

## ASX Release

31 October 2018

### Re: THE COCA COLA COMPANY ANNOUNCEMENT – INDONESIA

Coca-Cola Amatil (“Amatil”) and The Coca-Cola Company (“TCCC”) jointly own the Coca-Cola bottling operations in Indonesia (“PT Coca-Cola Bottling Indonesia” or “CCBI”), 70.6 percent and 29.4 percent respectively. TCCC acquired its interest for USD500 million in 2015, and Amatil has held its interest since 1992.

In its third quarter results released overnight, TCCC announced:

*"During the three and nine months ended September 28, 2018, the company recorded other-than-temporary impairment charges of \$205 million... related (to) PT Coca-Cola Bottling Indonesia, an equity method investee. This impairment was primarily driven by revised projections of future operating results reflecting unfavorable macroeconomic conditions and foreign currency exchange rate fluctuations."*

Amatil has previously noted challenges due to continued soft market conditions in Indonesia.<sup>1</sup> Additionally, it recognises that the Indonesian Rupiah has fallen to its weakest level against the US Dollar in more than 20 years impacting adversely the performance of the business.

TCCC recognising an impairment does not mean that Amatil will require an impairment as the carrying value of Amatil and TCCC’s investment in CCBI is different due to the timing of those investments:

- the carrying value of TCCC’s investment in CCBI is based on an investment in 2015. TCCC account for their interest in CCBI as an equity accounted investment;
- the carrying value of Amatil’s investment in CCBI reflects investments made since 1992. CCBI is consolidated in Amatil’s accounts.

The implied valuation of CCBI from TCCC’s impairment exceeds Amatil’s carrying value of capital employed in CCBI.

As required by accounting standards, Amatil will review the carrying value of CCBI as part of its year-end accounting processes ahead of the release of FY18 results in February 2019.

<sup>1</sup> HY18 results released in August 2018.

**For further information:**

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**ABOUT COCA-COLA AMATIL**

Coca-Cola Amatil is one of the largest manufacturers and distributors of ready-to-drink non-alcohol and alcohol beverages, coffee and ready-to-eat food snacks in the Asia Pacific region. Coca-Cola Amatil is also the authorised manufacturer and distributor of The Coca-Cola Company's beverage brands in Australia, New Zealand, Fiji, Indonesia, Papua New Guinea and Samoa. Coca-Cola Amatil directly employs around 14,000 people and indirectly creates thousands more jobs across the supply chain, partnering with key suppliers to manufacture, package, sell and distribute its products. With access to around 300 million potential consumers through more than 950,000 active customers Coca-Cola Amatil is committed to leading through innovation and building a sustainable future and delivering long-term value to shareholders.