

Postal Address:
GPO Box 145
Sydney NSW 2001
AUSTRALIA
Telephone: 612 9259 6387
Facsimile: 612 9259 6233

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Company Announcements Office
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Coca-Cola Amatil and SABMiller Join Forces in Premium Beer Venture

Coca-Cola Amatil (CCA), the largest manufacturer of non-alcoholic beverages in the Asia-Pacific region, today announced the formation of a joint venture with SABMiller plc, one of the world's leading brewers, to sell and distribute imported premium beer in Australia.

The 50:50 joint venture between CCA and SABMiller, to be known as Pacific Beverages Pty Ltd, will initially import SABMiller's international premium beer brands, Peroni Nastro Azzurro, Miller Genuine Draft and Pilsner Urquell into the Australian market.

The joint venture will benefit from the support of both CCA and SABMiller, with SABMiller producing the beer and providing marketing expertise, whilst CCA will utilise its comprehensive sales and distribution infrastructure to sell and distribute the premium beer brands.

The joint venture, which is expected to be operational in time for this year's Christmas period following the fulfilment of certain conditions, will be headed by Mr Ari Mervis, a senior, experienced SABMiller executive. For the past four years Mr Mervis has been managing director of SABMiller's Russian operation, a highly successful business which has attained leadership in the profitable international premium sector of the Russian beer market. Prior to this, Mr Mervis held various executive managerial positions within SABMiller's fruit juice operations and its southern African Coca-Cola bottling interests.

CCA's Group Managing Director, Mr Terry Davis, and Mr André Parker, Managing Director, SABMiller Africa and Asia, said the joint venture extended their companies' continued relationships with premium brands.

Mr Davis said the move into premium beers was a natural extension of CCA's existing range of premium non-alcoholic beverages in the hotel, restaurant and cafe (HORECA) market.

"Both SABMiller and CCA own, market and distribute many of the world's premium beverage brands," Mr Davis said.

"When they are combined with SABMiller's world-class marketing capabilities and CCA's strong customer relationships, salesforce and distribution capabilities, you have a very solid platform to expand the premium beer offering in the Australian market.

Mr Davis said that over the past three years, CCA's HORECA business had grown from strength to strength and was now a significant contributor to CCA's Australian beverage business earnings.

"We are confident that the addition of the international premium beer brands to the stable will lead to further opportunities to expand our existing customer relationships," he said.

Mr Parker said SABMiller was delighted to partner with CCA to grow the premium beer business in Australia.

“We believe that our joint expertise in the beverage industry will give us the necessary foundation to be a significant player in this segment within one of the most profitable beer markets in the world.

“We believe there is enormous potential to grow the Peroni, Miller Genuine Draft and Pilsner Urquell brands, and look forward to working with our partner to build Pacific Beverages into a formidable contender in this category.”

The joint venture is expected to deliver only a small contribution to earnings in the first few years with profits being reinvested in the brands to achieve long-term sustainable brand equity.

KEY FACTS

- The premium beer market in Australia has grown by 15 per cent per annum in the past five years, with international premium beers driving the bulk of this growth.
- **SABMiller** is the world’s second largest brewer with a market capitalisation of approximately USD \$30 billion (AUD \$40 billion.)
 - Its 2005-06 revenue is USD \$15.3 billion (AUD \$20.4 billion) and EBITA is USD \$2.9 billion (AUD \$3.9 billion).
 - In the previous financial year, SABMiller group lager volumes increased 19 per cent to 176 million hectolitres
 - SABMiller is based in London and produces more than 150 beer brands including the international brands Peroni Nastro Azzurro, Miller Genuine Draft, Pilsner Urquell and Castle Lager, as well as Miller Lite in the US, Aguila in Colombia, Eagle in Africa, Tyskie in Poland and Snow in China.
 - SABMiller operates across five continents, 60 countries and has 117 breweries. It is also one of the largest Coca-Cola bottler in the world outside the US.
- **Coca-Cola Amatil** is the largest non-alcoholic beverage company in the Asia-Pacific region and one of the world’s largest Coca-Cola bottlers.
 - CCA operates across six countries - Australia, New Zealand, Indonesia, South Korea, Fiji and Papua New Guinea.
 - In the past five years CCA has diversified its portfolio of products to include water, sports drinks, fruit juices, coffee, iced teas and packaged ready-to-eat fruit and vegetable products.
 - CCA’s group revenue in 2005 was AUD \$4 billion and EBIT was AUD \$570 million.
 - CCA produced 639 million unit cases of beverages across the group in 2005.
 - CCA employs 19,000 people and has 37 manufacturing locations across its six countries.

Yours faithfully

D.A. WYLIE
COMPANY SECRETARY

INQUIRIES:

Analysts: **Kristina Devon**, Investor Relations Manager, Coca-Cola Amatil
(02) 9259 6185

Media: **Sally Loane**, Director of Media and Public Affairs, Coca-Cola Amatil
(02) 9259 6797 or 0416 162 336