



A.B.N. 26 004 139 397

## **Results for announcement to the market For the financial year ended 31 December 2015**

### **2015 Appendix 4E Report**

Coca-Cola Amatil Limited (CCA) will host a presentation to investors, analysts and media on 17 February 2016 at 10:00a.m. (AEDT), which will be webcast with all presentation materials posted to CCA's website ([www.ccamatil.com](http://www.ccamatil.com)). A replay of the presentation, including the question and answer session, will be available on the website.

**For more information about CCA, please visit [www.ccamatil.com](http://www.ccamatil.com)**

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# FULL YEAR RESULTS COMMENTARY

17 February 2016

For the financial year ended 31 December 2015



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## RESULT HIGHLIGHTS

- Full year earnings consistent with our expectations and guidance previously provided
- Stabilised Australian Beverages' earnings, in line with guidance previously provided
- Evolving earnings profile with increased contributions from growth segments, especially Alcohol & Coffee
- Profit growth ahead of earnings before interest and tax (EBIT) growth due to reduction in net debt
- Ahead of schedule with the three year \$100M cost savings plan in Australian Beverages
- On track to return to mid single-digit growth in earnings per share (EPS) over the next few years
- Final dividend of 23.5 cents, representing a payout ratio of 84.4% for the full year and the strength of the Group's balance sheet
- Steady progress implementing strategies announced in the October 2014 strategic review

<b>SUMMARISED INCOME STATEMENT</b>	Note <sup>1</sup>	2015 \$M	2014 \$M	Variance %
<b>Trading revenue</b>	2	<b>5,093.6</b>	4,942.8	3.1
<b>Total revenue</b>		<b>5,186.9</b>	5,034.1	3.0
<b>Earnings before interest and tax (before significant items)</b>		<b>660.6</b>	651.5	1.4
Net finance costs	2 & 3	<b>(86.2)</b>	(121.9)	(29.3)
Income tax expense (before significant items)	5	<b>(171.0)</b>	(153.4)	11.5
Non-controlling interests		<b>(10.0)</b>	(0.7)	
<b>Profit attributable to CCA shareholders (before significant items)</b>		<b>393.4</b>	375.5	4.8
Significant items after income tax		–	(103.4)	
<b>Profit attributable to CCA shareholders</b>		<b>393.4</b>	272.1	44.6
		¢	¢	
Earnings per share (before significant items)	6	<b>51.5</b>	49.2	4.7
Earnings per share	6	<b>51.5</b>	35.6	44.7
<b>OTHER INFORMATION</b>				
Interim dividend per share (75% franked) <sup>2</sup>		<b>20.0</b>	20.0	–
<b>Final dividend per share (75% franked)<sup>3</sup></b>		<b>23.5</b>	22.0	6.8
Total annual dividends		<b>43.5</b>	42.0	3.6
<p>1 Note references are located within the attached abbreviated financial report.</p> <p>2 Paid 6 October 2015 (2014: 7 October 2014).</p> <p>3 Record date for 2015 dividend entitlement is 24 February 2016 and is payable 5 April 2016 (2014: paid 7 April 2015)</p>				

## SUMMARY FINANCIAL COMMENTARY

- Trading revenue increased by 3.1% to \$5.1 billion
- EBIT increased by 1.4% (before 2014 significant items) to \$660.6 million
- Profit attributable to CCA shareholders increased by 4.8% (before 2014 significant items) to \$393.4 million
- On a statutory basis, profit attributable to CCA shareholders increased by 44.6% (post 2014 significant items), with no significant items in 2015
- EPS increased by 4.7% (before 2014 significant items) to 51.5 cents per share
- The final dividend declared is 23.5 cents, franked to 75.0%, results in a payout ratio of 84.4% for the full year

For the financial year ended 31 December 2015

## GROUP RESULTS SUMMARY

CCA Group Managing Director, Alison Watkins said, "This 2015 result is consistent with our plans and the guidance we provided in 2014 despite challenging conditions. We are delivering on our strategy of strengthening our category leadership, making a step change in our productivity and in-market execution, and building better alignment with The Coca-Cola Company and our other partners. Stabilising our core Australian Beverages business is an important achievement and we are delighted with the growth of New Zealand & Fiji and Alcohol & Coffee. While the Indonesian economy has been difficult we are working well with The Coca-Cola Company to realise its long term potential. We are confident CCA will return to sustainable mid single-digit EPS growth over the next few years."

### SEGMENT RESULTS – EBIT SUMMARY

	2015 \$M	2014 \$M	Variance %
Non-Alcohol Beverages			
Australia	463.8	462.9	0.2
New Zealand & Fiji	98.8	92.3	7.0
Indonesia & PNG	48.7	44.3	9.9
Alcohol & Coffee Beverages	34.1	25.9	31.7
Corporate, Food & Services	15.2	26.1	(41.8)
	<b>660.6</b>	651.5	1.4

### OVERVIEW

- Australian Beverages earnings stabilised despite challenging conditions.** We delivered positive volume growth by focusing on our strategy of optimising our portfolio and product mix and improving our route to market execution. The cost savings identified under our efficiency program and route to market transformation are being reinvested into the business to support our leadership position on price and to maintain a strong focus on brand development, innovation and technology. We have driven transactions by widening choice, increasing consumer relevance in our core Sparkling Beverages portfolio and strengthening our stills offer.
- New Zealand & Fiji earnings increased 7.0% driven by strong performances across Sparkling Beverages and water.** This growth was achieved by bringing innovation to market across our beverages categories and continued focus on targeted channel and market activation. A new 10-year partnership with Restaurant Brands New Zealand encompassing KFC and Pizza Hut franchises commenced in January 2016 and will cement CCA's position as New Zealand's leading quick service restaurant beverage supplier. Fiji delivered very strong volume and earnings growth driven by a revitalised economy and disciplined market execution.
- Indonesia & Papua New Guinea earnings increased 9.9% with Indonesia facing headwinds stemming from a slowing economy, impacting volume and profitability.** In challenging conditions, our revenue and cost management initiatives partially offset lower volume growth and increased cost of goods sold resulting from the significant depreciation of the Indonesian rupiah against the US dollar during 2015. Solid progress has been made in winning market share in Sparkling Beverages and tea categories. Indonesia's economic growth is at its lowest level in five years which has resulted in some planned CCA capital investment being deferred. TCCC's equity injection of US\$500 million reiterates our joint commitment to the Indonesian market, has reduced net debt and financing costs in the short term and, as demand increases, capital expenditure will be up-weighted. Segment earnings for the year benefited from the appreciation of the PNG kina.
- Alcohol & Coffee earnings grew 31.7%, continuing the momentum from the first half.** Sales in alcoholic ready-to-drink beverages and spirits benefited from a redesigned partnership with Beam Suntory now encompassing the Suntory range of spirits and expanding the relationship to New Zealand. The partnership leverages the strengths of both organisations with a core focus on premium brand development. In addition, the Yenda craft beer range, Paradise Beverages in Fiji and Grinders Coffee grew significantly, contributing to a strong earnings result.
- Corporate, Food & Services earnings decreased by \$10.9 million.** This was due to costs associated with a range of projects to support the Group strategy such as the Beam Suntory agreements and one-off provisions in SPC including the closure of the Mooroopna plant as part of the ongoing transformation.
- Finance costs decreased by \$35.7 million.** The lower costs were mainly driven by TCCC's US\$500 million equity injection in Indonesia but also included some non-recurring foreign exchange hedging gains which improved profit attributable to CCA shareholders by around \$6 million.

# FULL YEAR RESULTS COMMENTARY

17 February 2016

For the financial year ended 31 December 2015



## PRIORITIES & OUTLOOK

In October 2014, CCA announced the results of a strategic review of the Group and outlined a path to stabilising earnings and restoring growth. Ms Watkins said, "Our result in 2015 reinforces the confidence we have in our strategy. We are seeing the benefits of our product and geographic diversity which has allowed us to build momentum in the face of challenging conditions and structural shifts in the Sparkling Beverages category. In Australia and New Zealand we are actively managing our response to changing consumer preferences through product innovation as well as providing consumers with information and choice to enjoy our beverages."

"We are excited about the new "Taste the Feeling" campaign for Coca-Cola. This campaign connects us with our consumers in a new way by driving the relevance of the Coca-Cola trademark and reminding people when and why to drink Coca-Cola. Importantly the "One Brand" approach continues the journey we started in 2015, moving from separate brands and separate ideas across the Coca-Cola trademark, to one brand with different product choices to meet all our consumer needs."

Progress on the business strategies are as follows:

### **Australian Beverages – Stabilise earnings and return to growth**

We delivered a result in line with our expectations and there are sufficient indicators of stability to support a cautious optimism about the future, whilst recognising that challenging conditions will continue into 2016.

We are focused on returning to sustainable growth through category leadership and greater efficiency and productivity. Providing a wide range of choice will remain a focus in 2016 as we continue to address changing consumer trends. This will include an ongoing focus on premium packs, reductions in portion sizes, reformulations and product innovation – leading to a range of products naturally lower in sugar – in both Sparkling and Still Beverages categories.

Media investment is increasing to ensure we capture value share of growing categories and strengthen our brand portfolio to increase our appeal to a wider range of consumers.

There are significant opportunities in the water category, with optimised pack/price strategies, continuation of "The Nation's Hydration" campaign for Mount Franklin and a very strong pipeline of added value innovation in the enhanced water segment now that we've improved our alignment in this category with TCCC.

In the sports category, we will continue to strengthen our market position, particularly given a unique ability to leverage TCCC's global Olympic marketing properties in Powerade's market activation.

In the energy category, we will build on our strong position and are in advanced discussions with Monster Energy to commence as their distribution partner in Australia and New Zealand.

In the tea category, Fuze Tea was launched recently. The brand has a range of flavours targeting broad appeal with smaller serve sizes and lower kilojoule options that are sweetened from natural sources.

We are ahead of schedule with our cost-out program, on track to meet our commitment of at least \$100 million over three years and continue to challenge ourselves to find ways to operate on a lower cost model across all business functions. Savings have been reinvested into marketing, price and promotions and continued strong product innovation. We will continue to pursue potential cost savings and efficiency gains to improve cost to serve and position CCA as the supplier of choice.

We expect the turnaround of the Australian Beverages business to be gradual, fuelled by strong category and brand programmes in 2016 and a continued focus on revenue growth management, route to market and cost savings. This is assisting us to create a platform to become a more lean and agile organisation for the future, fully capable of anticipating and responding to market opportunities.

### **Indonesia – Expand our market presence to realise the market's potential**

We are working closely with TCCC to build the Sparkling Beverages market and increase our presence in the Still Beverages category through refinement of our products, pricing and investment in marketing. Important changes to our route to market will continue to be implemented by adding more exclusive distributors to extend our reach and segment to better match service levels with customer value.

Product availability will continue to be improved through targeting outlets not currently stocking Coca-Cola products and in existing outlets by increasing the portfolio penetration.

The global "Taste the Feeling" campaign will also be localised for the Indonesian market to boost Coca-Cola brand awareness and will overlap with the launch of the new 390ml size bottle. A significant investment is also being made into Sprite, juice and dairy.

Although we anticipate an increase in volumes in 2016, the continued deterioration in the Indonesian rupiah versus the US dollar will impact profitability and the short term outlook remains challenging. Together with TCCC, we reiterate our full commitment to the Indonesian market as one of the global growth engines that will continue to deliver against our fully aligned long-term vision.

## FULL YEAR RESULTS COMMENTARY

17 February 2016

For the financial year ended 31 December 2015



### **PRIORITIES & OUTLOOK (CONTINUED)**

#### **New Zealand – Build trust and focus on new opportunities**

The focus for New Zealand will be to maintain momentum and leadership by continuing to grow trust and equity in the Sparkling Beverages category. We also see multiple opportunities for accelerated growth across the Still Beverages category, existing and emerging, particularly from the investment we have made in our new juice and sports drinks plant scheduled to open this half.

#### **Alcohol & Coffee – Continue strong momentum**

We will build on the strong growth in Alcohol & Coffee and reinforce our category leadership position in spirits. We are working closely with our partners to develop our brands and take advantage of significant opportunities across categories such as craft beers and cider where we can leverage our distribution and footprint. Our new partnership with Beam Suntory across Australia and New Zealand represents a significant growth opportunity in licensed customers and will complement our range of ciders and craft beers as well as create further non-alcohol opportunities.

#### **SPC – Continue transformation into a profitable modern food business**

We are continuing to revitalise our brand and product portfolio to return to profitability. We have introduced innovative healthy fruit-based snacks to the market and have a strong innovation pipeline. We are modernising the Shepparton production facilities to establish a lower cost base and greater flexibility.

#### **Financial outlook**

In 2014 we stated our target of returning CCA to mid single-digit growth in earnings per share over the next few years. We remain confident that our plans are moving us in the right direction and aim to take another step towards this goal in 2016. The pace of recovery will depend on the success of revenue initiatives in Australia and Indonesian economic factors.

We anticipate 2016 net finance costs to be in line with 2015 due to a full year benefit of TCCC's US\$500 million equity injection in Indonesia, offset by non-recurring gains in 2015.

We expect to generate sufficient free cash flow to allow continued targeting of a medium term dividend payout ratio of over 80%. We also expect to maintain a conservative balance sheet position which provides us with flexibility to fund future growth opportunities.

For the financial year ended 31 December 2015

**DETAILED FINANCIAL COMMENTARY**

**CAPITAL EMPLOYED <sup>1</sup>**

	<b>2015</b>	2014	Variance
	<b>\$M</b>	\$M	\$M
Working capital <sup>2</sup>	<b>525.1</b>	474.5	50.6
Property, plant and equipment	<b>2,019.9</b>	2,031.2	(11.3)
Intangible assets	<b>1,265.9</b>	1,277.0	(11.1)
Current and deferred tax liabilities	<b>(188.6)</b>	(167.4)	(21.2)
Net non-debt derivative (liabilities)/assets	<b>(24.2)</b>	15.0	(39.2)
Other net liabilities <sup>3</sup>	<b>(42.0)</b>	(72.3)	30.3
	<b>3,556.1</b>	3,558.0	(1.9)
<b>Return on Capital Employed (ROCE) pre significant items <sup>1</sup></b>	<b>18.6%</b>	18.5%	0.1 points

1 Capital Employed referred to as Assets and Liabilities – Operating and Investing or segment net assets in the abbreviated financial report.

2 Working capital is defined as current trade and other receivables plus inventories less current trade and other payables.

3 Mainly comprises prepayments and employee expense obligations.

Capital employed has been held flat compared to last year end enabling a marginal improvement in ROCE, which remains well above CCA's cost of capital.

Working capital increased by \$50.6 million reflecting growth in the Alcohol business, an increase in safety stock in SPC ahead of the season and the commissioning of the new tomato line. As anticipated, timing related increases identified at the half year reversed during the second half.

Property, plant and equipment reduced by \$11.3 million due to the disposal of two sites in the Australian Beverages business. Depreciation was in line with additions.

Net non-debt derivative liabilities increased by \$39.2 million reflecting the impact of a fall in the value of the Australian dollar, lower commodity prices and lower interest rates.

Other net liabilities have reduced due to a decrease in superannuation liabilities and increase in prepayments.

**FREE CASH FLOW**

	<b>2015</b>	2014	Variance
	<b>\$M</b>	\$M	\$M
<b>EBIT</b>	<b>660.6</b>	507.1	153.5
Depreciation and amortisation expenses	<b>270.2</b>	266.6	3.6
Impairment charges	<b>4.9</b>	57.2	(52.3)
Changes in adjusted working capital	<b>(57.3)</b>	(12.2)	(45.1)
Net interest and other finance costs paid	<b>(91.6)</b>	(129.3)	37.7
Income taxes paid	<b>(148.2)</b>	(179.0)	30.8
Movements in other items	<b>(11.8)</b>	79.8	(91.6)
<b>Net operating cash flows</b>	<b>626.8</b>	590.2	36.6
Payments for additions of property, plant and equipment and software development assets <sup>1</sup>	<b>(256.2)</b>	(285.3)	29.1
Proceeds from sale of non-current assets	<b>19.7</b>	6.7	13.0
<b>Free cash flow</b>	<b>390.3</b>	311.6	78.7

1 Includes \$0.2 million acquisition of other intangible assets and receipt of a \$10.0 million government grant.

Free cash flow was \$390.3 million, a \$78.7 million increase on last year.

Cash realisation has increased by 1.3% points to 93.1% for the year and the free cash flow was sufficient to cover the dividend payments for the year excluding the receipt of TCCC's US\$500 million equity injection in Indonesia.

Net operating cash flow improved by \$36.6 million driven by lower interest and tax payments partly offset by an increase in working capital. Significant items totalling \$144.4 million (before tax) affected 2014 net operating cash flows mainly in EBIT, impairment charges and provisions (within movements in other items).

The lower interest cost was driven by the US\$500 million equity injection by TCCC in Indonesia. Tax paid was lower than last year due to Australian tax instalments changing in 2014 to monthly from quarterly and the impact of the decline in earnings in 2014 on tax instalments paid in 2015.

The \$57.3 million increase in adjusted working capital is driven by the growth of the Alcohol business, an increase in safety stock in SPC ahead of the season and the commissioning of the new tomato line.

Capital spend was lower than forecast at the interim results announcement in August 2015 due to timing and control of spend on approved projects rather than cancellation of projects. The proceeds from sale primarily relate to the sale of two production sites in Australian Beverages.

For the financial year ended 31 December 2015

**DETAILED FINANCIAL COMMENTARY (CONTINUED)**

**CAPITAL EXPENDITURE**

	<b>2015</b>	2014	Variance
	<b>\$M</b>	\$M	\$M
Non-Alcohol Beverages			
Australia	<b>54.0</b>	72.7	(18.7)
New Zealand & Fiji	<b>27.0</b>	16.8	10.2
Indonesia & PNG	<b>96.4</b>	116.9	(20.5)
Alcohol & Coffee Beverages	<b>6.5</b>	9.9	(3.4)
Corporate, Food & Services	<b>72.1</b>	69.0	3.1
	<b>256.0</b>	285.3	(29.3)
Capital expenditure/trading revenue	<b>5.0%</b>	5.8%	(0.8) pts
Capital expenditure/depreciation and amortisation	<b>0.95x</b>	1.08x	(0.13)x

Capital expenditure reduced by \$29.3 million to \$256.0 million, net of the \$10.0 million government grant received by SPC, to be just below depreciation & amortisation. The reduction was driven by the deferral of spend on approved projects rather than the cancellation of projects.

The major investments in Australia included the completion of the aseptic production line in Queensland, investment in consolidating production facilities as part of the closure of two sites, cold drink cooler investments and investment in IT solutions to enable the implementation of cost out programmes.

In Indonesia, three new production lines were installed and commissioned in Semarang, Cikedokan and Surabaya ahead of the Festive season as well as the continued rollout of cold drink coolers.

For SPC, capex was directed to investment in the new fruit snack line, which was successfully commissioned in the third quarter of 2015, and the new tomato production line which will be commissioned in the first quarter of 2016.

**CAPITAL – FINANCING**

	<b>2015</b>	2014	Variance
	<b>\$M</b>	\$M	\$M
<b>Equity</b>	<b>2,409.8</b>	1,686.7	723.1
Net debt			
cash assets	<b>(1,237.5)</b>	(818.2)	(419.3)
long term deposits	<b>(88.1)</b>	–	(88.1)
net debt related derivative liabilities	<b>(63.7)</b>	26.0	(89.7)
interest bearing liabilities	<b>2,535.6</b>	2,663.5	(127.9)
<b>Total net debt</b>	<b>1,146.3</b>	1,871.3	(725.0)
	<b>3,556.1</b>	3,558.0	(1.9)

The balance sheet remains in a very strong position. Net debt decreased by \$725.0 million to \$1,146.3 million. This was driven by the receipt of the equity injection by TCCC in Indonesia of \$646.9 million in Australian dollars. The improved free cash flow was also able to fund the dividend payment resulting in a reduction in net debt by \$69.6 million.

Cash assets have increased by \$419.3 million to \$1,237.5 million. The increase is driven by the equity injection from TCCC in Indonesia held on deposit until the funds are required for capital spend to support the growth strategy. In addition there has been an increase in funds in PNG due to the lack of foreign currency liquidity. Of the \$88.1 million held in long term deposits, \$77.1 million held in Indonesia will repay a debt maturing in April 2017.

Total available debt facilities at year end was \$2.5 billion. The average maturity is 3.7 years and the maturity profile is as follows:

<b>Borrowing maturity profile</b>	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020+
	%	%	%	%	%
Committed and uncommitted facilities maturity year	21.3	20.4	16.8	6.4	35.1

All debt maturing up until February 2017 is fully funded.



For the financial year ended 31 December 2015

## DETAILED BUSINESSES REVIEW

### NON-ALCOHOL BEVERAGES – AUSTRALIA

	2015 \$M	2014 \$M	Variance %
<b>Trading revenue</b>	<b>2,763.0</b>	2,785.3	(0.8)
Trading revenue per unit case	\$8.48	\$8.59	(1.3)
Volume (M unit cases)	326.0	324.4	0.5
<b>Earnings before interest and tax</b>	<b>463.8</b>	462.9	0.2
<b>EBIT margin on trading revenue</b>	<b>16.8%</b>	16.6%	0.2 points

The Australian Beverages business delivered a solid EBIT result supported by a slight increase in overall volumes despite facing challenging conditions. This was achieved through a continued strong focus on driving transactions and mix through widening choice and increasing consumer relevance to meet changing preferences, supported by ongoing promotional investment and product innovation.

Reported volumes in the second half were down 1.5% but flat when normalised for sales days. Realised price declined by 0.5% during the second half but represents a significant improvement in trajectory compared with the first half.

Moderate market share gains were delivered across a number of Sparkling Beverages category brands including Coca-Cola, Sprite, Kirks and Fanta, particularly in the grocery channel. This was achieved through up-weighted media, promotion and executional efforts. Importantly, single serve grew by 1.5% across our Sparkling Beverages portfolio. A slight increase in total volume of 0.5% was driven by actively managing category, pack and channel mix, together with investing in pricing tools and improved promotional pricing strategies.

We also benefitted from the launch and/or continuation of a number of marketing campaigns as well as new product innovation. Highlights of the year included campaigns such as the 100 year celebration of the iconic Coca-Cola contour bottle, "Colour Your Summer", "Come Alive" featuring innovative thermochromatic cans and the "Sprite Cut Through the Heat" campaign. The successful launch of Coca-Cola Life was also an important milestone in offering consumers a product with reduced sugar using natural sweeteners while maintaining the great taste of Coca-Cola. Volumes for the Coca-Cola Life range represent between 1-2% of total brand Coca-Cola volumes, in line with expectations.

The water category continued to experience downward price pressure with volume growth primarily driven by low cost private label and value water brands. However, approximately two thirds of total value growth in the water category was driven by the enhanced water segment. This segment now represents approximately 35% of value in the grocery channel, up from 28% in 2014.

In the water category, we introduced a permanent value water, Peats Ridge, in June and repositioned the Mount Franklin brand including new packaging, revised pricing strategies and a new above-the-line promotion campaign – "The Nation's Hydration". Mount Franklin increased its market share in the premium spring water segment within the grocery channel. Furthermore, sales for our coconut water offering, Zico, continued to increase with the product now holding 15% market share and competing to be the number two player in the high value coconut water segment.

In the sports category, we also experienced competitive pricing that resulted in a loss of share for Powerade. In response to this, a new product formulation, "ION4" was launched in October. The new formulation was supported by a campaign with sports personalities and increased promotional pricing activity. This resulted in regaining market share and achieving both volume and value growth during the fourth quarter.

In the dairy category, sales of our Barista Bros flavoured milk products continued to grow as a result of continued distribution momentum, increasing sales velocity and the addition of a new product, "double espresso", to the range. We achieved approximately 6% share of the flavoured milk segment in the fourth quarter in the important national convenience and petroleum channel.

Our performance in the non-grocery channels continued to be impacted by competition and growth from both the grocery trade and national quick service restaurants, and whilst the latter enjoys a lower cost to serve, this is offset by a lower net sales revenue rate in a much more concentrated customer set. A significant sales force optimisation exercise was implemented during the year. This successfully stabilised outlet count, improved the mix towards larger and more valuable outlets, and delivered execution improvements including an increase in share of visible inventory and strong gains in our portfolio ranging.

To complement efforts in resetting the product portfolio and route to market, significant structural and organisational changes were implemented across the business resulting in significant cost reduction in the second half. These initial savings driven by supply chain optimisation, back-office automation and sales technology innovations have supported marketing and targeted price investments and continued strong product innovation.

For the financial year ended 31 December 2015

**DETAILED BUSINESSES REVIEW (CONTINUED)**

**NON-ALCOHOL BEVERAGES – NEW ZEALAND & FIJI**

	<b>2015</b>	2014	Variance
	<b>\$M</b>	\$M	%
<b>Trading revenue</b>	<b>513.0</b>	488.0	5.1
Trading revenue per unit case	\$7.97	\$7.96	0.1
Volume (M unit cases)	64.4	61.3	5.1
<b>Earnings before interest and tax</b>	<b>98.8</b>	92.3	7.0
<b>EBIT margin on trading revenue</b>	<b>19.3%</b>	18.9%	0.4 points

New Zealand & Fiji delivered an earnings increase of 7.0% driven primarily by strong performances across the Sparkling Beverages and water categories, with a targeted focus on driving volume and value growth in line with our strategy. The result also benefitted from a focus on cost and productivity resulting in strong earnings and cash flow. Currency translation provided further benefit to reported Australian dollar earnings with local currency earnings growth of 5.6%.

**New Zealand**

The New Zealand business continued to enjoy solid trading across the second half, resulting in full year volume growth of 4.6%. This was achieved by bringing innovation to market across the beverage categories and continued focus on targeted channel and market activation, leveraging the favourable summer trading conditions across both ends of the year.

All core Sparkling and Still Beverages categories increased in volume, with the exception of sports which gained market share in a category which declined over the year. Sparkling Beverages volumes grew 3% with strong gains across the traditional route and quick service channels which has been strengthened by a 10-year partnership with Restaurant Brand New Zealand franchises which commenced in January 2016. We also continued to deliver an increase in volume share in the energy and sports categories. Strong volume growth was achieved across our main water brands, Kiwi Blue and Pump, generating market share gains across the second half in a highly competitive category driven by low value private label.

Activities driving these strong results included the highly successful 2014/15 "Colour Your Summer" and 2015/16 "Come Alive" campaigns and the launch of Coca-Cola Life in the first half of 2015. The second half was also buoyed by the momentum generated from the 100 year celebration of the iconic Coca-Cola contour bottle and sponsorship of the Rugby World Cup. These campaigns were further supported by our MyCoke consumer loyalty programme and an up-weighted media investment which helped stimulate demand for Trademark Coca-Cola.

Finally, innovation in the adult/mixer categories, driven by the launch of the new Schweppes Traditionals, and Deep Spring Naturals range have delivered solid growth back into the premium Sparkling Beverages category.

We gained market share in the juice segment in the second half by delivering continued innovation across the Keri Pulpy range and the ongoing success from the MOST organics juice range. The launch of Fuze Tea in grocery and Zico Coconut Water have also performed well, as we look to continue expanding across broader non-alcohol ready-to-drink (NARTD) beverages categories and occasions.

**Fiji**

Fiji delivered very strong volume and earnings growth assisted by a revitalised economy and disciplined market execution through the increased availability of our core product range across distribution channels. Coca-Cola Zero was also successfully re-launched to the market.

For the financial year ended 31 December 2015

**DETAILED BUSINESSES REVIEW (CONTINUED)**

**NON-ALCOHOL BEVERAGES – INDONESIA & PNG**

	<b>2015</b>	2014	Variance
	<b>\$M</b>	\$M	%
<b>Trading revenue</b>	<b>1,008.9</b>	927.5	8.8
Trading revenue per unit case	\$4.71	\$4.41	6.8
Volume (M unit cases)	214.4	210.1	2.0
<b>Earnings before interest and tax</b>	<b>48.7</b>	44.3	9.9
<b>EBIT margin on trading revenue</b>	<b>4.8%</b>	4.8%	-

Indonesia & PNG earnings increased 9.9% with both businesses delivering market share gains and volume growth in difficult conditions. Economic growth has slowed in Indonesia to its lowest levels since 2009, impacted by commodity price declines and the depreciating rupiah which also had the effect of increasing our cost of goods sold and reducing our earnings in the second half. Segment earnings for the year benefited from the appreciation of the PNG kina. The successful execution of our transformation plans contributed to earnings growth well ahead of volume growth for the full year and will position us to deliver our strategic ambitions in the medium term.

**Indonesia**

Consumer purchasing power has been negatively impacted by the slowing economy and as a result the Indonesian NARTD beverages market is experiencing its lowest volume growth levels in over 10 years. In this challenging environment, we delivered 1.3% volume growth while maintaining overall NARTD market volume share (flat versus last year). Volume shares increased in both the Sparkling Beverages and tea categories driven by a higher share of transactions while our share of juice decreased in an increasingly competitive category.

Despite the economic conditions, we continued to strengthen our market position and presence. In line with offering a greater range of affordable packs, the commissioning of a second cup line in August 2015 has allowed for the distribution of Frestea in cups to the whole of Java. Also the single serve convenience Sparkling Beverages packs have increased their reach across Indonesia by 15% since the start of 2014 with the affordable 250ml pack gaining traction in the traditional trade and launching into the modern trade.

Transformation of the route to market model, designed to increase availability, improve execution and broaden the customer base in the traditional trade, has progressed well and now includes expansion across Java. Strong progress has been made in penetrating the wholesale channel through a dedicated sales team combined with channel specific promotional programs. The traditional food service channel, consisting of over 800,000 outlets nationally, has also had a dedicated program designed to penetrate the eating and drinking occasion.

Improvements in the use of technology to drive sales force effectiveness and the route to market transformation have been implemented. In line with this transformation we are also refining the customer value proposition in order to further improve customer service and channel relevance at a lower overall cost to serve. Significant productivity gains were delivered through several transformation initiatives in manufacturing with significant gains in overall efficiency as well as supply source rationalisation. Overall the progress made across the entire scope of operations positions our business well to deliver on our long term strategic ambitions in Indonesia.

The Coca-Cola System, including Coca-Cola Indonesia and Coca-Cola Amatil Indonesia, reiterate their full commitment to the Indonesian market as one of the growth engines that will continue to deliver against our fully aligned long term vision. Although we anticipate an increase in volumes in 2016, the continued deterioration in the Indonesian rupiah to the US dollar will impact profitability and the short term outlook remains challenging.

**PNG**

The PNG business delivered strong volume and transaction growth as a result of the successful execution of the revised pack-price strategy. On the back of the increased volume as well as effective cost management, we delivered strong earnings growth. Significant productivity and efficiency improvements were made in manufacturing and delivery.

For the financial year ended 31 December 2015

**DETAILED BUSINESSES REVIEW (CONTINUED)**

**ALCOHOL & COFFEE BEVERAGES**

	<b>2015</b>	2014	Variance
	<b>\$M</b>	\$M	%
<b>Trading revenue</b>	<b>434.4</b>	355.5	22.2
<b>Earnings before interest and tax</b>	<b>34.1</b>	25.9	31.7
<b>EBIT margin on trading revenue</b>	<b>7.8%</b>	7.3%	0.5 points

Alcohol & Coffee achieved earnings growth greater than 30% with sales benefiting from a rejuvenated relationship with Beam Suntory, strong growth in beer and cider and coffee continuing to gain momentum.

The addition of Suntory brands further strengthened our premium alcohol portfolio which provides CCA with one of the strongest premium whiskey portfolios. Importantly, we were able to deliver volume and value growth as we improved the performance of our existing spirits portfolio. In New Zealand, the fourth quarter also saw the implementation of the new 10-year Beam Suntory Distribution arrangements which has significantly increased CCA's presence across the licenced channel.

In beer and cider, our focus on building our existing portfolio is proving to be successful as we continue to work with our partners to deliver long term success. Both Coors and our joint venture brand Yenda have made enormous progress in their first full year of trading in the under-developed and growth segments of the beer market. The combination of Rekorderlig Cider and our other joint venture brand, Pressman's, have combined well to also deliver strong growth in the cider category. Paradise Beverages in Fiji generated double digit EBIT growth through a combination of innovation and cost of goods sold improvement in a category where we already have greater than 80% of the alcohol market.

Coffee earnings for the year were up over 20% by growing our brands in important channels such as cafés as well as increasing our presence in the grocery channel. Our expansion into Grinders capsules in formats compatible with the two leading machines, Nespresso and Caffitaly, helped contribute to Grinders being the fastest growing roast & ground coffee manufacturer in the grocery channel at the end of 2015.

**CORPORATE, FOOD & SERVICES**

	<b>2015</b>	2014	Variance
	<b>\$M</b>	\$M	%
<b>Trading revenue*</b>	<b>374.3</b>	386.5	(3.2)
<b>Earnings before interest and tax</b>	<b>15.2</b>	26.1	(41.8)

\* A majority of trading revenue is derived from Food (SPC)

SPC continues to revitalise its brand portfolio to return to profitability. The new innovative healthy fruit snacks, including Provital, from the new snack line have been successful and there is still a strong innovation pipeline. We are continuing to modernise the production facilities to establish a lower cost based through disciplined capital investment.

The reduction in the segment earnings has been driven by the cost of a range of projects to support the Group strategy such as the Beam Suntory agreement and one-off provisions in SPC including the closure of the Mooroopna plant as part of the ongoing transformation.

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**This abbreviated financial report is based upon CCA's full financial report for the year ended 31 December 2015 that has been audited.**

**CONSOLIDATED INCOME STATEMENT**  
**COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES**  
for the year ended 31 December



	Note	2015 \$M	2014 \$M
Trading revenue	2	<b>5,093.6</b>	4,942.8
Cost of goods sold		<b>(2,953.4)</b>	(2,833.8)
Delivery		<b>(238.4)</b>	(233.6)
<b>Gross profit</b>		<b>1,901.8</b>	1,875.4
<b>Other revenue</b>	2	<b>58.7</b>	60.1
<b>Expenses</b>			
Selling		<b>(709.7)</b>	(695.6)
Warehousing and distribution		<b>(185.4)</b>	(189.8)
Support services and other <sup>1</sup>		<b>(404.8)</b>	(542.9)
		<b>(1,299.9)</b>	(1,428.3)
<b>Share of loss of joint venture entity</b>	8	–	(0.1)
<b>Earnings before interest and tax</b>		<b>660.6</b>	507.1
<b>Net finance costs</b>			
Finance income	2	<b>34.6</b>	31.2
Finance costs	3	<b>(120.8)</b>	(153.1)
		<b>(86.2)</b>	(121.9)
<b>Profit before income tax</b>		<b>574.4</b>	385.2
Income tax expense	5	<b>(171.0)</b>	(112.4)
<b>Profit for the year</b>		<b>403.4</b>	272.8
<b>Attributable to:</b>			
Shareholders of CCA		<b>393.4</b>	272.1
Non-controlling interests		<b>10.0</b>	0.7
<b>Profit for the year</b>		<b>403.4</b>	272.8
<b>Earnings per Share (EPS) attributable to shareholders of CCA</b>			
Basic and diluted EPS (cents)	6	<b>51.5</b>	35.6

1 2014 includes amounts classified as significant items. Refer Note 3b) for further details.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES**  
for the year ended 31 December



	<b>2015</b>	2014
	<b>\$M</b>	\$M
<b>Profit for the year</b>	<b>403.4</b>	272.8
<b>Other comprehensive income</b>		
Items to be reclassified to the income statement in subsequent periods:		
Foreign exchange differences on translation of foreign operations	<b>(8.0)</b>	56.9
Cash flow hedges	<b>(26.8)</b>	45.3
Income tax effect relating to cash flow hedges	<b>10.1</b>	(14.3)
	<b>(24.7)</b>	87.9
Items not to be reclassified to the income statement in subsequent periods:		
Actuarial valuation reserve	<b>24.5</b>	(24.8)
Income tax effect	<b>(7.3)</b>	6.5
	<b>17.2</b>	(18.3)
<b>Other comprehensive income</b>	<b>(7.5)</b>	69.6
<b>Total comprehensive income for the year</b>	<b>395.9</b>	342.4
<b>Attributable to:</b>		
Shareholders of CCA	<b>383.3</b>	341.6
Non-controlling interests	<b>12.6</b>	0.8
<b>Total comprehensive income for the year</b>	<b>395.9</b>	342.4

Notes appearing on pages 18 to 24 to be read as part of the financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES**  
for the year ended 31 December



		<b>Attributable to shareholders of CCA</b>						
	Note	Share capital \$M	Treasury shares \$M	Reserves \$M	Accumulated losses \$M	Total \$M	Non- controlling interests \$M	Total equity \$M
<b>At 1 January 2015</b>		<b>2,271.7</b>	<b>(16.3)</b>	<b>(11.3)</b>	<b>(564.4)</b>	<b>1,679.7</b>	<b>7.0</b>	<b>1,686.7</b>
Total comprehensive income for the year		–	–	<b>(10.1)</b>	<b>393.4</b>	<b>383.3</b>	<b>12.6</b>	<b>395.9</b>
Transactions with shareholders:								
Share based remuneration		–	<b>(0.5)</b>	<b>1.6</b>	–	<b>1.1</b>	–	<b>1.1</b>
Dividends paid	4	–	–	–	<b>(320.7)</b>	<b>(320.7)</b>	–	<b>(320.7)</b>
Change in ownership interest in subsidiary	11	–	–	<b>342.7</b>	–	<b>342.7</b>	<b>304.1</b>	<b>646.8</b>
		–	<b>(0.5)</b>	<b>344.3</b>	<b>(320.7)</b>	<b>23.1</b>	<b>304.1</b>	<b>327.2</b>
<b>At 31 December 2015</b>		<b>2,271.7</b>	<b>(16.8)</b>	<b>322.9</b>	<b>(491.7)</b>	<b>2,086.1</b>	<b>323.7</b>	<b>2,409.8</b>
At 1 January 2014		2,271.7	(16.0)	(82.6)	(439.5)	1,733.6	6.2	1,739.8
Total comprehensive income for the year		–	–	69.5	272.1	341.6	0.8	342.4
Transactions with shareholders:								
Share based remuneration		–	(0.3)	1.8	–	1.5	–	1.5
Dividends paid	4	–	–	–	(397.0)	(397.0)	–	(397.0)
		–	(0.3)	1.8	(397.0)	(395.5)	–	(395.5)
At 31 December 2014		2,271.7	(16.3)	(11.3)	(564.4)	1,679.7	7.0	1,686.7

Notes appearing on pages 18 to 24 to be read as part of the financial statements.



**CONSOLIDATED BALANCE SHEET**  
**COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES**  
as at 31 December



	Note	2015 \$M	2014 \$M
<b>Current assets</b>			
Cash assets	7	1,237.5	818.2
Trade and other receivables		1,030.8	970.8
Inventories		733.9	686.1
Derivatives	7	44.2	24.6
Current tax assets		9.9	21.1
Prepayments		71.7	59.3
<b>Total current assets</b>		<b>3,128.0</b>	2,580.1
<b>Non-current assets</b>			
Property, plant and equipment		2,019.9	2,031.2
Intangible assets		1,265.9	1,277.0
Long term deposits	7	88.1	–
Investment in joint venture entity	8	26.3	26.3
Defined benefit superannuation plans		19.1	7.9
Derivatives	7	96.1	106.4
Other receivables		11.2	10.8
Prepayments		12.8	17.6
<b>Total non-current assets</b>		<b>3,539.4</b>	3,477.2
<b>Total assets</b>		<b>6,667.4</b>	6,057.3
<b>Current liabilities</b>			
Trade and other payables		1,239.6	1,182.4
Interest bearing liabilities	7	563.4	325.3
Provisions		119.3	121.5
Current tax liabilities		35.5	28.7
Derivatives	7	43.5	22.9
<b>Total current liabilities</b>		<b>2,001.3</b>	1,680.8
<b>Non-current liabilities</b>			
Interest bearing liabilities	7	1,972.2	2,338.2
Provisions		14.8	17.4
Deferred tax liabilities		163.0	159.8
Defined benefit superannuation plans		49.0	55.3
Derivatives	7	57.3	119.1
<b>Total non-current liabilities</b>		<b>2,256.3</b>	2,689.8
<b>Total liabilities</b>		<b>4,257.6</b>	4,370.6
<b>Net assets</b>		<b>2,409.8</b>	1,686.7
<b>Equity</b>			
Share capital	9	2,271.7	2,271.7
Treasury shares		(16.8)	(16.3)
Reserves		322.9	(11.3)
Accumulated losses		(491.7)	(564.4)
<b>Equity attributable to shareholders of CCA</b>		<b>2,086.1</b>	1,679.7
Non-controlling interests		323.7	7.0
<b>Total equity</b>		<b>2,409.8</b>	1,686.7

Notes appearing on pages 18 to 24 to be read as part of the financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES**  
for the year ended 31 December



	Note	2015 \$M	2014 \$M
<b>Inflows/(outflows)</b>			
<b>Operating cash flows</b>			
Receipts from customers		5,965.4	5,822.9
Payments to suppliers and employees		(5,098.8)	(4,924.4)
Interest income received		21.6	30.5
Interest and other finance costs paid		(113.2)	(159.8)
Income taxes paid		(148.2)	(179.0)
<b>Net operating cash flows</b>		<b>626.8</b>	590.2
<b>Investing cash flows</b>			
Payments for:			
investment in long term deposits		(84.9)	–
investment in joint venture entity		–	(2.0)
additions of property, plant and equipment		(246.4)	(262.5)
additions of brand names and trademarks		(0.2)	–
additions of software development assets		(19.6)	(22.8)
acquisition of business		–	(13.4)
Proceeds from:			
disposal of property, plant and equipment		19.7	6.7
government grant relating to acquisition of property, plant and equipment		10.0	–
<b>Net investing cash flows</b>		<b>(321.4)</b>	(294.0)
<b>Financing cash flows</b>			
Proceeds from issue of ordinary shares in subsidiary (net)		646.8	–
Proceeds from borrowings		167.6	302.8
Borrowings repaid		(371.3)	(831.9)
Dividends paid	4	(320.7)	(397.0)
<b>Net financing cash flows</b>		<b>122.4</b>	(926.1)
Net increase/(decrease) in cash and cash equivalents		427.8	(629.9)
Cash and cash equivalents held at the beginning of the year		803.0	1,424.4
Effects of exchange rate changes on cash and cash equivalents		6.6	8.5
<b>Cash and cash equivalents held at the end of the year</b>	10	<b>1,237.4</b>	803.0

Notes appearing on pages 18 to 24 to be read as part of the financial statements.

## Overview

This abbreviated financial report is an extract of CCA and its subsidiaries' (referred to as "Group") annual financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The Group adopted all consequential amendments to Australian Accounting Standards and Interpretations which became applicable on 1 January 2015. There is no material effect on the financial statements of the Group in relation to adoption of the above standards and interpretations.

Other Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have not been early adopted by the Group for the financial year ended 31 December 2015, with the exception of AASB 9 Financial Instruments – 2013 which was early adopted on 1 January 2014. The impact of these standards and interpretations has yet to be assessed.

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

## 1 SEGMENT REPORTING

The Group operates in a number of segments, based on results reported to the Group Managing Director. The Australia, New Zealand & Fiji and Indonesia & PNG Non-Alcohol Beverages segments derive their revenues from the manufacture, distribution and marketing of sparkling drinks and other non-alcohol beverages. The Alcohol & Coffee Beverages segment manufactures and distributes premium spirits, beer and coffee products. The Corporate, Food & Services segment includes other non-individually reportable businesses and comprises of the corporate office function for the Group, the processing and marketing of fruit and other food products business (SPC), and the provision of certain support services to the Group and third party customers business.

Segment results are evaluated on an earnings before interest, tax and significant items basis. Segment net assets include operating and investing assets and liabilities (which excludes net debts amounts). Net debt comprises of cash assets, long term deposits, debt related derivative assets and liabilities and interest bearing liabilities. The Group manages its net debt, net finance costs and income taxes on a Group basis and these measures are therefore not reported internally at a segment level. Inter-segment transactions are conducted on normal commercial terms and conditions.

### Restatement of prior year comparatives

The Group's segment reporting has been changed to reflect the outcomes of the Strategic review conducted in 2014, as follows:

- The Alcohol & Coffee Beverages segment has been created and aligns with the Managing Director of this segment reporting to the Group Managing Director. Alcohol & Coffee Beverages financial information was previously reported within CCA's prior Alcohol, Food & Services and the Non-Alcohol Beverages Australia segments respectively;
- Corporate costs are no longer allocated to the trading segments and Corporate is reported, with the Food and Services businesses in the new Corporate, Food & Services segment; and
- Indonesia Services has been consolidated into the Non-Alcohol Beverages Indonesia business within the Non-Alcohol Beverages Indonesia & PNG segment, and was previously reported within Alcohol, Food & Services.

The new definition has also been applied to the year ended 31 December 2014, as if the changes in structure had been effective on 1 January 2014, to facilitate comparability.

**1 SEGMENT REPORTING (CONTINUED)**

**Segment information**

	Non-Alcohol Beverages						Alcohol & Coffee Beverages	Corporate, Food & Services	Total			
	Australia		New Zealand & Fiji		Indonesia & PNG							
	2015	2014	2015	2014	2015	2014					2015	2014
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M			
Trading revenue	<b>2,763.0</b>	2,785.3	<b>513.0</b>	488.0	<b>1,008.9</b>	927.5	<b>434.4</b>	355.5	<b>374.3</b>	386.5	<b>5,093.6</b>	4,942.8
Other revenue	<b>5.5</b>	4.7	<b>7.4</b>	6.6	<b>1.5</b>	1.6	<b>10.5</b>	12.7	<b>33.8</b>	34.5	<b>58.7</b>	60.1
<b>Segment revenue</b>	<b>2,768.5</b>	2,790.0	<b>520.4</b>	494.6	<b>1,010.4</b>	929.1	<b>444.9</b>	368.2	<b>408.1</b>	421.0	<b>5,152.3</b>	5,002.9
EBITDA before significant items <sup>1</sup>	<b>540.7</b>	541.9	<b>126.2</b>	119.5	<b>122.6</b>	105.6	<b>38.8</b>	29.9	<b>102.5</b>	121.2	<b>930.8</b>	918.1
Depreciation and amortisation expenses	<b>(76.9)</b>	(79.0)	<b>(27.4)</b>	(27.2)	<b>(73.9)</b>	(61.3)	<b>(4.7)</b>	(4.0)	<b>(87.3)</b>	(95.1)	<b>(270.2)</b>	(266.6)
<b>Segment results</b>	<b>463.8</b>	462.9	<b>98.8</b>	92.3	<b>48.7</b>	44.3	<b>34.1</b>	25.9	<b>15.2</b>	26.1	<b>660.6</b>	651.5
Significant items not included in segment results <sup>2</sup>												
<b>EBIT<sup>1</sup></b>												
<b>Other segment information</b>												
<b>Segment net assets</b>	<b>1,403.4</b>	1,443.1	<b>502.0</b>	510.9	<b>710.0</b>	644.0	<b>255.3</b>	244.6	<b>685.4</b>	715.4	<b>3,556.1</b>	3,558.0
Net debt												
<b>Net assets</b>												
<b>Payments made for additions of certain non-current assets<sup>3</sup></b>	<b>54.0</b>	72.7	<b>27.0</b>	16.8	<b>96.4</b>	116.9	<b>6.5</b>	9.9	<b>72.1</b>	69.0	<b>256.0</b>	285.3

**Geographical information**

	Trading revenue <sup>4</sup>		Non-current assets <sup>5</sup>	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
Australia	<b>3,487.3</b>	3,474.6	<b>2,016.9</b>	2,074.1
New Zealand & Fiji	<b>597.4</b>	540.7	<b>562.5</b>	558.1
Indonesia & PNG	<b>1,008.9</b>	927.5	<b>732.7</b>	702.3
	<b>5,093.6</b>	4,942.8	<b>3,312.1</b>	3,334.5

1 EBITDA refers to earnings before interest, tax, depreciation and amortisation while EBIT refers to earnings before interest and tax.

2 Refer to Note 3b) for further details.

3 Comprises of payments made for property, plant and equipment and software development assets less proceeds from the government grant.

4 Reflects the customer geographic location of trading revenue earned by the Group.

5 Comprises of investment in joint venture entity, property, plant and equipment and intangible assets.

## 2 REVENUE

	2015 \$M	2014 \$M
<b>Trading revenue</b>		
Sale of products	5,014.3	4,862.9
Rental of equipment and processing fees	79.3	79.9
	<b>5,093.6</b>	4,942.8
<b>Other revenue</b>		
Rendering of services	19.0	19.1
Miscellaneous rental and sundry income	39.7	41.0
	<b>58.7</b>	60.1
<b>Finance income</b>	<b>34.6</b>	31.2
	<b>5,186.9</b>	5,034.1

The Group earned approximately 36.3% (2014: 35.2%) of its trading revenue from its top three customers, being Metcash Limited, Wesfarmers Limited and Woolworths Limited.

Finance income mainly comprises of interest income on cash in bank, term deposits and implied returns under the defined benefit superannuation plans.

## 3 EXPENSES

### a) Income statement disclosure

	2015 \$M	2014 \$M
Profit before income tax includes the following specific expenses:		
Remuneration and on-costs	858.4	837.0
Defined contribution and defined benefit superannuation plan expenses	65.5	63.5
Share based payments expense	10.7	10.5
Employee related costs	934.6	911.0
Finance costs	120.8	153.1
Depreciation expense	242.4	239.5
Amortisation expense	27.8	27.1
Rentals – operating leases	84.3	77.0

Finance costs mainly comprise of interest costs on interest bearing liabilities and the time value amounts under the defined benefit superannuation plans.

### b) Significant items

Transactions which are non-recurring and considered material to the financial statements due to their size and/or nature are treated as significant items. Such transactions are included in support services and other expenses in the income statement.

There are no significant items in 2015. In 2014, significant item expenses mainly related to business restructuring as a result of the implementation of a new strategic business plan associated with the Australia Beverages business.

Details of significant items recognised in 2014 are below:

	2014 \$M
Employee redundancy costs	65.4
Implementation and other restructuring costs	19.6
Impairments of:	
inventories	5.9
property, plant and equipment	37.6
intangible assets	15.9
	144.4
Income tax benefit	(41.0)
	103.4

#### 4 DIVIDENDS

	2015 \$M	2014 \$M
<b>a) Summary of dividends paid during the year</b>		
Prior year final dividend		
Paid at 22.0¢ per share franked to 75% (2014: 32.0¢ per share franked to 75%)	168.0	244.3
Current year interim dividend		
Paid at 20.0¢ per share franked to 75% (2014: 20.0¢ per share franked to 75%)	152.7	152.7
	<b>320.7</b>	<b>397.0</b>
<b>b) Dividends declared after balance date and not recognised as liabilities</b>		
Current year final dividend		
Declared at 23.5¢ per share franked to 75% (2014: 22.0¢ per share franked to 75%)	179.4	168.0
The unfranked component of the dividend has been declared to be conduit foreign income.		
<b>c) Franking credits</b>		
Balance at the end of the year	16.9	10.4
Franking credit which will arise from payment of income tax provided for in the financial statements	8.7	12.1
	<b>25.6</b>	<b>22.5</b>

#### d) Dividend Reinvestment Plan (DRP)

CCA's DRP continues to be available to eligible shareholders. The DRP provides shareholders with the opportunity to receive fully paid ordinary shares, in lieu of cash dividends, which are acquired on market, at the price calculated using the daily volume weighted average market price of CCA shares during the 10 trading days commencing on the third trading day after the record date for the dividend. The ex-dividend and record dates for the final dividend entitlement are 22 and 24 February 2016 respectively.

The last date for receipt of Election Notices under this Plan for the final dividend is 25 February 2016.

#### 5 INCOME TAX

	2015 \$M	2014 \$M
Current tax expense	157.8	138.7
Net deferred tax expense/(benefit)	13.0	(25.4)
Adjustments to current tax of prior periods	0.2	(0.9)
	<b>171.0</b>	<b>112.4</b>
Total income tax expense includes:		
Income tax benefit on significant items	-	(41.0)

#### Reconciliation of CCA's applicable (Australian) tax rate to the effective tax rate:

	2015 %	2014 %
<b>Profit before income tax</b>	<b>574.4</b>	<b>385.2</b>
	<b>%</b>	<b>%</b>
Applicable (Australian) tax rate	30.0	30.0
Adjustments to current tax of prior periods	-	(0.2)
Impairment of intangible assets	-	0.6
Non-allowable expenses	0.8	2.0
Recognition of previously unrecognised tax losses	(0.4)	-
Overseas tax rates differential	(0.9)	(1.1)
Overseas withholding tax	0.3	(2.1)
Effective tax rate	<b>29.8</b>	<b>29.2</b>
Effective tax rate (before significant items)	29.8	29.0

## 6 OTHER PERFORMANCE MEASURES

	2015	2014
<b>a) Net tangible asset (NTA) backing per ordinary share of CCA Limited</b>		
NTA per ordinary share	\$ 1.07	\$ 0.53
<b>b) Earnings per Share</b>		
Basic and diluted Earnings per Share (EPS)	¢ 51.5	¢ 35.6
Basic and diluted EPS (before significant items)	51.5	49.2
The following reflects the share and earnings information used in the calculation of basic and diluted EPS:		
<b>Weighted average number of ordinary shares on issue</b>	<b>M</b> 763.6	M 763.6
Profit for the year attributable to shareholders of CCA	<b>\$M</b> 393.4	\$M 272.1
Add back: significant items after tax	–	103.4
<b>Profit for the year attributable to shareholders of CCA (before significant items)</b>	<b>393.4</b>	375.5
<b>c) Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		
Earnings before interest and tax (EBIT)	660.6	507.1
Depreciation and amortisation	270.2	266.6
EBITDA	930.8	773.7
Significant items before tax	–	144.4
<b>EBITDA before significant items</b>	<b>930.8</b>	918.1
<b>d) Free cash flow (FCF)</b>		
FCF is calculated as the sum of cash flows from operating and investing activities, excluding cash flows dealing with investment in the joint venture entity, acquisitions of businesses and investments in long term deposits.		
FCF	390.3	311.6
<b>e) Return on capital employed (ROCE)</b>		
ROCE is calculated as EBIT before significant items, divided by the average of the assets and liabilities – operating and investing at the beginning and at the end of the year.		
ROCE	% 18.6	% 18.5
<b>f) Capital expenditure (capex) ratios</b>		
Capex is defined as payments for additions of property, plant and equipment and software development assets less proceeds from the government grant received.		
Capex to trading revenue	5.0%	5.8%
Capex to depreciation of property, plant and equipment and amortisation of software development assets	1.0 times	1.1 times
<b>g) Cash realisation</b>		
Cash realisation is calculated as operating cash flow divided by profit for the year before significant items excluding depreciation and amortisation.		
Cash realisation	% 93.1	% 91.8

## 7 NET DEBT

	2015 \$M	2014 \$M
Cash assets	(1,237.5)	(818.2)
Long term deposits	(88.1)	–
Interest bearing liabilities – current	563.4	325.3
Interest bearing liabilities – non-current	1,972.2	2,338.2
Derivative net (assets)/liabilities – debt related	(63.7)	26.0
	<b>1,146.3</b>	<b>1,871.3</b>

Details of debt and non-debt related derivative net (assets)/liabilities are as follows:

Assets – current	(44.2)	(24.6)
Assets – non-current	(96.1)	(106.4)
Liabilities – current	43.5	22.9
Liabilities – non-current	57.3	119.1
	<b>(39.5)</b>	<b>11.0</b>
Derivative net (assets)/ liabilities comprises:		
Debt related – financing	(63.7)	26.0
Non-debt related – operating and investing	24.2	(15.0)
	<b>(39.5)</b>	<b>11.0</b>

## 8 INVESTMENT IN JOINT VENTURE ENTITY

	2015 \$M	2014 \$M
Carrying amount of investment in Australian Beer Company Pty Ltd (ABCo)	26.3	26.3

CCA has a 50% interest in ABCo. The principal activity of ABCo is the manufacture of alcohol beverages. The majority of the carrying amount of the investment in ABCo is represented by property, plant and equipment assets.

## 9 SHARE CAPITAL

As at the end of the financial year, the number of fully paid ordinary shares was 763,590,249 (2014: 763,590,249).

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote. Ordinary shares have no par value.

## 10 STATEMENT OF CASH FLOWS INFORMATION

	2015 \$M	2014 \$M
Cash on hand and at banks	588.1	407.9
Short term deposits	649.4	410.3
Bank overdrafts	(0.1)	(15.2)
<b>Cash and cash equivalents</b>	<b>1,237.4</b>	<b>803.0</b>



## **11 INVESTMENT BY THE COCA-COLA COMPANY (TCCC)**

On 2 April 2015, a subsidiary of TCCC invested US\$500.0 million (\$652.6 million, or \$646.8 million after transaction costs) in new ordinary shares in CCA's Indonesian business (PT Coca-Cola Bottling Indonesia). The investment equates to a 29.4% ownership interest in PT Coca-Cola Bottling Indonesia (CCBI), diluting CCA's equity ownership to 70.6%. CCA retained control of, and therefore continues to consolidate CCBI, resulting in TCCC's investment being classified as a non-controlling interest (NCI) within the financial statements of the Group.

Following the change in ownership, the interests of CCA and the NCI in CCBI have been adjusted to reflect the relative changes in their interests in CCBI's equity. The difference between the amount by which the NCI is recognised (\$304.1 million) and the fair value of consideration received, being \$342.7 million, has been recognised directly in equity as a general reserve and attributed to shareholders of CCA.

## **12 RESTATED CONSOLIDATED INCOME STATEMENT**

CCA has made changes to the presentation and layout of the consolidated income statement for the year ended 31 December 2015, to reflect the internal management financial reporting of the Company. The changes have been made to the presentation of expenses only. To assist with understanding of the half year results, the restated consolidated income statement for the half year ended 3 July 2015 (with comparatives) is given below:

	3 July 2015 \$M	30 June 2014 \$M
Trading revenue	2,449.7	2,336.2
Cost of goods sold	(1,410.2)	(1,330.4)
Delivery	(119.0)	(113.2)
<b>Gross profit</b>	<b>920.5</b>	<b>892.6</b>
Other revenue	32.5	29.3
Expenses:		
Selling	(351.0)	(325.9)
Warehousing and distribution	(90.5)	(93.9)
Support services and other	(194.1)	(185.3)
	<b>(635.6)</b>	<b>(605.1)</b>
Share of loss of joint venture entity	(0.5)	(0.1)
<b>Earnings before interest and tax</b>	<b>316.9</b>	<b>316.7</b>

## **13 EVENTS AFTER THE BALANCE DATE**

No matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the Group in subsequent financial periods.

## **14 COMPLIANCE STATEMENT**

This report is based upon accounts that have been audited. These accounts were approved by the Board at 8:00 a.m. on 17 February 2016, and will be made available, along with the auditor's report (which is unqualified) with the Company's annual report.