



A.B.N. 26 004 139 397

Australian Securities Exchange Listing Rules Disclosure
Half Year Report
For the half year ended 30 June 2008

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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 20 August 2008 at 10:00am, 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

Half Year Report

For the half year ended 30 June 2008
compared to the prior half year ended 29 June 2007
Results for announcement to the market

Group results				
Total revenue (\$M) ¹	down	11.2%	to	1,953.1
Earnings before interest, tax and significant items (\$M) ²	up	8.6%	to	308.9
Earnings before interest and tax (\$M) ²	up	19.9%	to	308.9
Profit after tax attributable to members (before significant items) ³ (\$M)	up	6.8%	to	171.9
Profit after tax attributable to members (\$M)	up	22.0%	to	171.9
Net profit for the period attributable to members (\$M)	up	22.0%	to	171.9

Group results – continuing operations				
Trading revenue (\$M)	up	0.5%	to	1,859.5
Total revenue (\$M) ¹	up	3.7%	to	1,953.1
Earnings before interest and tax (\$M) ²	up	12.0%	to	308.9
EBIT margin on trading revenue	up	1.7 points	to	16.6%
Profit after tax attributable to members (\$M)	up	10.4%	to	171.9
Net profit for the period attributable to members (\$M)	up	10.4%	to	171.9

Group performance measures				
Earnings per share (continuing operations) ^{4 & 5}	up	12.6%	to	23.3¢
Earnings per share ^{4 & 5}	up	24.6%	to	23.3¢
Free cash flow (\$M) (continuing operations) ⁵	up	22.6	to	69.7
Free cash flow (\$M) ⁵	down	9.9	to	69.7
Return on average capital employed (continuing operations) ⁵	up	2.0 points	to	22.6%
Return on average capital employed ⁵	up	4.2 points	to	21.4%
Net debt to book equity	down	0.3 points	to	147.1%
Net debt to capital employed	down	0.1 points	to	59.5%
Capital expenditure to trading revenue (continuing operations) ⁵	up	0.9 points	to	6.4%
Capital expenditure to trading revenue ⁵	up	1.3 points	to	6.4%
EBIT interest cover (before significant items)	up	0.3 times	to	4.3 times

	2008	2007
	\$M	\$M
1 Total revenue (including finance income) is attributable to –		
Continuing operations	1,953.1	1,883.0
Discontinued operation	-	317.0
	<u>1,953.1</u>	<u>2,200.0</u>

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

3 Profit after tax (before significant items) is attributable to –		
Continuing operations	171.9	155.7
Discontinued operation	-	5.2
	<u>171.9</u>	<u>160.9</u>

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

4 Earnings per share is based on weighted average number of ordinary shares of 737.7 million for the half year ended 30 June 2008 and 752.0 million for the half year ended 29 June 2007.

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
Interim dividend	17.0¢	17.0¢
Previous corresponding period	15.5¢	15.5¢
The record date for determining entitlements to the interim dividend	Friday, 29 August 2008	

HIGHLIGHTS OF 2008 HALF YEAR RESULTS

\$A million	H1 2008	H1 2007	Change
Continuing Operations			
Trading revenue – Beverages	1,581.0	1,570.0	0.7%
<i>Volume (million unit cases)</i>	232.0	233.4	-0.6%
Trading revenue – Food & Services	278.5	280.6	-0.7%
EBIT	308.9	275.7	12.0%
Net finance costs	(71.6)	(66.8)	7.2%
Income tax expense	(65.4)	(53.2)	22.9%
Net profit (continuing operations)	171.9	155.7	10.4%
Net profit (discontinued operation – South Korea)	-	5.2	N/A
Net profit (before significant items)	171.9	160.9	6.8%
Significant items after tax (South Korea)	-	(20.0)	N/A
Net profit (after significant items)	171.9	140.9	22.0%
EPS (continuing operations, cents)	23.3	20.7	12.6%
EPS (after significant items, cents)	23.3	18.7	24.6%
Dividends per share (cents)	17.0	15.5	9.7%

Coca-Cola Amatil (CCA) delivered a record net profit after tax (NPAT) for the 2008 half year of \$171.9 million, representing an increase of \$31.0 million or 22.0% on the first half of 2007. On a continuing operations basis, NPAT increased 10.4% to \$171.9 million, while earnings before interest and tax (EBIT) increased by \$33.2 million, or 12.0%, to \$308.9 million.

Earnings per share (EPS) increased by 24.6% to 23.3 cents per share, while on a continuing operations basis EPS increased by 12.6% to 23.3 cents per share. The interim dividend, fully-franked, has been increased from 15.5 cents to 17.0 cents per share, representing an increase of 9.7%.

CCA's Group Managing Director, Mr Terry Davis said, "CCA has delivered another strong profit result in tougher trading conditions with excellent performances from the Australian and New Zealand beverage businesses, and the continued growth of our Indonesian operations. The result has been driven by well balanced revenue and mix management and tight cost control programs across the business. In addition, CCA continues to benefit from efficiency gains from its capital spending program while the manufacture and distribution of alcoholic beverages contributed nearly 20% of the Australian beverage business growth."

The highlight for the half year was the resilience of the Australian beverage operations, particularly in the second quarter. "The Australian business delivered 10.0% EBIT growth for the half despite being impacted by poor weather and heavy discounting by our major competitor in the first quarter. The earnings result was driven by a strong second quarter trading performance with 2.0% volume growth while continuing to recover cost increases and grow margins," Mr Davis said.

Group ROCE improved from 17.2% to a record 21.4% as a result of strong earnings growth, a growing contribution from infrastructure projects coming on line and the sale of the South Korean business.

CCA also delivered an outstanding cash flow result for the half year, with operating cash flow increasing by \$42.2 million to \$185.5 million primarily as a result of improved earnings.

CCA GROUP EBIT SUMMARY

\$A million	H1 2008	H1 2007	% Change
Beverages			
Australia	219.1	199.1	10.0%
New Zealand & Fiji	38.2	34.4	11.0%
Indonesia & PNG	10.4	3.4	205.9%
Total Beverages	267.7	236.9	13.0%
Food & Services	41.5	38.7	7.2%
Pacific Beverages – share of net profit/(loss)	(0.3)	0.1	N/A
EBIT	308.9	275.7	12.0%

- **Australia** – EBIT growth of 10.0%. The half year was characterised by two contrasting quarters. In the first quarter, poor weather in the key markets of NSW and Queensland and heavy discounting by our major competitor in the grocery channel materially impacted volumes. By contrast, trading in the second quarter recovered well with volume growth of 2.0%, with performance strengthening in May and June.
- **New Zealand & Fiji** – EBIT growth of 11.0%. Despite the impact on translation of a 5% devaluation of the New Zealand dollar and a weaker result from Fiji, New Zealand continues to capitalise on gains made in 2007 with a standout local currency EBIT growth of 18.1%. The results were driven by over 3% volume growth, improved pricing and the continued efficiency and cost savings from the Trans-Tasman integration.
- **Indonesia & PNG** – EBIT growth tripled to \$10.4 million, with the region achieving solid volume growth of 4.6%. Indonesia experienced a solid start to the year with local currency revenue growth of 12.6%. This was despite a longer than usual rainy season and the cycling of a strong first half 2007 result. The Indonesian operations continue to drive the shift into the higher margin one-way-pack formats and to grow share in the fast growing Modern Foodstores channel.
- **Food & Services** – EBIT growth of 7.2%. SPC Ardmona's (SPCA) international division expansion continues to gain momentum, driven by the addition of a number of new large customers and increased ranging, with the business successfully achieving category captaincy status in key supermarkets in the United Kingdom. The strength of the international business has helped offset the continued impact of the drought and growth of private label on the Australian business.
- **Pacific Beverages JV** – Pacific Beverages continues to rapidly increase share of the Australian premium beer market with its premium beer brands particularly Peroni Nastro Azzurro, Miller Chill and Miller Genuine Draft, while achieving solid volume growth from the recently acquired Bluetongue business.

SPC ARDMONA RESTRUCTURE

As advised to the market on August 4, SPCA will rationalise its manufacturing facilities in the Goulburn Valley in the second half of 2008 in order to improve its competitive position both domestically and internationally. The rationalisation will result in write-downs of \$24.5 million before tax, which will be recorded as a significant item in the second half of 2008. SPCA expects to generate a minimum \$8-10 million in EBIT per annum commencing from 2009 as a result of manufacturing scale efficiencies and reduced costs from consolidating the Shepparton and Mooroopna facilities.

Half Year Commentary

For period ended 30 June 2008

20 August 2008

TRADING OUTLOOK FOR SECOND HALF OF 2008

The trading conditions in the first half of 2008 were more difficult than in 2007. CCA maintains its guidance of high single-digit EBIT growth for the second half of 2008 with a target of around 7% EBIT growth, before significant items and on a continuing operations basis. As the important summer trading season for Australia and New Zealand is still to come, a further trading update will be provided in mid October and will coincide with the CCA annual investor presentation day.

For 2008, we expect the full year increase in cost of goods sold per unit case to be just over 3% per unit case on a constant currency basis. We will continue to target the recovery of cost of goods increases across each of the business units for the remainder of 2008.

Group capital expenditure is expected to be around 7% of revenue for 2008 which includes a 2-3% allocation for infrastructure related expenditure for the year. In addition, the development of the Bluetongue brewery will result in a \$20-25 million investment by CCA in 2008 with a further \$30-35 million investment in 2009. These amounts represent CCA's contribution through the Pacific Beverages joint venture with SABMiller funding the other half of the brewery development.

CCA's financial position remains robust with current net debt of \$1.9 billion, down from \$2.1 billion in June 2007, and interest cover of 4.3 times. CCA has committed debt facilities to cover refinancing requirements for the next two years. In addition, in April 2008 Moody's reaffirmed CCA's A3 credit rating and upgraded the outlook from negative to stable.

The effective tax rate for the first half of 2008 was 27.6%, up from an effective rate of 24.8% for the first half of 2007 (before significant items). The effective tax rate for the second half of 2008 is expected to be around 30%. The effective tax rate for the full year 2007 was 28.8% (before significant items).

FINANCIAL COMMENTARY

CAPITAL EMPLOYED

\$A million	H1 2008	FY 2007	\$ Change
Working capital	902.7	895.8	6.9
Property, plant & equipment	1,287.6	1,302.6	(15.0)
IBAs & intangible assets	1,425.4	1,441.6	(16.2)
Deferred tax liabilities	(154.7)	(153.3)	(1.4)
Derivatives – non-debt	14.4	15.6	(1.2)
Other net assets / (liabilities)	(361.2)	(454.3)	93.1
Capital Employed	3,114.2	3,048.0	66.2
Return on average capital employed (ROCE) % ¹	21.4%	19.0%	2.4 pts

Group capital employed increased by \$66.2 million or 2.2% to \$3.1 billion since December 2007, primarily due to the \$93.1 million increase in other net assets. This increase was primarily due to the \$39.8 million reduction in current tax liabilities mainly due to the timing of tax payments; and the \$34.2 million reduction in accrued charges is related to seasonality.

Property, plant & equipment reduced by \$15 million since December 2007. While the rate of investment in new infrastructure projects, production lines and cold drink equipment exceeded depreciation, this net increase was more than offset by the impact of foreign currency translation on the values of our offshore assets compared to last year.

The \$16.2 million reduction in the investment in bottler's agreements and intangibles is due primarily to the impact of foreign currency on the translation of offshore assets.

Group ROCE increased by a 2.4 percentage points to 21.4% since December 2007 and increased by 4.2 percentage points to 21.4% since June 2007, primarily due to the strong growth in earnings, a growing contribution from infrastructure projects coming on line and the sale of the South Korean business in October 2007.

COST OF GOODS SOLD (BEVERAGES)

On a continuing operations basis, 'constant currency'² beverage cost of goods sold (COGS) per unit case increased by 2.8% for the first half. The increase was driven by higher commodity input costs. The rate of increase in commodity prices was moderated by the impact of the stronger Australian dollar on the cost of US dollar denominated commodities.

On a continuing operations basis, 'reported' beverage COGS per unit case decreased by 0.3% for the first half. Reported COGS per unit case derived an additional benefit from the translation of local currency COGS from New Zealand and Indonesia into Australian dollars due to the devaluation of the New Zealand dollar and Indonesian rupiah over the reporting period.

¹ Before significant items

² Constant currency COGS includes all USD currency hedging of commodity inputs but excludes the impact of translating local currency COGS from our offshore businesses into Australian dollars for reporting purposes.

CAPITAL EXPENDITURE

Capital expenditure / trading revenue (continuing operations)	H1 2008	H1 2007	% Change
Australia	5.8%	5.2%	0.6 pts
New Zealand & Fiji	6.5%	8.5%	(2.0 pts)
Indonesia & PNG	7.1%	1.4%	5.7 pts
Food & Services	7.9%	7.8%	0.1 pts
CCA Group	6.4%	5.5%	0.9 pts
Total capital expenditure (continuing operations, \$A million)	\$118.3m	\$102.4m	\$15.9m

Capital expenditure from continuing operations increased by \$15.9 million to \$118.3 million or 6.4% of trading revenue. The major areas of capital spend in Australia included the continued development of the \$180 million NSW warehousing and distribution facilities; additional can and alcoholic beverage production lines in Queensland; continued investment in SAP and the acquisition of the iconic Coke sign in Sydney's Kings Cross.

In Indonesia, major projects completed include two new beverage production lines for cans and PET bottles, and a new hot-fill beverage line. SPCA invested in a resealable plastic container line and shelf-ready packaging equipment. The NZ\$80 million Auckland semi-automated warehouse was fully commissioned in May, on time and on budget.

In addition, Pacific Beverages commenced the development of the new Bluetongue brewery on the Central Coast of NSW with CCA investing \$10.2 million for the half. The 500,000 hectolitre facility is expected to cost around \$120 million and will be jointly funded by CCA and SABMiller, with construction commencing in late 2008 and completion expected in March 2010.

CASH FLOW

Continuing operations (\$A million)	H1 2008	H1 2007	\$ Change
EBIT (before significant items)	308.9	275.7	33.2
Depreciation & amortisation	72.0	75.7	(3.7)
Change in working capital	(6.9)	(98.1)	91.2
Net Interest paid	(73.0)	(65.6)	(7.4)
Taxation paid	(102.6)	(70.3)	(32.3)
Other	(12.9)	10.6	(23.5)
Operating cash flow	185.5	128.0	57.5
Capital expenditure	(118.3)	(102.4)	(15.9)
Proceeds from sale of PPE & other	2.5	21.5	(19.0)
Free cash flow (continuing operations)	69.7	47.1	22.6
<i>Free cash flow (South Korea)</i>	-	32.5	(32.5)
<i>Free cash flow (Reported)</i>	<i>69.7</i>	<i>79.6</i>	<i>(9.9)</i>

Operating cash flow from continuing operations was very strong, increasing by \$57.5 million to \$185.5 million, with much of the improvement driven by improved earnings.

Free cash flow from continuing operations improved significantly, increasing by \$22.6 million to \$69.7 million despite higher levels of capital expenditure and the cycling of the receipt of proceeds from the sale of incentives to SABMiller for Maxxium in the first half of 2007.

NET DEBT & INTEREST COVER

\$A million	H1 2008	H1 2007	\$ Change
Net debt			
Interest bearing liabilities	1,912.7	2,148.5	(235.8)
Derivatives – debt related	159.4	145.6	13.8
Trade & other receivables – non-current	-	(2.9)	2.9
Less: Cash assets	(218.3)	(184.9)	(33.4)
Net Debt	1,853.8	2,106.3	(252.5)
Net debt / equity	147.1%	147.4%	(0.3 pts)
Interest cover (EBIT ³ / net interest)	4.3x	4.0x	0.3x

Net debt has materially reduced since the first half of 2007 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.

Following the sale of the South Korean business, CCA's financial ratios have been further strengthened and the Company remains in a very strong position to continue the implementation of its broader based beverage strategy. EBIT³ interest cover increased from 4.0 times to 4.3 times at the end of the first half of 2008. CCA expects to be able to maintain an EBIT interest cover of 4.0 to 5.0 times over the next 12 months.

CCA has total committed debt facilities of approximately \$2,200 million with an average maturity of 6.2 years, with total net debt of \$1,853.8 million as at 30 June 2008. CCA has minimal medium term refinancing requirements with \$181 million to be refinanced in 2008 and a further \$50 million for 2009. The following chart shows CCA's debt maturity profile as at 30 June 2008.

Debt maturity profile						
Maturity date	2008	2009	2010	2011	2012	2013+
% of total debt	8.7%	2.4%	25.4%	2.4%	3.4%	57.7%

INTERIM DIVIDEND

An interim dividend has been declared of 17.0 cents per share fully franked at the 30% corporate tax rate. This represents an increase of 9.7% over the first half of 2007.

The Record Date for determining dividend entitlements is 29 August 2008 and the interim dividend will be paid on 7 October 2008.

CCA continues to expect that it will be able to fully frank its dividends for the foreseeable future.

³ Before significant items

OPERATIONS REVIEW

AUSTRALIA – BEVERAGES

\$A million	H1 2008	H1 2007	Change
Trading revenue	1,147.2	1,133.0	1.3%
Revenue per unit case	\$7.80	\$7.49	4.1%
Volume (million unit cases)	147.0	151.3	(2.8%)
EBIT	219.1	199.1	10.0%
EBIT margin	19.1%	17.6%	1.5 pts
Capital expenditure / trading revenue	5.8%	5.2%	0.6 pts

Australia achieved a very strong result with EBIT growth of 10.0%. The half year was characterised by two contrasting quarters. In the first quarter, poor weather in the key markets of NSW and Queensland and heavy discounting by our major competitor in the grocery channel negatively impacted volumes. By contrast, trading in the second quarter recovered well with volume growth of 2.0%, with performance strengthening in May and June.

Improved pricing and mix delivered an increase in revenue per case of 4.1% which helped offset the COGS increases. Together with strong cost control discipline, benefits from infrastructure investment, Trans-Tasman synergies and a solid contribution from alcoholic beverages led to an increase in the EBIT margin of 1.5 percentage points to 19.1%.

Successful product launches in the first half included Glacéau and Kirks Ginger Beer. The standout performer has been Glacéau, launched in February, which is now expected to sell almost two million unit cases in 2008, four times the original forecasts. We also launched Powerade 'before' and 'after' sports drinks, Edge and Recovery, which helped to further consolidate Powerade's market leadership in the sports category. A reformulated Mother energy drink in a larger format 500ml can was also launched in late June and is delivering ahead of expectations with strong initial results in the re-launch phase.

Trans-Tasman synergies between the Australian and New Zealand beverage businesses continue to materially add to CCA earnings growth. Gains have been made from executing improved revenue management initiatives, procurement savings, joint new product and packaging development and the greater sharing of technical innovation. We expect these programs will continue to drive business process improvement and accelerate new product and package innovation over the coming years.

In addition, first half EBIT includes approximately \$3 million in net one-off benefits including proceeds from the early termination of the Sydney head office lease. Offsetting amounts include minor restructuring costs and other one-off charges. This compares to a net one-off benefit of \$0.7 million in the first half of 2007.

Capital expenditure of around \$60 million was undertaken in Australia. Major investments included the NSW automated warehouse, scheduled for completion in October 2008, new beverage production capacity in WA and Queensland and a new alcoholic ready-to-drink production line in Queensland. By increasing production capacity in each state the business is able to support higher peaks in customer demand and materially improve its customer service levels. This has now become a key differentiator for CCA versus its competitors in both alcoholic and non-alcoholic beverages. This additional production capacity has also generated significant interstate freight savings which, to date, have largely offset the impact of higher fuel prices on transportation costs.

NEW ZEALAND & FIJI

\$A million	H1 2008	H1 2007	Change
Trading revenue	217.9	218.7	(0.4%)
Revenue per unit case	\$6.77	\$6.92	(2.2%)
Volume (million unit cases)	32.2	31.6	1.9%
EBIT	38.2	34.4	11.0%
EBIT margin	17.5%	15.7%	1.8 pts
Capital expenditure / trading revenue	6.5%	8.5%	(2.0 pts)

The region delivered strong EBIT growth of 11.0% for the first half of 2008.

New Zealand

Despite the softening New Zealand economy, the New Zealand business delivered a record result for first half with local currency EBIT increasing by 18.1% on volume growth of 3.4%. Reported revenue per unit case decreased primarily due to the 5% depreciation of the New Zealand dollar. In local currency terms, the New Zealand business delivered revenue per unit case growth of 1.9% while New Zealand's EBIT margin increased by 2.1 percentage points to 18.0%.

The result was underpinned by strong marketing campaigns and a hot summer as well as the recovery of commodity driven COGS increases.

Powerade was the standout performer for the half year, growing by over 15% as a result of the launch of Powerade Edge and Recovery. Brand Coca-Cola also had a strong half with volume growth of 6% driven by successful take home promotions in the petroleum and grocery channel, the re-launch of Frozen Coke, strong performances from the quick service restaurants business and the strong growth of multi-pack cans in the grocery channel.

Initial responses from Relentless, a new energy drink launched in May, have been very encouraging, with the brand already capturing more than 10% of the market in the grocery channel despite strong competition.

The business also continued to benefit from Trans-Tasman business synergies which saw indirect costs continue to decline as a percentage of revenue. As well the business benefitted from the first time inclusion of the manufacture of Jim Beam & Cola which commenced in November 2007 and the distribution of the Pacific Beverages' premium beer portfolio.

The NZ\$80 million, semi-automated distribution centre was also completed on budget in November 2007 and was fully operational in May. This project will generate material efficiency savings and will significantly enhance New Zealand's customer service capability.

Fiji

Fiji delivered local currency declines in EBIT as poor weather, a slowing economy, high inflation and material increases in soft commodity prices impacted consumer sentiment and spending.

INDONESIA & PNG

\$A million	H1 2008	H1 2007	Change
Trading revenue	215.9	218.3	(1.1%)
Revenue per unit case	\$4.09	\$4.32	(5.3%)
Volume (million unit cases)	52.8	50.5	4.6%
EBIT	10.4	3.4	205.9%
EBIT margin	4.8%	1.6%	3.2 pts
Capital expenditure / trading revenue	7.1%	1.4%	5.7 pts

The region delivered a strong first half result, more than tripling EBIT to \$10.4 million. The focus on materially improving the mix of business to Modern Foodstores and to one-way-packs (PET and cans) has had a demonstrable impact on the profitability and future outlook of the Indonesian business.

Indonesia

Notwithstanding the strong seasonal volume bias to the second half, the Indonesian business delivered a very strong result for the first half of 2008. Reported revenue per unit case for Indonesia & PNG decreased by 5.3% due to the 17% depreciation of the Indonesian rupiah. In local currency terms, revenue per unit case in Indonesia increased by 7.0%.

The volume growth of over 5% in Indonesia in the first half was particularly pleasing given the significant increases in the price of staples such as rice and cooking oil which reduced consumer spending. The extended rainy season and the further partial removal by the Government of fuel subsidies in May also reduced consumer discretionary income.

The result was driven by the continued successful execution of the one-way-pack strategy in both the Modern and Traditional channels with the business capitalising on the sustained shift in consumer preference to these more convenient and higher status packages. Modern Foodstores continued to grow both in volume and in market share driven by the execution of innovative customer solutions, such as the launch of the beverage 'refreshment zone' concept. Overall, the more profitable one-way-pack business grew volumes by over 25% in the first half and now represents nearly 50% of total volume.

Brand Coke achieved strong volume growth of 20%, driven by the successful launch of Coke Zero as a one-way-pack product in February 2008. Frestea also performed strongly achieving growth of 10% as a result of the continued success of the 500ml PET pack launched in December 2006.

Consistent with the strategy of increasing our share in the higher value beverage segments, significant capital investment has been undertaken over the last two years on increased one-way-pack beverage production capacity. Major projects included two new beverage production lines for cans and PET bottles, and a new hot-fill line which was completed in May 2008. The business has also placed over 9,000 pieces of cold drink equipment and over 60,000 ice chests in the half to further increase availability of the cold drink portfolio throughout premium locations in Indonesia.

PNG

PNG achieved strong local currency EBIT growth for the first half of 2008 and continued to consolidate its position in the PNG market. The strong result was driven by a continued focus on immediate consumption packs combined with innovative packaging solutions. CCA continues to invest in cold drink equipment and manufacturing infrastructure.

Half Year Commentary

For period ended 30 June 2008

20 August 2008

FOOD & SERVICES

\$A million	H1 2008	H1 2007	Change
Trading revenue	278.5	280.6	(0.7%)
EBIT	41.5	38.7	7.2%
EBIT margin	14.9%	13.8%	1.1 pts
Capital expenditure / revenue	7.9%	7.8%	0.1 pts

The Food & Services Division continues to reshape its business activities in order to improve returns and establish a more reliable platform for growth in the future. The pleasing EBIT growth of 7.2% was driven by solid price realisation and cost discipline across the divisions and the ongoing development of the international business for SPC Ardmona (SPCA).

The highlight for the first half was the continued expansion of SPCA's international business in the UK and in Canada. SPCA has acquired a number of new large customers and increased ranging, with the business successfully achieving category captaincy status in key supermarkets in the UK. International volumes grew by close to 40% for the half year and earnings were up four-fold. The international business is rapidly becoming a more significant part of SPCA's total business and its contribution has helped offset the continued impact of the drought and the high Australian dollar on the Australian business.

SPCA's Australian business maintained earnings in a difficult trading environment. Volumes were down around 2% driven by general softness in the categories and the increased competitiveness of imported products, a result of the continued appreciation of the Australian dollar. While commodity input costs, particularly PET and tin-plate, have continued to increase the business was able to recover COGS increases with solid price realisation. Relative to its peer base in Australia and internationally, many of whom have seen material earnings declines, SPCA's performance was commendable.

A continued focus on new product development across its sales channels will see over 35 new products launched over the next 12 months.

The recently developed international joint ventures and alliances have enabled SPCA to access a wider range of technology, processes and insights, to use as a base for product and category development in Australia.

Neverfail delivered good earnings growth driven by improved pricing, with full recovery of COGS increases, combined with the benefits of cost savings initiatives. In addition, the business continues to benefit from the integration of the Palm Springs acquisition made in July 2006.

The Grinders coffee business delivered excellent volume growth of over 15% with new business in restaurants, cafes, and key corporate accounts. The launch of the super premium Giancarlo brand in the latter part of 2007 has been a key driver of the growth and Grinders is expected to continue to grow its share of the fast growing coffee market in Australia.

Half Year Commentary

For period ended 30 June 2008

20 August 2008

PACIFIC BEVERAGES – CCA ALCOHOLIC BEVERAGES JOINT VENTURE WITH SABMILLER

Pacific Beverages achieved very strong share gains with its international premium beer brands, delivering another half of more than 100% volume growth versus prior period. Peroni Nastro Azzurro and Miller Chill are now firmly positioned in the Top 10 premium beers in Australia⁴. The recently acquired Bluetongue and Bondi Blonde premium Australian beer brands also delivered strong volume growth.

The business continues to benefit from the strong partnership with SABMiller. As a consequence of SABMiller's acquisition of the Grolsch brand, Pacific Beverages has acquired the distribution rights in Australia and commenced distribution of Grolsch in May.

The success of the beer business has been achieved through superior outlet merchandising execution and the benefits of expanding the availability of its brands through CCA's large customer network. As a result, over the last 12 months, Pacific Beverages has doubled its share of the Australian premium packaged beer market to over 7% by value.

The Maxxium portfolio, led by the Jim Beam & Cola range, delivered positive growth for the first half, despite the impact of the unexpected 70% increase in the alcoholic ready-to-drink (ARTD) excise tax in April 2008. The tax increase resulted in average retail selling prices increasing by over 20%. While the market has experienced lower ARTD sales since the tax increase, the Maxxium business has benefitted from strong increases in full spirit sales as well as share gains in its Jim Beam and Canadian Club ARTD business. Sales of Brand Coca-Cola take home packs in the off-premise licensed accounts have also materially increased since the tax was notified.

Pacific Beverages continues to reinvest earnings into growing the brand equity of its premium brands and growing higher levels of availability. Pacific Beverages reported a small earnings decline for the first half. However, the business is expected to deliver a small profit for the full year.

⁴ Source: Nielsen ScanTrack Liquor (YTD ending 30 June 2008)

Directors' Report

Coca-Cola Amatil Limited

For the half year ended 30 June 2008

The Directors submit hereunder their Report on Coca-Cola Amatil Limited and its subsidiaries (Group) for the half year ended 30 June 2008.

Directors

The names of the Directors of Coca-Cola Amatil Limited (Company or CCA) in office during the half year and/or until the date of this Report are –

David Michael Gonski, AC
Catherine Brenner
Jillian Rosemary Broadbent, AO
Terry James Davis
Irial Finan

(Appointed 2 April 2008)

Geoffrey James Kelly
Wallace Macarthur King, AO
David Edward Meiklejohn
Melvyn Keith Ward, AO (Retired 20 August 2008)

Review of operations

The Group's net profit attributable to members of the Company for the half year was \$171.9 million, compared to \$140.9 million for the corresponding period in 2007, representing a 22.0% increase from last year.

The Group's net profit from continuing operations for the half year was \$171.9 million, compared to \$155.7 million for the corresponding period in 2007, representing a 10.4% increase from last year.

The Group's trading revenue from continuing operations for the half year was \$1,859.5 million compared to \$1,850.6 million for the corresponding period in 2007. The Group's earnings before interest and tax from continuing operations for the half year increased by 12.0% to \$308.9 million, compared to \$275.7 million for the corresponding period in 2007.

Operating cash flow increased by 29.4% to \$185.5 million, compared to \$143.3 million for the corresponding period in 2007.

CCA successfully completed its off-market share buy-back on 29 January 2008. Refer to Note 10 for further details.

Further details of the operations of the Group during the half year are set out in the attached financial report.

Auditor's independence declaration

We have obtained the following independence declaration from the Company's auditor, Ernst & Young –



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Auditor's Independence Declaration to the Directors of Coca-Cola Amatil Limited

In relation to our review of the financial report of Coca-Cola Amatil Limited for the half year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Trent van Veen
Partner
Sydney
20 August 2008

Liability limited by a scheme approved under
Professional Standards Legislation

Directors' Report

Coca-Cola Amatil Limited

For the half year ended 30 June 2008

Rounding off

The Company is of a kind referred to in the Australian Securities and Investments Commission Class Order No. 98/100 and in accordance with this Class Order, amounts in the financial statements and this Report have been rounded off to the nearest tenth of a million dollars.

Signed in accordance with a resolution of the Directors.

D.M. Gonski, AC

Chairman

Sydney

20 August 2008

T.J. Davis

Group Managing Director

Sydney

20 August 2008

Income Statement

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	Refer Note	30 June 2008 \$M	29 June 2007 \$M
Continuing operations			
Revenue, excluding finance income			
Trading revenue		1,859.5	1,850.6
Other revenue		74.7	23.8
	3	1,934.2	1,874.4
Expenses, excluding finance costs			
Cost of goods sold	4	(1,012.9)	(1,024.0)
Selling		(276.1)	(287.9)
Warehouse and distribution		(151.3)	(151.8)
Administration and other		(184.7)	(135.1)
		(1,625.0)	(1,598.8)
Share of net (loss)/profit of joint venture entity accounted for using the equity method	9b)	(0.3)	0.1
Earnings before interest and tax		308.9	275.7
Net finance costs			
Finance costs	4	(90.5)	(75.4)
Finance income	3	18.9	8.6
		(71.6)	(66.8)
Profit from continuing operations before income tax		237.3	208.9
Income tax expense	5	(65.4)	(53.2)
Profit from continuing operations after income tax		171.9	155.7
Discontinued operation			
Loss from discontinued operation after income tax	6b)	-	(14.8)
Profit after tax attributable to members of Coca-Cola Amatil Limited		171.9	140.9
		¢	¢
Earnings per share (EPS) for profit from continuing operations attributable to ordinary equity holders of the Company			
	7b)		
Basic EPS		23.3	20.7
Diluted EPS		23.3	20.6
Earnings per share (EPS) for profit attributable to ordinary equity holders of the Company			
	7b)		
Basic EPS		23.3	18.7
Diluted EPS		23.3	18.7
Dividends paid			
Prior year final dividend paid per ordinary share	11a)	20.0	18.0

Notes appearing on pages 20 to 35 to be read as part of the financial statements.

Balance Sheet

Coca-Cola Amatil Limited and its subsidiaries

As at 30 June 2008

	Refer Note	30 June 2008 \$M	31 December 2007 \$M	29 June 2007 \$M
Current assets				
Cash assets		218.3	379.7	184.9
Trade and other receivables		516.7	686.0	532.8
Inventories		726.5	646.0	733.2
Prepayments		35.2	44.4	49.7
Current tax assets		5.0	4.9	4.6
Derivatives	8a)	23.3	13.7	8.3
		1,525.0	1,774.7	1,513.5
Non-current assets held for sale		-	-	22.9
Total current assets		1,525.0	1,774.7	1,536.4
Non-current assets				
Trade and other receivables		3.4	3.5	15.2
Investment in joint venture entity	9	27.1	16.4	1.3
Investments in bottlers' agreements		906.4	928.8	1,443.6
Property, plant and equipment		1,287.6	1,302.6	1,440.2
Intangible assets		519.0	512.8	517.4
Prepayments		13.3	13.6	18.7
Deferred tax assets		0.5	1.8	4.6
Derivatives	8a)	80.3	83.9	56.6
Total non-current assets		2,837.6	2,863.4	3,497.6
Total assets		4,362.6	4,638.1	5,034.0
Current liabilities				
Trade and other payables		340.5	436.2	381.2
Interest bearing liabilities		263.5	171.4	170.0
Current tax liabilities		26.6	66.4	42.6
Provisions		73.7	85.9	74.1
Accrued charges		303.1	337.3	307.9
Derivatives	8a)	45.9	42.0	54.6
Total current liabilities		1,053.3	1,139.2	1,030.4
Non-current liabilities				
Interest bearing liabilities		1,649.2	1,695.2	1,978.5
Provisions		7.9	12.7	61.2
Deferred tax liabilities		154.7	153.3	281.3
Defined benefit superannuation plan liabilities		34.4	36.6	35.8
Derivatives	8a)	202.7	160.4	217.8
Total non-current liabilities		2,048.9	2,058.2	2,574.6
Total liabilities		3,102.2	3,197.4	3,605.0
Net assets		1,260.4	1,440.7	1,429.0
Equity				
Share capital	10	1,979.7	2,027.8	2,015.1
Shares held by equity compensation plans		(16.3)	(16.3)	(19.6)
Reserves		(19.9)	25.0	82.2
Accumulated losses		(683.1)	(595.8)	(648.7)
Total equity		1,260.4	1,440.7	1,429.0

Notes appearing on pages 20 to 35 to be read as part of the financial statements.

Cash Flow Statement

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	Refer Note	30 June 2008 \$M	29 June 2007 \$M
Inflows/(outflows)			
Cash flows from operating activities			
Receipts from customers		2,077.3	2,327.9
Payments to suppliers and employees		(1,716.2)	(2,044.8)
Dividends received		-	0.5
Interest received		17.4	9.0
Interest and other finance costs paid		(90.4)	(77.1)
Income taxes paid		(102.6)	(70.3)
Net cash flows from operating activities before significant items		185.5	145.2
Significant items ¹		-	(1.9)
Net cash flows from operating activities		185.5	143.3
Cash flows from investing activities			
Proceeds from disposal of –			
surplus South Korean properties		-	23.8
other property, plant and equipment		2.5	3.2
right to Maxxium incentive payments		-	18.8
Payments for additions of –			
property, plant and equipment	7e)	(105.5)	(103.2)
software development assets	7e)	(12.8)	(6.3)
Payments for acquisitions of entities and operations (net) –			
current period acquisitions	13	-	(8.0)
prior period acquisitions - deferred amounts		-	(0.6)
Investment in joint venture –			
ordinary		(0.8)	-
brewery facility		(10.2)	-
Net cash flows used in investing activities		(126.8)	(72.3)
Cash flows from financing activities			
Proceeds from issue of shares		1.9	6.3
Proceeds from borrowings		127.1	204.2
Borrowings repaid		(40.7)	(415.0)
Dividends paid		(138.6)	(127.5)
Payments for off-market share buy-back	10	(170.6)	-
Net cash flows used in financing activities		(220.9)	(332.0)
Net decrease in cash and cash equivalents		(162.2)	(261.0)
Cash and cash equivalents held at the beginning of the half year		379.3	436.1
Exchange rate adjustments to cash and cash equivalents held at the beginning of the half year		(2.8)	(2.9)
Cash and cash equivalents held at the end of the half year	12	214.3	172.2

¹ Relates to product rehabilitation costs and insurance claim proceeds in connection with the 2006 extortion threat against the discontinued South Korean business. Refer to Note 6 for further details.

Statement of Changes in Equity

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

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 2008		2,027.8	(16.3)	25.0	(595.8)	1,440.7
Transactions recognised directly in equity –						
Foreign exchange differences on translation of foreign operations		-	-	(39.5)	-	(39.5)
Movements –						
in unvested shares held by equity compensation plans		-	-	(0.1)	-	(0.1)
due to share based remuneration expenses		-	-	6.9	-	6.9
due to share based payments		-	-	(12.7)	-	(12.7)
in fair value of cash flow hedges		-	-	0.5	-	0.5
Total of transactions recognised directly in equity		-	-	(44.9)	-	(44.9)
Profit		-	-	-	171.9	171.9
Total changes in equity other than those arising from transactions with equity holders		-	-	(44.9)	171.9	127.0
Transactions with equity holders –						
Movement in ordinary shares –	10					
Off-market share buy-back		(58.1)	-	-	(112.5)	(170.6)
Dividend Reinvestment Plan		8.1	-	-	-	8.1
Executive Option Plan		1.9	-	-	-	1.9
Dividends appropriated	11a)	-	-	-	(146.7)	(146.7)
Total of transactions with equity holders		(48.1)	-	-	(259.2)	(307.3)
At 30 June 2008		1,979.7	(16.3)	(19.9)	(683.1)	1,260.4
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		-	-	(49.1)	-	(49.1)
Movements –						
in unvested shares held by equity compensation plans		-	(4.4)	0.8	-	(3.6)
due to share based remuneration expenses		-	-	5.5	-	5.5
due to share based payments		-	-	(3.3)	-	(3.3)
in fair value of cash flow hedges		-	-	(10.9)	-	(10.9)
Total of transactions recognised directly in equity		-	(4.4)	(57.0)	-	(61.4)
Profit		-	-	-	140.9	140.9
Total changes in equity other than those arising from transactions with equity holders		-	(4.4)	(57.0)	140.9	79.5
Transactions with equity holders –						
Movement in ordinary shares –	10					
Dividend Reinvestment Plan		7.7	-	-	-	7.7
Executive Option Plan		6.3	-	-	-	6.3
Dividends appropriated	11a)	-	-	-	(135.2)	(135.2)
Total of transactions with equity holders		14.0	-	-	(135.2)	(121.2)
At 29 June 2007		2,015.1	(19.6)	82.2	(648.7)	1,429.0

Notes appearing on pages 20 to 35 to be read as part of the financial statements.

Notes to the Half Year Financial Statements

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

1. Summary of Significant Accounting Policies

Basis of financial report preparation

This half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

This half year financial report does not include all notes of the type normally included within the annual financial report. As a result it should be read in conjunction with the 31 December 2007 annual financial report of CCA, together with any public announcements made by CCA during the half year ended 30 June 2008.

This half year 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.

This half year financial report is presented in Australian dollars.

a) Use of estimates

In conforming with generally accepted accounting principles, 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, the actual results may ultimately differ from these estimates.

b) 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 controlled entity 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 then 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 is recognised in the income statement and the share of movements in reserves is recognised in reserves in the balance sheet. Details relating to the joint venture are set out in Note 9.

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

c) Changes in accounting policies

The accounting policies adopted in the preparation of the half year report are consistent with those applied and disclosed in the 2007 annual financial report.

No Australian Accounting Standards issued but not yet effective have been early adopted.

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

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 the non-alcoholic and alcoholic businesses. 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), Quirks, Neverfail 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.

	30 June 2008 \$M	29 June 2007 \$M	30 June 2008 \$M	29 June 2007 \$M	30 June 2008 \$M	29 June 2007 \$M
					Total revenue before finance income	
	Trading revenue		Other revenue			
Beverage business						
Australia	1,147.2	1,133.0	50.6	11.2	1,197.8	1,144.2
New Zealand & Fiji	217.9	218.7	6.1	0.2	224.0	218.9
Indonesia & PNG	215.9	218.3	6.1	3.4	222.0	221.7
Total Beverage	1,581.0	1,570.0	62.8	14.8	1,643.8	1,584.8
Food & Services business						
Australia	278.5	280.6	11.9	9.0	290.4	289.6
Total Food & Services	278.5	280.6	11.9	9.0	290.4	289.6
Total continuing operations	1,859.5	1,850.6	74.7	23.8	1,934.2	1,874.4
Discontinued operation ¹	-	310.9	-	5.7	-	316.6
Total CCA Group	1,859.5	2,161.5	74.7	29.5	1,934.2	2,191.0
	Earnings before interest, tax and significant items		Significant items ²		Segment result – earnings before interest and tax	
Beverage business						
Australia	219.1	199.1	-	-	219.1	199.1
New Zealand & Fiji	38.2	34.4	-	-	38.2	34.4
Indonesia & PNG	10.4	3.4	-	-	10.4	3.4
	267.7	236.9	-	-	267.7	236.9
Share of net (loss)/profit of joint venture entity	(0.3)	0.1	-	-	(0.3)	0.1
Total Beverage	267.4	237.0	-	-	267.4	237.0
Food & Services business						
Australia	41.5	38.7	-	-	41.5	38.7
Total Food & Services	41.5	38.7	-	-	41.5	38.7
Total continuing operations	308.9	275.7	-	-	308.9	275.7
Discontinued operation ¹	-	8.8	-	(26.9)	-	(18.1)
Total CCA Group	308.9	284.5	-	(26.9)	308.9	257.6

Refer to the following page for footnote details.

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

2. Financial Reporting by Business and Geographic Segments continued

	30 June 2008 \$M	29 June 2007 \$M	30 June 2008 \$M	29 June 2007 \$M	30 June 2008 \$M	29 June 2007 \$M
	Assets		Liabilities		Net assets	
Beverage business						
Australia	1,687.4	1,535.2	582.7	561.1	1,104.7	974.1
New Zealand & Fiji	449.0	477.6	63.5	71.0	385.5	406.6
Indonesia & PNG	335.6	350.4	97.9	110.8	237.7	239.6
	2,472.0	2,363.2	744.1	742.9	1,727.9	1,620.3
Investment in joint venture entity	27.1	1.3	–	–	27.1	1.3
	2,499.1	2,364.5	744.1	742.9	1,755.0	1,621.6
Food & Services business						
Australia	1,636.1	1,587.1	98.4	103.4	1,537.7	1,483.7
Total Food & Services	1,636.1	1,587.1	98.4	103.4	1,537.7	1,483.7
Total continuing operations	4,135.2	3,951.6	842.5	846.3	3,292.7	3,105.3
Discontinued operation ¹	–	883.7	–	132.6	–	751.1
Assets and liabilities excluded from above ³	227.4	198.7	2,259.7	2,626.1	(2,032.3)	(2,427.4)
Total CCA Group	4,362.6	5,034.0	3,102.2	3,605.0	1,260.4	1,429.0

	Depreciation and amortisation expense	Other non-cash expenses	Additions and acquisitions of non-current assets ⁴
Beverage business			
Australia	19.9	20.0	77.3
New Zealand & Fiji	8.0	8.7	4.6
Indonesia & PNG	13.6	16.1	15.3
Total Beverage	41.5	44.8	97.2
Food & Services business			
Australia	30.5	30.9	19.9
Total Food & Services	30.5	30.9	19.9
Total continuing operations	72.0	75.7	117.1
Discontinued operation ¹	–	18.0	–
Total CCA Group	72.0	93.7	117.1

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 –

	2008 \$M	2007 \$M
Product rehabilitation costs relating to the 2006 extortion threat in South Korea	–	5.5
Insurance claim proceeds relating to the 2006 extortion threat in South Korea	–	(3.6)
	–	1.9
Impairment of the investment in bottlers' agreement in South Korea	–	25.0
	–	26.9

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 activities.

⁴ For this disclosure, non-current assets comprise investment in joint venture entity, investments in bottlers' agreements, property, plant and equipment and intangible assets.

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	30 June 2008 \$M	29 June 2007 \$M
3. Revenue		
Trading revenue from continuing operations		
Sales of –		
beverage products	1,624.9	1,613.1
food products	210.5	209.0
equipment	8.1	11.9
Total sales	1,843.5	1,834.0
Rental of equipment	16.0	16.6
Total trading revenue	1,859.5	1,850.6
Other revenue from continuing operations	74.7	23.8
Total revenue, excluding finance income	1,934.2	1,874.4
Finance income from continuing operations – interest from non-related parties	18.9	8.6
Total revenue from continuing operations	1,953.1	1,883.0
4. Expenses		
Profit from continuing operations before income tax expense includes the following specific expenses –		
Cost of goods sold for –		
beverage products	841.7	850.6
food products	161.9	159.6
equipment	5.7	10.1
rental of equipment – directly attributable expenses	3.6	3.7
Total cost of goods sold	1,012.9	1,024.0
Interest costs from non-related parties	88.3	78.9
Other finance costs/(gains)	5.0	(1.1)
Total finance costs	93.3	77.8
Amount capitalised	(2.8)	(2.4)
Total finance costs expensed	90.5	75.4

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	30 June 2008 \$M	29 June 2007 \$M
4. Expenses <small>continued</small>		
Profit from continuing operations before income tax expense includes the following specific expenses –		
Depreciation expense	69.5	72.7
Amortisation expense	2.5	3.0
Bad and doubtful debts expense – trade receivables	–	2.4
Write back of allowance for doubtful receivables	(0.3)	–
Rentals – operating leases	39.4	37.9
Defined benefit superannuation plan expenses	7.4	6.0
Defined contribution superannuation plan expenses	21.5	20.4
Employees Share Plan expenses	3.0	2.8
Equity compensation plan expenses	8.5	5.3
Employee benefits expenses	18.0	37.4
Termination benefits expenses	6.9	2.9
Net foreign exchange loss/(gains)	1.4	(1.0)
Write down of inventories to net realisable value	7.8	7.6
(Profit)/loss from disposal of –		
other property, plant and equipment	(0.3)	12.4
right to Maxxium incentive payments	–	(18.8)
software development assets	–	0.6
Impairment of –		
property, plant and equipment	2.5	4.5
intangible assets	2.1	–

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	Refer Note	30 June 2008 \$M	29 June 2007 \$M
5. Income Tax Expense			
a) Income tax expense/(benefit)			
Current tax expense		70.2	72.6
Deferred tax benefit		(4.7)	(28.1)
Adjustments to current tax of prior periods		(0.1)	1.8
		65.4	46.3
Income tax expense/(benefit) is attributable to –			
Continuing operations		65.4	53.2
Discontinued operation	6b)	–	(6.9)
		65.4	46.3
b) Reconciliation of income tax expense to prima facie tax payable			
Profit from continuing operations before income tax		237.3	208.9
Loss from discontinued operation before income tax	6b)	–	(21.7)
		237.3	187.2
Prima facie income tax expense on profit at the Australian rate of 30%		71.2	56.2
Tax effect of permanent differences –			
Non-allowable expenses		1.7	1.4
Tax offset for franked dividends		–	(0.2)
Other items		(0.5)	0.9
Impairment of intangible assets		0.6	–
Overseas tax rates differential		(0.2)	2.4
Overseas withholding tax		(2.8)	(16.7)
Share of net loss of joint venture entity		0.1	–
Deductible temporary differences from –			
movement in derecognised amounts		–	(2.0)
(recognition)/derecognition of deferred tax assets		(4.6)	2.5
Adjustments to current tax of prior periods		(0.1)	1.8
Income tax expense		65.4	46.3

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

6. Discontinued Operation

a) Details of the disposed business

The disposal of CCA's South Korean business was completed on 24 October 2007, on which date control of the business was passed to LG Household & Health Care Ltd (LGH&H). The South Korean business was classified as a "Discontinued Operation" subsequent to the half year ended 29 June 2007, arising from signing of the sale and purchase agreement with LGH&H on 20 August 2007. The financial information of the South Korean business has been presented under the heading of "Discontinued Operation" within the comparatives included in this financial report.

b) Financial performance of the disposed business

The results of the discontinued operation are presented as follows –

	Refer Note	30 June 2008 \$M	29 June 2007 \$M
Revenue, excluding finance income		–	316.6
Expenses, excluding finance costs		–	334.7
Earnings before interest and tax			
Before significant items		–	8.8
Significant items ¹		–	(26.9)
	2	–	(18.1)
Net finance costs			
Finance cost		–	(4.0)
Finance income		–	0.4
		–	(3.6)
Loss from discontinued operation before income tax	5b)	–	(21.7)
Income tax benefit			
Significant items ¹	5a)	–	6.9
Profit/(loss) from discontinued operation after income tax			
Before significant items		–	5.2
Significant items ¹		–	(20.0)
		–	(14.8)

¹ Significant items include the following –

	Pre tax \$M	Income tax benefit \$M	Net of tax \$M
Product rehabilitation costs relating to the 2006 extortion threat in South Korea	5.5	–	5.5
Insurance claim proceeds relating to the 2006 extortion threat in South Korea	(3.6)	–	(3.6)
	1.9	–	1.9
Impairment of the investment in bottlers' agreement in South Korea	25.0	(6.9)	18.1
	26.9	(6.9)	20.0

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

6. Discontinued Operation continued

	Refer Note	30 June 2008 \$M	29 June 2007 \$M
c) Cash flow information of the disposed business			
Net cash flows from operating activities before significant items		–	17.2
Significant items	6b)	–	(1.9)
Net cash flows from operating activities		–	15.3
Net cash flows from investing activities		–	17.2
Net cash flows used in financing activities		–	(44.8)
Net decrease in cash and cash equivalents		–	(12.3)
Cash and cash equivalents held at the beginning of the financial year		–	25.5
Exchange rate adjustments to cash and cash equivalents held at the beginning of the financial year		–	(1.7)
Total cash and cash equivalents attributable to the discontinued operation		–	11.5
d) Assets and liabilities of the disposed business			
The carrying amounts of assets and liabilities of the disposed business as at 29 June 2007 were –			
Assets			
Cash assets		–	11.5
Trade and other receivables		–	87.6
Inventories		–	33.2
Prepayments		–	7.0
Non-current assets held for sale		–	22.9
Investments in bottlers' agreements		–	507.5
Property, plant and equipment		–	226.4
Intangible assets		–	0.4
Total assets		–	896.5
Liabilities			
Trade and other payables		–	66.6
Interest bearing liabilities		–	120.9
Provisions		–	46.6
Accrued charges		–	19.6
Deferred tax liabilities		–	139.5
Total liabilities		–	393.2
Net assets		–	503.3
		¢	¢
e) Contribution to earnings per share (EPS) by the discontinued operation			
Basic EPS		–	(2.0)
Diluted EPS		–	(1.9)

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	30 June 2008 \$	29 June 2007 \$
7. Other Performance Measures		
a) Net tangible asset backing		
Net tangible asset backing per ordinary share – excluding Investments in bottlers' agreements (IBAs)	(0.22)	(0.71)
Net tangible asset backing per ordinary share – including IBAs	1.01	1.21
b) Earnings per share (EPS)		
	¢	¢
EPS for profit from continuing operations attributable to ordinary equity holders of the Company		
Basic EPS	23.3	20.7
Diluted EPS	23.3	20.6
EPS for profit attributable to ordinary equity holders of the Company		
Basic EPS	23.3	18.7
Diluted EPS	23.3	18.7
The weighted average number of ordinary shares used as the denominator in the calculation of EPS was –		
	M	M
Basic EPS	737.7	752.0
Diluted EPS	739.1	754.2
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, less cash flows arising from purchases of property, plant and equipment and intangible assets.		
	\$M	\$M
FCF (continuing operations)	69.7	47.1
FCF	69.7	79.6
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)	22.6	20.6
ROCE	21.4	17.2

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

7. Other Performance Measures continued

	30 June 2008 %	29 June 2007 %
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.		
Capex to trading revenue (continuing operations)	6.4	5.5
Capex to trading revenue	6.4	5.1
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 –		
	\$M	\$M
Payments for additions of –		
property, plant and equipment	105.5	103.2
software development assets	12.8	6.3
Capex	118.3	109.5
Capex is attributable to –		
Continuing operations	118.3	102.4
Discontinued operation	–	7.1
	118.3	109.5
Trading revenue is attributable to –		
Continuing operations	1,859.5	1,850.6
Discontinued operation	–	310.9
	1,859.5	2,161.5

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	30 June 2008 \$M	31 December 2007 \$M	29 June 2007 \$M
8. Derivatives and Net Debt Reconciliation			
a) Derivatives as per the balance sheet			
Derivative assets – current			
Non-debt related	(23.3)	(13.7)	(8.3)
Derivative assets – non-current			
Non-debt related	(80.3)	(83.9)	(56.6)
Derivative liabilities – current			
Debt related	11.8	11.1	23.0
Non-debt related	34.1	30.9	31.6
	45.9	42.0	54.6
Derivative liabilities – non-current			
Debt related	147.6	109.3	122.6
Non-debt related	55.1	51.1	95.2
	202.7	160.4	217.8
Total net derivative liabilities	145.0	104.8	207.5
Net derivative liabilities/(assets) comprises –			
Debt related	159.4	120.4	145.6
Non-debt related	(14.4)	(15.6)	61.9
Total net derivative liabilities	145.0	104.8	207.5
b) Net debt reconciliation			
Cash assets	(218.3)	(379.7)	(184.9)
Trade and other receivables – non-current	–	–	(2.9)
Net derivative liabilities – debt related	159.4	120.4	145.6
Interest bearing liabilities – current	263.5	171.4	170.0
Interest bearing liabilities – non-current	1,649.2	1,695.2	1,978.5
Total net debt	1,853.8	1,607.3	2,106.3

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	30 June 2008 \$M	31 December 2007 \$M	29 June 2007 \$M
9. Investment in Joint Venture Entity			
Investment in joint venture entity	27.1	16.4	1.3
<p>The Company has a 50% interest in Pacific Beverages Pty Ltd and its subsidiaries (Pacific Beverages). Its principal activity is the manufacturing, importation and distribution of alcoholic beverages.</p> <p>Pacific Beverages acquired Bluetongue Brewery Pty Ltd in December 2007 which brews and distributes Australian premium beers.</p> <p>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.</p>			
Carrying amount of investment in Pacific Beverages	27.1	16.4	1.3
a) Share of Pacific Beverages assets and liabilities			
Current assets			
Cash and cash equivalents	7.1	2.4	0.8
Trade and other receivables	20.3	11.6	2.6
Other current assets	7.4	4.4	1.4
Total current assets	34.8	18.4	4.8
Non-current assets			
Property, plant and equipment	7.2	4.4	–
Intangible assets	7.9	7.3	–
Deferred tax assets	0.1	0.1	–
Total non-current assets	15.2	11.8	–
Total assets	50.0	30.2	4.8
Current liabilities			
Trade and other payables	19.2	8.0	1.5
Interest bearing liabilities	0.2	0.8	1.6
Other current liabilities	2.6	4.1	0.4
Total current liabilities	22.0	12.9	3.5
Non-current liabilities			
Interest bearing liabilities	0.9	0.9	–
Total liabilities	22.9	13.8	3.5
Net assets	27.1	16.4	1.3

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	30 June 2008 \$M	31 December 2007 \$M	29 June 2007 \$M
9. Investment in Joint Venture Entity <small>continued</small>			
b) Share of Pacific Beverages revenue, expenses and results			
Revenue, excluding finance income			
Trading revenue	15.6	18.1	5.5
Other revenue	0.9	1.4	-
	16.5	19.5	5.5
Expenses, excluding finance costs			
Cost of sales	(11.2)	(13.2)	(3.8)
Other expenses	(6.0)	(5.2)	(1.5)
	(17.2)	(18.4)	(5.3)
Earnings before interest and tax	(0.7)	1.1	0.2
Net finance income	0.2	0.1	-
(Loss)/profit before income tax	(0.5)	1.2	0.2
Income tax benefit/(expense)	0.2	(0.4)	(0.1)
(Loss)/profit after income tax	(0.3)	0.8	0.1
c) Share of Pacific Beverages commitments			
Operating lease commitments	0.1	-	-
Capital commitments	2.5	-	-

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	Refer Note	30 June 2008 \$M	31 December 2007 \$M	29 June 2007 \$M
10. Share Capital				
Ordinary shares				
Balance at the beginning of the period		2,027.8	2,001.1	2,001.1
Off-market share buy-back		(58.1)	-	-
Shares issued in respect of –				
Dividend Reinvestment Plan	12	8.1	14.3	7.7
Executive Option Plan		1.9	12.4	6.3
Total movement		(48.1)	26.7	14.0
Balance at the end of the period		1,979.7	2,027.8	2,015.1
		No.	No.	No.
Ordinary shares				
Balance at the beginning of the period		754,962,468	750,887,525	750,887,525
Off-market share buy-back		(21,683,347)	-	-
Shares issued in respect of –				
Dividend Reinvestment Plan		853,229	1,676,418	941,199
Executive Option Plan		387,350	2,398,525	1,169,050
Total movement		(20,442,768)	4,074,943	2,110,249
Balance at the end of the period		734,519,700	754,962,468	752,997,774

Off-market share buy-back

CCA successfully completed its off-market share buy-back on 29 January 2008. A total of 21,683,347 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. The buy-back amount comprised a capital component of \$2.67 per share (recognised in share capital) and a fully franked dividend component of \$5.17 per share (recognised in accumulated losses). The total payments for the off-market share buy-back was \$170.6 million (including transaction costs) with \$58.1 million recognised in share capital and \$112.5 million recognised in accumulated losses.

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 time of issue. Market price is the average price of a specified ten-day period prior to issue. Participation in the Plan is capped at 100,000 shares per shareholder.

The last date of Election Notices under this Plan is 29 August 2008.

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

	30 June 2008		29 June 2007	
	¢	\$M	¢	\$M
11. Dividends Appropriated and Proposed				
a) Dividends appropriated during the half year				
Final dividend in respect of prior financial year (franked to 100%)	20.0	146.7	18.0	135.2

b) Dividends declared and not recognised as a liability

Subsequent to the end of the half year the Directors have declared the following dividend –

Class of share	Rate per share ¢	Fully franked per share ¢	Amount \$M	Date payable
Ordinary	17.0	17.0	125.0	7 October 2008

	Refer Note	30 June 2008 \$M	29 June 2007 \$M
12. Cash Flow Statement			
a) Reconciliation to cash and cash equivalents held at the end of the half year			
Cash assets		130.6	149.7
Bills of exchange		50.0	–
Short term deposits		37.7	35.2
Bank overdrafts		(4.0)	(12.7)
Cash and cash equivalents held at the end of the half year		214.3	172.2
b) Non-cash investing and financing activities			
Dividends satisfied by the issue of shares under the Dividend Reinvestment Plan	10	8.1	7.7
Other payables in relation to acquisitions (amounts to be paid post balance date)		–	2.7

Notes to the Half Year Financial Statements continued

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2008

13. Business Combinations

There were no material acquisitions or disposals of entities or businesses during the half year. During the comparative half year, the Group made the following acquisition –

Business	Acquisition date	Purchase consideration			Fair value of identifiable assets acquired	Goodwill
		Cash, net of costs	Deferred amounts	Total purchase consideration		
		\$M	\$M	\$M	\$M	\$M
Coffee business and its related assets	30 March 2007	8.0	2.7	10.7	2.4	8.3
				30 June 2008	31 December 2007	
				\$M	\$M	

14. Contingent Liabilities

Contingent liabilities existed at the end of the half year in respect of –

Termination payments under service agreements	6.7	6.6
Guarantees	1.6	1.6
	8.3	8.2

15. Subsequent Events

No matters or circumstances have arisen since the end of the half year that have significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the Coca-Cola Amatil Limited Group in subsequent financial periods, with the exception of the following –

SPCA rationalisation of manufacturing facilities

On 4 August 2008, CCA announced the results of a comprehensive review of its SPCA operations in the Goulburn Valley, where the fruit production from Mooropna will be consolidated into the Shepparton facility. SPCA will incur \$24.5 million before tax in the second half of 2008, in relation to write downs of redundant plant and equipment and employee redundancies. These expenses will be disclosed as a significant item in the Group's 2008 full year financial report.

Directors' Declaration

Coca-Cola Amatil Limited and its subsidiaries

The Directors declare that the consolidated financial statements and notes, set out on pages 16 to 35 –

- a) are in accordance with the Corporations Act 2001; and
- b) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- c) give a true and fair view of the consolidated entity's financial position as at 30 June 2008 and of its performance for the half year ended 30 June 2008; and
- d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have received and considered the certification from the Group Managing Director and Chief Financial Officers supporting the financial statements and statutory report for the half year ended 30 June 2008.

This declaration is made in accordance with a resolution of the Directors pursuant to section 303(5) of the Corporations Act 2001, dated 20 August 2008.

On behalf of the Directors

D.M. Gonski, AC
Chairman
Sydney
20 August 2008

T.J. Davis
Group Managing Director
Sydney
20 August 2008

Independent Review Report

To the members of Coca-Cola Amatil Limited

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Coca-Cola Amatil Limited (the company) and the entities it controlled during the half year, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the half year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Coca-Cola Amatil Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Coca-Cola Amatil Limited is not in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and of its performance for the half year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Trent van Veen
Partner
Sydney
20 August 2008