COCA-COLA AMATIL

ASX Announcement

12 December 2012

CCA TRADING UPDATE

ACQUISITION OF PT SAN MIGUEL INDONESIA FOOD AND BEVERAGES BOTTLING FACILITY IN INDONESIA

CCA has acquired the PT San Miguel Indonesia Food and Beverages non-alcoholic beverage bottling assets in Jakarta, Indonesia following San Miguel's decision to exit the production of non-alcoholic beverages in Jakarta. Commissioned in 2006, the assets include a 20,000 sqm purpose built beverage production facility which includes a high speed PET bottling line and a 5,000 sqm warehouse. In addition, the 100,000 sqm land parcel acquired provides a valuable land bank for future expansion.

CCA's Group Managing Director, Terry Davis said, "The acquisition of this large and modern facility is a very important acquisition for CCA as it fast tracks our expansion plans for the Jakarta region, providing a well located complement to our Cibitung manufacturing operations.

"In addition to the site's existing high-speed PET bottling line, we will install an additional carbonated soft drink PET line, increasing our Indonesian PET production capacity by 20% over the next 12 months. The facility has the potential to add a further three beverage production lines which could increase Indonesian PET capacity by a further 35-40%, providing the business with an immediate low cost expansion option in the key densely populated West Java region of Indonesia."

CCA expects to spend approximately A$45 million on the acquisition of the existing San Miguel facilities and on expenditure to further develop site capacity over the next 12 months.

ACQUISITION OF LAND AND WAREHOUSING FACILITY IN LAE, PAPUA NEW GUINEA

CCA is currently completing the acquisition of an existing 18,000 sqm warehousing facility in Lae for A$28 million. Mr Davis said, "The acquisition of this warehousing facility is strategically important for our fast-growing PNG business as it adjoins our existing manufacturing and distribution operation. The acquisition provides us with much needed warehousing space to guarantee future expansion capacity for both manufacturing and distribution in PNG for the next 10 years."

PROGRESS IN THE DEVELOPMENT OF CCA'S ALCOHOLIC BEVERAGES STRATEGY

CCA is pleased to announce that it has entered into a long-term exclusive agreement to distribute Rekorderlig cider in Australia from 1 January 2014, post the expiry of its restraint agreement with SABMiller not to sell, distribute or manufacture beer or cider in Australia until 16 December 2013. Alcoholic cider is the fastest growing alcoholic beverage category in Australia, growing at over 20% per annum, and generating annual retail sales of over $550 million. Rekorderlig cider is produced in Sweden and is the Number 1 brand by value in the off-premise sector in Australia.

Managing Director Australian Beverages, John Murphy said, “CCA is the leading non-alcoholic beverages and spirits partner for the licenced trade and the future partnership with Rekorderlig will materially strengthen our brand portfolio in this important channel. By leveraging CCA’s large scale sales and distribution expertise, I believe we will be able to further strengthen Rekorderlig’s market leading position.”

The newly named Paradise Beverages (Fiji) Limited (previously Foster’s Group Pacific Limited) is delivering ahead of expectations. In the 10 weeks since acquisition CCA has commenced marketing Fiji Bitter Draught in Fiji, launched a new low-carb beer Vailima Pure, launched a new premium 12 year old rum from the Fiji Rum Company and a new RTD Bounty Mojito. Work has also commenced on a multi-year brewery upgrade.

Mr Murphy said, “We are delighted with the opportunities created by the acquisition, its potential exceeds our initial plans for the business. The upgrading of the facilities will give us more production capacity and the ability to produce export quality beer and we have launched a number of new products in the local market already.

“In addition, we have commenced distributing premium beer Corona in Fiji and Coors Light and Blue Moon in New Zealand and we will commence distributing Carlsberg in the first quarter of next year.”

TRADING UPDATE

CCA expects to generate between 4-5% growth in net profit for 2012, before significant items. CCA’s Group Managing Director, Terry Davis said, “CCA has continued to outperform its peer group and in 2012 we expect to again deliver increased Group revenue and volume growth. Indonesia and PNG will once again deliver a strong performance and while the trading environment in Australia remains challenging, we have seen some improved momentum in the lead up to Christmas. Trading conditions have not improved for the New Zealand and SPC Ardmona operations and these businesses have negatively impacted overall Group earnings growth by approximately 2% for 2012.”

Australia – The Australian business expects to deliver positive volume and revenue growth in the second half. Mr Davis said, “Consumer spending levels continue to be soft, a continuation of the trend we have experienced over the past 18 months, while price-driven competitor activity during the second half has restrained volume growth. We have continued to gain market share across the year and have made a solid start to the Christmas season across most of Australia. While we still have an important two weeks of trading ahead of us, at this stage we expect to deliver positive volume and revenue growth for the second half.”

New Zealand & Fiji – The New Zealand economy has continued to soften during the second half with consumer confidence and retail sales declining. While CCA’s business has maintained market share this year, the overall beverage category has declined and as a result, New Zealand & Fiji would expect to record a decline in volume and earnings for the full year.

Indonesia & PNG – The Indonesian and PNG operations have continued the strong growth experienced in the first half of 2012. The Indonesian business continued to deliver material improvements in volume and earnings driven by the increase in demand for commercial ready-to-drink beverages supported by a strong product innovation pipeline, improved operational capability and innovative marketing programs by The Coca-Cola Company.

Mr Davis said, "As a consequence of the strong growth in 2012 and the promising outlook, capital investment in the region has been up-weighted to around $150 million this year and we will further up-weight our capital investment program in 2013. This increased capital investment will be directed to increasing capacity in production, warehousing and distribution as well as a material increase in our cold drink cooler penetration. The acquisition of the San Miguel operation in Jakarta has fast tracked capacity expansion plans for West Java, which represents approximately 40% of Indonesian revenue, and will enable the business to bring forward the launch of a number of new products and packs in 2013."

Alcohol, Food & Services – AF&S would expect to generate earnings for 2012 broadly in line with last year. While the Beam business has performed strongly, the strong Australian dollar continues to negatively impact SPC Ardmona's competitiveness against cheap imported brands and retailer private label categories.

Capital expenditure – For 2012, CCA expects capital expenditure to be $450-460 million.

Net debt – CCA expects net debt as at 31 December 2012 to be in line with 2011. Increased earnings and the proceeds from the sale of CCA's shares in the Pacific Beverages JV have funded up-weighted capital spend, the increased dividend payments and around $110 million in acquisitions. 2012 acquisitions include 89.6% of the Fiji Brewery and Distillery and the San Miguel bottling operations in Indonesia. In addition, CCA provided a $24 million loan to Casella to assist with the acquisition and expansion of the Griffith brewery.

In November CCA completed its first Australian domestic debt raising since 2006 raising $150 million for a seven year term. The funds will be used to fund 2014 debt maturities and have been placed on term deposit until May 2014 with the related deposit rate exceeding the cost of borrowing.

Dividend payout – The second half dividend payout ratio is expected to be in line with the first half payout ratio.

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