2018 AGM CHAIRMAN'S ADDRESS

16 May 2018

Ilana Atlas, Chairman

Ladies and gentlemen….

It is a privilege to join you today at my first Coca-Cola Amatil AGM as Chairman.

I will take the opportunity to talk to you about three things:

1. our ongoing process of Board renewal;
2. our financial performance; and
3. our progress against the Board's priorities I outlined last year on my appointment as Chairman.

Board renewal is an ongoing and important exercise. It ensures the Board has the right mix of skills and experience to properly meet the Company's strategic objectives and current and future challenges.

As you will remember, the Chairman and three other Directors retired from the Board at the last AGM. We had planned for their retirement by appointing John Borghetti, Mark Johnson and Paul O'Sullivan in 2015, 2016 and 2017 respectively.

We have continued to progress the Board's renewal post last year's AGM.

Following a thorough analysis of the Board's skills and expertise, we identified the need for additional experience in the fast-moving consumer goods sector and in working with our customers. Based on these needs, we were pleased to appoint Julie Coates to the Board. Julie is standing for election today and you will hear from her later.

Additionally, Martin Jansen is retiring from his position as one of The Coca-Cola Company's nominee Directors on the Board, effective from the conclusion of this AGM. We are sad to farewell Martin. He has been an outstanding contributor to our Board over the last nine years. His experience in working as an executive with The Coca-Cola Company, and also as a bottler across many markets, has been of great value.

The Coca-Cola Company has nominated Jorge Garduno, currently the President of Coca-Cola Japan, to stand for election today as Martin's replacement on the Board. Jorge brings over 25 years of experience working for The Coca-Cola Company across various leadership roles in Latin America, Europe and Asia. You will also hear from Jorge later in the meeting.

Catherine Brenner has been a Director of the Company for 10 years. She has advised the Board that she does not intend to seek re-election at the AGM next year at the end of her current term.

With five of our Directors relatively new to the Company, Catherine's continued role on the Board over the next 12 months will allow for an orderly transition as we look to appoint a new Director at or before next year's AGM.

It is important for shareholders to know that the Board has considered Catherine's position on this Board following her decision to step down from her position as Chairman of AMP. The Board's view is that Catherine remaining on the Coca-Cola Amatil Board is in the interests of shareholders. Catherine is our longest serving Director, with a deep understanding of the Company's business and people. She has been committed, hardworking and diligent throughout her term on the Board. Her corporate finance and mergers and acquisitions experience has been valuable to the Company in its many corporate actions over the past 10 years. As Chairman of the Risk & Sustainability Committee she has driven the continual improvement of our risk framework and its implementation.

Over the next twelve months we will continue to analyse the skills and experience on the Board and what we require in the future, to maintain the right mix following Catherine's retirement.

On to our financial performance.

We again saw strong results from our growth businesses in 2017, particularly Indonesia, Papua New Guinea, Fiji and Alcohol & Coffee. There was also another healthy performance in New Zealand. Collectively, these results partly offset revenue and volume challenges experienced by Australian Beverages at the start of the year.

Our market and portfolio diversity contributed to a 2.2 per cent increase in underlying earnings per share (EPS) across the Group, with an 85.7 per cent increase in statutory EPS. There was a 2.8 per cent decrease in trading revenue to $4.9 billion, and a 0.7 per cent decrease in earnings before interest and tax (EBIT) to $678.7 million (before non-trading items).

Profit attributable to shareholders (before non-trading items) was broadly in line with 2016, at $416.2 million. The final dividend declared was 26.0 cents per share, franked to 70 per cent, resulting in a total dividend for 2017 of 47.0 cents per share, franked to 70 per cent. This represented an underlying payout ratio of 82.4 per cent for the full year.

In June 2017 we established an on-market share buy-back program, utilising a $350 million allocation which acquired shares at an average price of $8.84. The program was completed in November 2017. It provided the most appropriate mechanism to return surplus capital to shareholders. Following the buy-back, Amatil retains a very strong balance sheet with capacity to continue to fund strategic initiatives.

At the time of my appointment as Chairman last year, I outlined the Board's priorities for the year ahead - in business performance, partnerships, capability and sustainability. I am pleased to be able to update you on progress against these priorities.

Our primary business focus was stabilisation of earnings and a return to growth in Australian Beverages. This remains the case. Despite increased competitive pressures and shifts in channel mix in the first half, revenue, volume and EBIT showed an improved trajectory in the second half as our initiatives gained traction.

This is good news, but there is more to be done.

In November we announced our *"Accelerated Australian Growth Plan"*, to build on our pillars of Lead, Execute and Partner, and capitalise on The Coca-Cola Company strategy of "Beverages for Life".

The Plan incorporates accelerated reinvestment of around $40 million in cost savings, to be allocated towards additional marketing, execution, cold drink equipment, digital technology and price. The Plan will be delivered in collaboration with The Coca-Cola Company, and will take place this year.

We are also attentive to continuing growth in our other businesses, particularly in Indonesia and Alcohol & Coffee. These businesses, along with Papua New Guinea, New Zealand and Fiji, provide increasing diversification for the Group.

Now to our partnership priorities …

Coca-Cola Amatil has a long history of successful partnerships in the production, packaging, sales, and distribution of a world-class range of brands.

Fundamental to our success is a close working relationship with The Coca-Cola Company. We have made great progress in this relationship in recent years and The Coca-Cola Company has continued a strong and constructive association with us as shareholder and brand partner. In 2017 this was evidenced in our ongoing economic alignment in Indonesia, the introduction of incidence pricing in Australia, a joint commitment to the Accelerated Australian Growth Plan and new product development across multiple markets.

At 31 December 2017, The Coca-Cola Company held 30.8 per cent of the shares in Coca-Cola Amatil and was represented by two Non-Executive Directors on the Board, Martin and KK, who provide insight and counsel on all aspects of our business.

During the year we also expanded relationships with partners including Monster Energy, Beam Suntory, and Molson Coors International, with new products and campaigns in Australia and New Zealand.

We look forward to building on these relationships in 2018, and to bringing new tastes and old favourites to customers and consumers alike.

On to capability …

We have a talented and committed workforce and a leadership group in each of our markets – all focused on delivering our growth objectives in an effective and ethical way.

In recognition of Indonesia's ongoing potential, we continued to invest significantly in the capability and training of our local staff including our sales and distribution network. This includes a capability development framework and training academies which can be implemented across all of Coca-Cola Amatil's markets. Work has begun on taking this model to PNG.

We are also investing in the capability of our women in all businesses, and have goals for gender diversity. At Coca-Cola Amatil women hold 4 of our 9 Board positions and 31 per cent of senior executive roles.

The Board remains focused on building and maintaining our talent pool to ensure opportunity and progression at all levels, and fostering a positive culture consistent with our values. As I have said before, good people don't end up here by accident; when we find them, we must continue to make sure we provide excellent career and development opportunities, and appropriate reward and recognition.

Now to sustainability …

In 2017 we remained focused on delivering results in wellbeing, environmental performance and in relation to our responsibilities to local communities. Our progress has been detailed in our 2017 Sustainability Report published online last week.

We are proud of what we have achieved over the year, in areas as diverse as recycling and solar energy in Fiji, community investment in Indonesia and product reformulation in Australia and New Zealand.

These actions demonstrate our willingness to be an active and engaged community partner, and to shape our future through proactive collaboration with customers, consumers and governments in each of our markets.

I would particularly like to highlight our work in relation to consumer wellbeing and Human Rights.

Hand in hand with The Coca-Cola Company, we worked closely with government and consumers to ensure we are playing an active role in addressing community concerns in relation to wellbeing and obesity, particularly in Australia and New Zealand.

We support the World Health Organisation recommendation of no more than 10 per cent of daily energy intake derived from added sugars.

We are consumer-driven and aim to provide the product choice that consumers want. We recognise and welcome the opportunity to play our part in reducing obesity, for example through more low- and no-sugar beverages, smaller pack sizes, and new products in different categories.

We are committed to reducing the sugar content across our portfolio of sales in Australia and New Zealand by 10% by 2020.

In partnership with Coca-Cola South Pacific we have reformulated and reduced sugar and kilojoules in 22 products in Australia alone since 2015, with every major carbonated soft drink brand now including a low- or no-sugar variant.

Most notably, Coca-Cola No Sugar was launched in Australia and New Zealand in 2017. This is a permanent addition to the Coca-Cola family with a taste as close as possible to Classic Coca-Cola, but without the sugar.

A new version of Coca Cola Stevia No Sugar was launched as a world first in New Zealand earlier this month. This is 100 per cent sweetened with stevia, addressing consumer interest in sparkling beverages without artificial sweeteners.

Respect for human rights is fundamental to our business. We are committed to ensuring our workplaces, supply chains and communities are safe, lawful, and respectful everywhere, every day. In 2017 we formalised this position by releasing a Group-wide Human Rights Policy. This policy aims to meet the legitimate expectations of employees, contractors, customers, consumers and suppliers as well as regulators and non-government organisations in this field. Copies of the Policy are available on our website.

I would like to also say a few words about executive remuneration.

As your Board, we are committed to having appropriate remuneration arrangements in place for the executives leading our business. These arrangements are set to ensure we can recruit and retain the executives we need, and appropriately reward in a way that is aligned to performance.

We believe that there has been strong alignment of shareholder interests with management incentive outcomes over recent years. We also believe that this was the case in 2017.

That said, in advance of this meeting some of our shareholders have raised concerns regarding some elements of our approach to executive remuneration. One theme was that shareholders would like additional information to explain the Board's decisions.

We have taken all of these comments on board and we will factor them into our future decision making, and, where appropriate, provide additional detail in next year's Remuneration Report.

Going forward we will maintain our focus on the priorities of business performance, partnerships, capability and sustainability, giving priority to stabilising Australian Beverages and growing our other businesses.

We know that while our markets continue to change, our medium and long-term plans remain on track and we will do our utmost to deliver against our group strategy and the identified priorities in an ethical and responsible way.

In delivering against these priorities, we also recognise the efforts of all our team who worked hard to bring them to fruition. The capability and optimism of all our people for the future is vital to the delivery of our ambitions in 2018.

In conclusion, the Company continues to make solid progress towards the delivery of its strategies, and our 2017 performance shows progress in that regard. The Board is confident in Alison and her management team and believe the Company is well positioned to deliver against our strategies for 2018 and beyond.

On behalf of the Board, I take this opportunity to thank all of the team at Coca-Cola Amatil for their valuable contribution during the year. Our greatest asset as a Company is the tireless energy, enthusiasm and dedication shown by all our team. Their capability and hard work is vital to the delivery of our ambitions in 2018.

To you our shareholders, thank you for your ongoing support.

I will hand over to Alison

Alison Watkins, Group Managing Director

Thank you, Ilana, and good morning ladies and gentlemen.

I'll begin with a few words about our Group Leadership Team and people, and then outline our 2017 financial results and progress against our overall Group Strategy. I'll then touch on the Australian state container deposit schemes, and our outlook and progress for 2018.

I'd like to welcome and introduce several members of our Group Leadership Team who are here today.

In December we announced that Mr Peter West would join us as Managing Director, Australian Beverages. With 30 years' experience in Australian and international FMCG, I'm delighted that Peter has joined our team, and is with us here this morning.

In welcoming Peter I also take the opportunity to thank Pod, Peter McLoughlin, who very capably held the Australian Beverages MD reins following the departure of Barry O'Connell in March 2017. Pod reluctantly stepped down in January to get his health back on track. Pod is much respected by all of us at Amatil and we wish him all the best for a strong recovery.

Over the past 12 months we have strengthened our organisation by appointing Chris Sullivan as Group Director, Partners and Growth, Debbie Nova as Chief Information Officer, Liz McNamara as Group Director of Public Affairs, Communications and Sustainability, and Kate Mason as Group Director, People and Culture. These internal appointments reflect our focus on growth, reputation, and people.

Chris and Liz are in the audience this morning, along with our Group CFO Martyn Roberts, our General Counsel Betty Ivanoff and our Managing Director for Alcohol & Coffee, Shane Richardson. All of these members of our Leadership Team will be available to answer shareholder questions in the foyer after the meeting.

I also want to recognise the outstanding contribution and dedication of all our employees in each of our businesses and locations. Their passion for our brands and our customers is inspiring. It is also the foundation for the success of the company as a whole – in manufacturing, distribution, sales and every other function. A big thank you to all Coca-Cola Amatil staff for your commitment and hard work throughout 2017.

I should also emphasise our unrelenting focus on safety and wellbeing. We believe all jobs can be done safely and that zero harm is the only goal when it comes to safety.

We have come a long way over recent years. For example we have reduced our annual total recordable injury frequency rate from 14.4 in 2012, to 5.0 in 2017, and we are striving to do even better.

Our operations do involve risks which can cause fatalities and these are our highest priority. One such risk is the interaction of people and vehicles. We are very sad to report that despite our focus on these risks, one of our team lost his life in June last year following an on-site traffic incident at our Cibitung facility in Indonesia.

Our Indonesian team provided strong support for his family and his Cibitung colleagues. And as you would expect, our response to this incident was immediate and comprehensive, with corrective actions implemented on-site and shared across the organisation.

Turning now to our financial performance for 2017.

The 2017 Group result that Ilana outlined was backed by solid performances in our identified growth markets and an improved second-half trajectory in Australian Beverages.

Australian Beverages' underlying EBIT for the year declined 6.4 per cent, with a 13.2 per cent fall in the first half and an improved trajectory in the second. New product development for the year included Coca-Cola No Sugar, Keri Juice, Mount Franklin Lightly Sparkling Cans, Pump Plus Natural Electrolytes and a range of Coca-Cola and Fanta variants.

Australian Beverages commenced a second $100 million cost optimisation program during the year. Savings were reinvested across the portfolio to refocus sales efforts and support price investment. We continued investing in our supply chain, including the $165 million redevelopment of manufacturing and warehousing at Richlands in Queensland.

We are particularly proud of our New Zealand & Fiji teams, which achieved revenue growth and delivered a 7.0 per cent increase in underlying EBIT for the year in constant currency.

In New Zealand we maintained our leadership position in sparkling and still beverages while in Fiji we experienced slight revenue and volume declines, reflecting excise increases and the cycling of a very strong 2016 result.

Our Indonesia & Papua New Guinea segment performed strongly, delivering a 35.2 percent increase in EBIT, on a constant currency basis.

In Indonesia we delivered substantial business transformation with efficiency gains in manufacturing and route-to-market, and reinvestment in workforce skills. Despite challenging conditions we gained market share in sparkling beverages and tea, and revenue and volume growth in dairy.

Our Papua New Guinea business delivered double digit EBIT growth, aided by favourable economic conditions accompanying the national election.

We are again very pleased with progress in Alcohol & Coffee, with EBIT increasing by 11.9 per cent on a constant currency basis.

Alcohol achieved revenue, volume and EBIT growth with a solid performance in Spirits & Premix, and increased beer volumes with the addition in Australia of Molson Coors International's Miller Genuine Draft and Miller Chill. Our Yenda brand performed to expectations, and we expanded our craft range with the acquisition of Feral Brewing.

Coffee generated revenue and volume growth with additional investment in the out of home coffee business and sales team. In December we announced a unique partnership with Italian coffee machine company Caffitaly, launching a specially-designed range of Grinders coffees in the Indonesian market.

While underlying EBIT in our Corporate, Food & Services segment decreased, SPC delivered a small profit arising from reduced depreciation, an improved portfolio mix and encouraging sales of tomatoes, beans and spaghetti.

Our Group Strategy sets the direction for each of our businesses, with three pillars – Perform, Grow, and Strong Organisation. During 2017 we made good progress against each of these.

Perform is all about what we describe as Lead, Execute and Partner.

Lead means strengthening our category leadership through the quality of our products, innovation in marketing and by adapting our portfolio to meet changing consumer preferences. Achievements in 2017 include successful distribution and sales of new products and brands, like Coke No Sugar and gains in channel and market share in Alcohol and Coffee, and Indonesia.

Execute is the delivery of step-changes in productivity and in-market execution. Throughout 2017 we focused on improving our already world-class customer servicing, optimising our route-to-market and leveraging economies of scale in manufacturing and distribution.

Partner reflects our efforts to achieve improved alignment with The Coca-Cola Company, and other brand partners including Beam Suntory, Molson Coors International and Monster Energy Corporation. It also incorporates our efforts to build genuine partnerships with principal suppliers, through programs such as Partner for Growth.

The second pillar of our Group Strategy is Grow. We know this is important, including:

- Growth within our businesses by leveraging and extending our brands and capabilities; or building and adding new brands and channels. Our extensive program of new product development, particularly in sparkling beverages, juice and dairy, are a great example.
- Growth between existing businesses, by combining our complementary strengths to create value. A recent example is the coffee expansion into Indonesia I mentioned earlier.
- And finally growth beyond our current businesses. We challenge ourselves to extend our business beyond current geographies and markets and be responsive to new and evolving consumer trends.

One exciting new element of Growth Beyond is the launch this year of Amatil X, our emerging possibilities platform. Amatil X was set up to help us identify future revenue growth opportunities in areas such as logistics, customer service and sustainability. It is focused on creating experiences that will delight our customers into the future, beyond our core products and services.

Put simply, we want to stay ahead of the market with new and commercial ideas in these fields. The Amatil X program is our vehicle for achieving this goal.

To Perform and Grow we must have a Strong Organisation, which for us, means;

- A fit for purpose organisational and governance structure. We made good progress in 2017 with the creation of the new Partner and Growth function, Group Digital Technology function and the group-wide Property Division.
- Driving leader-led growth with a focus on capability development, strengthening our talent pipeline and promoting from within.
- And building stronger trust and reputation for Coca-Cola Amatil via our contributions to people, wellbeing, the environment and our local communities.

Let me turn now to status of the Australian container deposit schemes.

We are strong supporters of cost-effective, well-run container deposit schemes that minimise the impact on consumers and the beverage manufacturing industry. Our support is part of our commitment to delivering positive waste collection and recycling outcomes in the markets where we operate.

Our track record in both collection and recycling of waste is strong, and we aspire to do better.

In relation to collection, we have been operating the South Australia and Northern Territory container deposit schemes for some years, and last year celebrated our tenth year of delivering the Bali Beach Clean-Up program.

In relation to recycling, we also have a strong track of use of recycled materials in our packaging with 58 per cent of the aluminium in our cans is recycled content, alongside 31 per cent of the glass in our bottles across the Amatil Group.

In Australia, our plastic bottles are 100 per cent recyclable, and contain an average of 24 per cent recycled content. And at the end of 2017 we were proud to have achieved 100 per cent recycled content in our 600ml Mount Franklin containers – a great indication of what is possible in this area.

December 2017 saw the commencement of the New South Wales container deposit scheme, with further schemes currently under development in Queensland and the ACT and Western Australia. I'm pleased to say Coca-Cola Amatil is part of industry consortiums selected by the New South Wales, Queensland and ACT governments to support the delivery of their schemes. Our focus is to work with the State Governments ensure that each scheme is efficiently and cost effectively delivering their waste reduction and recycling objectives.

In NSW, for a range of reasons, the level of redemptions via collection points has been lower than anticipated. Redemptions will steadily increase as more collection points are established. In the meantime we are working with our customers to evaluate opportunities, such as additional promotions and discounts, to better reflect the actual redemptions experience in the early stages of the Scheme.

I know there has also been a lot of interest in understanding what impact the NSW CDS has had on beverage sales. There are many factors impacting beverage sales (such as weather, promotions and competition) which mean we cannot isolate a CDS effect. However, we can certainly see there has been a negative impact on volumes from the CDS-related impost.

Finally let me provide an update on our outlook since we spoke with you in February. At that time we outlined that:

- Indonesia, Papua New Guinea, New Zealand, Fiji, Alcohol & Coffee and SPC are all expected to continue to deliver growth in line with our Shareholder Value Proposition

- As per our plans announced in November 2017 regarding our Accelerated Australian Growth Plan, Australian Beverages' and consequently Group near-term earnings will be negatively impacted by:
  - Accelerated reinvestment of ~$40 million of cost savings in 2018 in marketing, execution, cold drink equipment, digital technology to drive growth initiatives and in price to drive competitiveness; and
  - The uncertain impact of container deposit schemes

Thus far in 2018 we are making progress in Australian Beverages against the Accelerated Growth Plan, and as expected, we're experiencing a negative impact from CDS.

Indonesia & PNG are off to a subdued start with soft market conditions continuing in Indonesia. PNG is cycling the pre-election stimulus of the first half of last year and experiencing some operational issues, which are being rectified.

The New Zealand & Fiji segment is performing ahead of expectations. Our core Alcohol & Coffee business continues to grow revenue in line with expectations and is investing in longer term growth initiatives.

The diversity of our markets, products and categories will continue as a major strength for the Company. We are confident in our plans and are committed to delivering against them.

Thank you.

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