COCA-COLA AMATIL

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COCA-COLA AMATIL ANNUAL GENERAL MEETING

Sydney, 3 May 2006: Coca-Cola Amatil Limited (CCA) is today providing an update at its Annual General Meeting on current business performance as well as an update on the full year outlook for 2006.

Coca-Cola Zero Progress

Coca-Cola Zero has continued to track extremely well since its launch in Australia in January, driving Coca-Cola trademark volumes up more than 10% in the first four months of the year. Coca-Cola Zero has stimulated significant interest in the carbonated beverage category, with CCA gaining market share as well as recruiting consumers back into the cola category.

Group Managing Director Mr Terry Davis said, "The customer and consumer response to Coke Zero has far exceeded our expectations with Coca-Cola trademark products sustaining their initial market share gains. Coke Zero has created a new segment in the Australian beverage marketplace and in time is expected to be as popular as diet Coke, which in Australia is a $300 million per annum brand and the number 2 brand behind Coca-Cola."

Finalisation of South Korean Early Retirement Plan

CCA has successfully implemented a significant early retirement plan (ERP) for its South Korean employees. The ERP has been finalised and as at the end of April has resulted in a 10% reduction in the full time permanent employee base, or 253 people. Together with the redeployment of more than 100 employees into sales facing roles and a reduction in temporary staff, CCA has materially lowered the cost of doing business in South Korea as well as improved the effectiveness of its workforce.

Annualised savings of $17 million shall flow through progressively during the second half of 2006. The cost of ERP will be around $27 million and will be reported as a significant item in the first half 2006 result.

Trading Update

Australia – the Australian business expects to deliver strong volume growth of 5-6% in the first half of 2006 driven by the success of Coca-Cola Zero as well as continuing strong performances from Mount Franklin, pump and Powerade.

CCA expects Coke Zero to be a significant contributor to the 2006 result, notwithstanding that the competitor response to the market share gains of Coca-Cola trademark products in the first quarter has been more aggressive pricing activity. First half earnings will be impacted by the full expensing of $9 million in Coke Zero launch costs as well as a volume shift to the supermarket channel. As a result, earnings growth will be weighted to the second half as recent price recovery initiatives in the supermarket channel take effect.

Pacific (New Zealand & Fiji) – the launch of Coca-Cola Zero in New Zealand has exceeded expectations in a trading environment that continues to be highly competitive. For 2006, the Pacific region expects to deliver an improvement on the 2005 local currency earnings result.

South Korea – the South Korean business continues to deliver improved trading results with margin improvement driven by both Coca-Cola and Minute Maid. The business remains on track to return to profitability in the first half of 2006 (before the one-off cost of the ERP).

Indonesia & PNG – the Indonesian business has experienced a slow start to the year as the Indonesian consumer faces high inflation as a result of the removal of the fuel subsidy in late 2005. Combined with rising interest rates, consumer confidence and spending has materially declined since early 2005. At this stage, the Indonesian & PNG business expects to maintain full year local currency earnings in line with last year.

SPC Ardmona – SPCA has enjoyed a solid start to the year with the fruit processing season being positive in terms of both quality and quantity. A range of innovative new products are progressively being launched in Australia including single serve fruit snacks for the convenience channel, which will leverage the CCA distribution system; a tetra pack value-added tomato range; and “easy squeeze” tomato paste and pizza sauce.

Full Year 2006 Outlook

CCA continues to focus on managing the key variables of volume, price and mix with the target of maintaining group operating margins. For the remainder of 2006, the priority will be to recover commodity driven cost of goods increases, whilst protecting and growing brand equity. We expect the trading environment in the Australian supermarket channel to continue to be highly price competitive as a result of the strong market share gains made by CCA following the successful launch of Coca-Cola Zero.

Based on current and expected trading conditions, CCA expects to deliver full year NPAT in the range of $325-335 million (before significant items) on group volume growth of between 3-5%.

Group capital expenditure is expected to be around 8% of revenue including 2-3% for infrastructure related expenditure for the year. Higher commodity prices will result in increases in cost of goods sold per case for beverages of around 7% and around 8% for the food business. The effective tax rate for 2006 is expected to be in a range of 26-27%, depending on the geographic mix of earnings for the year.

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