

AUSTRALIAN TAX TRANSPARENCY DISCLOSURES – 31 DECEMBER 2015 FINANCIAL YEAR

Coca-Cola Amatil Limited (“Amatil”) is committed to achieving the highest standards in the areas of corporate governance and business conduct. Amatil manages its tax responsibilities in the jurisdictions in which it operates in line with this commitment. Amatil takes pride in seeking to ensure that it is regarded as a good corporate citizen in relation to tax matters and, in this regard, the Australian Taxation Office (“ATO”) acknowledges that Amatil maintains a cooperative and open relationship with it. Amatil published its first report under the Board of Taxation’s voluntary tax transparency code in respect of its December 2016 financial year in April 2017.

In December 2017, the ATO published the following information extracted from Amatil’s Australian consolidated group’s income tax return for the year ended 31 December 2015.¹ This tax return was lodged with the ATO in July 2016.

	31 Dec 2015	31 Dec 2014
Total Income	3,656,533,817	3,682,016,170
Taxable/Net Income	384,908,640	375,396,012
Tax Payable	110,901,571	104,609,471

PUTTING THE NUMBERS IN CONTEXT

1. The “Total Income” disclosure published by the ATO represents Amatil’s gross Australian revenue reported in Amatil’s tax return. It includes the Australian trading revenue disclosed in the 2015 Annual Report for the Australian Non-Alcohol Beverages, the Alcohol & Coffee Beverages and Corporate, Food & Services businesses, and other income adjustments required for tax purposes.
2. The “Taxable Income” disclosure represents Total Income less all expenses allowed to be deducted from Total Income for tax purposes in the December 2015 year. These expenses include cost of goods sold, non-production related labour, depreciation, interest and other deductible expenses. These expense amounts are not disclosed by the ATO as part of the transparency measures.
3. In 2015, “Tax Payable” as a percentage of Taxable Income was 28.8% (2014:27.9%). Amatil invests a significant amount in Research and Development (R&D) each year and the impact of the R&D tax offset is the primary reason that the tax payable on taxable income is reduced to a level below the 30% Australian corporate tax rate.
4. The effective tax rate (“ETR”)² for Amatil’s Australian consolidated tax group was 24.4% in 2015³. The primary driver of the reduction in the ETR from the 30% corporate tax rate was the receipt of tax-exempt dividends from Amatil’s offshore subsidiaries. The underlying profits from which these dividends are paid have been subject to tax in the country of origin and are not subject to any further tax in Australia when repatriated.

Further guidance in relation to the transparency measures can be found [here](#).

¹ The December 2014 numbers disclosed by the ATO have also been included as a comparative.

² ETR is accounting income tax expense expressed as a percentage of profit before tax (ETR ignores temporary differences between accounting and tax recognition of the item).

³ Page 109 - 2015 Annual Report.