

ASX Release

22 August 2018

COCA-COLA AMATIL TO EXPLORE NEW OPTIONS FOR SPC

Coca-Cola Amatil has today announced the commencement of a strategic review of growth options for SPC - Australia's leading processor of packaged fruit and vegetables.

Group Managing Director of Coca-Cola Amatil, Ms Alison Watkins, said the review coincides with completion of a four-year, \$100 million co-investment in SPC in conjunction with the Victorian Government. Investment under this agreement was completed in June 2018 and included \$22 million by the Victorian Government and \$78 million by Coca-Cola Amatil.

"As we said at the time, without this investment the future of Australia's best-loved packaged fruit and vegetable brands were in question," Ms Watkins said.

"With this investment we kept SPC operating, invested in modernising the plant and created new business opportunities.

"These included new tomato and high-speed snack lines, a new aseptic fruit processing system and new export opportunities including China, all of which will support ongoing growth.

"The co-investment is complete, and now is the right time to consider options for the business.

"We believe there are many opportunities for growth in SPC, including new products and markets, further efficiency improvements, and technology and intellectual property. The review will look at how this growth could be unlocked, potentially through a change in ownership, alliances or mergers.

"Importantly, there are no plans to close SPC. We see a positive future for SPC as it continues to transform its operations."

SPC is recognised as one of Australia's most-loved brands, and is a household name in fruit, vegetables, baked beans and spaghetti. More recently, SPC expanded its range into specialised age-care products and premium sales in export markets.

Since acquiring SPC in 2005, Coca-Cola Amatil has invested around \$250 million of capital in the business, including in technology and equipment.

Coca-Cola Amatil has engaged consultancy Kidder Williams to assist with the strategic review.

The review of SPC does not affect an ongoing sale process relating to Taylors and IXL brands, which was announced by SPC in early 2018.



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About SPC Ardmona

SPC is one of Australia's oldest and most loved fruit processors, and recently voted one of the top 20 brands Australian consumers can't live without, and the largest producer of packaged vegetables in Australia. SPC has been putting food on the tables of Australians since 1918 – whether that's Aussie grown stone fruit, tomatoes, or other iconic Aussie snacks such as our SPC Baked Beans and Spaghetti.

SPC started life as the Shepparton Preserving Company in 1918. SPC was listed on the ASX in 1912 and merged with Ardmona in 2002. The company was purchased by Coca-Cola Amatil in 2005 for an enterprise value of approximately \$700 million.

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.

About Kidder Williams Limited

Kidder Williams is a leading adviser to the Food, Agriculture and Beverage sectors providing advice to private and ASX-listed companies on mergers, acquisitions & divestments, IPOs and capital raisings. Kidder have extensive experience with farmer supplier companies such as Bega Cheese, Incitec Pivot, Grainco, Tatura and Mackay Sugar advising them on strategy, structure and growth.