COCA-COLA AMATIL

A.B.N. 26 004 139 397

2011

Financial Results

For the half year ended 1 July 2011
Incorporating the requirements of ASX Appendix 4D

CCA will host a presentation to analysts and media on 9 August 2011 at 10:00 AM, which will be webcast with all presentation materials posted to CCA's website (www.ccamatil.com). 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 Results
For the half year ended 1 July 2011
compared to the prior half year ended 2 July 2010

Results for announcement to the market

Group results				
Trading revenue ($M)	**up**	**3.3%**	**to**	**2,211.1**
Total revenue ($M)	**up**	**2.4%**	**to**	**2,259.1**
Earnings before interest, tax and significant items ($M)[1]	up	3.3%	to	386.1
Earnings before interest and tax ($M)[1]	**down**	**26.8%**	**to**	**273.7**
Profit after tax attributable to members (before significant items)($M)	up	5.5%	to	234.1
Profit after tax attributable to members ($M)	**down**	**27.8%**	**to**	**153.6**
Net profit for the period attributable to members ($M)	**down**	**27.8%**	**to**	**153.6**

Group performance measures				
Earnings per share (before significant items)[2&3]	up	4.4%	to	30.9¢
Earnings per share[2&3]	**down**	**28.3%**	**to**	**20.3¢**
Free cash flow ($M)[3]	up	73.4%	to	120.2
Return on invested capital[3]	up	0.3 points	to	17.6%
Net debt to equity	down	2.1 points	to	99.3%
Net debt to capital employed	down	0.6 points	to	49.8%
Capital expenditure to trading revenue[3]	up	0.5 points	to	7.6%
EBIT interest cover (before significant items)	up	0.5 times	to	6.1 times

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

2 *Earnings per share is based on a weighted average number of ordinary shares of 757.0 million for the half year ended 1 July 2011 and 751.2 million for the half year ended 2 July 2010.*

3 *Refer to Note 6 of the financial report for further details.*

Dividends[4]	Amount per security	Fully franked amount per security
Interim dividend	**22.0¢**	**22.0¢**
Previous corresponding period	20.5¢	20.5¢
The record date for determining entitlements to the dividend	**Thursday, 18 August 2011**	

4 *Refer to Note 10 for further details.*

Coca-Cola Amatil Limited
Financial results for the half year ended 1 July 2011

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COCA-COLA AMATIL

HIGHLIGHTS OF 2011 INTERIM RESULT

$A million	H1 2011	H1 2010	*Change*
Trading revenue			
Beverages	1,935.4	1,902.8	*1.7%*
Alcohol, Food & Services	275.7	236.7	*16.5%*
Total trading revenue	2,211.1	2,139.5	*3.3%*
EBIT (before significant items)	386.1	373.8	*3.3%*
EBIT margin	*17.5%*	*17.5%*	-
Net finance costs	(63.1)	(66.9)	*(5.7%)*
Taxation expense (before significant items)	(88.9)	(84.9)	*4.7%*
Net profit (before significant items)	234.1	222.0	*5.5%*
Significant items (after tax)	(80.5)	(9.3)	
Net profit (reported)	153.6	212.7	*(27.8%)*
EPS (before significant items) (cents)	30.9	29.6	*4.4%*
EPS (after significant items) (cents)	20.3	28.3	*(28.3%)*
Interim dividend per share (cents)	22.0	20.5	*7.3%*
Return on invested capital (before significant items)	17.6%	17.3%	*0.3 pts*
EBIT interest cover (before significant items)	6.1x	5.6x	*0.5x*

For the first half of 2011, Coca-Cola Amatil (CCA) delivered net profit after tax (NPAT) of $234.1 million, before significant items, representing an increase of 5.5% on the 2010 half year result, or an increase of around 6.5% before the impact of currency translation on offshore earnings. Reported NPAT, which is after significant items, declined after including an $80.5 million after tax significant item relating to the restructuring of the SPC Ardmona business.

Earnings before interest and tax (EBIT), before significant items, increased by $12.3 million, or 3.3%, to $386.1 million. Earnings per share (EPS) increased by 4.4% to 30.9 cents per share, before significant items. The earnings growth and strong cash flow has supported a 7.3% increase in the fully franked interim dividend from 20.5 cents to 22.0 cents per share.

CCA's balance sheet remains strong with interest cover increasing from 5.6x to 6.1x and return on invested capital (ROIC) increasing from 17.3% to 17.6%, before significant items.

CCA's Group Managing Director, Mr Terry Davis said, "I believe that the operating performance in the first half has been solid given the business has had to manage external headwinds, as well as the cycling of a very strong first half result in 2010. The combination of devastating natural disasters in Australia and New Zealand, rapid increases in resin costs and the impact of translation on offshore earnings from the stronger Australian dollar reduced our net profit growth by around 5% for the half."

"The successful execution of our infrastructure programs in expanding manufacturing capacity and improving operational efficiency has again delivered a reduction in operating costs and further improvements in our customer servicing capability. Combined with the restructuring of the SPC Ardmona business, I believe these initiatives will continue to widen the operating capability lead on our competitors."

CCA GROUP EBIT SUMMARY

$A million	H1 2011	H1 2010	% Change
Australia	281.0	272.8	*3.0%*
New Zealand & Fiji	36.0	36.8	*(2.2%)*
Indonesia & PNG	22.3	18.0	*23.9%*
Alcohol, Food & Services	48.0	47.2	*1.7%*
Pacific Beverages – share of net profit / (loss)	(1.2)	(1.0)	*20.0%*
EBIT (before significant items)	386.1	373.8	*3.3%*

Australia delivered a solid result with EBIT increasing by 3.0% to $281.0 million on trading revenue growth of 1.6%. The business has had to deal with the impact on volumes and a short-term increase in costs caused by the destructive floods in Queensland and Victoria and Cyclone Yasi which occurred during the peak summer trading season. As well, the generally softer consumer spending environment experienced in 2010 continued into 2011, limiting category growth. The business continued to benefit from successful new product and package innovation, increased brand availability due to additional cold drink cooler placements and efficiency gains from Project Zero.

New Zealand & Fiji – The New Zealand business delivered local currency earnings in line with last year. This was a very commendable outcome given the impact on earnings from lower demand attributable to the Christchurch earthquake in February. While the physical damage was localised to Christchurch, the flow on affect to consumer confidence and consumption was felt across New Zealand. Over the half, the business has maintained its strong market share position and fully recovered its cost of goods sold (COGS) increases.

Indonesia & PNG – The Indonesian business delivered a solid result with local currency EBIT increasing by over 20%. The continued growth in one-way-pack (OWP) products and the significant investments CCA has made in reducing its cost of doing business were the major contributors to the profit growth for the half. OWPs delivered strong volume growth of close to 20% and CCA's market share continues to grow strongly in the fast growing modern food store channel. Inflation on food and other goods continued to be a challenge for lower income consumers resulting in lower demand for returnable glass bottle products. The PNG business also delivered another strong earnings result as the economy continues to benefit from increased mining investment and high commodity prices. The improvements made in its production efficiencies through increased investment in manufacturing capability also made a strong contribution to profit growth.

Alcohol, Food & Services earnings grew 1.7% driven by a solid result from the Services division and the first time inclusion of revenue and earnings arising from the new agreement with Beam in April to sell spirits and ARTDs as a principal rather than as an agent.

SPC Ardmona (SPCA) recorded an earnings decline as the business continued to exit a number of unprofitable export and domestic private label activities. The stronger Australian dollar continues to impact SPCA's competitiveness against cheap imported brands and private label categories in Australia and its earnings from international operations with export sales declining by 35% over the last 12 months.

Pacific Beverages JV The premium beer portfolio has continued to grow volumes with Peroni and Bluetongue performing ahead of market growth primarily as a result of the successful scale up of draught beer capacity at the new Bluetongue brewery in NSW and a number of other innovations which helped drive increased demand in the on-premise channel.

SPC Ardmona Business Restructure

CCA has undertaken a comprehensive review of its SPC Ardmona business. The scope of the review was to develop an appropriate operating framework in light of the difficult trading conditions facing the business as a result of the sustained strengthening of the Australian dollar.

The review determined that SPCA has excess manufacturing capacity and as a result the current three manufacturing sites in Victoria will be consolidated into two, resulting in the closure of the Mooroopna manufacturing site. The review also found that as a consequence of the stronger Australian dollar SPCA is currently not competitive in many export markets and has seen domestic grocery private label contracts move to imported products. As a result, excess inventory that needs to be sold below cost has been written down to its net realisable value.

CCA's Group Managing Director Terry Davis said, "We remain firmly committed to maintaining our manufacturing base in Australia and by proactively restructuring the SPC Ardmona business we believe we can lower its cost base so it can regain its competitive position in the market place. The strengthening of the Australian dollar over the past three years has regrettably led to a significant increase in the volume of cheap packaged fruit and vegetable products being imported into Australia. It has also led to a material increase in the share of the private label category which is being supplied primarily by imported products. The stronger dollar has also negatively impacted the competitiveness of SPCA's export business with exports halving over the past four years."

SPCA has recognised a charge of $80.5 million after tax as a significant item in the first half result for the write-down and write-off of excess inventory, the write-off of assets at the Mooroopna facility which are no longer required, as well as costs relating to the restructure. The write-down is largely non-cash.

The consolidation of manufacturing into the Shepparton facility will lead to a reduction of around 150 positions in the business. CCA will offer every affected employee alternative employment opportunities within CCA's beverage business. Costs associated with potential employee redundancies and relocation costs may be in the range of $10-15 million after tax, depending on the take up of roles within CCA and this additional cost will be incurred over the next 12 months.

Going forward, SPCA will refocus its activities into the higher growth, higher margin snacking market. Mr Davis said, "We have a number of new products in the pipeline with a strategy to increase our presence in the growing snack category by leveraging the Goulburn Valley and SPC brands into a broader range of snacking categories and by further expanding our range of brands into the convenience and other channels."

The consolidation will be undertaken on a staged basis over the next 12 months. Assuming the Australian dollar remains at present levels, SPCA expects to generate an additional $10-15 million in EBIT per annum in 2013 driven by production benefits, which will flow through to COGS following the 2012 fruit season, and contributions from new earnings streams.

Impact of Carbon Emissions Legislation

The Federal Government announced its carbon pricing mechanism scheme in July with an emissions threshold for inclusion in the tax of 25,000 tonnes of carbon per annum per facility. Emissions from each of CCA's manufacturing and distribution facilities is below the threshold level for inclusion and as a consequence CCA does not expect to have a direct carbon tax liability. However, like many other businesses, there will be increased input costs as a consequence of the flow on impact from suppliers that are liable to pay the carbon tax and these will inevitably flow through to higher consumer prices.

TRADING OUTLOOK

CCA's Group Managing Director, Mr Terry Davis said, "Whilst we would expect to generate stronger earnings growth in the second half of this year, the direction of current trading conditions in Australia remains uncertain as consumers deal with the continued increase in food, fuel, utility costs and interest rates as well as the uncertainty surrounding cost of living increases into the future."

CCA will continue to focus on executing its organic growth strategy. Mr Davis said, "The business continues to deliver efficiency and customer service improvements ahead of internal targets from the strong pipeline of capital projects, with returns generated on invested capital increasing to a record level of 17.6% for the half. The rollout of Project Zero initiatives shall extend through to at least 2015 with opportunities recently identified for a number of additional projects to be executed in 2012 and 2013."

The outlook for growth in the Indonesian & PNG business remains strong. Mr Davis said, "Our Indonesian & PNG business continues to deliver material improvements in performance, driven by improved capability, increases in manufacturing capacity and a material increase in cold drink cooler placements. Our up-weighted capital investment in the region over the last three years is delivering CCA with a more efficient and scalable manufacturing and distribution platform to grow the business. These initiatives have materially lowered our cost of doing business in Indonesia and we will continue to invest in capacity expansion ahead of the curve with further reductions in operating costs to be delivered over the next 12-18 months."

CCA's alcoholic beverages business continues to enhance earnings growth. "The successful rollout of locally produced draught beer and the recent extension of our relationship with Beam Global for a further ten years provides an additional earnings stream for the business that further leverages CCA's capability and delivers on CCA's goal to broaden its beverage portfolio," said Mr Davis.

For 2011, excluding Indonesia, CCA continues to expect beverage COGS per unit case to increase by 4-4.5% on a constant currency basis. Due to the continuing volatility in the Indonesian Rupiah and ongoing high inflation, as well as the mix impact of higher value, higher cost products, high single-digit growth in COGS is expected for Indonesia.

The effective tax rate for 2011 is expected to be 28-29% with the Australian operations benefitting from investment allowances relating to 2010 qualifying capex spend.

A further trading update will be provided in November 2011.

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DETAILED FINANCIAL COMMENTARY

CAPITAL EMPLOYED

$A million	H1 2011	H1 2010	*$ Change*
Working capital	761.4	848.0	*(86.6)*
Property, plant & equipment	1,652.5	1,559.0	*93.5*
IBAs & intangible assets	1,501.1	1,498.0	*3.1*
Deferred tax liabilities	(168.4)	(164.1)	*(4.3)*
Derivatives – non-debt	21.5	(46.0)	*67.5*
Other net assets / (liabilities)	(222.6)	(299.2)	*76.6*
Capital Employed	3,545.5	3,395.7	*149.8*
ROIC[1] %	17.6%	17.3%	*0.3 pts*

Group ROIC[1] increased to 17.6%, an increase of 0.3 points. The increase was driven by the growth in earnings, effective cash management and the efficient utilisation of CCA's asset base, including the realisation of efficiency gains from Project Zero, CCA's major infrastructure capital investment program.

Capital employed increased by $149.8 million to $3.55 billion due primarily to the increase in property, plant & equipment of $93.5 million, a result of CCA's up-weighted capital expenditure program. Working capital reduced by $86.6 million primarily driven by the write-down of inventory to net realisable value as part of the restructure of the SPC Ardmona business.

CASH FLOW

$A million	H1 2011	H1 2010	*$ Change*
EBIT (before significant items)	386.1	373.8	*12.3*
Depreciation & amortisation	101.5	93.9	*7.6*
Change in working capital	89.3	62.2	*27.1*
Net Interest paid	(62.3)	(73.9)	*11.6*
Taxation paid	(123.9)	(111.1)	*(12.8)*
Significant items	(0.8)	-	*(0.8)*
Other	(102.7)	(125.4)	*22.7*
Operating cash flow	287.2	219.5	*67.7*
Capital expenditure	(168.3)	(151.5)	*(16.8)*
Proceeds from sale of PPE & other	1.3	1.3	-
Free cash flow	120.2	69.3	*50.9*

The business delivered a strong operating cash flow of $287.2 million, an increase of $67.7 million, or over 30%, on last year driven by higher earnings, improved cash management and better working capital management.

Operating cash flow funded a $16.8 million increase in capital expenditure as CCA continued to invest in high returning projects including PET bottle and preform self-manufacture.

[1] Before significant items

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NET DEBT & INTEREST COVER

$A million	H1 2011	H1 2010	*$ Change*
Net debt			
Interest bearing liabilities	1,970.5	2,437.5	*(467.0)*
Debt related derivatives – liabilities	181.2	(84.1)	*265.3*
Trade & other receivables – non-current	(20.5)	(17.5)	*(3.0)*
Less: Cash assets	(364.4)	(626.1)	*261.7*
Net Debt	1,766.8	1,709.8	*57.0*
Net debt / equity	99.3%	101.4%	*(2.1) pts*
Interest cover (EBIT / net interest) (before significant items)	6.1x	5.6x	*0.5x*

The balance sheet remains in a very strong position with EBIT interest cover showing strong improvement, from 5.6x to 6.1x, with net debt only marginally increasing to $1.77 billion. Improved operating cash flows ensured a limited increase in net debt despite higher capital expenditure for the half and the funding of over $55 million in higher cash dividend payments for the 2010 final dividend as a result of the removal of the DRP discount in August 2010.

DEBT MATURITY PROFILE

The following table summarises CCA's drawn facility maturity profile as at 1 July 2011.

Maturity profile of drawn debt facilities						
Facility maturity year (ending June)	2012	2013	2014	2015	2016	2017+
% of total	4.9%*	8.3%	17.6%	22.3%	33.8%	13.2%

* Fully funded

CCA has total committed debt facilities of approximately $2.3 billion with an average maturity of 4.5 years as at 1 July 2011. In early July the business completed the refinancing of all 2011 and 2012 maturing debt.

BEVERAGE COST OF GOODS SOLD

On a constant currency[2] basis and excluding Indonesia, CCA's beverage COGS per unit case increased by 4.3% for the first half of 2011. In Indonesia, local currency COGS per unit case increased by around 10%.

The increase in COGS was due to higher commodity input costs, in particular PET resin which has risen over 40% in price over the last nine months. The rate of increase in commodity costs was partially offset by supply chain efficiencies and better than expected returns on Project Zero investments, and was fully recovered across all regions through improved pricing and mix.

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

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CAPITAL EXPENDITURE

Capital expenditure / trading revenue *	H1 2011	H1 2010	*Change*
Australia	6.7%	6.4%	*0.3 pts*
New Zealand & Fiji	8.2%	2.9%	*5.3 pts*
Indonesia & PNG	11.7%	12.8%	*(1.1) pts*
CCA Group	7.6%	7.1%	*0.5 pts*
Total capital expenditure ($A million)	$168.3m	$151.5m	*$16.8 m*

* Geographic breakdown

The business expects to spend between $375-385 million on capacity and capability improvements in 2011. For the first half, capital expenditure increased by $16.8 million to $168.3 million, or 7.6% of trading revenue. The major areas of capital expenditure included Project Zero initiatives across the Group and the continued rollout of cold drink coolers.

Project Zero continues to deliver on its cost savings targets. Expenditure on Project Zero initiatives for the first half exceeded $90 million and included investments in three PET bottle self-manufacture lines in Australia and one each in New Zealand, Indonesia and Papua New Guinea. In addition, the business commenced construction of a PET bottle preform and closure injection moulding plant at its Eastern Creek facility in NSW which is due for completion in early 2012.

CCA invested over $60 million on cold drink coolers across the Group. CCA's cooler investment continues to be an important driver of cold drink market share gains in Australia and New Zealand with up-weighted investment in Indonesia to significantly increase the penetration of coolers in the marketplace.

TAXATION EXPENSE

$A million	H1 2011	H1 2010	*Change*
Taxation expense (before significant items)	88.9	84.9	*4.7%*
Effective tax rate (before significant items)	27.5%	27.7%	*(0.2) pts*

CCA's effective tax rate was 27.5%. The business continued to benefit from investment tax allowances for the Australian based operations relating to 2010 qualifying capex spend.

INTERIM DIVIDEND

Cents per share	H1 2011	H1 2010	*Change*
Interim Dividend per share (cents)	22.0	20.5	*7.3%*
Franking	100%	100%	-
Payout ratio (before significant items)	71.3%	69.7%	*1.6 pts*

The interim dividend has been increased by 7.3% to 22.0 cents per share fully franked at the 30% corporate tax rate, representing a payout ratio of 71.3%.

The Record Date for determining dividend entitlements is 18 August 2011 and the interim dividend will be paid on 4 October 2011. CCA continues to expect that it will be able to fully frank its dividends for the foreseeable future.

COCA-COLA AMATIL

DETAILED OPERATIONS REVIEW

AUSTRALIA – BEVERAGES

$A million	H1 2011	H1 2010	*Change*
Trading revenue	1,392.7	1,371.3	*1.6%*
Revenue per unit case	$8.57	$8.27	*3.6%*
Volume (million unit cases)	162.5	165.8	*(2.0%)*
EBIT	281.0	272.8	*3.0%*
EBIT margin	20.2%	19.9%	*0.3 pts*

The Australian beverage business delivered a solid result with EBIT increasing by 3.0% to $281.0 million on trading revenue growth of 1.6%. The business has had to deal with the impact on volumes and a short-term increase in costs caused by the destructive floods in Queensland and Victoria and Cyclone Yasi which occurred during the peak summer trading season. As well, the generally softer consumer spending environment experienced in 2010 continued into 2011, limiting category growth. Notwithstanding the difficult conditions, mix improvements, Project Zero efficiency gains and cost out initiatives underpinned the growth in margins from 19.9% to 20.2%.

The business has maintained its strong market share position despite a high level of competitor discounting activity in the grocery channel during May and June. New product development for the half was focussed on the rollout of new packages and flavour extensions. The frozen beverage portfolio continues to grow strongly with volume growth of over 20% as a result of the expansion of the customer base combined with the introduction of new flavours.

CCA's significant investments in manufacturing and distribution capability through Project Zero, as well as the successful implementation of the OAisys customer service technology platform, delivered a further lift in service capability and further reduced CCA's cost base. Key gains are coming from the first two PET bottle self-manufacture ('blowfill') lines installed in Northmead in April 2010, freight and efficiency benefits from the Victorian can line commissioned last October, as well as various efficiency gains resulting from other technology investments.

In June, a new blowfill line was successfully commissioned in Victoria and another two lines will be operational in Adelaide by September. In addition, the business commenced construction of a PET bottle preform and closure injection moulding plant at its Eastern Creek facility in June. The business is on track to be around 40% self-sufficient in the self-manufacture of its PET bottles by the end of 2011 and will be producing preforms and closures by March 2012 which will result in material savings in PET resin, reduced freight and other operating costs.

Finally, the Australian beverage operation generated a solid and growing contribution from the alcoholic beverage business as a result of the sales force, service and distribution fees received from the Pacific Beverages' and Beam Global portfolio.

NEW ZEALAND & FIJI

$A million	H1 2011	H1 2010	*Change*
Trading revenue	191.7	201.4	*(4.8%)*
Revenue per unit case	$6.41	$6.48	*(1.1%)*
Volume (million unit cases)	29.9	31.1	*(3.9%)*
EBIT	36.0	36.8	*(2.2%)*
EBIT margin	18.8%	18.3%	*0.5 pts*

New Zealand

The New Zealand business delivered local currency earnings in line with last year. This was a very commendable outcome given the impact on earnings from lower demand attributable to the Christchurch earthquake in February. While the physical damage was localised to Christchurch, the flow on affect to consumer confidence and consumption was felt across New Zealand.

The business has maintained its strong market share position over the half. New product development was focussed on flavour extensions with Powerade Black successfully launched in the lead up to the Rugby World Cup, quickly establishing itself as the No. 1 Powerade flavour and driving overall growth for the Powerade brand.

The first blowfill line was commissioned in Auckland and is delivering efficiency gains in line with expectations. The infrastructure damage incurred as a consequence of the February earthquake led to a delay in the construction of the Christchurch blowfill line which commenced in July.

The New Zealand business is deriving a small but rapidly growing contribution from the premium beer business. Pacific Beverages now accounts for over 4% share of the premium beer market in New Zealand, a doubling of its share over the last 18 months.

Fiji

The Fiji business, which represents less than 1% of group earnings, delivered local currency earnings in line with last year, a good result given challenging trading conditions which included a significant decline in tourism and the imposition of an increase in the VAT from 12.5% to 15%.

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INDONESIA & PNG

$A million	H1 2011	H1 2010	*Change*
Trading revenue	351.0	330.1	*6.3%*
Revenue per unit case	$5.52	$5.43	*1.7%*
Volume (million unit cases)	63.6	60.8	*4.6%*
EBIT	22.3	18.0	*23.9%*
EBIT margin	6.4%	5.5%	*0.9 pts*

Indonesia & PNG delivered a strong earnings result, with EBIT increasing by 23.9% to $22.3 million and margin improvement of 0.9 points to 6.4%.

Indonesia

The Indonesian business delivered a solid result with local currency EBIT increasing by over 20%. The continued growth in one-way-pack (OWP) products and the significant manufacturing and distribution investments CCA has made to reduce its cost of doing business were the major contributors to the profit growth for the half. Local currency revenue per unit case increased by 10% due to the combination of COGS increases and the impact of the continued consumer-driven shift into the higher cost, higher margin OWP products.

OWPs delivered volume growth of close to 20% supported by the acceleration of cold drink cooler placements, improved in-market execution and the addition of over 50,000 new retailer customers. The modern food store channel continues to grow strongly with volumes increasing by over 15%. CCA continues to strengthen its position in this rapidly growing channel with a 2.5 percentage point increase in its share of the non-alcoholic ready-to-drink beverage category and now holds a 39% market share.

A highlight for the year was the volume growth of Minute Maid Pulpy Juice which grew by over 30%. Brand Coca-Cola, Sprite and Fanta in OWP format also posted strong performances, growing over 20%. Volumes however for the lower value returnable glass bottle packs in the traditional channel declined as high food and other inflation affected the discretionary income levels of consumers in the lower income demographic.

The business continues to target a spend of approximately $100 million per annum on capital expenditure in the region over the next three years, representing 25-30% of Group capex. Over the past six months more than 20,000 new cold drink cooler doors were placed, increasing total cooler doors in Indonesia to over 220,000. A new multi-beverage production line was installed in Jakarta and when fully commissioned during the second half will result in a 24% increase in Indonesian PET bottle production capacity.

PNG

The PNG business also delivered another strong earnings result as the economy continues to benefit from increased mining investment and high commodity prices. The continued focus on higher value immediate consumption packs, strong revenue management, increased promotional activity and improved execution in the market all contributed to the strong result with a highlight being the strong performance of brand Coca-Cola which grew by over 20%. The improvements made in its production efficiencies through increased investment in manufacturing and distribution capability also made a strong contribution to profit growth.

ALCOHOL, FOOD & SERVICES

$A million	H1 2011	H1 2010	*Change*
Trading revenue	275.7	236.7	*16.5%*
EBIT (before significant items)	48.0	47.2	*1.7%*

A solid result from the Services division as well as the first time inclusion of the new alcohol earnings stream generated from the sales of the Beam spirits portfolio have helped to offset an earnings decline from SPC Ardmona (SPCA) as the business exited a number of unprofitable export and private label activities.

Alcohol

In March, CCA announced that it had entered into a new 10 year agreement with Beam Global Spirits for the manufacture, sales and distribution of the Beam premium spirits portfolio in Australia, Beam Global's second largest market in the world. The new arrangements with Beam Global made CCA responsible for the sales and distribution of the entire Beam portfolio in Australia in its own right. This sales and distribution responsibility had previously been carried out on behalf of Pacific Beverages. Since 1 April 2011, revenue and earnings of the Beam portfolio are being recognised within the Alcohol, Food & Services segment.

Food

SPCA recorded an earnings decline as the business continued to exit a number of unprofitable export and domestic private label activities. The stronger Australian dollar continues to impact SPCA's competitiveness against cheap imported brands and private label categories in Australia and its earnings from international operations with export sales declining by 35% over the last 12 months.

Services

The Services business achieved solid earnings growth driven by improved earnings from refrigeration and equipment management services, higher demand for refrigeration servicing contracts and lower operating costs as a result of efficiency gains.

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Financial report for the half year ended 1 July 2011

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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.

Directors' Report

Coca-Cola Amatil Limited

For the half year ended 1 July 2011

The Directors submit hereunder their Report on Coca-Cola Amatil Limited and its subsidiaries (Group) for the half year ended 1 July 2011.

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
Ilana Atlas[1]
Catherine Michelle Brenner
Terry James Davis
Anthony Grant Froggatt
Martin Jansen
Geoffrey James Kelly
Wallace Macarthur King, AO
David Edward Meiklejohn, AM

1 Appointed 23 February 2011.

Review of operations

The Group's net profit attributable to members of the Company for the half year was $153.6 million, compared to $212.7 million for the corresponding period in 2010. The net profit attributable to members for the half year includes significant items of $80.5 million loss after income tax, relating to the restructuring of the SPC Ardmona (SPCA) business. The corresponding period in 2010 includes a significant item of $9.3 million income tax expense, which relates to changes in the New Zealand tax legislation, whereby future tax deductibility of building depreciation was removed.

The Group's trading revenue for the half year was $2,211.1 million, compared to $2,139.5 million for the corresponding period in 2010. The Group's earnings before interest and tax (EBIT) and significant items for the half year was $386.1 million, compared to $373.8 million for the corresponding period in 2010.

Operating cash flow was $287.2 million, compared to $219.5 million for the corresponding period in 2010. Operating cash flow for the half year includes significant items of $0.8 million (outflow) relating to the SPCA business.

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 1 July 2011, 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 9 August 2011

Liability limited by a scheme approved under Professional Standards Legislation.

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.

David M. Gonski, AC Chairman Sydney 9 August 2011	**Terry J. Davis** Group Managing Director Sydney 9 August 2011

Income Statement

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 1 July 2011

	Refer Note	**1 July 2011 $M**	2 July 2010 $M
Revenue, excluding finance income			
Trading revenue		**2,211.1**	2,139.5
Other revenue		**42.2**	49.9
	3	**2,253.3**	2,189.4
Expenses, excluding finance costs			
Cost of goods sold		**(1,226.6)**	(1,183.0)
Selling		**(306.0)**	(307.1)
Warehousing and distribution		**(177.0)**	(165.6)
Administration and other[1]		**(268.8)**	(158.9)
		(1,978.4)	(1,814.6)
Share of net loss of joint venture entity accounted for using the equity method	8	**(1.2)**	(1.0)
Earnings before interest and tax			
Before significant items		386.1	373.8
Significant items	4	(112.4)	–
		273.7	373.8
Net finance costs			
Finance income	3	**5.8**	16.5
Finance costs	4	**(68.9)**	(83.4)
		(63.1)	(66.9)
Profit before income tax	4	**210.6**	306.9
Income tax expense			
Before significant items		(88.9)	(84.9)
Significant items		31.9	(9.3)
	5	**(57.0)**	(94.2)
Profit after income tax			
Before significant items		234.1	222.0
Significant items		(80.5)	(9.3)
Profit after tax attributable to members of the Company		**153.6**	212.7

1 Includes $112.4 million relating to significant items. Refer to Note 4b) for further details.

		¢	¢
Earnings per share (EPS) for profit attributable to members of the Company			
Basic and diluted EPS	6	**20.3**	28.3

Notes appearing on pages 22 to 36 to be read as part of the financial statements.

Statement of Comprehensive Income

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 1 July 2011

	1 July 2011 $M	2 July 2010 $M
Profit after tax attributable to members of the Company	**153.6**	212.7
Other comprehensive income		
Foreign exchange differences on translation of foreign operations	**10.3**	24.6
Share of joint venture entity's foreign exchange differences on translation of foreign operation	**(0.1)**	–
Cash flow hedges[1]	**(13.7)**	(23.3)
Other comprehensive income, after income tax	**(3.5)**	1.3
Total comprehensive income attributable to members of the Company	**150.1**	214.0

1 Stated net of $5.7 million deferred tax (2010: $9.8 million).

Notes appearing on pages 22 to 36 to be read as part of the financial statements.

Statement of Financial Position

Coca-Cola Amatil Limited and its subsidiaries

As at 1 July 2011

	Refer Note	**1 July 2011 $M**	31 December 2010 $M	2 July 2010 $M
Current assets				
Cash assets		**364.4**	385.3	626.1
Trade and other receivables		**605.4**	771.8	567.3
Inventories		**709.5**	735.3	795.2
Prepayments		**55.7**	46.2	56.7
Current tax assets		**5.9**	1.9	4.1
Derivatives	7	**45.0**	46.4	25.4
Total current assets		**1,785.9**	1,986.9	2,074.8
Non-current assets				
Other receivables		**28.5**	20.9	20.0
Investment in joint venture entity	8	**73.4**	74.7	72.2
Investments in bottlers' agreements		**901.6**	898.2	917.6
Property, plant and equipment		**1,652.5**	1,595.3	1,559.0
Intangible assets		**599.4**	590.5	580.4
Prepayments		**5.9**	7.1	9.5
Deferred tax assets		**–**	1.2	3.8
Defined benefit superannuation plan		**14.5**	15.7	14.2
Derivatives	7	**87.3**	87.3	116.3
Total non-current assets		**3,363.1**	3,290.9	3,293.0
Total assets		**5,149.0**	5,277.8	5,367.8
Current liabilities				
Trade and other payables		**553.5**	568.7	514.5
Interest bearing liabilities		**144.0**	130.9	509.7
Current tax liabilities		**44.5**	91.1	49.3
Provisions		**62.3**	73.5	72.5
Accrued charges		**238.6**	286.1	298.2
Derivatives	7	**73.6**	51.8	55.6
Total current liabilities		**1,116.5**	1,202.1	1,499.8
Non-current liabilities				
Interest bearing liabilities		**1,826.5**	1,837.5	1,927.8
Provisions		**12.0**	11.1	11.0
Deferred tax liabilities		**168.4**	190.8	164.1
Defined benefit superannuation plans		**28.5**	26.8	31.2
Derivatives	7	**218.4**	176.1	48.0
Total non-current liabilities		**2,253.8**	2,242.3	2,182.1
Total liabilities		**3,370.3**	3,444.4	3,681.9
Net assets		**1,778.7**	1,833.4	1,685.9
Equity				
Share capital	9	**2,201.5**	2,180.2	2,163.5
Shares held by equity compensation plans		**(16.1)**	(17.9)	(16.0)
Reserves		**(59.4)**	(39.8)	(42.6)
Accumulated losses		**(347.3)**	(289.1)	(419.0)
Total equity		**1,778.7**	1,833.4	1,685.9

Notes appearing on pages 22 to 36 to be read as part of the financial statements.

Statement of Cash Flows

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 1 July 2011

	Refer Note	**1 July 2011 $M**	2 July 2010 $M
Inflows/(outflows)			
Cash flows from operating activities			
Receipts from customers		**2,397.5**	2,416.0
Payments to suppliers and employees		**(1,923.3)**	(2,011.5)
Interest income received		**6.3**	6.2
Interest and other finance costs paid		**(68.6)**	(80.1)
Income taxes paid		**(123.9)**	(111.1)
Net cash flows from operating activities before significant items		288.0	219.5
Significant items[1]		(0.8)	–
Net cash flows from operating activities		**287.2**	219.5
Cash flows from investing activities			
Proceeds from –			
disposal of property, plant and equipment		**1.3**	1.5
repayment of loan by the joint venture entity		**2.0**	–
Payments for –			
additions of property, plant and equipment	6	**(158.3)**	(139.2)
additions of software development assets	6	**(10.0)**	(12.3)
additions of other non-current assets		**–**	(0.2)
acquisitions of entities and operations (net)		**(11.6)**	–
loan made to joint venture entity		**(3.5)**	(17.5)
Net cash flows used in investing activities		**(180.1)**	(167.7)
Cash flows from financing activities			
Proceeds from issue of shares		**1.5**	0.8
Proceeds from borrowings		**315.9**	102.2
Borrowings repaid		**(258.1)**	(273.0)
Dividends paid		**(192.0)**	(121.1)
Net cash flows used in financing activities		**(132.7)**	(291.1)
Net decrease in cash and cash equivalents		**(25.6)**	(239.3)
Cash and cash equivalents held at the beginning of the half year		**381.6**	862.7
Effects of exchange rate changes on cash and cash equivalents		**3.2**	1.9
Cash and cash equivalents held at the end of the half year	11	**359.2**	625.3

1 Restructuring costs paid by SPCA. Refer to Note 4b) for details of significant items.

Notes appearing on pages 22 to 36 to be read as part of the financial statements.

Statement of Changes in Equity

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 1 July 2011

		Equity attributable to members of the Company				
	Refer Note	Share capital $M	Shares held by equity compensation plans $M	Reserves $M	Accumulated losses $M	Total equity $M
At 1 January 2011		**2,180.2**	**(17.9)**	**(39.8)**	**(289.1)**	**1,833.4**
Profit		**–**	**–**	**–**	**153.6**	**153.6**
Other comprehensive income		**–**	**–**	**(3.5)**	**–**	**(3.5)**
Total comprehensive income		**–**	**–**	**(3.5)**	**153.6**	**150.1**
Transactions with equity holders –						
Movements in ordinary shares	9	**21.3**	**–**	**–**	**–**	**21.3**
Share based remuneration obligations		**–**	**1.8**	**(16.1)**	**–**	**(14.3)**
Dividends appropriated	10	**–**	**–**	**–**	**(211.8)**	**(211.8)**
Total of transactions with equity holders		**21.3**	**1.8**	**(16.1)**	**(211.8)**	**(204.8)**
At 1 July 2011		**2,201.5**	**(16.1)**	**(59.4)**	**(347.3)**	**1,778.7**
At 1 January 2010		2,096.7	(13.7)	(38.3)	(444.6)	1,600.1
Profit		–	–	–	212.7	212.7
Other comprehensive income		–	–	1.3	–	1.3
Total comprehensive income		–	–	1.3	212.7	214.0
Transactions with equity holders –						
Movements in ordinary shares	9	66.8	–	–	–	66.8
Share based remuneration obligations		–	(2.3)	(5.6)	–	(7.9)
Dividends appropriated	10	–	–	–	(187.1)	(187.1)
Total of transactions with equity holders		66.8	(2.3)	(5.6)	(187.1)	(128.2)
At 2 July 2010		2,163.5	(16.0)	(42.6)	(419.0)	1,685.9

Notes appearing on pages 22 to 36 to be read as part of the financial statements.

1. Summary of Significant Accounting Policies

a) 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 2010 annual financial report of CCA, together with any public announcements made by CCA during the half year ended 1 July 2011.

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.

b) Statement of compliance

The Group has adopted all consequential amendments to Australian Accounting Standards which became applicable on 1 January 2011. There has been no effect on the financial statements of the Group.

c) Use of estimates

The preparation of the financial statements for the Group requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities. There has been no material change to the key estimates and assumptions disclosed in the last annual report other than those related to SPCA resulting in a significant item as disclosed in this report. Actual results may ultimately differ from estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

d) Principles of consolidation

i) Subsidiaries
The consolidated financial statements of the Group comprise those of the parent entity, Coca-Cola Amatil Limited and its subsidiaries. Subsidiaries are all those entities over which the Group has the power to govern financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

1. Summary of Significant Accounting Policies continued

d) Principles of consolidation continued

i) Subsidiaries continued

The acquisition method is used to account for the acquisition of subsidiaries by the Group. In preparing the consolidated financial statements, the effects of all transactions, balances and unrealised gains and losses on transactions between entities in the Group have been eliminated.

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

ii) Joint venture entity

The investment in the joint venture entity is accounted for using the equity method. Under the equity method, the share of profits or losses of the joint venture entity is recognised in the income statement and the share of movements in reserves is recognised in the statement of comprehensive income. Details relating to the joint venture entity are set out in Note 8.

e) Changes in accounting policies

The accounting policies adopted in the preparation of this financial report are consistent with those applied and disclosed in the 2010 annual financial report.

Australian Accounting Standards and Interpretations that have been issued or amended but not yet effective have not been early adopted by the Group for the half year ended 1 July 2011. It is considered early adoption of these standards would not have a material impact on the results of the Group.

2. Segment Reporting

The Group operates in four reportable segments, based on a combination of factors including geography, products and services. The Australia, New Zealand & Fiji and Indonesia & PNG segments derive their revenues from the manufacture, distribution and marketing of carbonated soft drinks and bulk water. The Australia and New Zealand & Fiji segments also distribute premium beer brands for Pacific Beverages Pty Ltd, the joint venture entity CCA formed with SABMiller plc.

The Alcohol, Food & Services segment manufactures and distributes the premium spirits portfolio of Beam Global Spirits and Wine Inc. (Beam), processes and markets fruit and other food products, and provides cold drink equipment to CCA's non-alcoholic beverage businesses and third party customers. From 1 January 2011, the segment also provides packaging service facilities to the Australia and Indonesia & PNG segments. CCA's Alcohol business was established following the signing of a new 10 year agreement with Beam in March 2011 for CCA, in its own right, to manufacture, sell and distribute Beam's premium spirits portfolio in Australia, and is to be reported in addition with CCA's Food & Services businesses under the Alcohol, Food & Services segment.

The Group manages its net finance costs and income taxes on a Group basis. Segment performance is evaluated on an earnings before interest and tax basis.

The accounting policies of each operating segment are the same as those described in Note 1a) Summary of Significant Accounting Policies. Inter-segment transactions are conducted as follows –

- inter-country transactions on normal commercial terms and conditions; and
- intra-country transactions on a cost-recovery basis.

	1 July 2011 $M	2 July 2010 $M	**1 July 2011 $M**	2 July 2010 $M	**1 July 2011 $M**	2 July 2010 $M
	Trading revenue[1]		**Other revenue**		**Total revenue, excluding finance income**	
Non-Alcoholic Beverage business – Australia	**1,392.7**	1,371.3	**27.5**	37.9	**1,420.2**	1,409.2
– New Zealand & Fiji	**191.7**	201.4	**4.8**	4.1	**196.5**	205.5
– Indonesia & PNG	**351.0**	330.1	**1.0**	1.0	**352.0**	331.1
Alcohol, Food & Services business	**275.7**	236.7	**8.9**	6.9	**284.6**	243.6
Total CCA Group	**2,211.1**	2,139.5	**42.2**	49.9	**2,253.3**	2,189.4

Refer to page 26 for footnote details.

2. Segment Reporting continued

	Earnings before interest, tax and significant items		Significant items[2]		Segment result	
	1 July 2011 $M	2 July 2010 $M	**1 July 2011 $M**	2 July 2010 $M	**1 July 2011 $M**	2 July 2010 $M
Non-Alcoholic Beverage business – Australia	**281.0**	272.8	**–**	–	**281.0**	272.8
– New Zealand & Fiji	**36.0**	36.8	**–**	–	**36.0**	36.8
– Indonesia & PNG	**22.3**	18.0	**–**	–	**22.3**	18.0
Alcohol, Food & Services business	**48.0**	47.2	**(112.4)**	–	**(64.4)**	47.2
Total operating segments	**387.3**	374.8	**(112.4)**	–	**274.9**	374.8
Share of net loss of joint venture entity	**(1.2)**	(1.0)	**–**	–	**(1.2)**	(1.0)
Total CCA Group	**386.1**	373.8	**(112.4)**	–	**273.7**	373.8

The reconciliation of segment result to CCA Group profit after income tax is shown below –

	Before significant items		Significant items		After significant items	
Total CCA Group EBIT	**386.1**	373.8	**(112.4)**	–	**273.7**	373.8
Net finance costs[3]	**(63.1)**	(66.9)	**–**	–	**(63.1)**	(66.9)
Total CCA Group profit before income tax	**323.0**	306.9	**(112.4)**	–	**210.6**	306.9
Income tax expense[3]	**(88.9)**	(84.9)	**31.9**	(9.3)	**(57.0)**	(94.2)
Total CCA Group profit after income tax	**234.1**	222.0	**(80.5)**	(9.3)	**153.6**	212.7

Refer to the following page for footnote details.

2. Segment Reporting continued

	1 July 2011 $M	2 July 2010 $M	**1 July 2011 $M**	2 July 2010 $M	**1 July 2011 $M**	2 July 2010 $M
	Assets		**Liabilities**		**Net assets**	
Non-Alcoholic Beverage business – Australia	**2,249.2**	2,146.9	**845.6**	896.5	**1,403.6**	1,250.4
– New Zealand & Fiji	**509.2**	489.6	**81.5**	76.5	**427.7**	413.1
– Indonesia & PNG	**539.5**	570.0	**204.6**	184.0	**334.9**	386.0
Alcohol, Food & Services business	**1,378.5**	1,361.4	**72.6**	87.4	**1,305.9**	1,274.0
Total operating segments	**4,676.4**	4,567.9	**1,204.3**	1,244.4	**3,472.1**	3,323.5
Investment in joint venture entity	**73.4**	72.2	**–**	–	**73.4**	72.2
Capital employed	**4,749.8**	4,640.1	**1,204.3**	1,244.4	**3,545.5**	3,395.7
Net debt[4]	**399.2**	727.7	**2,166.0**	2,437.5	**(1,766.8)**	(1,709.8)
Total CCA Group	**5,149.0**	5,367.8	**3,370.3**	3,681.9	**1,778.7**	1,685.9

	Depreciation and amortisation expenses	
Non-Alcoholic Beverage business – Australia	**37.6**	37.5
– New Zealand & Fiji	**8.6**	8.8
– Indonesia & PNG	**20.4**	18.2
Alcohol, Food & Services business	**34.9**	29.4
Total CCA Group	**101.5**	93.9

1 *Details of the Group's trading revenue can be found in Note 3.*

2 *Refer to Note 4b) for details of significant items.*

3 *Net finance costs and income tax are managed on a Group basis and are not reported internally at a segment level.*

4 *Cash and cash equivalents, debt related derivative assets and liabilities, loans and borrowings are not included as part of segment assets and liabilities as they are managed on a Group basis.*

3. Revenue

	1 July 2011 $M	2 July 2010 $M
Trading revenue		
Sales of products	**2,171.8**	2,098.6
Rental of equipment and processing fees	**39.3**	40.9
Total trading revenue	**2,211.1**	2,139.5
Other revenue		
Rendering of services	**30.7**	38.2
Miscellaneous rental and sundry income[1]	**11.5**	11.7
Total other revenue	**42.2**	49.9
Total revenue, excluding finance income	**2,253.3**	2,189.4
Interest income from –		
related parties	**0.8**	–
non-related parties	**5.0**	16.5
Total finance income	**5.8**	16.5
Total revenue[2]	**2,259.1**	2,205.9

1 *Sundry income mainly relates to sales of materials and consumables and scrap sales.*

2 *As reflected in CCA's full year 2010 financial statements, the comparative balance has been restated (i.e. increased by $13.5 million) arising from a review of CCA's revenue transaction streams carried out in the second half of 2010.*

4. Finance Costs and Significant Items

	1 July 2011 $M	2 July 2010 $M
a) Finance costs		
Interest costs from non-related parties	**71.2**	82.0
Other finance (gains)/costs	**(2.3)**	1.9
Total finance costs[1]	**68.9**	83.9
Amounts capitalised	**–**	(0.5)
Total finance costs expensed	**68.9**	83.4

1 The comparative balances for items comprising CCA's total finance costs have changed due to the reclassification of other finance (gains)/costs. Total finance costs for the comparative period remain unchanged.

b) Significant items

During the period, CCA has completed a comprehensive review of its SPCA business. The scope of the review was to determine the appropriate structure to support the long term growth and profitability of the business.

The review determined that SPCA has excess manufacturing capacity, and as a result, the current three manufacturing sites will be consolidated into two, resulting in the closure of the Mooroopna manufacturing site. The business will exit a number of domestic supply contracts and international export markets that are not likely to be profitable in the medium term.

As a consequence, SPCA has recognised the following expenses during the period –

Write down of inventories to net realisable value	**82.1**	–
Write down of other assets and costs relating to the restructure	**30.3**	–
Total significant items	**112.4**	–

5. Income Tax Expense

	1 July 2011	2 July 2010
a) Income tax expense		
	$M	$M
Current tax expense	**75.8**	78.5
Deferred tax expense	**(15.2)**	19.2
Adjustments to current tax of prior periods	**(3.6)**	(3.5)
Total income tax expense	**57.0**	94.2
Total income tax expense includes –		
Income tax (benefit)/expense on significant items[1]	(31.9)	9.3

b) Reconciliation of CCA's applicable (Australian) tax rate to the effective tax rate		
	%	%
Applicable (Australian) tax rate	30.0	30.0
Non-allowable expenses	0.5	0.2
Overseas withholding tax	(1.6)	(1.0)
Overseas tax rate differentials	(0.4)	–
Share of net loss of joint venture entity	0.1	0.1
Adjustments to current tax of prior periods	(1.1)	(1.2)
Change in New Zealand tax rate	–	(0.4)
Effective tax rate (before significant items)	27.5	27.7
Effective tax rate	**27.1**	30.7

1 *The current period amount relates to the tax effects of the SPCA charges shown in Note 4b). The comparative period amount relates to changes in the New Zealand tax legislation, whereby future tax deductibility of building depreciation was removed. This expense has been reclassified as a significant item, to be consistent with the treatment adopted in CCA's full year 2010 financial statements.*

6. Other Performance Measures

	1 July 2011	2 July 2010
a) Net tangible asset backing per ordinary share		
	$	$
Excluding investments in bottlers' agreements (IBAs)	**0.37**	0.25
Including IBAs	**1.56**	1.47
b) Earnings per share (EPS)		
	¢	¢
Basic and diluted EPS	**20.3**	28.3
Before significant items –		
Basic EPS	30.9	29.6
Diluted EPS	30.9	29.5
The weighted average number of ordinary shares used to calculate EPS was –		
	M	M
Basic EPS	**757.0**	751.2
Diluted EPS	**757.3**	751.9

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	**120.2**	69.3

6. Other Performance Measures continued

	1 July 2011	2 July 2010

d) Return on invested capital (ROIC)

ROIC is calculated on a moving annual total basis as earnings before interest and significant items, after tax (EBIAT), divided by the average of net segment assets (capital employed) at the beginning and at the end of the twelve month period ending 1 July (2010: 2 July). EBIAT is derived by deducting from EBIT (before significant items) the applicable tax using the before significant items effective tax rate. Where material business acquisitions or disposals occur, the acquisition or disposal date net segment assets balance is used as the beginning or ending balance with an adjustment made to reflect the period of ownership respectively.

	%	%
ROIC	17.6	17.3

Return on capital employed (ROCE) was 24.7% (2010: 24.6%).

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	**7.6**	7.1

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

	$M	$M
Payments for additions of –		
Property, plant and equipment	**158.3**	139.2
Software development assets	**10.0**	12.3
Capex	**168.3**	151.5

7. Derivatives and Net Debt Reconciliation

	1 July 2011 $M	31 December 2010 $M	2 July 2010 $M
a) Derivatives as per the statement of financial position			
Derivative assets – current	**(45.0)**	(46.4)	(25.4)
Derivative assets – non-current	**(87.3)**	(87.3)	(116.3)
Derivative liabilities – current	**73.6**	51.8	55.6
Derivative liabilities – non-current	**218.4**	176.1	48.0
Total net derivative liabilities/(assets)	**159.7**	94.2	(38.1)
Net derivative liabilities/(assets) comprises –			
Debt related	**181.2**	125.3	(84.1)
Non-debt related	**(21.5)**	(31.1)	46.0
Total net derivative liabilities/(assets)	**159.7**	94.2	(38.1)

b) Net debt reconciliation

	1 July 2011 $M	31 December 2010 $M	2 July 2010 $M
Cash assets	**(364.4)**	(385.3)	(626.1)
Net derivative liabilities/(assets) – debt related	**181.2**	125.3	(84.1)
Receivables – non-current[1]	**(20.5)**	(19.0)	(17.5)
Interest bearing liabilities – current	**144.0**	130.9	509.7
Interest bearing liabilities – non-current	**1,826.5**	1,837.5	1,927.8
Total net debt	**1,766.8**	1,689.4	1,709.8

1 Loan to the joint venture entity.

8. Investment in Joint Venture Entity

	1 July 2011 $M	31 December 2010 $M	2 July 2010 $M
Carrying amount of investment in Pacific Beverages Pty Ltd	**73.4**	74.7	72.2

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

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

a) CCA Group's share of Pacific Beverages' assets and liabilities

	1 July 2011 $M	31 December 2010 $M	2 July 2010 $M
Current assets	**23.7**	39.6	25.9
Non-current assets	**89.2**	88.8	78.5
Total assets	**112.9**	128.4	104.4
Current liabilities	**18.2**	33.9	13.5
Non-current liabilities	**21.3**	19.8	18.7
Total liabilities	**39.5**	53.7	32.2
Net assets	**73.4**	74.7	72.2

b) CCA Group's share of Pacific Beverages' revenue, expenses and results

	1 July 2011 $M	31 December 2010 $M	2 July 2010 $M
Revenue[1]	**21.6**	41.3	18.7
Expenses	**(23.3)**	(42.5)	(20.1)
(Loss)/profit after income tax	**(1.2)**	1.5	(1.0)

1 *Beer sales revenue, excluding duties and excise taxes.*

9. Share Capital

	1 July 2011	31 December 2010	2 July 2010
	$M	$M	$M
Fully paid ordinary shares			
Balance at the beginning of the period	**2,180.2**	2,096.7	2,096.7
Shares issued in respect of –			
Dividend Reinvestment Plan	**19.8**	81.5	66.0
Executive Option Plan	**1.5**	2.0	0.8
Total movements	**21.3**	83.5	66.8
Balance at the end of the period	**2,201.5**	2,180.2	2,163.5

	No.	No.	No.
Fully paid ordinary shares			
Balance at the beginning of the period	**756,003,067**	748,219,617	748,219,617
Shares issued in respect of –			
Dividend Reinvestment Plan	**1,707,129**	7,289,650	5,978,452
Executive Option Plan	**275,450**	493,800	247,100
Total movements	**1,982,579**	7,783,450	6,225,552
Balance at the end of the period	**757,985,646**	756,003,067	754,445,169

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote.

Ordinary shares have no par value.

Dividend Reinvestment Plan

CCA's Dividend Reinvestment Plan (DRP) continues to be available to eligible shareholders. The DRP provides shareholders with the opportunity to receive fully paid ordinary shares, in lieu of cash dividends, at the price calculated using the daily volume weighted average market price of CCA shares during the 10 trading days commencing on the second trading day after the record date for the dividend. The DRP discount was reduced from 2% to nil, with effect from the 2010 interim dividend. The record date for the interim dividend is 18 August 2011.

The last date of Election Notices under this Plan is 18 August 2011.

10. Dividends Appropriated and Proposed

a) Dividends appropriated during the half-year

	1 July 2011 ¢	1 July 2011 $M	2 July 2010 ¢	2 July 2010 $M
Prior year final dividend (franked to 100%)[1]	**28.0**	**211.8**	25.0	187.1

1 Paid on 5 April 2011 (2010: 6 April 2010).

b) Dividends declared and not recognised as a liability

Since the end of the half year, the Directors have declared the following fully franked dividend –

Class of share	Rate per share ¢	Amount $M	Date payable
Ordinary	**22.0**	**166.8**	4 October 2011

There was no Foreign Conduit Income attributed to dividends.

	Refer Note	1 July 2011 $M	2 July 2010 $M
11. Statement of Cash Flows			
a) Reconciliation to cash and cash equivalents held at the end of the half year			
Cash on hand and in banks		**310.0**	317.9
Short term deposits		**54.4**	308.2
Bank overdrafts		**(5.2)**	(0.8)
Cash and cash equivalents held at the end of the half year		**359.2**	625.3
b) Non-cash investing and financing activities			
Dividends satisfied by the issue of shares under the Dividend Reinvestment Plan	9	**19.8**	66.0

12. Contingencies

	1 July 2011 $M	31 December 2010 $M
Contingent liabilities existed at the end of the period in respect of –		
termination payments under employment contracts	**9.2**	8.8
other guarantees	**2.6**	2.8
	11.8	11.6

13. Events after the Balance Date

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 Redundancy Plan

Subsequent to balance date, and as an outcome from CCA's review of the SPCA business (refer to Note 4b) for further details), SPCA has announced details of an employee redundancy plan. Employees affected will be offered alternative roles within CCA's beverage business. Costs associated with potential employee redundancies and redeployment are estimated to be between $15 million and $20 million.

Directors' Declaration

Coca-Cola Amatil Limited and its subsidiaries

The Directors declare that the consolidated financial statements and notes, set out on pages 17 to 36 –

a) are in accordance with the Corporations Act 2001;
b) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001;
c) give a true and fair view of the consolidated entity's financial position as at 1 July 2011 and of its performance for the half year ended 1 July 2011; 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 Group Chief Financial Officer supporting the financial statements and statutory report for the half year ended 1 July 2011.

This declaration is made in accordance with a resolution of the Directors pursuant to section 303(5) of the Corporations Act 2001, dated 9 August 2011.

On behalf of the Directors

David M. Gonski, AC	**Terry J. Davis**
Chairman	Group Managing Director
Sydney	Sydney
9 August 2011	9 August 2011

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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, which comprises the statement of financial position as at 1 July 2011, the income statement, the statement of comprehensive income, statement of cash flows and statement of changes in equity for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 1 July 2011 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 1 July 2011 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
9 August 2011