COCA-COLA AMATIL

ASX announcement

30th January 2014

CCA STATEMENT ON FEDERAL GOVERNMENT DECISION ON SPC ARDMONA

Coca-Cola Amatil (CCA) today announced its disappointment in the Federal Government's decision not to invest $25 million as a one-off grant for SPC Ardmona, the last remaining major fruit and vegetable processor in Australia.

The Federal Government decision also means that a potential $25 million grant from the Victorian Government which was conditional on a positive decision will no longer be forthcoming.

CCA had strong investment plans for SPCA which were dependent on the receipt of both Federal and Victorian government grants, and had committed a further investment of more than $90 million to support the Government contribution.

CCA's alternative plans for SPCA will necessitate a material review of SPCA's carrying value, and a write down of its assets including brands and goodwill, the amount of which will be considered by the Board and announced on February 18 at CCA's 2013 Full Year Results presentation.

CCA Group Managing Director Terry Davis said: "The Government decision is disappointing in light of the fact that SPC Ardmona had presented to both the Federal and Victorian governments a solid business case for a one-off co-investment of $25 million each with CCA committing to a significant and much greater investment of more than $90 million.
"This was to be invested in best-in-class technology for both new product development and for efficiency gains to enable the transformation of the production facility in the Goulburn Valley into a modern, high-tech food company, utilising clean, green Australian-grown fruit and vegetables."

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