



A.B.N. 26 004 139 397

2014

Financial Results

For the half year ended 30 June 2014
Incorporating the requirements of ASX Appendix 4D

CCA will host a presentation to analysts and media on 20 August 2014 at 10:00 a.m., which will be webcast with all presentation materials posted to CCA's website (www.ccamatil.com). A replay of the presentation, including the question and answer session, will be available on the website.

For more information about Coca-Cola Amatil, please visit www.ccamatil.com

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Coca-Cola Amatil Limited
A.B.N. 26 004 139 397

Half Year Results
For the half year ended 30 June 2014
compared to the prior half year ended 30 June 2013

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Up/down	Movement		30 June 2014
Group results				
Trading revenue (\$M)	up	0.5%	to	2,336.2
Total revenue (\$M) ¹	up	0.8%	to	2,381.8
Earnings before interest, tax and significant items (\$M) ^{2&3}	down	15.3%	to	316.7
Earnings before interest and tax (\$M) ^{2&3}	down	12.2%	to	316.7
Earnings before interest, tax, depreciation, amortisation and significant items (\$M) ^{2&5}	down	10.1%	to	448.1
Earnings before interest, tax, depreciation and amortisation (\$M) ^{2&5}	down	7.6%	to	448.1
Profit after income tax attributable to members (before significant items)(\$M) ²	down	19.0%	to	182.3
Profit after income tax attributable to members (\$M) ²	down	15.6%	to	182.3
Net profit for the period attributable to members (\$M) ²	down	15.6%	to	182.3

Group performance measures				
Earnings per share (before significant items) ^{2,4&5}	down	19.0%	to	23.9¢
Earnings per share ^{2,4&5}	down	15.5%	to	23.9¢
Free cash flow (\$M) ⁵	up	141.5	to	125.9
Return on invested capital ⁵	down	1.7 points	to	14.5%
Capital expenditure to trading revenue ⁵	down	2.5 points	to	5.6%
EBIT interest cover (before significant items) ²	down	0.9 times	to	5.2 times

Dividends per share⁶	
2014 interim dividend (franked to 75%)	20.0¢
2013 interim dividend (franked to 75%), paid on 1 October 2013	24.0¢
2013 interim special dividend (unfranked), paid on 1 October 2013	2.5¢
2013 final dividend (franked to 75%), paid on 1 April 2014	32.0¢
Ex-dividend date for the 2014 interim dividend	Tuesday, 26 August 2014
Record date for determining entitlement to the 2014 interim dividend	Thursday, 28 August 2014

1 Includes trading revenue, other revenue and finance income, refer to Note 3 of the half year financial report for further details.

2 There are no significant items for the half year ended 30 June 2014. 30 June 2013 included amounts classified as significant items which consisted of a net loss of \$13.2 million before income tax and an income tax benefit of \$4.0 million, or \$9.2 million loss after income tax. Refer to Notes 4b) and 5 respectively of the half year financial report for further details. CCA has provided certain financial measures adjusted for amounts classified as significant items to assist investors and other users of this half year financial report in their understanding of the financial performance of the Group.

3 Refer to Note 2 of the half year financial report for further details.

4 Earnings per share is based on a weighted average number of ordinary shares of 763.6 million (2013: 762.8 million).

5 Refer to Note 6 of the half year financial report for further details.

6 Refer to Note 11 of the half year financial report for further details.

Contents

3	Interim Result Commentary
3	Highlights of 2014 Interim Result
3	Financial Results Commentary
4	Operational Results Commentary
5	Strategic Review Update
7	2014 Trading Outlook
8	Detailed Financial Commentary
12	Detailed Operations Review
12	Australia
13	New Zealand & Fiji
14	Indonesia & Papua New Guinea (PNG)
15	Alcohol, Food & Services
16	Financial Report

HIGHLIGHTS OF 2014 INTERIM RESULT

\$A million	H1 2014	H1 2013	Change
Trading revenue	2,336.2	2,323.6	0.5%
EBITDA (before significant items)	448.1	498.3	(10.1%)
Depreciation & amortisation	131.4	124.4	5.6%
EBIT (before significant items)	316.7	373.9	(15.3%)
Net finance costs	(60.5)	(61.7)	(1.9%)
Taxation expense (before significant items)	(73.6)	(87.0)	(15.4%)
Non-controlling interests	(0.3)	(0.1)	
Net profit (before significant items)	182.3	225.1	(19.0%)
Significant items (after tax)	-	(9.2)	
Net profit (reported)	182.3	215.9	(15.6%)
EPS (before significant items) (cents)	23.9	29.5	(19.0%)
EPS (cents)	23.9	28.3	(15.5%)
Interim dividend per share (cents)	20.0	24.0	(16.7%)
Interim special dividend (cents per share)	-	2.5	
Total interim dividends per share (cents)	20.0	26.5	(24.5%)
Return on invested capital (before significant items)	14.5%	16.2%	(1.7) pts

FINANCIAL RESULTS COMMENTARY

First half earnings are in line with guidance provided on 11 April 2014. Cash flow generation was strong, supporting the payment of an interim dividend of 20.0 cents per share representing a payout ratio of 83.8%, which is above the stated target payout ratio of 70-80%. Key points:

- Earnings before interest, tax, depreciation and amortisation (EBITDA) declined by 10.1% over the prior comparative period to \$448.1 million, before significant items.
- Earnings before interest and tax (EBIT) declined by 15.3% to \$316.7 million, before significant items.
- Net profit after tax declined by 19.0%, before significant items, and by 15.6% to \$182.3 million, after significant items;
- The strong free cash flow generation and the continued strength of the balance sheet has supported the payment of an interim ordinary dividend of 20.0 cents franked at 75%. The interim dividend represents a payout of 83.8% of net profit and is above CCA's 70-80% target payout ratio. The interim ordinary dividend declined by 16.7% when compared to the interim ordinary dividend of 24.0 cents per share last year. An interim special dividend of 2.5 cents per share (unfranked) was also paid last year.

OPERATIONAL RESULTS COMMENTARY

CCA's Group Managing Director, Ms Alison Watkins said, "It is clear that CCA is facing a number of immediate challenges, particularly in the Australian beverage and Indonesian markets. In mid-April we provided a trading update to the market outlining that we expected first half 2014 Group EBIT before significant items to decline by around 15% over the prior comparable period."

Key points:

- **Difficult trading conditions in the Australian business resulted in a 14.1% decline in Australian beverage earnings.** Trading conditions were challenging across all channels. Volumes and earnings in operational accounts declined as we experienced a continued shift to national chains and quick service restaurants. This decline was exacerbated by reduced promotional activity to the channel, a decline in sales headcount and reduction in outlet call frequency during 2013 which resulted in below required service standards, issues which are being actively addressed. In the grocery channel, whilst volumes grew by 3.7%, this was a weak result in the context of the business cycling a 14.5% volume decline in the first half of last year. Promotional activity yielded disappointing results and rate realisation continued to be under pressure due to weaker consumer demand, aggressive competitor pricing and private label activity in both water and flavoured carbonated beverages;
- **While the Indonesian business delivered strong volume growth and market share gains in key categories, rapid cost inflation, currency depreciation and increased competition impacted segment earnings.** The Indonesia & PNG region delivered volume growth of 22.2% and EBIT of \$5.2 million, compared with \$31.4 million last year. As the beverage market in Indonesia continues to grow strongly, the competitive environment has intensified, limiting price increases with CCA also experiencing a mix shift to lower margin packs as the business increased the ranging of lower priced offerings. The decline in the Indonesian Rupiah increased input costs by \$19 million. The PNG business experienced strong growth in volumes and earnings;
- **New Zealand & Fiji earnings increased by 12.0% in Australian dollars with earnings flat in local currency terms.** New Zealand experienced a poor, weather-affected start to the year with overall non-alcoholic ready-to-drink category volume declines partly offset by improved momentum and a return to growth in the second quarter. Strong share gains were made in juice, water and energy categories offset by declines in the carbonated beverage category and aggressive competitor activity in the sports category;
- **Alcoholic beverage earnings delivered a modest decline in earnings** as a result of the impact a decline in the dark spirits category on Beam earnings. Canadian Club continued to perform well with double-digit volume increases and ongoing strong momentum of the category. The business experienced a slower than expected return to beer and cider due to delays in ranging in some customers and increased competition in the cider category;
- **Strong cash flow generation resulted in a decline in net debt.** Free cash flow generation was strong and increased by \$141.5 million to \$125.9 million largely due to reduced capital expenditure and strong working capital management. Net debt declined by \$34 million to \$1.89 billion.
- **Continued strength of the balance sheet and financial ratios supports an interim ordinary dividend payout ratio of 83.8% which is above CCA's 70-80% target payout ratio.** The interim ordinary dividend of 20.0 cents is franked at 75% and represents a decline of 16.7% on the interim ordinary dividend last year.

STRATEGIC REVIEW UPDATE

At the AGM in May, CCA announced it had commenced a strategic review of the business as market conditions across the Group become more competitive and growth becomes increasingly difficult to achieve. Ms Watkins said, “CCA has access to some of the most-enjoyed beverage brands globally and has established a strong competitive position across our franchise territories as a result of multi-year investments in marketing, IT and production and distribution infrastructure investment.

“It is however clear that the beverage landscape, particularly in Australia and New Zealand, has been evolving over the past five years with increased competition from existing players, greater penetration of value and private label products, a shift toward “better for you” products and the continued consolidation of the customer base in both grocery and national accounts. As a business we have been slow to adapt to these changes in market conditions and shifting consumer trends.

“In response, we commenced a full strategic review with the objective of restoring CCA to sustainable earnings growth. This process commenced with the strengthening of the senior leadership team for the Group which I believe establishes the right team to take us forward. The initial focus of the strategic review has been the Australian beverage business, the most material contributor of earnings to the Group, with reviews of all businesses to be completed by the end of October.

“The review process we have embarked on across the Group is comprehensive, structured and well-resourced and has confirmed our significant strengths and clarified our competitive advantages. It has highlighted the consequences to earnings of a focus on short-term tactical decisions without consideration of the longer-term challenges. I believe we now have a clear understanding of what structural changes we need to make.

“For the Australian beverage business the imperative is to:

- **Strengthen our brand portfolio** and improve brand equity of the existing portfolio to broaden and increase our appeal to a wider range of consumers and, going forward, to deliver an increased range of low and no calorie offerings;
- **Optimise our revenue management** by rebalancing and optimising price, pack architecture by channel and strengthening our promotional management and business intelligence capability;
- **Redesign the route to market model** to better cater to the needs of each of our customer groups and better leverage our significant investment in customer service technology to reduce the cost to serve our high margin operational account business without compromising service levels; and
- **Right-size the cost base.** Recognising that price increases will be more difficult to achieve going forward, we need to actively reduce our cost base to strengthen our competitive position, enabling us to reinvest in our brands and to grow our earnings.

“We have made significant progress with plans being developed to drive revenue growth, strengthen our route to market while reducing our cost base. We have clear category and brand plans in place to strengthen our leadership in carbonated beverages as well as a strategy to increase our presence in non-carbonated and high-potential categories. Central to our long-term brand strategy is the commitment to developing a greater range of “better for you” beverage options and we are working closely with The Coca-Cola Company (TCCC) to increase our brand investment to build long-term brand equity.

“To support our revenue growth plans, we need to ensure we have a more competitive cost base. We are targeting savings of over \$100 million over the next three years with the implementation of initiatives to drive around 50% of these savings already underway and the balance in detailed planning stage with implementation expected to commence during the second half of this year. The savings will be primarily driven from improved procurement, streamlined support costs and driving greater efficiencies from the significant investment made in our supply chain over the past five years. We also intend to invest in higher levels of marketing and innovation in order to build a stronger competitive position in the market and thereby provide a more sustainable earnings base from which to deliver earnings growth in future years.

“In Indonesia, after six years of strong revenue and earnings growth we are experiencing substantial cost inflation at a time of intensified competitor activity with a larger number of players vying for a position in the fast-growing beverage market with a population of over 240 million people. We are working closely with TCCC to ensure that we have the right plan to deliver growth in both volumes and returns over the next five years and expect to be in a position to provide a further update in October.

“In alcoholic beverages, I confirm our commitment to building a strong licensed channel business driven by our non-alcoholic beverages capability and complimented with alcoholic beverage partnerships and company-owned brands in spirits, beer and cider. As we continue our review and establish our expectations for the longer-term, we must acknowledge the rapid pace of change in the alcoholic beverage categories in which we compete and we expect this will lead us to establish an updated set of annual targets and timeframes for returns reflecting our revised growth plan. We remain very confident of our relevance to customers and ability to strengthen our position in the licensed channel over time.

“For SPCA we have reviewed our plans following the council decision to not close the public road that splits our site in Shepparton and are pleased to confirm we have commenced the \$100 million investment program, albeit with changes to our original plan.

“Rewarding shareholders with a high dividend payout ratio has always been an important imperative for the Board and the dividend policy will be reviewed as part of the strategic review process. The outlook for the dividend policy will be made with reference to the earnings outlook and in the context of the strong balance sheet and cash flow generating capacity of the Australian and New Zealand businesses as well as the reduced capital needs of these businesses over the next few years.”

2014 TRADING OUTLOOK

In April CCA advised the market that it expected trading conditions to remain challenging for the balance of the year. Ms Watkins said, “The expected trading conditions have continued and indeed since the Federal Budget in May we have experienced further deterioration and evidence of consumer promotional fatigue consistent with weaker consumer sentiment.

“The Australian business will be challenged in the second half by stronger grocery comparatives relative to the first half, a continuation of difficult pricing conditions and we are targeting to finish the year with lower levels of inventory in the trade. In addition, in conjunction with our partner The Coca-Cola Company, we will increase the level of brand marketing investment to strengthen our brand equity to deliver ongoing volume growth.

“We have made significant progress with the review of the Australian business with revenue generating and cost savings initiatives expected to begin to deliver benefits during 2015.

“We expect the Indonesian business to continue to deliver strong volume growth as the beverage market continues to grow rapidly, however we expect pricing and profitability will continue to be under pressure with the increased levels of competition in the market and ongoing cost pressures. We are currently developing joint growth plans for the market with our partner The Coca Cola Company and will provide further details in October.

“Alcoholic beverages are expected to deliver a decline in full year earnings driven by an expectation of continued weakness in the dark spirits category, partly offset by contributions from our Paradise Beverages business.

“While it’s too early for full year guidance, we expect earnings for 2014 to be materially below 2013. Second half earnings however should exceed the first half, before significant items.

“Finally, this is a difficult year for our employees and shareholders. We are making some hard decisions and implementing a range of positive changes that will provide a foundation for sustainable growth in the years to come. CCA is a great company with very strong foundations. Highly capable, accountable leaders will be central to our success and I know through this journey we will provide them with exciting new challenges and opportunities to grow, as well as the satisfaction of achieving results.”

Capital Expenditure

Group capital expenditure is still expected to reduce to around \$320 million in 2014 with approximately 50% of Group capex to be invested in Indonesia & PNG to increase production capacity and cold drink cooler penetration. Guidance for capex for 2015 and 2016 will be provided on completion of the strategic review.

October analyst briefing

CCA will host an analyst briefing to present the full results of the strategic review on October 30 in Sydney.

Trading update

A trading update will be provided during the fourth quarter.

DETAILED FINANCIAL COMMENTARY

CASH FLOW

\$A million	H1 2014	H1 2013	\$ Change
EBIT	316.7	360.7	(44.0)
Depreciation & amortisation	131.4	124.4	7.0
Change in working capital	(29.5)	(88.5)	59.0
Net interest paid	(71.2)	(72.9)	1.7
Taxation paid	(109.5)	(89.2)	(20.3)
Other items	18.7	(67.8)	86.5
Operating cash flow	256.6	166.7	89.9
Capital expenditure	(131.0)	(187.4)	56.4
Proceeds from sale of trademarks, PPE & other	0.3	5.1	(4.8)
Free cash flow	125.9	(15.6)	141.5

The business delivered free cash flow of \$125.9 million, a \$141.5 million increase on last year despite a reduction in earnings. The increase in operating cash flow of \$89.9 million was driven by reductions in working capital and other items.

The \$59.0 million improvement in changes in working capital was driven by reductions in finished goods inventories in Australian beverages and SPCA.

Other items increased by \$86.5 million to \$18.7 million and reflect the reversal of adverse timing impacts from last year.

The \$20.3 million increase in taxation payments reflects the movement from quarterly to monthly payments to the Australian Taxation Office.

The increase in free cash flow includes a reduction of \$56.4 million in capital expenditure reflecting the lower capital needs of the business as the major Project Zero efficiency and vertical integration investment programme has been completed.

CAPITAL EMPLOYED

\$A million	H1 2014	H1 2013	\$ Change
Working capital	841.9	931.2	(89.3)
Property, plant & equipment	2,007.5	2,072.2	(64.7)
IBAs & intangible assets	1,271.8	1,550.2	(278.4)
Current & deferred tax balances	(193.7)	(208.1)	14.4
Derivatives – non-debt	(6.4)	(54.3)	47.9
Other net liabilities	(358.9)	(278.2)	(80.7)
Capital employed	3,562.2	4,013.0	(450.8)
Return on invested capital (before significant items)	14.5%	16.2%	(1.7) pts

Capital employed decreased by \$450.8 million to \$3.56 billion largely due to the 2013 significant item write-offs of SPCA and reduced working capital across the Group. The return on invested capital of 14.5% (before significant items) remains well above CCA's cost of capital.

The decrease in capital employed was largely driven by the \$380 million after tax write down of the SPCA intangibles, inventories and other assets in 2013. It also includes an \$80 million reduction in capital employed driven by the movement in exchange rates from 30 June 2013 to 30 June 2014, largely due to the 22% devaluation of the Indonesian rupiah against the Australian dollar.

Working Capital reduced by \$89.3 million primarily driven by improved inventory management in Australia, SPCA and Indonesia.

Non-debt derivative liabilities decreased by \$47.9 million reflecting the market valuations of commodity contracts, foreign exchange contracts and the interest rate portion of cross currency swaps.

NET DEBT & INTEREST COVER

\$A million	H1 2014	H1 2013	\$ Change
Net debt			
Interest bearing liabilities	2,878.5	3,028.1	(149.6)
Debt related derivatives – liabilities	119.7	99.1	20.6
Long term deposits	(100.0)	(300.0)	200.0
Cash assets	(1,012.4)	(907.2)	(105.2)
Net Debt	1,885.8	1,920.0	(34.2)
EBIT interest cover (before significant items)	5.2x	6.1x	(0.9)x

The balance sheet remains in a very strong position. Net debt decreased by \$34.2 million to \$1.89 billion.

Long-term deposits and cash assets have increased by \$94.8 million to \$1.11 billion as a result of favourable borrowing terms which have enabled the pre-funding of all future debt maturities to March 2016. The funds raised have been placed on deposit and are earning interest income in excess of the related borrowing costs.

DEBT MATURITY PROFILE

The following table summarises CCA's drawn facility maturity profile as at 30 June 2014.

Maturity profile of drawn debt facilities					
Facility maturity year (Dec)	2015	2016	2017	2018	2019+
% of total	24.3%*	17.6%	14.8%	13.9%	29.4%

* Fully funded

CCA had total available debt facilities of approximately \$3.04 billion with an average maturity of 3.9 years as at 30 June 2014 with all debt maturities until March 2016 fully funded.

CAPITAL EXPENDITURE

\$A million	H1 2014	H1 2013	Change
Australia *	68.0	113.0	(45.0)
New Zealand & Fiji *	11.9	9.1	2.8
Indonesia & PNG *	51.1	65.3	(14.2)
Capital expenditure	131.0	187.4	(56.4)
Capital expenditure / trading revenue	5.6%	8.1%	(2.5) pts
Capital expenditure / depreciation & amortisation	1.0x	1.5x	(0.5)x

* Geographic breakdown

Capital expenditure reduced by \$56.4 million to \$131.0 million, or 5.6% of trading revenue as the business cycles the completion of the major blowfill investments in Australia in 2013.

In Australia, the Project Zero blowfill investment was completed and a new state of the art aseptic production line was installed, providing CCA with a strong innovation capability in emerging and high growth categories such as dairy. This investment has supported the launch of Barista Bros iced coffee in June.

The major investments in Indonesia for the half included the installation of one production line and upgrading of three others, the completion of a new distribution centre and the placement of 26,000 cold drink coolers.

INTERIM DIVIDEND

Cents per share	H1 2014	H1 2013	Change
Interim ordinary dividend	20.0	24.0	(16.7%)
Franking %	75%	75%	
Payout ratio (before significant items)	83.8%	81.4%	2.4 pts
Interim special dividend (unfranked)	-	2.5	
Total interim dividends	20.0	26.5	(24.5%)

The strong free cash flow generation and the continued strength of the balance sheet has supported the payment of an interim ordinary dividend of 20.0 cents franked at 75%. The interim dividend represents a payout of 83.8% of net profit and is above CCA's 70-80% target payout ratio. The interim ordinary dividend declined by 16.7% when compared to the interim ordinary dividend of 24.0 cents per share last year. An interim special dividend of 2.5 cents per share (unfranked) was also paid last year.

The Record Date for determining dividend entitlements is 28 August 2014 and the interim dividend will be paid on 7 October 2014.

For the interim dividend, shares will be acquired on-market and transferred to participants to satisfy any shares to be issued under the DRP.

DETAILED OPERATIONS REVIEW

AUSTRALIA

\$A million	H1 2014	H1 2013	Change
Trading revenue	1,364.0	1,371.5	(0.5%)
Revenue per unit case	\$8.66	\$8.75	(1.0%)
Volume (million unit cases)	157.5	156.8	0.4%
EBIT (before significant items)	226.5	263.6	(14.1%)
EBIT margin (before significant items)	16.6%	19.2%	(2.6) pts

Australian beverage EBIT declined by 14.1% on volume growth of 0.4% with difficult trading conditions across all channels.

The decline in high margin operational accounts has been an ongoing challenge as national account chains and quick service restaurants continue to grow rapidly. The business has moderated this impact over the years with strong growth in national accounts and growing volumes per outlet and market share increases in operational accounts driven by the successful cooler rollout programme. The 6% volume decline in operational accounts in the first half was driven by this continued adverse mix shift, reduced promotional activity to the channel, the impact of a reduction in the salesforce that occurred progressively throughout 2013 and a reduction in outlet call frequency. In addition, activity in the channel has been further impacted by historically low levels of consumer sentiment and spending. The reduction in earnings arising from this volume decline was material due to the high fixed cost to service operational accounts.

All of these issues are being actively addressed and are a key focus of the strategic review which is currently underway. In the short-term we are engaging in some tactical activities to regain sales from lapsed or low volume customers which are showing some early signs of success. Over the medium-term we are reviewing our pricing and service by channel.

In the grocery channel, whilst volumes grew by 3.7%, this was a weak result in the context of the business cycling a 14.5% volume decline in the first half of last year. Promotional activity yielded disappointing results and rate realisation continued to be under pressure due to weaker consumer demand, aggressive competitor pricing and private label activity in both water and flavoured carbonated beverages.

The business maintained share in carbonated beverages with the category delivering flat growth for the half. In sports drinks, CCA grew share by 3.6 points driven by product innovation backed by a strong marketing campaign. Energy drink share increased 6.4 points driven by new product launches while share declined by three points in the high-growth water category. Value water has been the stand out growth category in the grocery channel, a category CCA does not have an offering in.

Overall price realisation was down 1% and was insufficient to recover cost increases of over 2%.

NEW ZEALAND & FIJI

\$A million	H1 2014	H1 2013	Change
Trading revenue	227.5	202.2	12.5%
Revenue per unit case	\$8.10	\$7.05	14.9%
Volume (million unit cases)	28.1	28.7	(2.1%)
EBIT	38.2	34.1	12.0%
EBIT margin	16.8%	16.9%	(0.1) pts

In Australian dollars, New Zealand & Fiji delivered 12.0% earnings growth driven primarily by the currency benefit on translation from the appreciation of the New Zealand dollar. Local currency regional EBIT was flat.

New Zealand

The New Zealand business delivered a flat local currency earnings result and a decline in volumes of around 2%. The business experienced a poor, weather-affected start to the year with overall non-alcoholic ready-to-drink category volume declines partly offset by improved momentum and a return to growth in the second quarter.

The juice, water and energy categories continue to perform well with each recording double-digit volume growth with strong share gains. Juice share increased by five points and water and energy were both up four points as a result of strong growth of new products including the Keri Pulpy juice range, the continued success of Lift Plus Green and the relaunch of the Kiwi Blue Water range. Aggressive competitor activity in the sports category moderated mid-year as one of the key competitors driving a value strategy went into receivership.

The petroleum channel volume grew by over 13% with strong energy offerings in both Lift plus and Mother energy driving strong volume growth.

Volumes in the grocery channel declined as a result of weaker trading across the carbonated beverage category due to poor weather and heavier stock in trade carrying over from a strong December. In addition, the category was affected by a high level of competitor discounting and anti-sugar sentiment. Juice, water and energy gains helped to offset some of this carbonated beverage volume decline.

Margins were maintained despite the fall in volumes as a result of improved price realisation, favourable product and channel mix and indirect cost savings.

Fiji

The Fiji business delivered solid volume and earnings growth driven by steady economic growth conditions and a strong focus on ranging, availability and pack price architecture.

INDONESIA & PNG

\$A million	H1 2014	H1 2013	Change
Trading revenue	432.5	432.3	-
Revenue per unit case	\$4.41	\$5.38	(18.0%)
Volume (million unit cases)	98.1	80.3	22.2%
EBIT	5.2	31.4	(83.4%)
EBIT margin	1.2%	7.3%	(6.1) pts

The Indonesian & PNG region delivered 22.2% volume growth with earnings in Australian dollars declining by 83.4% to \$5.2 million. Indonesia recorded a small loss as rapid cost inflation, currency depreciation and increased competition impacted earnings while PNG earnings increased as economic conditions improved.

Indonesia

The Indonesian commercial beverage market continues to grow strongly with CCA's business delivering over 22% volume growth with market share gains across key categories. Cost inflation has however been significant with underlying cost of goods sold increasing by over 7% due to the 20% depreciation of the Rupiah in 2013 as well as legislated material increases in wages and fuel costs. The decline in the Indonesian Rupiah increased input costs by \$19 million.

While the business did implement price increases across many categories, including juice, tea, water and some carbonated beverages in cans, there has been a noticeable intensification of the competitive landscape which limited the ability of the business to fully recover cost increases through pricing. Rate per case realisation was also materially impacted by a mix shift into lower margin products including water, cups and multi-serve carbonated beverages, a continuation of trends the business had experienced in the second half of 2013.

The pricing initiatives and improved market execution and point of sale activity resulted in carbonated beverages in PET bottles growing by around 50%. As a result, volume share of the sparkling market has improved by more than five points to an average of over 55% for the past six months, with June share reaching 60%.

Water delivered growth of 40% and tea grew 7% while carbonated beverages in returnable glass bottles continued to decline driven by consumer preference for PET bottle and can products.

The business experienced a strong Ramadhan trading period with June volumes growing around 24% with strong growth across all categories in both the general trade and foodstores driven by pricing initiatives and strong in-store execution.

PNG

The PNG business experienced a return to both volume and earnings growth driven by strong growth in PET carbonated beverages, a result of a revised pack strategy implemented in the second half of 2013.

ALCOHOL, FOOD & SERVICES

\$A million	H1 2014	H1 2013	Change
Trading revenue	312.2	317.6	(1.7%)
EBIT	46.8	44.8	4.5%

Alcohol, Food & Services earnings increased by 4.5% largely driven by an improvement in SPC Ardmona results.

Alcoholic beverages

Alcoholic beverage EBIT growth was below expectations due to the impact of a decline in the dark spirits category on the Beam business and a slower than expected start in beer and cider. Canadian Club continued to perform well with double-digit volume increases and ongoing strong momentum of the category. Beer and cider volumes were lower than expected due to delays in ranging in some customers and the delayed launch of Samuel Adams, Fiji Bitter and Vonu. Marketing spend was also higher than expected during the launch phase of the new beer and cider portfolio.

SPC Ardmona

SPCA delivered a small loss, an improvement in performance over last year, on improved revenues and strong customer and consumer support. The business delivered share gains in fruit and tomato categories. Grocery retailers have increased support for Australian Made with the business securing a five year support package with Woolworths.

SPCA introduced new fruit products with healthier formulations including SPC fruit in coconut water, as well as new branding and packaging to better leverage the strength and recognition of the SPC brand across the SPCA brand portfolio which includes Goulburn Valley and IXL.

Contents

17	Directors' Report
19	Income Statement
20	Statement of Comprehensive Income
21	Statement of Financial Position
22	Statement of Cash Flows
23	Statement of Changes in Equity
24	Notes to the Half Year Financial Statements –
24	1 Summary of Significant Accounting Policies
26	2 Segment Reporting
28	3 Revenue
29	4 Finance Costs and Significant Items
30	5 Income Tax Expense
31	6 Other Performance Measures
33	7 Derivatives and Net Debt Reconciliation
34	8 Investment in Joint Venture Entity
34	9 Other Financial Assets
35	10 Share Capital
36	11 Dividends Appropriated and Proposed
36	12 Statement of Cash Flows Information
37	13 Fair Value Measurement
37	14 Events after the Balance Date
38	Directors' Declaration
39	Independent Review Report

The information contained in this Report is to be read in conjunction with the last annual report and any announcements to the market by Coca-Cola Amatil Limited during the period.

Directors' Report

Coca-Cola Amatil Limited

For the half year ended 30 June 2014



The Directors submit hereunder their Report on Coca-Cola Amatil Limited and its subsidiaries (Group) for the half year ended 30 June 2014.

DIRECTORS

The names of the Directors of Coca-Cola Amatil Limited (Company or CCA) in office during the half year and/or until the date of this Report are –

David Michael Gonski, AC
Ilana Rachel Atlas
Catherine Michelle Brenner
Terry James Davis¹
Anthony Grant Froggatt
Martin Jansen

Geoffrey James Kelly²
Wallace Macarthur King, AO
David Edward Meiklejohn, AM
Krishnakumar Thirumalai³
Alison Mary Watkins⁴

¹ Retired on 3 March 2014 from the Board.

² Retired 18 February 2014.

³ Appointed 14 March 2014.

⁴ Appointed 3 March 2014.

REVIEW OF OPERATIONS

The Group's net profit attributable to members of the Company for the half year was \$182.3 million, compared to \$215.9 million for the corresponding period in 2013. There are no significant items for the half year ended 30 June 2014. The net profit in 2013 included a net significant item loss of \$9.2 million after income tax, relating to restructuring expenses attributable to the Australian beverage business. Refer to Note 4b) for further details of significant items.

The Group's trading revenue for the half year was \$2,336.2 million, compared with \$2,323.6 million for the corresponding period in 2013. The Group's earnings before interest and tax (EBIT) and significant items for the half year were \$316.7 million, compared with \$373.9 million for the corresponding period in 2013.

Further details of the operations of the Group during the half year are set out in the attached financial report.

DIRECTORS' REPORT (CONTINUED)

Coca-Cola Amatil Limited

For the half year ended 30 June 2014



AUDITOR'S INDEPENDENCE DECLARATION

We have obtained the following independence declaration from the Company's auditor, Ernst & Young –



Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF COCA-COLA AMATIL LIMITED

In relation to our review of the financial report of Coca-Cola Amatil Limited for the half year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Michael Wright

Partner
Sydney
20 August 2014

Liability limited by a scheme approved under
Professional Standards Legislation

ROUNDING OFF

The Company is of a kind referred to in the Australian Securities and Investments Commission Class Order No. 98/100 and in accordance with this Class Order, amounts in the financial statements and this Report have been rounded off to the nearest tenth of a million dollars.

Signed in accordance with a resolution of the Directors.

David M. Gonski, AC

Chairman
Sydney
20 August 2014

Alison M. Watkins

Group Managing Director
Sydney
20 August 2014

INCOME STATEMENT

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



	Refer Note	30 June 2014 \$M	30 June 2013 \$M
Revenue, excluding finance income			
Trading revenue		2,336.2	2,323.6
Other revenue		27.4	22.1
	3	2,363.6	2,345.7
Expenses, excluding finance costs			
Cost of goods sold		(1,341.3)	(1,296.3)
Selling		(325.9)	(317.6)
Warehousing and distribution		(196.2)	(193.6)
Administration and other ¹		(183.4)	(177.5)
		(2,046.8)	(1,985.0)
Share of net loss of joint venture entity accounted for using the equity method		(0.1)	–
Earnings before interest and tax		316.7	360.7
Net finance costs			
Finance income	3	18.2	18.2
Finance costs	4	(78.7)	(79.9)
		(60.5)	(61.7)
Profit before income tax		256.2	299.0
Income tax expense¹	5	(73.6)	(83.0)
Profit after income tax		182.6	216.0
Profit after income tax attributable to non-controlling interests		(0.3)	(0.1)
Profit after income tax attributable to members of the Company		182.3	215.9
1 2013 included amounts classified as significant items. Refer to Notes 4b) and 5 respectively for further details.			
		¢	¢
Earnings per share (EPS) for profit attributable to members of the Company			
Basic and diluted EPS	6	23.9	28.3

STATEMENT OF COMPREHENSIVE INCOME

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



	30 June 2014 \$M	30 June 2013 \$M
Profit after income tax	182.6	216.0
Other comprehensive income		
<i>Items to be reclassified to the income statement in subsequent periods –</i>		
Foreign exchange differences on translation of foreign operations	(12.4)	60.8
Cash flow hedges	25.3	8.3
Income tax effect relating to cash flow hedges	(8.0)	(2.7)
	4.9	66.4
<i>Items not to be reclassified to the income statement in subsequent periods –</i>		
Actuarial valuation reserve	(8.6)	12.1
Income tax effect	2.4	(3.6)
	(6.2)	8.5
Other comprehensive income, after income tax	(1.3)	74.9
Total comprehensive income	181.3	290.9
Total comprehensive income attributable to non-controlling interests	(0.3)	(0.2)
Total comprehensive income attributable to members of the Company	181.0	290.7

STATEMENT OF FINANCIAL POSITION

Coca-Cola Amatil Limited and its subsidiaries

As at 30 June 2014



	Refer Note	30 June 2014 \$M	31 December 2013 \$M	30 June 2013 \$M
Current assets				
Cash assets		1,012.4	1,425.9	907.2
Trade and other receivables		755.9	958.7	749.4
Inventories		721.1	657.9	798.4
Prepayments		76.5	87.1	92.7
Current tax assets		13.1	4.7	1.6
Derivatives	7	6.9	24.0	16.6
Total current assets		2,585.9	3,158.3	2,565.9
Non-current assets				
Long term deposits		100.0	—	300.0
Other receivables		5.3	7.2	6.4
Investment in joint venture entity	8	26.3	26.4	—
Investments in bottlers' agreements		933.0	931.8	919.3
Property, plant and equipment		2,007.5	2,062.2	2,072.2
Intangible assets		338.8	333.0	630.9
Prepayments		22.4	20.3	25.3
Defined benefit superannuation plan		10.5	17.9	10.0
Derivatives	7	58.4	51.3	52.3
Other financial assets	9	—	—	24.4
Total non-current assets		3,502.2	3,450.1	4,040.8
Total assets		6,088.1	6,608.4	6,606.7
Current liabilities				
Trade and other payables		635.1	804.2	616.6
Interest bearing liabilities		436.6	731.0	378.6
Current tax liabilities		20.7	53.8	36.9
Provisions		67.8	68.6	64.9
Accrued charges		381.7	430.1	313.5
Derivatives	7	37.5	25.1	37.3
Total current liabilities		1,579.4	2,112.8	1,447.8
Non-current liabilities				
Other payables		0.6	0.8	1.2
Interest bearing liabilities		2,441.9	2,377.4	2,649.5
Provisions		15.3	14.8	13.7
Deferred tax liabilities		186.1	173.1	172.8
Defined benefit superannuation plan		34.5	30.5	43.7
Derivatives	7	153.9	159.2	185.0
Total non-current liabilities		2,832.3	2,755.8	3,065.9
Total liabilities		4,411.7	4,868.6	4,513.7
Net assets		1,676.4	1,739.8	2,093.0
Equity				
Share capital	10	2,271.7	2,271.7	2,271.7
Shares held by equity compensation plans		(16.4)	(16.0)	(15.0)
Reserves		(83.9)	(82.6)	(68.0)
Accumulated losses		(501.5)	(439.5)	(101.1)
Equity attributable to members of the Company		1,669.9	1,733.6	2,087.6
Non-controlling interests		6.5	6.2	5.4
Total equity		1,676.4	1,739.8	2,093.0

STATEMENT OF CASH FLOWS

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



	Refer Note	30 June 2014 \$M	30 June 2013 \$M
Inflows/(outflows)			
Cash flows from operating activities			
Receipts from customers		2,929.6	2,930.0
Payments to suppliers and employees		(2,492.3)	(2,601.2)
Interest income received		13.3	14.6
Interest and other finance costs paid		(84.5)	(87.5)
Income taxes paid		(109.5)	(89.2)
Net cash flows from operating activities		256.6	166.7
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		0.3	5.1
Payments for –			
investments in long term deposits		(100.0)	(150.0)
investment in joint venture entity		(1.1)	–
additions of property, plant and equipment		(124.5)	(179.8)
additions of software development assets		(6.5)	(7.6)
acquisition of business		(13.4)	–
Net cash flows used in investing activities		(245.2)	(332.3)
Cash flows from financing activities			
Proceeds from borrowings		179.5	446.2
Borrowings repaid		(364.3)	(308.5)
Dividends paid		(244.3)	(248.9)
Net cash flows used in financing activities		(429.1)	(111.2)
Net decrease in cash and cash equivalents		(417.7)	(276.8)
Cash and cash equivalents held at the beginning of the half year		1,424.4	1,177.3
Effects of exchange rate changes on cash and cash equivalents		3.2	5.5
Cash and cash equivalents held at the end of the half year	12	1,009.9	906.0

STATEMENT OF CHANGES IN EQUITY

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



Equity attributable to members of the Company								
	Refer	Share	Shares	Reserves	Accumulated	Total	Non-	Total
	Note	capital	held by equity		losses		controlling	equity
		\$M	compensation	\$M	\$M	\$M	interests	\$M
			plans				\$M	
			\$M					
At 1 January 2014		2,271.7	(16.0)	(82.6)	(439.5)	1,733.6	6.2	1,739.8
Profit		–	–	–	182.3	182.3	0.3	182.6
Other comprehensive income		–	–	(1.3)	–	(1.3)	–	(1.3)
Total comprehensive income		–	–	(1.3)	182.3	181.0	0.3	181.3
Transactions with equity holders –								
Share based remuneration obligations		–	(0.4)	–	–	(0.4)	–	(0.4)
Dividends appropriated	11	–	–	–	(244.3)	(244.3)	–	(244.3)
Total transactions with equity holders		–	(0.4)	–	(244.3)	(244.7)	–	(244.7)
At 30 June 2014		2,271.7	(16.4)	(83.9)	(501.5)	1,669.9	6.5	1,676.4
At 1 January 2013		2,250.0	(17.4)	(127.9)	(46.4)	2,058.3	5.2	2,063.5
Profit		–	–	–	215.9	215.9	0.1	216.0
Other comprehensive income		–	–	74.8	–	74.8	0.1	74.9
Total comprehensive income		–	–	74.8	215.9	290.7	0.2	290.9
Transactions with equity holders –								
Movements in ordinary shares	10	21.7	–	–	–	21.7	–	21.7
Share based remuneration obligations		–	2.4	(14.9)	–	(12.5)	–	(12.5)
Dividends appropriated	11	–	–	–	(270.6)	(270.6)	–	(270.6)
Total transactions with equity holders		21.7	2.4	(14.9)	(270.6)	(261.4)	–	(261.4)
At 30 June 2013		2,271.7	(15.0)	(68.0)	(101.1)	2,087.6	5.4	2,093.0

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of financial report preparation

This half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

This half year financial report does not include all notes of the type normally included within the annual financial report. As a result it should be read in conjunction with the 31 December 2013 annual financial report of CCA, together with any public announcements made by CCA during the half year ended 30 June 2014.

This half year financial report has been prepared on the basis of historical cost, except for financial assets and liabilities (including derivative financial instruments) which have been measured at fair value through the income statement.

This half year financial report is presented in Australian Dollars.

b) Statement of compliance

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2013 annual financial report, except for the impact of the Standards and Interpretations described below.

The Group has adopted all consequential amendments to Australian Accounting Standards which became applicable on 1 January 2014. The Group has early adopted all of the requirements in AASB 9 Financial Instruments, refer to Note 1e) for further details. There is no material impact on the Group's 30 June 2014 half year financial report in relation to adoption of the above standards and interpretations.

Other than discussed above, Australian Accounting Standards and Interpretations that have been issued or amended but not yet effective have not been early adopted by the Group for the half year ended 30 June 2014. It is considered early adoption of these standards would not have a material impact on the results of the Group or the impacts have yet to be assessed.

c) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

d) Use of estimates

The preparation of the financial statements for the Group requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities. There has been no material change to the key estimates and assumptions disclosed in the last annual report. Actual results may ultimately differ from estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Impact of early adoption of AASB 9 Financial Instruments

The Group applied all of the requirements in AASB 9 Financial Instruments as amended on November 2013 with a date of initial application of 1 January 2014. As a result, the Group recognises changes in fair value of the time value of an option (transaction and time-period related), which were previously recognised in the income statement as finance costs, and now as a separate component in equity. Further, changes in the basis spread are now recognised in equity. As the adoption of AASB 9 does not have any material impact on the Group's comparative financial information, comparatives have not been restated.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



2. SEGMENT REPORTING

The Group operates in four reportable segments, based on a combination of factors including geography, products and services. The Australia, New Zealand & Fiji and Indonesia & PNG segments derive their revenues from the manufacture, distribution and marketing of carbonated soft drinks and other alcohol free beverages.

The Alcohol, Food & Services segment manufactures and distributes premium spirits and beers, processes and markets fruit and other food products, and provides certain support services to the Group and third party customers.

The Group manages its net debt, net finance costs and income taxes on a Group basis and these measures are therefore not reported internally at a segment level. Segment results are evaluated on an earnings before interest, tax and significant items basis. Segment net assets are evaluated on a capital employed basis. Capital employed represents total assets and liabilities, excluding those assets and liabilities relating to net debt. Net debt comprises cash assets, long term deposits, debt related derivative assets and liabilities and interest bearing liabilities. Segment information as provided to CCA's Group Managing Director is disclosed in this Note.

The accounting policies of each operating segment are the same as those described in Note 1. Inter-segment transactions are conducted on normal commercial terms and conditions.

	30 June 2014 \$M	30 June 2013 \$M	30 June 2014 \$M	30 June 2013 \$M
			Segment results (Earnings before interest, tax and significant items)	
	Trading revenue ¹			
Non-Alcohol Beverage business				
Australia	1,364.0	1,371.5	226.5	263.6
New Zealand & Fiji	227.5	202.2	38.2	34.1
Indonesia & PNG	432.5	432.3	5.2	31.4
Alcohol, Food & Services business	312.2	317.6	46.8	44.8
Total CCA Group	2,336.2	2,323.6	316.7	373.9

Refer to the following page for footnote details.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



2. SEGMENT REPORTING (CONTINUED)

	30 June 2014 \$M	30 June 2013 \$M
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The reconciliation of segment results to CCA Group profit after income tax is shown below –

	CCA Group	
Segment results (Earnings before interest, tax and significant items)	316.7	373.9
Significant items ²	–	(13.2)
Earnings before interest and tax	316.7	360.7
Net finance costs ³	(60.5)	(61.7)
Profit before income tax	256.2	299.0
Income tax expense ³	(73.6)	(83.0)
Profit after income tax	182.6	216.0
Profit after income tax attributable to non-controlling interests	(0.3)	(0.1)
Profit after income tax attributable to members of the Company	182.3	215.9

	Segment capital employed	
Non-Alcohol Beverage business		
Australia	1,507.4	1,613.4
New Zealand & Fiji	485.7	463.1
Indonesia & PNG	444.6	463.1
Alcohol, Food & Services business⁴	1,124.5	1,449.0
Total operating segments	3,562.2	3,988.6
Other financial assets	–	24.4
Total CCA Group	3,562.2	4,013.0

The reconciliation of segment capital employed to CCA Group net assets is shown below –

	CCA Group	
Segment capital employed⁴	3,562.2	4,013.0
Net debt ³	(1,885.8)	(1,920.0)
Net assets	1,676.4	2,093.0

The reconciliation of CCA net assets to total assets and liabilities is shown below –

Total assets	6,088.1	6,606.7
Total liabilities	(4,411.7)	(4,513.7)
Net assets	1,676.4	2,093.0

1 Details of the Group's trading revenue can be found in Note 3.

2 Refer to Note 4b) for further details of significant items.

3 Net debt, net finance costs and income taxes are managed on a Group basis and are not reported internally at a segment level.

4 Refer to the Group's 2013 annual financial report for details of impairment charges in relation to the SPC Ardmona business.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014

**3. REVENUE**

	30 June 2014 \$M	30 June 2013 \$M
Trading revenue		
Sales of products	2,296.8	2,283.5
Rental of equipment and processing fees	39.4	40.1
Total trading revenue	2,336.2	2,323.6
Other revenue		
Rendering of services	13.9	11.7
Miscellaneous rental and sundry income	13.5	10.4
Total other revenue	27.4	22.1
Total revenue, excluding finance income	2,363.6	2,345.7
Interest income from –		
cash in banks and term deposits	17.8	18.1
defined benefit superannuation plans	0.4	0.1
Total finance income	18.2	18.2
Total revenue	2,381.8	2,363.9

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



4. FINANCE COSTS AND SIGNIFICANT ITEMS

	30 June 2014 \$M	30 June 2013 \$M
a) Finance costs		
Profit before income tax includes the following specific expenses –		
Interest costs on –		
interest bearing liabilities	78.2	79.8
defined benefit superannuation plans	1.4	1.3
Other finance losses	0.2	0.4
Total finance costs	79.8	81.5
Amounts capitalised	(1.1)	(1.6)
Total finance costs expensed	78.7	79.9

b) Significant items

Profit before income tax includes the following specific expenses –

In 2013, CCA carried out a review of its Australian beverages business. As a result, CCA recognised restructuring expenses comprised mainly of write downs of plant and equipment, and management restructuring costs.

–	13.2
---	------

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



5. INCOME TAX EXPENSE

	30 June 2014	30 June 2013
a) Income tax expense		
	\$M	\$M
Current tax expense	66.9	69.4
Deferred tax expense	6.2	13.2
Adjustments to current tax of prior periods	0.5	0.4
Total income tax expense	73.6	83.0

Total income tax expense includes –

Income tax benefit on significant items ¹	–	(4.0)
--	---	-------

¹ Refer to Note 4b) for further details.

b) Reconciliation of CCA's applicable (Australian) tax rate to the effective tax rate

	%	%
Applicable (Australian) tax rate	30.0	30.0
Non-allowable expenses	1.6	0.8
Overseas tax rates differential	(0.6)	(0.9)
Overseas withholding tax	(2.3)	(2.1)
Effective tax rate	28.7	27.8
Effective tax rate (before significant items)	28.7	27.9

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



6. OTHER PERFORMANCE MEASURES

	30 June 2014	30 June 2013
a) Net tangible asset backing per ordinary share		
	\$	\$
Excluding investments in bottlers' agreements (IBAs)	0.52	0.70
Including IBAs	1.74	1.91
b) Earnings per share (EPS)		
	¢	¢
Basic and diluted EPS	23.9	28.3
Before significant items – Basic and diluted EPS	23.9	29.5
The weighted average number of ordinary shares used to calculate EPS was –	M	M
Basic and diluted EPS	763.6	762.8
Earnings used to calculate basic and diluted EPS –	\$M	\$M
Profit after income tax attributable to members of the Company	182.3	215.9
Adjustments for significant items ¹	–	9.2
Earnings used calculate basic and diluted EPS before significant items	182.3	225.1
c) Earnings before interest, tax, depreciation and amortisation (EBITDA)		
	\$M	\$M
Earnings before interest and tax	316.7	360.7
Depreciation and amortisation	131.4	124.4
EBITDA	448.1	485.1
Adjustments for significant items ¹	–	13.2
EBITDA before significant items	448.1	498.3

¹ Amounts classified as significant items consisted of a net loss of \$13.2 million before income tax and an income tax benefit of \$4.0 million, or \$9.2 million loss after income tax. Refer to Notes 4b) and 5 for further details.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



6. OTHER PERFORMANCE MEASURES (CONTINUED)

	30 June 2014	30 June 2013
d) Free cash flow (FCF)		
FCF is calculated as the sum of cash flows from operating and investing activities, excluding cash flows dealing with investment in the joint venture entity, acquisition of business and investments in long term deposits.		
	\$M	\$M
FCF	125.9	(15.6)
	%	%
e) Return on invested capital (ROIC)		
ROIC is calculated on a moving annual total basis as earnings before interest and significant items, after tax (EBIAT), divided by the average of net segment assets (capital employed) at the beginning and at the end of the twelve month period ending 30 June. EBIAT is derived by deducting from EBIT (before significant items) the applicable tax using the before significant items effective tax rate.		
ROIC	14.5	16.2
f) Capital expenditure (capex) compared to trading revenue		
Capex is defined as payments for additions of property, plant and equipment and software development assets.		
Capex to trading revenue	5.6	8.1

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



7. DERIVATIVES AND NET DEBT RECONCILIATION

	30 June 2014 \$M	31 December 2013 \$M	30 June 2013 \$M
a) Derivatives as per the statement of financial position			
Derivative assets – current	(6.9)	(24.0)	(16.6)
Derivative assets – non-current	(58.4)	(51.3)	(52.3)
Derivative liabilities – current	37.5	25.1	37.3
Derivative liabilities – non-current	153.9	159.2	185.0
Total net derivative liabilities	126.1	109.0	153.4
Net derivative liabilities comprises –			
debt related	119.7	76.8	99.1
non-debt related	6.4	32.2	54.3
Total net derivative liabilities	126.1	109.0	153.4
b) Net debt reconciliation			
Cash assets	(1,012.4)	(1,425.9)	(907.2)
Long term deposits	(100.0)	–	(300.0)
Net derivative liabilities – debt related	119.7	76.8	99.1
Interest bearing liabilities – current	436.6	731.0	378.6
Interest bearing liabilities – non-current	2,441.9	2,377.4	2,649.5
Total net debt	1,885.8	1,759.3	1,920.0

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



8. INVESTMENT IN JOINT VENTURE ENTITY

	30 June 2014 \$M	31 December 2013 \$M	30 June 2013 \$M
Carrying amount of investment in Australian Beer Company Pty Ltd	26.3	26.4	–

The Company has a 50% interest in Australian Beer Company. On 17 December 2013, the loan to Australian Beer Company was converted into a 50% interest in the company. The principal activity of Australian Beer Company is the manufacture of alcohol beverages.

9. OTHER FINANCIAL ASSETS

Non-current

In August 2012, CCA lent \$24.4 million to Australian Beer Company Pty Ltd (Australian Beer Company), then part of the Casella group. The loan was converted into an equity interest in Australian Beer Company after the expiration, on 16 December 2013, of CCA's restraint on selling beer in Australia.

Convertible notes	–	–	24.4
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NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



10. SHARE CAPITAL

	Refer Note	30 June 2014	31 December 2013	30 June 2013
		\$M	\$M	\$M
Fully paid ordinary shares				
Balance at the beginning of the period		2,271.7	2,250.0	2,250.0
Issued in respect of the Dividend Reinvestment Plan	12	–	21.7	21.7
Balance at the end of the period		2,271.7	2,271.7	2,271.7

	No.	No.	No.
Fully paid ordinary shares			
Balance at the beginning of the period	763,590,249	762,133,414	762,133,414
Issued in respect of Dividend Reinvestment Plan	–	1,456,835	1,456,835
Balance at the end of the period	763,590,249	763,590,249	763,590,249

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote.

Ordinary shares have no par value.

Dividend Reinvestment Plan

CCA's Dividend Reinvestment Plan (DRP) continues to be available to eligible shareholders. The DRP provides shareholders with the opportunity to receive fully paid ordinary shares, in lieu of cash dividends, at the price calculated using the daily volume weighted average market price of CCA shares during the 10 trading days commencing on the third trading day after the record date for the dividend. The ex-dividend and record dates for the dividend entitlement are 26 and 28 August 2014, respectively.

For the 2014 interim dividend, shares will be acquired on market and transferred to participants to satisfy any shares to be provided under this Plan.

The last date for receipt of Election Notices under this Plan is 29 August 2014.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2014



11. DIVIDENDS APPROPRIATED AND PROPOSED

a) Summary of dividends appropriated during the half year

	30 June 2014		30 June 2013	
	¢	\$M	¢	\$M
Prior year final dividend ¹	32.0	244.3	32.0	243.9
Prior year final special dividend (unfranked) ²	–	–	3.5	26.7
Total		244.3	35.5	270.6

1 Franked to 75% and paid on 1 April 2014 (2013: Franked to 75% and paid on 2 April 2013).

2 Paid on 2 April 2013.

b) Dividend declared and not recognised as a liability

Since the end of the half year, the Directors have declared the following dividend on ordinary shares –

	Rate per share ¢	Amount \$M	Date payable
2014 interim dividend (franked to 75%)	20.0	152.7	7 October 2014

The unfranked component of the dividend has been declared to be conduit foreign income.

12. STATEMENT OF CASH FLOWS INFORMATION

	Refer Note	30 June 2014 \$M	30 June 2013 \$M
a) Cash and cash equivalents			
Cash on hand and in banks		336.0	215.4
Short term deposits		676.4	691.8
Bank overdrafts		(2.5)	(1.2)
Total cash and cash equivalents		1,009.9	906.0

b) Non-cash investing and financing activities

Dividends satisfied by the issue of shares under the Dividend

Reinvestment Plan	10	–	21.7
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13. FAIR VALUE MEASUREMENT

Derivative financial assets and financial liabilities are recognised at fair value as at the reporting date. The financial instruments that are not measured at fair value are bonds that have been accounted for at amortised cost. The bonds at amortised cost have a carrying value of \$2,640.5 million (31 December 2013: \$2,834.7 million and 30 June 2013: \$2,747.1 million), and a fair value of \$2,861.3 million (31 December 2013: \$2,890.8 million and 30 June 2013: \$2,836.1 million).

Derivative financial instruments are initially recognised in the statement of financial position at cost and subsequently remeasured to their fair value. Accordingly, there is no difference between the carrying value and fair value of derivative financial instruments at reporting date.

The remeasurement is based on quoted market prices. The Group uses two different methods in estimating the fair value of a financial instrument. The methods comprise –

- Level 1 – the fair value is calculated using quoted prices in active markets; and
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

The valuation techniques applied by the Group are consistent with those applied and disclosed in the Group's 2013 annual financial report. There were no transfers between Level 1 and 2, and no financial instruments were measured at Level 3 (where fair value is measured using unobservable inputs for the asset or liability) for the periods presented in this report.

14. EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the half year that have significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the Group in subsequent financial periods.

DIRECTORS' DECLARATION

Coca-Cola Amatil Limited and its subsidiaries



The Directors declare that the consolidated financial statements and notes, set out on pages 19 to 37 –

- a) are in accordance with the Corporations Act 2001;
- b) comply with Accounting Standard AASB 134 “Interim Financial Reporting” and the Corporations Regulations 2001;
- c) give a true and fair view of the consolidated entity’s financial position as at 30 June 2014 and of its performance for the half year ended 30 June 2014; and
- d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have received and considered the certification from the Group Managing Director and Group Chief Financial Officer supporting the financial statements and statutory report for the half year ended 30 June 2014.

This declaration is made in accordance with a resolution of the Directors pursuant to section 303(5) of the Corporations Act 2001, dated 20 August 2014.

On behalf of the Directors

David M. Gonski, AC
Chairman
Sydney
20 August 2014

Alison M. Watkins
Group Managing Director
Sydney
20 August 2014

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF COCA-COLA AMATIL LIMITED

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Coca-Cola Amatil Limited (the "Company"), which comprises the statement of financial position as at 30 June 2014, the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half year end or from time to time during the half year.

Directors' responsibility for the half year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Coca-Cola Amatil Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the Company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Coca-Cola Amatil Limited is not in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Ernst & Young

Michael Wright
Partner
Sydney
20 August 2014