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Company Announcements Office  
Australian Stock Exchange Limited

## **COCA-COLA AMATIL ANNOUNCES \$170 MILLION OFF-MARKET SHARE BUY-BACK**

**Sydney, 5 December 2007:** Coca-Cola Amatil Ltd ("CCA") today announced its intention to return up to \$170 million of capital to shareholders through an off-market share buy-back.

The Managing Director of CCA, Mr. Terry Davis, said "The successful completion of the sale of CCA's South Korean business in October 2007 and the continued strong performance of CCA now enables CCA to return capital to shareholders".

After undertaking a detailed review of the available capital management options, the CCA Board believes that an off-market share buy-back is the most effective method to return capital to shareholders as participation is optional and there are benefits for both participating and non-participating shareholders. Shareholders who participate in the share buy-back will not be eligible to participate in CCA's final dividend for the year ended 31 December 2007 in respect of those shares sold into the buy-back.

The off-market share buy-back will not impact CCA's ongoing capital expenditure requirements or its capacity to pay fully-franked dividends for the foreseeable future, and is also not expected to impact CCA's current investment grade credit rating. Post the share buy-back, CCA expects its EBIT interest cover to be in the range 4.5 – 5.0 times.

Buy-back documentation, together with tender application forms, will be mailed to shareholders in the week commencing Monday 17 December 2007. Participation in the buy-back is optional with tender applications closing at **7.00pm, Sydney time, on Friday, 25 January 2008**. Further details in relation to the buy-back are contained below.

For further information, please contact:

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## OFF-MARKET BUY-BACK INFORMATION

Shareholders whose shares are registered on Friday 14 December 2007, which includes shares acquired on the ASX on or before Friday, 7 December 2007 will be invited to tender those shares in the off-market share buy-back (the Buy-Back). Excluded foreign persons, including any company or person who is (or who is acting on behalf of or for the account of a person who is) in the United States, a US Person or a Canadian resident, will not be eligible to participate in the Buy-Back.

CCA Directors and senior management will not participate in the Buy-Back.

Under the proposed tender process, eligible shareholders may tender some or all of their shares at discounts of between 8 percent and 14 percent inclusive, at 1 percent intervals, to the Market Price<sup>1</sup> or as a final price tender, which is an election to receive the final Buy-Back price.

Only shares tendered at a discount greater than or equal to the final Buy-Back discount (or as a final price tender) will be accepted and purchased, subject to any scale back requirements. The scale back process has been structured to ensure that shareholders with small holdings will not be disadvantaged. Additionally, shareholders can submit a tender that is conditional on the Buy-Back price being no less than a minimum specified price.

All shareholders whose tenders are successful will receive the same Buy-Back price.

No brokerage will be payable by shareholders who choose to participate in the Buy-Back.

CCA intends to buy back up to \$170 million worth of shares but retains absolute discretion to vary the size of the Buy-Back, including by choosing not to buy back any shares, depending on demand and market conditions.

## TAX CONSIDERATIONS

For Australian tax purposes, the Buy-Back price received by participating shareholders will comprise the following:

1. A capital component of \$2.67 per share; and
2. A fully franked dividend component equal to the Buy-Back price less \$2.67.

For the purpose of Capital Gains Tax calculations, the capital proceeds will be the \$2.67 capital component plus the excess of the Deemed Tax Value<sup>2</sup> over the Buy-Back price.

The “45 day rule” generally requires that shares must be held “at risk” for a minimum of 45 days to qualify for franking credits and tax offsets. To be entitled to participate in the Buy-Back shares must have been registered on the record date which is prior to the commencement of the 45 day holding period. It therefore follows that no shares will be bought back which have been held for less than 45 clear days.

The Buy-Back will have different tax consequences for different shareholders, and shareholders should obtain their own tax advice to take account of their particular circumstances.

<sup>1</sup> The Market Price is the volume weighted average price of CCA's ordinary shares on the ASX over the five trading days up to and including the closing date (Friday, 25 January 2008) excluding certain trades not considered representative of natural supply and demand (e.g. special crossings).

<sup>2</sup> The Deemed Tax Value will be \$10.10 (being the VWAP of CCA shares over the five trading days up to and including Tuesday, 4 December 2007 adjusted for any change in the ASX / S&P 200 from the opening of trading on Wednesday, 5 December 2007 to the close of trading on the closing date (Friday, 25 January 2008)).

## SCALE BACK

If the total number of shares tendered at discounts greater than or equal to the final Buy-Back discount (including final price tenders) is greater than the number of shares that CCA determines to buy back, CCA will scale back tenders.

Before applying any scale back, CCA will first buy back a "Priority Parcel", which is expected to be 500 shares, from each shareholder.

Shareholders who tender all their shares at one or more tender discounts equal to or greater than the Buy-Back discount and/or as a final price tender, and who would be left with a holding of 200 shares or less as a result of the scale back, will have their Tender(s) accepted in full without applying a scale back.

## BUY-BACK TIMETABLE

Friday, 7 December 2007	Last day that Shares can be acquired on the ASX to be eligible to both: <ul style="list-style-type: none"> <li>■ Participate in the Buy-Back; and</li> <li>■ Qualify for franking credit entitlement</li> </ul>
Monday, 10 December 2007	Shares acquired on the ASX on or after this date will not confer an entitlement to participate in the Buy-Back
Friday, 14 December 2007	Record date for the Buy-Back: Determination of shareholders entitled to participate in the Buy-Back
Wednesday, 19 December 2007	Mailing of Buy-Back documents to shareholders completed
Wednesday, 2 January 2008	Tender period opens
Friday, 25 January 2008	Tender period closes. Tenders must be received by the Coca-Cola Amatil share registry no later than 7.00pm Sydney time
Tuesday, 29 January 2008	Announcement of the final Buy-Back price and scale back (if any)
Friday, 1 February 2008	Dispatch/crediting of Buy-Back proceeds to participating shareholders completed

While CCA does not anticipate changing these dates, it reserves the right to do so by way of an announcement to the ASX.

## FURTHER INFORMATION

For further information on the Buy-Back, shareholders can call the Buy-Back information line on 1800 187 991 (within Australia) or +61 2 8280 7476 (from outside Australia) or visit the Coca-Cola Amatil website at [www.ccamatil.com](http://www.ccamatil.com).

The full terms and conditions of the Buy-Back will be contained in the Buy-Back Booklet, which will be posted to all shareholders along with a personalised Tender form by Wednesday, 19 December 2007 and will also be available at [www.ccamatil.com](http://www.ccamatil.com).

**If shareholders are in any doubt as to the action they should take, they should consult their financial, taxation or other professional adviser immediately.**