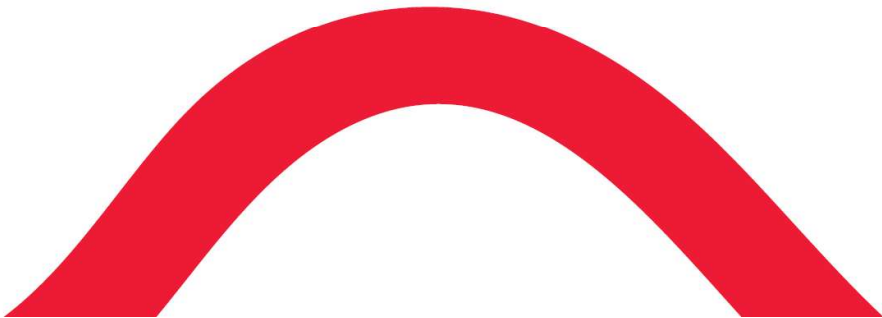


**2019 TAX
TRANSPARENCY
REPORT**



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INTERIM CHIEF FINANCIAL OFFICER'S INTRODUCTION

On behalf of the Board, I am very pleased to present the 2019 Tax Transparency Report for Coca-Cola Amatil ("Amatil").



Amatil supports the initiative by large corporations to provide additional tax transparency to stakeholders and the community. The focus on transparency is one of the cornerstones of Amatil's long-term value proposition, which seeks to deliver value to shareholders as well as value to society. This includes our approach to sustainability, which focuses on where we can make the greatest impact for our people, partners, consumers, the environment and our community.

Our approach to tax management and strategy is to ensure robust tax governance across the group, alignment with Amatil's overall business objectives, and transparency and compliance with local tax authorities.

In all our activities, we remain committed to achieving the highest standards in the areas of corporate governance and business conduct. Our tax responsibilities are managed in line with this commitment, and we take pride in being regarded as a good corporate citizen in this field. The

Australian Taxation Office ("ATO") has acknowledged that Amatil maintains a cooperative and open relationship with it.

This Report provides an overview of Amatil's tax strategy, governance and tax contributions made to Australian State and Commonwealth governments. The information provided in this Report is released on a voluntary basis in accordance with the recommendations and guidelines contained in the Board of Taxation's Voluntary Tax Transparency Code (the "Code"). It should be read in conjunction with Coca-Cola Amatil's 2019 Annual Report which can be found on our website at www.ccamatil.com.

I commend this Report to you as a useful guide to Amatil's approach on tax strategy, governance and contributions in Australia, and as a reflection of Amatil's values of transparency and openness on matters affecting the communities in which we live and work.

A handwritten signature in black ink that reads "P J Cooke". The signature is written in a cursive, slightly slanted style.

Paul Cooke
Interim Group Chief Financial Officer

2019 Highlights

2019 marked the completion of a two-year transition for the Group. Key highlights included:

- Revenue and volume growth in all segments – Australia achieved revenue growth of 2.4 per cent, the first year of growth since 2012. In Indonesia high single-digit revenue and volume growth was achieved, despite the overall non-alcohol ready to drink market being flat.
- Accelerated our Regional Beverages Powerhouse ambition by simplifying our operations and strengthening customer focus.
- Completed the sale of the SPC fruit and vegetable processing business on 28 June 2019 to Shepparton Partners Collective.
- Announced the integration of the Alcohol & Coffee business across each geography.
- Met sustainability packaging targets, with 7 out of 10 plastic bottles in Australia being made from 100 per cent recycled plastic.
- Completed a third-party, primarily qualitative, climate change risk and opportunity assessment out to 2050.
- Entered into a Heads of Agreement with global leader in resource management Veolia Australia and New Zealand, to explore opportunities for a recycled plastic processing plant in Australia.
- Continued to progress rationalisation of our property portfolio, including the sale of lots 2 and 3 of our former bottling facility in Thebarton, South Australia.

AMATIL OVERVIEW

Amatil is one of the largest bottlers and distributors of non-alcoholic and alcoholic ready-to-drink beverages in the Asia-Pacific region, and one of the world's largest bottlers of The Coca-Cola Company's range of products. As both brand partner and brand owner, we operate across six countries – Australia, New Zealand, Indonesia, Papua New Guinea, Fiji and Samoa – to prepare, distribute and sell an unrivalled range of beverages.

At Amatil, we are committed to acting with integrity in everything we do. We share a common set of values across all our businesses and are committed to maintaining our reputation for high moral and ethical standards in the areas of corporate governance and business conduct in each of the six countries in which we operate.

We employ around 12,000 people and create thousands more jobs in the communities in which we operate.

The principal segments of Amatil and its subsidiaries ("the Group") in 2019 were:

- Non-Alcohol Beverages
- Alcohol & Coffee Beverages
- Corporate & Services¹

The Non-Alcohol Beverages segment operates in Australia, New Zealand, Indonesia, Papua New Guinea, Fiji and Samoa. In these markets, Amatil prepares, packages, distributes and sells non-alcoholic ready-to-drink beverages, principally

¹ Renamed Corporate & Services following change to segment reporting. SPC has been classified as a discontinued operation in

including the trademarked products of The Coca-Cola Company ("TCCC").

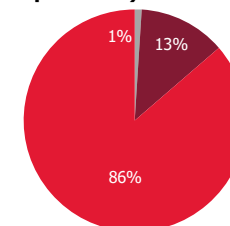
In each of these locations, Amatil owns substantial bottling and warehousing assets and sells to thousands of outlets through best-in-class route to market distribution networks. Each business develops autonomous business strategies and in-market execution models to remain at the forefront of consumer preferences.

With access to more than 270 million potential consumers through more than 630,000 active customers, our product range includes sparkling beverages, water, sports, energy, fruit juices, iced tea, flavoured milk, coffee, kombucha, beer, cider and spirits.

Amatil's Australian-based operations comprise Australian Non-Alcohol Beverages, Australian Alcohol & Coffee, and Corporate & Services. Amatil's Australian Non-Alcohol Beverages business contributed 57.7 per cent of the Group's continuing operations earnings before interest, tax and non-trading items in 2019, and 60 per cent in 2018.

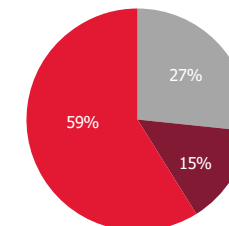
the FY19 and FY 2018 results, and not included in the segment performance.

Amatil Group based on 2019 total segment revenue (continuing operations)



- Corporate & Services – \$51.4m
- Alcohol & Coffee Beverages – \$640.8m
- Non-Alcohol Beverages – \$4,378.4m

2019 total segment revenue Non-Alcohol Beverages



- Indonesia & PNG – \$1,165.4m
- New Zealand & Fiji – \$635.5m
- Australia – \$2,577.5m

AMATIL OVERVIEW

(continued)

OUR LONG-TERM VALUE PROPOSITION

In 2019 we redefined our approach to the creation of long-term value. Our long-term value proposition is a new way of thinking about how we create long term, sustainable value that integrates our previous sustainability framework with our shareholder value proposition. We will continue to think about how we measure our performance against this model and refine the indicative indicators so that our shareholders and stakeholders can hold us accountable.

At the heart of how we create long term value are our thriving customers, and delivering quality, reliability, convenience and service to more than 630,000 customers across our six geographies. Our ability to do this is underpinned by four other value drivers, all of them equal and all them inter-related. These are:

- **Engaged People** – We provide a safe, open, diverse and inclusive workplace where our people are energised by what we will achieve together. We know that the strength of our business and our brands can only be supported through the strength of our people, and a diverse workforce and building capability and talent is critical to our ongoing success.

- **Committed Partners** – We work with all our partners to grow our businesses on a foundation of collaboration and trust and our success is dependent on our ability to work together to deliver against our shared goals.
- **Delighted Customers** – We provide choice and information across an unrivalled portfolio for everyone, everywhere, every day. The wellbeing of our customers – physical, mental and social – is at the heart of our vision to delight millions of consumers every day. We are open and responsive to changing customer tastes and preferences and aligned with global health guidelines and Sustainable Development Goals.
- **A Better Environment** – We aim to leave a positive legacy and ensure minimal impact on the environment. This includes striving to meet our commitments on packaging, water, energy and carbon reduction. We work responsibly in all we do, seeking to make the right choices now, in a sustainable way, for future generations. Our commitment is focused where we have the most opportunity to make a difference: sustainable packaging; water stewardship; energy management and climate

protection; biodiversity and responsible sourcing.

Our ability to deliver against each of these is what determines our success in delivering value to our shareholders and to society.



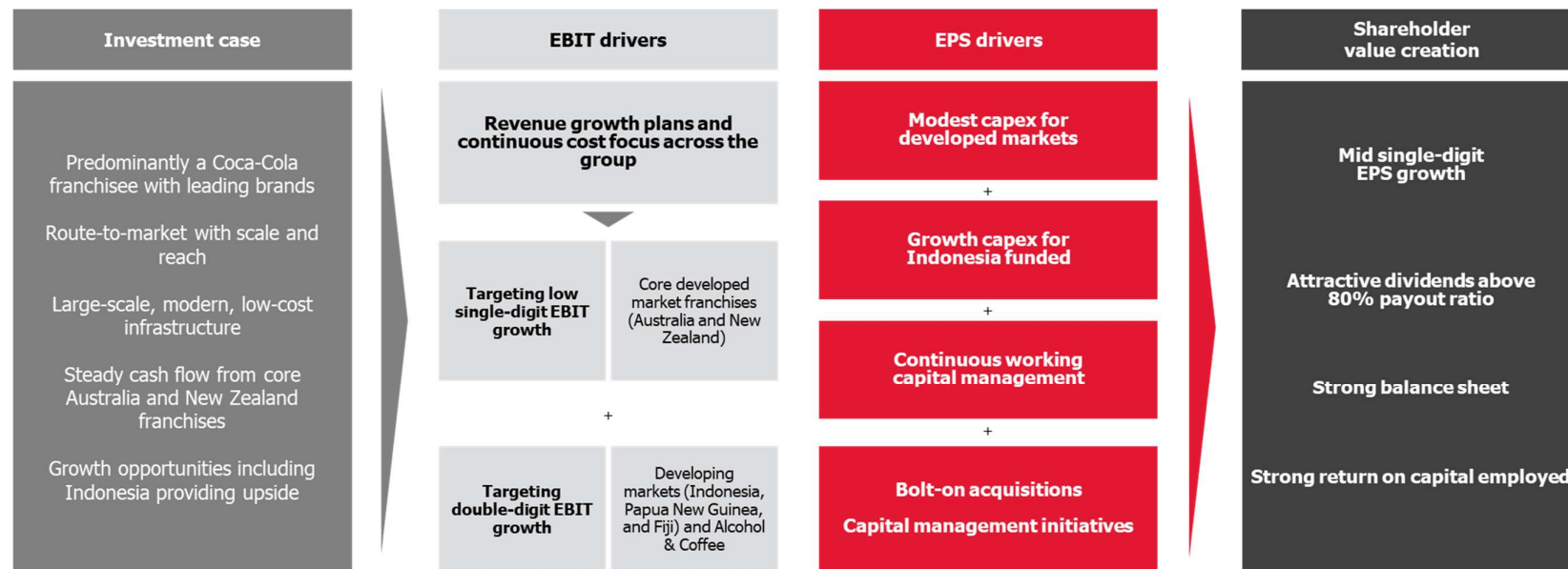
AMATIL OVERVIEW

(continued)

OUR SHAREHOLDER VALUE PROPOSITION

Our shareholder value proposition guides our approach to the management of our diverse markets and portfolio. It targets the contribution each part of our business makes to the overall Group outcome. It is a tangible demonstration of our commitment to being accountable to our shareholders.

It is based on our competitive advantages, defining a compelling investment case and the components that will create shareholder value.



PART A DISCLOSURES

The "Part A" disclosures required of Amatil by the Code are:

- Amatil's Australian and Global effective tax rates;
- a reconciliation of the accounting profit to income tax expense;
- a reconciliation from income tax expense to current year income tax payable.

Amatil publishes its Group tax disclosures in Note 11 to the 2019 Financial Statements found in the 2019 Annual Report.

AMATIL'S AUSTRALIAN AND GLOBAL EFFECTIVE TAX RATE

Amatil Effective Tax Rates		
	2019 %	2018 %
Australian Operations	16.3	28.9
Global Operations	27.5	26.3

Effective tax rate is calculated as income tax expense divided by profit before tax.

Income tax expense is different to income tax payable, as income tax expense (an accounting concept) reflects amounts of accounting income which are assessable for tax / amounts of accounting expenditure which are deductible for tax, irrespective of when that assessment or deduction arises.

Income tax payable reflects amounts which are assessable or deductible in the current year, which does not always align with the timing for these amounts being recognised in the income statement. This difference is illustrated further below in the reconciliation of income tax expense to income tax payable.

PART A DISCLOSURES

(continued)

AMATIL'S AUSTRALIAN GROUP EFFECTIVE TAX RATE, INCOME TAX EXPENSE AND INCOME TAX PAYABLE

Outlined below is:

- a reconciliation of the Australian group accounting profit to income tax expense and effective tax rate;
- a reconciliation of the Australian group income tax expense to income tax payable.

Reconciliation of Australian group accounting profit to income tax expense		
	2019	2018
Income Tax Expense (\$m)	84.1	51.3
Profit before income tax (\$m)	515.2	177.7
Effective tax rate (%)	16.3	28.9
Effective tax rate is reconciled as:	%	%
Australian tax rate	30.0	30.0
Adjustments to current tax of prior periods	(0.1)	(0.2)
Impairment of property, plant and equipment and intangible assets	0.3	2.4
Non-allowable expenses	0.4	0.2
Non-assessable dividend from subsidiaries	(13.1)	-
Derecognition of SPC deferred tax assets	0.3	3.6
Recognition of previously unrecognised tax losses (relating to gains on property sales)	(1.5)	(7.1)
Effective Tax Rate (%)	16.3	28.9

Reconciliation of Australian group income tax expense to income tax payable		
	2019	2018
	\$m	\$m
Income tax expense	84.1	51.3
Movements in temporary differences	(68.3)	25.1
Adjustments to current tax of prior periods	0.8	(4.7)
Income Tax Payable – current year	16.6	71.7

PART A DISCLOSURES

(continued)

PART A COMMENTARY

In the 2019 Financial Report, Note 22 to the financial statements presents Amatil's Australian group balance sheet and income statement. Profit before tax for the Australian group increased during 2019 from \$177.7 million to \$515.2 million. This increase was mainly due to higher dividends received from Amatil's overseas subsidiaries, increase in the underlying earnings of the Australian Beverages business and the prior year including a \$146.9 million impairment of the SPC business (refer to note 3(b) of the 2019 Financial Report for further details and the definition of non-trading items).

The 2019 effective tax rate for the Australian operations was 16.3 per cent, principally reflecting:

- a) the receipt of dividends totalling \$224.2 million from several foreign subsidiaries which are exempt from Australian tax. The underlying profits from which these dividends have been paid have been subject to corporate income tax in those foreign jurisdictions - impact on effective tax rate of (13.1 per cent); and
- b) the recognition of previously unrecognised capital losses to offset capital gains arising from the sale of properties in 2019 - impact on effective tax rate of (1.5 per cent).

In addition, the sale of the assets of SPC resulted in a realisation of a booked deferred tax asset of \$72.6 million which was the major contributor to the difference between income tax expense (\$84.1

million) and income tax payable (\$16.6 million) for the 2019 year.

The 2018 effective tax rate was 28.9 per cent for the Australian operations. The difference from 30 per cent largely reflected a benefit from the recognition of previously unrecognised capital losses to offset capital gains arising from property sales.

PART B DISCLOSURES

Part B of the Code prescribes minimum disclosure standards in relation to Amatil's:

- tax policy, strategy and governance;
- total tax contributions;
- international related party dealings.

TAX POLICY, STRATEGY AND GOVERNANCE

Amatil is committed to achieving the highest standards in the areas of corporate governance and business conduct and Amatil's tax responsibilities are managed in line with this commitment.

Amatil's tax operating environment and framework is guided by a Board approved "Group Tax Risk Management" policy. A fundamental guiding principle is the execution of transactions is to be driven by the desired commercial outcomes not by the potential tax benefits/outcomes. Amatil's operating business does not carry a high level of natural tax risk and its capital investment is not generally mobile or fluid.

The responsibilities imposed under the policy are carried out by experienced tax professionals in the Group tax function along with the tax functions located in each of Amatil's major businesses. Amatil also draws on external tax expertise using tax advisors in each of the jurisdictions it operates in.

Amatil has implemented appropriate internal controls at a Board and managerial level in relation to the identification and management of tax risk, and a framework for escalation of tax matters from business units to the Amatil Board as necessary.

Amatil has an Audit and Finance Committee ("AFC"), the purpose of which is to oversee financial risk management and internal controls across Amatil, including tax. There is regular reporting on tax matters to the AFC.

Engagement with revenue authorities

Amatil is subject to regular tax audits across its jurisdictions and interacts with tax authorities on a range of issues as part of the ongoing activities of tax authorities.

Amatil seeks proactive and constructive engagement with the ATO and other revenue offices with which it interacts. In this regard, the ATO has recognised Amatil's willingness to maintain a cooperative and transparent relationship with it.

The ATO rates Amatil as a key taxpayer for income tax, goods and services tax ("GST") and excise, under its risk-categorisation framework.

As such, Amatil is engaged in ongoing dialogue with the ATO regarding its various review processes, particularly in relation to income tax. The completed reviews to date have predominantly found Amatil to be "low-risk" in respect of the matters examined, with no material adjustments made to Amatil's tax payments in Australia. In addition, Amatil's internal auditors conduct periodic reviews of Amatil's controls, processes and systems for both GST and Fringe Benefits Tax.

The ATO concluded a Top 100 GST Streamlined Assurance Review in 2019. Amatil received an overall medium trending to high level of assurance rating for GST compliance and tax risk framework.

PART B DISCLOSURES

(continued)

TOTAL TAX CONTRIBUTIONS

Taxes borne by Amatil

In 2019 Amatil paid \$349.2m in Commonwealth and State taxes in Australia:

Amatil Taxes Borne Summary ²	2019	2018
	(\$m)	(\$m)
Corporate Income Tax ³	25.6	104.5
Alcohol Excise & Duties ⁴	292.2	270.3
Other Duties	0.9	0.9
Fringe Benefits Tax	4.2	4.5
Payroll Tax	24.3	26.5
Property Tax	2.0	2.1
Total	349.2	408.8

The significant decrease in corporate income tax paid in 2019 was due to the sale of the assets of SPC. Refer to the commentary in Part A of this report.

² Excludes council rates and stamp duty paid.

³ Corporate income tax paid reflects cash tax paid during 2019 and does not reflect the income tax liability relating to that year.

Taxes Collected by Amatil

In 2019 Amatil collected net GST amounts, PAYG withholding taxes on salaries, and Wine Equalisation Tax ("WET") in Australia, as follows:

Amatil Taxes Collected Summary	2019	2018
	(\$m)	(\$m)
Net GST	146.8	140.2
Wine Equalisation Tax	1.1	1.5
Employee Withholding Taxes	126.0	129.9
Total	273.9	271.6

Income tax payable in respect of 2019 is disclosed in Part A of this report.

INTERNATIONAL RELATED PARTY DEALINGS

The Amatil group discloses transactions with related parties in Note 17 of its Financial Report. The nature and terms of transactions with related parties are monitored by Amatil's Related Party Committee ("RPC"). The RPC is an Amatil Board appointed committee consisting of Amatil's Independent Non-executive Directors, tasked with reviewing material transactions with related parties to assess whether the transactions occur on normal commercial terms and are no more favourable than would reasonably be expected of transactions negotiated on an arm's length basis.

Having regard to the current activities and shareholdings of the Group, the transactions under review by the Committee are primarily those transactions that the Group conducts with TCCC. Amatil and TCCC are independently listed entities that deal independently with each other. TCCC currently owns 30.8 per cent of the ordinary shares in Amatil, and first became an Amatil shareholder in 1989 through a major reorganisation, 24 years after Amatil first acquired a TCCC bottling enterprise in Australia.

Transactions with TCCC primarily involve purchases of concentrate and beverage bases used to produce finished products.

⁴ 2018 disclosures of Alcohol Excise & Duties and Other Duties restated to include alcohol and other duties paid.

PART B DISCLOSURES

(continued)

Amatil operates each of its businesses on an “in-country” basis, which means that the quantum of international transactions within the wholly-owned Amatil group is generally not material. Each operating beverage business has its own Bottler’s Agreement with TCCC, its own management, bottling and distribution platforms supported by sales, commercial, finance and administration functions. There is appropriate corporate oversight and stewardship in respect of the business units.

As such, there are limited cross-border transactions between the subsidiaries of the Group. Nonetheless, economies of scale are achieved within the Amatil group through transparent cost-sharing

arrangements in corporate functions, external and internal IT costs, and hedging of raw material inputs and currency through a centralised Treasury function. External costs attributable to each business unit will be recharged, and a mark-up added to internal costs where a service has been performed in accordance with the Organisation for Economic Co-operation and Development (“OECD”) guidelines. Generally, the services originate from Australia and are charged to the operations in New Zealand, Indonesia, Papua New Guinea and Fiji.

In circumstances where one of the subsidiaries of the Group has excess liquidity, it may lend funds within the Group at arm’s length interest rates.

Finally, there are limited cross-border sales of finished goods, and raw material inputs such as bottle caps and pre-forms. A pre-form is the PET (the material used for the Group’s plastic bottles) core that is blown into a bottle during the preparation and packaging process. Amatil has the capacity to manufacture these inputs in Australia and Indonesia that export the caps and preforms to its operations in New Zealand, Fiji and Papua New Guinea at an arm’s length price.

Further information about Amatil’s operations is available at our Group website, www.ccamatil.com.

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