

ASX Announcement

16 December 2011

SALE OF SHARES IN PACIFIC BEVERAGES & TRADING UPDATE

Coca-Cola Amatil Limited (CCA) is today outlining the implications for CCA of SABMiller's acquisition of Foster's Group (FGL) as well as providing an update on trading for the second half of 2011.

Sale of shares in Pacific Beverages

As a result of the completion of the acquisition of FGL, CCA is entitled to and will now require SABMiller to acquire its shares in Pacific Beverages, its joint venture beer operation in Australia and New Zealand. The key material implications for CCA include:

- CCA will sell its 50% interest in Pacific Beverages to SABMiller for \$305 million and expects to record a profit after tax in the second half of 2011 from the sale of approximately \$165 million after taking into account transaction, transition and other costs associated with the deal. The profit will be recorded as a significant item in 2011 with the cash proceeds expected to be received during the first quarter of 2012.
- Under the terms of the sale agreement with SABMiller, CCA will be restrained from selling, distributing or manufacturing beer in Australia for two years until the end of 2013. CCA will continue to be unrestricted in its right to develop its beer business in all other markets.
- CCA has the immediate right to acquire the whole or part of the FGL's Australian spirit and spirit RTD business, the Australian non-alcoholic beverages business and the Fijian Brewery and Fijian liquor and Fijian non-alcoholic beverage business at multiples ranging from 5 to 10 times EBITDA, subject to due diligence and any regulatory approvals. As a guide, CCA would expect to undertake due diligence during the first quarter of 2012 and preliminary expectations are for an outlay of between \$100-180 million for the assets with completion of any acquisition expected by mid 2012.
- CCA will continue to distribute SABMiller's premium beer brands in Australia and New Zealand until 16 January 2012, being the completion date of the sale of CCA's shares in Pacific Beverages to SABMiller.

Group Managing Director Terry Davis said, "We are very pleased with the outcome from the SABMiller transaction. We have secured a very strong price for our share of Pacific Beverages and have the opportunity to acquire the Fosters spirits, ARTD and non-alcoholic brands as well as the Fiji brewery and distillery at a cost that delivers immediate EPS accretion to CCA."

The development of our alcoholic beverage business remains a core growth strategy for CCA. Mr Davis said, "We have spent the past four years developing expertise in the manufacturing, sales and distribution of premium alcohol brands which gives us an excellent platform and knowledge base of opportunities for future growth. We have delivered significant value to SABMiller's beer brands with five beers now represented in the Top15 premium beers in Australia. We also have developed a strong and growing spirits business underpinned by our long-term relationship with Beam Global and while in the short term we cannot compete in beer in Australia, we are not restricted in other markets and we would expect to be back in the beer business in Australia in early 2014."

Outlook for the second half of 2011

On a constant currency basis, CCA expects to deliver net profit growth of around 5% (before significant items) for the second half of 2011, with reported net profit expected to be around 0.5% lower due to the translation impact on offshore earnings.

The Australian business expects to deliver positive volume and revenue growth in the second half. Mr Davis said, "While trading conditions have been difficult, with lower levels of consumer spending persisting from the first half, there has been an improvement in momentum since the RBA's announced cuts to official interest rates with solid growth in volumes since the beginning of November. We still have an important two weeks of trading ahead of us, and while we have had a solid start to the Christmas season across most of Australia, cool and wet weather has affected NSW trading."

The business continues to deliver efficiency and customer service improvements ahead of internal targets from the strong pipeline of capital projects. Mr Davis said, "The rollout of Project Zero initiatives continues to enhance earnings growth and we have a strong pipeline of projects extending out to at least 2015. Whilst 2011 was expected to be the peak year for spending on Project Zero, we are pleased to confirm that we have identified a range of additional attractive projects which should see us increasing the rate of capital spend in 2012."

The outlook for growth in the Indonesian business remains very positive. Mr Davis said, "We had a strong festive trading period in Indonesia and the business continues to deliver material improvements in performance driven by improved operational capability and effective marketing programs by The Coca-Cola Company. Our up-weighted capital investment in the region has delivered a more efficient and scalable manufacturing and distribution platform this year, with further gains expected next year, and we will continue to invest in capacity expansion ahead of the curve in 2012."

2011 significant items

CCA expects to record a significant profit after tax of around \$60 million for 2011 comprising the above-mentioned profit of around \$165 million for the sale of shares in Pacific Beverages and around \$105 million in costs associated with the restructure of SPC Ardmona.

The restructure of the SPC Ardmona operations are progressing to plan. Of the approximate \$105 million in after tax significant costs expected for 2011, \$80.5 million was recognised in the first half with around \$24 million expected to be incurred in the second half. Second half costs will include around \$15 million in employee redundancies and other costs, as advised in the Interim Result in August, with the balance being a non-cash restructuring charge.

CCA will release its results for the full year 2011 on Wednesday, 22 February 2012.

For further information, please contact:

Analysts

Kristina Devon

Ph: +61 2 9259 6185

Kristina.Devon@ccamatil.com

Media

Sally Loane

Ph: +61 2 9259 6797

Sally.Loane@ccamatil.com