amcor ensures that adequate back-up funding facilities are in place to cover the risk of a loss of credit support or a general market disruption. Amcor has arranged back-up facilities to support sources of working capital funding.

Undrawn bank facilities available to Amcor at June 30, 2004 totalled A$2,211 million, of which A$1,220 million is committed funding. These unutilized credit lines included:

a A$600 million promissory note facility (undrawn at June 30, 2004 A$600 million);

a US$200 million commercial paper program (undrawn A$103 million);

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a US$200 million multi-currency Euronote facility (undrawn A$289 million);

a A$350 million committed bi-lateral multi-currency term loan facility (undrawn A$46 million); and

a US$1,000 million committed syndicated revolving multi-currency loan facility (undrawn A$1,134 million).

Total borrowings increased from A$2,013 million at June 30, 2003 to A$2,505 million at June 30, 2004. Net of cash and short-term deposits, net debt was A$1,851 million as at June 30, 2003 compared with net debt of A$2,356 million at June 30, 2004.

Amcor s debt profile for its last five fiscal years is shown below:

	At June 30,									
	2004		2003		2002		2001		2000	
	(In A$ millions, except where indicated)									
Long-term debt (excluding undated subordinated convertibles but including finance leases)(1)	A$	1,776	A$	1,004	A$	1,145	A$	1,559	A$	990
Net debt/(cash surplus)(2)	A$	2,356	A$	1,851	A$	(818)	A$	1,733	A$	984
Average interest rate(3)		4.7%		5.0%		5.5%		6.0%		6.6%

(1) Non-current liabilities (ie. debt which is due to be repaid more than twelve months after balance date). Undated subordinated convertible securities of A$332 million are not included in long term debt.

(2) Current and non-current bank and other borrowings, current and non-current lease liabilities and current indebtedness to related parties net of cash and deposits

(3) Includes an interest rate of 7.25% on A$332 million undated subordinated notes.

By keeping a proportion of variable-rate debt, Amcor was able to maintain the average interest rate paid on all borrowings in 2003-04 at 4.7% (2002-03 5.0%). Net interest cover at 4.5 times is higher than at June 30, 2003 and is well within the prudential limit established by Amcor s Board of Directors. Balance sheet gearing (net debt as a proportion of net debt plus shareholders equity) was 36% at June 30, 2004, compared with 33% as at June 30, 2003.

Amcor retains Standard & Poor s and Moody s Investor Services to provide an independent rating of its creditworthiness. This provides a current assessment of the Group s overall financial capacity to meet its financial obligations. Current credit ratings for Amcor are as follows:

Short-term:	A-2 (Standard & Poor s)
	P-2 (Moody s)
Long-term:	BBB+ Credit Watch Negative (Standard & Poor s)
	Baa1 Stable Outlook (Moody s)

Amcor believes that having an investment grade rating delivers a conservative capital structure, retains financial flexibility, provides a buffer through the business cycle and allows good access to capital as required.

Amcor believes that it maintains a high level of liquidity including positive working capital (current assets less current liabilities), cash balances and substantial credit facilities (described above). Our working capital increased by A$150 million at June 30, 2004 due to an increase in current assets of A$102 million (receivables A$26 million, inventories A$86 million and cash (A$10 million)) and a decrease in current liabilities of A$48 million (accounts payable (A$185 million), borrowings A$280 million and provisions (A$47 million)).

The following table sets forth Amcor s cash flow information for the last five fiscal years:

	Year Ended June 30, 2004	2003	2002	2001	2000
	(In A$ millions)				
Net cash inflow from operating activities	1,032	875	901	416	467
Net cash inflow/(outflow) from investing activities	(1,061)	(3,504)	269	(934)	322
Net cash inflow/(outflow) from financing activities	106	398	810	608	(783)
Net increase/(decrease) in cash held	77	(2,231)	1,980	90	6

The decrease in cash outflow from investing activities reflects lower levels of expenditure in 2003-04 on acquisitions and capital. The outflow in 2002-03 mainly refers to the cash settlement of the purchase of the PET and Closures businesses from Schmalbach-Lubeca. Net cash from financing activities in 2003-04 is less than in 2002-03 due mainly to the lower levels of net borrowings in 2003-04.

Issued share capital increased from 848.2 million Ordinary Shares outstanding at June 30, 2003 to 878.0 million Ordinary Shares outstanding at June 30, 2004 due primarily to the shares issued for the Dividend Reinvestment Plan (DRP) and the conversion to ordinary shares of convertible securities.

On October 1, 2003, 30,178 shareholders participated in the DRP; 6,833,330 shares were issued at a price of A$8.59 per share and on March 31, 2004, 29,614 shareholders participated in the DRP; 4,505,792 shares were issued at a price of A$7.87 per share. On September 29, 2004, 29,834 shareholders participated in the DRP and 3,819,048 shares were issued at a price of A$7.34 per share.

C. Research and Technology

Research and development is an integral part of Amcor s strategy with a global presence established through Centres of Excellence in North America, Europe and Australasia. Communication between these facilities, and the subsequent exchange of information, provides Amcor s customers with packaging solutions on a global scale. Additionally, Amcor s Product Leadership and Innovation program, which was launched during the year to June 2003, is now a part of our culture with increased market and customer focus.

A key element of Amcor s research and development activities is the securing of intellectual property (IP) for Amcor and its customers. Our IP program ensures that ideas generated by Amcor employees to solve customers needs and developments of innovative, cost-effective products and processes are kept as the IP of Amcor by utilising a range of registration or confidentiality agreements.

During 2003-04 Amcor spent approximately A$48 million on research and development. This compares with approximately A$50 million in 2002-03 and A$36 million in 2001-02.

Examples of Amcor s recent initiatives include:

Our P-Plus technology which enables pre-cut salads and vegetables in a sealed bag to remain fresh and nutritious for up to 10 days;

Our new Powerflex PET technology for PET bottles which offers the benefits of smooth sidewalls as well as vacuum control; it has a special vacuum-absorbing diaphragm built into its base and a unique sidewall designed to resist distortion;

The TrayBon Muffin Tray development which eliminates the need for repackaging as muffins are baked, cooked, cooled, transported and sold in the tray; and

AromaSeal, a plastic canister designed for Proctor and Gamble s Folgers coffee; a feature of the canister is Amcor s one-way valve, SoftValve, which releases carbon dioxide emitted from freshly-ground coffee, while preventing air from entering and affecting the coffee s freshness.

D. Trend Information

Relevant trends are discussed for Amcor as a whole and for each business in Item 5A Operating Results

E. Off-Balance Sheet Arrangements

Non-recourse Receivables Securitization Programme

Amcor utilises an uncommitted, multi-currency receivables securitization programme in the United Kingdom, France, Germany, Spain and US. The trade receivables of some of the group entities in these jurisdictions are sold, on a non-recourse basis, into an independent securitization conduit which issues asset-backed commercial paper into organised markets.

The programme limit is A$210 million and the balance of trade receivables sold at June 2004 was A$198 million (there was a balance of A$190 million at June 2003).

The programme is not required to be included on balance sheet for A-GAAP purposes, but is added back and included on balance sheet in the reconciliation to US-GAAP (refer Financial Statements F-97).

F. Tabular Disclosure of Contractual Obligations

Contractual and Commercial Commitments as at June 30, 2004

	Not later than 1 year	1 and 3 years	3 and 5 years	later than 5 years	TOTAL
Capital Expenditure (1)	121.5				**121.5**
Finance Leases (2)	2.3	19.7	4.5	73.5	**100.0**
Operating Leases (3)	123.0	207.2	149.8	166.4	**646.4**
Other Expenditure (4)	25.8	21.7	6.1	22.2	**75.8**
Long-Term Debt		193.3	145.2	1,340.0	**1,678.5**
TOTAL	**272.6**	**441.9**	**305.6**	**1,602.1**	**2,622.2**

(1) Capital expenditure for plant and equipment contracted but not provided for.

(2) Amcor leases equipment under finance leases expiring from one to 11 years. At the end of the lease term we have the option to purchase the equipment at an agreed residual.

(3) Amcor leases motor vehicles, plant and equipment and property under operating leases. Leases generally provide us with a right of renewal at which time all terms are renegotiated.

(4) Expenditure contracted but not provided for covering supplies and services to be provided.

C. Research and Technology

ITEM 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Details of the Directors in office at December 20, 2004 are:

C I (Chris) Roberts

Executive Chairman

Age 60. BCom.

Current term expires in October 2007.

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

Currently Chairman of Cockatoo Ridge Wines Limited. Director Australian Agriculture Company Limited and The Centre for Independent Studies, General Governor Winifred West Schools Limited and Adviser to Control Risks Group plc. Former roles include Chairman and Managing Director of Arnott s Limited, Managing Director of Orlando Wyndham Wines Limited, Chairman of Email Ltd and Director of Telstra Corporation Ltd and MLC Life Ltd.

Chairman of Executive and Nomination Committees.

Member of Audit and Compliance Committee.

Director since 1999 appointed Chairman 2000.

E A (Elizabeth) Alexander AM

Independent Non-Executive Director

Age 61. BCom, FCA, FCPA, FAICD.

Current term expires in October 2005.

Extensive governance, accounting and financial reporting experience.

Former Partner PricewaterhouseCoopers.

Currently Director of Boral Ltd, CSL Ltd and Deputy Chairman of Winston Churchill Memorial Trust and Financial Reporting Council. Chairman of Board of Advice to the Salvation Army (Southern Command) and member of the Takeovers Panel. Former Chairman of Australian Institute of Company Directors.

Chairman of Amcor Superannuation Fund.

Member of Audit and Compliance, Human Resources and Nomination Committees.

Director since 1994.

D C K (Charles) Allen AO

Independent Non-Executive Director

Age 67. MA, MSc, FTSE, FAICD.

Current term expires in October 2005.

Extensive Board and international management experience.

Currently Director of Earthwatch Australia Limited, The Australian Gas Light Company and Air Liquide Australia Limited. Former Chairman of National Australia Bank and CSIRO. Former Managing Director of Woodside Petroleum Limited and Chairman of North West Shelf Project Committee.

Member of Executive, Audit and Compliance and Nomination Committees.

Director since 1996.

R K (Keith) Barton

Independent Non-Executive Director

Age 63. BSc, PhD, FTSE, FAICD.

Current term expires in October 2006.

Extensive management experience in manufacturing in Australia and internationally.

Currently Director of Coles Myer Ltd, Tower Limited, Citect Ltd and RBS. RVIV. VAF Limited. Former Managing Director of James Hardie Industries Limited and Executive Director of CSR Limited.

Chairman of Audit and Compliance Committee.

Member of Executive and Nomination Committees.

Director since 1999.

R K (Keith) Barton

G J (John) Pizzey

Independent Non-Executive Director

Age 58. BEng(Chem), Dip. Mgt., FIE Aust. FAICD, FAIM.

Current term expires in October 2006.

Extensive experience in the international resources industry and general management.

Currently Chairman of ION Ltd, Range River Gold Ltd and Director of WMC Resources Ltd and St Vincent s Institute.

Former Executive Vice President and Group President Primary Products for Alcoa Inc and Chairman London Metal Exchange.

Member of Human Resources and Nomination Committees.

Director since 2003.

J G (John) Thorn

Independent Non-Executive Director

Age 56, FCA

Appointment to be ratified at the October 2005 AGM.

Previously a partner with PricewaterhouseCoopers for over 20 years with the last three as National Managing Partner.

Currently Director of Caltex Australia Limited, National Australia Bank Limited and Salmat Limited.

Member of the Audit and Compliance Committee.

G A (Geoff) Tomlinson

Independent Non-Executive Director

Age 55. BEcon.

Current term expires in October 2007.

Extensive experience in the financial services industry in Australia and internationally.

Currently Chairman of Funtastic Limited and Programmed Maintenance Services Limited. Deputy Chairman of Hansen Technologies Limited. Director Mirrabooka Investments Limited and National Australia Bank Limited.

Former Group Managing Director National Mutual Holdings Ltd.

Chairman Human Resources Committee.

Member of Nomination Committee.

Director since 1999.

In addition to the Executive Director of Amcor noted above, details of the Executive Officers of Amcor who are not Directors at the date hereof are as follows:

E.E. (Eric) Bloom

President and Chief Executive Officer, Amcor Sunclipse North America

Age 55, B.Sc ME, MBA

Joined Amcor in 1995 and appointed to current position in 2002.

Previously Research and Development Design Engineer, Director and later Vice President of Manufacturing.

Previous senior manufacturing roles held at Fortune Brands and Black and Decker.

Director of National Paper Trade Association (NPTA).

Chan Chew Keak (Billy)

Managing Director, Amcor Asia

Age 54, C Eng (UK), MBA

Joined Amcor in 1993 and appointed to current position in 1998.

10 years experience with Carnaud Metal box including Managing Director and Managing Director AMB Packaging Pte Ltd

W.P. (Peter) Day

Executive General Manager Finance

Age 55, LLB (Hons), MBA, FCA (UK & Aust), FCPA

Joined Amcor in 2001 and appointed Executive General Manager Finance in June 2001.

Previously Executive Director Finance Bonlac Foods Limited.

Former deputy chairman of the Australian Securities and Investments Commission (ASIC).

Former Chairman of the Australian Accounting Standards Board.

Member of International Accounting Standards Board s Advisory Council.

G.S. (Graham) James

Chief Executive Officer, Amcor Flexibles

Age 58, BA. Hons.

Joined Amcor in 1994 and appointed to current position in 2001.

Over 30 years experience in the packaging sector, particularly in Europe.

Previously Divisional Chief Executive, packaging Films for Courtauds.

L.J. (Lou) Lachal

Acting Chief Operating Officer

Age 53, BSc, B.Bus.

Joined Amcor in 1980.

Extensive experience in working overseas and with a diversified international business. Previous positions in Amcor include General Manager Commercial, Amcor Packaging; Deputy Managing Director Amcor Packaging (Europe) Ltd; Commercial Director Amcor Packaging (Europe) Ltd; Mill Manager Broadford. Appointed Group General Manager Commercial Operations in April 1998. Chief Financial Officer from July 2000 to June 2001.

W.J. (William) Long

President, Amcor PET Packaging

Age 49, B Sc. BA

Joined Amcor in 2002 and appointed to current position in 2002.

Previously held various positions within Schmalbach-Lubeca, including President & CEO of Plastic Containers Americas and was previously Vice President and General Manager for Latin America at Johnson Controls Inc. prior to its sale to Schmalbach-Lubeca in 1997. At Johnson Controls he had also been Vice President of Sales and Marketing USA PET and Director of Operations PET Europe, responsible for the start-up of JCI s PET business there in the early 1990 s. Prior to this, he held various regional and plant management positions in various cities across the US in businesses bought and merged into the Johnson Control Inc. Group.

K. N. (Ken) MacKenzie

Group Managing Director, Amcor Rentsch and Amcor Closures

Age 40, B Eng.

Joined Amcor in 1992 and appointed to current position in 2001.

17 years experience in the manufacturing sector including senior management roles in Operations, Finance and Sales. Former Amcor positions include Group General Manager Amcor Flexibles Australasia; General Manager Corporate Sales and Marketing, Amcor Australasia; Senior Finance and Operational roles, Amcor PET Packaging North America 1992.

Previously Manager Manufacturing Strategy Practice, Accenture.

J.V. (John) Murray

Executive General Manager Corporate Affairs

Age 46, B.E(Chem), B.Ec.

Joined Amcor in 1999 and appointed to current position in 1999.

Previously Investor Relations Manager with National Mutual Holdings, Analyst for National Mutual Funds Management. Previous positions include Chemical Engineer with Alfa-Laval and institutional dealer for stockbroker AC Goode.

D.F. (Darryl) Roberts

Acting Managing Director of Amcor Australasia

Age 55, B Arts (Acc)

Joined Amcor 28 November 1994

Previous positions within Amcor include Divisional GM Two Piece (Amcor Containers Packaging), GM Beverage & Food Can Division, Group GM Metals Division, Group GM Fibre Packaging. Other positions include Regional General Manager Victoria and Tasmania the Readymix Group (CSR Ltd) and Regional General Manager NSW & ACT The Readymix Group (CSR Ltd).

I.G. (Ian) Wilson

Strategic Development Director

Age 46, LLB (Hons), LLM

Joined Amcor in 2000 and appointed to current position in 2000.

Extensive experience in international mergers and acquisitions, strategy development, finance and law from 14 years in investment banking with UBS and 6 years in private legal practice with Baker and McKenzie.

P.S. (Peter) Wilson

Executive General Manager, Human Resources and Operating Risk

Age 52, B.Comm (Hons), MA (Hons) (Melb), FCPA, FAICD.

Joined Amcor in 1999 and appointed to current position in 1999.

Chairman of Commonwealth Safety Rehabilitation and Compensation Commission (Comcare) from 1998-2004. Former roles include Director of Kimberly-Clark Australia, Chief Executive Officer Melbourne for Stratus - Energy 21 Group, Group General Manager roles in Strategy, Asia Pacific Banking, Marketing and Distribution, HR and Management Services for the Australia and New Zealand Banking Group Limited. Director General, Department of Industry, Technology and Resources; Commissioner, State Electricity Commission of Victoria; and Chairman, Victorian Public Authority Finance Agency. In April 2003, he was awarded the Centenary Medal by Australia s Prime Minister and Governor-General for his contributions to the second century of Federation.

Executive Officers serve at the discretion of the Directors. No family relationship exists between any Director or Executive Officer and any other Director or Executive Officer.

B. Compensation

The aggregate amount of remuneration paid by Amcor during 2003-04 to all Directors and Executive Officers, as a group, was A$16.4 million. This amount includes retiring allowance accrual for non-executive Directors of A$691,033.

Retirement agreements have been entered into between Amcor and five of the non-executive Directors that provide for the payment of benefits upon cessation of their respective directorships as covered in Rule 55 of Amcor s Constitution. Retiring allowance accrual to June 30, 2004 of A$2,872,325 is allocated as follows:

C.I. Roberts A$1,016,302, E.A. Alexander A$638,357, D.C.K. Allen A$468,176, R.K. Barton A$370,293,

G.A. Tomlinson A$379,197.

Retiring allowance agreements have not been offered to any Non-Executive Director appointed after June 30, 2003.

The Managing Director and a number of Executive Officers are members of defined benefit superannuation plans operated by the Company under which no specific contribution is determined in respect of any individual member. The Company contributes to those plans at rates determined by an actuary as being necessary and sufficient to ensure the overall financial soundness of the plan. The aggregate amount set aside by the Company during 2003-04 and included in the aggregate amount of remuneration of Directors and Executive Officers above, was A$1 million.

Details of the nature and amount of each major element of the emoluments of each director of the Company and each of the five named officers of the Company and Amcor receiving the highest emoluments during 2003-04 are set out below:

	Base Emolument A$	Incentive A$	Salary Sacrifice A$	Super annuation A$	Other (inc Retiring Allowance) A$	Total (Excluding Options and Shares) (4)(5) A$
Director						
C I Roberts	269,166		110,833	24,225	298,496	702,720
R H Jones(1)	1,356,250	550,003(3)		271,250	411,383	2,588,886
E A Alexander	128,799		32,200	11,592	112,271	284,862
D C K Allen	39,666		100,333		75,030	215,029
R K Barton	123,999		31,000	11,160	111,870	278,029
G J Pizzey	107,101		26,775	5,250	2,354	141,480
G A Tomlinson	114,000		28,500	10,260	91,694	244,454
T C Bergman(2)	33,926		8,481	3,053	19,899	65,359
Total	**2,172,907**	**550,003**	**338,122**	**336,790**	**1,122,997**	**4,520,819**
Amcor Limited						
I G Wilson	676,471	312,255(3)			241,060	1,229,786
L J Lachal	601,250	231,800(3)		96,200	57,828	987,078
P S Wilson	551,250	218,400(3)		88,200	105,358	963,208
P R Sutton(1)	531,250	355,938		11,002	153,592	1,051,782
W P Day	588,750	237,900(3)		58,875	71,125	956,650
Total	**2,948,971**	**1,356,293**		**254,277**	**628,963**	**5,188,504**
Amcor						
G S James	891,544	358,456		173,475	71,626	1,495,101
K N MacKenzie	632,308	331,312		94,032	206,800	1,264,452
I G Wilson	676,471	312,255(3)			241,060	1,229,786
L J Lachal	601,250	231,800(3)		96,200	57,828	987,078
W J Long	704,424	232,988		28,177	47,456	1,013,045
Total	**3,505,997**	**1,466,811**		**391,884**	**624,770**	**5,989,462**

(1) On December 7, 2004 the Chairman of Amcor Limited, Mr Chris Roberts, announced the resignation of Mr R H (Russell) Jones and Mr P R (Peter) Sutton. It is the Board s intention that Messrs. Jones and Sutton will receive their minimum legal entitlements only on resignation. It is not intended that any additional contractual payments (whether by way of accrued performance payments in lieu of notice or otherwise) will be made to them.

(2) T C Bergman resigned from the Board on 23 October 2003 and received a retirement payment of $354,754 at that time.

(3) Includes a carryover component from year ended 30 June 2003.

Executive directors and senior executives may receive bonuses based on the achievement of specific performance hurdles. The performance hurdles are a blend of the consolidated entity s and each relevant segment s result exceeding approved targets. There is no separate profit-share plan.

(4) Options entitling the holder to purchase one Amcor ordinary share per option were issued during the year. The value of options has been calculated at the date of grant using the Black Scholes option pricing model and is determined by factors including the option s grant price, lifespan, share price volatility and dividend yield. Details are as follows:

Name	Number	Exercise Price A$	Expiry Date	Fair Value A$
W. P. Day	222,500*	7.87	24 Mar 10	317,500
L.J. Lachal	178,000*	7.87	24 Mar 10	254,000
P.S. Wilson	133,500*	7.87	24 Mar 10	190,500
G.S. James	133,500*	7.87	23 Mar 10	190,500
W.J. Long	178,000*	7.87	24 Mar 10	254,000
P.R. Sutton(1)	178,000*	7.87	24 Mar 10	254,000
K. N. MacKenzie	100,000*	7.87	24 Mar 10	127,000
	80,000	6.03	1 Oct 06	220,000

* As a result of the company performance for the year, 89% of these options are capable of being exercised.

(1) On December 7, 2004 the Chairman of Amcor Limited, Mr Chris Roberts, announced the resignation of Mr P R (Peter) Sutton. These options have now been cancelled.

(5) Shares were issued under the Employee Share Purchase Plan approved by shareholders on January 29, 1985 and as amended on September 3, 1987, October 20, 1988, June 2, 1999 and October 12, 2000. These shares are issued in accordance with the resolution at the 2000 annual general meeting and are part of the Managing Director s/Chief Executive Officer s short term incentive bonus. The value of these shares has been amortised over the relevant trading restriction period. During the year ended June 30, 2004, 84,451 shares were granted to R.H. Jones. These shares are valued at A$127,098.

C. Board Practices

Role of the Board

The Board s primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the consolidated entity including approving the strategic direction put forward by management, approving and monitoring capital expenditure, setting remuneration, appointing removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management s goals and ensuring the integrity of internal control and management information systems. It is also responsible for approving and monitoring financial and other reporting. Details of the Board s charter are located on the company s website (www.amcor.com).

The Board has delegated responsibility for operation and administration of the company to the Managing Director/Chief Executive Officer and executive management. Responsibilities are delineated by formal authority delegations.

On December 7, 2004 the Chairman of Amcor Limited, Mr Chris Roberts, announced the resignation of Mr R H (Russell) Jones. Mr Roberts became Executive Chairman and Mr Louis Lachal (Executive General Manager Operations) became Acting Chief Operating Officer for the interim period prior to appointing a replacement Managing Director. During this period the responsibilities of the Managing Director/Chief Executive Officer as referred to below will be appropriately discharged by the Executive Chairman and the Acting Chief Operating Officer.

Board Processes

To assist in the execution of its responsibilities, the Board has established the following Board committees -

- Executive
- Nomination
- Human Resources, and
- Audit and Compliance

These committees have written mandates and operating procedures, which are reviewed on a regular basis.

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

The Board currently holds six scheduled meetings during the year plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise. The agenda for meetings is prepared in conjunction with the Chairman, Managing Director/Chief Executive Officer and Company Secretary. Standing items include the Managing Director/Chief Executive Officer s report, business group Managing Directors reports, financial reports, strategic matters and governance and compliance issues. Board papers are circulated in advance and executives regularly provide input to Board discussion. In addition, Directors have other opportunities for contact with a wider group of employees with regular visits to business units and plants, both local and overseas.

Composition of the Board

The composition of the Board is determined using the following principles:

a minimum of seven directors, with a broad range of expertise both nationally and internationally;

a majority of independent non-executive directors;

a majority of directors having extensive knowledge of the company s industries, and those which do not, having extensive expertise in significant aspects of financial reporting and risk management of large companies;

a non-executive independent director as Chairman;

enough directors to serve on Board committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities; and

directors retire at the Board meeting following their 70th birthday and are subject to re-election at least every three years (except for the Managing Director/Chief Executive Officer).

Nomination Committee

The Nomination Committee oversees the appointment and induction process for directors and committee members, and the selection, appointment and succession planning process of the company s Managing Director/Chief Executive Officer. The committee makes recommendations to the Board on the appropriate skill mix, personal qualities, expertise and diversity of each position. When a vacancy exists or there is a need for particular skills, the committee in consultation with the Board determines the selection criteria based on the skills deemed necessary. The committee identifies potential candidates with advice from an external consultant. The Board then appoints the most suitable candidate. Board candidates must stand for election at the next general meeting of shareholders.

The Nomination Committee also conducts an annual review of the effectiveness of the Board, its committees, individual directors, and senior executives. This review has been completed for the 2003-04 financial period. The review is conducted in-house and involves self-assessment. All directors have an opportunity to contribute to the review process. The reviews generate recommendations to the Board.

The Nomination Committee continues to review its evaluation processes to establish performance indicators that are both measurable and qualitative.

The Nomination Committee currently comprises the following members:

C I Roberts (Chairman) - Executive Chairman

E A Alexander - Independent Non-Executive Director

D C K Allen - Independent Non-Executive Director

T C Bergman (resigned 23 October 2003) - Independent Non-Executive Director

R K Barton - Independent Non-Executive Director

G J Pizzey (appointed 23 September 2003) - Independent Non-Executive Director

G A Tomlinson - Independent Non-Executive Director

The Nomination Committee meets as required. The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment, including expectations for attendance and preparation for all Board meetings, appointments to other boards, the procedures for dealing with conflicts of interest, and the availability of independent professional advice.

Further details of the Nomination Committee s charter and policies, including those for appointing directors are available on the company s website.

Executive Committee

The Executive Committee deals with matters referred to it by the Board or with urgent matters which may not be deferred until the next meeting of the Board. The Board confirms the actions of this Committee at its next meeting.

The current members of the Executive Committee are:

C I Roberts (Chairman) Executive Chairman

D C K Allen Independent Non-Executive Director

R K Barton (appointed 25 November 2003) Independent Non-Executive Director

All other non-executive directors receive the Executive Committee agendas and papers and are encouraged to attend meetings of the Executive Committee as available.

Human Resources Committee

The Human Resources Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the Managing Director/Chief Executive Officer, senior executives and directors themselves. It is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies, professional indemnity and liability insurance policies, and succession planning.

The current members of the Human Resources Committee are:

G A Tomlinson (Chairman)   Independent Non-Executive Director

E A Alexander - Independent Non-Executive Director

T C Bergman (resigned 23 October 2003) - Independent Non-Executive Director

G J Pizzey (appointed 23 September 2003) - Independent Non-Executive Director

The Human Resources Committee meets twice a year and otherwise as required. The committee met three times during the year.

The Human Resources Committee s charter is available on the company s website.

Audit and Compliance Committee

The Audit and Compliance Committee has a documented charter, approved by the Board. All members must be independent non-executive directors. The Chairman may not be the Chairman of the Board. The committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the consolidated entity.

The members of the Audit and Compliance Committee are:

R K Barton, BSc, PhD, FTSE, FAICD (Chairman) - Independent Non-Executive Director

D C K Allen MA, MSc, FTSE, FAICD - Independent Non-Executive Director

E A Alexander, B Com, FCA, FCPA, FAICD - Independent Non-Executive Director

C I Roberts, B Com - Executive Chairman

J G Thorn, FCA - Independent Non-Executive Director

The internal and external auditors, the Managing Director/Chief Executive Officer and the Executive General Manager Finance, are invited to Audit Committee meetings at the discretion of the committee. The Audit and Compliance Committee meets four times a year and otherwise as required. The committee met six times during the year. The external auditor met with the Audit and Compliance Committee six times and with the Board of Directors twice during the year without management being present.

The Audit and Compliance Committee s charter is available on the company s website along with information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.

The responsibilities of the Committee are to:

(a) monitor the integrity of the company s external reporting processes, including the company s compliance with its continuous disclosure and financial reporting obligations;

(b) consider and report to the Board on the preparation and integrity of the company s half-yearly and yearly financial statements prior to their release to the financial market;

(c) review all significant accounting policy changes and, where appropriate, recommend to the Board that the changes be adopted by the company;

(d) monitor and report to the Board on the framework for, and effectiveness of, the company s internal financial controls and risk management system;

(e) establish guidelines for the selection and appointment of the external auditor and the rotation of the principal external audit partner and the audit partner responsible for reviewing the audit work;

(f) appoint, remove and determine the remuneration of the external auditor and oversee the rotation of the principal external audit partner and the audit partner responsible for reviewing the audit work;

(g) to the extent permitted by law, consider and, if appropriate, approve the provision of non-audit services by the company s external auditor;

(h) regularly review and report to the Board on the effectiveness, independence and performance of the internal and external audit functions;

(i) implement appropriate procedures to ensure that adequate audit coverage exists for all major financial risks of the business and report to the Board on any issues arising from this coverage;

(j) review reports from the internal auditor on major issues arising from the internal audit program and report to the Board on those issues as appropriate;

(k) review the annual financial reports with the external auditors and report to the Board on those reports, and any issues arising out of those reports, as appropriate;

(l) discuss with management and the external auditor any correspondence with regulatory or governmental bodies and any published reports which raise material issues regarding the company s financial reports;

(m) consider post audit reviews of major capital expenditures and acquisitions;

(n) monitor the company s funding commitments;

(o) assess significant business risks arising out of or in connection with major customer and supplier contracts;

(p) monitor the company s compliance with all applicable legal and regulatory obligations;

(q) consider any fraud that involves management or other employees who have a significant role in the company s internal controls;

(r) establish procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting control and auditing matters;

(s) establish procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting, auditing, management and operational matters;

(t) review major non-financial regulatory matters through the use of a compliance monitoring reporting regime, which covers the following areas of exposure:

A. environment;

B. safety and health;

C. asset protection;

D. trade practices;

E. discrimination and harassment;

F. conflict of interest; and

G. ethical standards.

Risk management

Oversight of the risk management system

The Board oversees the establishment, implementation, and annual review of the company s risk management. Management is establishing a formalised Risk Management System for assessing, monitoring and managing operational, financial reporting, and compliance risks for the consolidated entity. The Executive Chairman and the Executive General Manager Finance have declared, in writing to the Board, that except for the conduct related to possible breaches of Australian and New Zealand competition laws detailed in Item 8, Financial Information Legal Proceedings , the financial reporting risk management and associated compliance and controls have been assessed and found to be operating effectively. The operational and other compliance risk management processes have also been assessed and found to be operating effectively.

The Audit and Compliance Committee reports to the Board on the status of the implementation of the risk management program which is aimed at ensuring risks are identified, assessed and appropriately managed.

Major risks arise from such matters as actions by competitors, government policy changes, the impact of exchange rate movements on the price of raw materials and sales, difficulties in sourcing raw materials, environment, occupational health and safety, property, financial reporting, and the purchase, development and use of information systems.

Risk management and compliance and control

The Board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities. The Board s policy on internal control is comprehensive, details of which are available on the company s website. It comprises the company s internal compliance and control systems, including:

operating unit controls operating units confirm compliance with financial controls and procedures including information systems controls detailed in procedures manuals;

functional specialty reporting key areas subject to regular reporting to the board include treasury and derivatives operations, environmental, legal and self insurance matters; and investment appraisal guidelines for capital expenditure include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses are being acquired or divested.

Comprehensive practices, have been established to address:

capital expenditure and revenue commitments above a certain size obtain prior Board approval;

financial exposures are controlled, including the use of derivatives. (Further details of the company s policies relating to interest rate management, forward exchange rate management and credit risk management are included in the Notes to the Consolidated Financial Statements included herein.);

occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;

business transactions are properly authorised and executed;

the quality and integrity of personnel (see below);

financial reporting accuracy and compliance with the financial reporting regulatory framework (see below);

environmental regulation compliance (see below).

The consolidated entity strives to ensure that its products are of the highest standard. Towards this aim it has undertaken a program to achieve AS/NZS ISO 9002 quality assurance accreditation for each of its business segments.

Financial reporting

The Executive Chairman of the Board of Directors and the Executive General Manager Finance have declared, in writing to the Board, that except for the conduct related to possible breaches of Australian and New Zealand competition laws detailed in Item 8, Financial Information Legal Proceedings , the company s financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Assessment of effectiveness of risk management

The internal auditors assist the Board in ensuring compliance with the internal controls and risk management programs by regularly reviewing the effectiveness of the abovementioned compliance and control systems. The Audit and Compliance Committee is responsible for approving the program of internal audit visits to be conducted each financial year and for the scope of the work to be performed on a regular basis.

Ethical standards

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The Board reviews the Corporate Code of Conduct and Ethics Policy regularly and processes are in place to promote and communicate these policies.

D. Employees

Employee Numbers by Industry Segments	as at June 30 2004	2003
Amcor PET Packaging	6,191	5,601
Amcor Australasia	6,756	7,113
Amcor Flexibles Europe	7,606	6,766
Amcor Sunclipse	2,204	2,367
Amcor Rentsch and Closures	3,140	3,883
Amcor Asia	2,833	2,765
Corporate/Other	333	115
TOTAL	**29,063**	**28,610**

Employee Numbers by Geographic Segments	as at June 30 2002
Amcor Australasia	7,793
Amcor North America	5,006
Amcor Europe	7,926
Amcor Asia	2,782
Corporate/Other	123
TOTAL	**23,650**

E. Share Ownership

The following table sets forth, as at June 30, 2004 the relevant interest of each Director and Executive Officer in the share capital of the company as notified by the Directors to the Australian Stock Exchange.

Name	Number of Shares Owned
Fully Paid Ordinary Shares	
C I Roberts	114,421
R H Jones	381,764
E A Alexander (1)	26,258
D C K Allen	55,857
R K Barton	25,270
G J Pizzey	6,408
G A Tomlinson	39,684
I G Wilson	62,085
L J Lachal (2)	299,469
P S Wilson	204,835
P R Sutton	275,000
W P Day	59,452
W J Long	100
G S James	70,360

K N MacKenzie	500

(1) E A Alexander also holds 50,000 partly paid shares paid to five cents.

(2) L J Lachal also holds 20,000 partly paid shares paid to one cent.

The aggregate of the fully paid ordinary shares in the above table represents approximately 0.2% of the company s fully paid ordinary shares.

As of December 20, 2004 executive officers and employees had been issued with 12,816,395 ordinary shares representing approximately 1.5% of issued capital, under employee share purchase plans.

Share Based and Employee Bonus Compensation Plans

Employee Share Purchase Plans

In 1985, the consolidated entity established the Employee Share Purchase Plan (ESPP). The maximum number of shares that can be issued under all plans cannot exceed 10% of the company s issued capital.

Employee Incentive Share Plan

Under the Employee Incentive Share Plan (EISP), shares are offered for the benefit of all full-time employees, permanent part-time employees and executive directors of Amcor Limited with more than twelve months service. The number of shares offered depends upon the company s increase in earnings per share and is currently on the following basis: an increase in earnings per share of less than 5% will result in no offer; from 5% to 10%, an offer of 100 shares; from more than 10% to 15%, an offer of 200 shares will be made; and above 15%, an offer of 300 shares will be made.

Under the EISP, shares have been issued at a 40% discount to the prevailing market price of Amcor Limited shares. The subscription amount is funded by an interest-free loan from the company with the exception of senior executives who are not provided with the loan facility. Dividends on the shares are applied in repayment of the loan balance. If the employee leaves the company, the shares are sold and the proceeds are applied to discharge the loan. The employee is not liable for any deficiency upon such discharge.

Due to the restrictions of the Sarbanes-Oxley Act of 2002 in the US, no such loans referred to in the above plans have been made or extended to directors and executive officers since July 1, 2002.

Senior Executive Retention Share Plan

Under the Senior Executive Retention Share Plan (SERSP), the Board may nominate certain senior executives as being eligible to receive fully paid ordinary shares in part satisfaction of their remuneration for the relevant financial year. The number of shares issued is entirely at the Board s discretion. The shares may not be disposed of by the employee for a restricted period of up to 5 years, unless the employee ceases employment 3 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 restricted period for cause or poor performance. The shares subject to the SERSP carry full dividend entitlements and voting rights.

Employee Share/Option Plans

In 1985, the consolidated entity also established the Employee Share/Option Plan (ESOP). Under the ESOP, partly paid shares or options of the company can be issued to executive officers and directors (including directors who are executives) and senior staff members selected by the directors. The shares are issued at market price at the time of issue. The call outstanding only becomes payable on retirement, death or at the directors discretion. These shares do not carry dividend entitlements unless determined otherwise by the directors. Voting rights exercisable by holders of partly paid ordinary shares are reduced pro rata to the portion of the issue price paid up on those shares under the Australian Stock Exchange Listing Rules.

Options granted under the ESOP may be issued upon such terms and subject to such conditions as the directors of the company determine at the time. Options which have been granted under the ESOP have an exercise price which is based on the market price of Amcor Limited ordinary shares at the date of grant of the options.

2000 CEO Restricted Share and Option Issue

Shareholders at the 2000 Annual General Meeting approved the issue of three million options to the Managing Director/Chief Executive Officer. The grant of options was made on August 18, 2000 at an exercise price of $5.67 which was the weighted average market price of Amcor Limited shares traded on the Australian Stock Exchange (ASX) for the week ended August 18, 2000. All options previously held by the Managing Director/Chief Executive Officer were cancelled following the approval by shareholders of the issue of the three million options.

These options were issued in three equal annual tranches. Each tranche is subject to two performance hurdles: for the first half of each tranche, the Board must be satisfied that the Managing Director/Chief Executive Officer has continued to demonstrate effective performance having regard to the financial and operating performance of the

Company and any other factors affecting the reputation of the company or otherwise as the Board deems appropriate. For the second half, the Amcor Limited total shareholder return is to exceed a comparator total shareholder return. Full details of these performance criteria are set out in the explanatory notes mailed to shareholders for the 2000 Annual General Meeting.

At the 2000 Annual General Meeting, shareholders also approved the issue of Restricted Shares to the Managing Director/Chief Executive Officer as part of his Short Term Incentive Bonus (STI Bonus). The number of Restricted Shares depends upon both the size of the STI Bonus in each year and a formula which incorporates the simple average of the closing price of Amcor Limited shares for each ASX trading day of the relevant year.

Details of the terms of issue of both the options and the Restricted Shares are set out in full in the explanatory notes for the 2000 Annual General Meeting.

2002 CEO Option Issue

Shareholders at the 2002 Annual General Meeting approved the issue of three million options to the Managing Director/Chief Executive Officer. The grant of options was made on August 14, 2002 at an exercise price of $8.20. These options were issued in three equal annual tranches. Each tranche is subject to the Amcor Limited total shareholder return exceeding a comparator total shareholder return. Full details of these performance criteria are set out in the explanatory notes mailed to shareholders for the 2002 Annual General Meeting.

Other Compensation Plans

The Employee Bonus Payment Plan (EBPP) is an alternative to the ESPP and the ESOP and is in place in countries where the company is unable to issue shares or options. Participants are offered entitlements and over the period during which employees hold their entitlements, their value will mirror the fluctuating value of Amcor s shares, including (in the case of the ESPP) all dividends paid on the shares during this time. Employees are only able to convert their entitlements into a cash bonus payment when they leave the company or three years have passed since the date on which the entitlements were originally issued.

From time to time, the Board may nominate certain employees in Belgium, New Zealand, Poland, Switzerland and the USA as being eligible to participate in a Senior Executive Retention Payment Plan (SERPP) under which Plan entitlements, instead of fully paid ordinary shares, 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 5 year restriction period has expired, 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).

The Share Appreciation Option Plan offered executive directors the opportunity to receive options subject to certain performance targets being met. This plan closed in 1999.

Share Appreciation Entitlements may be issued to employees who take part of their bonus by way of entitlements. During the period the employee holds them, the value of entitlements will be equivalent to the fluctuating value of Amcor Limited shares.

Phantom options are issued to employees residing in jurisdictions that, for statutory reasons, are not covered by option plans described above. The phantom option plan operates in a manner similar to other option plans although no entitlements to actual shares or options exist.

Options

As at June 30, 2004, the number of options over ordinary shares held by Executive Officers in the company are set out below;

Name	Number of Shares Underlying Options Owned	Exercise Price A$	Expiration Date
R H Jones(1)	3,000,000	5.67	1 Oct 2005
	3,000,000	8.20	30 Sept 2008
W P Day	100,000	6.62	1 Oct 2005
	50,000	6.02	13 Sept 2006
	250,000	7.87	24 Mar 2010
L J Lachal	24,000	5.16	14 Sept 2005
	200,000	7.87	24 Mar 2010
W J Long	300,000	7.30	1 July 2007
	44,000	8.20	1 Nov 2012
	200,000	7.87	24 Mar 2010
G S James	20,000	6.02	13 Sept 2006
	44,000	8.20	1 Nov 2012
	150,000	7.87	24 Mar 2010
P S Wilson	50,000	5.43	8 Nov 2004
	200,000	5.10	1 Oct 2005
	50,000	6.47	16 Sept 2004
	40,000	5.16	14 Sept 2005
	150,000	7.87	24 Mar 2010
P R Sutton (1)	100,000	5.24	15 Feb 2006
	80,000	5.24	1 Oct 2005
	50,000	6.02	13 Sept 2006
	44,000	8.20	1 Nov 2012
	200,000	7.87	24 Mar 2010
K N MacKenzie	80,000	6.03	1 Oct 2006
	10,000	6.47	16 Sept 2004
	8,000	5.16	14 Sept 2005
	5,000	6.02	13 Sept 2006
	88,000	8.20	1 Nov 2012
	100,000	7.87	24 Mar 2010

(1) On December 7, 2004 the Chairman of Amcor Limited, Mr Chris Roberts, announced the resignation of Mr R H (Russell) Jones and Mr P R (Peter) Sutton. These options have now been cancelled.

ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The Company is not directly or indirectly owned or controlled by another corporation or by any foreign government. To our knowledge, based on substantial shareholder notices filed with the Australian Stock Exchange as of 27 September 2004, the following table identifies those shareholders who beneficially own 5% or more of our ordinary shares and their holdings as of the date of their last respective notices.

Shareholder	Fully Paid Ordinary Shares	Percentage of Total Shares
Mondrian Investment Partners Limited (1)	67,329,189	7.66

There are no arrangements known to Amcor, the operation of which may at a subsequent date result in a change in control of Amcor. Major shareholders enjoy no rights different from any other holder of Amcor s Ordinary Shares.

Major Shareholders Over Previous Three Years

Date of Notice	Name of Shareholder	% of Voting Shares at Year-end
3 Aug 2001	Delaware International Advisers Ltd	9.24
20 Aug 2001	Maple-Brown Abbot Ltd	5.08
21 Aug 2001	Maple-Brown Abbot Ltd	Ceased to be substantial shareholder
8 Jul 2002	Delaware International Advisers Ltd	8.11
10 Jul 2002	Commonwealth Bank of Australia	5.05
4 Sep 2002	Commonwealth Bank of Australia	6.05
12 Mar 2003	Delaware International Advisers Ltd	6.73
4 Jun 2003	Commonwealth Bank of Australia	5.03
5 Jun 2003	Commonwealth Bank of Australia	Ceased to be substantial shareholder
15 Jan 2004	Delaware International Advisers Ltd	7.76
30 Apr 2004	Delaware International Advisers Ltd	10.00
27 Sep 2004	Mondrian Investment Partners Limited (1)	7.66

(1) - Previously Delaware International Advisors Ltd

B. Related Party Transactions

A number of loans have been provided by the Company to, or for the benefit of, certain Directors who are Executives and Executive Officers. The aggregate amount of such loans outstanding as at October 14, 2004 was A$1.1 million. Interest on these loans is charged at a rate varying from 0% to 5%. This represents 0.02 per cent of total equity as at June 30, 2004. (See Note 31 to the Consolidated Financial Statements for details on loans issued and repaid). In addition, the Company continues to guarantee, in favour of a Director who is an Executive, a loan of A$0.4 million. Due to the restrictions of the recently enacted Sarbanes-Oxley Act of 2002 in the US, no such loans have been made or extended to Directors and Executive Officers since July 1, 2002.

Under Amcor s Employee Share Plans which are described in Item 6, interest-free loans are made available to eligible employees to acquire shares, which are repaid over time by dividends received on the shares. In the past these interest-free loans have been made available to directors and executive officers of Amcor to acquire shares. However, due to the Sarbanes-Oxley restrictions Directors and Executive Officers will no longer receive this interest-free loan.

No Director or Officer of the Company (or any relative or spouse thereof) has any interests in any material transactions of Amcor which were effected by the Company or any of its subsidiaries since the current or immediately preceding financial year or were effected by the Company or any of its subsidiaries during an earlier financial year and remain in any respect outstanding at the date hereof. Directors and Executive Officers of Amcor have participated in recent issues of shares under Employee Share Plans which are described in Item 6.

Amcor trades with certain partly owned controlled entities in the normal course of business and on an arm s length basis. The amounts of these transactions were not material to any parties.

C. Interests of Experts and Counsel

Not Applicable

ITEM 8 FINANCIAL INFORMATION

A. **Financial Statements**

Amcor s Consolidated Financial Statements are included as Item 18

Legal Proceedings

CFMEU Proceedings

On June 15, 2000, the Construction, Forestry, Mining and Energy Union (CFMEU) filed a proceeding in the Federal Court of Australia against Amcor. The proceeding related to a claim for redundancy-related payments arising out of the change of employment of CFMEU members stemming from the demerger by Amcor in April 2000 of the PaperlinX Group.

On May 13, 2002 the court found that Amcor employees whose employment was transferred to PaperlinX Ltd had technically been made redundant and that the Court could not interpret the relevant clauses of the certified agreement in a manner which relieved Amcor of the obligation to make redundancy severance payments to the transferred employees. Amcor appealed this decision.

The appeal was heard by the Full Bench of the Federal Court on February 24, 2003 and its decision, dismissing Amcor s appeal was handed down on March 28, 2003. Amcor subsequently filed an application for special leave to appeal to the High Court, which was granted on December 12, 2003. The appeal was heard by the High Court on August 4, 2004 and the decision on the appeal is pending. After considering legal advice, the directors are of the opinion that no provision is required.

However, in the event we are ultimately unsuccessful in the appeal, we could be required to make redundancy payments to the former employees. Such payments, if eventually required may have a material effect on Amcor s results of operations in the year such a judgement is made. It is not possible to reliably estimate the amounts which might be involved.

Anti-Trust Investigations and Related Management Changes

Board Announcements

On November 23, 2004, Amcor announced that it had received information that led it to believe the Company s Australian business may have been involved in conduct which breaches competition laws. Amcor immediately informed the ACCC of the information received and informed the ACCC that it would provide full cooperation in any investigation which the ACCC undertakes. Amcor also initiated its own investigation of these matters.

On December 7, 2004, Amcor announced that after it had received the information referred to in its November 23 announcement, the Board immediately:

notified the ACCC of the information and advised the ACCC that it would cooperate fully with any investigation by the ACCC;

notified the ASX of possible breaches of competition laws; and instructed its legal advisors to review the available information and to conduct interviews with relevant members of management who may be able to assist in the investigation.

In the December 7 announcement the Board stated that it had met on December 6, 2004 to receive and consider an interim report in the matter from its legal advisors. The Board also resolved to accept offers of resignation given by each of Mr. Russell Jones (Managing Director of the Company) and Mr. Peter Sutton (Managing Director, Amcor Australasia) from their employment (and any directorships and other positions) with the Amcor Group. Mr. Peter Brown retired as Managing Director of Amcor Australasia in October 2003 and became a consultant to the Group. That consultancy was also terminated.

The Board announced its intention that Messrs. Jones and Sutton would receive only their minimum legal entitlements on resignation and that any additional contractual payments (whether by way of accrued performance payments or payments in lieu of notice or otherwise) would not be made to them.

The Board also announced the following interim appointments:

Mr. Chris Roberts (Chairman) would become Executive Chairman.

Mr. Louis Lachal, who was then the Executive General Manager Operations would become the Acting Chief Operating Officer of the Company. Mr. Lachal has been with the Amcor Group for 24 years and has worked in a number of divisions, both in Australia and the United Kingdom.

Mr. Darryl Roberts, who was then the Group General Manager Fibre Packaging in Australasia, would become the Acting Managing Director of Amcor Australasia. Mr Roberts has extensive experience working within a number of divisions in Australasia, including 10 years managing the metal can operations.

The Board has commenced the process of identifying suitable candidates for subsequent appointment to the executive positions.

The Board s December 7 announcement included the following background information.

On September 28, 2004, four senior executives who had worked in the corrugated box business of the Amcor Group in Australia resigned. On November 10, 2004, Amcor sought orders in the Federal Court relating to the return of confidential information belonging to the Amcor Group and injunctions to prevent use of that information by those former executives. Subsequently, the Company joined Mr. Jim Hodgson (former head of its Australia and New Zealand corrugated box business) to the proceeding. The Federal Court granted orders providing for the delivery up of any such confidential information.

On the afternoon of November 19, 2004, the solicitors for those former executives delivered material to the Company s solicitors which suggested that the Company may have been involved in conduct which breached competition laws. As noted above, on November 22, 2004, the Company s Board met to discuss the matter and resolved to refer the material which it had to the ACCC and to fully cooperate with any investigation which the ACCC may undertake.

The Board also resolved that the Company would urgently undertake its own investigation of the matter.

The Company s investigation is at an early stage. To date, its investigation has revealed that certain of its officers and employees appear to have entered into and given effect to arrangements which constituted cartel conduct in the corrugated box business in Australia and New Zealand. The full nature and extent of the cartel conduct has not yet been ascertained by the Company.

The Board is continuing to investigate the full nature and extent of the cartel conduct in the corrugated box business in Australia and New Zealand. At this stage, the Board is not aware of any cartel conduct affecting any other part of the Company s operations. It is to be expected that the ACCC, in the course of its investigation, will seek to ascertain whether any cartel conduct has occurred in any of the Company s operations other than its corrugated box business in Australia and New Zealand.

The Australian and New Zealand corrugated box business represented approximately 9% of Group sales revenue and 8% of Group PBITA in the year ended June 30 2004, 9% of Group sales revenue and 9% of Group PBITA in the year ended June 30 2003, and 11% of Group sales revenue and 11% of Group PBITA in the year ended June 30 2002.

Leniency Application Australia

The ACCC is the statutory authority responsible for administering Australia s anti-trust laws, the Trade Practices Act 1974 (TPA).

On November 22, 2004 Amcor applied for leniency pursuant to the ACCC s Leniency Policy for Cartel Conduct (ACCC Leniency Policy).

The ACCC Leniency Policy allows for immunity from ACCC initiated proceedings to the first person involved in a cartel to come forward with information about the cartel. To obtain immunity, an applicant must meet certain requirements (see http://www.accc.gov.au/content/index.phtml/itemId/454181), including the provision of full co-operation on a continuous basis with the ACCC in its investigation and any ensuing proceedings.

In circumstances where the ACCC Leniency Policy does not apply, the ACCC will consider any application for leniency pursuant to its Cooperation Policy for Enforcement Matters.

The operation of the ACCC Leniency Policy does not in any way exclude or limit the rights of third parties who claim to have suffered loss or damage as a result of a contravention of the TPA to commence legal proceedings for damages and other relief against those involved in the contravention.

Leniency Application   New Zealand

The NZCC is the regulatory agency responsible for enforcing New Zealand s anti-trust laws, the Commerce Act 1986 (Commerce Act).

On November 29, 2004 Amcor notified the NZCC that the Company may have been involved in cartel conduct in New Zealand. Amcor applied for leniency pursuant to the NZCC s Leniency Policy for Cartel Conduct (NZ Leniency Policy). The NZ Leniency Policy allows for immunity from NZCC initiated proceedings to the first person involved in a cartel to come forward with information about the cartel and co-operate fully with the NZCC in its investigation and prosecution of the cartel (see http://www.comcom.govt.nz/TheCommission/LeniencyPolicy/leniencypolicynew.aspx).

Amcor was granted conditional immunity on December 1, 2004. Pursuant to the NZ Leniency Policy, Amcor entered into an agreement with the NZCC under which Amcor is obliged to comply with specified conditions including full cooperation with the NZCC.

The operation of the NZ Leniency Policy does not exclude or limit claims by third parties who claim to have suffered loss or damage as a result of the cartel conduct. Under the Commerce Act, third parties may pursue private claims for compensatory or exemplary damages.

Estimated Penalties and Damages   Australia and New Zealand

It is not possible to provide either a reasonable estimate, or a reasonable estimated range, of either the statutory penalties which might be imposed on Amcor or of the amounts, if any, which might become payable by way of damages to any third parties who might have suffered loss as a result of any cartel conduct in Australia and New Zealand.

The following factors (among others) would be relevant to any attempted assessment of any such estimate or estimated range:

First, a breach of Australia s relevant anti-trust laws may involve the imposition of a civil pecuniary penalty for a corporation of up to $10 million for each breach. Corporations found to be in breach of New Zealand s relevant anti-trust laws may face, for each breach, a civil pecuniary penalty up to the greater of:

NZ$10 million; or either

three times the value of any commercial gain resulting from the contravention; or

if the commercial gain cannot be ascertained, 10 per cent of the annual turnover of the body corporate and its interconnected bodies corporate as a result of trading by that body corporate in New Zealand.

A court may, in its discretion, choose to impose a penalty for a lesser amount.

Second, at this early stage of its own investigation, Amcor is not aware of the full nature and extent of any cartel conduct and is not able to make any reliable assessment of how many breaches of anti-trust laws may have occurred. Based on the limited information which Amcor has received since it first became aware of the cartel conduct on November 19, 2004, Amcor believes that cartel conduct may have occurred in Australia and New Zealand for a number of years. Amcor does not know either when the cartel conduct first commenced or how many breaches of anti-trust laws may have occurred over a period which is likely to be a number of years.

Third, as referred to above, Amcor has applied for leniency and/or immunity under the ACCC Leniency Policy and the NZCC Leniency Policy. It is not possible at such an early stage in the investigations being conducted by the ACCC and the NZCC to make a reasonable assessment of whether or not such leniency/immunity applications will or will not be ultimately successful, in whole or part, or of the financial impact if either of such applications is not successful.

Fourth, Amcor does not know when the ACCC and NZCC will make a decision as to whether to commence legal proceedings, and, if a decision is taken to commence proceedings, when any such proceedings will be commenced. Any such legal proceedings may not be heard and determined by the courts for a number of years. Accordingly, no reliable assessment can be made at present of how many breaches of anti-trust laws may be found by the courts to have occurred or as to the quantum of any pecuniary penalties which may be imposed by the courts. Equally, no reliable assessment can be made at present of the prospects of success or the quantum of damages, if any, that may be awarded in any proceedings which may be instituted by third parties.

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

Other

There are other outstanding court proceedings, claims and possible claims against companies in the Amcor Group, arising in the ordinary course of business, the aggregate amount of which cannot be readily quantified. While the outcome of such proceedings and claims cannot be predicted with certainty, Amcor considers that no such proceedings or claims, individually or in aggregate, will have a material adverse effect on the business, consolidated financial condition or results of operations of Amcor. The foregoing discussion includes certain forward-looking statements. See Forward-Looking Statements and Risk Factors .

Dividend Policy

Amcor has not published a formal dividend policy. Interim and final dividends are determined at the discretion of the Directors.

B. Significant Changes

No significant changes have occurred since the date of the Consolidated Financial Statements, except for those disclosed in Note 32 to the Consolidated Financial Statements Events Subsequent to Balance Date.

ITEM 9 THE OFFER AND THE LISTING

Markets

The principal trading market for Amcor s shares is the Australian Stock Exchange Limited. Amcor s Ordinary Shares are also listed on the New Zealand Stock Exchange. American Depositary Shares (ADSs), each representing four Ordinary Shares and evidenced by American Depositary Receipts (ADRs), for which JPMorgan Chase Bank is the Depositary, are quoted on the NASDAQ National Market System. In addition to these ADRs, as of June 30, 2004, there were 3,809 shareholders whose registered addresses are situated in the United States holding in total 2,129,567 Amcor Ordinary Shares, which is equivalent to 0.24% of Amcor s issued share capital.

The following table sets out, for the periods indicated, the respective highest and lowest prices for Amcor ADSs as traded on the NASDAQ National Market System (with each ADS representing four Ordinary Shares) and for Amcor s Ordinary Shares reported as the last sale on any trading day on the Australian Stock Exchange Limited.

	American Depositary Shares				Ordinary Shares			
	High		Low		High		Low	
1998-99 From July 1998 to June 1999*	US$	24.13	US$	13.25	A$	9.05	A$	5.64
1999-00 From July 1999 to June 2000*	US$	22.69	US$	11.38	A$	8.66	A$	4.79
2000-01 From July 2000 to June 2001	US$	14.48	US$	10.31	A$	6.84	A$	5.04
2001-02 First Quarter	US$	14.59	US$	11.07	A$	7.05	A$	5.69
Second Quarter	US$	14.97	US$	12.10	A$	7.16	A$	6.20
Third Quarter								