AMCOR LTD
Form 6-K
September 27, 2005

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

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

For the month of September 2005

Amcor Limited

(Translation of registrant s name into English)

679 Victoria Street Abbotsford

(Address of principal executive offices)

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

Form 20-F ý Form 40-F o

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

Yes ý No o

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

Amcor Limited ABN 62 000 017 372

Notice of Annual General Meeting 2005

Notice is hereby given that the 69th Annual General Meeting of the Company will be held in the Savoy Ballroom of the Grand Hyatt Melbourne, 123 Collins Street, Melbourne at 11.00am on Thursday 27 October 2005.

Business

1. Financial Statements and Reports

To receive and consider the Financial Report and the Reports of the Directors and the Auditors in respect of the year ended 30 June 2005.

2. Election of Directors

(a) In accordance with Rule 50 of the Company s Constitution the following two Directors, having been appointed to the Board since the last Annual General Meeting and being eligible, offer themselves for election:

(i) J.G. (John) Thorn; and

(ii) K.N. (Ken) MacKenzie.

(b) E.J.J. (Ernest) Pope offers himself for election as a Director.

The following two Directors retire by rotation in accordance with the Company s Constitution and do not offer themselves for re-election:

(i) E.A. (Elizabeth) Alexander; and

(ii) D.C.K. (Charles) Allen.

3. Issue of Options and Performance Rights to Managing Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution.

That the Company approves the acquisition by the Managing Director and Chief Executive Officer, Mr K.N. MacKenzie, of options and performance rights to acquire ordinary shares in the capital of the Company in accordance with the terms set out in the Explanatory Notes accompanying this Notice of Annual General Meeting and any issue of ordinary shares upon the exercise of those options and performance rights.

4. Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That the Remuneration Report for the Company (included in the Report of the Directors) for the year ended 30 June 2005 be adopted.

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

Notes

For the purpose of voting at the meeting, the Directors have determined that all shares of the Company are taken to be held by the persons who are registered as holding them at 7.00pm (AEST) on Tuesday 25 October 2005. The entitlement of members to vote at the meeting will be determined by reference to that time.

A proxy form accompanies this Notice of Annual General Meeting. A member who is entitled to attend and vote at the meeting is entitled to appoint no more than two proxies (who need not be members of the Company) to attend and vote in their place.

A single proxy exercises all voting rights. Where a member wishes to appoint two proxies, an additional proxy form may be obtained by contacting the Amcor Share Registry, or the member may copy the enclosed proxy form. A member appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints two proxies and does not specify each proxy s voting rights, the rights are deemed to be 50% each. Fractions of votes are to be disregarded. Where two proxies are appointed, neither may vote on a show of hands.

Proxy forms must be received by the Amcor Share Registry at Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067, Australia or by facsimile to (03) 9473 2555 within Australia or +61 3 9473 2555 from outside Australia or at the Company s registered office by 11.00am (AEST) on Tuesday 25 October 2005. Proxy forms received after that time will be invalid.

A member or proxy which is a corporation and entitled to vote may appoint an individual to act as its representative. Evidence of the appointment of a representative must be in accordance with the Corporations Act and lodged with the Company before the meeting or at the registration desk on the day of the meeting.

If any instrument (including an appointment of corporate representative or proxy form) returned to the Company is completed by an individual or a corporation under power of attorney, the power of attorney under which the instrument is signed, or a certified copy of that power of attorney, must accompany the instrument unless the power of attorney has previously been noted by the Company.

By order of the Board.

J F McPherson

Company Secretary

Melbourne

25 September 2005

Explanatory Notes

Business

Resolution 1

Financial Statements and Reports

The Financial Report of the Company and its controlled entities for the year ended 30 June 2005 and the Reports of the Directors and the Auditors are set out in the 2005 Full Year Financial Report Concise and Financial.

Resolution 2

Election of Directors

Summary biographical data of John Thorn, Ken MacKenzie and Ernest Pope, who offer themselves for election, are set out below.

J.G. (John) Thorn FCA

Independent Non-Executive Director

A partner with PricewaterhouseCoopers for over 20 years, serving major local and international companies. National Managing Partner of the Australian firm of PWC since 2001, retiring from that position in September 2003. Extensive global experience, in particular in the Asia Pacific region, in audit, accounting, corporate governance and international management groups. Director of Caltex Australia Limited (since June 2004), National Australia Bank Limited (Audit Committee Chairman) (since October 2003) and Salmat Limited (since September 2003). Chairman Audit and Compliance Committee (since February 2005) and member of the Nomination Committee. Director since December 2004.

K.N. (Ken) MacKenzie BEng

Managing Director and Chief Executive Officer

Extensive experience across all major packaging business segments in the Americas, Australia, Asia and Europe. Joined Amcor 1992. Former positions: Group Managing Director, Amcor Rentsch and Closures 2001-2005; Group General Manager Amcor Flexibles Australasia 1999-2001; General Manager Corporate Sales and Marketing, Amcor Containers Packaging 1997-1999; Senior Finance and Operational roles, Amcor PET Packaging North America 1992-1997; Prior to joining Amcor, Manager Manufacturing Strategy Practice, Accenture 1987-1992. Member of Executive, Nomination and Human Resources Committees. Appointed Managing Director & CEO July 2005.

E.J.J. (Ernest) Pope BSc

Proposed Independent Non-Executive Director

Extensive experience in the international food industry. Currently Chairman of Golden Circle Limited and a director of Alesco Limited. Recently retired from the Nestlé Group after 38 years in the food industry. Roles at Nestlé included President and Chief Executive Officer of Nestlé Purina for the Asia-Pacific, Africa and Middle East region and Managing Director of Nestlé Australia Ltd and other senior international executive positions based in Switzerland, New Zealand, the U.S.A. and the Philippines. He is a past Director of Southcorp Limited, The Grocery Manufacturers of Australia and a founder and past Director of the Australian Food and Grocery Council.

Resolution 3

Issue of Options and Performance Rights to the Managing Director

Background

When the Board approved the appointment of the Company s new Managing Director and Chief Executive Officer, Mr Ken MacKenzie in early May 2005, the Board agreed to grant 750,000 options and 300,000 performance rights to Mr MacKenzie as part of his remuneration package.

ASX Listing Rule 10.11 provides that a company may not issue shares, options or other forms of equity securities to a director without shareholder approval. In addition, if shareholder approval is given in accordance with ASX Listing Rule 10.11, approval is not required for the purposes of ASX Listing Rule 7.1 (which imposes a 15% limit on the number of equity securities that a company may issue without shareholder approval).

Although approved in-principle by the Board at the time of the CEO s appointment, the grant of the options and performance rights is subject to the prior approval of the Company s shareholders and is the subject of Resolution 3.

If Resolution 3 is approved by the Company s shareholders, the options and performance rights will be granted to Mr MacKenzie on or before 27 November 2005.

Any funds received by the Company in connection with the exercise of the options or the performance rights will be used by the Company for general corporate purposes.

The terms of issue of the options and the performance rights are set out below.

Terms of Issue

1. <u>Options and Performance Rights</u>

1.1 Each option (an **Option**) carries the right, upon exercise and payment of the exercise price of A$6.78, to the issue or transfer of one fully-paid ordinary share in the capital of the Company (a **Share**) (subject to adjustment in accordance with these terms of issue).

1.2 Each performance right (a **Right**) carries the right, upon exercise, to the issue or transfer of one Share (subject to adjustment in accordance with these terms of issue).

2. Issue to CEO

2.1 Subject to receiving the approval of the Company s shareholders in accordance with ASX Listing Rule 10.11, the Company will issue 750,000 Options and 300,000 Rights to Mr Ken MacKenzie (the **CEO**).

2.2 The Options and Rights will be issued in three equal tranches (each, a **Tranche**). Each Tranche will comprise 250,000 Options and 100,000 Rights, and will:

(a) be subject to the performance conditions described in these terms of issue;

(b) have separate vesting periods; and

(c) have separate expiry dates.

The vesting periods and expiry dates for each Tranche are set out in the following table:

Tranche	**Vesting Period**		**Expiry Date**
1	1 October 2006	31 October 2008	30 September 2009
2	1 October 2007	31 October 2009	30 September 2010
3	1 October 2008	31 October 2010	30 September 2011

3. Total Shareholder Return (**TSR**) performance condition and vesting

3.1 Subject to clauses 3.2, 3.3 and 3.8, the Options and Rights in each Tranche may only be exercised if the Average Amcor TSR (see clause 3.4) on the first day of any calendar month during the vesting period applicable to that Tranche (as set out in the table in clause 2.2) (each a **Determination Date**) exceeds the Average Comparator TSR (see clause 3.4) on that Determination Date. If the Average Amcor TSR on a Determination Date exceeds the Average Comparator TSR on that Determination Date, the Options and Rights in that Tranche:

(a) will become vested on the sixteenth business day after that Determination Date (the **Vesting Date**); and

(b) may be exercised on and from the first trading day immediately after the Vesting Date until 5.00pm on the expiry date relating to that Tranche as set out in the table in clause 2.2 (subject to lapse in accordance with these terms of issue).

The Company will calculate the Average Amcor TSR and the Average Comparator TSR on each Determination Date on the sixteenth trading day after that Determination Date, and notify the CEO of those calculations on that day.

3.2 Where the CEO ceases to be employed by the Company or any of its related bodies corporate as a result of retrenchment, redundancy, business restructure, total and permanent disablement or death (an **Involuntary Cessation**), the Board of Directors of the Company (the **Board**) may, in its discretion, determine in relation to the Options and Rights in a Tranche which at the time of the Involuntary Cessation have not yet vested in accordance with clause 3.1 or 3.3 that some or all of those Options and Rights will become vested at the time of the Involuntary Cessation.

3.3 Where:

(a) a takeover bid is made for the Company and the Board recommends acceptance by the Company s shareholders;

(b) a Court orders that a meeting of shareholders of the Company be held to consider a scheme of arrangement between the Company and its shareholders; or

(c) the Board determines that some other transaction has occurred, or is likely to occur, which involves a change of control of the Company,

any Option or Right that has not become vested in accordance with clause 3.1 or 3.2 will become vested on, and may be exercised on and from, the date determined by the Board until 5.00pm on the expiry date relating to that Tranche as set out in the table in clause 2.2 (subject to lapse in accordance with these terms of issue).

3.4 (a) The Average Amcor TSR on any Determination Date will be equal to the sum of the Amcor TSR on each of the 15 trading days immediately prior to that Determination Date and the 15 trading days immediately after that Determination Date, divided by 30.

(b) The Average Comparator TSR on any Determination Date will be equal to the sum of the Comparator TSR on each of the 15 trading days immediately prior to that Determination Date and the 15 trading days immediately after that Determination Date, divided by 30.

(c) Both the Amcor TSR and the Comparator TSR will be based on ASX closing share price movements plus dividends paid on the shares (on a pre-tax basis) notionally reinvested to purchase additional shares at the closing market price prevailing on the date the shares begin trading ex the relevant dividend. As far as possible, this will be determined in the same way as changes in the ASX Accumulation Indices are determined.

3.5 (a) The Comparator TSR will be based on the arithmetic mean of the percentage TSR of those stocks in the S&P/ASX100 Index as at 1 July 2005 (excluding the Company and stocks in the following sectors and industry groups: Financials ex-Property Trusts, Property Trusts, Resources, Telecom Services and Media) (the **Relevant Stocks**).

(b) Subject to paragraph (c), each Relevant Stock will be used to calculate the Comparator TSR notwithstanding that one or more Relevant Stocks may cease to be included in the S&P/ASX100 Index after 1 July 2005.

(c) To the extent that any Relevant Stock ceases to be quoted on ASX after 1 July 2005, the Comparator TSR will be based on the remaining Relevant Stocks which continue to be quoted on ASX.

3.6 The Board may, in its discretion, disregard any changes in the Amcor TSR or the Comparator TSR due to an anomaly, distortion or other event which is not directly related to the financial performance of the Company or another company in the Comparator TSR. This is intended to preserve equity between the Company and the CEO.

3.7 The TSR base date will be 1 July 2005.

3.8 Any Option or Right that has not become vested in accordance with clause 3.1, 3.2 or 3.3 may not be exercised, provided that the Board may in any circumstances where they consider it to be in the best interests of the Company:

(a) vary or waive the satisfaction of the relevant performance condition and declare the Options or Rights to be vested; or

(b) bring forward the date upon which Options and Rights may be exercised.

4. Lapse

4.1 Any Options and Rights held by the CEO which have not vested in accordance with clause 3:

(a) by the last date on which those Options and Rights are able to vest in accordance with clause 3.1 will lapse at 12.01am on the day immediately following that date; or

(b) by close of business on the sixteenth business day after the CEO ceases to be employed by the Company or any of its related bodies corporate subject to clause 3.2, will lapse at 11.59pm on the sixteenth business day after the CEO ceases to be so employed.

4.2 Where the CEO ceases to be employed by the Company or any of its related bodies corporate as a result of the retirement or resignation by the CEO (or such other reason as the Board and CEO may agree), any Options and Rights held by the CEO which have vested in accordance with clause 3:

(a) may be exercised by the CEO during the 12 month period following the date on which the CEO ceases to be so employed; and

(b) will lapse at 12.01am on the day immediately following the last day of that 12 month period.

4.3 Where the CEO ceases to be employed by the Company or any of its related bodies corporate as a result of the termination of the CEO s employment for cause, any Options and Rights held by the CEO, whether or not those Options and Rights are vested, will lapse immediately on the CEO ceasing to be so employed.

4.4 Where the CEO ceases to be employed by the Company or any of its related bodies corporate as a result of an Involuntary Cessation, any Options and Rights held by the CEO which have vested in accordance with clause 3:

(a) may be exercised by the CEO (or his legal personal representative, as applicable) during the 12 month period following the date on which the CEO ceases to be so employed; and

(b) will lapse at 12.01am on the day immediately following the last day of that 12 month period.

5. Exercise

5.1 The exercise of any Option or Right may only be effected in such form and manner as the Board may prescribe.

5.2 An Option or Right may only be exercised if at the time of exercise:

(a) the Option or Right has become vested in accordance with clause 3;

(b) the Option or Right has not lapsed under clause 4; and

(c) in relation to an Option the exercise price of the Option has been paid to the Company.

5.3 Following the exercise of an Option or Right, the Company must, within such time as the Board determines:

(a) issue to the CEO; or

(b) procure the transfer to the CEO of,

the number of Shares in respect of which the Option or Right has been exercised.

5.4 Any shares issued on the exercise of Options or Rights will rank equally in all respects with all existing Shares from the date of issue.

5.5 Without limiting the manner in which the Company may satisfy its obligation to:

(a) issue to the CEO; or

(b) procure the transfer to the CEO of,

Shares on the exercise of the Options or Rights, the Company may, among other things, issue Shares to, or at the direction of, the trustee of an employee share trust established at any time by the Company to facilitate the grant of the Options and Rights and the acquisition of Shares by the CEO on the exercise of the Options and Rights. The transfer of a Share to the CEO from any such employee share trust will satisfy the obligation of the Company to issue or procure the transfer of a Share to the CEO under these terms of issue.

6. Non-transferable

The Options and Rights are non-transferable.

7. Share Issues

(a) The Options and Rights carry no right to participate in rights issues or bonus issues.

(b) The Board will:

(i) reduce the exercise price of the Options in the event of a new issue; and

(ii) change the number of underlying Shares to which the Options and the Rights relate in the event of a bonus issue;

in accordance with the ASX Listing Rules.

(c) If Shares are issued pursuant to the exercise of an Option or a Right prior to determination of entitlements to a new issue, the Shares so issued will be entitled to participate in the new issue.

8. Dividends

The Options and Rights will not give any right to participate in dividends until Shares are issued or transferred pursuant to the exercise of the relevant Option or Right.

9. Governing law

The terms of issue of the Options and Rights are governed by, and will be construed in accordance with, the laws of the State of Victoria.

10. References to Time

All references to time in these terms of issue are references to time in Melbourne, Australia.

Directors Recommendation

The Directors (other than Mr MacKenzie) unanimously recommend that shareholders vote in favour of Resolution 3.

Voting Restrictions

The Company will disregard any votes cast on Resolution 3 by Mr MacKenzie or any of his associates.

However, the Company need not disregard a vote cast by any of those persons if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides (and the acknowledgement box on the proxy form is marked).

Resolution 4

Remuneration Report

The Remuneration Report for the financial year ended 30 June 2005 is set out in the Report of the Directors on pages 36 to 47 of the 2005 Full Year Financial Report Concise Report. It is also available on the Company s website, www.amcor.com.

The Remuneration Report sets out, in detail, the Company s policy for determining remuneration for Directors and Senior Executives. It includes information on the elements of remuneration that are performance based, the performance hurdles that apply and the methodology used to assess satisfaction of those performance hurdles.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. Whilst the Corporations Act requires Resolution 4 to be put to the vote, the Resolution is advisory only and does not bind the Directors or the Company.

FULL YEAR FINANCIAL REPORT 2005

CONCISE REPORT

SHAPING OUR FUTURE

Amcor Limited ABN 62 000 017 372

ANNUAL GENERAL MEETING

The 2005 Annual General Meeting of Amcor Limited will be held in the Savoy Ballroom of the Grand Hyatt Melbourne, 123 Collins Street, Melbourne at 11.00am on Thursday 27 October 2005.

Formal notice of the meeting is enclosed with this report.

Julie McPherson

Company Secretary and Group General Counsel

Amcor Limited

ABOUT THIS REPORT

Amcor s Full Year Financial Report is issued in two sections Concise and Financial. Both versions can be viewed on, or downloaded from, Amcor s website **www.amcor.com**

In this report, the year , 2004/05 and 2005 refer to the financial year ended 30 June 2005. Likewise, 2005/06 and 2006 refer to the financial y ending 30 June 2006.

All monetary amounts are in Australian dollars unless otherwise specified.

Amcor s Concise Financial Report complies with the principles contained in Australian Stock Exchange Guidance Note 10 Guide to Review of Operations and Financial Condition and should be read in its entirety to ensure that the reader has access to all relevant information.

CONTENTS

The strategy of the past few years has built a solid foundation and our businesses are well positioned in their respective markets. Today, Amcor is a strong company, in a sound financial position.

My objective over the next few years, is to ensure Amcor is a leaner and more dynamic organisation, driven by improving returns to shareholders through superior execution and a greater understanding of the markets in which we operate.

KEN MACKENZIE

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

REPORT FROM THE CHAIRMAN

REVIEW OF THE YEAR

CHRIS ROBERTS CHAIRMAN

PROFIT	**DIVIDENDS**
$ million	cents

The 2005 year has been one of considerable challenge and change for Amcor.

Earnings were approximately 1% higher at $443 million, resulting in earnings per share of 44.5 cents. Return on funds invested was steady at 10.9% and represent approximately 1.4% premium to the cost of capital. These results were before significant items.

Dividends increased 6.3% from 32.0 to 34.0 cents per share following the declaration of a final dividend of 17 cents, franked to 22%. Dividends are up 21% since 2002, reflecting the strong growth in the operating cash flow that the Company generates.

These results were achieved in spite of a period where rapidly escalating commodity prices and softening economic conditions in many markets, combined to negatively impact both margins and volumes. Despite these issues, progress was made in a number of businesses across Amcor s product and geographic portfolios.

For example:

Within the PET division, the full benefits from the Alcoa PET acquisition continued to be realised and this resulted in a significant improvement in Latin American earnings. The PET business also successfully undertook a restructuring program in North America that involved closing plants and relocating equipment. The full benefits from this program will be evident in the current year.

The Flexibles operations also undertook a sizeable restructuring program that involved the closure of a plant in the Netherlands and an overall headcount reduction of around 700 people. The cost savings from this project were critical in delivering improved earnings for the year.

The construction of the new Flexibles plant in Russia, adjacent to the very successful tobacco carton facility, is progressing well and the forward order book is very encouraging.

In Australasia, the successful start-up and commissioning of the second glass furnace was achieved ahead of schedule and on budget. With this new furnace, Amcor has an excellent cost position and is well located in Gawler, South Australia, to supply from close proximity a majority of the nation s wineries.

The major challenges for all the businesses during the year were the significant increase in raw material costs together with slowing economic conditions in a number of regions, particularly in the second half.

For the first nine months of the year, raw material costs increased by more than $750 million on an annualised basis. This increase was spread across most inputs, including oil based plastic resins, linerboard paper, tinplate steel and aluminium.

It is estimated that around 90% of these cost increases were passed through to customers and although this was a significant achievement, the inability to recover the other cost increases in a timely fashion, negatively impacted earnings during the year.

Many of the increases were related to a rising oil price and although prices for some resins have fallen over the past few months, this is primarily due to a weakening in demand, rather than a fall in the price of oil. Should economic activity improve, it is almost certain that resin prices will increase. In the short term at least, this creates an environment of ongoing volatility.

The rising oil price was also responsible for higher than anticipated increases in a number of other costs, including energy and transport. These increases have mostly been absorbed by the business units and offset by substantial cost reduction programs.

These cost reduction programs specifically involved closing plants in the PET and Flexibles operations and reducing the headcount in administrative functions by improving efficiency in a number of support functions. With operating costs continuing to increase, it is important that these programs are ongoing to ensure Amcor remains a low cost producer.

Slowing market activity in a number of market segments and geographic regions during the second half of the year also impacted earnings. This was particularly evident in Australia and the United States. Within Australia, volumes were generally weaker across a range of product segments and earnings were 8% lower in the second half than for the same period last year.

Amcor Sunclipse also experienced a difficult second half with slowing market conditions in a number of important industry segments, combined with a reduction in customer inventory, delivering substantially lower earnings.

SIGNIFICANT ITEMS

Significant items for the year were a loss of $269.8 million after tax, predominantly due to a combination of asset writedowns, restructuring and rationalisation costs. Earnings after significant items were $173 million.

MANAGEMENT CHANGES

In May, the Board announced the appointment of Mr Ken MacKenzie as the Managing Director. Mr MacKenzie has had 13 years experience with Amcor working in all the major operating divisions, including PET, Flexibles, Tobacco Packaging and Closures.

He has managed businesses across the Americas, Europe, Australasia and Asia and has lived in North America, Australia and Europe.

Mr MacKenzie is a top class executive who understands the packaging industry intimately. He has had management experience across a broad range of geographic regions and product sectors and has an excellent track record of delivering improved earnings and returns.

ACCC

On 22 November 2004, the Amcor Board became aware of information that led it to believe that its Australian and New Zealand corrugated businesses may have been involved in conduct which may have breached competition laws.

This information was uncovered as part of an investigation following the resignation of four senior executives of the Australian corrugated box business.

Upon receipt of this information, the Company immediately notified the Australian Competition and Consumer Commission (ACCC) and the New Zealand Commerce Commission (NZCC) and advised them that it would cooperate fully with any investigations.

It also immediately notified the Australian Stock Exchange of possible breaches to competition laws and commenced an internal investigation.

On 7 December 2004, the Board accepted the resignations of the Managing Director, Mr Russell Jones, the Managing Director of Amcor Australasia, Mr Peter Sutton, as well as terminating a consultancy agreement with the former Managing Director of Amcor Australasia, Mr Peter Brown.

At that time, I accepted the interim position of Executive Chairman and Louis Lachal, the then Executive General Manager of Operations, became the Acting Chief Operating Officer. At the same time, Mr Darryl Roberts became the Acting Managing Director of Amcor Australasia.

The Amcor Board then undertook a global search for a new Managing Director that resulted in the appointment of Mr Ken MacKenzie, effective from 1 July 2005.

During this difficult period, the morale within the organisation was very good and cooperation within the global senior management team was excellent.

At all times, the Board acted decisively and quickly to ensure that the behaviour and culture within the corrugated box business changed and that full cooperation was given to all the regulators. Amcor has been granted conditional immunity by the NZCC in respect of an application for leniency and has applied for leniency pursuant to the ACCC s Leniency Policy.

The ACCC and NZCC investigations are not public, are ongoing and may continue for a considerable period of time. Amcor is continuing to provide full cooperation in these investigations and at this stage is not able to make any further comments. Amcor will keep the market properly informed as and when it is able.

CORPORATE GOVERNANCE

Amcor takes its Corporate Governance responsibility seriously and there is a detailed statement relating to this later in this report.

A whistleblowing service has been introduced to enable employees to make anonymous, confidential submissions regarding concerns about improper practices. This service is being progressively rolled out on a global basis.

Specifically with regard to the ACCC and NZCC investigations matters, the Company has evaluated the effectiveness of its disclosure controls and procedures. Based on that evaluation, it was concluded that the disclosure controls and procedures were designed to ensure that information is communicated to senior management in an appropriate manner that allows timely decisions regarding required disclosure.

There are inherent limitations to the effectiveness of any system of disclosure and internal controls, including the possibilities of fraud or intentional circumvention of controls by individual acts or the collusion of two or more people. Accordingly, even an effective disclosure and internal control system can provide only reasonable assurances with respect to disclosures and financial statements preparation.

THE FUTURE

Although there have been considerable challenges over the past 12 months, Amcor is in a strong position in most of its market segments and is in a sound financial position.

With the appointment of a new Managing Director, it is important to reconsider all aspects of the Company and this task has been undertaken by Ken MacKenzie as his first priority. The key outcomes from this process thus far are:

1. Increased concentration on those businesses and market segments where there is opportunity to add greater shareholder value over the longer term.

This will result in selling non-core assets over the next two years and it is anticipated that this process will realise between $500 million and $1 billion.

There will also be an increased emphasis on growing in the emerging markets, particularly China, Eastern Europe, Russia and Latin America where Amcor already has a number of facilities generating strong returns and consistent growth.

2. A determination to move from an organisation that is inwardly focused to being more customer and market facing. The businesses will develop a better understanding of the market and customer needs, gaining unique insights of the value proposition for our customers.

3. An increased focus on improving operating efficiencies and reducing the cost base across all the businesses.

The key opportunity is for the group to leverage its global position. For example, in Europe there are four business groups, but there has been little cross business group cooperation to reduce the cost base or improve operating practices.

Opportunities do exist in sharing best practice in areas as diverse as commercial capability, working capital management, excellence in manufacturing processes, supply chain management or information technology.

4. A commitment to growth of free cash flow. The packaging industry, generally, and Amcor in particular, is a strong generator of operating cash flow. The effective use of this cash is a key determinant of longer term value creation for shareholders, whether it be reinvested in the operations, returned to shareholders or used to strengthen the balance sheet.

Although earnings could fluctuate, especially under the new AIFRS accounting standards, it is anticipated that operating cash flow will be far more stable and predictable in the future.

Management s focus will therefore be on ensuring that after meeting the financial obligations of interest and tax there is a steady growth in free cash flow and returns to shareholders.

In summary, Amcor will increase focus on the core businesses and strive to achieve improved performance and returns from the existing assets. At this stage, no large acquisitions are envisaged.

The strong platform established over the past few years, ensures that Amcor is in a sound position to move forward with these initiatives and there is substantial opportunity to improve returns over the medium term.

In the short term, economic conditions generally are weaker than a year ago and raw material costs could continue to be volatile. This will result in a low growth environment in the short term, however as the benefits from the programs described above start to emerge, there should be significant opportunities for growth in earnings and returns.

BOARD

Over the past 12 months the Amcor Board has acted decisively on a number of important issues. The spirit of cooperation and united approach has been an important element in assisting the process of stability and consistency within the Company.

Ms Elizabeth Alexander and Mr Charles Allen have decided to retire and not stand for re-election to the Amcor Board at the Annual General Meeting in October. Ms Alexander has been a Director since 1994 and Mr Allen since 1996 and both have been most valuable contributors to the evolution and development of the Company over that period. We thank them both for the contributions they have made over their respective periods on the Board.

During the year Mr John Thorn, previously the Managing National Partner of PricewaterhouseCoopers, was appointed to the Board. He has also been appointed Chairman of the Audit Committee. Mr Thorn will be standing for election at this year s Annual General Meeting, as will Mr Ken MacKenzie.

In addition, Mr Ern Pope will be standing for election at this year s Annual General Meeting. Mr Pope is a former senior executive of Nestlé, with broad international experience and was most recently Chief Executive Officer of Nestlé s global Purina division.

The Board would like to thank all of Amcor s stakeholders, including customers, shareholders, employees and suppliers for their support and encouragement over the past twelve months.

Amcor is a strong company and the Amcor Board and management is confident that the direction for the future for each of the businesses will, over time, deliver growth and improved returns.

CHRIS ROBERTS

CHAIRMAN

Q&A WITH THE MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

KEN MACKENZIE

MANAGING DIRECTOR

AND CHIEF EXECUTIVE OFFICER

SHAPING OUR FUTURE

Although Amcor enjoys an enviable reputation as a global packaging leader, we understand the necessity of being adaptable to meet the challenges of operating in a changing environment.

Q **What do you see as Amcor s major strengths?**

A We have well positioned businesses that have developed strong relationships with major international customers. This is combined with capable regional management that have a sound understanding of their country specific operating environments.

Q **What do you see as the major opportunities for growth?**

A Within our segments of the packaging industry there are good opportunities for growth. This will be through new, innovative product developments, or by targeting geographic growth in the emerging markets of Latin America, China, Eastern Europe and Russia where we already have quality operations.

Q **What are the key areas you will be focusing on?**

A Although Amcor has a solid asset base, the commercial and operational capability across the group is mixed and, largely due to the amount of acquisition and rationalisation that has taken place over the past few years, some parts of the organisation are quite inwardly focused. This needs to change so that all businesses are more customer and market facing, concentrating on developing unique insights into customer needs and understanding better how Amcor can add value.

Q **Are you comfortable with the current mix of assets?**

A Overall, the asset base is sound and well positioned in their respective markets, however, going forward there will be an increased focus on our core businesses and some non-core assets may be sold.

Q **Is there further opportunity to improve the cost base?**

A Yes, there are always opportunities for improvement. Amcor has operated as six discrete business units and within each division there has been considerable success in reducing the cost base. This activity must continue. We have built significant global scale within Amcor and it is now appropriate to focus on improving the cost base by obtaining synergies across the business units. This will be achieved through a range of initiatives involving a number of operating functions such as finance, procurement, information technology and human resources.

Q **What is the time-frame for obtaining the benefits from these improvements?**

A The organisation recognises what needs to be done and implementation programs are already underway. However, the results will take time to be fully reflected in earnings and returns. Over the medium term we are confident that having a more focused portfolio, reducing the cost base and improving the understanding of the markets in which we operate, will deliver considerable benefits for shareholders.

Q **How will you improve shareholder returns?**

A By growing the free cash flow the group generates and applying rigorous capital discipline to the use of this cash. In this way earnings and returns will grow and this will be evident via increased dividends and an improving share price.

Q What are the biggest hurdles for the current year?

A During the second half of the last year a number of countries experienced slowing economic conditions and this has continued into the start of the current year. Also, with oil prices at all time highs it is likely that, at some stage during the year, raw material input costs will increase and the businesses will need to pass these on to our customers in a timely fashion. As with last year, this will be a significant challenge.

Q&A WITH THE CHIEF FINANCIAL OFFICER

MANAGING THE GLOBAL FINANCE NETWORK

PETER DAY EXECUTIVE GENERAL MANAGER FINANCE

Q What are the major ways financial risk is managed across the organisation?

A There are two main elements to managing risk. One is through broad diversification and the other through natural and contract specific hedging.

Operationally, there are 240 plants in 39 countries which spreads the earnings both geographically and by business unit. Debt is funded by a large range of international banks as well as through bond issues in the US and Europe. Natural hedging occurs through broadly matching the currency of debt with the currency of assets and specific hedging contracts are put in place for cross border foreign exchange transactions.

Amcor has global Treasury and Insurance management teams to manage foreign currency transaction risks; interest rate, credit, commodity interest rate and refinancing risks; as well as insurable risks.

Q How sustainable is the dividend at current levels?

A The level of dividends is driven by a number of factors including the level of earnings and the generation and use of cash.

Directors expect to be able to maintain the current level of dividends, although due to the large overseas component of earnings, it will remain only partially franked.

Q **What was the composition of the significant items of $269.8 million for the year?**

A Significant items for the current year were predominantly made up of the restructuring activity undertaken in the PET and Flexibles businesses of $61.7 million and asset impairments of $208.1 million.

The restructuring in the PET and Flexibles businesses was announced in March 2004 and consisted of the closure of a number of facilities and the reduction in headcount of over 700 people.

The asset impairments relate to business specific issues that meant the carrying value of those assets was no longer appropriate. This assessment was in line with new accounting standards.

Q **What are the major differences between the new AIFRS accounting standards and the previous AGAAP standards?**

A The most significant change is that goodwill is no longer amortised. Along with other items, overall we expect a positive impact to earnings of around $50-60 million per annum.

The other major adjustment is that hybrid financial instruments, such as Amcor s PACRS, from 1 July 2005, will be treated as a liability rather than equity and the coupon payments will be classified as interest.

There are numerous other small adjustments, however none of the changes affect the operating cash flow of the Company.

Q **Why has the working capital increased by $59.0 million?**

A Although working capital increased by $59.0 million, the average working capital to sales ratio, which is a better measure of working capital management, has actually decreased from 11.0% to 10.6%.

A primary reason for the absolute increase in working capital was the substantial increases in raw material costs that impacted both the inventory and receivables. This was only partially offset by an increase in payables.

Q What is the optimal balance sheet configuration for a company like Amcor?

A The capital structure should recognise the risk profile and cash generation of the industries that Amcor operates in and aim to minimise the combined cost of debt and equity financing whilst providing financial flexibility to allow the Company to take advantage of investment opportunities as and when they arise.

With the existing mix of businesses, Amcor aims to maintain an investment grade rating and currently has a long term credit rating from Standard & Poor s of BBB and from Moody s of Baa1. Both of these ratings are investment grade.

KEY RESULTS YEAR TO JUNE 2005

		2005	2004	% Change
Sales ($ million)		**11,100**	10,406	+6.7
Profit before interest, tax and amortisation ($ million)*		**837.8**	831.1	+0.8
Profit before tax ($ million)*		**573.4**	571.3	+0.4
Profit after tax ($ million)*		**443.0**	440.3	+0.6
Profit after tax and significant items ($ million)		**173.2**	345.7	-50.0
Basic earnings per share (cents)*(1)		**44.5**	44.7	-0.4
Return on shareholders equity (% p.a.)*		**9.7**	9.4	+3.2
Dividends on ordinary shares	Amount ($ million)	**299.0**	280.3	
	Per share (cents)	**34.0**	32.0	
	Franking (%)	**25.0**	40.0	
	Cover (times)(1)	**1.31**	1.38	

*Excluding significant items.

(1) Includes distribution paid on PACRS

The full year profit after tax and before significant items was $443.0 million which was up 1% on the same period last year. This represented earnings per share of 44.5 cents.

Under the new AIFRS accounting standards the reported profit was estimated to be $512.0 million. The net positive increase of $69 million was due to goodwill no longer being amortised, offset by a number of smaller items, including pension costs, plant commissioning charges and tax accounting changes.

The comparative base for the 2006 earnings will be $464 million, as from 1 July 2005 the PACRS will be treated as debt and the interest of $52.3 million expensed.

STATEMENT OF FINANCIAL POSITION

$ million	2005	2004
Current assets	**3,337**	3,052
Property, plant and equipment	**4,400**	4,745
Intangibles	**1,767**	2,063
Investments and other assets	**395**	426
Total Assets	**9,899**	10,286
Short term debt	**729**	728
Long term debt	**1,748**	1,776
Creditors and provisions	**2,758**	2,742
Convertible notes	**301**	332

Shareholders equity (incl PACRS)	**4,363**	4,708
Total Liabilities and Shareholders Equity	**9,899**	10,286

GEARING
$ million

OPERATING CASH FLOW PBITDA
$ million

USE OF OPERATING CASH FLOW 2005
$ million

The operating cash flow measured as profit before interest, tax, depreciation and amortisation was $1,298 million. This is up 1% on last year, despite the difficult operating conditions in some of the businesses due to rapidly rising raw material costs and slowing economic conditions in the second half of the year.

After allowing for payments relating to borrowing costs, taxes, dividends and other items, the group s free cash flow for the 2004/05 year was $511 million. Other items include payments from provisions, sundry asset purchases and profit on sale of assets (accounted for as part of divestments). Working capital increased by $59 million, reflecting increased raw material prices.

DIVIDENDS

The final dividend declared was 17 cents per share franked at 22%, making a total dividend for the year of 34 cents per share franked at 25%.

FREE CASH FLOW

We used our free cash flow on capital spending of $605 million and other items of $3 million, resulting in a net debt draw down of $97 million.

INTEREST COSTS

The average interest rate for the year was 5.5%, which is up from 5.3% in 2004 primarily due to higher borrowing costs resulting from Amcor s credit rating downgrade by Standard & Poor s.

TAX

The tax rate at 22.5% (counting PACRS costs as interest) is the result of a number of positive factors, including income tax loss and capital loss utilisation; tax deductible goodwill; tax efficient structuring of acquisitions and divestments; Australian Research and Development concessions; transfer price compliance and appropriate entity structuring.

WORKING CAPITAL	**NET INTEREST COVER**	**EFFECTIVE TAX RATE**
$ million	**PBITA**	%
	Times	

CURRENCY OF BORROWINGS

$ billion	2005	2004
AUD	**0.2**	
EUR		