

Media Release

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COCA-COLA AMATIL 2017 FULL YEAR RESULTS

RESULTS OVERVIEW

- **Statutory earnings before interest and tax (EBIT):** **\$678.4 million - up 45.5 per cent.**
- **Statutory net profit after tax (NPAT)¹:** **\$445.2 million - up 80.9 per cent.**
- Underlying² earnings per share (EPS) increased by 2.2 per cent, with statutory EPS up 85.7 per cent
- Underlying² net profit after tax (NPAT) broadly in line with FY16, and in line with our guidance provided in April 2017
- Underlying² EBIT of \$678.7 million and underlying NPAT of \$416.2 million representing declines of 0.7 per cent and 0.4 per cent respectively
- Strong earnings performances in New Zealand & Fiji, Indonesia & Papua New Guinea and Alcohol & Coffee
- Performance of Australian Beverages improved after Easter following a challenging start to the year; improved trajectory in second half.
- Non-trading items relating to one-off gain from sale of Richlands facility in Queensland offset one-off costs primarily relating to cost optimisation projects in Australian Beverages
- Final dividend of 26 cents per share (2H16: 25.0 cents per share), franked to 70 per cent, representing an underlying payout ratio of 82 per cent for the full year
- Completion of share buy-back program in November 2017 with 39.6 million shares bought back for total consideration of \$350 million at an average price of \$8.84 per share

Coca-Cola Amatil today reported its full year results for 2017, delivering underlying net profit after tax (NPAT) of \$416.2 million, broadly in line with the previous year and in line with guidance provided in April 2017.

Coca-Cola Amatil Group Managing Director, Alison Watkins said there were strong earnings performances for the year in New Zealand & Fiji, Indonesia & Papua New Guinea and Alcohol & Coffee, and an improved trajectory for Australian Beverages in the second half.

"Our diverse portfolio of businesses and strong balance sheet enabled us to deliver EPS growth for our shareholders, notwithstanding the challenges experienced by Australian Beverages at the start of the year," Ms Watkins said.

Coca-Cola Amatil's New Zealand & Fiji segment performed strongly again, delivering 15 per cent of the Group's underlying EBIT. Indonesia & Papua New Guinea delivered another very strong

¹ Attributable to shareholders of Coca-Cola Amatil.

² Underlying refers to statutory results adjusted to exclude non-trading items.

earnings result with growth of 30.6 per cent and Alcohol & Coffee delivered 11.2 per cent growth, in line with our shareholder value proposition.

“The strong results delivered in 2016 continued into 2017 for our Indonesia & PNG, and Alcohol & Coffee segments, delivering combined growth for the Group of more than \$50 million over the past two years,” Ms Watkins said.

SPC also recorded a small underlying profit for the year, benefiting from reduced depreciation.

While overall performance for the year was down in Australian Beverages, the business improved its trajectory in revenue, volume and EBIT outcomes in the second half, compared to the first, as our initiatives gained traction.

“We now move forward in 2018 with the \$40 million Accelerated Australian Growth Plan, completing our Richlands facility expansion and continuing our ongoing cost optimisation programs.”

Ms Watkins said Coca-Cola Amatil had also completed the share buy-back program announced in February 2017, acquiring 39.6 million shares at an average price of \$8.84 per share. While net debt increased by \$344.4 million to \$1.3 billion, the Group balance sheet remained strong. The Group also maintained strong interest coverage.

Outlook

Ms Watkins said Coca-Cola Amatil remains committed to our shareholder value proposition and medium-term delivery against those targets.

“We are pleased with the performance we are seeing in our growth businesses and expect this to continue,” Ms Watkins said.

“Our Accelerated Australian Growth Plan, announced in November 2017 will see an additional investment of approximately \$40 million in 2018 across marketing, execution, cold drink equipment, technology and price.

“This investment, along with the uncertain impact of container deposit schemes, will negatively impact Australian Beverages’ and consequently Group near-term earnings.

“In the medium term we continue to target mid-single digit EPS growth, in line with our shareholder value proposition. Our level of performance will depend on the success of revenue initiatives in Australia, Indonesian economic factors and regulatory conditions in each of our markets.”

For further information:

Media

Patrick Low
Mobile: +61 447 121 838
Email: patrick.low@ccamatil.com

Liz McNamara
Mobile: +61 405 128 176
Email: liz.mcnamara@ccamatil.com

Investor Relations

David Akers
Mobile: +61 412 944 577
Email: david.akers@ccamatil.com

ABOUT COCA-COLA AMATIL

Coca-Cola Amatil is one of the largest manufacturers and distributors of ready-to-drink non-alcohol and alcohol beverages, coffee and ready-to-eat food snacks in the Asia Pacific region. Coca-Cola Amatil is also the authorised manufacturer and distributor of The Coca-Cola Company's beverage brands in Australia, New Zealand, Fiji, Indonesia, Papua New Guinea and Samoa. Coca-Cola Amatil directly employs around 13,000 people and indirectly creates thousands more jobs across the supply chain, partnering with key suppliers to manufacture, package, sell and distribute its products. With access to around 270 million potential consumers through more than 950,000 active customers Coca-Cola Amatil is committed to leading through innovation and building a sustainable future and delivering long-term value to shareholders.

For more information, visit www.ccamatil.com