2018 FULL YEAR RESULTS

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COCA-COLA AMATIL

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AGENDA

Result Overview	Alison Watkins
Shareholder Value Proposition	Alison Watkins
Additional Developments	Alison Watkins
Business Performance	Martyn Roberts
Financials	Martyn Roberts
Sustainability & Outlook	Alison Watkins
Questions & Answers	

GROUP PERFORMANCE

Alison Watkins Group Managing Director

COCA-COLA AMATIL

2018 FULL YEAR RESULT OVERVIEW

2018 was a transition year for the Group with earnings impacted by the planned investment in our Accelerated Australian Growth Plan and the implementation of container deposit schemes, compounded by economic factors in Indonesia and operational challenges in PNG

Underlying[1] earnings per share from continuing operations (EPS) decreased by 3.9 per cent while EPS from continuing operations after non-trading items decreased by 7.0 per cent

Underlying[1] earnings before interest and tax (EBIT) from continuing operations of $634.5 million and underlying net profit after tax (NPAT) from continuing operations of $388.3 million each representing a decline of 6.5 per cent

Including the SPC impairment, statutory NPAT of $279.0 million, down 37.3 per cent

Australian Beverages' earnings reflected additional investments in our Accelerated Australian Growth Plan and were impacted by the implementation of container deposit schemes; many of our initiatives are gaining traction resulting in improving volume trajectory and volume share gains

Despite the soft market conditions, weak currency and higher commodity prices impacting Indonesia's earnings, there are encouraging signs with volume growth from April onwards; Papua New Guinea experienced some operational issues which have now largely been resolved

New Zealand & Fiji delivered another year of strong EBIT growth underpinned by strong execution

Alcohol & Coffee achieved another year of double-digit EBIT growth while also funding investment in initiatives for our growth aspirations

Lower earnings for SPC and Corporate & Services segment, in line with the outlook we provided at our Investor Day in November 2018

Increased underlying net operating cash flow from continuing operations and underlying cash realisation from continuing operations of 107 percent for the year

Final dividend of 26.0 cents per share (2H17: 26.0 cents per share), franked to 50 per cent, representing an underlying payout ratio of 87.6 per cent on a continuing operations basis for the full year

1. Underlying refers to statutory results adjusted to exclude non-trading items and discontinued operations.

SHAREHOLDER VALUE PROPOSITION

We are focused on generating attractive sustainable returns for shareholders

Investment case

Predominantly a Coca-Cola franchisee with leading brands

Route-to-market with scale and reach

Large-scale, modern, low-cost infrastructure

Steady cash flow from core Australia and New Zealand franchises

Growth opportunities including Indonesia and Alcohol & Coffee providing upside

EBIT drivers

Revenue growth plans and continuous cost focus across the group

Targeting low single-digit EBIT growth	Core developed market franchises (Australia and New Zealand)
+	
Targeting double-digit EBIT growth	Developing markets (Indonesia, Papua New Guinea and Fiji)
+	
Targeting double-digit EBIT growth	Alcohol & Coffee

EPS drivers

Modest capex for developed markets

\+

Growth capex for Indonesia funded

\+

Continuous working capital management

\+

Bolt-on acquisitions

Capital management initiatives

Targeting shareholder value creation

Mid single-digit EPS growth

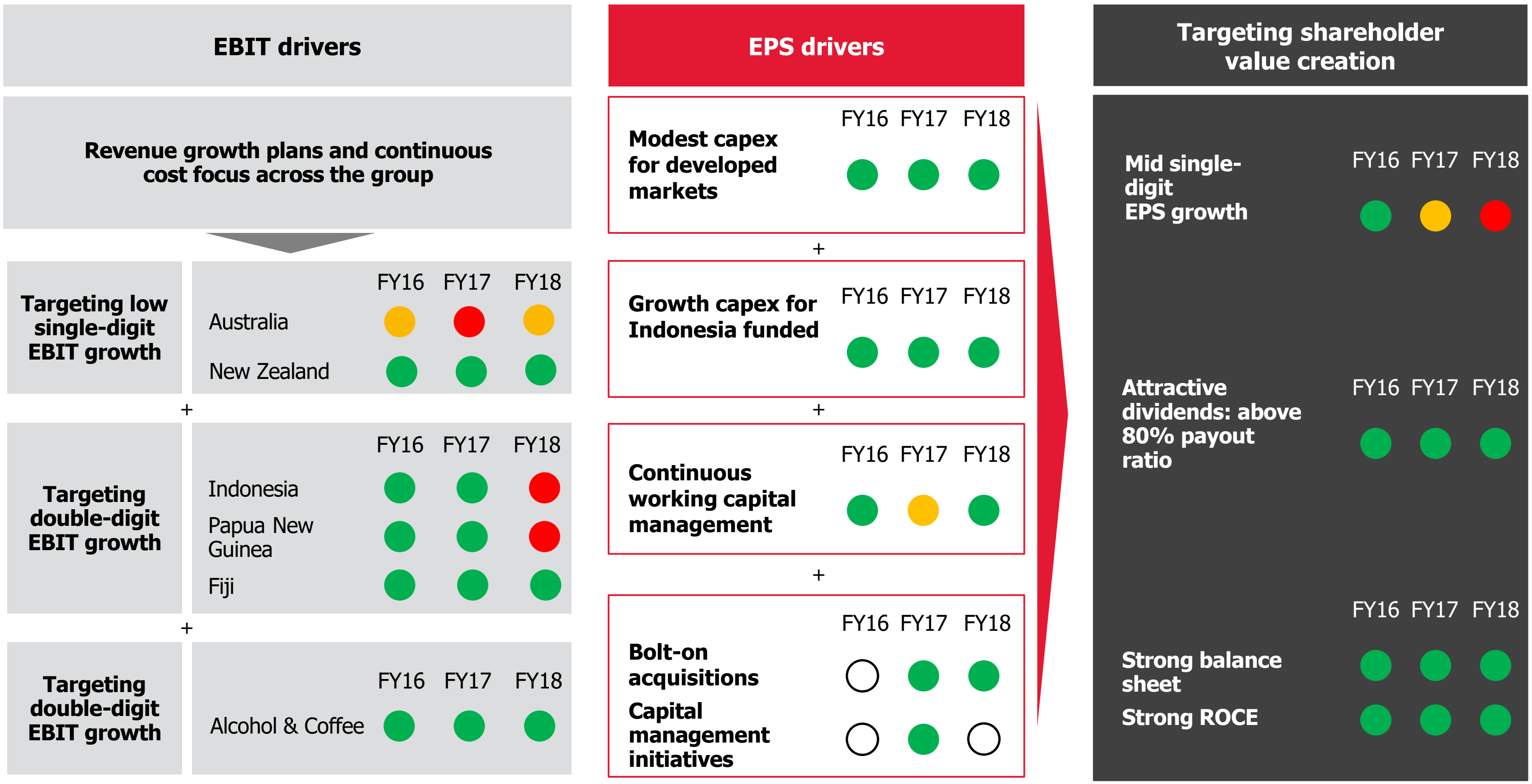
Attractive dividends: above 80% payout ratio

Strong balance sheet

Strong return on capital employed

PROGRESS AGAINST OUR SHAREHOLDER VALUE PROPOSITION

Solid progress against many of the elements of our shareholder value proposition, with strong plans in place to drive continued improvements in Australia and Indonesia



ADDITIONAL DEVELOPMENTS

SPC & AMATIL X UPDATES

SPC

- In August 2018 announced the commencement of a strategic review of growth options for SPC, which coincided with completion of a four-year, $100 million co-investment in conjunction with the Victorian Government
- In November 2018 the review was concluded and it was announced that the best way to unlock these opportunities is through divestment
- There are many opportunities for growth in SPC, including new products and markets, further efficiency improvements, and leveraging technology and intellectual property
- The divestment process has proceeded to the first round of non-binding indicative offers, of which a number of bids have been received and are being short listed
- Given the wide range of offers received, in terms of size and structure, and the inherent uncertainty of the financial outcome of the sale process, we have reduced the carrying value of SPC's net assets held for sale as at 31 December 2018 to zero

Amatil X

- Minority investments in Doshi and Tabsquare, start ups designed to assist the RECA customers
- Announced partnerships with three Australian scale-ups that have 'ready-to-go' ideas to improve delivery of efficiency and consumer experience

SUSTAINABILITY UPDATES

Wellbeing

- Commitment to reduce the sugar across our portfolio of sales in Australia by 20 per cent by 2025, extending our previous commitment of 10 per cent by 2020
- Achieved a 5.7 per cent in sugar across our portfolio of sales against the baseline of 2015

Packaging

- Signed up to the Australian National Packaging Targets, which included a range of ambitious targets including a commitment to 30 per cent average recycled content in all packaging by 2025
- Completed a business case to assess our ability to increase the overall rPET content for our Australian non-alcoholic portfolio from 24 per cent to 50 per cent and have confirmed this uplift in rPET content will commence in 2019
- Support for The Coca-Cola Company's 2030 World Without Waste ambition to collect and recycle one container for every one sold

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BUSINESS PERFORMANCE

Martyn Roberts Group Chief Financial Officer

COCA-COLA AMATIL

SEGMENT RESULTS OVERVIEW

Underlying EBIT $ million	FY18	FY17	Change %	% of Group underlying EBIT
Australian Beverages	376.1	412.6	(8.8)	59.3%
New Zealand & Fiji	112.4	104.8	7.3	17.7%
Indonesia & Papua New Guinea	85.1	90.9	(6.4)	13.4%
Alcohol & Coffee	55.7	49.7	12.1	8.8%
Corporate & Services	5.2	20.3	(74.4)	0.8%
Total Continuing Operations	634.5	678.3	(6.5)	

AUSTRALIAN BEVERAGES

Our earnings performance was consistent with our plans of additional investment in Australian Beverages in 2018

$ million	FY18	FY17	Change %
Trading revenue	**2,518.1**	**2,535.2**	(0.7)
Revenue per unit case ($)	$8.20	$8.15	0.6
Volume (million unit cases)	307.1	311.1	(1.3)
Underlying EBIT	**376.1**	412.6	(8.8)
EBIT margin	14.9%	16.3%	(1.4)pts
Return on capital employed	33.1%	36.1%	(3.0)pts

COMMENTARY

- Adjusting for the $40 million of additional investment in our Accelerated Australian Growth Plan, EBIT growth would have been positive for the year
- Improving volume trajectory in sparkling and still beverages despite impact from the implementation of container deposit schemes
- Trading revenue per unit case was 0.6% higher comprising:
  - 3.5% increase from container deposit scheme charges
  - (2.3)% investment in realised price
  - (0.6)% decrease from product / channel mix

AUSTRALIAN BEVERAGES

Encouraging signs with volume growth in Coca-Cola Trademark in 2H18 as well as volume share[1] gains in sparkling and still beverages for the year

Volume Composition By Category (million unit cases)

	FY18	FY17	Change	Volume Share[1]
Sparkling				
Cola	156.1	156.6	(0.3%)	↑
Flavours / Adult	49.1	50.1	(2.0%)	↓
Total Sparkling	**205.3**	**206.7**	**(0.7%)**	↑
Frozen	**23.8**	**25.2**	**(5.6%)**	
Stills				
Water[2]	53.5	54.4	(1.7%)	↑
Value added dairy / Energy	10.2	9.3	9.7%	↑
Other Stills [3]	14.3	15.5	(7.7%)	↑
Total Stills	**78.0**	**79.2**	**(1.5%)**	↑
Total	**307.1**	**311.1**	**(1.3%)**	

CATEGORY

SPARKLING

- The encouraging signs in sparkling beverage volumes from the first half continued in the second half
- Second half volume growth in Coca-Cola Trademark due to the growth of Coca-Cola No Sugar
- Total volume share[1] gains for the second half and the year
- Diets / lights cola achieved low single digit volume growth for the year

FROZEN

- Overall volume decline for frozen, however, not a significant impact to profitability

STILLS

- Volume share[1] gains in the second half and FY18, driven by price investment
- Water volume share[1] declined in grocery in the second half following changes to promotional strategies with major customers
- "Double Down" categories performed strongly with high single digit volume growth in energy, and double-digit volume growth in value added dairy as well as solid volume and value share[1] gains

1. Share of Grocery and Convenience & Petroleum volumes. Source: IRI 12 months to 31 Dec 2018
2. Water volumes include Neverfail
3. "Other Stills" includes juice, tea, sports

AUSTRALIAN BEVERAGES

Strong performances in the grocery, convenience & petroleum and restaurant and café channels, offset by continued pressure in state immediate consumption

Volume Composition By Channel (million unit cases)

	FY18	FY17	Change	Volume Share[1]
Grocery, Convenience & Petroleum	**185.2**	183.8	**0.8%**	⬆
On-The-Go[2]	**121.9**	127.3	**(4.2%)**	n/a
Total	**307.1**	311.1	**(1.3%)**	

CHANNEL

GROCERY

- Full year volume growth in our must win channel of grocery
- Performance reflecting solid growth in Coca-Cola No Sugar and first half performance of water
- Total NARTD volume share[1] gains in the second half driven by overall performance in sparkling beverages
- Change in promotional strategies for water in the second half resulted in lower volumes compared to the prior year but limited impact on profitability

CONVENIENCE & PETROLEUM

- Good volume growth driven by valued added dairy and energy as well as improved water ranging with key customers

ON-THE-GO

- **State immediate consumption:** continuing to experience volume pressure in state immediate consumption channel
- **RECA:** volume growth in RECA in second half and for the year driven by increased focus and targeting with channel specific product launches

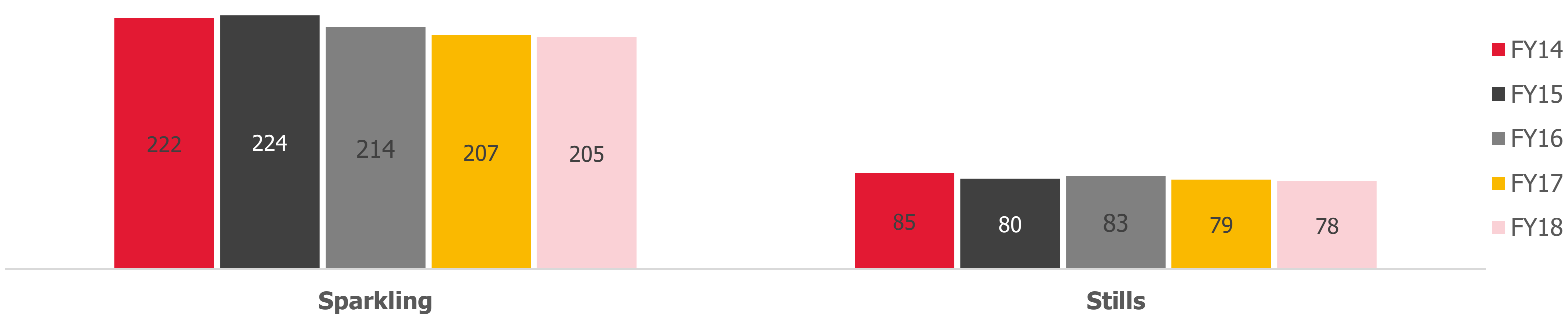
1. Share of Grocery and Convenience & Petroleum volumes. Source: IRI 12 months to 31 Dec 2018
2. On-The-Go includes: national and state operational accounts, RECA and licensed.

AUSTRALIAN BEVERAGES – CATEGORY

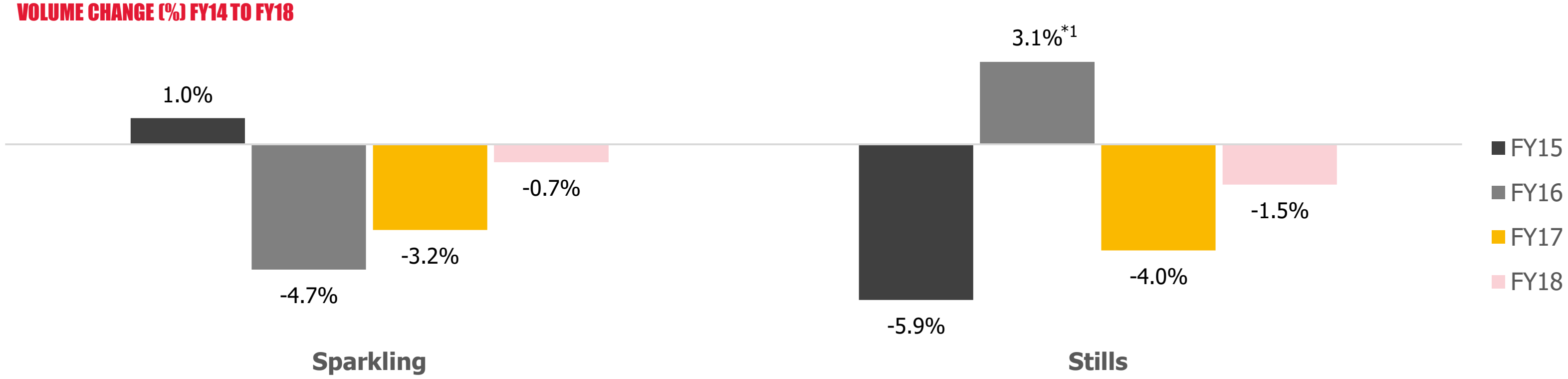
Improving volume trajectory for sparkling and still beverages from FY14 to FY18, despite container deposit schemes, with many of the initiatives in our Accelerated Australian Growth Plan gaining traction

SPARKLING AND STILL BEVERAGES FY14 TO FY18

SPARKLING AND STILLS VOLUMES FY14 TO FY18 (MILLION UNIT CASES)



VOLUME CHANGE (%) FY14 TO FY18



*1 Volume growth largely driven by sales of discount water with minimal profitability

ACCELERATED AUSTRALIAN GROWTH PLAN

Our Accelerated Australian Growth Plan defines our priorities and focus

STRATEGY	**LEAD**		**EXECUTE**	**PARTNER**
AMBITION	• Maintain #1 NARTD position, winning NARTD market value growth • A broad, innovative consumer-centric portfolio and best-in-market execution • Make the "Total Beverages Company" strategy a market reality			
OBJECTIVES	**REJUVENATE THE CORE**		**DOUBLE DOWN IN GROWTH AREAS**	**CLOSE THE GAP AND CREATE NEW GAPS**
CATEGORY	**MUST WIN**	**STABILISE**	**DOUBLE DOWN**	**ENTER**
	Cola Water	Flavours, Tea, Juice, Sports, Adult	Value added dairy Energy	Emerging beverages
CHANNEL	**MUST WIN**	**STABILISE**	**DOUBLE DOWN**	**ENTER**
	Grocery State IC	National On Premise Direct to Consumer Licensed	Convenience & Petroleum RECA	Online

ENABLERS	Portfolio simplification and innovation	Revenue growth management	Product and packaging sustainability	Overhauled S&OP process	Cost optimisation and reinvestment

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CONTAINER DEPOSIT SCHEMES

Australian Beverages' volumes and earnings have been impacted by the implementation of container deposit schemes in NSW and the ACT and will continue to be impacted by the introduction of schemes in Queensland and Western Australia

NEW SOUTH WALES

OVERVIEW

- NSW volumes decreased 3.4 per cent for the year, whereas National ex-NSW volumes decreased 0.4 per cent

ACTIONS

- We reduced our CDS charge in NSW from 13.59 cents (excluding GST) to 10.91 cents (excluding GST) from 1 August reflecting lower than anticipated redemption rates

ACCOUNTING

- We had been accruing any unredeemed deposits and fees on our balance sheet
- At the half year end, we were required to credit $10.0 million of this accrual to the income statement to reduce the accrual to an amount we believe is still payable under the scheme
- This credit was substantially returned to consumers through additional price investments in NSW in the second half

OTHER STATES

AUSTRALIAN CAPITAL TERRITORY

- Commenced 30 June 2018
- Similar to NSW scheme with charge from 1 August set at 10.91 cents (excluding GST) per eligible container

QUEENSLAND

- Commenced 1 November 2018 with charge set at 10.38 cents (excluding GST) per eligible container
- Actively participating in administration of the scheme
- Experiencing month to month volatility and, as such, too early to assess the impact of the scheme

WESTERN AUSTRALIA

- Targeting implementation in early 2020

NEW ZEALAND & FIJI

NZ and Fiji delivered another year of strong EBIT growth underpinned by strong execution

$ million	FY18	FY17	Change %	Change – Constant Currency[1] %
Trading revenue	**592.4**	554.1	6.9	6.6
Revenue per unit case ($)	$7.90	$7.84	0.8	0.5
Volume (million unit cases)	75.0	70.7	6.1	
Underlying EBIT	**112.4**	104.8	7.3	6.5
EBIT margin	19.0%	18.9%	0.1pts	0.0pts
Return on capital employed	28.7%	27.4%	1.3pts	

1. The constant currency basis is determined applying FY17 foreign exchange rates to FY18 local currency results.

NEW ZEALAND

- Delivered another year of EBIT growth
- Achieved strong revenue and volume growth despite cycling a strong FY17 result and unfavourable weather conditions in December
- Strong performances across sparkling and still beverages – revenue and volume growth achieved
- Revenue growth delivered in all major channels

FIJI

- Delivered another year of EBIT growth despite a number of unfavourable weather incidents during the period
- Achieved revenue and volume growth across stills and sparkling categories as well as all channels

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INDONESIA & PAPUA NEW GUINEA

Indonesia result impacted by soft market conditions, increased commodity prices and weak currency; PNG experienced some operational issues which were largely resolved by year end

$ million	FY18	FY17	Change %	Change – Constant Currency[1] %
Trading revenue	**981.7**	1,002.7	(2.1)	0.9
Revenue per unit case ($)	$4.32	$4.46	(3.1)	(0.2)
Volume (million unit cases)	227.2	225.0	1.0	
Underlying EBIT	**85.1**	90.9	(6.4)	(5.0)
EBIT margin	8.7%	9.1%	(0.4)pts	(0.6)pts

1. The constant currency basis is determined applying FY17 foreign exchange rates to FY18 local currency results.

INDONESIA

- Achieved volume growth from April, following a subdued first quarter
- Overall volume growth driven by strategic initiative of increased number and availability of smaller packs
- Volume growth in sparkling, water, tea and dairy categories
- Continued progress on our business transformation, however not sufficient to offset soft market conditions, resulting in constrained revenue performance – flat on a constant currency basis
- Improved sparkling share and maintained water and dairy share

PAPUA NEW GUINEA

- Performance below expectations driven by operational challenges; issues largely resolved
- Continued brand support and activation

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ACCELERATE TO TRANSFORM

We have five areas of focus in 2019

STRATEGY	LEAD		EXECUTE		PARTNER
AMBITION	• #1 in NARTD value share • Consumer-centric approach • Best-in-class market execution enabled by an optimised route-to-market				
ACTIONS	**A. GROW SPARKLING**	**B. GAIN SHARE IN TEA AND DAIRY**	**C. STABILISE JUICE**	**C. MAINTAIN WATER AND ISOTONIC**	**D. OPTIMISE DISTRIBUTION**
	Drive sparkling relevance and consumption by providing a strong reason to consume	Scale to #2 Tea share and establish as a sizeable Dairy player	Stabilise Minute Maid Pulpy and investigate long term options	Maintain position for future growth	Optimise RTM network with further refined Retail and Wholesaler roles
BRANDS	Sprite, Coca-Cola, Fanta	frestea, Original Tea, nutriboost	Minute Maid Pulpy	ades, Aquarius	
INITIATIVES	• Drive recruitment through 250mL ASSP pack • Activate based on consumer and community occasions • Product innovation	• Innovate in Tea • Enter 'Original' Tea at scale with new brand • Build Nutriboost brand credentials	• Enhance the sensorial and refreshment value proposition • Investigate long term options	• Maintain existing brand building initiatives • Explore longer term options e.g. functional benefit	• Segmented execution • Differentiated service standards based on VPO • Refine CVP through trialing programs • Wholesaler partnerships to complement Retail

ALCOHOL & COFFEE

Delivered strong result with another year of double-digit EBIT growth

$ million	FY18	FY17	Change %	Change – constant currency[1] %
Trading revenue	**609.8**	564.8	8.0%	7.7
Underlying EBIT	**55.7**	49.7	12.1%	12.1
EBIT margin	9.1%	8.8%	0.3pts	0.4pts

1. The constant currency basis is determined applying FY17 foreign exchange rates to FY18 local currency results.

ALCOHOL

- Revenue and volume growth and double-digit EBIT growth
- Strong performance in the spirits & premix segment, driven by Canadian Club, Maker's Mark and Roku Gin, with increased market share and above market growth
- Investment back into the business to build our brands and capabilities and support our long-term growth aspirations

COFFEE

- Revenue and volume growth driven by increased penetration and customer activation
- Further investment in the business to develop the international coffee opportunity

GROWTH INITIATIVES

- Expansion of our coffee business internationally
- Expansion of international sales including US distribution agreement for Vailima and RumCo of Fiji premium rum range

CORPORATE & SERVICES

Decline in earnings in line with outlook provided at our Investor Day in November 2018

$ million	FY18	FY17	Change %
Trading revenue[(1)]	**50.3**	43.6	15.4
Underlying EBIT from continuing operations	**5.2**	20.3	(74.4)

1. Represents revenue mostly from our recycling business in South Australia.

SERVICES

- Smaller contribution from the services division due to lower services requirement to Australian Beverages
- Lower earnings in the property division due to lower rental fees received from Australian Beverages

CORPORATE

- Investment in Amatil X to drive future customer, supply chain and sustainability initiatives, and in group capabilities

SPC

- From a financial reporting perspective, SPC has been classified as a discontinued operation in the FY18 results, and not included in the segment performance
- SPC recorded a $10.4 million EBIT loss for the year (before non-trading items) in line with the outlook we provided at our Investor Day in November 2018

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FINANCIALS

Martyn Roberts Group Chief Financial Officer

INCOME STATEMENT

Underlying EBIT from continuing operations decline of 6.5 per cent

$ million	FY18	FY17	Change %
Underlying EBIT (before non-trading items)	634.5	678.3	(6.5)
Net finance costs (before non-trading items)	(72.5)	(68.8)	(5.4)
Taxation expense (before non-trading items)	(160.7)	(178.2)	9.8
Non-controlling interests	(13.0)	(15.8)	17.7
NPAT attributable to Coca-Cola Amatil shareholders from continuing operations (before non-trading items)	**388.3**	415.5	(6.5)
Non-trading items after income tax	13.2	29.0	(54.5)
Profit from continuing operations	**401.5**	444.5	(9.7)
(Loss)/Profit from discontinued operation after income tax	(122.5)	0.7	NM
NPAT attributable to Coca-Cola Amatil shareholders	**279.0**	445.2	(37.3%)

COMMENTARY

- Underlying EBIT decline of 6.5% reflecting:
  - Accelerated reinvestment in Australian Beverages as planned and the impact of container deposit schemes
  - Soft market conditions in Indonesia, higher commodity prices and a weaker currency
  - Operational challenges in PNG
  - Lower contribution from our Corporate & Services segment
- Increase in **net finance costs** interest costs associated with funding of share buy back
- Lower **non-controlling interests** due to lower EBIT contribution from Indonesia
- **Non-trading items** after income tax of $13.2 million resulting from expenses due to cost and revenue optimisation programs which were offset with one-off gains from property sales

CAPITAL EMPLOYED

Strong return on capital employed from continuing operations at 20.1 per cent

$ million	FY18	FY17[1]	Variance $M
Working capital	340.4	393.0	(52.6)
Property, plant and equipment (PPE)	1,855.0	1,823.2	31.8
Intangible assets	1,252.4	1,207.9	44.5
Current and deferred tax liabilities (net)	(241.6)	(306.3)	64.7
Derivatives liabilities – non debt related (net)	(27.3)	(5.4)	(21.9)
Other net assets / (liabilities) (net)	48.9	(12.8)	61.7
Capital employed – continuing operations	3,227.8	3,099.6	128.2
Return on capital employed (ROCE)	**20.1%**	21.6%	(1.5) pts
Discontinued operations	-	117.9	(117.9)
Total Group	**3,227.8**	3,217.5	10.3

[1] 2017 figures adjusted for discontinued operations

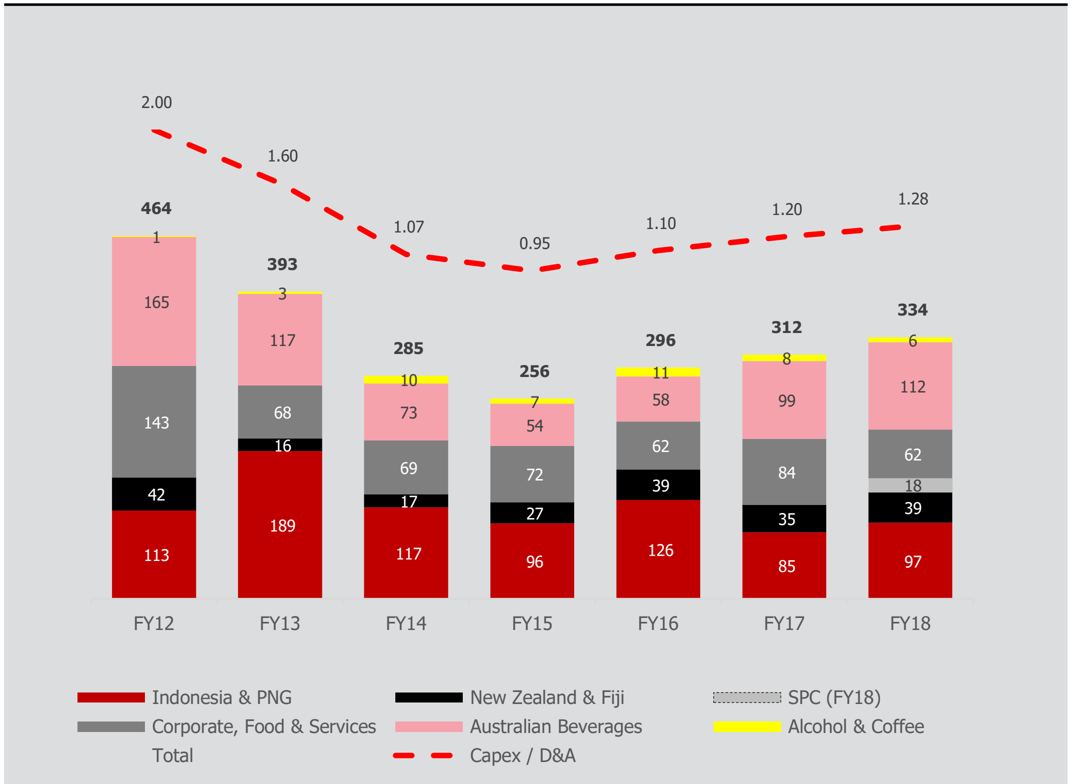
COMMENTARY

- **Working capital** decreased by $52.6 million, due to a favourable change in our year-end balance date, which fell on a weekday this year resulting in lower debtors, together with improved supplier management
- **PPE** increased by $31.8 million due to higher capital expenditure associated with the investments at the Richlands facility in Australia, a new water line and automated warehouse in New Zealand, and a new PET line in Cikedokan and continued investment in cold drink equipment in Indonesia
- **Intangible assets** increased by $44.5 million due primarily to the acquisition of Rekorderlig distribution rights in Australia and foreign exchange translation impact
- **Current and deferred tax liabilities (net)** reduced by $64.7 million due to lower taxable income in Australia and deferred tax asset from SPC impairment
- **Derivative liabilities – non-debt related (net)** increased by $21.9 million due to unrealised losses on sugar and resin hedges recognised in equity
- **Other assets** increased $61.7 million due to minority investment in the Made Group and utilisation of restructuring provisions from the prior year

CAPITAL EXPENDITURE

Capital expenditure of $334 million, higher than FY17, reflecting increased investment in Australian Beverages and Indonesia

Capex including SPC ($ million) and Capex / Depreciation and amortisation (x times)



COMMENTARY

- Capital expenditure for FY18 lower than originally anticipated due to deferred payments on equipment for capacity expansion at Richlands into 2019 as well as in other projects in New Zealand and Indonesia
- **Australian Beverages:** construction of a new glass bottling line and additional capacity for dairy and juice at the Richlands facility in Queensland
- **New Zealand & Fiji:** progress on blow-fill line in Putaruru to expand capacity and a warehouse automation project in Auckland
- **Indonesia & PNG:** new PET line in Cibitung, and continued investment in cold drink equipment; investment in a new ASSP line in Surabaya; new can line commissioned in PNG
- **Corporate, Food & Services:** cold drink equipment for Australian Beverages, information technology initiatives and human resources systems; SPC investment in new peach / apricot pitters

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FREE CASH FLOW

Cash realisation improved by 13.9 points to 107 percent

$ million	FY18	FY17	Change ($M)
Underlying EBIT (from continuing operations)	**634.5**	**678.3**	**(43.8)**
Depreciation and amortisation	258.4	260.8	(2.4)
Impairment charges	0.5	2.5	(2.0)
Change in adjusted working capital[1]	42.4	(41.8)	84.2
Net interest paid and finance costs	(87.0)	(53.5)	(33.5)
Taxation paid	(159.6)	(173.4)	13.8
Movements in other items[2]	16.4	(28.7)	41.5
Underlying operating cash flows (from continuing operations)	**705.6**	**644.2**	**61.4**
Capital expenditure	(316.2)	(296.3)	(19.9)
Proceeds from sale of non-current assets	3.6	6.1	(2.5)
Payments for additions of other intangible assets	(0.4)	-	(0.4)
Underlying free cash flow (from continuing operations)	**392.6**	**354.0**	**38.6**
Add: net cash inflows from non-trading items (continuing operations)	26.4	97.2	(70.8)
Free cash flow (from continuing operations)	**419.0**	**451.2**	**(32.2)**
Add: net cash outflows from discontinued operation	(44.7)	(21.9)	(22.8)
Statutory free cash flow	**374.3**	**429.3**	**(55.0)**
Underlying cash realisation[3] (from continuing operations)	**107.0%**	**93.1%**	**13.9 points**

1. Working capital is adjusted to exclude the impact of non-cash flow and non-operating items such as foreign exchange translation, impacts of acquisitions of businesses and payables relating to additions of property, plant and equipment.
2. Mainly comprising of movements in prepayments and employee benefits provisions.
3. Underlying basis: Net operating cash flows divided by NPAT from continuing operations (adding back depreciation and amortisation expenses before tax).

COMMENTARY

- Underlying free cash flow from continuing operations increased by $38.6 million to $392.6 million driven by lower working capital
- Lower working capital due to a favourable change in our year-end balance date, which fell on a weekday this year resulting in lower debtors, together with improved supplier management
- Increased capital expenditure primarily on Richlands warehouse automation and production lines investments
- Movements in other items reflected movements in prepayments and provisions
- Underlying cash realisation from continuing operations was higher than the prior year due to the lower working capital

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NET DEBT AND INTEREST COVER

Strong balance sheet with lower net debt; underlying EBIT from continuing operations interest cover of 8.8 times

Net debt ($ million) and Underlying EBIT interest cover (x times)

COMMENTARY

- Net debt decreased by $9.4 million to $1,327.8 million
- Total available committed debt facilities at period end were $2.5 billion with average maturity of 5.7 years
- Substantial proportion of cash assets held for specific purposes or constraints (Indonesia & Papua New Guinea)
- Underlying EBIT from continuing operations interest cover at 8.8 times

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SUSTAINABILITY & OUTLOOK

Alison Watkins Group Managing Director

COCA-COLA **AMATIL**

OUR APPROACH TO SUSTAINABILITY UNDERPINS OUR FUTURE PERFORMANCE

Our focus is on the four areas where we can have the greatest impact

OUR PEOPLE

We provide a safe, open, flexible and inclusive workplace where our people are energised by the opportunities they have.

2018 ACHIEVEMENTS

- Human Rights Policy introduced across Group
- 74% reduction in injuries since 2012 across the Group

WELLBEING

We provide choices and the information consumers need to make their choice.

2018 ACHIEVEMENTS

- 5.7% sugar reduction in Australia
- Coca-Cola 100% Stevia launched in New Zealand
- Australia & New Zealand industry pledge to reduce sugar by 20% by 2025

ENVIRONMENT

We operate responsibly in all we do to minimise our impact on the environment and ensure we deliver a positive lasting legacy.

2018 ACHIEVEMENTS

- Container collection leadership in Australia & Mission Pacific in Fiji
- 50% rPET business case completed in Australia and 2019 investment confirmed
- 100% rPET Mount Franklin single serve

OUR COMMUNITY

We partner with our communities to deliver a shared benefit from our presence.

2018 ACHIEVEMENTS

- $1.1M invested in the Coca-Cola Australia Foundation with Coca-Cola South Pacific
- PNG Women Empowerment (WE) Kiosks launched

2019: OUTLOOK

2019 OUTLOOK

2019 will be the second year of a two-year transition phase for the Group.

- **Australian Beverages:** we will be positioned for growth in 2020 with the completion of the additional $10 million of investment in our Accelerated Australian Growth Plan to increase our salesforce and, with container deposit schemes in NSW and Queensland substantially embedded by the end of 2019
- **Indonesia:** we are encouraged by the volume growth we delivered from April 2018 and will continue to deliver our Accelerate to Transform strategy with additional direct marketing expenditure to be invested in 2019; however macroeconomic conditions, weak Indonesian Rupiah, higher commodity costs and current consumer spending trends are expected to continue
- **New Zealand & Fiji, Papua New Guinea and Alcohol & Coffee**: expected to deliver growth in line with our Shareholder Value Proposition
- **Corporate & Services:** an EBIT loss of $10 to $12 million expected in line with the outlook provided in November 2018 due to lower property rental and services earnings, increased Group capability and investment in IT platforms

NON-TRADING ITEMS

- As part of our cost optimisation programs in Australian Beverages, we are expecting one-off costs in 2019 of up to $30 million
- We are pursuing additional opportunities within our Property Division which may result in one-off gains in 2019, partially offsetting the one-off costs

TARGET FROM 2020 AND BEYOND

- We remain committed to our Shareholder Value Proposition targeting a return to delivery of mid-single digit earnings per share growth from 2020
- This will depend on the success of revenue growth initiatives in Australia, Indonesian economic factors and regulatory conditions in each of our markets

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2019: CAPEX, DIVIDENDS AND BALANCE SHEET

CAPITAL EXPENDITURE

- 2019 Group capex expected to be similar to Group capital expenditure in 2018, reflecting the deferred payments from 2018 and continued deployment of capital in Indonesia, including a second affordable small sparkling pack line

DIVIDENDS

- Continue to target medium term dividend payout ratio of over 80 per cent
- It is anticipated that franking will be at a lower level in the future due to the increasing proportion of earnings from outside Australia

BALANCE SHEET

- Balance Sheet to remain conservative with flexibility to fund future growth opportunities
- Expecting to maintain strong return on capital employed
- We will seek to maximise value for shareholders by pursuing additional opportunities within our Property Division

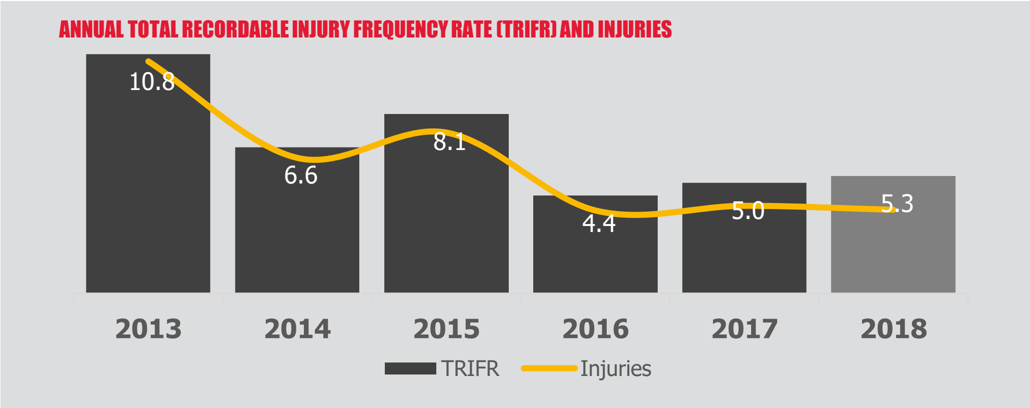
COCA-COLA AMATIL

QUESTIONS & ANSWERS

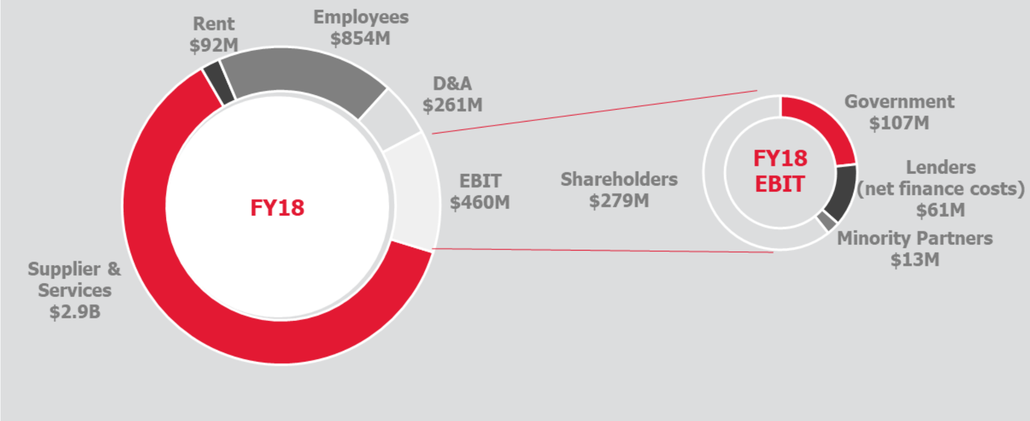
APPENDIX

SAFETY FOCUS AND OUR CONTRIBUTION

SAFETY PERFORMANCE



OUR CONTRIBUTION



Coca-Cola

pump PURE WATER

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Keri JUICE BLENDERS

MONSTER ENERGY

Coors

GRINDERS COFFEE ROASTERS

MOUNT FRANKLIN

BARISTA BROS

KIRKS SINCE 1865

CASCADE GENUINE REFRESHMENTS EST. 1886

Canadian Club

Mother ENERGY

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frestea

Glaceau smartwater

DEEP SPRING

Miller

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