

CCA's Capital Management Framework

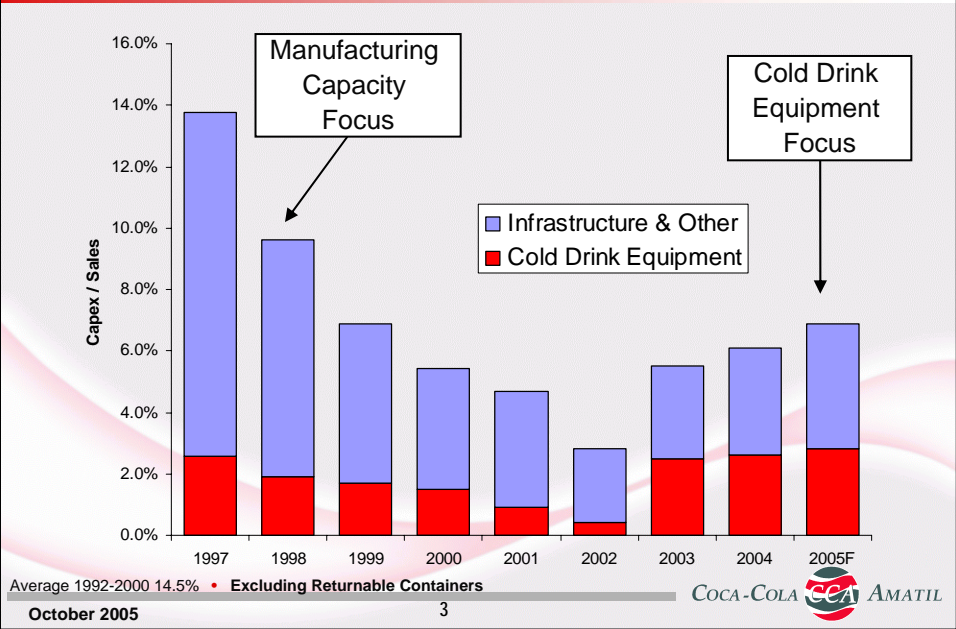
John Wartig
Chief Financial Officer

13 October 2005

Agenda

- Capital expenditure
- Acquisitions
- Interest cover & gearing
- Cash flow
- Dividend policy
- Financial Scorecard
- Commodities Outlook

Capital Expenditure.. lower levels and a shift from building manufacturing capacity to a step up in cold drink equipment rollout



Capex Outlook 2006-2008: Target range 6-9% of sales

Growth & Efficiency
2 - 3%

Base Capex
4 - 6%

- **Growth & efficiency focus:** 2-3% infrastructure spend over 3 years
 - Automated warehousing – Sydney & Auckland (\$200-250m)
 - Warehouse consolidation – SPCA (~\$15m pa)
 - Some capacity investment eg: Sydney PET line
- **Base capex focus:** 4-6% maintainable base capex level
 - Maintain acceleration of cold drink equipment placement

Acquisitions.. 'Bolt ons' to continue in 2006-2008

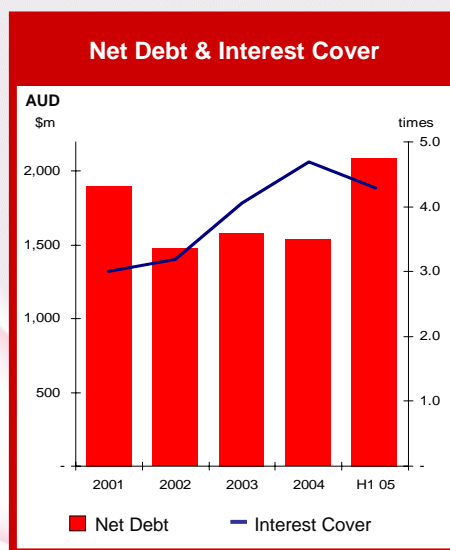
- **Strategy:** develop sustainable geographic and core NARTD category positions
- **Size:** "rule of thumb" 10% of capital employed (per acquisition)
- **Financials:** EPS accretive and achieve country WACC in first full year.. (or a compelling strategic rationale for lower initial returns)
- **What to expect:** \$50-150m total investment pa
- **Overall:** will be disciplined and focus on the highest return geographies and segments

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Balance Sheet Strength Provides Flexibility



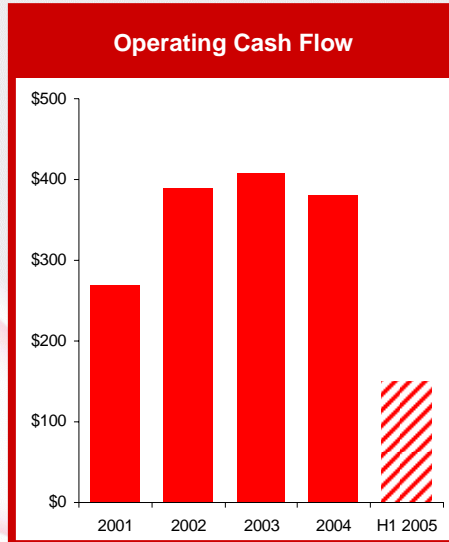
- Net debt to increase due to up-weighted capex and bolt on acquisitions
- Long-term interest cover target range of 3.0 – 4.0x
- Comfortable with current 4.3x interest cover given low interest rate environment
- ROCE
 - Maintain ~20% level over time
 - Expect some short-term dilution

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Cash Flow – Cash is King



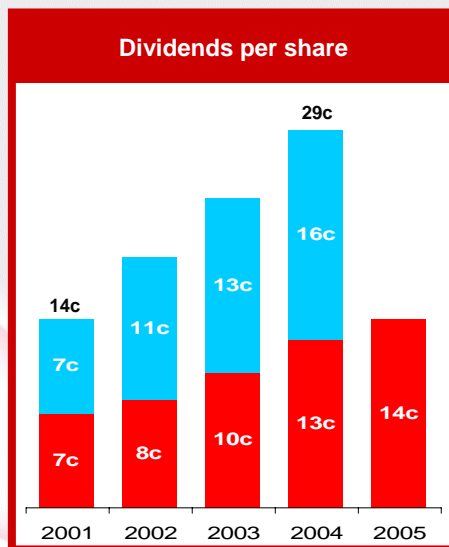
- Expect continuing strong operating cash flows with first half seasonally low due to SPCA
- Free cash flow will be impacted by up-weighted capex
- Aim to maintain beverages working capital at current 12% to sales level

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Strong cash provides strong dividend yield momentum



- 70-80% target payout range
- Current payout ratio = 72%
- Aim to grow dividend at least in line with NPAT growth
- Expect 100% franking for at least the next 2 years
- At ~4%, fully franked dividend yield is strong

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Financial Scorecard – Key Metrics 2006-2008

| Performance | H1 2005 | Requirements |
|-------------------------------------|---------|-----------------------------|
| EBIT margin – Beverages | 15.4% | Maintain - grow |
| EBIT margin – Food | 12.1% | Maintain - grow |
| Group EBIT growth | 10.2% | Internal targets |
| Group EPS growth | 11.9% | Internal targets |
| Returns | | |
| ROCE | 19.9% | Maintain and grow over time |
| Dividend payout ratio | 71% | Target band 70-80% |
| Financial Health | | |
| Interest cover | 4.3x | Range 3.0-4.0x |
| Cash Flow | | |
| Capex / sales | 4.9% | Range – 6-9% |
| Working Capital / Sales – Beverages | 12% | Maintain |
| Working Capital / Sales – Food (FY) | ~ 60% | Reduce |

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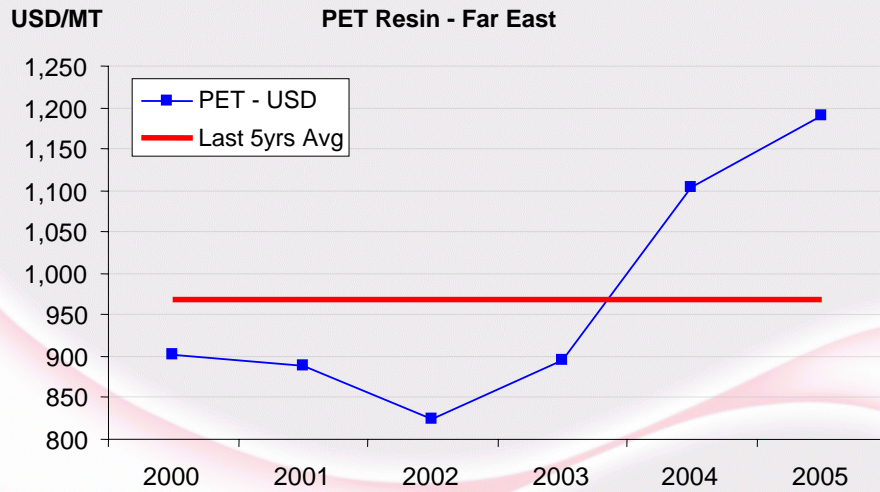
Key Commodity Outlook

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Key commodity inputs keep rising... PET Resin

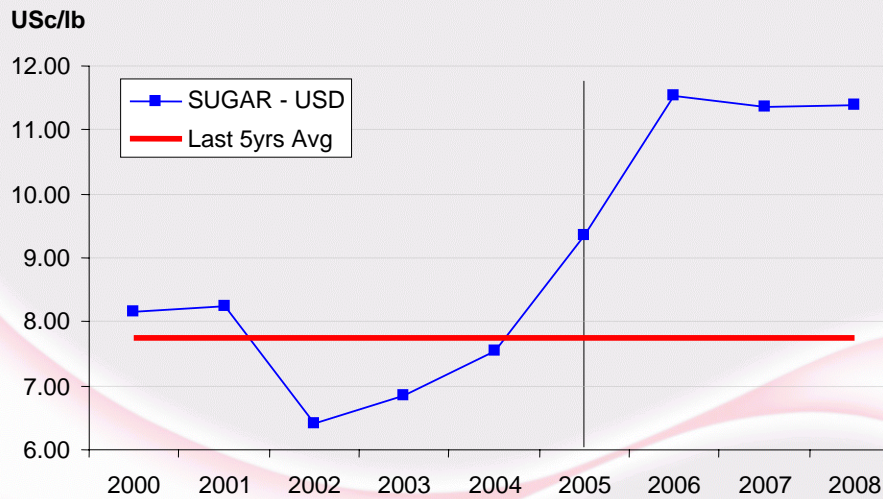


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Key commodity inputs keep rising... Raw Sugar



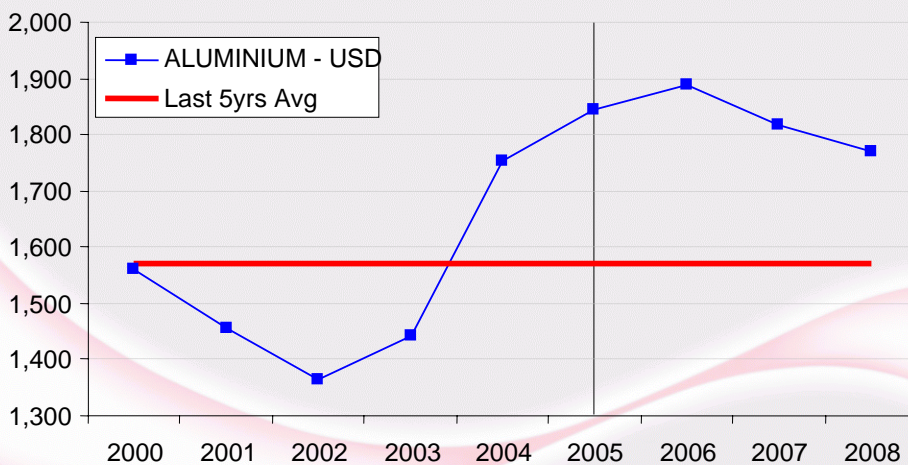
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Key commodity inputs keep rising... Aluminium

USD/MT



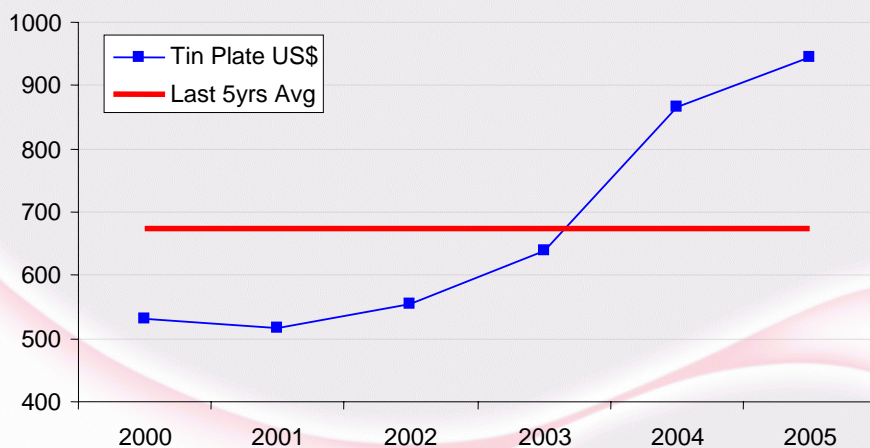
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Key commodity inputs keep rising... Tin Plate

USD/MT



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Key commodity inputs keep rising... Summary

- Continuing short-term price volatility for aluminium, sugar and PET resin
- Demand and supply fundamentals not alone in driving volatility, adverse impact of
 - Oil
 - China demand
 - Hurricanes
 - Speculation
- Effectively fully priced and hedged for sugar and aluminium for the balance of 2005
- Partial cover in place for 2006
- **Expecting COGS to increase around 5-7% in 2006**