

News Release

30 November 2018

SPC STRATEGIC REVIEW

Coca-Cola Amatil has concluded the strategic review of SPC with a decision to proceed towards divestment.

Group Managing Director Alison Watkins said the review had identified significant strengths in the SPC business, and there was strong market interest in exploring a possible sale.

“We believe there are many opportunities for growth in SPC, including new products and markets, further efficiency improvements, and leveraging technology and intellectual property,” Ms Watkins said.

“The review has concluded that the best way to unlock these opportunities is through divestment, enabling SPC to maximise its potential with the benefit of the recent \$100 million co-investment, while Amatil sharpens its focus as a beverages powerhouse.

“There are no plans to close SPC. We see a positive future for the company as it continues to transform its operations.”

Ms Watkins said Amatil would develop a divestment timeline and process over coming months, but that it was business as usual for the SPC team at Shepparton and Kyabram and for the production of SPC’s world-class product range.

The IXL and Taylor’s brands will remain with SPC following the announcement on 21 November that an expected sale to Kyabram Conserves Pty Ltd is no longer proceeding.

The strategic review of SPC was commenced in August 2018, following completion of a four-year, \$100 million co-investment by Amatil in conjunction with the Victorian Government. Investment under this agreement included \$22 million by the Victorian Government and \$78 million by Coca-Cola Amatil.

Outcomes of the co-investment include new tomato and high-speed snack lines, a new aseptic fruit processing system and new export opportunities including in China.

SPC is recognised as one of Australia’s most-loved brands, and is a household name in fruit, vegetables, baked beans and spaghetti. More recently, SPC expanded its range into specialised age-care products and premium sales in export markets. Since acquiring SPC in 2005, Coca-Cola Amatil has invested around \$250 million of capital in the business, including in technology and equipment.



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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 700,000 active customers Coca-Cola Amatil is committed to leading through innovation and building a sustainable future and delivering long-term value to shareholders.

For more information, visit www.ccamatil.com