2018 TAX TRANSPARENCY REPORT

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CHIEF FINANCIAL OFFICER'S INTRODUCTION

On behalf of the Board, I am very pleased to present the 2018 Tax Transparency Report for Coca-Cola Amatil ("Amatil").

Amatil supports the initiatives by large corporations to provide additional tax transparency to stakeholders and the community. The focus on transparency is an important cornerstone of our values – we are straightforward and open; we take the initiative and own the outcome; we focus on today and tomorrow.

Our approach to tax management and strategy is to ensure robust tax governance across the group, alignment with Amatil's overall business objectives, and transparency and compliance with local tax authorities.

In all our activities, we remain committed to achieving the highest standards in the areas of corporate governance and business conduct. Our tax responsibilities are managed in line with this commitment, and we take pride in being regarded as a good corporate citizen in this field. The Australian Taxation Office (the "ATO") has acknowledged that Amatil maintains a cooperative and open relationship with them.

This Report provides an overview of Amatil's tax strategy, governance and tax contributions made to Australian State and Commonwealth governments. The information provided in this Report is released on a voluntary basis in accordance with the recommendations and guidelines contained in the Board of Taxation's Voluntary Tax Transparency Code (the "Code"). It should be read in conjunction with Coca-Cola Amatil's 2018 Annual Report and 2018 Sustainability Report which can be found on our website at www.ccamatil.com.

I commend this Report to you as a useful guide to Amatil's approach on tax strategy, governance and contributions in Australia, and as a reflection of Amatil's values of transparency and openness on matters affecting the communities in which we live and work.

Martyn Roberts
Group Chief Financial Officer

2018 Highlights

2018 was a transition year for the Group. While our performance in many areas of the Shareholder Value Proposition was strong, challenges remained in the Australian and Indonesian businesses.

There are encouraging signs in the Australian Beverages sector with improving volume trajectory and volume share gains as many of our initiatives gain traction. The EBIT declined delivered in 2018 reflected the planned investment in our Australian Accelerated Australian Growth Plan and the implementation of container deposit schemes.

The Alcohol and Coffee business delivered a strong result with double-digit EBIT growth, whilst continuing to invest in growth initiatives.

The New Zealand & Fiji businesses delivered another excellent result. The segment achieved revenue, EBIT and volume growth.

The Indonesian and PNG segment delivered modest revenue and volume growth. We continued to progress our business transformation in Indonesia, however this was not sufficient to entirely offset soft market conditions, higher commodity prices and a weaker currency resulting in an EBIT decline for the year. Despite these factors, we improved our value share in the sparkling category and achieved volume growth in the last three quarters of 2018. The PNG business achieved revenue growth for the year on flat volumes, while EBIT came in below expectations, as the business cycled the pre-election stimulus in FY17 and responded to operational challenges for most of the year. These issues were largely resolved by year-end.

AMATIL OVERVIEW

Amatil is one of the largest bottlers and distributors of non-alcoholic and alcoholic ready-to-drink beverages in the Asia-Pacific, and one of the world's largest bottlers of The Coca-Cola Company's range of products. As both brand partner and brand owner, we operate across six countries – Australia, New Zealand, Indonesia, Papua New Guinea, Fiji and Samoa – to manufacture, distribute and sell an unrivalled range of beverages, coffee and ready-to-eat food snacks.

At Amatil, we are committed to acting with integrity in everything we do. We share a common set of values across all our businesses and maintain a reputation for high ethical standards in corporate governance and business conduct.

We directly employ around 12,000 people and support thousands more jobs in supply, distribution and retail in the countries where we operate.

The principal segments of Amatil and its subsidiaries ("the Group") are:

- Non-Alcoholic Beverages
- Alcohol & Coffee
- Corporate & Services[1]

The Non-Alcoholic Beverages segment operates in Australia, New Zealand, Indonesia, Papua New Guinea, Fiji and Samoa. In these markets, Amatil manufactures, distributes and sells non-alcoholic ready to drink ("NARTD") beverages, principally including the trademarked products of The Coca-Cola Company ("TCCC").

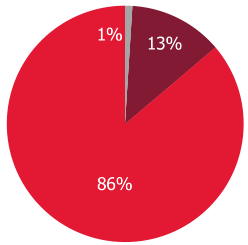
[1] Renamed Corporate & Services following change to segment reporting. SPC has been classified as a discontinued operation in the FY18 results, and not included in the segment performance.

Amatil owns substantial manufacturing and warehousing assets in each of these markets and sells to thousands of outlets through best-in-class distribution networks. Each business develops autonomous business strategies and in-market execution models to remain at the forefront of consumer preferences.

With access to more than 270 million potential consumers through more than 880,000 customers, our product range includes non-alcoholic sparkling beverages, spring water, sports and energy drinks, fruit juices, iced tea, flavoured milk, coffee, tea, beer, cider and spirits.

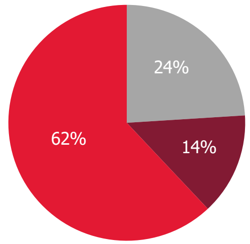
Amatil's Australian-based operations comprise Australian Non-Alcoholic Beverages, Australian Alcohol Beverages, and Corporate and Services. Amatil's Australian Non-Alcoholic Beverages business contributed 60 per cent of the Group's earnings before interest, tax and non-trading items in 2018, and 61 per cent in 2017.

Amatil Group based on 2018 total segment revenue (continuing operations)



- Corporate & Services – $50.3m
- Alcohol & Coffee Beverages – $609.8m
- Non-Alcohol Beverages – $4,092.2m

2018 total segment revenue Non-Alcohol Beverages



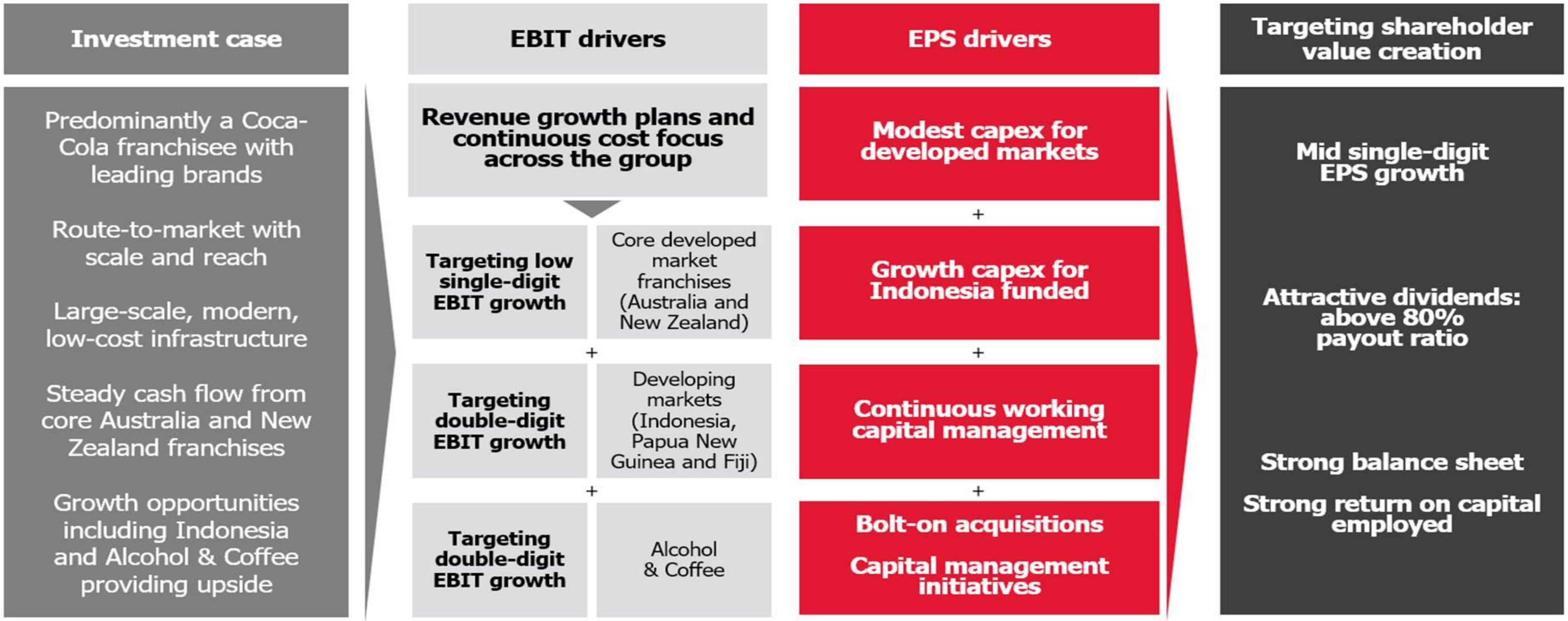
- Indonesia & PNG – $981.7m
- New Zealand & Fiji – $592.4m
- Australia – $2,518.1m

AMATIL OVERVIEW

(continued)

AMATIL's SHAREHOLDER VALUE PROPOSITION

At Amatil, we aim to build sustainable long-term business value while maximising shareholder value. Our shareholder value proposition guides our approach to the management of our diverse markets and portfolio; and targets the contribution each part of our business makes to the overall Group outcome. It is based on our competitive advantages, defining a compelling investment case and the components that will create shareholder value. Our performance against the Shareholder Value Proposition is outlined at page 24 of the 2018 Annual Report.



PART A DISCLOSURES

The "Part A" disclosures required of Amatil by the Code are:

- Amatil's Australian and Global effective tax rates;
- a reconciliation of the accounting profit to income tax expense;
- a reconciliation from income tax expense to current year income tax payable.

Amatil publishes its Group tax disclosures in Note 10 of the 2018 Financial Report found in the 2018 Annual Report.

AMATIL'S AUSTRALIAN AND GLOBAL EFFECTIVE TAX RATE

Amatil Effective Tax Rates	2018 %	2017 %
Australian Operations	28.9	19.3
Global Operations	26.3	24.4

Effective tax rate is calculated as income tax expense divided by profit before tax.

Income tax expense is different to income tax payable, as income tax expense (an accounting concept) reflects amounts of accounting income which are assessable for tax / amounts of accounting expenditure which are deductible for tax, irrespective of when that assessment or deduction arises.

Income tax payable reflects amounts which are assessable or deductible in the current year, which does not always align with the timing for these amounts being recognised in the income statement. This difference is illustrated further below in the reconciliation of income tax expense to income tax payable.

PART A DISCLOSURES

(continued)

AMATIL'S AUSTRALIAN GROUP EFFECTIVE TAX RATE, INCOME TAX EXPENSE AND INCOME TAX PAYABLE

Outlined below is:

- a reconciliation of the Australian group accounting profit to income tax expense and effective tax rate;
- a reconciliation of the Australian group income tax expense to income tax payable.

Reconciliation of Australian group accounting profit to income tax expense		
	2018	**2017**
Income Tax Expense ($m)	51.3	87.1
Profit before income tax ($m)	177.7	451.3
Effective tax rate (%)	28.9	19.3
Effective tax rate is reconciled as:	**%**	**%**
Australian tax rate	**30.0**	**30.0**
Adjustments to current tax of prior periods	(0.2)	(0.2)
Impairment of SPC property, plant and equipment	2.4	-
Non-allowable expenses	0.2	(0.2)
Non-assessable dividend from subsidiary	-	(4.8)
Derecognition of SPC deferred tax assets	3.6	-
Recognition of previously unrecognised tax losses (relating to gains on property sales)	(7.1)	(5.5)
Effective Tax Rate (%)	**28.9**	**19.3**

Reconciliation of Australian group income tax expense to income tax payable		
	2018 $m	**2017 $m**
Income tax expense	**51.3**	**87.1**
Movements in temporary differences	25.1	17.5
Adjustments to current tax of prior periods	(4.7)	0.5
Income Tax Payable – current year	**71.7**	**105.1**

PART A COMMENTARY

In the 2018 Financial Report, Note 22 to the financial statements presents Amatil's Australian group balance sheet and income statement. Profit before tax for the Australian group decreased during 2018 from $451.3 million to $177.7 million. This decrease was due to impairment of the SPC business balance sheet ($146.9m), reduced dividends from Amatil's overseas subsidiaries and reduced underlying earnings of the Australian beverages business. Non-trading items represented by gains from property sales and expenses related to ongoing restructuring activities of the Australian business had an insignificant net impact on profit before tax for the Australian group. Refer to note 3(b) of the 2018 Financial Report for further details and the definition of non-trading items.

The 2018 effective tax rate for the Australian operations was 28.9 per cent, principally reflecting a benefit from recognition of previously unrecognised capital losses to offset capital gains arising from property sales.

In addition, the temporary differences of $134 million arising from impairments of the SPC business was the major contributor to the difference between income tax expense ($51.3 million) and income tax payable ($71.8 million) for the 2018 year.

The 2017 effective tax rate was 19.3 per cent for the Australian operations. This outcome also reflected the recognition of previously unrecognised capital losses to offset a capital gain arising from the Richlands property sale and a dividend from an offshore subsidiary which is exempt from Australian tax. (The underlying profits from which this dividend has been paid have been subject to corporate income tax in New Zealand at the rate of 28%).

The proportion of Amatil's earnings from overseas is forecast to grow versus Australian taxable profits. Accordingly, it is anticipated that the proportion of our dividends that can be franked will be lower than previous years, however this will be dependent on the actual results achieved by the Group across its various jurisdictions.

PART B DISCLOSURES

Part B of the Code prescribes minimum disclosure standards in relation to Amatil's:

- tax policy, strategy and governance;
- total tax contributions;
- international related party dealings.

TAX POLICY, STRATEGY AND GOVERNANCE

Amatil is committed to achieving the highest standards in the areas of corporate governance and business conduct and Amatil's tax responsibilities are managed in line with this commitment. The ATO has acknowledged that Amatil maintains a cooperative and open relationship with them.

Amatil's tax operating environment and framework is guided by a Board approved "Group Tax Risk Management" policy. A fundamental guiding principle is the execution of transactions is to be driven by the desired commercial outcomes not by the potential tax benefits/outcomes. Amatil's operating business does not carry a high level of natural tax risk and its capital investment is not generally mobile or fluid.

The responsibilities imposed under the policy are carried out by experienced tax professionals in the Group tax function along with the tax functions located in each of Amatil's major businesses. Amatil also draws on external tax expertise using tax advisors in each of the jurisdictions it operates in.

Amatil has implemented appropriate internal controls at a Board and managerial level in relation to the identification and management of tax risk, and a framework for escalation of tax matters from business units to the Amatil Board as necessary.

Amatil has an Audit and Finance Committee ("AFC"), the purpose of which is to oversee financial risk management and internal controls across Amatil, including tax. There is regular reporting on tax matters to the AFC.

Engagement with revenue authorities

Amatil is subject to regular tax audits across its jurisdictions and interacts with tax authorities on a range of issues as part of the ongoing activities of tax authorities.

Amatil seeks proactive and constructive engagement with the ATO and other revenue offices with which it interacts. In this regard, the ATO has recognised Amatil's willingness to maintain a cooperative and transparent relationship with it.

The ATO rates Amatil as a Top 100 public and multinational taxpayer in Australia and has been categorised as a key taxpayer under its risk-categorisation framework.

As such, Amatil is engaged in ongoing dialogue with the ATO regarding its various review processes, particularly in relation to income tax. The completed reviews to date have predominantly found Amatil to be "low-risk" in respect of the matters examined, with no material adjustments made to Amatil's tax payments in Australia. In addition, Amatil's internal auditors conduct periodic reviews of Amatil's controls, processes and systems for both GST and Fringe Benefits Tax.

TOTAL TAX CONTRIBUTIONS

Taxes borne by Amatil

In 2018 Amatil paid $303.8m in Commonwealth and State taxes in Australia:

Amatil Taxes Borne Summary[2]	2018	2017
	($m)	($m)
Corporate Income Tax [3]	104.5	114.6
Excise	166.2	157.2
Fringe Benefits Tax	4.5	7.0
Payroll Tax	26.5	27.0
Property Tax	2.1	2.7
Total	**303.8**	**308.5**

Taxes Collected by Amatil

In 2018 Amatil collected net GST amounts, PAYG withholding taxes on salaries, and Wine Equalisation Tax ("WET") in Australia, as follows:

Amatil Taxes Collected Summary	2018	2017
	($m)	($m)
Net GST	140.2	133.3
Wine Equalisation Tax	1.5	1.2
Employee Withholding Taxes	129.9	131.2
Total	**271.6**	**265.7**

INTERNATIONAL RELATED PARTY DEALINGS

The Amatil group discloses transactions with related parties in Note 16 of its Financial Report. The nature and terms of transactions with related parties are monitored by Amatil's Related Party Committee ("RPC"). The RPC is an Amatil Board appointed committee consisting of Amatil's Independent Non-executive Directors, tasked with reviewing material transactions with related parties to assess whether the transactions occur on normal commercial terms and are no more favourable than would reasonably be expected of transactions negotiated on an arm's length basis.

Having regard to the current activities and shareholdings of the Group, the transactions under review by the Committee are primarily those transactions that the Group conducts with TCCC. Amatil and TCCC are independently listed entities that deal independently with each other. TCCC currently owns 30.8% of the ordinary shares in Amatil, and first became an Amatil shareholder in 1989 through a major reorganisation, 24 years after Amatil first acquired a TCCC bottling enterprise in Australia.

Transactions with TCCC primarily involve purchases of beverage base and concentrates used to produce finished products.

Amatil operates each of its businesses on an "in-country" basis, which means that the quantum of international transactions within the wholly-owned Amatil group is generally not material. Each operating beverage business has its own agreements with major strategic partners such as TCCC, its own management, manufacturing and distribution platforms supported by sales, commercial, finance and administration functions. There is appropriate corporate oversight and stewardship in respect of the business units.

As such, there are limited cross-border transactions between the subsidiaries of the Group. Nonetheless, economies of scale are achieved within the Amatil group through transparent cost-sharing arrangements in corporate functions, external and internal IT costs, and hedging of inputs to manufacture through a centralised Treasury function. External costs attributable to each business unit will be recharged, and a mark-up added to internal costs where a service has been performed in accordance with the Organisation for Economic Co-operation and Development ("OECD") guidelines. Generally, the services originate from Australia and are charged to the operations in New Zealand, Indonesia, Papua New Guinea and Fiji.

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[2] Excludes council rates, customs duty and stamp duty paid.

[3] Income tax paid reflects cash tax paid during 2018 and does not reflect the income tax liability relating to that year. Income tax payable in respect of 2018 is disclosed in Part A.

In circumstances where one of the subsidiaries of the Group has excess liquidity, it may lend funds within the Group at arm's length interest rates. However, this is not common given that the preference is for each entity to maintain appropriate amounts of external debt on its balance sheet, to act as a natural hedge against translation of foreign earnings into Australian Dollars.

Finally, there are limited cross-border sales of finished goods, and inputs to manufacture such as bottle caps and pre-forms. A pre-form is the PET (the material used for the Group's plastic bottles) core that is blown into a bottle during the manufacturing process. Amatil has the capacity to manufacture these inputs in Australia and Indonesia and exports the caps and preforms from Australia to its operations in New Zealand, Fiji and Papua New Guinea at an arm's length price.

Further information about Amatil's operations is available at our Group website, *www.ccamatil.com*.

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