

# ASX Announcement

SYDNEY

28 October 2014

## COCA-COLA AMATIL TO INCREASE MANUFACTURING EFFICIENCY

Coca-Cola Amatil (CCA) will relocate production from a small facility in Melbourne to its larger capital city facilities as part of its strategy to increase manufacturing efficiencies and productivity across the business.

The Bayswater facility will be closed and 57 permanent roles will be made redundant. The closure program will not be immediate, but will be transitioned over the next 12 months.

CCA's Group Managing Director Alison Watkins said: "The closure of Bayswater and relocation of its three production lines to larger facilities will optimise our manufacturing footprint and is an integral part of our plan to reduce our cost base and return CCA to growth.

"We have invested more than \$500m in our Australian supply chain over the past five years and we need to make sure we drive the best efficiencies we can to get the best returns possible on our significant investment.

"Streamlining our manufacturing footprint and logistics operations to leverage our scale is an important priority. The savings we generate will support more investment in our brands and innovation."

At CCA's interim results in August Ms Watkins indicated that the company was targeting more than \$100 million in cost savings over the next three years which would primarily be driven by optimising manufacturing footprint, improving procurement, streamlining support costs and driving greater efficiencies from the supply chain.

The savings generated by the closure of Bayswater, as well as last month's program to make 100 national supply chain roles redundant, form part of the \$100m in cost savings CCA has flagged.

The 12 month transition to close Bayswater will mean there will be no disruption to manufacturing capability and no impact on customers.

Ms Watkins said: "While we regret closing Bayswater, we have flagged driving greater efficiencies from our supply chain as part of our plan to return to growth, which is an imperative. I am confident that our policy provides for fair arrangements for those people affected, and we have an orderly transition plan to closure. "

For further information, please contact:

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