COCA-COLA AMATIL

A.B.N. 26 004 139 397

Australian Securities Exchange Listing Rules Disclosure

Preliminary Final Report

For the financial year ended 31 December 2007

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The information contained in this Report is to be read in conjunction with the last annual report and any announcements to the market by Coca-Cola Amatil Limited during the period.

CCA will host a presentation to analysts and media on 13 February 2008 at 11:00am, which will be webcast (www.ccamatil.com) with all presentation material posted to CCA's website. A replay of the presentation, including the question and answer session, will be available on the website.

For more information about Coca-Cola Amatil, please visit www.ccamatil.com

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Coca-Cola Amatil Limited

A.B.N. 26 004 139 397

Preliminary Final Report

For the financial year ended 31 December 2007
compared to the prior financial year ended 31 December 2006

Results for Announcement to the Market

Group results				
Total revenue ($M)[1]	up	1.9%	to	4,524.3
Earnings before interest, tax and significant items ($M)[2]	up	12.5%	to	653.1
Earnings before interest and tax ($M)[2]	up	10.1%	to	593.7
Profit after tax attributable to members (before significant items)[3] ($M)	up	13.2%	to	366.3
Profit after tax attributable to members ($M)	up	10.0%	to	310.7
Net profit for the period attributable to members ($M)	up	10.0%	to	310.7

Group results – continuing operations				
Trading revenue ($M)	up	8.0%	to	3,931.8
Total revenue ($M)[1]	up	8.6%	to	4,041.8
Earnings before interest and tax ($M)[2]	up	15.3%	to	648.4
EBIT margin on trading revenue	up	1.1 points	to	16.5%
Profit after tax attributable to members ($M)	up	17.2%	to	367.6
Net profit for the period attributable to members ($M)	up	17.2%	to	367.6

Group ratios				
Earnings per share (continuing operations)[4 & 5]	up	16.5%	to	48.8¢
Earnings per share[4 & 5]	up	9.5%	to	41.3¢
Free cash flow ($M) (continuing operations)[5]	down	67.0	to	223.5
Free cash flow ($M)[5]	down	0.6	to	271.0
Return on average capital employed (continuing operations)[5]	up	2.3 points	to	22.0%
Return on average capital employed[5]	up	2.7 points	to	19.0%
Net debt to book equity	down	29.5 points	to	111.6%
Net debt to capital employed	down	5.8 points	to	52.7%
Capital expenditure to trading revenue (continuing operations)[5]		unchanged	at	7.2%
Capital expenditure to trading revenue[5]	up	0.3 points	to	6.8%
EBIT interest cover (before significant items)	up	0.7 times	to	4.7 times

		2007 $M	2006 $M
1	*Total revenue is attributable to –*		
	Continuing operations	*4,041.8*	*3,722.4*
	Discontinued operation	*482.5*	*718.6*
		4,524.3	*4,441.0*

2 *Refer to Note 2 of the financial report for further details.*

		2007 $M	2006 $M
3	*Profit after tax (before significant items) is attributable to –*		
	Continuing operations	*367.6*	*313.6*
	Discontinued operation	*(1.3)*	*9.9*
		366.3	*323.5*

Refer to Note 2 of the financial report for further details on significant items.

4 *Earnings per share is based on weighted average shares of 753.1 million for the 2007 financial year and 749.2 million for the 2006 financial year.*

5 *Refer to Note 7 of the financial report for further details.*

Dividends	Amount per security	Fully franked amount per security at 30% tax rate
Final dividend	20.0¢	20.0¢
Previous corresponding period	18.0¢	18.0¢
The record date for determining entitlements to the dividend	Friday, 22 February 2008	

HIGHLIGHTS OF 2007 FULL YEAR RESULTS

$A million	2007	2006	*% Change*
Continuing Operations			
Trading revenue – Beverage business	3,345.6	3,086.0	*8.4*
Volume (million unit cases)	*504.0*	*486.8*	*3.5*
Revenue per unit case	*$6.64*	*$6.34*	*4.7*
Trading revenue – Food & Services	586.2	555.6	*5.5*
EBIT	648.4	562.5	*15.3*
Net profit	367.6	313.6	*17.2*
Net profit (discontinued operation – South Korea)	(1.3)	9.9	*N/A*
Reported net profit (before significant items)	366.3	323.5	*13.2*
Significant items	(55.6)	(41.1)	*N/A*
Net profit (after significant items)	310.7	282.4	*10.0*
EPS (before significant items, cents)	48.6	43.2	*12.5*
EPS (after significant items, cents)	41.3	37.7	*9.5*
Dividends per share (cents)	35.5	32.5	*9.2*

Coca-Cola Amatil (CCA) delivered a record net profit after tax for the 2007 full year of $366.3 million, before significant items, representing an increase of $42.8 million or 13.2% on 2006.

On a continuing operations basis, CCA delivered a record net profit after tax for the 2007 full year of $367.6 million, representing an increase of 17.2% on 2006, while earnings before interest and tax (EBIT) increased by $85.9 million, or 15.3%, to $648.4 million. The strong performance delivered in the first half of 2007 was repeated in the second half. On a continuing operations basis, EBIT for the second half increased by 16.7% on trading revenue growth of 6.6% and volume growth of 3.7%.

CCA's Group Managing Director, Mr Terry Davis said, "CCA's profit result has been achieved through the strong performance of the Australian and New Zealand beverage businesses, an excellent result from Indonesia and a solid contribution from our emerging alcohol business. The result has been driven by improved pricing and product mix, a number of successful new product launches, and the incremental earnings generated by our significant capital investment program and the Trans-Tasman business integration."

Earnings per share (EPS), before significant items, increased by 12.5% to 48.6 cents per share, while on a continuing operations basis EPS increased by 16.5% to 48.8 cents per share. The final dividend, fully-franked, has been increased from 18.0 cents to 20.0 cents per share, representing an increase of 11.1%. This takes the dividend for the full year to 35.5 cents per share, an increase of 9.2%, also fully-franked.

The highlight of the year was the continued strong volume and revenue growth. "Excluding South Korea, CCA achieved beverage volume growth of 3.5% which was an excellent result given Australia and New Zealand were cycling the launch of Coke Zero in the first half of 2006. Beverage revenues increased by 8.4%, and by 4.7% on a per unit case basis, driven by good price realisation in all countries", Mr Davis said.

CCA also delivered an excellent cash flow result for the year, with operating cash flow increasing by $55.5 million to $523.9 million primarily as a result of improved earnings.

Return on average capital employed (ROCE) also materially improved, increasing to 19.0% from 16.3% in December 2006. Mr Davis said, "The significant improvement in ROCE was primarily due to the strong underlying earnings growth in the business and the part-year impact of the reduction in CCA's capital employed as a result of the sale of the South Korean business in October 2007."

COST OF GOODS SOLD

Higher commodity input costs continued to impact on CCA's beverage manufacturing cost base. On a constant currency basis and excluding South Korea, beverage cost of goods sold (COGS) per unit case increased by 6.3% for both the second half and the full year, driven by the higher cost of aluminium and PET resin, partially offset by a stronger Australian dollar.

On a continuing operations basis total COGS for the year increased by $139.9 million or 8.5%.

SOUTH KOREA DISPOSAL

As previously disclosed, CCA completed the sale of its South Korean business to LG Household & Health Care Ltd (LGH&H) on 24 October 2007 for $520 million including net debt. The final loss on disposal after income tax expense was $49.4 million, or $46.3 million on a pre tax basis. This amount has been recognised as a significant item for 2007. Of the net sale proceeds, an amount of $38.6 million is held in escrow. In October 2008, the remaining escrow amount, less any amounts attributable to unresolved claims, is to be received by CCA and by April 2009, CCA will receive any remaining escrow amount.

PACIFIC BEVERAGES BREWERY DEVELOPMENT

Pacific Beverages, CCA's 50:50 alcohol joint venture with SABMiller plc, intends to establish a boutique premium brewery at Warnervale in New South Wales in order to further accelerate its premium beer strategy. The brewery site, when completed, will enable Pacific Beverages to materially increase production of Bluetongue to meet increased national demand, while also providing capacity for the potential production of other Australian premium beer brands. The brewery, with a capacity of 500,000 hectolitres, is expected to be completed during 2010 and will be jointly funded by CCA and SABMiller.

COMPLETION OF OFF-MARKET SHARE BUY-BACK

As previously announced, CCA successfully completed its off-market share buy-back on 29 January 2008. A total of 21.7 million shares, or approximately 2.9% of CCA's issued shares, were bought back at a price of $7.84, representing a maximum 14% discount to the applicable market price. Due to the positive tender response, a significant scale-back of approximately 60% was applied.

Mr Davis said, "We are very pleased with the outcome of CCA's $170 million off-market share buy-back. Very strong demand resulted in the maximum allowable discount being applied to the market price, and therefore a greater number of CCA's shares being bought back, resulting in a greater ongoing earnings per share accretion."

2007 STRATEGIC REVIEW UPDATE

As a consequence of CCA's Strategic review undertaken in April 2007, the company established four primary business drivers:

1. Grow CCA's share of non-alcoholic beverages by continued expansion of the product portfolio;
2. Broaden the beverage portfolio into the highly profitable alcoholic beverages market in Australia and New Zealand;
3. Actively review ownership options for the South Korean business, while maintaining its commitment to Indonesia, PNG and Fiji; and
4. Undertake a major IT infrastructure development to re-engineer business processes and create a world-class operating system.

Considerable progress has been made during 2007 in relation to these initiatives, most notably the successful divestment of the South Korean business in October 2007 and the development of the alcohol portfolio.

"By any measure, CCA has delivered in 2007 against all of our primary business drivers", Mr Davis said. "We have continued to expand our non-alcoholic beverage portfolio with a number of successful new product launches, including Goulburn Valley premium juice, smoothies and fresh flavoured milk, the Kirks Sugar Free range, Pumped flavoured water and new Powerade Isotonic flavours."

"In alcohol, we launched our three core premium beers in New Zealand in October. Miller Chill was launched in Australia in November, the first significant beer innovation in Australia for many years, and we also successfully launched Jim Beam & Zero Sugar Cola in September", Mr Davis said.

CCA's rapidly-growing alcohol business generated over $300 million in revenue[1] in 2007 from the sale of Pacific Beverages' premium beers and the Maxxium spirits portfolio. The business also delivered solid incremental earnings to CCA including contract manufacturing revenue on the Jim Beam alcoholic ready-to-drink range, various Maxxium sales incentives and the premium beer sales by Pacific Beverages. In addition, CCA's overheads were spread over a larger revenue base.

Additional capital investment of approximately $14 million in Indonesia in the last two years in new can, PET and hot-fill capacity continued to drive profitable growth in the modern food store channel.

The integration of CCA's Australian and New Zealand beverage businesses delivered savings in 2007 of over $10 million from improved revenue management initiatives and procurement savings. Further opportunities have been identified in raw materials and indirects procurement, joint new product development and the sharing of best-practice technical innovation, all of which will be accelerated in 2008.

CCA's investment in a new technology platform across Australia and New Zealand is expected to deliver many process and operating efficiencies. The development, with implementation commencing later in 2008, will be phased in over a number of years and is expected to materially lower CCA's cost of doing business and deliver operating efficiency gains as the platform for the introduction of shared services across the CCA group.

1. Includes Maxxium revenue which is not reported in CCA accounts. Maxxium distribution commenced April 2007.

CCA GROUP EBIT SUMMARY – CONTINUING OPERATIONS

$A million	2007	2006	*% Change*
Beverages			
Australia	446.0	397.3	*12.3*
New Zealand & Fiji	77.8	65.1	*19.5*
Indonesia & PNG	36.8	17.6	*109.1*
Total Beverages	560.6	480.0	*16.8*
Food & Services	87.0	82.8	*5.1*
Pacific Beverages – share of net profit/(loss)	0.8	(0.3)	*N/A*
EBIT	648.4	562.5	*15.3*

- **Australia** achieved an excellent result with EBIT growth of 12.3% on strong trading revenue and volume growth of 9.1% and 2.6% respectively. The result was achieved by CCA's continued focus on new product and package innovation and price realisation, and was supported by the emerging alcohol business.

- **New Zealand & Fiji** recovered from a difficult 2006 trading year to deliver a record EBIT growth of 19.5% on revenue growth of 9.1% and volume growth of 1.5%. This was an excellent result given the business was cycling the successful launch of Coca-Cola Zero in New Zealand in the first half of 2006.

- **Indonesia & PNG** – The region more than doubled EBIT to $36.8 million, with strong volume growth of 7.3% and revenue growth of 4.5% as the economic recovery in Indonesia that commenced in the second half of 2006 continued throughout 2007.

- **Food & Services** delivered EBIT growth of 5.1% on revenue growth of 5.5%, which was a solid result and was achieved despite the continuing impact on SPC Ardmona of the drought, increased commodity prices and increased competition from imported packaged fruit and vegetable products.

- **Pacific Beverages JV** – Pacific Beverages achieved strong penetration with its premium beer brands particularly Peroni Nastro Azzurro and Miller Genuine Draft, achieving volume growth of more than 150% over 2006 when the brands were under other distribution arrangements.

MANAGEMENT CHANGES

As a result of the divestment of the South Korean business in October 2007 and the merging of CCA's Australian and New Zealand businesses, the reduced geographic spread of CCA has increased the concentration of group earnings in Australia & New Zealand.

This has created the opportunity to streamline CCA's senior finance function and remove duplication. As a result CCA, in conjunction with Group Chief Financial Officer John Wartig, has reviewed its corporate management support requirements and advises that the role of Group Chief Financial Officer will be split into two roles, Chief Financial Officer – Operations and Chief Financial Officer – Statutory & Compliance.

Given the changing scope of CCA and the proposed finance reorganisation, John Wartig has decided to leave the Company at the end of March 2008. The Board of CCA would like to thank John for his contribution to the Company during the last four years and wishes him well in his future endeavours.

A number of other changes will be progressively implemented during 2008 in order to reduce costs and further streamline CCA's operating structure.

The Chief Financial Officer - Operations role will be assumed by Ms Nessa O'Sullivan, currently the Chief Financial Officer for the Australasian beverage businesses. Nessa joined CCA in 2005 after almost 12 years at Yum! Restaurants International where she held senior roles in finance, strategic planning and IT, including 5 years as CFO of its Australia/New Zealand region.

The Chief Financial Officer – Statutory & Compliance will be assumed by CCA's current Group Financial Controller, Mr Ken McKenzie, a long-standing CCA senior finance manager of 23 years.

SYDNEY HEAD OFFICE RELOCATION AND FOOD & SERVICES DIVISION RESTRUCTURE

CCA intends to relocate its Sydney head office during 2010 to more suitable modern premises in North Sydney. To facilitate this, the Company has entered into an agreement to vary its Macquarie Street, Sydney, lease prior to expiry, for which CCA will receive a one-off payment in the first quarter of 2008.

Recognising the need to further reduce its cost base given the severe drought in the Goulburn Valley, the Food & Services Division has also restructured its operations, resulting in the redundancy of approximately 65 permanent employees across the Division, including approximately 40 from SPC Ardmona which was announced on 30 January 2008.

It is expected that the Sydney head office lease variation payment and CCA's ongoing lower cost base will fully offset the redundancy and other restructure costs incurred during 2008.

The Group Managing Director of CCA, Mr Terry Davis said, "The management changes and other restructuring is designed to provide more accountability and autonomy at the business unit level and is a continuation of our goal to flatten the organisation structure and to further reduce the number of touch points across the Group."

FINANCIAL COMMENTARY

CAPITAL EMPLOYED

$A million	2007	2006	*$ Change*
Working capital	895.8	797.8	*98.0*
Property, plant & equipment	1,302.6	1,499.9	*(197.3)*
IBAs & intangible assets	1,441.6	2,001.3	*(559.7)*
Deferred tax liabilities	(153.3)	(327.9)	*174.6*
Derivatives – non-debt	15.6	(31.1)	*46.7*
Other net assets / (liabilities)	(454.3)	(394.7)	*(59.6)*
Capital Employed	3,048.0	3,545.3	*(497.3)*
Return on average capital employed (ROCE) % [1]	19.0%	16.3%	*2.7 pts*

Group capital employed decreased by $497.3 million since December 2006, primarily due to the reduction in the trading asset base, a result of the divestment of the South Korean business.

Working capital increased by $98 million primarily due to higher trade receivables resulting from increased trading activity; the inclusion of the $38 million escrow amount in respect of the South Korean sale as a receivable; and higher inventory levels in Australia and SPC Ardmona.

Higher inventory levels were carried in November and December in Australia to provide higher levels of service to CCA's customers over the Christmas period. Significant improvements were made in out-of-stocks, return rates and delivery performance. CCA's quality score in Australia also placed the Company in the top ten for Coca-Cola bottlers in the world.

The net reduction in property, plant & equipment (PP&E) of $197.3 million was driven by the sale of the South Korean business. There was, however, an increase in Australian PP&E due to the automated warehouse development and increased beverage production capacity.

All other material movements in bottling agreements & other intangible assets, deferred income tax liability, derivatives – non-debt and other net assets / (liabilities), were as a result of the sale of the South Korean business in October 2007.

Group ROCE increased by a very strong 2.7 percentage points to 19.0% from the full year 2006 result of 16.3% primarily due to the strong growth in earnings and the impact of the part-year reduction in capital employed as a result of the disposal of the South Korean business.

[1] Before significant items

NET DEBT & INTEREST COVER

$A million	2007	2006	*$ Change*
Net debt			
Interest bearing liabilities	1,866.6	2,355.9	*(489.3)*
Derivatives – debt related	120.4	157.7	*(37.3)*
Trade & other receivables – non-current	-	(2.9)	*2.9*
Less: Cash assets	(379.7)	(436.1)	*56.4*
Net Debt (as at 31 December 2007)	1,607.3	2,074.6	*(467.3)*
Net debt / capital employed	52.7%	58.5%	*(5.8 pts)*
Net debt / equity	111.6%	141.1%	*(29.5 pts)*
Interest cover (EBIT [1] / net interest)	4.7x	4.0x	*0.7x*

Net debt was significantly reduced during the year primarily as a result of the continued strong operating cash flow and the receipt of the net proceeds from the sale of the South Korean business. CCA has total committed debt facilities of approximately $2,200 million with an average maturity of 6.5 years, with total net debt of $1,607.3 million as at 31 December 2007.

Following the sale of South Korea, CCA's financial ratios have been further strengthened and the Company remains in a very strong position to continue the development of its multi-beverage strategy in 2008. EBIT[1] interest cover increased from 4.0 times at 31 December 2006 to 4.7 times at year end. CCA expects to be able to maintain an EBIT interest cover of 4.0 to 5.0 times in 2008.

1. Before significant items

CAPITAL EXPENDITURE

	2007	2006	*% Change*
Capital expenditure / trading revenue			
Australia	5.4%	2.8%	*2.6 pts*
New Zealand & Fiji	10.6%	14.0%	*(3.4 pts)*
Indonesia & PNG	7.1%	8.2%	*(1.1 pts)*
Food & Services	12.0%	18.8%	*(6.8 pts)*
South Korea	3.8%	2.5%	*1.3 pts*
CCA Group	6.8%	6.5%	*0.3 pts*

Capital expenditure increased by $19.3 million to $300.3 million or 6.8% of trading revenue. The increase in capex in Australia was primarily due to the first stage of construction of the new automated warehouse facility at the Northmead manufacturing operation, additional beverage can capacity in South Australia and New South Wales, a new hot-fill beverage line in Queensland and the initial spend on the development of the SAP integrated systems project announced in April 2007.

The decrease in the Food & Services Division capital expenditure was due to cycling the high first half 2006 investment in cold drink equipment for the Australian beverage operations and the completion of the warehouse at SPC Ardmona. The reduction in New Zealand & Fiji is largely due to the increased capital expenditure in the first half of 2006 on the automated warehouse project in Auckland, while the reduction in Indonesia & PNG reflects a similar first half 2006 up-weighted investment in cold drink equipment and returnable containers.

CCA remains committed to a significant capital investment program in order to drive organic growth. Major infrastructure projects, including the Melbourne, Sydney and Auckland automated distribution centres and increased beverage production capacity across all regions further strengthen the growth capability of the business.

Major infrastructure and production capacity projects commenced or completed by CCA in 2006 and 2007 include the following:

Project spend to date ($A million)	2007	2006	TOTAL
Automated warehouses			
Sydney	47.7	24.8	72.5
Auckland	30.3	41.4	71.7
Production capacity			
Australia	51.5	32.5	84.0
New Zealand	12.2	0.2	12.4
Indonesia	10.4	3.6	14.0
Food & Services	7.8	2.7	10.5
TOTAL	159.9	105.2	265.1

CASH FLOW

$A million	2007	2006	*$ Change*
EBIT (before significant items)	653.1	580.5	*72.6*
Depreciation & amortisation	176.8	201.2	*(24.4)*
Cash impact of Significant Items	11.9	(41.1)	*53.0*
Change in working capital	(98.0)	(69.2)	*(28.8)*
Net Interest paid	(139.8)	(150.9)	*11.1*
Taxation paid	(141.5)	(129.4)	*(12.1)*
Other	61.4	77.3	*(15.9)*
Operating cash flow	523.9	468.4	*55.5*
Capital expenditure	(300.3)	(281.0)	*(19.3)*
Proceeds from sale of PPE & other	47.4	84.2	*(36.8)*
Free cash flow	271.0	271.6	*(0.6)*

Operating cash flow was very strong, increasing by $55.5 million to $523.9 million, with much of the improvement driven by improved earnings.

Free cash flow remained very strong at $271.0 million. Higher levels of capital expenditure and the cycling of the sale of properties in Australia and South Korea in 2006 drove the broadly flat free cash flow result.

SIGNIFICANT ITEMS – SOUTH KOREA

For 2007, CCA reported significant item charges of $59.4 million before tax and $55.6 million after tax in relation to the 2006 extortion threat and impairment of the South Korean business in the first half and the disposal of the business in the second half.

2007 $A million	Pre-tax	Post-tax
First Half 2007		
Impairment	(25.0)	(18.1)
Extortion recall & brand rehabilitation costs	(1.9)	(1.9)
Second Half 2007		
Brand rehabilitation costs	(0.2)	(0.2)
Insurance claim proceeds	14.0	14.0
Loss on divestment	(46.3)	(49.4)
Total	(59.4)	(55.6)

During the first half, CCA took an impairment charge of $25.0 million before tax ($18.1 million after-tax) against the carrying value of the South Korean investment in bottlers' agreement and a net charge during the first half of $1.9 million (pre and post tax) in relation to the extortion attempt made in July 2006 in South Korea. During the second half, CCA settled the insurance claim in relation to the extortion attempt and received a final payment of $14.0 million, offset by $0.2 million in additional brand rehabilitation costs.

The loss on disposal of the South Korean business in October 2007 of $46.3 million pre-tax ($49.4 million post-tax) and has been recognised as a significant item in the second half.

DIVIDEND

Cents per share	2007	2006	*Change*
Final Dividend per Share (cents)	20.0	18.0	*11.1%*
Total Dividends per Share (cents)	35.5	32.5	*9.2%*
Franking	100%	100%	*N/A*
Payout ratio (before significant items)	73.0%	75.4%	*(2.4 pts)*

The final dividend has been increased by 11.1% to 20.0 cents per share fully franked, at the 30% corporate tax rate, while the total dividends paid for 2007 has grown by 9.2% to 35.5 cents per share, also fully franked.

The Record Date for determining dividend entitlements is 22 February 2008 and the final dividend will be paid on 7 April 2008. CCA continues to expect that it will be able to fully frank its dividends for the foreseeable future.

OUTLOOK FOR 2008

The priorities for 2008 will be the continued expansion of CCA's non-alcoholic and premium alcoholic beverage portfolio and further realising the benefits of its Trans-Tasman business integration program. This will be achieved through significant capital and technology investments in Australia and New Zealand in cold drink equipment, automated warehousing, systems infrastructure and increased beverage production capacity.

"Following the divestment of the South Korean business, CCA is in a very strong position to execute against these priorities. Our strategy to focus on organic growth over the last two years has proven to be the correct path and the Company remains on track to continue the expansion of its multi-beverage strategy in 2008", Mr Davis said.

CCA's balance sheet is also very strong, with EBIT interest cover of 4.7 times at year end.

Higher aluminium and PET input costs will continue to drive higher beverage COGS per unit case in 2008, albeit at a lower rate of increase than for the previous two years. Based on current forward commodity prices and CCA's prevailing hedge book, CCA expects the beverage COGS per unit case to moderate in 2008 with an increase by approximately 3 to 4% on a constant currency basis. This also includes an increase of approximately 1% to 2% due to mix for the full year as CCA's premiumisation strategy drives a higher value and higher cost product mix.

Capital expenditure for the full year 2008 is expected to be approximately 7% of revenue, including approximately 1 to 2% for infrastructure expenditure related to the commencement of construction of the high-bay warehouse at Eastern Creek and the SAP technology project.

CCA's 2008 effective tax rate is expected to approximate the Australian corporate tax rate of 30%.

A first half 2008 trading and profit update will be provided at CCA's annual general meeting on Thursday 15 May 2008.

OPERATIONS REVIEW

AUSTRALIA – BEVERAGES

$A million	2007	2006	*Change*
Trading revenue	2,399.5	2,198.9	*9.1%*
Revenue per unit case	$7.53	$7.08	*6.4%*
Volume (million unit cases)	318.6	310.4	*2.6%*
EBIT	446.0	397.3	*12.3%*
EBIT margin	18.6%	18.1%	*0.5 pts*
Capital expenditure / trading revenue	5.4%	2.8%	*2.6 pts*

Australia delivered an outstanding result with trading revenue increasing by 9.1% and revenue per unit case by 6.4%, which drove a 12.3% increase in EBIT to $446.0 million and an increase in EBIT margin by 0.5 percentage points from 18.1% to 18.6%. This strong result was primarily due to good volume growth and price realisation as a result of CCA's continued focus on new product and package innovation. The result was also achieved despite the continued impact on earnings of higher commodity input costs, particularly higher aluminium and PET resin prices which drove an increase in beverage COGS per unit case of over 6%.

For the second half, increased demand drove very strong earnings growth of 16.7% on revenue growth of 9.6% and volume growth of 4.2%.

CCA's continued investment in new higher value premium products and packages such as Brand Coke in 385ml glass and slim line cans, Powerade Isotonic, and Pumped flavoured water delivered strong growth for the year as consumers responded positively to CCA's increased range of premium brand and pack combinations.

In sparkling beverages, Brand Coke in the iconic glass contour bottle achieved very strong volume growth of over 27% driven by the launch during the year of the 385ml glass bottle, while Brand Coke overall maintained volume which was an excellent result given the business was cycling the successful launch of Coca-Cola Zero in 2006. CCA's share of the cola category in food stores remained strong at 76%, while the average retail price premium to CCA's main competitor, Pepsi, increased to 33%[1].

CCA's non-cola flavours Fanta, Sprite and Lift together delivered solid volume growth of 4.1%, Deep Spring achieved growth of 7.1% while Kirks achieved strong volume growth of 13.2% as a result of the successful launch during the year of the Kirks Sugar-Free range.

Consistent with CCA's strategy to broaden its beverage portfolio, good volume growth was also achieved across the Company's still beverages, led by CCA's premium water brands Mount Franklin, Pump and Pumped with 9.6% growth, Powerade with 7.4% growth, and Nestea which achieved excellent volume growth of 34.4%. In September 2007, CCA also successfully launched Goulburn Valley fresh flavoured milk in Western Australia which further leveraged the "Goulburn Valley" brand into other premium beverages.

CCA's emerging alcohol business delivered a solid earnings contribution for the year. The Company's $10 million investment in a new production line in South Australia for the Maxxium Jim Beam manufacturing contract established a solid platform for growth with strong volume growth for the Jim Beam & Cola alcoholic ready-to-drink (ARTD) range and the successful launch in September of Jim Beam & Zero Sugar Cola. CCA will invest an additional $10 million in 2008 in a second ARTD manufacturing line in Queensland to further drive CCA's alcohol strategy.

1. Australia Scan, MAT 31 December 2006 to 31 December 2007

The merging of CCA's Australian and New Zealand beverage businesses delivered approximately $10 million of earnings for the year, of which over $6 million was delivered in the second half, from improved revenue management initiatives and procurement savings. Additional opportunities have been identified in raw materials and indirects procurement, joint new product development and the sharing of technical innovation. These projects will be accelerated in 2008 to drive business process improvement and to accelerate new product and package innovation.

Capital investment of almost $120 million was undertaken in Australia, an increase of over $40 million on the prior year. Major investments included the NSW automated warehouse, scheduled for completion in late 2008, and new beverage production capacity in NSW, Queensland and South Australia with a focus on increasing production capability in each state to support increased customer demand and improved customer service levels, while generating significant inter-state freight savings.

Taken together, CCA's alcohol business, Trans-Tasman business integration and capital investment program delivered incremental earnings to the business in 2007 of approximately $20 million, or just over 4%, notwithstanding that a number of the capital projects, including the NSW automated warehouse are still to fully contribute to earnings.

NEW ZEALAND & FIJI

$A million	2007	2006	*Change*
Trading revenue	454.3	416.3	*9.1%*
Revenue per unit case	$6.81	$6.34	*7.4%*
Volume (million unit cases)	66.7	65.7	*1.5%*
EBIT	77.8	65.1	*19.5%*
EBIT margin	17.1%	15.6%	*1.5 pts*
Capital expenditure / trading revenue	10.6%	14.0%	*(3.4 pts)*

The region delivered strong EBIT growth of 19.5% for 2007 on revenue growth of 9.1% and volume growth of 1.5%.

New Zealand
After a difficult trading year in 2006, the New Zealand business recovered well, delivering a record result for 2007 with local currency EBIT increasing by 20.4% on volume growth of 2.0%. The result was driven by the continued strong performance of Coke Zero, a significant increase in water sales, and strong growth in Powerade. In local currency, sales revenue increased by 7.5%, or by 5.4% on a per unit case basis, while New Zealand's EBIT margin increased by 1.9 percentage points to 17.6%. Higher commodity input costs continued to impact on the product cost base, with local currency COGS increasing by over 6% for the year, or by over 4% on a per unit case basis.

CCA's water and sports brands continued to perform well with Pump and Kiwi Blue growing volume by 11.7% while Powerade grew by 40% as a result of the launch of Powerade Isotonic and the successful association with the All Blacks during the 2007 Rugby World Cup. Coke Zero also continued to gain share growing volume by 12%, while volume in the cola category was maintained in line with 2006, which was a significant achievement given the business was cycling the successful launch of Coke Zero in 2006.

In non-cola flavours, Sprite Zero was a standout performer, growing volume by 23% while Deep Spring, successfully re-launched during the year, grew volume by over 50%. New Zealand's own L&P also continued to perform well, increasing volume by over 15% as a result of the successful L&P Centenary Celebration campaign.

CCA invested NZD 9.7 million during the second half in a new alcoholic ready-to-drink production line at its Auckland plant. Manufacture of the Jim Beam and Cola range commenced in November and delivered a small contribution to earnings in 2007. During the year, the business also acquired the Café Direct coffee business and commenced the distribution of Pacific Beverages' premium beer portfolio.

The NZD79 million, fully-automated distribution centre was also completed on budget in November and is on track to be fully operational by March 2008. This project will generate material efficiency savings while significantly enhancing New Zealand's customer service capability.

Fiji
Fiji delivered local currency EBIT growth of 6.8% on revenue growth of 4.3%, which was an excellent result given the uncertain economic and political conditions as a result of the 2006 coup. In local currency, revenue per unit case increased by 8.5%. Commodity driven cost of goods sold increases continued to impact earnings, with local currency COGS per unit case increasing by over 10%. However, price realisation and mix improvement initiatives, and successful new product launches such as Coke Zero enabled the business to deliver solid earnings improvement for the year.

INDONESIA & PNG

$A million	2007	2006	*Change*
Trading revenue	491.8	470.8	*4.5%*
Revenue per unit case	$4.14	$4.25	*(2.6%)*
Volume (million unit cases)	118.7	110.7	*7.2%*
EBIT	36.8	17.6	*109.1%*
EBIT margin	7.5%	3.7%	*3.8 pts*
Capital expenditure / trading revenue	7.1%	8.2%	*(1.1 pts)*

Buoyed by continuing positive trading conditions in Indonesia, the region delivered an excellent full year EBIT result of $36.8 million on strong volume growth of 7.2% and revenue growth of 4.5%.

Indonesia
Indonesia delivered an excellent EBIT result for 2007 on volume growth of almost 8%. Reported revenue per unit case for Indonesia & PNG decreased by 2.6% due in part to the depreciation of the Indonesian Rupiah. In local currency terms, revenue per unit case increased by over 7%. The focus on materially improving the mix of business to PET and cans versus returnable glass has had a demonstrable impact on the profitability and future outlook of the Indonesian business.

Successful execution in the modern food store channel has led to increased availability of many new product and pack combinations. Significant growth in sparkling beverages was delivered with new 250ml Slimcans growing by almost 90% and 1.0 litre PET by 35%. Volume growth in the modern food store channel was approximately 10% for 2007, while the traditional channel also recorded solid volume growth of approximately 7% led by 250ml cans and 1.0 litre PET. Indonesia's returnable glass business also achieved solid volume growth of almost 3%, led by strong growth in 1.0 litre glass.

In sparkling beverages, Brand Coke achieved strong growth of over 8%, Fanta Flavours grew by 9% and Sprite by 6%. Indonesia's sparkling beverage portfolio delivered a very strong 8% volume growth overall. Indonesia's still portfolio also performed well with Frestea achieving growth of 16% as a result of the successful launch of a PET 500ml pack.

Commodity driven cost of goods increases continued to impact the business, with local currency COGS increasing by 9% on a per unit case basis, mainly due to sugar which increased by close to 20%. However, good price discipline and revenue management strategies enabled the business to almost fully recover these cost increases.

Consistent with the Company's strategy of increasing its share in higher value beverage segments, significant capital investment has been undertaken over the last two years on increased beverage production capacity. Major projects included two new lines for cans and PET, and a new hot-fill line scheduled for completion in the second quarter of 2008. The Company has also placed approximately 31,000 new glass door merchandisers over the last two years to further increase availability of its cold drink portfolio throughout premium locations in Indonesia.

PNG
PNG achieved strong local currency EBIT growth of over 20% on revenue growth of over 12%. Increased investment during the year in cold drink equipment and ice chests contributed to strong volume growth of 3.9%, led by the water category which grew by 38%, with Mount Franklin achieving a strong 12% growth, and Powerade which almost doubled volume on the prior year. Juice grew by approximately 14% and PNG's first local energy drink, Bu, was successfully launched.

FOOD & SERVICES

$A million	2007	2006	*Change*
Trading revenue	586.2	555.6	*5.5%*
EBIT	87.0	82.8	*5.1%*
EBIT margin	14.8%	14.9%	*(0.1 pts)*
Capital expenditure / revenue	12.0%	18.8%	*(6.8 pts)*

The Food & Services Division delivered EBIT growth of 5.1% on revenue growth of 5.5%, while SPC Ardmona grew revenue by over 4% with earnings remaining broadly flat as a result of the continued impact of the drought, increased competition in Australia from imported processed fruit and vegetable products and the impact of the higher Australian dollar on SPC Ardmona's export sales.

SPC Ardmona has continued to provide meaningful levels of support to its fruit & vegetable grower suppliers during the drought. The Company has, to date, provided growers with more than $10 million in emergency drought assistance funding for the purchase of water, subsidies on fruit delivered for processing and access to water for irrigation. Higher commodity input costs, particularly PET and tin-plate, also continued to impact the cost base of the business.

Despite the impact of the drought, strong cost control, a number of successful new product launches and significant capital investment has enabled SPCA to maintain earnings in 2007 in a very difficult operating environment.

SPC Ardmona's international business continues to expand, delivering solid volume growth in the key international markets of the United Kingdom, Germany, Spain, Canada and the United States. In the United Kingdom, SPC canned fruit is currently the number 3 value brand and achieved strong volume growth in that market of almost 15%. The global launch during the year of the new "SPC Nature's Finest" range of fruit in plastic also delivered profitable volume growth in all key international markets.

In Australia, growth was achieved in baked beans & spaghetti, tomatoes and spreads, while branded fruit and fruit snacks remained flat as imported products and private label continued to gain market share. SPC and Goulburn Valley remain the two biggest fruit brands in Australia, while Ardmona is the strongest tomato brand.[1]

The business continues to focus on new product development and in 2007 launched over fifty new products such as SPC Pear & Cranberry in plastic and the IXL Jam range in 250g which was very successful in stimulating category demand, with the IXL brand increasing both volume and market share.

Neverfail delivered a strong 18.5% growth in EBIT from good revenue management initiatives such as the introduction of 600ml take-home multi-packs and the successful integration of the Palm Springs acquisition. The business also expanded its product offering during the year to capture new revenue streams through point of use water filters, small office coffee machines and Grinders coffee beans, as well as targeting further growth in the 600ml multi-pack for in-home consumption.

Grinders Coffee also experienced strong volume growth of over 20% for the year as a result of the successful launch of the Giancarlo premium brand and the listing of the Grinders Coffee brand within selected supermarkets.

1. Marketing Brand Health, November 2007

PACIFIC BEVERAGES JOINT VENTURE

Pacific Beverages achieved very strong share gains with its premium beer brands, in particular Peroni Nastro Azzurro and Miller Genuine Draft together delivering volume growth of more than 150% over 2006 when the brands were under other distribution arrangements. This growth has been achieved through active outlet merchandising execution and the benefits of expanding availability through CCA's large customer network.

In November, Pacific Beverages successfully launched Miller Chill, creating a new category in the premium beer market in Australia. Miller Chill immediately generated strong customer support and consumer uptake, with initial demand exceeding expectations.

The Maxxium portfolio, led by the Jim Beam & Cola range, delivered strong growth for the year, achieving volume growth of approximately 9% over the prior year when the brands were under other distribution arrangements. Jim Beam & Zero Sugar Cola has successfully captured over 60%[1] of the sugar-free alcoholic ready-to-drink market since its launch in September.

Pacific Beverages accelerated its premium beer strategy with the commencement of distribution of its premium beer brands in New Zealand in October and the acquisition of Bluetongue Brewery in Australia in December.

The recently acquired Bluetongue and Bondi Blonde premium beer brands delivered strong volume growth in the first month under Pacific Beverages' ownership, albeit off a low base.

Pacific Beverages delivered a small earnings contribution to CCA for the year, which was ahead of expectations.

SOUTH KOREA – DISCONTINUED OPERATION

$A million	2007[2]	2006
Trading revenue	461.4	711.5
Revenue per unit case	$5.45	$5.81
Volume (million unit cases)	84.6	122.5
EBIT (before significant items)	4.7	18.0
EBIT margin	1.0%	2.5%

2 For the period up to 24 October 2007

For the period up to the disposal of the South Korean business on 24 October 2007, the business delivered an EBIT contribution before significant items of $4.7 million, on trading revenue of $461.4 million. This was a solid result given the continuing reduced volumes of Brand Coca-Cola following the extortion attempt in July 2006 and the disruption to the business caused during the sale process.

CCA incurred a net significant item in relation to South Korea of $59.4 million pre-tax and $55.6 post-tax in relation to the extortion threat, the impairment taken in the first half and the net loss on sale of the business in the second half.

1. AC Nielsen Scan Value, 4th quarter to 31 December 2007

Income Statements

Coca-Cola Amatil Limited and its subsidiaries

For the financial year ended 31 December 2007

	Refer Note	CCA Group 2007 $M	CCA Group 2006 $M
Continuing operations			
Revenues, excluding finance income			
Trading revenue		3,931.8	3,641.6
Other revenue		85.4	63.0
	3	4,017.2	3,704.6
Expenses, excluding finance costs			
Cost of goods sold	4	(2,157.2)	(2,014.5)
Selling		(566.6)	(552.5)
Warehouse and distribution		(314.5)	(317.5)
Administration and other		(331.3)	(257.3)
		(3,369.6)	(3,141.8)
Share of net profit/(loss) of joint venture entity accounted for using the equity method	9	0.8	(0.3)
Earnings before interest and tax		648.4	562.5
Net finance costs			
Finance costs	4	(157.0)	(152.3)
Finance income	3	24.6	17.8
		(132.4)	(134.5)
Profit from continuing operations before income tax		516.0	428.0
Income tax expense	5	(148.4)	(114.4)
Profit from continuing operations after income tax		367.6	313.6
Discontinued operation			
Loss from discontinued operation after income tax	6b)	(56.9)	(31.2)
Profit after tax attributable to members of Coca-Cola Amatil Limited		310.7	282.4
		¢	¢
Earnings per share (EPS) for profit from continuing operations attributable to ordinary equity holders of the Company	7b)		
Basic EPS		48.8	41.9
Diluted EPS		48.7	41.8
Earnings per share (EPS) for profit attributable to ordinary equity holders of the Company	7b)		
Basic EPS		41.3	37.7
Diluted EPS		41.2	37.6
Dividends paid	11a)		
Prior year final dividend paid per ordinary share		18.0	17.5
Current year interim dividend paid per ordinary share		15.5	14.5

Notes appearing on pages 23 to 40 to be read as part of the financial statements.

Balance Sheets

Coca-Cola Amatil Limited and its subsidiaries

As at 31 December 2007

	Refer Note	CCA Group 2007 $M	CCA Group 2006 $M
Current assets			
Cash assets		379.7	436.1
Trade and other receivables		686.0	677.7
Inventories		646.0	611.6
Prepayments		44.4	49.5
Current tax assets		4.9	4.7
Derivatives	8a)	13.7	51.0
		1,774.7	1,830.6
Non-current assets held for sale		–	22.8
Total current assets		1,774.7	1,853.4
Non-current assets			
Trade and other receivables		3.5	17.9
Investment in joint venture entity	9	16.4	1.2
Investments in bottlers' agreements		928.8	1,505.6
Property, plant and equipment		1,302.6	1,499.9
Intangible assets		512.8	495.7
Prepayments		13.6	21.1
Deferred tax assets		1.8	2.2
Derivatives	8a)	83.9	–
Total non-current assets		2,863.4	3,543.6
Total assets		4,638.1	5,397.0
Current liabilities			
Trade and other payables		436.2	491.5
Interest bearing liabilities		171.4	278.4
Current tax liabilities		66.4	34.1
Provisions		85.9	73.7
Accrued charges		337.3	306.7
Derivatives	8a)	42.0	169.8
Total current liabilities		1,139.2	1,354.2
Non-current liabilities			
Trade and other payables		–	2.9
Interest bearing liabilities		1,695.2	2,077.5
Provisions		12.7	61.5
Deferred tax liabilities		153.3	327.9
Defined benefit superannuation plan liabilities		36.6	32.3
Derivatives	8a)	160.4	70.0
Total non-current liabilities		2,058.2	2,572.1
Total liabilities		3,197.4	3,926.3
Net assets		1,440.7	1,470.7
Equity			
Share capital	10	2,027.8	2,001.1
Shares held by equity compensation plans		(16.3)	(15.2)
Reserves		25.0	139.2
Accumulated losses		(595.8)	(654.4)
Total equity		1,440.7	1,470.7

Notes appearing on pages 23 to 40 to be read as part of the financial statements.

Cash Flow Statements

Coca-Cola Amatil Limited and its subsidiaries

For the financial year ended 31 December 2007

	Refer Note	CCA Group 2007 $M	CCA Group 2006 $M
Inflows/(outflows)			
Cash flows from operating activities			
Receipts from customers		4,469.4	4,398.0
Payments to suppliers and employees		(3,677.2)	(3,609.6)
Dividends received		1.1	1.4
Finance income received		24.6	19.5
Interest and other finance costs paid		(164.4)	(170.4)
Income tax paid		(141.5)	(129.4)
Net cash flows from operating activities before significant items		512.0	509.5
Significant items	2	11.9	(41.1)
Net cash flows from operating activities		523.9	468.4
Cash flows from investing activities			
Proceeds from disposal of –			
surplus South Korean properties		23.8	26.3
land in Eastern Creek, Australia		–	49.2
other property, plant and equipment		5.0	8.7
investments in securities		–	0.7
right to Maxxium incentive payments		18.8	–
Payments for –			
additions of property, plant and equipment	7e)	(291.8)	(275.2)
additions of software development assets	7e)	(8.5)	(5.8)
acquisitions of entities and operations (net) –			
current period acquisitions	13b)	(14.9)	(15.5)
prior period acquisitions – deferred amounts		(0.6)	(9.5)
investment in joint venture entity		(12.8)	(1.5)
additions of other non-current assets		(0.2)	(0.7)
loans made during the period		–	(2.9)
Net cash flows used in investing activities before significant item		(281.2)	(226.2)
Significant item	6e)	351.8	–
Net cash flows from/(used in) investing activities		70.6	(226.2)
Cash flows from financing activities			
Proceeds from issue of shares		12.4	4.6
Proceeds from borrowings		245.5	884.8
Borrowings repaid		(666.8)	(782.4)
Dividends paid		(237.8)	(225.2)
Net cash flows used in financing activities		(646.7)	(118.2)
Net (decrease)/increase in cash and cash equivalents		(52.2)	124.0
Cash and cash equivalents held at the beginning of the financial year		436.1	313.8
Exchange rate adjustments to cash and cash equivalents held at the beginning of the financial year		(4.6)	(1.7)
Cash and cash equivalents held at the end of the financial year	12	379.3	436.1

Notes appearing on pages 23 to 40 to be read as part of the financial statements.

Statements of Changes in Equity

Coca-Cola Amatil Limited and its subsidiaries

For the financial year ended 31 December 2007

CCA Group		Equity attributable to members of Coca-Cola Amatil Limited				
	Refer Note	Share capital $M	Shares held by equity compensation plans $M	Reserves $M	Accumulated losses $M	Total equity $M
At 1 January 2007		2,001.1	(15.2)	139.2	(654.4)	1,470.7
Transactions recognised directly in equity –						
Foreign exchange differences –						
on translation of foreign operations		–	–	(89.5)	–	(89.5)
transfer to income statements on disposal of operation	6e)	–	–	(46.7)	–	(46.7)
Movement in –						
unvested shares held by equity compensation plans		–	(1.1)	(2.4)	–	(3.5)
share based remuneration plans		–	–	10.2	–	10.2
share based payment		–	–	(3.3)	–	(3.3)
fair value of cash flow hedges		–	–	17.5	–	17.5
Total of transactions recognised directly in equity		–	(1.1)	(114.2)	–	(115.3)
Profit		–	–	–	310.7	310.7
Total changes in equity other than those arising from transactions with equity holders		–	(1.1)	(114.2)	310.7	195.4
Transactions with equity holders –						
Movement in ordinary shares	10	26.7	–	–	–	26.7
Dividends appropriated	11	–	–	–	(252.1)	(252.1)
Total of transactions with equity holders		26.7	–	–	(252.1)	(225.4)
At 31 December 2007		2,027.8	(16.3)	25.0	(595.8)	1,440.7
At 1 January 2006		1,982.1	(11.9)	151.8	(697.2)	1,424.8
Transactions recognised directly in equity –						
Foreign exchange differences on translation of foreign operations		–	–	(6.5)	–	(6.5)
Movement in –						
unvested shares held by equity compensation plans		–	(3.3)	2.5	–	(0.8)
share based remuneration plans		–	–	4.7	–	4.7
share based payment		–	–	(0.4)	–	(0.4)
fair value of cash flow hedges		–	–	(12.9)	–	(12.9)
Total of transactions recognised directly in equity		–	(3.3)	(12.6)	–	(15.9)
Profit		–	–	–	282.4	282.4
Total changes in equity other than those arising from transactions with equity holders		–	(3.3)	(12.6)	282.4	266.5
Transactions with equity holders –						
Movement in ordinary shares	10	19.0	–	–	–	19.0
Dividends appropriated	11	–	–	–	(239.6)	(239.6)
Total of transactions with equity holders		19.0	–	–	(239.6)	(220.6)
At 31 December 2006		2,001.1	(15.2)	139.2	(654.4)	1,470.7

Notes appearing on pages 23 to 40 to be read as part of the financial statements.

1. Summary of Significant Accounting Policies

Basis of financial report preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes thereto, comply with International Financial Reporting Standards.

This financial report does not include all notes of the type normally included within the annual financial report, upon which this report is based. As a result this report should be read in conjunction with the 31 December 2006 annual financial report of CCA, together with any public announcements made by CCA during the financial year ended 31 December 2007.

The financial report has been prepared on the basis of historical cost, except for derivative financial instruments which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The financial report is presented in Australian Dollars and all values are rounded to the nearest tenth of a million dollars, unless otherwise stated under the option available to the Company under ASIC Class Order No. 98/100. The Company is an entity to which the class order applies.

a) Principles of consolidation

i) Subsidiaries

The consolidated financial statements of the Group include the parent entity, Coca-Cola Amatil Limited and its subsidiaries. Subsidiaries include entities over which the Group has the power to govern financial and operating policies.

The financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control the entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

In preparing the consolidated financial statements, the effects of all transactions, balances and unrealised gains and losses on transactions between entities in the Group have been eliminated.

The financial statements of subsidiaries have been prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments have been made to bring into line any dissimilar accounting policies that may exist across the Group.

ii) Joint venture entity

The investment in the joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the joint venture entity is recognised in the income statements, and the share of movements in reserves is recognised in reserves in the balance sheets. Details relating to the joint venture entity are set out in Note 9.

Profits or losses on transactions establishing the joint venture entity and transactions with the joint venture entity are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

b) Use of estimates

In conforming with AIFRS, the preparation of financial statements for the Group requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions that may be undertaken in the future, actual results may ultimately differ from estimates.

1. Summary of Significant Accounting Policies continued

c) Change in accounting policies

The accounting policies adopted in the preparation of the financial report are consistent with those applied and disclosed in the 2006 annual financial report.

No Australian Accounting Standards issued but not yet effective have been early adopted. It is considered early adoption of these standards would not have a material impact on the results of the Group.

d) Changes in presentation and classification

Segment reporting
During the period, CCA has changed the presentation and classification of financial reporting by business and geographical segments. Refer to Note 2 for details.

2. Financial Reporting by Business and Geographic Segments

The Group operates in two business segments, being the Beverage business and Food & Services business. The Beverage business is further divided into non-alcoholic and alcoholic business. Within the non-alcoholic beverage business, the Group manufactures, distributes and markets carbonated soft drinks. CCA's alcoholic business distributes premium beer brands for Pacific Beverages Pty Ltd, the joint venture entity CCA formed with SABMiller plc in August 2006. From April 2007, Pacific Beverages Pty Ltd began selling and distributing the premium spirit portfolio of global distributor Maxxium.

The Food & Services segment comprises the SPC Ardmona (SPCA), Neverfail, Quirks and Grinders businesses. Within the Food & Services segment, the Group processes and markets fruit and other food products, provides cold drink equipment to the Australian Beverage business and third party customers and distributes bulk water and coffee products. The Food & Services segment was established following the outcome of the strategic review announced in April 2007. This arrangement is intended to provide management with a greater focus on managing CCA's lower volume and non-trade operations while maintaining the integration benefits made post acquisition.

The Neverfail, Quirks and Grinders businesses were previously included as part of the Australian Beverage segment. The Food & Services segment is now reported as a new segment replacing the previous SPCA segment.

Accordingly, 2006 comparative segment information has been restated in accordance with the amended reporting basis for the new segments as outlined above. The restatement has resulted in no adjustment to CCA Group totals for the information reported in this note.

	2007 $M	2006 $M	2007 $M	2006 $M	2007 $M	2006 $M
	Trading revenue		Other revenue		Total revenues before finance income	
Beverage business						
Australia	2,399.5	2,198.9	52.2	40.0	2,451.7	2,238.9
New Zealand & Fiji	454.3	416.3	2.6	0.6	456.9	416.9
Indonesia & PNG	491.8	470.8	7.4	4.1	499.2	474.9
Total Beverage	3,345.6	3,086.0	62.2	44.7	3,407.8	3,130.7
Food & Services business						
Australia	586.2	555.6	23.2	18.3	609.4	573.9
Total Food & Services	586.2	555.6	23.2	18.3	609.4	573.9
Total continuing operations	3,931.8	3,641.6	85.4	63.0	4,017.2	3,704.6
Discontinued operation[1]	461.4	711.5	20.6	4.5	482.0	716.0
Total CCA Group	4,393.2	4,353.1	106.0	67.5	4,499.2	4,420.6
	Earnings before interest, tax and significant items		Significant items[2]		Segment result – earnings before interest and tax	
Beverage business						
Australia	446.0	397.3	–	–	446.0	397.3
New Zealand & Fiji	77.8	65.1	–	–	77.8	65.1
Indonesia & PNG	36.8	17.6	–	–	36.8	17.6
	560.6	480.0	–	–	560.6	480.0
Share of net profit/(loss) of joint venture entity	0.8	(0.3)	–	–	0.8	(0.3)
Total Beverage	561.4	479.7	–	–	561.4	479.7
Food & Services business						
Australia	87.0	82.8	–	–	87.0	82.8
Total Food & Services	87.0	82.8	–	–	87.0	82.8
Total continuing operations	648.4	562.5	–	–	648.4	562.5
Discontinued operation[1]	4.7	18.0	(59.4)	(41.1)	(54.7)	(23.1)
Total CCA Group	653.1	580.5	(59.4)	(41.1)	593.7	539.4

Refer to the following page for footnote details.

2. Financial Reporting by Business and Geographic Segments continued

	2007 $M	2006 $M	2007 $M	2006 $M	2007 $M	2006 $M
	Assets		Liabilities		Net assets	
Beverage business						
Australia	1,765.3	1,571.4	666.9	605.8	1,098.4	965.6
New Zealand & Fiji	532.1	478.4	93.0	79.8	439.1	398.6
Indonesia & PNG	355.7	391.7	114.7	113.9	241.0	277.8
	2,653.1	2,441.5	874.6	799.5	1,778.5	1,642.0
Investment in joint venture entity	16.4	1.2	–	–	16.4	1.2
	2,669.5	2,442.7	874.6	799.5	1,794.9	1,643.2
Food & Services business						
Australia	1,580.0	1,518.0	112.3	108.8	1,467.7	1,409.2
Total Food & Services	1,580.0	1,518.0	112.3	108.8	1,467.7	1,409.2
Total continuing operations	4,249.5	3,960.7	986.9	908.3	3,262.6	3,052.4
Discontinued operation[1]	–	987.7	–	131.7	–	856.0
Assets and liabilities excluded from above[3]	388.6	448.6	2,210.5	2,886.3	(1,821.9)	(2,437.7)
Total CCA Group	4,638.1	5,397.0	3,197.4	3,926.3	1,440.7	1,470.7

	Depreciation and amortisation expenses		Other non-cash expenses		Additions and acquisitions of non-current assets[5]	
Beverage business						
Australia	39.6	51.4	53.5	70.2[4]	133.3	72.8
New Zealand & Fiji	16.7	17.4	10.4	6.8	69.7	58.5
Indonesia & PNG	32.6	38.5	14.4	10.5	34.8	38.9
Total Beverage	88.9	107.3	78.3	87.5	237.8	170.2
Food & Services business						
Australia	60.9	55.0	23.2	13.1	74.9	124.7
Total Food & Services	60.9	55.0	23.2	13.1	74.9	124.7
Total continuing operations	149.8	162.3	101.5	100.6	312.7	294.9
Discontinued operation[1]	27.0	38.9	11.7	21.7	15.4	19.8
Total CCA Group	176.8	201.2	113.2	122.3	328.1	314.7

1 Discontinued operation refers to the South Korean business which was discontinued on 24 October 2007. This business was previously part of the Beverage segment within CCA Group. Refer to Note 6 for further details.

2 Significant items include the following –

	2007 $M	2006 $M
Product rehabilitation costs relating to the 2006 extortion threat in South Korea	*5.7*	*14.9*
Insurance claim proceeds relating to the 2006 extortion threat in South Korea	*(17.6)*	*(1.0)*
	(11.9)	*13.9*
Impairment of the investment in bottlers' agreement in South Korea	*25.0*	*–*
Loss recognised on disposal of the South Korean business	*46.3*	*–*
Early retirement plan expenses in South Korea	*–*	*27.2*
	59.4	*41.1*

3 Assets and liabilities shown against each segment exclude current and deferred tax balances and assets and liabilities which relate to the Group's financing activity.

4 This amount has been restated (increased) by $7.6 million as certain labour related expenses were reclassified into employee benefits expenses. This amount is now stated on a consistent basis with the 2007 amount.

5 Non-current assets comprise investment in joint venture entity, investments in bottlers' agreements, property, plant and equipment and intangible assets for this disclosure.

	CCA Group 2007 $M	CCA Group 2006 $M
3. Revenues		
Trading revenue from continuing operations		
Sales of –		
beverage products	3,431.1	3,161.3
food products	446.2	429.4
equipment	21.5	20.1
Total sales	3,898.8	3,610.8
Rental of equipment	33.0	30.8
Total trading revenue	3,931.8	3,641.6
Other revenue from continuing operations		
Sales of materials and consumables	1.0	33.1
Rendering of services	53.8	6.4
Miscellaneous rental and sundry income	29.5	22.1
Dividend income from other corporations	1.1	1.4
Total other revenue	85.4	63.0
Total revenues, excluding finance income	4,017.2	3,704.6
Interest income from non-related parties	24.6	17.8
Total revenues	4,041.8	3,722.4

4. Expenses

Profit from continuing operations before income tax includes the following specific expenses –

	CCA Group 2007 $M	CCA Group 2006 $M
Cost of goods sold for –		
beverages products	1,790.7	1,650.8
food products	342.9	314.0
equipment	16.5	15.7
rental of equipment – directly attributable expenses	7.1	5.8
materials and consumables	–	28.2
Total cost of goods sold	2,157.2	2,014.5
Interest costs from non-related parties	162.9	158.8
Other finance costs/(gains)	0.7	(4.1)
Total finance costs	163.6	154.7
Amounts capitalised	(6.6)	(2.4)
Total finance costs expensed	157.0	152.3

	CCA Group	
	2007 $M	2006 $M

4. Expenses continued

Profit from continuing operations before income tax includes the following specific expenses –

	2007 $M	2006 $M
Depreciation expense	143.2	157.4
Amortisation expense	6.6	4.9
Bad and doubtful debts expense – trade receivables	3.1	8.7
Rentals – operating leases	77.3	63.9
Defined benefit superannuation plan expenses	11.4	15.1
Defined contribution superannuation plan expenses	39.0	34.3
Employees Share Plan expenses	4.8	5.2
Equity compensation plan expenses	9.6	4.9
Employee benefits expense	72.3	61.6
Net foreign exchange gains	(4.1)	(12.3)
Write down of inventories to net realisable value	6.3	1.1
(Profit)/loss from disposal of –		
land in Eastern Creek, Australia	–	(13.4)
other property, plant and equipment	13.8	2.1
software development assets	0.6	–
investments in securities	–	(0.7)
right to Maxxium incentive payments	(18.8)	–
Impairment of intangible assets	12.8	5.9
Impairment of property, plant and equipment	7.5	23.9

	Refer Note	CCA Group 2007 $M	CCA Group 2006 $M
5. Income Tax Expense			
a) Income tax expense			
Current tax expense		173.7	114.2
Deferred tax (benefit)/expense		(29.3)	6.9
Adjustments for current tax of prior periods		0.2	(7.5)
		144.6	113.6
Income tax expense is attributable to –			
Continuing operations		148.4	114.4
Discontinued operation	6b)	(3.8)	(0.8)
		144.6	113.6
b) Reconciliation of income tax expense to prima facie tax payable			
Profit from continuing operations before income tax		516.0	428.0
Loss from discontinued operation before income tax	6b)	(60.7)	(32.0)
		455.3	396.0
Prima facie income tax expense on profit at the Australian rate of 30%		136.6	118.8
Tax effect of permanent differences –			
Non-allowable expenses		3.5	2.8
Tax offset for franked dividends		(0.3)	(0.4)
Other items		2.0	0.8
Impairment of goodwill		1.9	–
Loss on disposal of the South Korean business		17.0	–
Overseas tax rates differential		2.3	1.8
Overseas withholding tax		(16.8)	(9.1)
Share of net (profit)/loss of joint venture entity		(0.3)	0.1
Deductible temporary differences from –			
movement in derecognised amounts		(4.7)	8.3
utilisation of previously unrecognised tax losses		–	(2.0)
derecognition of deferred tax assets		3.0	–
Adjustments for current tax of prior periods		0.2	(7.5)
Change in overseas tax rate		0.2	–
Income tax expense		144.6	113.6

6. Discontinued Operation

a) Details of the disposed business

On 20 August 2007, CCA announced that it had signed a formal sale and purchase agreement with LG Household & Health Care Ltd (LGH&H) for the sale of CCA's South Korean business. The disposal of the South Korean business was completed on 24 October 2007, on which date control of the business passed to LGH&H.

b) Financial performance of the disposed business

The results of the discontinued operation for the year until disposal (and full year comparatives) are presented as follows –

	Refer Note	2007 $M	2006 $M
Revenue, excluding finance income		482.0	716.0
Expense, excluding finance costs		(536.7)	(739.1)
Earnings before interest and tax			
Before significant items		4.7	18.0
Significant items[1]		(59.4)	(41.1)
	2	(54.7)	(23.1)
Net finance costs			
Finance cost		(6.5)	(11.5)
Finance income		0.5	2.6
		(6.0)	(8.9)
Loss from discontinued operation before income tax	5b)	(60.7)	(32.0)
Income tax benefit			
Before significant items		–	0.8
Significant items[1]		3.8	–
	5a)	3.8	0.8
(Loss)/profit from discontinued operation after income tax			
Before significant items		(1.3)	9.9
Significant items[1]		(55.6)	(41.1)
		(56.9)	(31.2)

1 2007 significant items include the following –

	Pre tax $M	*Income tax (benefit)/expense $M*	*Net of tax $M*
Product rehabilitation costs relating to the 2006 extortion threat in South Korea	*5.7*	*–*	*5.7*
Insurance claim proceeds relating to the 2006 extortion threat in South Korea	*(17.6)*	*–*	*(17.6)*
	(11.9)	*–*	*(11.9)*
Impairment of the investment in bottlers' agreement in South Korea	*25.0*	*(6.9)*	*18.1*
Loss recognised on disposal of the South Korean business	*46.3*	*3.1*	*49.4*
	59.4	*(3.8)*	*55.6*

2006 significant items include the following –

Product rehabilitation costs relating to the 2006 extortion threat in South Korea	*14.9*	*–*	*14.9*
Insurance claim proceeds relating to the 2006 extortion threat in South Korea	*(1.0)*	*–*	*(1.0)*
	13.9	*–*	*13.9*
Early retirement plan expenses in South Korea	*27.2*	*–*	*27.2*
	41.1	*–*	*41.1*

	Refer Note	2007 $M	2006 $M

6. Discontinued Operation continued

c) Cash flow information of the disposed business

	Refer Note	2007 $M	2006 $M
Net cash flows from operating activities before significant items		28.8	12.3
Significant items	6b)	11.9	(41.1)
Net cash flows from/(used in) operating activities		40.7	(28.8)
Net cash flows from investing activities before significant item		6.8	9.2
Significant item	6e)	351.8	–
Net cash flows from investing activities		358.6	9.2
Net cash flows (used in)/from financing activities		(56.3)	11.2
Net increase/(decrease) in cash and cash equivalents		343.0	(8.4)
Cash and cash equivalents held at the beginning of the financial year		25.5	33.6
Exchange rate adjustments to cash and cash equivalents held at the beginning of the financial year		(2.7)	0.3
Total cash and cash equivalents attributable to the discontinued operation		365.8	25.5

d) Assets and liabilities of the disposed business

The carrying amounts of assets and liabilities disposed as at 24 October 2007 are –

	Refer Note	2007 $M
Assets		
Cash assets		14.0
Trade and other receivables		67.6
Inventories		31.8
Prepayments		5.9
Non-current assets held for sale		21.9
Investments in bottlers' agreements		482.8
Property, plant and equipment		212.3
Intangible assets		0.4
Total assets		836.7
Liabilities		
Trade and other payables		49.1
Interest bearing liabilities		104.0
Provisions		44.1
Accrued charges		17.2
Deferred tax liabilities		132.8
Total liabilities		347.2
Net assets	6e)	489.5

	Refer Note	2007 $M

6. Discontinued Operation continued

e) Details of the sale of the disposed business

	Refer Note	2007 $M
Consideration received or receivable		
Cash		375.6
Deferred sales proceeds[2]		38.6
Total disposal consideration		414.2
Carrying amount of net assets sold	6d)	(489.5)
Direct costs relating to the disposal		(17.7)
Foreign currency translation reserve		46.7
Loss on disposal before income tax		(46.3)
Income tax expense		(3.1)
Loss on disposal after income tax		(49.4)

2 Relates to the escrow amount over which LGH&H has until 24 October 2008 the right to claim and receive payment on resolved claim issues. On 24 October 2008, the remaining escrow amount, less any amounts attributable to unresolved claims, is to be received by CCA. By 24 April 2009, CCA will receive any remaining escrow amount. The escrow amount is recorded as a "current receivable" in the balance sheet as at 31 December 2007. In accordance with the sale and purchase agreement, any claims made by LGH&H are not limited to the balance of the escrow amount.

	Refer Note	2007 $M
Net cash inflow on disposal		
Cash consideration		375.6
Cash assets disposed of	6d)	(14.0)
Direct costs relating to the disposal paid		(9.8)
Reflected in the cash flow statement		351.8

f) Contribution to earnings per share (EPS) by the discontinued operation

	2007 ¢	2006 ¢
Basic EPS	(7.5)	(4.2)
Diluted EPS	(7.5)	(4.2)

	CCA Group	
	2007	2006
	$	$

7. Other Performance Measures

a) Net tangible asset backing

Net tangible asset backing per ordinary share – excluding Investments in bottlers' agreements (IBAs)[1]	–	(0.71)
Net tangible asset backing per ordinary share – including IBAs	1.23	1.30

1 ($0.001) for 2007.

b) Earnings per share (EPS)

	¢	¢
Earnings per share (EPS) for profit from continuing operations attributable to ordinary equity holders of the Company		
Basic EPS	48.8	41.9
Diluted EPS	48.7	41.8
Earnings per share (EPS) for profit attributable to ordinary equity holders of the Company		
Basic EPS	41.3	37.7
Diluted EPS	41.2	37.6

The weighted average number of ordinary shares used as the denominator in the calculation of EPS was –

	M	M
Basic EPS	753.1	749.2
Diluted EPS	755.2	751.0

c) Free cash flow (FCF)

FCF is calculated as net cash flows from operating activities, plus cash flows arising from disposals of property, plant and equipment and investments in securities, less cash flows arising from purchases of property, plant and equipment and intangible assets.

	$M	$M
FCF (continuing operations)	223.5	290.5
FCF	271.0	271.6

d) Return on capital employed (ROCE)

ROCE is calculated on a moving annual total basis as EBIT (before significant items) divided by the average of capital employed at the beginning and at the end of the annual period. Where material business acquisitions or disposals occur, the acquisition or disposal date capital employed balance is used as the beginning or ending balance with an adjustment made to reflect the period of ownership respectively. Capital employed is defined as equity plus net debt.

	%	%
ROCE (continuing operations)	22.0	19.7
ROCE	19.0	16.3

	Refer Note	CCA Group 2007 %	2006 %

7. Other Performance Measures continued

e) Capital expenditure (capex) compared to trading revenue

Capex is defined as current period gross payments for property, plant and equipment and software development assets.

	Refer Note	2007 %	2006 %
Capex to trading revenue (continuing operations)		7.2	7.2
Capex to trading revenue		6.8	6.5

Capex is reconciled to the payments for additions of property, plant and equipment and software development assets as per the cash flow statements as follows –

	Refer Note	2007 $M	2006 $M
Payments for additions of –			
Property, plant and equipment		291.8	275.2
Software development assets		8.5	5.8
Capex		300.3	281.0
Capex is attributable to –			
Continuing operations		282.8	263.3
Discontinued operation		17.5	17.7
		300.3	281.0
Trading revenue is attributable to –			
Continuing operations	3	3,931.8	3,641.6
Discontinued operation		461.4	711.5
		4,393.2	4,353.1

	CCA Group	
	2007 $M	2006 $M

8. Derivatives and Net Debt Reconciliation

a) Derivatives as per the balance sheets

	2007 $M	2006 $M
Derivative assets – current		
Debt related	–	(1.0)
Non-debt related	(13.7)	(50.0)
	(13.7)	(51.0)
Derivative assets – non-current		
Non-debt related	(83.9)	–
	(83.9)	–
Derivative liabilities – current		
Debt related	11.1	88.7
Non-debt related	30.9	81.1
	42.0	169.8
Derivative liabilities – non-current		
Debt related	109.3	70.0
Non-debt related	51.1	–
	160.4	70.0
Total net derivative liabilities	104.8	188.8
Net derivative liabilities/(assets) comprises –		
Debt related	120.4	157.7
Non-debt related	(15.6)	31.1
Total net derivative liabilities	104.8	188.8

b) Net debt reconciliation

	2007 $M	2006 $M
Cash assets	(379.7)	(436.1)
Trade and other receivables – non-current	–	(2.9)
Net derivative liabilities – debt related	120.4	157.7
Interest bearing liabilities – current	171.4	278.4
Interest bearing liabilities – non-current	1,695.2	2,077.5
Total net debt	1,607.3	2,074.6

	CCA Group	
	2007 $M	2006 $M

9. Investment in Joint Venture Entity

	2007 $M	2006 $M
Investment in joint venture entity	16.4	1.2

The Company has a 50% interest in Pacific Beverages Pty Ltd and its subsidiaries (Pacific Beverages). The principal activity is the importation and distribution of alcoholic beverages.

During the year, Pacific Beverages acquired Bluetongue Brewery Pty Ltd, which brews and distributes Australian premium beers.

The interest in Pacific Beverages is accounted for in the consolidated financial statements using the equity method of accounting. Information relating to the joint venture entity is set out below.

	2007 $M	2006 $M
Carrying amount of investment in Pacific Beverages Pty Ltd	16.4	1.2
Share of Pacific Beverages Pty Ltd's assets and liabilities		
Current assets	18.4	4.2
Non-current assets	11.8	–
Total assets	30.2	4.2
Current liabilities	12.9	3.0
Non-current liabilities	0.9	–
Total liabilities	13.8	3.0
Net assets	16.4	1.2
Share of Pacific Beverages Pty Ltd's revenue, expenses and results		
Revenues	19.7	1.0
Expenses	(18.5)	(1.4)
Profit/(loss) before income tax	1.2	(0.4)
Income tax (expense)/benefit	(0.4)	0.1
Profit/(loss) after income tax	0.8	(0.3)

	CCA Group			
	2007 No.	2006 No.	2007 $M	2006 $M

10. Issues of Ordinary Shares During the Financial Year

	2007 No.	2006 No.	2007 $M	2006 $M
Ordinary shares				
Balance at the beginning of the financial year	750,887,525	747,704,699	2,001.1	1,982.1
Shares issued in respect of –				
Dividend Reinvestment Plan[1]	1,676,418	2,217,976	14.3	14.4
Executive Option Plan	2,398,525	964,850	12.4	4.6
Total movement	4,074,943	3,182,826	26.7	19.0
Balance at the end of the financial year	754,962,468	750,887,525	2,027.8	2,001.1

1 Dividend Reinvestment Plan

The Dividend Reinvestment Plan provides shareholders with the opportunity to receive fully paid ordinary shares, in lieu of cash dividends, at a discount of 3% from market price at the time of issue. Market price is the weighted average price of a specified ten day period prior to issue. Participation in the Plan is capped to 100,000 shares per shareholder.

The last date of Election Notices under this Plan is 22 February 2008.

11. Dividends Appropriated and Proposed

	CCA Group 2007 ¢	2007 $M	2006 ¢	2006 $M
a) Summary of dividends appropriated during the financial year –				
Final dividend in respect of prior financial year (franked to 100%)	18.0	135.2	17.5	130.9
Current year interim dividend on ordinary shares (franked to 100%)	15.5	116.9	14.5	108.7
Total dividends appropriated		252.1		239.6

b) Dividends declared and not recognised as a liability

Since the end of the financial year, the Directors have declared the following dividend –

Class of share	Rate per share ¢	Fully franked per share ¢	Amount $M	Date payable
Ordinary	20.0	20.0	146.8	7 April 2008

	Refer Note	CCA Group 2007 $M	CCA Group 2006 $M

12. Cash Flow Statements

a) Reconciliation to cash at the end of the financial year

Cash assets		379.7	436.1
Bank overdrafts		(0.4)	–
Cash and cash equivalents held at the end of the financial year		379.3	436.1

b) Non-cash investing and financing activities

Dividends satisfied by the issue of shares under the Dividend Reinvestment Plan	10	14.3	14.4
Other payables in relation to acquisitions (amounts to be paid post balance date)		–	0.1

13. Business Combinations

a) Summary of acquisitions

Acquisition of a coffee business and related assets
CCA acquired a coffee business and its related assets on 30 March 2007, for a purchase consideration of $10.7 million.

Details of the fair value of the assets acquired and goodwill are as follows –

	$M
Purchase consideration –	
Cash paid	10.7
Fair value of net identifiable assets acquired –	
Inventories	(0.8)
Property, plant and equipment	(1.6)
Goodwill	8.3

Other acquisitions
Other acquisitions include various individually immaterial acquisitions within the bulk water industry. Details of the fair value of the assets and liabilities acquired and goodwill are as follows –

Purchase consideration –	
Cash paid	4.2
Fair value of net identifiable assets and liabilities acquired –	
Property, plant and equipment	(0.2)
Intangible assets	(0.9)
Trade and other payables	0.1
Deferred tax liabilities	0.2
Goodwill	3.4

The goodwill recognised for the period is $11.7 million (2006: $3.7 million). The goodwill is attributable to the high profitability of the acquired businesses and synergies expected to arise after acquisition.

13. Business Combinations continued

a) Summary of acquisitions continued

The amounts recognised on acquisition above represent provisional assessments of the fair values of assets and liabilities acquired. These amounts will be finalised within twelve months from the date of acquisition. The fair value of the above assets acquired approximates the carrying value.

The revenue and net profit contributions to the Group have not been disclosed as the business structures of the acquired businesses have changed since acquisition.

	2007[1] Recognised on acquisition $M	2006[2] Recognised on acquisition $M
b) Purchase consideration		
Cash paid	14.9	15.1
Deferred cash settlement	–	0.1
Costs associated with the acquisition	–	0.4
Total consideration	14.9	15.6
The net cash outflow on acquisition is as follows –		
Cash paid, including costs	(14.9)	(15.5)
Net cash outflow	(14.9)	(15.5)

1 Comprises acquisition of a coffee business and its related assets and other acquisitions which are individually immaterial.

2 Comprises acquisition of the water business and related assets of Palm Springs Ltd and other acquisitions which are individually immaterial.

	CCA Group 2007 $M	CCA Group 2006 $M
14. Contingencies		
Contingent liabilities		
Contingent liabilities existed at the end of the financial year in respect of –		
Termination payments under service agreements	6.6	9.6
Other guarantees	1.6	3.0
	8.2	12.6

15. Events after the Balance Sheet

a) Off-market share buy-back

On 29 January 2008, CCA announced the successful completion of its $170.0 million off-market share buy-back. A total of 21.7 million shares were bought back at a price of $7.84, which represents a 14% discount to the market price (being the volume weighted average price of CCA's ordinary shares on the ASX over the five trading days up to and including 25 January 2008).

The off-market share buy-back has no impact on the Group's financial results for the year ended 31 December 2007, and is not expected to impact on CCA's ability to fully frank its dividends in the future.

b) Pacific Beverages' brewery development

On 8 February 2008, CCA made a media announcement that Pacific Beverages Pty Ltd, the joint venture entity CCA formed with SABMiller plc, will build a boutique premium brewery at Warnervale in the Central Coast region of New South Wales. The brewery, with a capacity of 500,000 hectolitres, is expected to be completed in 2010 and will be jointly funded by CCA and SABMiller plc.

16. Compliance Statement

This report is based upon accounts that have been audited. The audit report, which is unqualified, will be made available with the Company's Annual Report.