COCA-COLA AMATIL

ASX Announcement

14 May 2010

CCA AGM TRADING UPDATE

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 outlook for the first half to 30 June 2010.

Australia – The Australian beverage business has made a solid start to the year and is expected to deliver high single digit earnings growth for the first half of 2010 driven by revenue management and efficiency gains. The business is expected to achieve positive volume growth for the first half which is a pleasing result given the less favourable consumer environment being experienced this year. The business is also cycling more favourable summer weather and the benefits of the stimulus package last year, which saw volumes grow by more than 8% in the first quarter of 2009.

The Australian business continues to experience a noticeable shift in consumer behaviour. Demand for premium beverages in restaurants and cafes remains subdued, but this has been offset by the increased sales in quick-service restaurants and for take-home products in the grocery channel. CCA's beverage market leadership position has strengthened in the year to date with increases in volume and value share across the market[1].

CCA has successfully commissioned its first two Australian PET bottle in-line blow-fill lines at its Northmead manufacturing facility in NSW in April, at a cost of $45 million. The lines are delivering cost savings in line with expectations through the elimination of empty bottle storage and reduced handling and transport costs. The ability to light-weight the bottles has delivered a material reduction in the amount of PET resin used in the manufacture of each bottle.

New Zealand & Fiji – Despite economic conditions remaining challenging in New Zealand, the New Zealand & Fiji business expects to deliver low to mid single digit local currency earnings growth for the first half.

Indonesia & PNG – The Indonesian & PNG region has also experienced a solid start to the year with volume growth of approximately 10% for the first quarter driven by increased demand for higher value one-way packs in both the modern and traditional channels.

2010 will mark a significant step up in capital spend in Indonesia in production capacity, cold drink cooler investment, new product development and brand marketing by both CCA and The Coca-Cola Company in order to provide the platform for growth over the next three years. Additional production capacity for Minute Maid Pulpy Orange juice is on track to be commissioned in August, in time to meet increased demand over the festive season.

---

[1] Source: Aztec Grocery: YTD 18/04/10, C&P YTD 1/04/10, AC Nielsen Route YTD 2/04/10

Notwithstanding the increased level of forward investment, the region expects to deliver double digit local currency earnings growth for the first half. Volume and earnings for the Indonesian business are seasonally skewed to the second half due to the timing of the festive season.

Food & Services – Despite a slower start to the year from SPC Ardmona, the Food & Services division is expected to deliver high single digit earnings growth in the first half driven by solid performances from the Services business.

Pacific Beverages JV – Pacific Beverages has continued to invest in building its brands and growing its market share of the Australian premium alcoholic beverages market. While the beer market overall has experienced a softer start to the year, Pacific Beverages' premium beer portfolio has continued to grow volumes and market share and now accounts for almost 10% of the premium beer market in Australia[2].

Bluetongue Brewery – The Bluetongue Brewery in NSW will be commissioned later this month with the first commercial production expected at the end of June.

Beverage Cost of Goods Sold – For 2010, excluding Indonesia, CCA now expects beverage COGS per unit case to increase by 4-5% on a constant currency basis. Due to the continuing volatility in the Indonesian Rupiah and ongoing high inflation, as well as the mix impact of higher value, higher cost products, double-digit growth in COGS is expected for Indonesia.

The reduction from the previous guidance of a 5-6% increase in COGS per unit case (excluding Indonesia) is due to a mix shift in the Australian business, as well as the benefit of greater than expected efficiency gains from Project Zero. COGS increases are expected to be weighted to the second half with lower increases in the first half.

Capital Expenditure – The major capital projects to be implemented in 2010 include the following:

- Additional one-way pack production capacity and infrastructure in Indonesia;
- Various Project Zero production capability and efficiency projects with the largest project being PET bottle self-manufacture;
- Phase three of the OAisys technology platform roll-out for Australia and the commencement of the implementation for New Zealand and Pacific Beverages; and
- Over one-third of capital expenditure to be invested in the cold drink cooler placement program across the Group.

2010 capital expenditure is expected to be within 8-9% of net sales revenue.

Financial Position – Net debt is expected to be approximately $1.8 billion at the end of the first half, a reduction of approximately $100 million since the first half of 2009. CCA has no refinancing requirements for the next twelve months. The Ratings agencies Moody's and Standard & Poors have reaffirmed CCA's credit ratings at A3 and A- respectively.

Tax rate – The effective tax rate for both the first and second half of 2010 is expected to be between 28-29%.

[2] Nielsen ScanTrack Liquor database, Pacific Beverages branded beer portfolio, quarter ended 31 March 2010

2010 Outlook

CCA today reaffirms its previous guidance, expecting to deliver high single digit growth in both earnings before interest and tax and net profit after tax for the first half of 2010.

CCA's Group Managing Director, Mr Terry Davis said, "Cycling the very strong first half of 2009 in Australia was always going to be challenging. In the year to date, I am pleased that the strength of our business model in effectively balancing pricing, volume growth and market share in each of our markets has continued to serve the business well. We have improved our market position in each of our territories and the business remains in a strong financial position."

"It is too early to assess what impact the cumulative effect of the interest rate increases and a less certain global economic outlook will have on consumer confidence and spending in the second half of 2010," said Mr Davis.

CCA will continue to focus on executing its organic growth strategy. Mr Davis said, "We have a strong pipeline of high returning capital projects that are expected to deliver efficiency and revenue gains across the business for the next few years. We will also continue to up-weight our investment in Indonesia, and with the Bluetongue Brewery about to be commissioned, we will have the manufacturing platform to take our beer business to the next level."

A trading outlook for the second half of 2010 will be provided at the release of CCA's Interim Result on 12 August 2010.

For further information, please contact:

Media
Sally Loane
Ph: +61 2 9259 6797
Sally.Loane@ccamatil.com

Analysts
Kristina Devon
Ph: +61 2 9259 6185
Kristina.Devon@ccamatil.com