

ASX Announcement

8 December 2014

CCA MARKET UPDATE

Coca-Cola Amatil (CCA) has made solid progress in developing and implementing a range of initiatives to stabilise earnings and return to growth. Group Managing Director, Alison Watkins said, "Our Strategic Review announced in October was designed to address the structural challenges that CCA is facing and I am pleased to report that we are making good progress in implementing the initiatives identified as part of that Review with three priorities; strong category leadership, a step-change in productivity and in-market execution, and better alignment with The Coca-Cola Company (TCCC).

"In August we announced that we are targeting over \$100 million in savings in Australia from procurement, reduced support costs and improved productivity from the significant investment made in the supply chain and in IT investment over the past five years. Since then we have finalised plans to restructure our back office support costs with a range of process improvement and automation initiatives. The restructure will lead to the reduction up to 260 non-frontline positions, with the majority taking effect in 2015. This latest restructure, together with cost initiatives already in train, gives us a high level of confidence we will achieve our savings targets." CCA expects to report significant items charges related to restructures this year.

Solid progress has also been made in the development and implementation of a range of growth initiatives to strengthen the brand portfolio. Ms Watkins said, "The recent launch of the 250ml cans, supported by the #colouryoursummer campaign, is tracking above expectations in terms of ranging, transactions and most importantly, recruitment of the next generation of Coca-Cola consumers. We have a great line up of new product launches and marketing initiatives including the launch of Coke Life in the first half of 2015."

Trading conditions in Australia continue to be challenging. However Ms Watkins said, "While we have not yet seen the anticipated improvements in the grocery channel and operational accounts, we continue to expect second half Group earnings before interest and tax to exceed first half earnings of \$316.7 million, before significant items."

The Indonesian business is continuing to deliver strong volume growth and improvements in market share. Pricing and profitability remain under pressure due to the level of competition and ongoing cost pressures. Ms Watkins said, "We believe the joint system plan we have with TCCC will strengthen our competitive position in the rapidly-growing Indonesian beverage market and drive attractive shareholder returns. The proposed US\$500 million equity injection from TCCC will support the capital investment in that market for the next 3-4 years. We are very focused on driving cost competitiveness through scale and less complexity, and transforming our route-to-market to cost-effectively reach a larger number of customers with a broader range of our products."

An Extraordinary General Meeting of CCA shareholders will be called for on 17 February 2015 to vote on the proposed equity injection from TCCC. The Notice of Meeting, including the Explanatory Memorandum and Independent Expert's Report, is expected to be lodged with the Australian Securities Exchange in mid to late December 2014.

For further information, please contact:

Analysts

Kristina Devon

Head of Investor Relations

Ph: +61 2 9259 6185

Kristina.Devon@ccamatil.com

Media

Helen Karlis

Group Head of Public Affairs & Communications (acting)

Ph: 0404 045 325

Helen.Karlis@ccamatil.com