

Company Announcements Office  
Australian Stock Exchange Limited

## **COCA-COLA AMATIL UPGRADES FIRST HALF 2007 EARNINGS OUTLOOK**

**Sydney, 27 June 2007:** Coca-Cola Amatil Limited (CCA) today provides an update on trading for the first half of 2007 and an update on the sale process for its South Korean operations.

### **First half 2007 earnings upgrade**

Based on the current strong trading performance in our key Australian and New Zealand markets, and the continuing improved results in Indonesia, CCA expects to deliver approximately 12% EBIT growth for the first half of 2007 versus previous first half guidance of high single digit EBIT growth.

### **South Korea sale process**

Second round offers for the sale of the South Korean business have been received and negotiations are continuing with the preferred bidders.

### **Trading review**

CCA continues to experience good trading conditions across most markets. The key priority for the business continues to be the recovery of commodity driven cost of goods increases through management of the key variables of volume, price and mix to drive improvement in operating margins.

### **Australia**

The momentum established by the Australian business during the second half of 2006 has continued in the first half of 2007 with the business maintaining solid price per unit case realisation. Volumes have been maintained in line with 2006, which is a strong outcome given the cycling of the successful launch of Coke Zero in the first half of 2006.

### **New Zealand & Fiji**

New Zealand continues to show a strong recovery in earnings following a challenging first-half 2006. The business is achieving good price per unit case realisation, offsetting commodity-driven cost of goods sold increases. Volumes are in line with the prior comparable period, again cycling the launch of Coke Zero in the first half of 2006.

### **Indonesia & PNG**

The Indonesian & PNG region is experiencing good demand with strong volume growth and price per unit case realisation. This will deliver a material improvement in performance in the first half of 2007.

### **South Korea**

South Korea continues to be impacted by the reduced demand following the extortion threat in July 2006. Coupled with reduced volume achieved during the sale process, this has impacted on operating performance in the first half 2007.

**SPC Ardmona**

Notwithstanding the earnings impact of the 2006 frost damage and continued input cost pressures, the first half 2007 result is expected to be broadly in line with first half 2006 and a modest earnings improvement is expected for the full year.

**Pacific Beverages**

Pacific Beverages continues to perform well with strong customer support for the Joint Venture's premium beer brands of Peroni, Pilsner Urquell and Miller Genuine Draft. The integration of the Maxxium business has also progressed smoothly. Strong trading momentum post-Easter has been maintained into the second quarter 2007.

**2007 second half guidance maintained**

Second half 2007 guidance of high single-digit EBIT growth is maintained. Commodity driven cost of goods sold increases of approximately 4% - 5%, on a currency-neutral basis and excluding mix change in South Korea, are expected to continue at a similar level in the second half of 2007.

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