AMCOR LTD
Form 6-K
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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 February 2006

Amcor Limited

(Translation of registrant s name into English)

679 Victoria Street Abbotsford

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under

cover Form 20-F or Form 40-F.

Form 20-F ý Form 40-F o

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

Yes ý No o

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

Amcor News Release

For release: Thursday, February 23, 2006

ANNOUNCEMENT OF INTERIM RESULTS, ASSET SALES AND RESTRUCTURING

Amcor today announced that profit after tax and before significant items was $214.4 million. The interim dividend remained unchanged at 17 cents per share and return on average funds invested was 11.7%.

Profit before interest and tax (PBIT) was $401.2 million, down 4.1% on the same period last year. On a constant currency basis, PBIT was 2% lower.

Interest expense was up 16%, or $16.8 million, largely a result of increased short term interest rates in the United States and non cash expenses relating to the transition to IFRS that was not included in the prior year.

Significant items charged against earnings were a loss of $12.5 million net of tax. This predominately related to impairment of the White Cap Closures and Asian Corrugated businesses, partially offset by a one-time gain on the Vision Grande transaction.

Overall profit after tax was down 10.1% pre significant items and down 0.6% after significant items.

Other Key Announcements

Substantial progress has been made against the agenda outlined in August 2005 including:

Sale of a number of non-core businesses including White Cap Closures and the Asian Corrugated, Sacks and Closures businesses for a combined total of approximately $400 million;

European organisational restructure which will reduce overhead costs by $11 million per annum; and

Investment in flexible and tobacco packaging projects in Poland and Russia.

Results

Amcor PET Packaging delivered a significantly improved result benefiting from strong growth in the hot fill custom segment and a hot summer in North America. Amcor Sunclipse achieved substantially higher earnings than for the second half last year, driven through a focus on improving margins and timely recovery of cost increases.

Amcor Limited

ABN 62 000 017 372
679 Victoria Street
Abbotsford Victoria 3076 Australia
Tel: 61 3 9226 9000 Fax: 61 3 9226 6500
www.amcor.com

The Flexibles operations, including Tobacco Packaging, had a satisfactory performance under very difficult conditions. Amcor Asia and the non fibre Australasian business delivered sound results.

Earnings for the Australian Fibre Packaging operations were negatively impacted by lower volumes, lower Korean import prices for cartonboard and an increase of $6.6 million in the depreciation charge.

The lower volume was a result of poor crops in some key agricultural markets and weaker conditions in both the grocery and industrial markets, partially due to production of some food and industrial products moving offshore, as well as growth in returnable plastic crates.

Although there are a number of factors that have had a negative impact on corrugated and carton volumes for the half, it is pleasing that the corrugated box gross margins have remained broadly in line with last year. Mr MacKenzie said.

For the half, costs for a wide range of raw material inputs rose significantly. However, the businesses overall, recovered over 95% of these cost increases in a timely fashion.

Other costs that relate specifically to energy or energy related areas, such as transport, also increased through the half but were more difficult to recover through increased prices. The recovery of these energy related costs remains a substantial challenge for the businesses in the second half.

Restructuring and Growth

In August 2005, Amcor CEO and Managing Director, Mr Ken MacKenzie announced a strategic portfolio review as part of a process to refocus the business and improve operating performance. Two of the key elements outlined at that time were:

- to ensure Amcor had strong market positions in those segments where it chooses to operate ; and
- to maintain a relentless focus on cost reduction.

Mr MacKenzie said: The strategic portfolio review identified core growth markets as well as those businesses that Amcor believes are better owned by other industry participants.

Our decision to dispose of these non-core businesses, represents the first action resulting from the strategic portfolio review.

Asset Sales of $400 million

Amcor has entered into agreements to sell the White Cap metal closures, and Asian corrugated, closures and sacks businesses for a combined consideration of approximately $400 million. These transactions are scheduled to settle over the next few months.

The strategic portfolio review is ongoing and Amcor expects to announce further asset sales over the next 12 to 18 months.

This is a systematic process that will focus Amcor s efforts where we see the most attractive opportunities and see the potential for the best returns , Mr MacKenzie said.

European organisational restructure to reduce overhead costs by $11 million

In Europe, the Flexibles business is to undergo a substantial organisational change following the announcement that the current Managing Director of that business, Mr Graham James, will retire in June 2006. Since July 2005, Mr James has had responsibility for the four Flexibles divisions and the Tobacco Packaging and White Cap Closures operations.

With effect from April 2006, these five divisions will be streamlined into three. These will be, Amcor Flexibles Healthcare to be headed by Mr Peter Brues, Amcor Flexibles Food to be headed by Mr Gerard Blatrix and Amcor Rentsch and Amcor Flexibles in Eastern Europe to be headed by Mr Jerzy Czubak.

The European PET business has also undertaken a review of its corporate structure and will be reducing its overhead costs during the next 12 months.

The European organisational changes are an excellent example of how structure can follow strategy to simplify the business and reduce costs. Moving from five operating divisions to three will reduce overhead costs by $11 million per year , Mr Ken MacKenzie said.

Growth

As part of the strategic portfolio review, specific growth markets have been identified that will be targeted as a priority for capital allocation. These markets are flexibles and tobacco packaging in emerging markets, custom PET and some select market segments in Australasia.

Today, Amcor announced that it is expanding its Flexible operations in Eastern Europe with an additional press in both the Polish and Russian plants. The company is also adding an additional press to the Polish tobacco packaging operation. These three additional presses will position Amcor to take advantage of the growth opportunities in these emerging markets.

The announcement of additional capacity in Poland and Russia, in both the flexibles and tobacco packaging markets, clearly demonstrates our belief in these growth markets. Amcor has a unique opportunity to build on our solid base established over the past few years in this region , said Mr MacKenzie.

The tobacco packaging market in China has been identified as another growth opportunity and the current plans to increase ownership in Vision Grande, a Hong

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Kong publicly listed company, to 44% is an important step forward in our growth aspirations for this region.

Summary

Overall, Amcor has made substantial progress towards implementing our strategic and operational plans over the past six months. There is considerable work yet to be done and the full benefits will take time, however I am confident that the upside potential is significant and we have a clear path to improving returns for shareholders , Mr MacKenzie said.

ENDS

For further information, please contact:

Ken MacKenzie	John Murray
Managing Director & CEO	Executive General Manager
Amcor Limited	Corporate Affairs
Ph: +61 (3) 9226 9001	Amcor Limited
	Ph: +61 (3) 9226 9005

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For Release: Thursday, February 23, 2006

RESULTS FOR SIX MONTHS ENDED DECEMBER 31, 2005

A$m	Jul/Dec 2004	Jul/Dec 2005	Change %
Sales	5,493.4	**5,750.1**	+4.7
PBIT	418.2	**401.2**	-4.1
PAT(1)	238.6	**214.4**	-10.1
Significant items (2)	(35.4)	**(12.5)**	
PAT after significant items	203.2	**201.9**	-0.6
EPS (3)	27.2	**24.4**	-10.3
Cash flow from operations	466.7	**459.2**	-1.6
Dividend (cents)	17.0	**17.0**	0.0

(1) Under AIFRS, the PACRS coupon payment is now treated as interest. The comparative period has been calculated on the same basis. Conversion discount of 5% on PACRS has been treated as interest in the current period only.

(2) The significant items relate to impairments in the Asian Corrugated business and White Cap Closures, offset by an amount related to the right to subscribe to Vision Grande shares and minor adjustments to prior period impairments.

(3) EPS is calculated before significant items, after deducting the PACRS coupon on a consistent basis.

PBIT by segment (local currency)

Million	Jul/Dec 2004	Jul/Dec 2005
Amcor PET Packaging (US$)	80.8	**97.7**
Amcor Australasia (A$)	175.2	**153.8**
Amcor Flexibles ( )	63.2	**59.3**
Amcor Sunclipse (US$)	28.9	**23.4**
Amcor Asia (S$)	19.5	**21.3**

Key Ratios

	Dec 2004	Dec 2005
PBIT/Ave Funds Emp. (%)	12.2	**11.7**
Return on Ave Equity (%)	13.5	**12.5**
Net Debt/(Net Debt + Equity) (%)(1)	46	**51**
Net PBIT interest cover (times)(2)	4.0	**3.4**

NTA per share (A$)	2.02	**1.94**

(1) Convertible notes treated as debt.

(2) All hybrids treated as debt.

KEY POINTS

Financial Results

Profit after tax and pre significant items down 10.1% from $238.6 million to $214.4 million.

Earnings per share down 10.3% from 27.2 cents to 24.4 cents.

Returns measured as profit before interest, tax and goodwill amortisation (PBIT) to average funds invested were 11.7% which is above the company s weighted average cost of capital of 9.6% pre tax.

Operating cash flow was $459 million representing 52 cents per share for the half.

The dividend remained steady at 17 cents per share with franking at 15%.

Significant items for the half relate to the impairment of the Asian Corrugated business of $21.8 million, offset by a gain on the right to subscribe for Vision Grande shares of $16.2 million, the impairment of White Cap Metal Closures business of $9.2 million and adjustments to the prior period impairment write downs of $2.3 million.

Operational Performance

Amcor PET Packaging achieved earnings growth of 20.9%. Volumes overall were 8.8% higher and custom PET containers were up 25%.

Amcor Australasia experienced a difficult half with earnings A$21.4 million lower. Returns on average funds employed remained solid at 16.5%.

Amcor Flexibles performed creditably under the impost of rapidly rising costs, both raw material and energy related. Earnings for the half were 6.2% lower.

Amcor Sunclipse had a much improved half over the second half last year. Gross margins increased through the period and return on average funds employed were 18.3%

Amcor Asia had a solid six months with return on average funds employed at 16.2%.

Restructuring and Asset Sales

Announced asset sales of approximately $400 million, comprising White Cap Closures and the Asian Corrugated, Sacks and Closures businesses.

Management restructuring of the Flexibles and Tobacco Packaging business to reduce operating divisions from five to three, delivering savings of $11 million per annum.

Operational restructuring of Amcor Flexibles business through the proposed closure of two plants in the Processed Food sector in Western Europe.

Shareholders in Vision Grande, a Hong Kong listed company, are voting today on a proposal for Amcor to sell its Chinese Tobacco Packaging assets to Vision Grande in exchange for shares. If approved, Amcor will own 44% of Vision Grande.

Further enquires

Ken Mackenzie
Managing Director & CEO
Amcor Limited
Phone: 61 3 9226 9001

John Murray
Executive GM Corporate Affairs
Amcor Limited
Phone: 61 3 9226 9005

Amcor Limited ABN 62 000 017 372
679 Victoria Street Abbotsford Victoria 3067 Australia
GPO Box 1643N Melbourne Victoria 3001 Australia
Telephone: 61 3 9226 9000 Facsimile 61 3 9226 9050
www.amcor.com

Consolidated Statement of Profit

A$m	Jul/Dec 2004	Jul/Dec 2005
Net sales	5,493.4	**5,750.1**
Profit from trading	647.9	**637.3**
- Dep n & amort.	(229.7)	**(236.1)**
Profit before interest & tax	418.2	**401.2**
- Net interest (including PACRS)	(107.2)	**(124.0)**
Profit before tax	311.0	**277.2**
- Income tax	(67.3)	**(59.6)**
- Minority interests	(5.1)	**(3.2)**
Profit after tax before significant items	238.6	**214.4**

Consolidated Cash Flow Statement

A$m	Jul/Dec 2004	Jul/Dec 2005
Profit after tax	238.6	**214.4**
- Dep n & amort.	229.7	**236.1**
- Other	(1.6)	**8.7**
Cash Flow from Operations before significant items	466.7	**459.2**
Significant items	(50.5)	**0.0**
Change in Provisions/Assets	(39.1)	**(42.6)**
Acquisitions	(9.8)	**(6.0)**
Net capital expenditure	(244.4)	**(187.8)**
Working Capital (Increase)/decrease	(158.8)	**(161.6)**

Consolidated Balance Sheet

A$m	Jun 2005	Dec 2005
Current Assets	3,494.6	**3,704.7**
Property, Plant & Equipment	4,426.8	**4,426.5**
Intangibles	1,998.0	**2,058.8**
Investments & Other Assets	539.7	**586.4**
Total Assets	10,459.1	**10,776.4**
Short-term debt	887.2	**841.4**
Long-term debt	1,917.3	**2,109.3**
Creditors & Provisions	3,376.2	**3,361.3**
Convertible Notes & PACRS	301.1	**948.7**
Shareholders Equity (incl PACRS June 05)	3,977.3	**3,515.7**
Total Liabilities & Shareholders Equity	10,459.1	**10,776.4**

Segmental Analysis

(Before significant items)

	Jul/Dec 2004			Jul/Dec 2005		
	Sales (A$m)	**PBIT (A$m)**	**ROAFE (%)**	**Sales (A$m)**	**PBIT (A$m)**	**ROAFE (%)**
Amcor PET Packaging	1,715	110.6	9.1	2,026	130.3	10.1
Amcor Australasia	1,315	175.2	20.1	1,321	153.8	16.5
Amcor Flexibles	1,705	109.0	11.0	1,637	95.1	10.2
Amcor Sunclipse	625	39.6	23.4	630	31.2	18.3
Amcor Asia	133	15.9	14.8	138	16.9	16.2
Investments / Other	13	(32.1)		9	(26.1)	
Intersegmental	(13)			(11)		
TOTAL	**5,493**	**418.2**	**12.2**	**5,750**	**401.2**	**11.7**

Interim Dividend

Directors have declared an interim dividend of 17 cents per share, 15% franked at 30 cents in the dollar. This compares with an interim dividend of 17 cents per share, 28% franked at 30 cents in the dollar for the first half of the previous year. The record date is 8 March 2006 and the interim dividend will be paid on 31 March 2006.

The Dividend Reinvestment Plan (DRP) remains in operation with no discount. The arithmetic average of the daily weighted average market price for the nine ASX business days March 10 to 23, 2006 inclusive will be used to calculate the share price at which the shares are issued.

Accounting Principles

The condensed financial statements are the first reports of Amcor Limited and its controlled entities reports to be prepared in accordance with Australian International Financial Reporting Standards (AIFRS).

When preparing the report for the half-year ended 31 December 2005, management adopted certain changes to the accounting, valuation and consolidation methods applied in the previous AGAAP financial statements to comply with AIFRS. With the exception of financial instruments, the comparative figures were restated to reflect these adjustments. The consolidated entity has taken the exemption available under AASB 1 to only apply AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* from 1 July 2005.

In line with AIFRS and the exemption outlined above the Perpetual Amcor Convertible Reset Securities (PACRS) are treated as equity with distribution payments treated as an appropriation of profit in the comparative year - December 2004. However for the purpose of this release the distribution for December 2004 has been treated as part of the net interest expense.

Significant Items

The net after tax significant items for the six months ended 31 December 2005 total is a $12.5 million loss compared with a $35.4 million loss last year.

Significant items for the half relate to the impairment of the Asian Corrugated business of $21.8 million, offset by a gain on the right to subscribe for Vision Grande shares of $16.2 million, the impairment of White Cap Metal Closures business of $9.2 million and adjustments to the prior period impairment write downs of $2.3 million.

Segmentals

On 1 July 2005, the consolidated entity changed the identification of its segments to combine the previously reported Rentsch and Closures segment with Amcor Flexibles. Prior periods have been restated to reflect this change. This change in segments is a result of changes in the management structure and reporting to the CEO, (Amcor Rentsch management having responsibility for Flexibles in Eastern Europe) increasingly common infrastructure, including co-location, resource sharing and similar technologies.

It should also be noted that during the 6 months to 31 December 2005, a detailed review of the corporate costs of the consolidated entity was undertaken, and it was identified that $17.7 million (2004 restated: $16.6 million) of the total $44.4 million (2004: $48.5 million) are directly attributable to the results of the operating segments and as such have been allocated based on relevant cost and service drivers.

AIFRS

Amcor adopted AIFRS accounting with effect from July 1, 2004. The financial instruments component of AIFRS was adopted from July 1, 2005, with no restatement of comparative periods. Accordingly, the July/December 2005 results, balance sheet and cash flow statement, include the additional effects of certain adjustments required by the standards which are not included in the comparative periods.

These include:

Profit and Loss Accounts

PACRS distribution is treated as interest in both the current and previous comparative period.

Conversion discount of 5% on PACRS treated as interest in the current period only.

Balance Sheet

PACRS are treated as debt in the current period, but were treated as equity in the prior period.

Cash Flow

The overall cash flow does not change as a result of the adoption of AIFRS, however certain items are required to be reclassified between operating, investing and financing activities.

	Jul/Dec 2004 A$m	Jul/Dec 2005 A$m	Jul/Dec 2004 US$m	Jul/Dec 2005 US$m
Net Sales (mill)	**1,715**	**2,026**	**1,253**	**1,520**
Change (%)		*18.1*		*21.3*
PBIT (mill)	**110.6**	**130.3**	**80.8**	**97.7**
Change (%)		*17.8*		*20.9*
Operating Margin (%)	6.4	6.4	6.4	6.4
Average funds employed (mill)	2,443	2,575	1,785	1,931
PBIT/AFE (%)	**9.1**	**10.1**	**9.1**	**10.1**
Average exchange rate $A/US	.73	.75		

Amcor PET Packaging achieved a good first half result with PBIT up 20.9% to US$97.7 million. Return on average funds employed improved from 9.1% to 10.1%.

Unit volumes were 17.8 billion units, up 8.8% over the prior year. A strong performance in North America and continued growth in Latin America helped offset declining volumes in Europe/Asia.

In North America, volumes were up 15.5% due mainly to a better summer than in the previous year and strong growth in the custom product category which was up 35%.

Much of this growth occurred in the Custom Beverage segment, primarily hot-fillable PET containers for juices and isotonics. Amcor PET Packaging has benefited from its market leadership position and its core competency in co-locating to deliver containers on-site with its customers. In keeping with the business group s investment strategy, Amcor this year will add additional capacity in this technology-driven, value-added market segment.

Earnings for the North American business were ahead of the prior year as the benefits from 18 months of restructuring and the successful implementation of fair pricing initiatives were realised. The impact of rising energy and fuel costs were partially offset by the business ongoing focus on continuous improvement and cost reduction programs. However, rising energy costs are a more serious issue for the second half.

For Latin America, volumes grew by over 9% with good performance in all market categories. Custom volumes grew 47%, albeit off a low base, as the Latin American operation continues to expand its product offerings in custom categories including hot-fillable beverage bottles and food containers.

Despite the significant growth in volume, earnings were lower. The ongoing challenges of integrating the ARCA operations in Mexico continue to be a major negative and the operations in that country lost money for the half.

An experienced team from the North American operations has been seconded to provide assistance and expertise in many operational areas. Restructuring and cost improvement initiatives have been implemented to improve profitability and performance by the end of the fiscal year.

Last year the operations in Argentina had an outstanding first half helped by substantial export volumes to Brazil. For the first half this year, these volumes did not continue and in addition, a major customer commenced importing product from a neighbouring country to take advantage of cross-border tax benefits. Additionally, both Argentina and Brazil are experiencing inflationary cost pressures and unfavourable exchange rates. Consequently, the earnings from the Argentinean operations were considerably lower.

The businesses in Peru and Venezuela continue to provide solid returns and strong growth opportunities.

For the European operations, volumes were marginally above the prior year on a continuing business basis. The CSD/Water category was 5% lower, offset by growth in the custom segment. Earnings for the half were up on last year.

The UK continues its strong operational performance with volumes and earnings exceeding the prior year. Results for other countries were mixed with the benefits from discontinued operation in Turkey offset by continued weaknesses in Central and Eastern Europe. In response to this, the company has commenced relocating excess and underperforming assets from these markets into those with more favourable returns.

For the current half, inflationary pressures continue to build, particularly in energy and transport and, although there is a determination to recover these increases as quickly as possible, there will be a lag in obtaining full recovery that will impact earnings in the second half.

Over the past 15 months, the new European management team has implemented a range of operational improvement programs. Additional programs and reorganisation will occur over the next 12 months, including a rationalisation of the regional overhead structures.

Summary

Amcor PET Packaging s first half result was assisted by a hot summer in North America and the ability to generally offset most of the energy cost increases with productivity related cost improvements.

For the second half, there will be the full impact of rising energy and energy related cost increases that will not be able to be absorbed and needs to be passed onto customers. As contract conditions and windows for renegotiation allow, these additional costs will be recovered, however there is likely to be a lag that will impact earnings.

It is anticipated that second half earnings will not be higher than the same period last year.

	Jul/Dec 2004 A$m	Jul/Dec 2005 A$m
Net Sales (mill)	**1,315**	**1,321**
Change (%)		*(0.5)*
PBIT (mill)	**175.2**	**153.8**
Change (%)		*(12.2)*
Operating Margin (%)	13.3	11.7
Average funds employed (mill)	**1,743**	**1,864**
PBIT/AFE (%)	20.1	16.5

Amcor Australasia had a difficult first half with the slower economic conditions of the second half last year continuing into the first half this year. The comparative with the first half in 04/05 is particularly demanding given the much stronger economic conditions prevailing at that time. Sales for the half were marginally higher than last year and PBIT earnings were down 12.2% to $153.8 million. Return on funds employed were 16.5%

The Fibre Packaging sector, which consists of the corrugated box and folding carton converting businesses, as well as the recycled paper and cartonboard mills, had a difficult half year. All four segments experienced lower earnings, predominately due to lower volumes in the converting operations, export volumes in the paper mills at lower prices and a reduction in domestic cartonboard prices, due to cheaper imported board. The accelerated depreciation of the Botany Paper Mill also negatively impacted earnings by $6.6 million.

In the Corrugated Box business, gross margins have remained broadly in line with last year with the reduction in earnings due to lower volumes and the inability to adjust the cost base quickly enough to match these lower volumes.

In Australia s Corrugated Box business, volumes continue to be adversely impacted by poor crops affecting fruit and produce markets and a soft industrial segment. Growth in the meat segment in previous years partially reversed in this half with the lifting of bans of US meat sales into Japan affecting Australian exports, as well as the closure of a major customer. The market softness was compounded by the loss of some business to competitors, mostly at the smaller customer end of the market.

In New Zealand s Corrugated Box business, volumes were in line with the previous year, with gains in the Meat segment offsetting losses in the Dairy and Fish segments.

In the Folding Carton business, volumes were lower due to reduced demand by customers, particularly in the grocery segment, and some loss of volume to competitors.

As a result of the lower volumes in Fibre Packaging, the Paper & Board segment experienced lower volumes in both Packaging Papers and Petrie Cartonboard. This volume was replaced with higher export tonnages at lower margins.

Development of higher grade boards following start up of the new wet-end at the Cartonboard mill has taken longer than anticipated. Domestic prices for cartonboard have also come under considerable pressure as imported board has fallen in price from around $1100 per tonne to $900 per tonne. With lower overall tonnes and a higher proportion of exports, profit was down on the same period last year.

With the new Fibre Packaging management structure in place, a renewed focus on Sales and Marketing, and an improved understanding of the operating costs, the business performance is expected to improve over the medium term. In the short term, volumes remain below last year in both the Folding Carton and Corrugated businesses and this will impact the full year result.

The Flexibles business, which includes multiwall sacks generated another sound result. Restructuring of the NSW laminations operation continued with the closure of the Enfield site in December and the commissioning of a new gravure printing machine at Regents Park with the benefits to flow in the second half. Volume was down slightly due to the slowing economic conditions especially in the confectionery segment. The multiwall sacks business continued to deliver improved earnings benefiting from restructuring initiatives.

The Rigid Packaging Group increased earnings in most business segments. The Beverage Can business experienced a buoyant market with volumes up 3% on last year mainly in the soft drink and ready to drink segments. The continued intense focus on productivity also contributed to the increased earnings. In the Food Can business volumes were affected by significantly higher tinplate pricing and the closure of a major customer in the dairy segment with volumes down 3%. Productivity was sound with earnings up on the corresponding period last year. The Closures business performed well with earnings in line with last year.

The glass wine bottle operation performed strongly with sales growth exceeding expectations and sound productivity levels. The combination of these factors resulted in earnings up on last year.

Summary

The outlook for Australasia remains sound and solid improvement is expected over the medium term. For the current six months, the economic conditions are unlikely to improve and operational performance plans in place will not substantially impact earnings. At this stage, second half earnings are expected to be slightly behind the same period last year.

	Jul/Dec 2004 A$m	Jul/Dec 2005 A$m	Jul/Dec 2004 m	Jul/Dec 2005 m
Net Sales (mill)	**1,705**	**1,637**	**989**	**1,021**
Change (%)		*(4.0)*		*3.2*
PBIT (mill)	**109.0**	**95.1**	**63.2**	**59.3**
Change (%)		*(12.8)*		*(6.2)*
Operating Margin (%)	6.4			