

ASX Release

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SALE OF SPC BUSINESS COMPLETED

Coca-Cola Amatil has announced completion of the sale of the SPC fruit and vegetable processing business (SPC) to Shepparton Partners Collective Pty Ltd and its group of companies (Shepparton Partners Collective), for consideration of \$40 million payable at completion. The sale was completed on Friday 28 June 2019.

Taking into account forecasted working capital balances, working capital adjustments to the sale price and costs of disposal, Amatil is expected to record a profit on sale of approximately \$14 million. The sale agreement also includes a 4-year earnout structure which, subject to business performance, could result in up to an additional \$15 million of sale proceeds at that time.

As previously announced, due to the realisation of recognised deferred tax assets Amatil's ability to frank dividends will be significantly impacted in the short to medium term.

Group Managing Director of Coca-Cola Amatil, Ms Alison Watkins, said with the completion of the sale of SPC, Amatil will continue to focus on being a beverages powerhouse.

"SPC has been a much-loved part of our portfolio since 2005, and we're confident it has a bright future in the hands of its new owners," Ms Watkins said.

"Shepparton Partners Collective recognises the value of SPC's brands, the opportunities for innovation and category growth in Australia, and its export potential."

"On behalf of Amatil, I thank everyone at SPC for their commitment to the business and wish them well in continuing to grow their domestic and international markets."

Since acquiring the SPC business in 2005, Amatil has invested around \$250 million including in technology, operational and energy efficiencies, and new equipment. A \$100 million co-investment program from 2014 to 2018 also modernised SPC's tomato and snack cup production and introduced a new aseptic fruit processing system and pouch line at the Shepparton site.

Amatil commenced the divestment process for the SPC fruit and vegetable processing business in November 2018 and received transaction advice from Kidder Williams Limited and legal advice from Gilbert + Tobin Lawyers.

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