COCA-COLA AMATIL

27 March 2015

Company Announcements
Australian Securities Exchange
Exchange Centre
Level 1, 20 Bridge Street
SYDNEY NSW 2000

FINANCIAL AND STATUTORY REPORTS 2014

In accordance with the Listing Rule 4.5.1 attached is a copy of the Financial and Statutory Reports for the year ended 31 December 2014.

Yours sincerely

K. Newton-John

Katie Newton-John
Corporate Counsel and Deputy Company Secretary
Tel: +612 9259 6463

COCA-COLA AMATIL

Financial and Statutory Reports

For the financial year ended 31 December 2014

Contents

The Directors submit hereunder their Report for the financial year ended 31 December 2014.

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NAMES AND PARTICULARS OF DIRECTORS

The names of the Directors of Coca-Cola Amatil Limited (Company, CCA or CCA Entity) in office during the financial year and until the date of this Report and each Director's holdings of shares and share rights in the Company are detailed below –

	Ordinary shares No.	Long Term Incentive Share Rights Plan (LTISRP) share rights[1] No.
David Michael Gonski, AC	423,074	–
Ilana Rachel Atlas	5,000	–
Catherine Michelle Brenner	14,732	–
Anthony Grant Froggatt	19,151	–
Martin Jansen	10,173	–
Wallace Macarthur King, AO	56,354	–
David Edward Meiklejohn, AM	25,497	–
Krishnakumar Thirumalai[2]	–	–
Alison Mary Watkins[3]	45,000	209,798
Former Directors		
Terry James Davis[4]		
Geoffrey James Kelly[5]		

1 Consists of the maximum number of unvested share rights in the 2014-2016 plan.
2 Appointed 14 March 2014.
3 Appointed 3 March 2014.
4 Retired 3 March 2014.
5 Retired 18 February 2014.

Particulars of the qualifications, other directorships, experience and special responsibilities of each Director are set out on page [x] of the Annual Report.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of Committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year are detailed below –

	Board of Directors		Audit & Risk Committee[1]		Compliance & Social Responsibility Committee[2]		Compensation Committee[3]		Related Party Committee[4]		Nominations Committee[5]		Other Committees[6]
	Meetings held while a Director	No. of meetings attended	Meetings held while a member	No. of meetings attended	Meetings held while a member	No. of meetings attended	Meetings held while a member	No. of meetings attended	Meetings held while a member	No. of meetings attended	Meetings held while a member	No. of meetings attended	No. of meetings attended
D.M. Gonski, AC	8	8	4	4	4	4	6	6	12	12	2	2	–
I.R. Atlas	8	8	4	4	–	–	6	5	12	11	2	2	–
C.M. Brenner	8	8	–	–	4	4	6	6	12	12	2	2	–
T.J. Davis[7]	2	2	–	–	–	–	–	–	–	–	–	–	–
A.G. Froggatt	8	8	4	3	–	–	6	6	12	10	2	2	–
M. Jansen[8]	8	8	4	4	2	2	–	–	–	–	–	–	–
G.J. Kelly[8&9]	2	1	–	–	–	–	1	1	–	–	–	–	–
W.M. King, AO	8	7	–	–	4	3	–	–	12	10	2	2	–
D.E. Meiklejohn, AM	8	8	4	4	4	4	–	–	12	12	2	2	–
K. Thirumalai[8&10]	6	6	–	–	–	–	4	4	–	–	–	–	–
A.M. Watkins[11]	6	6	–	–	–	–	–	–	–	–	–	–	2

1 The Audit & Risk Committee reviews matters relevant to control systems so as to effectively safeguard the Company's assets, accounting records held to comply with statutory requirements and other financial information. It consists of five Non-Executive Directors. Refer to the Corporate Governance Statement on page [x] of the Annual Report for further details on this and other Committees.

2 The Compliance & Social Responsibility Committee assists the Board in determining if the systems of control established by Management effectively safeguard against contraventions of the Company's statutory responsibilities and that there are policies and procedures in place to protect the Company's reputation as a responsible corporate citizen. It consists of five Non-Executive Directors.

3 The Compensation Committee reviews matters relevant to the remuneration of the Executive Director and senior Company executives. It consists of five Non-Executive Directors.

4 The Related Party Committee reviews agreements and business transactions with related parties. It consists of all the Non-Executive Directors who are not associated with a related party.

5 The Nominations Committee reviews the composition of the Board, including identifying suitable candidates for appointment to the Board, and reviews general matters of corporate governance. It consists of all the independent Non-Executive Directors.

6 Committees were created to attend to allotments of securities and administrative matters on behalf of the Board. A quorum for these Committees was any two Directors, or any one Director and the Group Chief Financial Officer.

7 Retired 3 March 2014.

8 Non-residents of Australia.

9 Retired 18 February 2014.

10 Appointed 14 March 2014.

11 Appointed 3 March 2014.

COMMITTEE MEMBERSHIP

As at the date of this Report, the Company had an Audit & Risk Committee, a Compliance & Social Responsibility Committee, a Compensation Committee, a Related Party Committee and a Nominations Committee of the Board.

Members acting on the Committees of the Board during the financial year were –

Audit & Risk	Compliance & Social Responsibility	Compensation	Related Party	Nominations
D.E. Meiklejohn, AM[1]	C.M. Brenner[1]	A.G. Froggatt[1]	D.M. Gonski, AC[1]	D.M. Gonski, AC[1]
I.R. Atlas	D.M. Gonski, AC	I.R. Atlas	I.R. Atlas	I.R. Atlas
A.G. Froggatt	M. Jansen	C.M. Brenner	C.M. Brenner	C.M. Brenner
D.M. Gonski, AC	W.M. King, AO	D.M. Gonski, AC	A.G. Froggatt	A.G. Froggatt
M. Jansen	D.E. Meiklejohn, AM	G. Kelly	W.M. King, AO	W.M. King, AO
		K. Thirumalai	D.E. Meiklejohn, AM	D.E. Meiklejohn, AM

1 Chairman of the relevant Committee.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has paid the premium for Directors' and officers' liability insurance in respect of Directors and executive officers of the Company and its subsidiaries as permitted by the Corporations Act 2001. The terms of the policy prohibit disclosure of details of the insurance cover and premium.

OPERATING AND FINANCIAL REVIEW (OFR)

The Board presents the 2014 OFR with the objective of providing shareholders with an overview of the Company's businesses, operations, financial position and business strategies. This review also sets out material risks and prospects for future financial years.

The 2014 OFR has been prepared in accordance with section 299A of the Corporations Act 2001 and the Australian Securities and Investments Commission's Regulatory Guide 247 "Effective Disclosure in an Operating and Financial Review".

OPERATING AND FINANCIAL REVIEW (OFR) (CONTINUED)

A. Overview of CCA's businesses

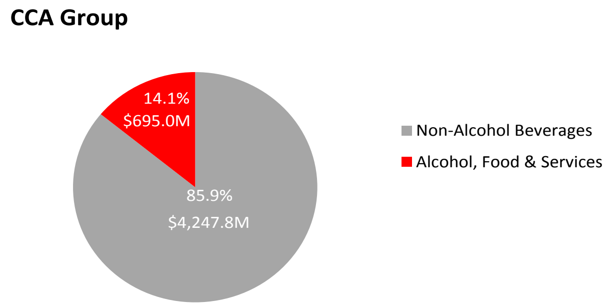
Principal activities

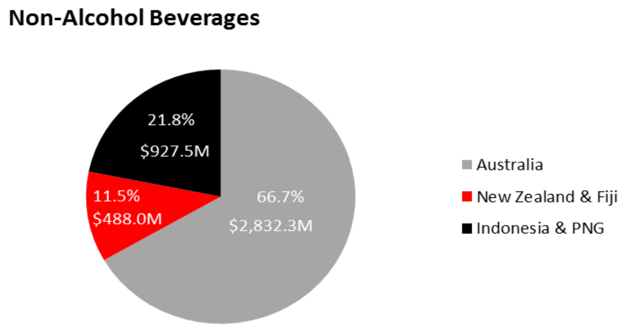
The principal activities of Coca-Cola Amatil Limited and its subsidiaries (Group or CCA Group) during the financial year ended 31 December 2014 are described in the following section –

CCA's business comprises of –
- Non-Alcohol Beverages; and
- Alcohol, Food & Services.

The Non-Alcohol Beverages business is further categorised into the following geographic regions –
- Australia;
- New Zealand & Fiji; and
- Indonesia & PNG.

The relative sizes of these businesses, based on 2014 trading revenues is as follows –





Non-Alcohol Beverages

CCA is one of the largest bottlers of non-alcohol ready-to-drink beverages in the Asia-Pacific region and one of the world's top five Coca-Cola bottlers.

CCA produces the Australian market's number one cola brand, Coca-Cola, the number one bottled water brand, Mount Franklin and the number one sports beverage, Powerade Isotonic, and is market leader in non-sugar colas with Diet Coke and Coca-Cola Zero. Other CCA key non-alcohol beverage brands (including CCA owned brands and brands licensed from The Coca-Cola Company (TCCC)) in the markets in which it operates include Fanta, Sprite, Lift, Deep Spring, Pump, Nestea, Mother, Glaceau, Grinders, Goulburn Valley Juice, Kiwi Blue and Frestea.

CCA's major shareholder, TCCC, owns approximately 29.2% of CCA's issued share capital and has two directors on CCA's nine member Board of Directors. Pursuant to the Bottler's and other agreements with TCCC, CCA manufactures, packages, distributes and markets the trademarked products of TCCC in designated sales territories while TCCC is responsible for the consumer marketing of TCCC trademarked products and the supply of proprietary concentrates and beverage bases to CCA. Further information of CCA's investment in bottler's agreements and relationships with TCCC can be found in Notes 10 and 30 to the financial statements.

Alcohol, Food & Services

CCA distributes a range of Beam Global premium spirits including Jim Beam, Canadian Club, Makers Mark and The Macallan. CCA also manufactures and distributes the best-selling ready-to-drink alcohol beverage, Jim Beam & Cola.

CCA through its 89.6% owned subsidiary, Paradise Beverages (Fiji) Ltd, owns breweries in Fiji and Samoa, brewing and distributing beers such as Fiji Bitter, Vailima and VONU; and a distillery in Fiji, producing Bounty Rum and Fiji Rum Co. brands.

In December 2013, CCA re-entered[1] the premium beer and cider market in Australia with a joint venture with Casella Wines. The joint venture entity, Australian Beer Company Pty Ltd (ABC), brews and develops new beer and cider brands, including Alehouse, ARVO, Yenda and Pressman's cider. CCA has a 50.0% equity interest in ABC.

Upon re-entry into the premium beer and cider market, CCA also entered into a number of distribution agreements with international partners to distribute beer and cider products in Australia and other Pacific markets. CCA distributes the following portfolio of international beer and cider brands –
- Coors and Blue Moon;
- Rekorderlig Cider; and
- Samuel Adams.

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[1] As part of CCA's 2012 disposal to SABMiller of a 50% equity investment in Pacific Beverages Pty Ltd, being CCA's former joint venture beer operation, CCA was restrained from selling, distributing or manufacturing beer in Australia for two years until December 2013.

A. Overview of CCA's businesses (continued)

Principal activities (continued)

Alcohol, Food & Services (continued)

CCA's Food business, SPC Ardmona (SPC), operates predominantly in Australia and its activities include processing and marketing of packaged fruit and other food products under its key brand names, SPC, Ardmona, Goulburn Valley, Perfect Fruit, IXL and Taylor's.

CCA's Services business provides certain support services to the Group and third party customers.

Significant changes in the state of affairs

In the opinion of the Directors, other than as referred to elsewhere in the OFR, there have been no other significant changes in the Group's state of affairs or principal activities during the 12 months to 31 December 2014.

Employees and customers

CCA employs approximately 14,700 people across the Group and has access to 289 million potential consumers across the six countries within which it operates.

Potential consumers are represented by the approximate populations of each of the countries within which CCA operates, 2014 trading revenues have also been included for reference, as follows –

Country	Estimated population M	2014 Trading revenue $M
Australia	23.0	**3,474.6**
New Zealand, Fiji & Samoa	6.0	**540.7**
Indonesia & PNG	260.0	**927.5**
Total	289.0	**4,942.8**

Board of Directors and senior management

CCA's new Group Managing Director, Alison Watkins, commenced her role on 3 March 2014 following the retirement of CCA's long serving Group Managing Director, Terry Davis. Details of changes to the senior management team (Key Management Personnel) can be found in the Remuneration Report, on page [43] of the Directors' Report.

Further information on CCA's Board of Directors and senior management team (Key Management Personnel) can be found on page [XX] of the annual report.

Information concerning remuneration of Key Management Personnel, and general remuneration practises of CCA, can be found in the Remuneration Report, commencing on page [43] of the Directors' Report.

Corporate governance

Information of CCA's approach to Corporate Governance can be found in the front section of the annual report, commencing on page [xx].

Environmental regulation and performance

Management of environmental issues is a core component of operational management within the Group's businesses. The Group is committed to understanding and minimising any adverse environmental impacts of its beverage and food manufacturing activities, recognising that the key areas of environmental impact are water use, energy use and post-sale to consumer waste.

Group policy is to ensure all environmental laws and permit conditions are observed. The Group monitors its environmental issues at an operational level, overlaid with a compliance system overseen by the Compliance & Social Responsibility Committee. Although the Group's various operations involve relatively low inherent environmental risks, matters of non-compliance are identified from time to time and are addressed as part of routine management, and typically notified to the appropriate regulatory authority.

OPERATING AND FINANCIAL REVIEW (OFR) (CONTINUED)

B. Review of operations

i) Overview of the 2014 financial results

	2014 $M	2013 $M	Variance %
Trading revenue			
Non-Alcohol Beverage			
Australia	**2,832.3**	2,947.2	(3.9)
New Zealand & Fiji	**488.0**	452.5	7.8
Indonesia & PNG	**927.5**	919.2	0.9
Alcohol, Food & Services	**695.0**	717.5	(3.1)
Total trading revenue	**4,942.8**	5,036.4	(1.9)
Earnings before interest and tax (EBIT)[1]			
Non-Alcohol Beverage			
Australia	**445.3**	566.0	(21.3)
New Zealand & Fiji	**88.2**	82.7	6.7
Indonesia & PNG	**31.9**	91.6	(65.2)
Alcohol, Food & Services	**86.1**	93.0	(7.4)
Total EBIT[1]	651.5	833.3	(21.8)
Net finance costs	**(121.9)**	(124.8)	(2.3)
Income tax expense	**(153.4)**	(205.0)	(25.2)
Profit after income tax attributable to non-controlling interest	**(0.7)**	(0.7)	–
Profit after income tax[1]	375.5	502.8	(25.3)
Significant items, after income tax	**(103.4)**	(422.9)	
Profit after income tax attributable to members of the Company	**272.1**	79.9	240.6

1 Before significant items. Refer to Note 4c) to the financial statements for further details.

Trading revenue and EBIT
Refer to section ii) "2014 financial results by business" below for this commentary by business.

Net financing costs
Net financing costs decreased by 2.3% ($2.9 million) in 2014 largely due to the impact of reduced interest rates.

Income tax expense
The effective tax rate (before and after significant items) was 29% and was in line with the prior year before significant items rate of 28.9%.

The effective tax rate for 2013 of 66.8% differed to the statutory rate of 30.0% due largely to the non-tax deductible SPC related intangible asset impairment charges recognised in 2013.

Significant items after tax
Profit after income tax includes a total significant item loss after income tax of $103.4 million (2013: $422.9 million loss). Refer to Notes 4c) and 5 to the financial statements for further details of significant items.

Free cash flow

	2014 $M	2013 $M	Variance $M
EBIT	**507.1**	367.9	139.2
Depreciation and amortisation expenses	**266.6**	251.5	15.1
Impairment of property, plant and equipment	**41.3**	44.3	(3.0)
Impairment of intangible assets	**15.9**	316.7	(300.8)
Changes in adjusted working capital and other items	**67.6**	43.1	24.5
Net interest and other finance costs paid	**(129.3)**	(121.9)	(7.4)
Income taxes paid	**(179.0)**	(168.5)	(10.5)
Operating cash flow	**590.2**	733.1	(142.9)
Capital expenditure	**(285.3)**	(392.5)	107.2
Proceeds from sale of non-current assets	**6.7**	5.5	1.2
Additions of other non-current assets	**–**	(4.5)	4.5
Free cash flow	**311.6**	341.6	(30.0)

The business delivered free cash flow of $311.6 million, a $30.0 million decrease on last year, due to a significant fall in earnings largely offset by reduced capital expenditure.

Capital expenditure requirements have reduced due to the completion of five years of major Project Zero efficiency and vertical integration investment programmes across Australia and New Zealand.

B. Review of operations (continued)

i) Overview of the 2014 financial results (continued)

Free cash flow (continued)
The $15.1 million increase in depreciation & amortisation reflects the full year impact of 2013 capital investment.

The increase in interest paid is due to a change in the timing of interest payments relating to mix change in the debt book as a result of significant debt maturities and refinancing in 2014.

Tax paid in 2014 reflects the change in tax instalments in Australia from quarterly to monthly. Further, due to the method of calculating tax instalments in Indonesia and Australia, the reduction in tax expense in 2014 is not fully reflected in tax paid in 2014.

Earnings per share
Earnings per share (before significant items) decreased by 25.3% to 49.2 cents per share, due to the decrease in profit after income tax and before significant items. Earnings per share was 35.6 cents per share as compared to 2013 of 10.5 cents per share, with 2013 being impacted by higher significant item charges.

Dividends
The strong free cash flow generation and the continued strength of the balance sheet has supported the payment of a final ordinary dividend of 22.0 cents franked at 75.0%. The final dividend represents a payout of 87.0% of second half net profit and is above CCA's 70-80% target payout ratio. Total ordinary dividends declined by 25.0% when compared to last year. An interim special dividend of 2.5 cents per share (unfranked) was also declared in 2013.

ii) 2014 financial results by business

Further information of financial results by business, can be found in Note 2 to the financial statements. CCA uses earnings before interest, tax and significant items (EBIT) to define its financial results by business or operating segment, these results and related commentary are as follows –

Non-Alcohol Beverage business

Australia	**2014**	2013	Variance
Trading revenue ($M)	**2,832.3**	2,947.2	(3.9%)
Volume (million unit cases)	**335.1**	338.2	(0.9%)
EBIT ($M)	**445.3**	566.0	(21.3%)

Australian beverage EBIT declined by 21.3% and volumes declined by 0.9% with the business commencing restructuring activities against the backdrop of difficult trading conditions. Structural challenges in the industry persisted with gains in the energy, sports and dairy categories insufficient to offset declines in Carbonated Soft Drinks (CSDs).

Trading conditions were difficult across all channels. In the grocery channel, the CSD category declined by 1.6% for the year with CCA broadly maintaining share. In sports drinks, CCA grew share by over four points driven by product innovation backed by a strong marketing campaign. Energy drink share increased 5.5 points driven by new product launches while share declined by one point in the high-growth water category. Value water has been the stand out growth category in the grocery channel, a category CCA has only a small share in. The business also ended the year with lower levels of stock in trade.

Non-grocery performance continued to be impacted by the shift in demand from high margin operational accounts to national account chains and quick service restaurants. Improved promotional support and marketing activities during the second half delivered some improvements with operational account numbers back in growth. A key challenge with operational accounts is the decline in volume per outlet which continues to be below the previous year. We are however seeing some areas of growth, with key recruitment and New Product Development (NPD) packs in growth and Victoria responding positively to a renewed focus on account retention and acquisition.

The strategic review identified a number of priorities for the business including the need to re-engage and recruit consumers through up-weighted brand investment and stronger new product development; optimising revenue management by maximising opportunities in price, pack architecture and strengthening promotional management; redesigning the route to market model to improve cost service and better leverage our scale; and the need to reduce costs to adapt to the changed market conditions.

Second half activities have been focussed around commencing the rebalancing of pricing across channels, increasing the level of marketing spend to support brand equity building activities, such as the #colouryoursummer campaign, as well as implementing cost savings initiatives. By the end of the year the business had delivered some improvements with the launch of 250ml cans tracking above expectations in terms of ranging, transactions and most importantly, recruitment of the next generation of Coca-Cola consumers. These activities have required significant investment in marketing and pricing and whilst they have delivered some positive early indicators, the initiatives have yet to translate to sustained earnings and volume improvements.

OPERATING AND FINANCIAL REVIEW (OFR) (CONTINUED)

B. Review of operations (continued)

ii) 2014 financial results by business (continued)

Non-Alcohol Beverage business *(continued)*

Australia (continued)

In addition, the business identified over $100 million in cost savings to be delivered progressively over the next three years. The savings will be primarily driven from improved procurement, streamlined support costs and driving greater efficiencies from the significant investment made in the supply chain over the past five years. It is expected that a significant portion of the savings will be directed to up-weighted marketing and innovation initiatives in order to strengthen our competitive position in the market.

New Zealand & Fiji	2014	2013	Variance
Trading revenue ($M)	**488.0**	452.5	7.8%
Volume (million unit cases)	**61.3**	61.5	(0.3%)
EBIT ($M)	**88.2**	82.7	6.7%

In Australian dollars, New Zealand & Fiji delivered 6.7% earnings growth driven primarily by the currency benefit on translation from the appreciation of the New Zealand dollar. Local currency New Zealand earnings were flat while Fiji reported double-digit earnings growth.

New Zealand
The overall grocery market remains sluggish in New Zealand despite strong consumer sentiment, with the non-alcoholic ready to drink beverage category declining by 0.6%. CCA's New Zealand business grew overall market share with gains across all categories except CSDs. The CSD category remains under pressure driven by permissibility concerns and a shift to non-CSD categories.

The juice, water and energy categories continue to perform well recording strong volume growth and share gains. Juice share increased by two points, water was up around four points and energy was up 1.5 points as a result of strong growth of new products including the Keri Pulpy juice range and the recently launched Most Organics Juice range targeting the premium market segments, 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 immediate consumption volumes increased as a result of a 3% increase in customer numbers, over 400 new cooler doors in place and customer service improvements.

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.

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	2014	2013	Variance
Trading revenue ($M)	**927.5**	919.2	0.9%
Volume (million unit cases)	**210.1**	178.7	17.6%
EBIT ($M)	**31.9**	91.6	(65.2%)

Both the Indonesian and PNG businesses delivered strong volume growth and market share gains across key categories. Rapid cost inflation, currency depreciation and increased competition however impacted segment earnings.

Indonesia
In Indonesia, the focus has been to expand our market presence by improving product availability and affordability. The business delivered over 17% volume growth with market share gains across key categories, driven by improved market execution and a focus on multi-serve and recruitment packs.

While the business did implement price increases across many categories, including juice, tea, water and some carbonated beverage packs, there has been a noticeable intensification of the competitive landscape which limited the ability of the business to fully recover cost increases through pricing. The increased mix of lower priced affordability packs also impacted margins as the business expanded its offerings in water, cups and multi-serve carbonated beverages.

The pricing initiatives and improved market execution and point of sale activity resulted in carbonated beverages in PET[2] bottles growing by 35%. As a result, CCA has re-established its market leadership position in CSDs with share increasing to 58%, an eight point gain versus December 2013.

[2] Polyethylene Terephthalate. The material from which CCA's plastic soft drink bottles are manufactured.

B. Review of operations (continued)

ii) 2014 financial results by business (continued)

Non-Alcohol Beverage business *(continued)*

Indonesia (continued)

Water delivered growth of 29%, tea grew 40% and dairy continues to grow strongly, up nearly 80%, while returnable glass bottle CSDs continued to decline driven by consumer preference for PET bottle and can products.

Cost inflation has been significant, driven by the 25% depreciation of the Rupiah as well as legislated material increases in wages and fuel costs. The decline in the Indonesian Rupiah alone increased input costs by around $35 million.

Key operational indicators continue to improve with significant improvement in manufacturing and delivery efficiencies.

PNG
The PNG business experienced strong rebound in volumes and earnings growth following declines in 2013 driven by a revised pack strategy, pricing initiatives and strong cost management and was despite higher levels of competitor activity. All key categories showed strong volume growth with CSDs growing by almost 24% as a result of the introduction of new packs and pricing initiatives. The growth in earnings was despite the significant devaluation of the Kina.

Alcohol, Food & Services business	**2014**	2013	Variance
Trading revenue ($M)	**695.0**	717.5	(3.1%)
EBIT ($M)	**86.1**	93.0	(7.4%)

Alcohol, Food & Services earnings declined by 7.4% with improved SPC earnings offset by declines in Alcoholic beverages and Services.

Alcoholic beverages
Alcoholic beverage earnings were impacted by declines in the dark spirits category. Jim Beam volume recorded significant improvements in market share in the second half following the re-introduction of the six pack ready-to-drink offering in May. Canadian Club continued to perform well, recording double-digit volume increases in an otherwise declining category.

Although the business experienced a slower than expected return to beer and cider, by the close of our first year back[3], draught beer and cider distribution was on par with pre-2011 levels, ranking CCA among Australia's top ten beer suppliers (draught and packaged). Initial delays in ranging in some customers and increased competition in the cider category were partially offset by fourth quarter performance, as Coors and Blue Moon gained traction and distribution in the marketplace. Performance was further boosted by the launch of smaller packs and new products in the cider category and the introduction of new beer brands – Yenda, Samuel Adams, Fiji Bitter and VONU.

SPC
SPC delivered a significant improvement in earnings to deliver a close to breakeven result, driven by improved ranging, successful new product launches and productivity improvements. SPC's share of tomatoes grew 5% due to improved shelf positioning, EDLP (Everyday Low Price) and the benefits of anti-dumping legislation. Perfect Fruit was launched with over 350 customers and high demand from customers. In Fruit, the 700g packs have exceeded expectations while the new packaging for the 170g snack cup is attracting new customers to the fruit snacking category.

C. Financial position

CCA manages its overall financial position (balance sheet) by segregating net assets into two main categories, being capital employed and net debt. Capital employed is managed at the operations' level of the business, and net debt is managed by CCA's centralised Group Treasury function. The Group's total net assets as at the end of the financial year is shown below –

	2014 $M	2013 $M	Variance $M
Capital employed	**3,558.0**	3,499.1	58.9
Net debt	**(1,871.3)**	(1,759.3)	(112.0)
Net assets	**1,686.7**	1,739.8	(53.1)

Details of movements in capital employed and net debt are included below in sections i) and ii).

3 As part of CCA's 2012 disposal to SABMiller of a 50% equity investment in Pacific Beverages Pty Ltd, being CCA's former joint venture beer operation, CCA was restrained from selling, distributing or manufacturing beer in Australia for two years until December 2013.

OPERATING AND FINANCIAL REVIEW (OFR) (CONTINUED)

C. Financial position (continued)

i) Capital employed

	2014 $M	2013 $M	Variance $M
Working capital[1]	**461.1**	382.3	78.8
Property, plant and equipment	**2,031.2**	2,062.2	(31.0)
Investments in bottlers agreements (IBAs) and intangible assets	**1,277.0**	1,264.8	12.2
Current & deferred tax liabilities	**(167.4)**	(222.2)	54.8
Net derivative assets/(liabilities) – non debt related	**15.0**	(32.2)	47.2
Other net (liabilities)/assets[2]	**(58.9)**	44.2	(103.1)
Capital employed	**3,558.0**	3,499.1	58.9
Return on capital employed (before significant items)	18.5%	23.2%	(4.7) pts

1 Working capital is defined as current trade and other receivables plus inventories, and less current trade and other payables.
2 Mainly comprising of prepayments and employee expense obligations.

Capital employed increased by $58.9 million to $3.558 billion. The return on capital employed of 18.5% (before significant items) remains well above CCA's cost of capital.

Working capital increased by $78.8 million primarily to support growth in Indonesia and the re-entry into the beer and cider market and was partially offset by a reduction in SPC inventory.

Property, plant & equipment reduced by $31.0 million due to the impact of significant item impairments and depreciation exceeding capital additions, partially offset by foreign currency driven increases.

Non-debt derivative assets increased by $47.2 million reflecting favourable movement in valuations resulting from the combined effect of a fall in the value of the Australian dollar, lower interest rates, adoption of the updated accounting standard AASB 9 and maturing hedge contracts. This impact was partially offset by lower sugar and aluminium prices on commodity hedge contracts.

Other net liabilities reflect the impact of significant item redundancy provisions, additional incentives and increased superannuation liabilities.

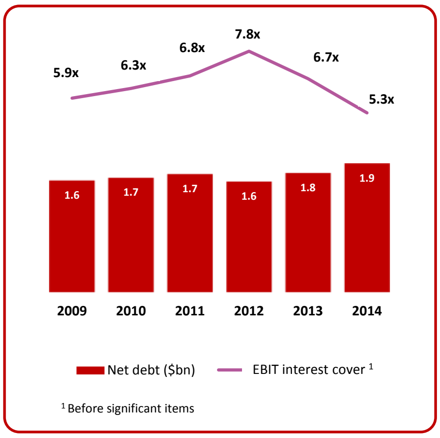
ii) Net debt

	2014 $M	2013 $M	Variance $M
Cash assets	**(818.2)**	(1,425.9)	607.7
Net derivative liabilities – debt related	**56.9**	76.8	(19.9)
Interest bearing liabilities	**2,632.6**	3,108.4	(475.8)
Net debt	**1,871.3**	1,759.3	112.0

The balance sheet remains in a very strong position. Net debt increased by $112.0 million to $1.87 billion.

Cash assets have decreased by $607.7 million to $0.8 billion. The high level of cash holdings are a result of favourable borrowing terms which have enabled the pre-funding of all future debt maturities to March 2016. The funds raised that have been placed on deposit to match debt maturities are earning interest income equal to their related borrowing costs.

CCA's net debt level (as shown below) remains broadly flat over the past six years, despite material investment in capital expenditure and increased dividend payout ratios. Further, CCA's EBIT (before significant items) interest cover (also shown below) indicates CCA's ability to cover its net interest costs.



C. Financial position (continued)

iii) Significant unrecognised assets

As referenced in section A) above, CCA has a number of significant products in its portfolio that are sold under brands owned by CCA. These brands include Mount Franklin, Deep Spring and Kirks in Australia, Deep Spring, Pump and L&P in New Zealand, and Juicy in Fiji.

As these brands were internally generated, purchased in prior periods for immaterial amounts, or historically amortised in total through the income statement, the statement of financial position of CCA for the financial year ended 31 December 2014, in accordance with accounting standards, does not contain any asset values for these brands.

D. Strategy, prospects for future financial years and risks

The following information is provided to enable users of CCA's annual report to make informed assessments about CCA strategies and prospects for future financial years. Information that could result in likely material detriment to CCA, owing to its commercially sensitive or confidential nature, or which could provide a third party a commercial advantage has not been included.

Further, the information contained in this section has been provided on the basis of business plans, strategies (and related risks) as previously approved by the Company's Board of Directors. In the future, changes to the business plans and related risks may occur. CCA will provide suitable updates to shareholders in this regard, as required.

i) Business strategies

CCA's strategies have been guided by the following –

Australasia – Stabilise earnings and return to growth
- Strengthen our brand portfolio to increase our appeal to a wider range of consumers;
- Optimise our revenue management by optimising price, pack architecture and strengthening our promotional management;
- Redesign the route to market model to improve cost to serve and better leverage our scale;
- Restructure our cost base to deliver ongoing productivity gains; and
- New Zealand – deliver steady earnings and volume growth.

Indonesia – Expand our market presence in Indonesia to realise the market's potential
- Improve product availability and affordability across different channels;
- Build brand strength and channel relevance through multi-category portfolio;
- Drive cost competitiveness from operating leverage, transformed route-to-market and reduced complexity; and
- Agreement for a US$500.0 million equity injection by a subsidiary of TCCC in PT Coca-Cola Bottling Indonesia to accelerate the growth plan with aligned volume and return targets, subject to approval by Indonesian regulators.

Alcohol – Continue to build our alcoholic beverage portfolio in Australia and New Zealand
Strengthen our product offering and customer servicing capability to the licensed channel by leveraging CCA's large-scale sales, manufacturing and distribution infrastructure assets.

SPC – Invest to restore SPC to a profitable, modern food business
Strong transformation plan to revitalise the brand portfolio and return the business to growth.

ii) Sustainability strategy

CCA is committed to long term sustainability which means the business decisions we make take into account the best outcomes for our environment and our communities as well as our shareholders. CCA's sustainability strategy focuses on accountability, targets, transparency and ethical performance across four pillars: Environment, Marketplace, Workplace and Community. These pillars are reported across the Group in detail in CCA's Sustainability Report and to CCA's Compliance & Social Responsibility Committee of the Board, and are summarised as follows –

OPERATING AND FINANCIAL REVIEW (OFR) (CONTINUED)

D. Strategy, prospects for future financial years and risks (continued)

ii) Sustainability strategy (continued)

Environment
CCA recognises the importance of sound environmental management in mitigating against climate change and focuses on minimising water and energy use; improving recycling rates; and reducing litter. Examples include –
- CCA's 2011-2014 total $450 million investment in PET bottle self-manufacture or "Blowfill" (bottle design, construction and filling) technology, resulting in the reduced use of raw materials, mainly PET resin, decreased water use and less energy consumed in the production process, resulting in an average 20% reduction in the carbon footprint of our PET bottles;
- Supplying our customers and our business with energy efficient cold drink equipment;
- Working collaboratively and in good faith with the Federal and State Governments to ascertain the most effective and efficient programs to reduce litter and increase recycling in Australia.
- Ensuring sustainable use of water sources and having targets for water efficiency in production facilities, governed by the Company's Water Policy.

Marketplace
CCA is committed to providing people with choice, as well as encouraging them to be more active, more often, and to enjoy all CCA products as part of a balanced lifestyle. Examples include –
- Providing consumers with product choice through CCA's zero and low kilojoule beverages, including a portfolio of spring water options; more than 1/3 of our total volume is in no/low kilojoule; and there has been an 8% reduction in kilojoules per litre across the CCA portfolio in the past decade;
- Launching Coke Life in April 2015 in Australia, a product that has 35% fewer kilojoules and is naturally sweetened with stevia;
- Providing varied portion sizes, including the launch of the 250ml can across our Australian market;
- Providing comprehensive consumer information and education about kilojoules, nutrition and physical activity, including nutrition and kilojoule labelling on 50% of vending machines in Australia;
- Partnering with the Bicycle Network in Australia to support "The Happiness Cycle", a community program that has provided more than 4,000 teenagers across Australia with bicycles and an app to assist them to increase their physical activity.

Workplace
CCA recognises that our people are fundamental to the sustained long-term success of our business and we are committed to creating safe workplaces, building capability and leadership and fostering a culture that promotes diversity and inclusion and lifts engagement. Examples include –
- Having a strong focus on a safe workplace through the internal "Live Safe" program which has resulted in a significant improvement in the level of injuries and lost time;
- Fostering a culture that promotes inclusion and diversity – refer to the Corporate Governance section of the annual report, commencing on page [x];
- Training and development – fostering an environment that supports and encourages growth of employee skills through various systems, internal processes, and implementation of a performance based culture; and
- Committing to creating opportunities for Aboriginal people under CCA's Indigenous Program.

Community
CCA contributes to the economic and social development of local communities in which we operate and the people who live there and to the protection of the environment through a number of philanthropic and community programs –

Australia
- Financially supporting community organisations and charities through Coca-Cola Foundations. In 2014, grants were distributed to 39 charitable organisations
- Workplace giving programs, where staff donations to charities are matched by CCA;
- Staff volunteering for charity and community organisations via CCA's Volunteer Policy;
- Donations of food and beverages to Foodbank Australia equivalent to 938,852 meals or an estimated $16.2 million social return;
- Natural disaster relief via financial and product donations; and
- Supporting our staff to engage in charitable initiatives like the "Steptember" fund-raising and fitness program in support of cerebral palsy – a program which named CCA as "Corporate Champions" in 2014.

New Zealand
Providing scholarships to young New Zealanders, donating products for inclusion in Christmas gift hampers and supporting various other community causes.

Indonesia
Engaging partners and the local communities in environmental protection programs such as the annual Bali Beach Clean Up day, engaging in programs to save local wildlife through Sea Turtle conservation, tree plantation for generating income in the future to be used for building schools, providing clean water to communities, conducting soccer training programs for children and free medical care for 8,000 CCA staff and their families via workplace polyclinics in CCA Indonesia.

Fiji
Sponsoring the Coca-Cola Games, Fiji's biggest national sporting event and the world's biggest secondary schools athletics meeting and various other programs.

More information on sustainability can be found in CCA's sustainability report which is available on CCA's website, www.ccamatil.com.

D. Strategy, prospects for future financial years and risks (continued)

iii) Prospects for future financial years

In October 2014, CCA announced the results of a strategic review of the business which was conducted in response to deteriorating market conditions across the Group with the objective of restoring CCA to sustainable earnings growth. Concrete progress has been made in implementing strategies to strengthen the market leadership position of the Company in its two major markets, Australia and Indonesia, which we believe will enable us to return to growth and generate attractive and sustainable returns for our shareholders over the next few years.

The priorities for each business unit are as follows –

Australia – Stabilise earnings and return to growth
The Australian beverage business will strengthen its category leadership position by rebuilding brand equity in Coca-Cola and with innovation geared toward "better for you" products in both CSDs and stills. Together with our partner The Coca-Cola Company (TCCC), we are materially up-weighting marketing investment and developing more targeted recruitment strategies. Our new product development pipeline is strong and well developed with Coke Life, a lower calorie and naturally sweetened Coca-Cola offering, to be launched in April 2015.

We have commenced restructuring the business with a number of change initiatives expected to be in place by mid-2015. The business will assess the introduction of new frequency and entry level packs aimed at increasing affordability and meeting the desire for smaller packages while providing greater differentiation of packages across the channels. We are rolling out a next-generation digital technology platform which will significantly enhance the route-to-market model and deliver a step change in customer service. At the same time we are restructuring the cost base to deliver ongoing productivity gains and continue to expect to achieve savings of over $100 million progressively over the next three years providing us with the ability to fund increased brand building and revenue management initiatives.

While the trading landscape continues to be challenging, we are pleased with the performance of recent product launches and up-weighted marketing initiatives which have delivered improvements in transactions, recruited new consumers and delivered share gains across a number of categories. We are targeting to stabilise earnings in 2015. Cost initiatives are being implemented progressively throughout the year and accordingly, benefits will be weighted to the second half.

Indonesia – Expand our market presence to realise the market's potential
Indonesia is an exciting growth market for CCA. With consistent growth in demand from Indonesia's emerging middle class we now have the opportunity to increase our appeal to a broader range of consumers to ensure we continue to be a leading player in the market over the longer-term. To achieve that position will require significant levels of investment into the market to capitalise on the growing demand.

In order to strengthen our market position, CCA has developed a joint system plan with TCCC to broaden its product offering with new products, new consumption occasions and a greater range of affordable packs. At the same time we will transform our route-to-market model to increase our relevance and availability to the traditional trade and broaden our customer base. We will also be targeting improved productivity and efficiency in production and logistics by better leveraging our scale.

TCCC will inject US$500 million into CCA Indonesia, taking a 29.4% equity interest in CCA Indonesia and capital expenditure will be up-weighted to fund expansion of our production, warehousing and cold drink infrastructure. The objective is for CCA Indonesia to be able to self-fund growth from operating cash flows from 2020. The plan has targets to progressively improve returns on capital over and above CCA Indonesia's cost of capital over the medium term. The joint system plan is subject to approval by the relevant Indonesian regulatory requirements, following CCA shareholders (excluding TCCC) approval on 17 February 2015.

2014 was a challenging year for the business. We are however pleased with the progress we have made in broadening the reach of our product portfolio and the improvements in market share we have recorded across categories. The operating landscape continues to be challenging with recent increases in inflation impacting consumption, however we are confident that we will continue to deliver strong volume growth and improved earnings for 2015.

Alcoholic beverages – Continue to build our alcoholic beverage portfolio in Australia and New Zealand
We will continue to build our alcoholic beverage portfolio by strengthening our product offering and customer servicing capability to the licensed channel. We will do this by leveraging CCA's large-scale sales, manufacturing and distribution infrastructure assets. We have a number of strong alcoholic beverage brand owner partners as well as the opportunity to develop our CCA brands. Growth needs to be paced and our medium term focus will be to build credibility by winning with our existing partners.

SPC – Invest to restore SPC to a profitable, modern food business
We are implementing a transformation plan to revitalise the brand portfolio and return the business to profitability. We have a strong pipeline of innovative fruit-based snack products backed by a disciplined capital investment plan that will modernise our production facilities and establish a lower cost position.

OPERATING AND FINANCIAL REVIEW (OFR) (CONTINUED)

D. Strategy, prospects for future financial years and risks (continued)

iii) Prospects for future financial years (continued)

Financial outlook
CCA is targeting to return to mid single-digit growth in earnings per share over the next few years with no further decline expected after 2014. CCA is confident that the combination of revenue and cost initiatives we have underway will restore the business to growth. The pace of recovery will however depend on the success of revenue initiatives in Australia and Indonesian economic factors.

The balance sheet remains in a very strong position. If regulatory approval is granted for the proposed US$500 million equity injection by TCCC, CCA's net debt position will further reduce by this amount. With free cash flow generation also expected to remain strong, the business is well-placed to target a dividend payout ratio of over 80% over the next three years. We expect to maintain a conservative balance sheet position which provides us with flexibility to fund future growth opportunities.

Capital investment is expected to be around $330 million per annum for the next three years. Given the high level of investment in the Australian beverage business over the past five years in supply chain assets, capital investment requirements will be reduced for the next few years. Indonesian capital investment is expected to be around $170 million per annum for the next three years supported by TCCC's US$500 million capital injection. As previously announced, SPC will invest $100 million over three years comprising a $78 million CCA investment and $22 million in funding from the Victorian government with $15 million invested in 2014 and the balance to be invested in 2015 and 2016.

iv) Business and sustainability risks

CCA is exposed to a range of market, financial, operational, and socio-political risks which could have an adverse effect on CCA's future financial prospects. The nature and potential impact of these risks can change over time, and vary in degree with what the Company can control. CCA has a risk management framework in place with internal control systems to mitigate these key business risks.

For further information on CCA's risk management framework, refer to page [x] for discussion of CCA's approach under Principle 7 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 2nd edition, being "Recognition and Manage Risk".

CCA's key business risks include, but are not limited to –
- Adverse economic conditions and subdued consumer confidence;
- Competitive threats;
- Relationship with The Coca-Cola Company (TCCC);
- Ongoing social responsibility and regulatory risks (including sugar & obesity concerns and Container Deposit Scheme legislation);
- Occupational Health & Safety risk; and
- Business Continuity due to natural disasters, utility disruptions and regulatory changes.

Adverse economic conditions and subdued consumer confidence
A risk to the long term health of the business is the inability to realise sufficient price increases to cover rising costs e.g. increasing ingredient costs, labour costs and foreign currency impacts. The retail environment in Australia and New Zealand remains challenging as consumer spending is subdued across a number of areas, particularly in relation to food and beverage retailing. A weakening global economy, adverse local unemployment forecasts and expectations are also negatively impacting consumer demand. Although the economic outlook for Indonesia has regained momentum, the business is still facing some economic headwinds such as infrastructure challenges, material labour cost inflation, fuel price increase and a depreciating currency. In PNG, falling commodity prices and reduced mining activity and investment continue to impact government revenue and unemployment levels.

Competitive threats
The beverages business is highly competitive in each country in which the Group operates. Increased competitor activity continues to place pressure on earnings. CCA works closely with key partners, including TCCC, to innovate and establish pricing strategies to strengthen its competitive position. The proposed US$500 million equity injection by TCCC will support capital investment in Indonesia, strengthen CCA's competitive position and drive shareholder returns.

Relationship with TCCC
CCA's beverage business, of which TCCC branded products form the majority, accounts for approximately 90% of CCA's earnings. The relationship with TCCC is a fundamental component to the ongoing success of CCA.

Ongoing social responsibility and regulatory risks (including sugar & obesity concerns and Container Deposit Scheme legislation)
With the ongoing anti-sugar and anti-obesity campaigns led by various health groups, consumer preferences are shifting and the risk is that the soft-drink market may decline over time. The potential expansion of container deposit schemes in Australia, and a possible excise tax on soft-drinks in Indonesia will impact earnings if either are implemented.

D. Strategy, prospects for future financial years and risks (continued)

iv) Business and sustainability risks (continued)

Occupational Health & Safety (OH&S) risk

CCA values safety and is committed to ensuring that a robust and effective OH&S framework is employed across the Group. While CCA has historically experienced low injury rates, the risk of serious injury through industrial and traffic accidents remains in all CCA markets due to the nature of the manufacturing and distribution business.

Business continuity risks due to natural disasters, utility disruptions and regulatory changes

CCA operates in environments that are susceptible to natural disasters (such as flood, fire and earthquakes), utility disruption and regulatory changes which have the potential to cause business disruption. Business continuity frameworks and insurance cover is in place to reduce the impact, as far as possible, of any major disruption due to such causes.

Capital and financial risk management

Information concerning CCA's capital and financial risk management can be found in Note 29 to the financial statements.

Further disclosure

Further information in relation to strategy, prospects for future financial years and business risks has not been disclosed. In the opinion of the Directors, such disclosures would unreasonably prejudice the interests of the Group, by providing to competitors information that CCA regards as being commercially sensitive to the business.

INTRODUCTION TO REMUNERATION REPORT

Introduction from the Chairman of the Compensation Committee

I am pleased to introduce our Remuneration Report for 2014 which is designed to provide clarity on our remuneration strategy and summarise remuneration outcomes for Senior Executives and Non-Executive Directors.

Alison Watkins was appointed as Group Managing Director in March 2014. In light of the 2013 financial result released in February 2014, Ms Watkins immediately undertook a review of business performance and market, consumer and customer trends and determined that for the long term sustained viability of the business there was a need to reset the strategic direction, downgrade the expectations for 2014 financial performance and reset growth expectations. In April 2014 a profit downgrade was issued to the market and CCA announced that it was commencing a strategic review.

The Board and the new Group Managing Director believed that it was important to have a strong accountable leadership team to drive the necessary focus on category leadership, productivity and market execution essential to build a solid platform for the return to sustainable growth over the years to come. Several changes were made in the first half of the year to the leadership team and reporting lines were altered reflecting a new executive structure.

The Board worked with the Group Managing Director to ensure that the executive reward framework for the 2014 year was aligned with the objective of returning to sustainable growth but with a focus also on delivering the 2014 financial result. The 2014 STIP financial targets were set in line with the budgets agreed in April 2014 with the Group Managing Director. The targets were considered by both the Board and management to have a significant degree of stretch.

The 2014 remuneration outcomes recognise the need for effective incentive programs to motivate, reward and retain a newly formed leadership team, whilst aligning executive reward with shareholder outcomes. The 2014 short term incentive delivered outcomes for executives that reflect the financial targets set by the Board and provide recognition for the significant progress on strategy and direction made during 2014 that will assist CCA's return to sustainable growth. Long term incentives failed to vest in 2014 (for the second consecutive year).

With the appointment of a new CEO and a revised strategy, a review of the approach to executive remuneration was undertaken. CCA reviewed the remuneration strategy, with assistance from independent external advisors, in order to ensure alignment with the goals of our return to growth strategy, contemporary market practice and shareholder expectations. A phased implementation of this revised remuneration strategy will commence in 2015, with the overall direction being to allocate more executive remuneration to at-risk categories. This reinforces performance differentiation, incentivises high performance and rewards the behaviours which will deliver sustainable growth.

In line with the aims of the revised remuneration strategy, a revised short term incentive plan and associated performance scorecard is being implemented for 2015. The revised short-term incentive plan will have a larger deferral component and will be subject to a longer deferral period. Revisions have also been made to the performance measures that will be used in the long term incentive plan for the 2015-2017 performance period, details of which will be included in the Notice of Meeting for the May 2015 Annual General Meeting. The minimum shareholding guidelines will also be revised to encourage Key Management Personnel (KMP) to hold an increased portion of their remuneration in CCA shares.

In this difficult transition year, the Board is supportive of the remuneration outcomes for 2014 and looks forward to the positive impact of the new executive remuneration strategy.

Anthony G. Froggatt
Chairman, Compensation Committee
Sydney
27 February 2015

REMUNERATION REPORT

Overview

This remuneration report outlines CCA's current remuneration philosophy and practices together with details of the specific remuneration arrangements that apply to key management personnel in accordance with the requirements of the Corporations Act 2001.

The information contained in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. Refer to the audit opinion on page [124].

Table of contents

A. Key Management Personnel (KMP)

For the purposes of this report, KMP of the Group are defined as individuals having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, including the Group Managing Director, and certain senior executives (together referred to as KMP Senior Executives) and Non-Executive Directors, as outlined below –

Name	Position	Changes during 2014
KMP Senior Executives		
A.M. Watkins	Executive Director and Group Managing Director	Appointed 3 March 2014
K. Gunduz	Managing Director, Indonesia & PNG	
P.N. Kelly	Managing Director, SPC	
C.J. Litchfield	Managing Director, New Zealand & Fiji	Appointed as KMP on 1 July 2014
B. O'Connell	Managing Director, Australian Beverages (formerly Managing Director, New Zealand & Fiji)	Appointed to current role on 1 June 2014
N.I. O'Sullivan	Group Chief Financial Officer	
E.C. Wilson	Group Human Resources Director	Appointed as KMP on 12 May 2014
Non-Executive Directors		
D.M. Gonski, AC	Chairman	
I.R. Atlas	Non-Executive Director	
C.M. Brenner	Non-Executive Director	
A.G. Froggatt	Non-Executive Director	
M. Jansen	Non-Executive Director	
W.M. King, AO	Non-Executive Director	
D.E. Meiklejohn, AM	Non-Executive Director	
K. Thirumalai	Non-Executive Director	Appointed 14 March 2014
Former KMP		
T.J. Davis	Executive Director and Group Managing Director	Ceased to be KMP on 3 March 2014 and retired on 31 August 2014
G.J. Kelly	Non-Executive Director	Retired 18 February 2014
J. Murphy	Managing Director, Australian Beverages	Ceased to be KMP and ceased employment on 2 June 2014
W.G. White	Managing Director, Australasia	Ceased to be KMP on 1 March 2014 and ceased employment on 30 June 2014

On 14 January 2015, CCA announced to the Australian Securities Exchange (ASX) further leadership changes with the departures of Nessa O'Sullivan, Group Chief Financial Officer and Peter Kelly, Managing Director, SPC, who will both leave the business on mutually agreeable terms, consistent with contractual entitlements disclosed in this report, on 31 May and 31 March 2015 respectively.

B. Developments in 2014 and plans for 2015

1. Managing Director transition

CCA's new Group Managing Director, Alison Watkins, commenced her role on 3 March 2014 following the retirement of CCA's long-serving Group Managing Director, Terry Davis. Consistent with the announcement to the ASX on 18 March 2013 and 3 March 2014, Mr Davis worked through his 12 month notice period and was available to assist and support the smooth transition to the new Group Managing Director throughout this time. The benefits paid to Mr Davis upon cessation of his employment in August 2014 were disclosed to the ASX on 3 March 2014 and are summarised in section E of this Remuneration Report.

The Compensation Committee directly engaged PricewaterhouseCoopers to provide remuneration and benchmarking data relevant to the role of Group Managing Director and based the offer to Ms Watkins on this independent advice. The Committee also considered prevailing market conditions and Ms Watkins' experience. Total fixed remuneration for the Group Managing Director role was set at $2.2 million per annum (inclusive of superannuation and other fringe benefits), on-target short term incentive opportunity at $1.5 million for 2014, and long term incentive award (assuming target performance) at $1.25 million for the 2014-2016 performance period. This level of remuneration reflects a downward rebasing relative to that of the former Group Managing Director. For further details of the terms and conditions of Ms Watkins' employment arrangements, refer to section E of this Remuneration Report.

2. Changes to executive reward in 2014

Given the commencement of a broader review of CCA's Remuneration Strategy, see point 4 below, there were no significant changes to the remuneration structure for KMP Senior Executives during 2014. However, the Board approved the following amendments during 2014 –

a) Earnings Per Share (EPS) Vesting Scale under the Long Term Incentive Share Rights Plan (LTISRP)

As detailed in the May 2014 Notice of Meeting, and as a result of the annual review of Long Term Incentive Plan targets and vesting scales, the minimum EPS hurdle for the 2014-2016 plan changed from 6.0% average annual growth per annum to 5.0%. A straight line vesting scale was applied with maximum vesting at 10.0% (double the minimum).

b) Deferred Share Awards to selected executives

In order to ensure continuity and retention of the newly formed executive team through the business transformation, the Board approved a one-off Deferred Share Award. This award was offered to selected executives viewed as critical in setting and executing the return to growth strategy. The award would be earned based on meeting or exceeding 2014 individual performance expectations and would be delivered in the form of deferred shares that vest after two years.

3. Remuneration outcomes

During this year of transition the timing of the 2014 performance objective setting differed from the typical annual process. The financial targets and individual performance objectives set for the STIP were set after the new Group Managing Director's appointment in March 2014, the April ASX announcement of the profit downgrade and strategic review, and the forming of a new executive team.

The 2014 STIP awards are based on the performance of the Group and individual business (if applicable) against the financial targets agreed with the Board in April 2014 combined with individual performance objectives focussed on building the platform for sustainable growth. In 2014, not all STIP performance conditions were met, resulting in a below target STIP award for most executives. Further discussion of performance and the STIP awards is set out in section D 2 of this Remuneration Report.

Awards under the 2012-2014 LTISRP did not vest as the Total Shareholder Return (TSR) and EPS hurdles at the end of the performance period were not met.

Details of the remuneration of KMP prepared in accordance with statutory obligations and accounting standards, are contained in sections D and F of this Remuneration Report.

REMUNERATION REPORT (CONTINUED)

B. Developments in 2014 and plans for 2015 (continued)

3. Remuneration outcomes (continued)

Remuneration realised by KMP Senior Executives

The table below sets out the cash and other benefits KMP Senior Executives realised for 2014 (see footnotes for definition of each item), in relation to the period of time the individual held a KMP role. The values disclosed in this table (which exclude termination benefits payable), while not in accordance with the accounting standards (refer to sections D and F for disclosures in accordance with accounting standards), are intended to be helpful for shareholders to assist in better demonstrating the linkages between Company performance and remuneration realised by KMP Senior Executives. Commentary regarding the performance criteria and assessment that determined these remuneration outcomes is set out in sections D 2 and D 3 of this report.

	Fixed remuneration[1]			At-risk – performance related			Total[2]
	Salary $	Non-monetary benefits[3] $	Superannuation on base $	Cash STIP[4] $	Vesting of deferred STIP[5] $	Vesting of LTISRP[6] $	$
A.M. Watkins[7]	1,810,083	68,164	15,317	558,875	–	–	2,452,439
K. Gunduz	500,738	450,698	18,279	316,894	–	–	1,286,609
P.N. Kelly[8]	494,400	92,108	118,656	393,488	56,270	–	1,154,922
C.J. Litchfield[7]	167,879	25,033	14,270	69,315	–	–	276,497
B. O'Connell[7]	665,723	197,003	27,573	179,107	–	–	1,069,406
N.I. O'Sullivan	1,083,542	91,427	18,279	414,192	90,928	–	1,698,368
E.C. Wilson[7]	384,653	88,820	11,663	136,466	–	–	621,602

1 Total fixed remuneration for the 2014 financial year (same as the statutory remuneration table included in section D).

2 The disclosed total does not include the vesting of matching awards under the Employees Share Plan (ESP). As described in section E 1 this plan permits the sacrifice of up to 3% of salary to purchase shares on a monthly basis. These shares vest two years after purchase and are matched 1:1 by the Company.

3 Non-monetary benefits includes the value of vehicle benefits, club membership, Company product and where applicable expatriate benefits and relocation costs.

4 The cash component of the STIP earned for the 2014 financial year (which is paid in March 2015). This is inclusive of superannuation (if applicable) and excludes the STIP deferral component which is deferred for one year, and the enhanced STIP which is deferred for two years. These deferred amounts will be included in the above table in the year of vesting.

5 Vesting of 2012 deferred STIP awards. The value represents the dollar amount deferred into CCA shares at the time of deferral.

6 No LTISRP awards vested to the disclosed KMP during 2014.

7 Amounts are calculated from the date the individual was appointed to the KMP position or up to the date the individual ceased to hold the KMP position. Ms Watkins was appointed as KMP on 3 March 2014, Mr Litchfield was appointed as KMP on 1 July 2014, Mr O'Connell changed KMP roles on 1 June 2014 and Ms Wilson was appointed as KMP on 12 May 2014.

8 Defined benefits superannuation plan member.

4. Review of Remuneration Strategy and Practices

Following the appointment of the Group Managing Director, the Group Strategic Review and changes to CCA's direction, a review of CCA's executive remuneration strategy was conducted during 2014. The changes are subject to a phased implementation from January 2015 and reflect the return to growth strategy, contemporary market practice and incorporate feedback from shareholders. In summary, the revised executive remuneration strategy incorporates –

- introduction of ratios of fixed to at-risk (STI and LTI) remuneration resulting in a more significant weighting on at-risk elements of remuneration and which more closely aligns executive's interests with those of CCA's shareholders;
- fixed remuneration will now be set relative to the 50th percentile of comparable positions in comparable companies. Target total remuneration will continue to be set at the 75th percentile. This shift in policy will support an increased focus on at-risk remuneration;
- new STI plan, based on a performance scorecard which balances focus on all aspects of the business and aligns with the return to growth strategy;
- greater portion of the STI deferred into shares and subject to longer restriction periods;
- revised performance conditions for the 2015 – 2017 LTI plan grants that are aligned to the return to growth strategy; and
- revised minimum shareholding guidelines requiring KMP to hold an increased portion of their remuneration in CCA shares.

These changes are designed to reward progress against CCA's key strategic goal of delivering sustainable growth and to build alignment between KMP Senior Executives incentives and shareholder outcomes. Full details of the revised remuneration framework and plans will be disclosed in the 2015 Remuneration Report.

C. Remuneration governance and framework

1. Role of Compensation Committee and external consultants

The Compensation Committee is responsible for reviewing the amount and method of delivery of Senior Executives' remuneration. The Committee draws on a range of services from external consultants to provide information, data and advice where appropriate in relation to remuneration quantum, structure and market practice. From time to time, management also appoints external firms to assist with remuneration market data provision and benchmarking.

C. Remuneration governance and framework (continued)

1. Role of Compensation Committee and external consultants (continued)

The Committee's Charter is available on CCA's website at www.ccamatil.com and further information regarding the Committee is set out in the Corporate Governance Statement on page [x].

Remuneration consultant recommendations

The Committee has directly engaged PricewaterhouseCoopers (PwC), independent of management, to provide the Committee with remuneration recommendations with respect to the Group Managing Director's and the Non-Executive Directors' remuneration data and benchmarking.

Under the terms of the engagement, PwC provided 'remuneration recommendations' as defined under the Corporations Act 2001 and amounts paid or payable for these services were $29,172 (including GST) for the 2014 year. In addition to providing remuneration recommendations, PwC provided advice on a range of other matters for the 2014 year, including internal audit consulting, accounting and expatriate tax advice. For these services amounts paid or payable to PwC were $1,371,636 (including GST) for the 2014 year.

CCA recognises the importance of ensuring that recommendations provided by remuneration consultants are free from undue influence from those to whom the recommendations relate. Accordingly, CCA has established practices –
- to select and engage a consultant;
- the method that CCA receives the advice;
- how to ensure independence from management; and
- how the consultant interacts with management.

PwC reported directly to the Board through the Committee but was permitted to speak with management throughout the engagement to understand CCA's processes, practices and other business issues and to understand CCA's management perspective. PwC was not permitted to provide any member of management with a copy of its draft or final report that contained remuneration recommendations.

PwC confirmed to the Board that the remuneration recommendations it provided have been made free from undue influence by the member(s) of KMP to whom the recommendation relates. The Board is therefore satisfied that the remuneration recommendations made by PwC are free from any undue influence from any member of KMP.

Other consultants

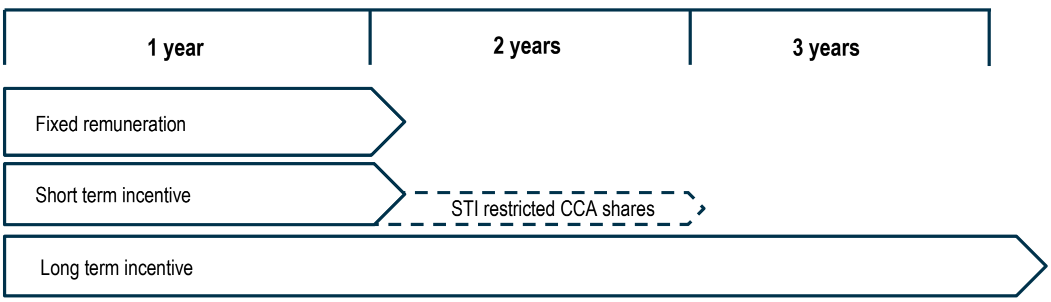
Listed below are the primary consultants the Compensation Committee and/or management used to prepare proposals. None provided a 'remuneration recommendation' in 2014 –

Consultants	Services provided	Type of service
Mercers	Employee remuneration – market data	Factual data only
	LTI (TSR reporting and peer group detail)	Factual data only
Hay	Executive and employee remuneration – market data	Factual data only
Ernst & Young	Review of remuneration strategy	Gap analysis, market practice, plan design considerations

2. 2014 remuneration principles and components

In 2014, the Board (on recommendation of the Compensation Committee) supported CCA's existing remuneration principles outlined below –
- incorporate a significant degree of at-risk pay elements that are dependent on short and long term performance;
- attract, motivate and retain top calibre executives; and
- provide incentives based on financial and non-financial metrics which take into account CCA's core values and behaviours.

The diagram below illustrates how the different components of remuneration create a layered retention effect by delivering rewards (subject to performance) over a three year cycle –



Section D provides further details regarding each of the remuneration components.

REMUNERATION REPORT (CONTINUED)

C. Remuneration governance and framework (continued)

3. Overview of remuneration components and mix

CCA's Remuneration Principles direct that a significant portion of KMP remuneration is allocated to at-risk pay elements. The remuneration mix during 2014 (i.e. the relative proportions of total remuneration received as fixed and at-risk remuneration) for those KMP Senior Executives with ongoing employment at the end of 2014 are set out below –

	Fixed remuneration %	At-risk remuneration[1] %
A.M. Watkins	44	56
K. Gunduz[2]	58	42
P.N. Kelly	54	46
C.J. Litchfield	54	46
B. O'Connell[3]	61	39
N.I. O'Sullivan	50	50
E.C. Wilson	58	42

1 The percentage of each component of remuneration is calculated with reference to target performance outcomes in both STI and LTI measures – for more information on performance measurement levels, refer to section D in relation to the STIP and LTISRP.

2 Fixed remuneration for Mr Gunduz, while in Asia, includes expatriate costs.

3 Fixed remuneration for Mr O'Connell, while in Australia, includes expatriate costs.

4. Linking remuneration to performance

The Company's remuneration structure is designed to provide flexibility to tailor individual remuneration packages for KMP based on their actual performance, the importance of their contribution to CCA's success and the extent to which they can influence Company performance.

While fixed remuneration provides for predictable base levels of remuneration, the STI and LTI components reward executives when pre-determined stretch performance goals are met or exceeded. At-risk remuneration is an integral part of CCA's approach to providing competitive performance based remuneration by ensuring that an appropriate proportion of their remuneration is linked to growth in shareholder value and the achievement of pre-defined operational targets.

To attract and retain high calibre executives, KMP total remuneration has been set at the 75th percentile of comparable positions in comparable companies. This level of remuneration is only realised when stretch individual and business performance targets are met.

Comparable companies include companies broadly between half and twice the scale of CCA, having regard to enterprises with comparable revenues, market capitalisation, operating profit, total assets and net assets. The comparator groups for the Group Managing Director's 2014 remuneration review was defined as companies ranked on the ASX by market capitalisation in the ASX 50. An alternate peer group was also utilised in the 2014 review comprising ASX 100 companies with revenues between 50% and 200% of those of CCA. These comparator groups were set at the beginning of 2014 based on CCA's market position and are reviewed annually.

5. Shareholding guidelines

KMP Senior Executives are encouraged to hold CCA shares to further align their interests with those of shareholders. The current shareholding guidelines provide that where a member of CCA's KMP has five years' service they are encouraged to hold 40% of their annual base salary in CCA shares, increasing to 60% base salary for ten years' service and 100% of base salary for fifteen years' service.

Non-Executive Directors are also encouraged to hold CCA shares by holding 20% of their annual directors' fees in CCA shares by five years in office, 40% of fees after reaching ten years in office, and 60% of fees upon reaching fifteen years in office.

6. Dealing with CCA securities

While CCA Directors and employees are encouraged to hold CCA shares, CCA recognises the importance of ensuring that all such trades are conducted within the appropriate legal and governance boundaries. Accordingly, all CCA employees are prohibited by law from dealing in the Company's securities if they possess price sensitive inside information, and CCA limits the times when KMP may buy, sell or deal in shares to those periods when the market is likely to be most fully informed.

D. Executive remuneration in detail

1. Fixed remuneration

Components	• comprises base salary, benefits (including superannuation) and applicable fringe benefits tax (reflecting CCA's total cost to the Company approach); • determined on an individual basis, considering the size and scope of the individual's role, the significance of the role to the Company and the demand for the role in the market; • may also include deferred remuneration, which is either a once off cash payment or award of CCA shares made at the completion of a specified employment period; and • does not vary over the course of a year based on performance.
Review	• reviewed annually to ensure fixed remuneration remains competitive in the market place and reflects the individual's skills, knowledge, accountability and general performance; • the Company conducts market based reviews which are externally benchmarked to comparable companies in Australia and where applicable other markets where CCA operates; and • there is no guarantee that fixed remuneration will be increased as a result of the annual review.

2. STIP

Set out below is a summary of the terms and conditions which apply to the STIP and 2014 outcomes for all KMP Senior Executives –

STIP design features

Objectives

STIP objectives pre-determined at the beginning of the performance period and closely reflect the target defined in the annual business plans. Goals are cascaded to ensure vertical and horizontal alignment of focus.

During this year of transition the timing of performance objective setting differed from the typical annual process. The financial targets and individual performance objectives set for the 2014 STIP were set after the new Group Managing Director's appointment in March 2014, the April ASX announcement of the profit downgrade and strategic review, and the forming of a new executive team.

Opportunity

The STIP target award as a percentage of base pay ranges between 50 to 76% of a KMP Senior Executive's fixed remuneration, dependent on role.

Performance conditions

The performance conditions are designed to align KMP rewards to the key performance drivers of the Company with business performance weighted at 70% of the award based on a combination of volume and the respective profit measure (being profit after income tax attributable to members of the Company, before significant items (NPAT) for the total Group, and earnings before interest and tax, before significant items (EBIT) for individual businesses). Payments from the STIP are determined by performance of the Group or business plus the individual's contribution and performance over the past financial year.

Business performance (70%)
Business performance is based on achievement of targets for –

- volume; and
- profit,

which are pre-defined and tracked throughout the performance period.

Individual beverage businesses (excluding SPC) are assessed on their business specific volume and EBIT targets and are weighted at between 30% and 50% for volume and 50% and 70% for EBIT. SPC's business performance is 100% based on achieving an EBIT target.

A minimum of 90% of budgeted EBIT or NPAT (and volume where applicable) must be achieved to trigger an award for business performance (unless the Board determines otherwise), and 100% achievement will result in the target award, with awards increasing for over-performance.

Business unit Managing Directors are assessed 80% on their own business results and 20% on the Group results.

Individual performance (30%)
Individual performance is based on achievement of pre-determined KPI's relating to various financial and non-financial measures that vary by business and individual.

For 2014, KMP Senior Executives have been assessed against tailored individual specific objectives within the following goal categories –

- Developing a clear and compelling CCA Group strategy, vision and values;
- Business growth;
- Customers;
- Efficiency;
- People;
- Strong Partner relationships;
- Effective leadership; and
- Corporate Social Responsibility.

The goal categories for 2014 were set to ensure a balanced focus across our key stakeholders and business priorities.

For each executive, the selection and weighting of each category and performance measure were based on the objectives of each business and correlate to the strategic plan and targets for that business.

REMUNERATION REPORT (CONTINUED)

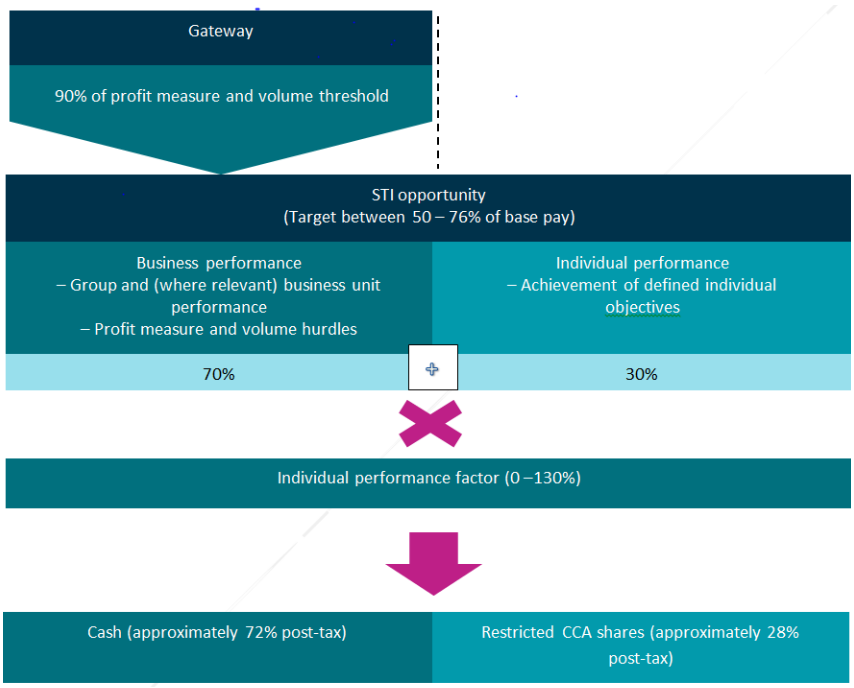
D. Executive remuneration in detail (continued)

2. STIP (continued)

STIP design features *(continued)*

Individual performance factor	The total award achieved for the business component and individual component is subject to application of individual performance factor of between 0% and 130% which takes into account adherence to CCA's values and the behaviours exhibited. The average of the individual performance factors for all executives in the plan must balance to 100%.
Process of assessing performance conditions	The award for achievement of individual objectives and the individual performance factors of KMP (excluding the Group Managing Director) are assessed and recommended for approval to the Compensation Committee by the Group Managing Director. The Group Managing Director's individual performance and individual performance factor are assessed by the Chairman and approved by the Board. The Compensation Committee annually reviews the ongoing appropriateness of the STIP, the associated rules, the degree of difficulty in achieving targets and actual performance against targets. All incentive payments are approved by the Compensation Committee and agreed award payments are generally paid in March of the following year. The Committee relies on audited financial results at the completion of the financial year to validate that the business performance conditions have been met and approves payments in accordance with the STIP rules. The Committee believes these methods of assessment provide an appropriate and objective assessment of performance.
Delivery of awards	15% of the pre-tax award, approximately 28% post-tax, is delivered in CCA shares, under the Executive Post-tax Share Purchase Plan (EPTSPP), and subject to a 12 month holding period. The remainder of the award is delivered in cash. The shares are purchased on market and held for 12 months irrespective of whether the executive is employed by CCA during this period. The shares transfer to the executive at the end of the 12 month holding period except where – • the executive's employment is terminated for cause; • the executive's employment has been terminated due to a breach the Code of Business Conduct; and • the executive takes up employment with a material competitor, supplier or customer of the CCA during the 12 month holding period. No KMP who participated in the STIP deferral has had their shares forfeited.

Set out below is a summary of the terms and conditions which apply to the STIP



D. Executive remuneration in detail (continued)

2. STIP (continued)

Context and setting of performance expectations for 2014

As discussed earlier in this report, 2014 was a year of change for CCA. As a result, the timing of the 2014 performance objective setting differed from our normal annual practice. Alison Watkins was appointed as successor to Terry Davis in March 2014. In light of the 2013 financial result released in February 2014, Ms Watkins immediately undertook a review of business performance and market, consumer and customer trends and determined that for the long term sustained viability of the business there was a need to reset the strategic direction, downgrade the expectations for 2014 financial performance and reset growth expectations. In April 2014 a profit downgrade was issued to the market and CCA announced that it was commencing a strategic review.

The Board and the new Group Managing Director believed that it was important to have a strong accountable leadership team to drive the necessary focus on category leadership, productivity and market execution essential to build a solid platform for the return to sustainable growth over the years to come. Several changes were accordingly made in the first half of the year to the leadership team and reporting lines were altered reflecting a new executive structure.

The Board worked with the Group Managing Director to ensure that the executive reward framework for the 2014 year was aligned with the objective of returning to sustainable growth but with a focus also on delivering the 2014 financial result.

Performance targets for the 2014 STIP were 70% focussed on delivering the 2014 financial result and 30% on the individual objectives focussed on building the platform for sustainable growth.

2014 STIP financial targets and outcomes (70% of award)

The 2014 STIP financial targets of NPAT/EBIT and volume were set in line with the budgets agreed in April 2014 with the new Group Managing Director. These targets were consistent with the new objectives of seeking to redirect the business towards long-term sustainable growth and the Board specifically noted that the business needed to stabilise before returning to growth. The targets were considered by both the Board and management to have a significant degree of stretch.

The Board recognises that 2014 has been a challenging year for shareholders and management. In this context, the Board acknowledges the significant work undertaken by management to deliver the 2014 financial result. This result has been achieved whilst also making good progress in setting the foundations for a return to sustainable growth.

In 2014 CCA's volume result was marginally above budget with the NPAT result being within the revised range set by the Board but below budget. Volume was around budget for all businesses and EBIT varied between threshold and exceeding budget.

The following table summarises the performance of CCA and the businesses against the financial targets applicable to the 2014 STIP. The business performance factor is the weighted performance assessment against the relevant NPAT/EBIT and volume targets.

	Business performance factor (100% = target)
CCA Group	**38.0%**
Australia	24.6%
Indonesia & PNG	84.6%
New Zealand & Fiji	75.2%
SPC	109.4%

REMUNERATION REPORT (CONTINUED)

D. Executive remuneration in detail (continued)

2. STIP (continued)

2014 individual objectives and outcomes (30% of award)

Alongside the 2014 financial targets, each executive had individual objectives set across the goal categories. These objectives were agreed after the appointment of Ms Watkins and were balanced to reinforce delivery of 2014 performance whilst building a solid platform for the return to sustainable growth.

Following the end of the performance year, a critical and rigorous assessment was undertaken of individual performance against each executive's individual performance objectives. The majority of the objectives were achieved with the executives awarded, on average, 25 out of 30 for their objectives.

Notable achievements, in line with the return to growth strategy were –

- the strengthening of alignment with TCCC (including the proposed Indonesian agreement and equity injection of US$500 million);
- the restructure underway of the Australian Beverages business which will result in $100m of cost savings progressively over the next three years;
- the Australian businesses alignment of business growth plans with our major Grocery customers;
- regaining market leadership in Sparkling in Indonesia (and gaining market share across all other key categories) as a result of the new route to market and pricing strategy;
- SPC securing noteworthy support with major customers including the five year $70 million supplier partnership with Woolworths; and
- the launch of innovative new brands including Barista Bros, from Australian Beverages and Perfect Fruit from SPC. Both brands have over performed against expectations and a strong innovation pipeline is in place for 2015.

Overall 2014 STIP outcomes

The financial and individual performance translated into 2014 STIP outcomes ranging between 53% and 97% of target opportunity (with an average of 74% of target, which is 41% of maximum). Similar to prior years, 15% of the pre-tax award is deferred into CCA shares and vests after one year.

The table below sets out the 2014 STIP earned as a proportion of maximum for each executive.

	2014 STIP maximum award	
	% vested	**% forfeited**
KMP Senior Executives		
A.M. Watkins	30	70
K. Gunduz	57	43
P.N. Kelly	54	46
C.J. Litchfield	41	59
B. O'Connell	37	63
N.I. O'Sullivan	38	62
E.C. Wilson	31	69

D. Executive remuneration in detail (continued)

3. LTISRP

Set out below is a summary of the terms and conditions of the LTISRP and performance outcomes for KMP Senior Executives in 2014 –

LTISRP design features

Participation The Board annually invites KMP to participate in the LTI. Pursuant to ASX Listing Rule 10.14, approval is sought from shareholders every year at the Annual General Meeting to invite the Group Managing Director, as an Executive Director of the Company, to participate in the LTISRP.

Opportunity The on-target award currently represents between 11% and 23% of KMP Senior Executives total remuneration.

Objectives The LTISRP provides better alignment between executives' and shareholders' interests by creating a direct link between the Company's financial performance, the value created for shareholders and the reward earned by key executives over the longer term.

Type of award The LTISRP is delivered to KMP in the form of rights to CCA shares. The number of rights awarded is determined on a face value basis (i.e. by dividing the on-target award opportunity by the current market price of CCA shares). As the rights form part of KMP remuneration, they are offered at no cost.

Performance conditions Half of the award is subject to a relative TSR measure and half subject to the achievement of an average annual growth in EPS over the three year performance period. The Board considers these performance conditions an appropriate combination of stretch financial hurdles, directly linked to Company performance and reflect shareholder interests.

Hurdles and vesting scales are reviewed each year prior to grants being made and ensure that the performance conditions applied are appropriate and continue to effectively incentivise executives.

TSR performance condition TSR represents the change in the value of CCA's share price over a period, plus reinvested dividends, expressed as a percentage of the opening value of the share. TSR has been chosen as a performance hurdle because, in the opinion of the Compensation Committee, it provides the most direct link to shareholder return. The TSR performance condition compares CCA's TSR for a three year period with the TSR of two peer groups detailed on page [53] (each weighted equally).

The vesting scale as is as follows –

TSR percentile	Percentage of threshold awarded (%)	Percentage of maximum awarded (%)
Below 51st	–	–
51st	100.0	51.0
55th	127.5	65.0
60th	156.9	80.0
65th	176.5	90.0
70th	186.3	95.0
75th and above	196.1	100.0

Pro-rata vesting between two points occurs on a straight line basis.

REMUNERATION REPORT (CONTINUED)

D. Executive remuneration in detail (continued)

3. LTISRP (continued)

LTISRP design features *(continued)*

TSR peer groups for 2014

Two peer groups have been adopted to measure relative TSR performance (each weighted equally), with peer group 1 reflecting comparable ASX 100 companies listed on the ASX and peer group 2 representing selected consumer staples and food and beverages companies.

Peer group 1 comprises the following companies –

Adelaide Brighton Limited	Crown Resorts Limited	Qantas Airways Limited
AGL Energy Limited	CSL Limited	Ramsay Health Care Limited
ALS Limited	David Jones Limited	Recall Holdings Limited
Amcor Limited	Downer EDI Limited	ResMed Inc
Ansell Limited	Duet Group	Seek Limited
APA Group	Echo Entertainment Group Limited	Sims Metal Management Limited
Aristocrat Leisure Limited	Flight Centre Travel Group Limited	Sonic Healthcare Limited
Arrium Limited	Harvey Norman Holdings Limited	SP AusNet
Asciano Limited	Incitec Pivot Limited	Spark Infrastructure Group
Aurizon Holdings Limited	James Hardie Industries plc	Sydney Airport
BlueScope Steel Limited	Leighton Holdings Limited	Tabcorp Holdings Limited
Boral Limited	Mineral Resources Limited	Tatts Group Limited
Brambles Limited	Monadelphous Group Limited	Telstra Corporation Limited
Caltex Australia Limited	Myer Holdings Limited	Toll Holdings Limited
Carsales.com Limited	Navitas Limited	Transurban Group
Coca-Cola Amatil Limited	Orica Limited	Twenty-First Century Fox, Inc
Cochlear Limited	Orora Limited	UGL Limited
Computershare Limited	Primary Health Care Limited	WorleyParsons Limited.

Peer group 2 comprises the following companies –

Australian Agricultural Company Limited	FFI Holdings Limited	Sterling Plantations Limited
Australian Natural Proteins Limited	Frankland River Olive Company Limited	Tandou Limited
Australian Vintage Limited	Freedom Foods Group Limited	Tassal Group Limited
Bega Cheese Limited	Gage Roads Brewing Co Limited	Treasury Wine Estates Limited
Brand New Vintage Limited	Goodman Fielder Limited	Warrnambool Cheese & Butter Factory Company Holdings Limited
Buderim Ginger Limited	GrainCorp Limited	Webster Limited
Capilano Honey Limited	Metcash Limited	Wesfarmers Limited
Clean Seas Tuna Limited	Patties Foods Ltd	Woolworths Limited
Coca-Cola Amatil Limited	Ridley Corporation Limited	Yowie Group Ltd.
Elders Limited	Select Harvests Limited	
Farm Pride Foods Limited	Soil Sub Technologies Limited	

The company listings are as at the commencement of the plan on 1 March 2014.

EPS performance condition

The EPS performance condition is subject to the measurement of CCA's average annual growth in EPS for a three year period. EPS is determined by dividing CCA's NPAT before significant items by the weighted average number of CCA's ordinary shares on issue during the financial year. Growth in EPS is measured by comparing the EPS at the start of the year of issue and the measurement year. The EPS target and vesting scale are set in advance by the Board for each rights issue to create a stretching hurdle in reflecting prevailing conditions and expectations. Achievement of the hurdle directly correlates to improved shareholder value and has a positive impact on TSR.

The vesting scale is as follows –

Annual average growth in EPS (%)	Percentage of threshold awarded (%)	Percentage of maximum awarded (%)
Below 5.0	–	–
5.0	100.0	50.0
6.0	120.0	60.0
7.0	140.0	70.0
8.0	160.0	80.0
9.0	180.0	90.0
10.0 and above	200.0	100.0

Pro-rata vesting between two points occurs on a straight line basis.

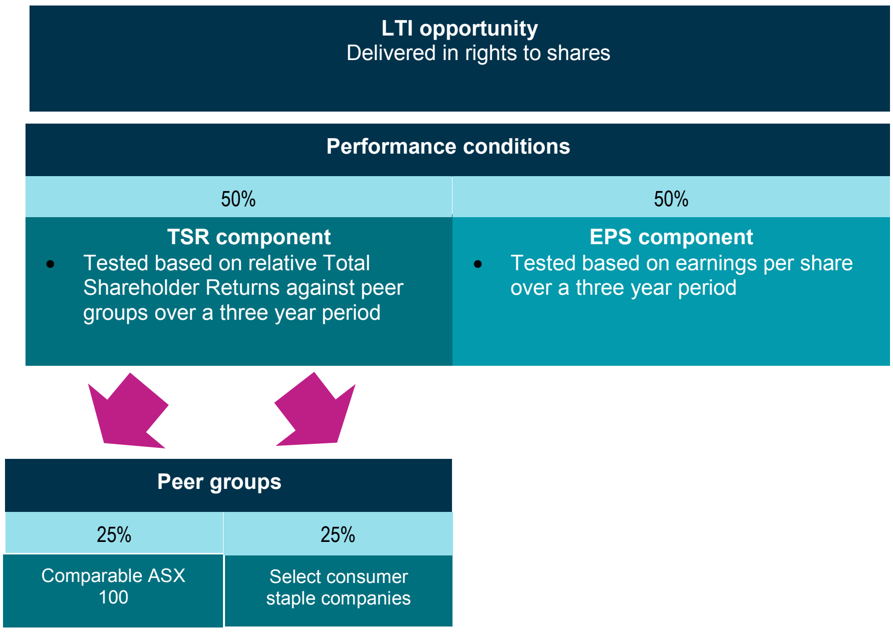
D. Executive remuneration in detail (continued)

3. LTISRP (continued)

LTISRP design features *(continued)*

Process for assessing performance conditions	At the completion of the three year performance period, an external consultant performs the TSR calculations to ensure independence in accordance with a pre-determined TSR methodology and the LTI rules. For the EPS performance measure, the Committee relies on audited financial results and the award of shares is calculated in accordance with the LTI rules. The Committee reviews the calculations and approves all awards prior to any vesting of shares to Plan participants. The calculation and awards to KMP have been audited. There is no retesting of performance if performance measures are not met.
Voting rights	Share rights do not carry any voting or dividend rights and will automatically be exercised once the vesting conditions have been met. Vested shares will be acquired by the LTI trustee by purchasing shares at no cost to the KMP. This generally occurs in February of the following year for any awards that vest.
Treatment of awards on cessation and change of control	If a participant ceases employment before the end of the performance period by reason of death, disablement, retirement or redundancy, or for any other reason approved by the Board, shares offered to the executive in respect of that performance period will be allocated in the following proportions, subject to the Board's discretion – • if more than one-third of the performance period has elapsed, the share rights will be pro-rated to the date of cessation and tested against the performance conditions at the end of the original performance period; or • where less than one-third of the performance period has elapsed, all rights will lapse immediately. Where a participant ceases employment for any other reason, all share rights will lapse immediately. In the event of a change of control of the Company prior to the end of a performance period, subject to Board discretion, a minimum of the threshold number of share rights will vest irrespective of whether either of the performance conditions is satisfied.

Set out below is a summary of the terms and conditions which apply to the LTISRP



REMUNERATION REPORT (CONTINUED)

D. Executive remuneration in detail (continued)

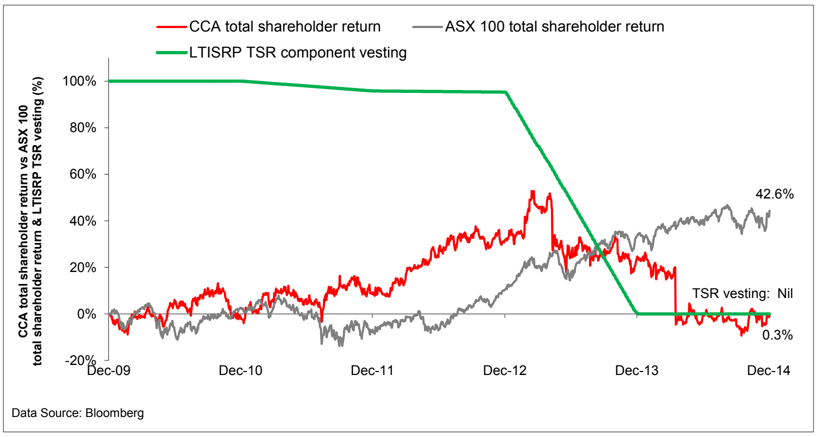
3. LTISRP (continued)

LTISRP outcomes

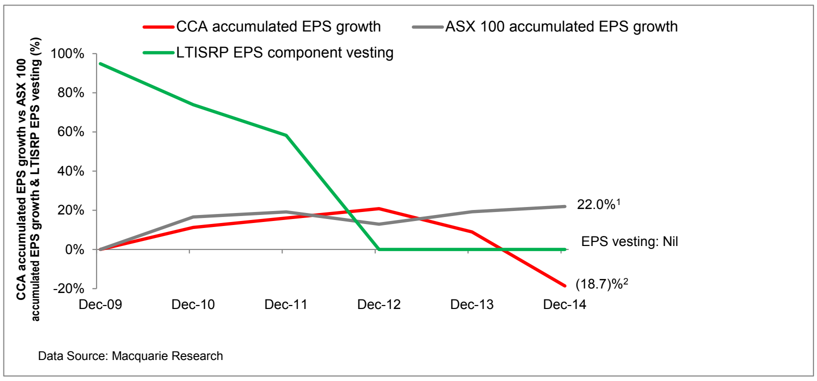
CCA Group performance against performance conditions

The following section details the link between CCA's performance and the rewards granted to executives under the LTISRP. Remuneration outcomes under the LTISRP are based on TSR and the average annual growth in EPS.

The graph below follows CCA's TSR over the past five years against the average TSR of Australia's top 100 companies by market capitalisation (S&P/ASX 100) (peer group 1), and while not a direct correlation, the LTISRP TSR component has a nil vesting for the 2011-2013 and 2012-2014 plans which demonstrates the link of this performance condition to CCA's financial performance.



The graph below compares CCA's accumulated EPS growth over the five year period 2009-2014 against that of the ASX 100 companies, and while not a direct correlation, the LTISRP EPS component has a nil vesting for the 2010-2012, 2011-2013 and 2012-2014 plans which demonstrates the link of this performance condition to CCA's financial performance.



1 2014 represents forecast information, as actual information is not yet available for all ASX 100 companies.

2 (18.7)% represents CCA's accumulated EPS growth from 2009. This performance condition is assessed on cumulative average annual growth, which for the 2012-2014 plan was (10.3)%.

The earnings data used in preparation of the above excludes significant items and has been adjusted for comparative companies to align with a December year end, if applicable.

The table below provides further information regarding the Group's 5 year performance.

Financial year end 31 December	2010	2011	2012	2013	2014
Trading revenue ($M)	4,490.3	4,801.2	5,097.4	5,036.4	**4,942.8**
Volume – non-alcohol beverages (million unit cases)	550.8	554.4	576.6	578.4	**606.5**
NPAT – before significant items ($M)	506.6	532.0	556.3	502.8	**375.5**
EPS – before significant items (cents)	67.3	70.2	73.1	65.9	**49.2**
Dividend per share (cents)	48.5	52.5	59.5	58.5	**42.0**
Closing share price ($)	10.86	11.51	13.45	12.03	**9.32**

D. Executive remuneration in detail (continued)

4. Executive Retention Share Plan (ERSP)

The ERSP is a legacy incentive plan under which there are no unvested awards. There are no plans to commence retention share offerings under the ERSP.

There were three awards previously granted under the ERSP that vested during 2014. These awards were subject to service conditions only, with no performance hurdles, and were designed to retain critical Senior Executives. Two members of CCA's KMP (N.I. O'Sullivan and J. Murphy) achieved their service requirements on 1 January 2014 and 24 February 2014 respectively, and their ERSP shares vested on these dates. One member of CCA's KMP (W.G. White) position was terminated by way of redundancy on 30 June 2014 and received a pro-rata award of retention shares and dividends earned on those shares with the balance being forfeited.

5. 2014 Deferred Share Award

In order to ensure continuity and retention of the newly formed executive team through the business transformation, the Board approved a one-off Deferred Share Award. This award was offered to selected executives viewed as critical in setting and executing the return to growth strategy.

For the eligible executives, the award was earned based on meeting or exceeding 2014 individual performance expectations and delivered in the form of deferred shares that vest after two years.

The performance expectations and requirements were met by all participants (K. Gunduz, P. Kelly, B. O'Connell, and E. Wilson). The allocated awards were 14,453, 9,003, 13,730 and 8,240 shares respectively. The awards were granted on 20 February 2015 and will vest on 1 March 2017. The deferred shares will be forfeited during this period if the participant resigns, is dismissed or leaves CCA on a mutually agreeable departure.

REMUNERATION REPORT (CONTINUED)

D. Executive remuneration in detail (continued)

6. Statutory remuneration table

Details of each member of KMP remuneration during the current and previous reporting periods are set out below. The following table has been prepared in accordance with section 300A of the Corporations Act 2001 and the Accounting Standards.

		Fixed				At-risk – performance related					Other[8]	Total remuneration		
		Short term		Post employ-ment		Short term		Share based payments					Perfor-mance related	LTISRP related
	Year	Salary $	Non-monetary benefits[1] $	Super-annuation on base[2] $	Sub total fixed $	STIP[3] $	Super-annuation on STIP[4] $	LTISRP[5] $	ESP/ ERSP[6] $	Other[7] $	$	$	%	%
KMP Senior Executives[9]														
A.M. Watkins Executive Director and Group Managing Director	**2014**	**1,810,083**	**68,164**	**15,317**	**1,893,564**	**657,500**	**–**	**109,913**	**–**	**–**	**–**	**2,660,977**	**29**	**4**
K. Gunduz Managing Director, Indonesia & PNG	**2014**	**500,738**	**450,698**	**18,279**	**969,715**	**372,816**	**–**	**26,380**	**15,022**	**42,574**	**–**	**1,426,507**	**32**	**2**
	2013	62,429	84,579	8,740	155,748	–	–	–	1,873	–	–	157,621	1	–
P.N. Kelly[10] Managing Director, SPC	**2014**	**494,400**	**92,108**	**118,656**	**705,164**	**360,999**	**86,639**	**(28,223)**	**–**	**–**	**899,471**	**2,024,050**	**21**	**(1)**
	2013	369,013	65,808	88,563	523,384	–	–	39,475	11,071	–	–	573,930	9	7
C.J. Litchfield Managing Director, New Zealand & Fiji	**2014**	**167,879**	**25,033**	**14,270**	**207,182**	**81,547**	**–**	**6,818**	**5,036**	**–**	**–**	**300,583**	**31**	**2**
B. O'Connell Managing Director, Australian Beverages	**2014**	**665,723**	**197,003**	**27,573**	**890,299**	**210,715**	**–**	**22,093**	**19,972**	**40,446**	**–**	**1,183,525**	**25**	**2**
	2013	272,930	265,894	22,517	561,341	122,558	10,111	38,207	12,221	–	–	744,438	25	5
N.I. O'Sullivan[10] Group Chief Financial Officer	**2014**	**1,083,542**	**91,427**	**18,279**	**1,193,248**	**418,376**	**58,573**	**(95,215)**	**–**	**–**	**1,022,677**	**2,597,659**	**15**	**(4)**
	2013	976,000	89,003	17,122	1,082,125	–	–	158,792	122,330	–	–	1,363,247	21	12
E.C. Wilson Group Human Resources Director	**2014**	**384,653**	**88,820**	**11,663**	**485,136**	**137,845**	**19,298**	**9,643**	**11,540**	**24,275**	**–**	**687,737**	**29**	**1**
Former KMP Senior Executives[9]														
T.J. Davis Executive Director and Group Managing Director	**2014**	**497,385**	**31,897**	**99,477**	**628,759**	**–**	**–**	**(607,679)**	**–**	**–**	**1,698,874[11]**	**1,719,954**	**(35)**	**(35)**
	2013	2,737,733	172,313	547,547	3,457,593	–	338,351	(99,282)	–	–	–	3,696,662	6	(3)
J. Murphy Managing Director, Australian Beverages	**2014**	**368,985**	**275**	**14,537**	**383,797**	**–**	**–**	**(167,344)**	**16,665**	**–**	**414,314**	**647,432**	**(23)**	**(26)**
	2013	816,083	550	17,122	833,755	–	–	80,310	100,000	–	–	1,014,065	18	8

REMUNERATION REPORT (CONTINUED)

D. Executive remuneration in detail (continued)

6. Statutory remuneration table (continued)

		Fixed				At-risk – performance related					Other[8]	Total remuneration		
		Short term		Post employment		Short term		Share based payments					Performance related	LTISRP related
	Year	Salary $	Non-monetary benefits[1] $	Superannuation on base[2] $	Sub total fixed $	STIP[3] $	Superannuation on STIP[4] $	LTISRP[5] $	ESP/ ERSP[6] $	Other[7] $	$	$	%	%
Former KMP Senior Executives[9] (continued)														
W.G. White														
Managing Director,	**2014**	**129,274**	**64,283**	**17,138**	**210,695**	**–**	**–**	**(466,840)**	**86,620**	**–**	**976,485**	**806,960**	**(47)**	**(58)**
Australasia	2013	695,450	127,320	97,363	920,133	–	–	216,824	278,540	–	–	1,415,497	35	15
G. Adams	2013	92,727	39,460	12,982	145,169	50,456	7,064	(16,101)	3,631	–	–	190,219	24	(8)
V. Pinneri	2013	89,525	11,288	12,534	113,347	–	–	12,671	5,761	–	–	131,779	14	10
E. Rey	2013	334,485	341,265	46,828	722,578	–	–	64,268	10,034	–	–	796,880	9	8
Total KMP Senior Executives	**2014**	**6,102,662**	**1,109,708**	**355,189**	**7,567,559**	**2,239,798**	**164,510**	**(1,190,454)**	**154,855**	**107,295**	**5,011,821**	**14,055,384**		
Total KMP Senior Executives	2013	6,446,375	1,197,480	871,318	8,515,173	173,014	355,526	495,164	545,461	–	–	10,084,338		

1 Non-monetary benefits includes the value of vehicle benefits, club membership, Company product and where applicable expatriate benefits and relocation costs.

2 Superannuation benefits are provided through an accumulation superannuation plan/defined benefit superannuation plan.

3 The 2014 STIP inclusive of the deferred component for eligible KMPs. The minimum STIP value is nil and the maximum value is what was actually paid or payable.

4 Superannuation on annual cash incentive and, for Mr Davis on shares purchased for the 2010-2012 LTISRP.

5 Represents the estimated fair value of CCA shares offered in the LTISRP calculated by multiplying the threshold number of shares by the fair value of the shares at grant date and amortised over the performance period. Where actual results or management estimates indicate that EPS components of plans have or will not vest, respective amounts have been reversed. For individuals who have or will cease to be KMP, the respective TSR amounts have been reversed due to non-achievement of the service criteria.

6 ESP/ERSP include the following –

- ESP amounts represent the Company's matching contribution, refer to section E 1 for further details; and
- shares purchased for the ERSP are amortised over the vesting period. The expense recognised in the current financial year for the relevant KMP was Ms O'Sullivan $nil (2013: $93,050), Mr Murphy $16,665 (2013: $100,000), Mr White $86,620 (2013: $257,676) and Mr Pinneri $nil (2013: $3,075).

7 Includes an accounting accrual related to the 2014 Deferred Share Award for eligible KMPs. The minimum value of shares granted under this Award is nil and the maximum value is dependent on the market value of CCA shares on the date of vesting which is unknown.

8 Represents termination benefits paid or payable and excludes restriction to compete payments which are relating to the period after individuals ceased to be KMP, refer section E 2 for further details.

9 Amounts are calculated from the date the individual was appointed to the KMP position or up to the date the individual ceased to hold the KMP position. The following individuals were appointed to or ceased from KMP roles on the stated dates –

Appointments –

- Ms Watkins 3 March 2014
- Mr Gunduz 1 November 2013
- Mr Kelly 1 April 2013
- Mr Litchfield 1 July 2014
- Mr O'Connell 8 April 2013 (appointed to current KMP role on 1 June 2014)
- Ms Wilson 12 May 2014

Cessations –

- Mr Davis 3 March 2014
- Mr Murphy 2 June 2014
- Mr White 1 March 2014
- Mr Adams 7 April 2013
- Mr Pinneri 31 March 2013
- Mr Rey 31 October 2013

10 Includes the estimated present value of accrued termination benefits under the employment contracts for Mr Kelly and Ms O'Sullivan. Both executives remained employed in their roles as at 31 December 2014 and the termination benefits are payable in 2015 upon cessation of employment.

11 Represents pro-rata termination benefit up to the date Mr Davis ceased to be KMP on 3 March 2014, refer section E 2 for further details.

E. Employment contracts and transitions

1. Summary of employment contracts

The following section sets out the principal details of the employment contracts for KMP Senior Executives as at 31 December 2014.

All contracts with KMP Senior Executives are open ended (i.e. they do not have a fixed end date).

A.M. Watkins – Group Managing Director

Total Fixed Remuneration	$2.2 million per annum (inclusive of superannuation and other fringe benefits).
Short Term Incentive (STI)	Entitlement to receive a pro-rata short term incentive (STI) for the 2014 calendar year with an on-target value of $1.5 million.
Long Term Incentive (LTI)	As approved by CCA's shareholder. At the May 2014 Annual General Meeting, Ms Watkins was granted an LTI award with a target value of $1.25 million per annum, which may vest subject to the terms outlined in section D.
Entitlements on cessation	Either Ms Watkins or CCA may terminate her employment by giving the other 12 months notice. CCA may end Ms Watkins' employment without notice for cause. If Ms Watkins' employment is terminated – • for cause or because she resigns, she forfeits any entitlement to unvested STI and LTI; and • for any other reason, the Board has discretion to forfeit a pro-rata amount of any unvested STI and LTI and the balance may vest subject to the achievement of the relevant performance conditions.
Post-employment restraint	Ms Watkins is restricted from competing with the CCA Group and/or soliciting its customers and/or employees for 12 months from the last date she works for CCA.

Other KMP Senior Executives

	Notice period and termination payments		
	Termination by CCA	**Termination by employee**	**Restraint following termination**
K. Gunduz Managing Director, Indonesia & PNG	3 months notice or 4 months fixed remuneration in lieu of notice and severance[1] if terminated (without cause[2]) and no suitable alternative position is available.	3 months notice	6 months[3]
P.N. Kelly Managing Director, SPC[4]	2 months notice or 12 months fixed remuneration in lieu of notice and severance[1] if terminated (without cause[2]) and no suitable alternative position is available.	2 months notice	–
C.J. Litchfield Managing Director, New Zealand & Fiji	3 months notice or an amount based on 12 months fixed remuneration in lieu of notice and severance[1] if terminated (without cause[2]) and no suitable alternative position is available.	3 months notice	6 months[3]
B. O'Connell Managing Director, Australian Beverages	6 months notice or 7 months fixed remuneration in lieu of notice and severance[1] if terminated (without cause[2]) and no suitable alternative position is available.	6 months notice	6 months[3]
N.I. O'Sullivan Group Chief Financial Officer[4]	2 months notice or an amount based on 11 months fixed remuneration in lieu of notice and severance[1] if terminated (without cause[2]) and no suitable alternative position is available.	2 months notice	6 months[3]
E.C. Wilson Group Human Resources Director	1 month notice or an amount based on 3 months fixed remuneration in lieu of notice and severance[1] if terminated (without cause[2]) and no suitable alternative position is available.	1 month notice	6 months[3]

1 Calculated at CCA's current policy of one month severance for every year of completed service with CCA, to a maximum of 12 months inclusive of both notice and severance.

2 Where termination is in circumstances other than those related to fraud, dishonesty, serious misconduct or unacceptable performance and where no suitable alternative position is available.

3 Restriction from competing with the CCA Group and/or soliciting the CCA Group's customers and suppliers to cease or reduce the amount of business undertaken with CCA.

4 If, within six months of a change of control, there is a material change in the relevant KMP Senior Executive's responsibilities and upon being informed of such a change, the Board does not rectify the situation, the KMP Senior Executive will be entitled to resign but will receive benefits as though their role had been terminated by CCA with notice.

REMUNERATION REPORT (CONTINUED)

E. Employment contracts and transitions (continued)

1. Summary of employment contracts (continued)

KMP Senior Executives also receive superannuation contributions and other benefits under the terms of their employment as summarised below. The benefits are accounted for in the calculation of the KMP Senior Executives' fixed remuneration. For Australian KMP Senior Executives, superannuation can be "cashed down" to not less than 10% of base or the Australian Superannuation Guarantee (SG) legislation maximum contribution limit.

	K. Gunduz	P.N. Kelly	C.J. Litchfield	B. O'Connell	N.I. O'Sullivan	E.C. Wilson
Superannuation[1]	SG maximum amount	24%	8.5%	SG maximum amount	14% (to SG maximum for base salary)	SG maximum amount
Primary benefits[2]	Standard benefits, expatriate benefits.[3]	Standard benefits, car parking, leave loading, health assessment, home assistance allowance.	Standard benefits, medical insurance.	Standard benefits, car parking, partial subsidy for home leave, housing, school fees.	Standard benefits, car parking, health assessment, home assistance allowance.	Standard benefits, car parking, health assessment.

1 Superannuation refers to company superannuation. The amount of superannuation paid to KMP Senior Executives is calculated as a percentage of base salary and actual STIP earned up to target, and for Australian KMP Senior Executives, any over-target incentive has company superannuation at the SG rate of 9.25% – 9.5%. For Mr Gunduz and Ms O'Sullivan, their superannuation on base salary is capped to the SG maximum contribution rate. Mr Kelly's superannuation is calculated as a percentage of base salary and is paid into a defined benefit scheme at an assessed rate.

2 Standard benefits include Company products, club membership, vehicle benefits, superannuation insurance and participation in ESP. The ESP is open to all full and part time employees of the CCA Group on a voluntary basis, with the employee contributing up to 3% of base salary, and the company matching in shares with the shares vesting if they have been held for two years (or earlier for qualifying reasons of death, total and permanent disability, retirement or redundancy).

3 Expatriate benefits include medical insurance, subsidised housing and utilities, home leave, school fees, host country or cost of living allowance and environmental or hardship allowance.

2. Executive transitions in 2014

The following are the principal details of the arrangements for KMP Senior Executives who left CCA during 2014 –

T.J. Davis – former Group Managing Director

The key terms and conditions of Mr Davis's employment arrangements relating to the cessation of his role as Group Managing Director were announced to the market on 18 March 2013 and 3 March 2014. Mr Davis worked out his notice period until 31 August 2014, and from 3 March 2014 was available to assist Ms Watkins with advice and special projects. As disclosed on 3 March 2014, CCA made a total cash payment to Mr Davis of $2,908,774 in respect of his short term and long term incentives, reflecting the pro rata amount of his 2014 target short term incentive and 50% of the pro rata amount of his target 2012-2014 long term incentive.

Mr Davis was also paid $150,000 for a one year period (ending 31 August 2015) and will be paid $150,000 per annum for a further two year period for agreeing not to work, consult or take up board positions with pre-determined competitor companies in Australia during those periods.

W.G. White – former Managing Director Australasia

As announced on 18 February 2014, the Group Executive structure was simplified resulting in the removal of position of Managing Director Australasia. Mr White left CCA on 30 June 2014. Mr White was entitled to and paid a redundancy payment of 12 months' fixed remuneration of $930,483. His period of restraint was extended by mutual agreement to 12 months in return for him receiving a pre-tax amount of $39,901 per month for this 12 month period. He forfeited 45,585 CCA retention shares on 30 June 2014, valued at $431,234.

J. Murphy – former Managing Director Australian Beverages

Mr Murphy left the employment of CCA in June 2014 as a result of a structural change that was announced on 12 May 2014 and there being no suitable positions within the new organisation. Mr Murphy was paid one month of base salary in lieu of notice and four months of fixed remuneration as a cessation payment, totalling $388,010.

F. Non-Executive Director remuneration

The remuneration of Non-Executive Directors comprises Directors' fees (base plus Board Committee fees), superannuation contributions and retirement benefits, and takes into account the size and complexity of CCA's operations, associated workload and their responsibility for the stewardship of the Company.

Total fees are not to exceed the annual limit of $2.3 million approved by shareholders in May 2011. Based on advice received from external remuneration consultants (via the Compensation Committee), Non-Executive Director fees are set and approved by the Executive Director. No element of remuneration is performance related. Details of the fees paid to each Non-Executive Director are stated in the last table on page [61].

The Board has determined not to make any increases to Directors' fees for 2015.

F. Non-Executive Director remuneration (continued)

Directors' Fees

The annual Directors' fees (excluding superannuation contributions) payable to Non-Executive Directors for the financial year ended 31 December 2014 were as follows –

Position	Fee ($)
Chairman	490,000
Director (base fee)	169,100
Audit & Risk Committee – Chairman	35,000
Audit & Risk Committee – member	19,450
Compliance & Social Responsibility Committee – Chairman	26,000
Compliance & Social Responsibility Committee – member	15,650
Compensation Committee – Chairman	26,000
Compensation Committee – member	15,650

No fees are payable in respect of membership of any other Board Committees. The Chairman of the Board does not receive any Committee fees.

Non-Executive Directors Share Plan

In prior years, Non-Executive Directors applied a minimum of 25% of their fees to purchase ordinary shares in the Company. From 1 September 2009, the Plan was suspended due to changes to the taxation of share plans. The trustee of the Non-Executive Directors Share Plan will hold the shares until the beneficiary ceases to be a Director of the Company.

Superannuation Contributions

Contributions required under SG legislation are made by the Company on behalf of Non-Executive Directors.

Retirement Benefits

There is no current scheme for the payment of retirement benefits. On 3 May 2006, shareholders agreed to the accrued benefits under the prior scheme being used to purchase shares in the Company. The shares are held by the trustee of the Non-Executive Directors' Retirement Share Trust for Messrs Gonski and King until they cease to be a Director of CCA. In accordance with the terms of the prior scheme, shares will not be transferred to them until their retirement. Further details on these shares are included in Note 22 to the financial statements.

The following table has been prepared in accordance with section 300A of the Corporations Act 2001 and lists the amounts paid or payable for services provided by each Non-Executive Director during the financial year –

		Short term		Post employment	Total
		Base fees	Committee fees	Superannuation	
	Year	$	$	$	$
Non-Executive Directors					
D.M. Gonski, AC	**2014**	**490,000**	**–**	**18,279**	**508,279**
Chairman	2013	462,300	–	17,122	479,422
I.R. Atlas	**2014**	**169,100**	**35,100**	**18,279**	**222,479**
	2013	159,550	33,100	17,122	209,772
C.M. Brenner	**2014**	**169,100**	**41,650**	**18,279**	**229,029**
	2013	159,550	39,250	17,122	215,922
A.G. Froggatt	**2014**	**169,100**	**45,450**	**18,279**	**232,829**
	2013	159,550	42,850	17,122	219,522
M. Jansen	**2014**	**169,100**	**29,421**	**18,196**	**216,717**
	2013	159,550	18,350	16,233	194,133
W.M. King, AO	**2014**	**169,100**	**15,650**	**17,320**	**202,070**
	2013	159,550	14,750	15,905	190,205
D.E. Meiklejohn, AM	**2014**	**169,100**	**50,650**	**18,279**	**238,029**
	2013	159,550	47,750	17,122	224,422
K. Thirumalai[1]	**2014**	**132,697**	**12,281**	**13,641**	**158,619**
Former Non-Executive Director					
G.J. Kelly[2]	**2014**	**23,153**	**2,140**	**2,340**	**27,633**
	2013	159,550	14,750	15,905	190,205
Total Non-Executive Directors	**2014**	**1,660,450**	**232,342**	**142,892**	**2,035,684**
Total Non-Executive Directors	2013	1,579,150	210,800	133,653	1,923,603

1 Appointed 14 March 2014.

2 Retired 18 February 2014.

REMUNERATION REPORT (CONTINUED)

G. Additional equity and loans disclosures

1. Share rights held by KMP Senior Executives

	Plan	Grant date	Maximum number of share rights[1] Opening balance[2]	Granted	Vested	Lapsed	Other[3]	Closing balance
KMP Senior Executives								
A.M. Watkins	2014-2016	13 May 2014	–	209,798	–	–	–	209,798
K. Gunduz	2014-2016	13 May 2014	–	50,350	–	–	–	50,350
P.N. Kelly	2012-2014	1 Mar 2012	26,471	–	–	26,471	–	–
	2013-2015	1 Mar 2013	24,304	–	–	–	24,304[4]	–
	2014-2016	13 May 2014	–	25,004	–	–	25,004[4]	–
			50,775	25,004	–	26,471	49,308	–
C.J. Litchfield	2012-2014	1 Mar 2012	6,863	–	–	6,863	–	–
	2013-2015	1 Mar 2013	6,302	–	–	–	–	6,302
	2014-2016	13 May 2014	–	7,662	–	–	–	7,662
			13,165	7,662	–	6,863	–	13,964
B. O'Connell	2013-2015	1 Mar 2013	15,686	–	–	–	–	15,686
	2014-2016	13 May 2014	–	34,599	–	–	–	34,599
			15,686	34,599	–	–	–	50,285
N.I. O'Sullivan	2012-2014	1 Mar 2012	62,941	–	–	62,941	–	–
	2013-2015	1 Mar 2013	69,330	–	–	–	69,330[4]	–
	2014-2016	13 May 2014	–	91,166	–	–	91,166[4]	–
			132,271	91,166	–	62,941	160,496	–
E.C. Wilson	2013-2015	1 Mar 2013	16,278	–	–	–	–	16,278
	2014-2016	13 May 2014	–	20,978	–	–	–	20,978
			16,278	20,978	–	–	–	37,256
Former KMP Senior Executives								
T.J. Davis	2012-2014	15 May 2012	220,307	–	–	–	220,307	–
J. Murphy	2012-2014	1 Mar 2012	36,569	–	–	–	36,569	–
	2013-2015	1 Mar 2013	33,575	–	–	–	33,575	–
			70,144	–	–	–	70,144	–
W.G. White	2012-2014	1 Mar 2012	102,010	–	–	–	102,010	–
	2013-2015	1 Mar 2013	93,669	–	–	–	93,669	–
			195,679	–	–	–	195,679	–

1 Numbers are quoted on the basis of maximum potential vesting.
2 Includes existing balances of share rights on appointment to KMP roles.
3 Includes share rights forfeited, reductions due to cessation of individuals in KMP roles and pro-rata adjustments per plan rules.
4 These share rights have been treated as forfeited because as Mr Kelly and Ms O'Sullivan will leave the business on 31 March 2015 and 31 May 2015, respectively, they will not meet the required service criteria. However, the Board in its discretion can make a pro-rata award based on the number of completed months they were employed during the relevant performance period, with the final award, if any, being determined at the completion of their relevant performance periods.

	Value of share rights – 2014-2016 plan – At grant date $	2014-2016 plan – Maximum $	2012-2014 plan – At date vested $	2012-2014 plan – At date lapsed[1] $
KMP Senior Executives				
A.M. Watkins	755,057	1,180,374	–	–
K. Gunduz	179,329	280,517	–	–
P.N. Kelly	89,058	139,309	–	232,015
C.J. Litchfield	27,290	42,689	–	60,152
B. O'Connell	123,232	192,767	–	–
N.I. O'Sullivan	324,703	507,918	–	551,680
E.C. Wilson	74,718	116,878	–	–
Former KMP Senior Executives				
T.J. Davis	–	–	–	2,450,557
J. Murphy	–	–	–	320,528
W.G. White	–	–	–	894,114

1 Lapsed includes forfeited value and is calculated using the maximum value less the vested amount.

All values are calculated in accordance with AASB 2 Share-based Payment. The value assumes a performance achievement at the maximum level, other than the value at grant date.

G. Additional equity and loans disclosures (continued)

1. Share rights held by KMP Senior Executives (continued)

For equity grants made during 2014 or still unvested as at 31 December 2014, the table below shows details of –
- the proportion of the grant (if any) that vested or was forfeited during the year;
- the future financial years in which vesting may occur; and
- the estimated maximum total value of grants to vest.

	Share based compensation benefits				
	Year granted	% vested	% forfeited	Financial years in which rights may vest	Maximum total value of grant yet to vest $[1]
KMP Senior Executives					
A.M. Watkins	2014	–	–	2016	1,180,374
K. Gunduz	2014	–	–	2017	280,517
P.N. Kelly	2014	–	100	2017	–
	2013	–	100	2015	–
	2012	–	100	2014	–
C.J. Litchfield	2014	–	–	2017	42,689
	2013	–	–	2015	65,871
B. O'Connell	2014	–	–	2017	192,767
	2013	–	–	2015	163,961
N.I. O'Sullivan	2014	–	100	2017	–
	2013	–	100	2015	–
	2012	–	100	2014	–
E.C. Wilson	2014	–	–	2017	116,878
	2013	–	–	2015	170,151
Former KMP Senior Executives					
T.J. Davis	2012	–	100	2014	–
J. Murphy	2013	–	100	2015	–
	2012	–	100	2014	–
J. Murphy – ERSP	2012	100	–	2014	–
W.G. White	2013	–	100	2015	–
	2012	–	100	2014	–
W.G. White – ERSP	2013	28	72	2016	–

1 No grants will vest if the performance conditions are not satisfied; hence, the minimum value of the grants yet to vest is nil. The maximum value of grants yet to vest has been estimated based on the fair value per grant at the maximum achievement of the vesting scale less amounts already expensed.

2. Key terms of share rights held by KMP Senior Executives

The table below summarises the key terms of LTI grants that have vested during the year, and that remain unvested as at 31 December 2014 –

	Grant date	Vesting/expiry date	Performance measure	Fair value at grant date per share rights[1] $	Performance achieved
A.M. Watkins	13 May 2014	31 Dec 2016	EPS	8.03	To be determined
			TSR – peer group 1	2.42	To be determined
			TSR – peer group 2	3.93	To be determined
All other KMP Senior Executives					
	1 Mar 2012	31 Dec 2014	EPS	10.51	(10.3)% cumulative average annual growth
			TSR – peer group 1	6.10	19th percentile
			TSR – peer group 2	7.94	12th percentile
	1 Mar 2013	31 Dec 2015	EPS	12.84	To be determined
			TSR – peer group 1	7.39	To be determined
			TSR – peer group 2	8.74	To be determined
	13 May 2014	1 Mar 2017	EPS	7.96	To be determined
			TSR – peer group 1	2.39	To be determined
			TSR – peer group 2	3.88	To be determined

1 Fair values vary due to differing dates of grants/vesting dates.

REMUNERATION REPORT (CONTINUED)

G. Additional equity and loans disclosures (continued)

2. Key terms of share rights held by KMP Senior Executives (continued)

As the rewards received under the LTI are dependent on long term performance, these grants are still to be tested. The percentage of grants that will vest will be determined based upon CCA's long term performance at the end of each performance period.

3. KMP shareholdings

The table below shows the movements in ordinary shares held by KMP Senior Executives and Non-Executive Directors during 2014.

2014 Number of ordinary shares held	Opening balance[1]	Additions[2]	Other movements[3]	Closing balance
KMP Senior Executives				
A.M. Watkins	**6,624**	**38,376**	**–**	**45,000**
K. Gunduz	**57**	**1,728**	**–**	**1,785**
P.N. Kelly	**63,769**	**2,624**	**–**	**66,393**
C.J. Litchfield	**22,488**	**2,237**	**–**	**24,725**
B. O'Connell	**587**	**3,610**	**–**	**4,197**
N.I. O'Sullivan	**82,342**	**29,976**	**(38,018)**	**74,300**
E.C. Wilson	**1,332**	**1,199**	**–**	**2,531**
Non-Executive Directors				
D.M. Gonski, AC	**407,348**	**15,726**	**–**	**423,074**
I.R. Atlas	**5,000**	**–**	**–**	**5,000**
C.M. Brenner	**14,732**	**–**	**–**	**14,732**
A.G. Froggatt[4]	**19,151**	**–**	**–**	**19,151**
M. Jansen	**10,173**	**–**	**–**	**10,173**
W.M. King, AO	**55,904**	**450**	**–**	**56,354**
D.E. Meiklejohn, AM	**25,497**	**–**	**–**	**25,497**
K. Thirumalai	**–**	**–**	**–**	**–**
Former KMP				
T.J. Davis[5]	**317,548**	**–**	**(317,548)**	**–**
G.J. Kelly	**22,541**	**–**	**(22,541)**	**–**
J. Murphy	**11,008**	**17,273**	**(28,281)**	**–**
W.G. White	**149,234**	**63,831**	**(213,065)**	**–**

1 Includes existing balances of shares on appointment to KMP roles.
2 Includes the purchase of shares and shares issued under the Dividend Reinvestment Plan and various employee ownership plans. Additions to shareholdings were at arm's length.
3 Includes shares sold and reductions due to cessation of individuals in KMP roles.
4 Shares held under an enduring power of attorney.
5 The opening balance includes beneficial interest in 223,944 vested LTISRP shares held by the Trustee, which are subject to the conditions of the Plan.

4. Loans to KMP and other transactions of KMP and their personally related entities

Neither CCA nor any other Group company has loans with KMP or were party to any other transactions with KMP (including their personally related entities).

DIVIDENDS

	Rate per share ¢	Amount $M	Date paid or payable
Dividend declared on ordinary shares for 2014 (not recognised as liability) –			
Final dividend (franked to 75%)	22.0	168.0	7 April 2015
Dividends paid on ordinary shares in the financial year –			
Final dividend for 2013 (franked to 75%)	32.0	244.3	1 April 2014
Interim dividend for 2014 (franked to 75%)	20.0	152.7	7 October 2014

SHARE RIGHTS

Details of movements in share rights during the financial year are included in Note 22 to the financial statements.

EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the financial 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, with the exception of the following –

In December 2014, the CCA Board approved an investment of US$500.0 million (approximately AUD$613.3 million) by a subsidiary of TCCC in new ordinary shares in CCA's Indonesian business (PT Coca-Cola Bottling Indonesia). The investment will equate to a 29.4% ownership interest in PT Coca-Cola Bottling Indonesia, and dilute CCA's equity ownership to 70.6%.

CCA will retain control of, and therefore continue to consolidate PT Coca-Cola Bottling Indonesia, resulting in TCCC's investment being classified as a non-controlling interest within the financial statements of CCA Group.

On 17 February 2015, shareholders of CCA (not associated with TCCC) approved this investment at an Extraordinary General Meeting of CCA. At the date of this report, completion of this investment transaction is subject to approval by Indonesian regulatory authorities.

ROUNDING

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

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Auditor independence

The following independence declaration has been obtained from the Company's auditor, Ernst & Young –

EY
Building a better working world

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 audit of the financial report of Coca-Cola Amatil Limited for the financial year ended 31 December 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

Ernst & Young

Michael Wright
Partner
Sydney
27 February 2015

Liability limited by a scheme approved under
Professional Standards Legislation

Non-audit services

The following non-audit services were provided by the Company's auditor, Ernst & Young (Australia). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided mean that auditor independence was not compromised.

Ernst & Young received or is due to receive the following amounts for the provision of non-audit services –

Other assurance services	$337,000
Tax compliance services	$6,000
Other services	$320,000

Signed in accordance with a resolution of the Directors.

David M. Gonski, AC
Chairman
Sydney
27 February 2015

Alison M. Watkins
Group Managing Director
Sydney
27 February 2015

INCOME STATEMENT

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Refer Note	**2014 $M**	2013 $M
Revenue, excluding finance income			
Trading revenue		**4,942.8**	5,036.4
Other revenue		**60.1**	47.3
	2&3	**5,002.9**	5,083.7
Expenses, excluding finance costs			
Cost of goods sold		**(2,855.9)**	(2,842.9)
Selling		**(695.6)**	(651.0)
Warehousing and distribution		**(401.3)**	(396.9)
Administration and other[1]		**(542.9)**	(825.0)
		(4,495.7)	(4,715.8)
Share of net loss of joint venture entity accounted for using the equity method	9	**(0.1)**	–
Earnings before interest and tax		**507.1**	367.9
Net finance costs			
Finance income	3	**31.2**	36.2
Finance costs	4	**(153.1)**	(161.0)
		(121.9)	(124.8)
Profit before income tax	4	**385.2**	243.1
Income tax expense[1]	5	**(112.4)**	(162.5)
Profit after income tax		**272.8**	80.6
Profit after income tax attributable to non-controlling interests		**(0.7)**	(0.7)
Profit after income tax attributable to members of the Company		**272.1**	79.9
		¢	¢
Earnings per share (EPS) for profit attributable to members of the Company			
Basic and diluted EPS	24	**35.6**	10.5

1 Includes amounts classified as significant items. Refer to Notes 4c) and 5 respectively for further details.

Notes appearing on pages [72] to [121] to be read as part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Refer Note	2014 $M	2013 $M
Profit after income tax		**272.8**	80.6
Other comprehensive income			
Items to be reclassified to the income statement in subsequent periods –			
Foreign exchange differences on translation of foreign operations	21	**56.9**	13.6
Cash flow hedges	21	**45.3**	30.1
Income tax effect relating to cash flow hedges	21	**(14.3)**	(9.1)
		87.9	34.6
Items not to be reclassified to the income statement in subsequent periods –			
Actuarial valuation reserve	21	**(24.8)**	31.7
Income tax effect	21	**6.5**	(9.1)
		(18.3)	22.6
Other comprehensive income, after income tax		**69.6**	57.2
Total comprehensive income		**342.4**	137.8
Total comprehensive income attributable to non-controlling interests		**(0.8)**	(1.0)
Total comprehensive income attributable to members of the Company		**341.6**	136.8

Notes appearing on pages [72] to [121] to be read as part of the financial statements.

STATEMENT OF FINANCIAL POSITION

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

AS AT 31 DECEMBER 2014

	Refer Note	2014 $M	2013 $M
Current assets			
Cash assets	6	**818.2**	1,425.9
Trade and other receivables	7	**970.8**	958.7
Inventories	8	**686.1**	657.9
Prepayments		**72.7**	87.1
Current tax assets		**21.1**	4.7
Derivatives	28	**24.6**	24.0
Total current assets		**2,593.5**	3,158.3
Non-current assets			
Other receivables	7	**10.8**	7.2
Investment in joint venture entity	9	**26.3**	26.4
Investments in bottlers' agreements	10	**942.5**	931.8
Property, plant and equipment	11	**2,031.2**	2,062.2
Intangible assets	12	**334.5**	333.0
Prepayments		**17.6**	20.3
Defined benefit superannuation plans	18	**7.9**	17.9
Derivatives	28	**75.5**	51.3
Total non-current assets		**3,446.3**	3,450.1
Total assets		**6,039.8**	6,608.4
Current liabilities			
Trade and other payables	14	**1,195.8**	1,234.3
Interest bearing liabilities	15	**325.3**	731.0
Current tax liabilities		**28.7**	53.8
Provisions	16	**121.5**	68.6
Derivatives	28	**22.9**	25.1
Total current liabilities		**1,694.2**	2,112.8
Non-current liabilities			
Other payables	14	**–**	0.8
Interest bearing liabilities	15	**2,307.3**	2,377.4
Provisions	16	**17.4**	14.8
Deferred tax liabilities	17	**159.8**	173.1
Defined benefit superannuation plans	18	**55.3**	30.5
Derivatives	28	**119.1**	159.2
Total non-current liabilities		**2,658.9**	2,755.8
Total liabilities		**4,353.1**	4,868.6
Net assets		**1,686.7**	1,739.8
Equity			
Share capital	19	**2,271.7**	2,271.7
Shares held by equity compensation plans	20	**(16.3)**	(16.0)
Reserves	21	**(11.3)**	(82.6)
Accumulated losses		**(564.4)**	(439.5)
Equity attributable to members of the Company		**1,679.7**	1,733.6
Non-controlling interests		**7.0**	6.2
Total equity		**1,686.7**	1,739.8

Notes appearing on pages [72] to [121] to be read as part of the financial statements.

STATEMENT OF CASH FLOWS

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Refer Note	**2014 $M**	2013 $M
Inflows/(outflows)			
Cash flows from operating activities			
Receipts from customers		**5,822.9**	5,871.5
Payments to suppliers, governments and employees		**(4,924.4)**	(4,848.0)
Interest income received		**30.5**	34.2
Interest and other finance costs paid		**(159.8)**	(156.1)
Income taxes paid		**(179.0)**	(168.5)
Net cash flows from operating activities	6	**590.2**	733.1
Cash flows from investing activities			
Proceeds from –			
disposal of property, plant and equipment		**6.7**	5.5
investments in long term deposits		**–**	300.0
Payments for –			
additions of –			
property, plant and equipment		**(262.5)**	(369.4)
brand names and trademarks		**–**	(4.5)
software development assets		**(22.8)**	(23.1)
acquisition of business		**(13.4)**	–
investment in joint venture entity		**(2.0)**	–
investments in long term deposits		**–**	(150.0)
Net cash flows used in investing activities		**(294.0)**	(241.5)
Cash flows from financing activities			
Proceeds from borrowings		**302.8**	659.4
Borrowings repaid		**(831.9)**	(457.3)
Dividends paid	23	**(397.0)**	(451.3)
Net cash flows used in financing activities		**(926.1)**	(249.2)
Net (decrease)/increase in cash and cash equivalents		**(629.9)**	242.4
Cash and cash equivalents held at the beginning of the financial year		**1,424.4**	1,177.3
Effects of exchange rate changes on cash and cash equivalents		**8.5**	4.7
Cash and cash equivalents held at the end of the financial year	6	**803.0**	1,424.4

Notes appearing on pages [72] to [121] to be read as part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Equity attributable to members of the Company						
	Refer Note	Share capital $M	Shares held by equity compensation plans $M	Reserves[1] $M	Accumulated losses $M	Total $M	Non-controlling interests $M	Total equity $M
At 1 January 2014		**2,271.7**	**(16.0)**	**(82.6)**	**(439.5)**	**1,733.6**	**6.2**	**1,739.8**
Profit		**–**	**–**	**–**	**272.1**	**272.1**	**0.7**	**272.8**
Other comprehensive income		**–**	**–**	**69.5**	**–**	**69.5**	**0.1**	**69.6**
Total comprehensive income		**–**	**–**	**69.5**	**272.1**	**341.6**	**0.8**	**342.4**
Transactions with equity holders –								
Share based remuneration obligations	20&21	**–**	**(0.3)**	**1.8**	**–**	**1.5**	**–**	**1.5**
Dividends appropriated	23	**–**	**–**	**–**	**(397.0)**	**(397.0)**	**–**	**(397.0)**
Total of transactions with equity holders		**–**	**(0.3)**	**1.8**	**(397.0)**	**(395.5)**	**–**	**(395.5)**
At 31 December 2014		**2,271.7**	**(16.3)**	**(11.3)**	**(564.4)**	**1,679.7**	**7.0**	**1,686.7**
At 1 January 2013		2,250.0	(17.4)	(127.9)	(46.4)	2,058.3	5.2	2,063.5
Profit		–	–	–	79.9	79.9	0.7	80.6
Other comprehensive income		–	–	56.9	–	56.9	0.3	57.2
Total comprehensive income		–	–	56.9	79.9	136.8	1.0	137.8
Transactions with equity holders –								
Movements in ordinary shares	19	21.7	–	–	–	21.7	–	21.7
Share based remuneration obligations	20&21	–	1.4	(11.6)	–	(10.2)	–	(10.2)
Dividends appropriated	23	–	–	–	(473.0)	(473.0)	–	(473.0)
Total of transactions with equity holders		21.7	1.4	(11.6)	(473.0)	(461.5)	–	(461.5)
At 31 December 2013		2,271.7	(16.0)	(82.6)	(439.5)	1,733.6	6.2	1,739.8

1 Refer to Note 21.

Notes appearing on pages [72] to [121] to be read as part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report was authorised for issue in accordance with a resolution of the Coca-Cola Amatil Limited Board of Directors on 27 February 2015.

Coca-Cola Amatil Limited is a for profit company limited by shares that is incorporated and domiciled in Australia, whose shares are publicly traded on the ASX. The Company does not have a parent entity. The nature of the operations and principal activities of the Group are described in the Directors' Report.

a) Basis of financial report preparation

This general purpose financial report has been prepared in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This 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 financial report is presented in Australian Dollars and all values are rounded to the nearest tenth of a million dollars, unless otherwise stated under the option available to the Company under ASIC Class Order No. 98/100. The Company is an entity to which the Class Order applies.

b) Statement of compliance

This financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Group has adopted all consequential amendments to Australian Accounting Standards which became applicable on 1 January 2014. The Group has early adopted all the requirements in AASB 9 Financial Instruments, refer to Note 1z) for further details. There is no material effect on the financial statements of the Group in relation to adoption of the above standards and interpretations.

Other Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have not been early adopted by the Company or the Group for the financial year ended 31 December 2014. These are outlined in the table below –

Reference	Title	Summary	Application date of standard[1]	Impact on the Group's financial report	Application date for the Group
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	New guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.	1 Jan 2016	The impact of the standard is yet to be assessed.	1 Jan 2016
AASB 2014-4	Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	New guidance to clarify the acceptable method of depreciation and amortisation.	1 Jan 2016	The impact of the standard is yet to be assessed.	1 Jan 2016
AASB 15	Revenue from contracts with customers	Requires revenue to be recognised on satisfaction of the performance obligations specified under contracts.	1 Jan 2017	The impact of the standard is yet to be assessed.	1 Jan 2017
AASB 9	Financial Instruments – Phase 2 – Impairment	New guidance on recognition of expected credit losses.	1 Jan 2018	The impact of impairment on financial assets is yet to be assessed.	1 Jan 2018

1 Application date for the annual reporting periods beginning on or after the date shown in the above table.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. 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. 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.

The key estimates and assumptions that have or could have the most significant effect on the amounts recognised in the financial statements relate to the following areas –

i) Impairment testing of investments in bottlers' agreements and intangible assets with indefinite lives

The Group determines whether investments in bottlers' agreements and intangible assets with indefinite lives are impaired at each annual balance date. These calculations involve an estimation of the recoverable amount of the cash generating unit to which investments in bottlers' agreements and intangible assets with indefinite lives are allocated;

ii) Estimation of useful lives of assets

The estimation of useful lives of assets has been based on historical experience. In addition, the condition of assets is assessed at least annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary;

iii) Share based payments

As disclosed in Note 1v), the Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Monte Carlo simulation methodology and the Black Scholes model; and

iv) Income taxes

The Group is subject to income taxes in Australia and other jurisdictions in which CCA operates. Significant judgement is required in determining the Group's current tax assets and liabilities. Judgement is also required in assessing whether deferred tax assets and liabilities are recognised in the statement of financial position. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Changes in circumstances will alter expectations, which may impact the amount of tax losses and temporary differences not yet recognised.

d) Principles of consolidation

i) Subsidiaries

The consolidated financial statements of the Group comprise those of the parent entity, Coca-Cola Amatil Limited, and its subsidiaries.

The Group controls an investee if and only if the Group has –
- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control the entity.

In preparing the consolidated financial statements, the effects of all transactions, balances and unrealised gains and losses on transactions between entities in the Group have been eliminated.

The financial statements of subsidiaries have been prepared for the same reporting period as that of the parent entity, using consistent accounting policies. Adjustments have been made to bring into line any dissimilar accounting policies that may exist across the Group.

ii) Joint venture entity

The investment in the joint venture entity was accounted for in the consolidated financial statements using the equity method and was carried at cost by the parent entity in its separate financial statements. Under the equity method, the share of profits or losses of the joint venture entity was recognised in the income statement, and the share of movements in reserves was recognised in the statement of comprehensive income. Refer to Note 9 for further details.

e) Segment reporting

An operating segment is a component of the Group –

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group); and
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

f) Foreign currency translation

i) Functional and presentation currency

Both the functional and presentation currency of Coca-Cola Amatil Limited and its Australian subsidiaries is Australian Dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Exchange rate gains or losses are brought to account in determining the net profit or loss in the period in which they arise, as are exchange gains or losses relating to cross currency swap transactions on monetary items.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Foreign currency translation (continued)

ii) Transactions and balances (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

On consolidation, the assets and liabilities of foreign subsidiaries are translated by applying the rate ruling at balance date and revenue and expense items are translated at the average rate calculated for the period. The exchange differences arising on the retranslation are taken directly to equity within the foreign currency translation reserve. On disposal of a foreign subsidiary, accumulated exchange differences are recognised in the income statement as a component of the gain or loss on disposal.

g) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised net of discounts, allowances and applicable amounts of value added taxes such as the Australian goods and services tax. The following specific recognition criteria must also be met before revenue is recognised –

i) Sale of goods and materials

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably;

ii) Rendering of services

Revenue from installation and maintenance of equipment is recognised when the services have been performed and the amount can be measured reliably;

iii) Interest income

Interest income is recognised using the effective interest method; and

iv) Rental income

Rental income arising from equipment hire is accounted for on a straight line basis over the term of the rental contract.

h) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets.

i) Income tax

i) Current tax

Current tax asset or liability represents amounts receivable or payable in relation to income taxes attributable to taxable profits of the current or prior financial years, less instalments of income tax paid. The tax rates and laws used to compute current taxes are those that are enacted or substantially enacted as at the reporting date.

ii) Deferred tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes, using the tax rates which are enacted or substantially enacted as at the reporting date.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities are recognised for all taxable temporary differences except for those arising from the initial recognition of assets and liabilities that affect neither accounting nor taxable profits and those temporary differences relating to investments in subsidiaries where the timing of the reversal can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

iii) Tax consolidation

The Company and its wholly owned Australian resident subsidiaries have formed a tax consolidated group. CCA is the head entity of the tax consolidated group. Details relating to the tax funding agreements are set out in Note 5.

j) Cash assets

Cash assets comprise cash on hand, deposits held at call with financial institutions and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful receivables.

Collectibility of trade receivables is reviewed on an ongoing basis. The carrying amount of trade receivables is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Inventories

Inventories including raw materials, work in progress and finished goods are stated at the lower of cost (including fixed and variable factory overheads where applicable) and net realisable value. Cost is determined on the basis of first-in-first-out, average or standard, whichever is the most appropriate in each case.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Costs of inventories include the transfer from equity of gains or losses on qualifying cash flow hedges relating to inventory purchases.

m) Business combinations

Business acquisitions are accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business acquisition, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in the income statement.

n) Financial assets and liabilities

The Group classifies its financial assets and liabilities as either at amortised cost or fair value through the income statement. The classification of financial assets depends on –
- the entity's business model for managing financial assets; and
- the contractual cash flow characteristics of the financial asset.

Financial assets or liabilities recognised initially at fair value are subsequently measured at either fair value or amortised cost using the effective interest method. In the case of financial assets or liabilities not subsequently measured at fair value, the initial fair value is adjusted for directly attributable transaction costs.

Recognition and derecognition

All regular purchases and sales of financial assets and liabilities are recognised on the trade date, which is the date the Group commits to purchase or sell the asset or liability. Financial assets and liabilities are derecognised when the right to receive or pay cash flows has expired or been transferred.

i) Financial assets and liabilities at fair value through the income statement

Financial assets or liabilities at fair value through the income statement are derivatives or financial assets or liabilities designated as at fair value through profit and loss. The effective portion of the fair value gain or loss on derivative instruments designated in cash flow hedge relationships is recognised directly in equity. The Group's accounting policy in this regard is explained in Note 1w).

ii) Financial assets and liabilities at amortised cost

A financial asset or liability is classified at amortised cost if it is acquired by the Group where the objective is to collect or pay contractual cash flows on specified dates for payments of principal and interest.

Financial assets and financial liabilities at amortised cost include trade and other receivables and payables, bonds, loans, and bank overdrafts. Fair value hedging is applied to certain interest bearing liabilities (refer to Note 1w)). In such instances, the resulting fair value adjustments mean that the carrying value differs from amortised cost.

The fair value of all financial assets and liabilities are based on an active market price. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques such as discounted cash flow analysis and option pricing models. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same. Fair value of all financial assets and liabilities, valuation techniques and measurement are disclosed in Note 29a) vi).

o) Investments in bottlers' agreements

Investments in bottlers' agreements are carried at cost.

Investments in bottlers' agreements are not amortised as they are considered to have an indefinite life but are tested annually for any impairment in the carrying amount. Refer to Note 13 for details of impairment testing of investments in bottlers' agreements.

p) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Subsequent expenditure is added to the carrying value of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is expensed in the period in which it is incurred.

Property, plant and equipment, other than freehold land, is depreciated or amortised on a straight line basis at various rates dependent upon the estimated average useful life for that asset to the Group. The estimated useful lives of each class of asset for the current and prior year are as follows –

Freehold and leasehold buildings	20 to 50 years
Plant and equipment	3 to 15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the financial year the item is derecognised.

q) Leased assets

Leases are classified at their inception as either finance or operating leases based on the economic substance of the arrangement so as to reflect the risks and benefits incidental to ownership.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Leased assets (continued)

Finance leases are those which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property. There are no material finance leases within the Group.

Operating leases are those where the lessor effectively retains substantially all the risks and benefits incidental to ownership of the leased property. Operating lease payments are charged to the income statement on a straight line basis over the lease term. Refer to Note 4 for further details. Lease income from operating leases is recognised as income on a straight line basis over the lease term. Refer to Note 3 for further details.

r) Intangible assets

i) Identifiable intangible assets

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to each class of intangible asset. The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the income statement and charged on a straight line basis.

Intangible assets with indefinite lives are tested for impairment at least annually at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Intangible assets, excluding software development assets, created within the business are not capitalised and costs are taken to the income statement when incurred.

Software development costs incurred on an individual project are carried forward when future recoverability can reasonably be assured. Following the initial recognition of software development assets, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and impairment. Any costs carried forward are amortised over the assets' useful lives.

The carrying value of software development assets is reviewed for impairment annually when an asset is not in use or more frequently when an indicator of impairment arises during a reporting period indicating that the carrying value may not be recoverable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

The estimated useful lives of existing finite lived intangible assets for the current and prior year are as follows –

Customer lists	5 years
Brand names and trademarks	40 to 50 years
Software development assets	3 to 10 years

ii) Goodwill

Goodwill is the excess of the cost of an acquisition over the fair value of the net assets acquired. Goodwill is not amortised but will be tested annually or more frequently if required, for any impairment in the carrying amount.

Goodwill arising on the acquisition of subsidiaries is treated as an asset of the subsidiary. These balances are denominated in the currency of the subsidiary and are translated to Australian Dollars on a consistent basis with the other assets and liabilities held by the subsidiary.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Refer to Note 13 for details.

s) Impairment of assets

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. Where an indicator of impairment exists or where annual impairment testing for an asset is required, the Group makes a formal estimate of the recoverable amount. An impairment loss is recognised for the amount by which the carrying amount of an asset exceeds the recoverable amount, which is defined as the greater of an asset's fair value less costs to sell, or value in use. For the purpose of assessing impairment, assets are grouped at the level for which there are separately identifiable cash flows. Refer to Note 13 for details.

An impairment loss is recognised in the income statement. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

t) Trade and other payables

Trade and other payables are carried at amortised cost. Liabilities are brought to account for amounts payable in relation to goods received and services rendered, whether or not billed at the reporting date.

u) Provisions

Provisions are recognised when a present legal or constructive obligation has arisen as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where there is an expectation that a provision is to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Where material, the effect of the time value of money is taken into account in measuring provisions by discounting the expected future cash flows at a rate which reflects both the risks specific to the liability, and current market assessments of the time value of money.

v) Employee benefits

i) Wages and salaries, annual leave, sick leave and other benefits

Liabilities are raised for employee benefits accumulated as a result of employees rendering services up to balance date including related on-costs. The benefits include wages and salaries, annual leave, sick leave, incentives, compensated absences and other benefits, which are charged against profit in their respective expense categories when services are provided or benefits vest with the employee. The provision for employee benefits is measured at the remuneration rates expected to be paid when the liability is settled.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) Employee benefits (continued)

ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on high quality corporate bonds (at the reporting date) with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. In the absence of a deep market in such bonds, the market yields on government bonds are used.

iii) Pensions and post-retirement benefits

The Group operates a number of defined benefit and defined contribution superannuation plans. The defined benefit plans are made up of both funded and unfunded plans. The assets of funded schemes are held in separate trustee-administered funds and are financed by payments from the relevant subsidiaries. Contributions to defined benefit plans are based on regular advice from independent qualified actuaries.

For defined contribution plans, the relevant subsidiaries pay contributions to the plans on a mandatory or contractual basis.

For defined benefit plans, actuarial gains and losses are recognised within other comprehensive income, with no subsequent recycling to the income statement. The time value amounts recognised in the income statements as net finance costs are calculated using the applicable discount rate to measure the net defined benefit liability or asset. Past service cost is recognised in income statement within service cost. Refer to Note 18 for further details of the Group's defined benefit plans.

The Group's contributions made to defined contribution plans are recognised as an expense when they fall due.

iv) Equity compensation plans

Employer contributions to the Employees Share Plan are charged as an expense over the vesting period. Any amounts of unvested shares held by the related trust are controlled by the Group until they vest and are recorded at cost in the statement of financial position within equity as shares held by equity compensation plans until they vest. The amounts relating to the unvested obligation are recorded at reporting date within the share based remuneration reserve until they vest. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of CCA's own equity instruments.

Shares granted by CCA to employees of subsidiaries are recognised in the Company's separate financial statements as an additional investment in the subsidiary with a corresponding credit to the share based remuneration reserve. As a result, the expense recognised by CCA in relation to equity settled awards only represents the expense associated with grants to employees of the Company. The expense recognised by the Group is the total expense associated with all such awards.

Shares granted under the Long Term Incentive Share Rights Plan are measured by reference to the fair value of the shares at the date at which they are granted. The fair value is determined by an external valuer using the Monte Carlo simulation methodology (for shares with a TSR performance condition) and the Black Scholes model (for shares with an EPS performance condition). The fair value of shares is charged as a share based remuneration expense over the vesting period together with a corresponding increase in the share based remuneration reserve, ending on the date on which the relevant employees become entitled to the award. Refer to Note 22 for further details of the Long Term Incentive Share Rights Plan.

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and CCA's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

w) Derivative financial instruments

The Group seeks to actively manage its exposures to interest rates, foreign exchange and commodities by using derivative financial instruments to hedge these risks arising from its operating, investing and financing activities. This is achieved through a process of identifying, recording and communicating all financial exposures and risk in the Group which forms the basis for any decision to implement risk management strategies.

The Group at inception, documents the transaction and the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The process includes linking all derivative financial instruments designated to specific firm commitments or forecast transactions. The Group also assesses both at the hedge inception and on an ongoing basis, whether the derivative financial instruments that are used in hedge accounting are highly effective in offsetting changes in fair value or cash flows of hedged items.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. On subsequent revaluation, the derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

The Group designates its derivatives as either –
- hedges for fair value of recognised assets and liabilities (fair value hedges); or
- hedges for interest rate, foreign currency and commodity risks associated with recognised assets and liabilities or highly probable forecast transactions (cash flow hedges).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

w) Derivative financial instruments (continued)

Fair value hedges

During the financial year, the Group held cross currency swaps to mitigate exposures to changes in the fair value of foreign currency denominated debt from fluctuations in foreign currency and interest rates. The hedged items designated were a portion of the Group's foreign currency denominated borrowings. The changes in fair values of the hedged items resulting from movements in exchange rates and interest rates are offset against the changes in the value of the cross currency swaps. The objective of this hedging is to convert foreign currency borrowings to local currency borrowings. Hence, at inception, no significant portion of the change in fair value of the cross currency swap is expected to be ineffective.

Gains or losses from remeasuring the fair value of the hedge instruments are recognised within net finance costs in the income statement and are offset with the gains and losses from the hedged item where those gains or losses relate to the hedged risks. The hedge relationship is expected to be highly effective because the notional amount of the cross currency swaps coincides with that of the underlying debt, and all cash flow and reset dates coincide between the borrowing and the swaps.

The effectiveness of the hedging relationship is tested at inception and at least monthly thereafter by means of cumulative dollar offset effectiveness calculations. The primary objective is to determine if changes to the hedged item and the derivative are highly correlated and, thus supportive of the assertion that there will be a high degree of offset in fair values achieved by the hedge.

Cash flow hedges

Cash flow hedges are used to hedge future cash flows or a probable transaction that could affect the gain or loss in the income statement relating to the Group's ongoing business activities. The gain or loss on effective portions of the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the income statement. Amounts recognised in equity are transferred to the income statement as and when the asset is consumed. If the forecast transaction is revoked or no longer expected to occur, amounts previously recognised in equity are immediately transferred to the income statement. The derivative financial instruments are in a hedge relationship and are initially recognised in equity. Any gain or loss is reclassified to the income statement when the Group exercises, terminates, or revokes designation of the hedge relationship.

Offsetting of derivative financial assets and derivative financial liabilities

The Group presents all its derivative financial assets and derivative financial liabilities arising from fair value measurement on a gross basis. The net movements on the derivative financial assets and derivative financial liabilities are disclosed under Note 28a).

x) Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value for the consideration received, net of transaction costs associated with the borrowing.

After initial recognition, interest bearing liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Fair value hedging is applied to certain interest bearing liabilities (refer to Note 1w)). In such instances, the resulting fair value adjustments mean that the carrying value differs from amortised cost.

Interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

y) Comparative figures

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

z) Impact of early adoption of AASB 9 Financial Instruments

The Group applied all of the requirements in AASB 9 Financial Instruments as amended in 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, 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.

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.

Additions of non-current assets relating to CCA's Packaging Services business (included in Alcohol, Food & Services) are reported within the respective non-alcohol beverage business by country. Non-current assets, once available for use, are transferred to the respective Packaging Services business, where depreciation is also then recognised and reported.

The Group earned approximately 35.2% (2013: 35.6%) of its trading revenue from its top three customers, being Metcash Limited, Wesfarmers Limited and Woolworths Limited. These customers operated within the Australia, New Zealand & Fiji and Alcohol, Food & Services segments.

	2014 $M	2013 $M	**2014 $M**	2013 $M	**2014 $M**	2013 $M
	Trading revenue[1]		**Other revenue**		**Total revenue, excluding finance income**	
Non-Alcohol Beverage business						
Australia	**2,832.3**	2,947.2	**10.2**	10.9	**2,842.5**	2,958.1
New Zealand & Fiji	**488.0**	452.5	**6.6**	8.1	**494.6**	460.6
Indonesia & PNG	**927.5**	919.2	**1.6**	3.8	**929.1**	923.0
Alcohol, Food & Services business	**695.0**	717.5	**41.7**	24.5	**736.7**	742.0
Total CCA Group	**4,942.8**	5,036.4	**60.1**	47.3	**5,002.9**	5,083.7

	Segment result (Earnings before interest, tax and significant items)	
Non-Alcohol Beverage business		
Australia	**445.3**	566.0
New Zealand & Fiji	**88.2**	82.7
Indonesia & PNG	**31.9**	91.6
Alcohol, Food & Services business	**86.1**	93.0
Total CCA Group	**651.5**	833.3

The reconciliation of segment result to CCA Group profit after income tax attributable to members of the Company is shown below –

	CCA Group	
Segment result	**651.5**	833.3
Significant items[2]	**(144.4)**	(465.4)
Earnings before interest and tax	**507.1**	367.9
Net finance costs[3]	**(121.9)**	(124.8)
Profit before income tax	**385.2**	243.1
Income tax expense[3]	**(112.4)**	(162.5)
Profit after income tax	**272.8**	80.6
Profit after income tax attributable to non-controlling interests	**(0.7)**	(0.7)
Profit after income tax attributable to members of the Company	**272.1**	79.9

Refer to the following page for footnote details.

2. SEGMENT REPORTING (CONTINUED)

	2014 $M	2013 $M	2014 $M	2013 $M
			Segment capital employed	
Non-Alcohol Beverage business				
Australia			**1,456.8**	1,495.9
New Zealand & Fiji			**508.1**	507.3
Indonesia & PNG			**547.0**	475.0
Alcohol, Food & Services business			**1,019.8**	994.5
Total operating segments			**3,531.7**	3,472.7
Investment in joint venture entity			**26.3**	26.4
Total CCA Group			**3,558.0**	3,499.1

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

	2014 $M	2013 $M
	CCA Group	
Segment capital employed	**3,558.0**	3,499.1
Net debt[3]	**(1,871.3)**	(1,759.3)
Net assets	**1,686.7**	1,739.8

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

	2014 $M	2013 $M
Total assets	**6,039.8**	6,608.4
Total liabilities	**(4,353.1)**	(4,868.6)
Net assets	**1,686.7**	1,739.8

	2014 $M	2013 $M	2014 $M	2013 $M
	Depreciation and amortisation expenses		**Additions and acquisitions of non-current assets[4]**	
Non-Alcohol Beverage business				
Australia	**79.0**	80.2	**45.2**	112.4
New Zealand & Fiji	**27.2**	25.0	**11.9**	19.3
Indonesia & PNG	**46.7**	38.0	**91.0**	146.6
Alcohol, Food & Services business	**113.7**	108.3	**93.3**	92.0
Total CCA Group	**266.6**	251.5	**241.4**	370.3

	2014 $M	2013 $M	2014 $M	2013 $M
	Trading revenue by geography[5]		**Non-current assets by geography[4]**	
Australia	**3,474.6**	3,617.3	**2,074.1**	2,187.1
New Zealand & Fiji	**540.7**	499.9	**558.1**	547.9
Indonesia & PNG	**927.5**	919.2	**702.3**	618.4
Total CCA Group	**4,942.8**	5,036.4	**3,334.5**	3,353.4

1 Details of the Group's trading revenue can be found in Note 3.
2 Refer to Note 4c) for further details of significant items.
3 Net debt, finance costs and income taxes are managed on a Group basis and are not reported internally at a segment level.
4 This disclosure comprises investment in joint venture entity, investments in bottlers' agreements, property, plant and equipment and intangible assets.
5 This disclosure reflects the customer geographic location of trading revenue earned by the Group.

	Refer Note	2014 $M	2013 $M

3. REVENUE

	Refer Note	2014 $M	2013 $M
Trading revenue			
Sales of products		**4,862.9**	4,955.1
Rental of equipment and processing fees		**79.9**	81.3
Total trading revenue		**4,942.8**	5,036.4
Other revenue			
Rendering of services		**19.1**	18.2
Miscellaneous rental and sundry income		**41.0**	29.1
Total other revenue		**60.1**	47.3
Total revenue, excluding finance income		**5,002.9**	5,083.7
Interest income from –			
cash in banks and term deposits		**30.3**	36.1
defined benefit superannuation plans	18b)	**0.9**	0.1
Total finance income		**31.2**	36.2
Total revenue		**5,034.1**	5,119.9

4. INCOME STATEMENT DISCLOSURES

Profit before income tax includes the following specific expenses –

	Refer Note	2014 $M	2013 $M
a) Finance costs			
Interest costs from –			
interest bearing liabilities		**149.5**	160.3
defined benefit superannuation plans	18b)	**2.8**	2.4
Other finance costs		**2.8**	2.3
Total finance costs		**155.1**	165.0
Amounts capitalised		**(2.0)**	(4.0)
Total finance costs expensed		**153.1**	161.0
b) Income statement disclosures (by nature)			
Depreciation expense	11	**239.5**	226.5
Amortisation expense	12	**27.1**	25.0
Rentals – operating leases		**77.0**	82.2
Defined benefit superannuation plan expense	18b)	**7.7**	10.7
Defined contribution superannuation plan expense		**55.8**	56.8
Share based remuneration expense	21b)	**10.5**	8.9
Employee benefits expense		**72.7**	52.6

4. INCOME STATEMENT DISCLOSURES (CONTINUED)

	2014 $M	2013 $M
Profit before income tax includes the following specific expenses –		
c) Significant items		
Expenses		
Employee redundancy costs	**(65.4)**	(16.4)
Implementation and other restructuring costs	**(19.6)**	(7.9)
Impairments[1] –		
inventories	**(5.9)**	(33.7)
property, plant and equipment	**(37.6)**	(40.0)
intangible assets	**(15.9)**	(316.7)
onerous contracts	**–**	(50.7)
Total net significant item expenses	**(144.4)**	(465.4)

1 Largely non-cash charges to the respective years income statement.

2014 – strategic review and continuing business restructure

CCA carried out a Group strategic review during 2014, with the objective of delivering productivity and efficiency improvements, to improve the overall competitiveness of the business. In order to carry out the required restructuring and to implement the new strategic business plan, the business has recognised significant item expenses of $144.4 million. The charges are predominantly ($121.5 million) related to the Australian beverage business, and are summarised below –

- non-cash charges including impairment of specifically identified assets were largely driven by site consolidation (including the Bayswater site) and reassessment of the carrying value of certain intangible assets; and
- cash based charges relating mainly to redundancy and other cash costs associated with the implementation of the restructure plans and revised business strategy including site relocations.

The above mentioned impairment of assets has not resulted in any additional impairment charges arising from cash generating unit level impairment testing.

2013 – Australian operations restructuring

CCA recognised expenses mainly in relation to restructuring activities associated with the SPC business, comprising of non-current asset and inventory impairments, and employee restructuring costs.

5. INCOME TAX EXPENSE

	Refer Note	2014 $M	2013 $M
a) Income tax expense			
Current tax expense		**138.7**	165.9
Deferred tax benefit	17d)	**(25.4)**	(1.6)
Adjustments to current tax of prior periods		**(0.9)**	(1.8)
Total income tax expense		**112.4**	162.5
Total income tax expense includes –			
Income tax benefit on significant items		**(41.0)**	(42.5)

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

	2014	2013
Profit before income tax	**385.2**	243.1
	%	%
Applicable (Australian) tax rate	**30.0**	30.0
Adjustments to current tax of prior periods	**(0.2)**	(0.7)
Impairment of intangible assets[1]	**0.6**	39.1
Non-allowable expenses	**2.0**	2.9
Overseas tax rates differential	**(1.1)**	(1.8)
Overseas withholding tax	**(2.1)**	(2.7)
Effective tax rate	**29.2**	66.8
Effective tax rate (before significant items)	29.0	28.9

1 2013 relates to SPC significant items; refer to Note 4c) for further details.

c) Australian tax consolidation

CCA has formed a consolidated group for income tax purposes with each of its wholly owned Australian resident subsidiaries. The entities within the tax consolidated group have entered a tax funding agreement whereby each subsidiary will compensate CCA for the amount of tax payable that would be calculated as if the subsidiary was a tax paying entity.

CCA, as the head entity, and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. The current tax balances are then transferred to CCA (being the head entity) via intercompany balances.

The method used to measure current and deferred tax amounts is summarised in Note 1i).

6. CASH AND CASH EQUIVALENTS

	Refer Note	2014 $M	2013 $M
Cash on hand and at banks		**407.9**	529.3
Short term deposits		**410.3**	896.6
Total cash assets[1]		**818.2**	1,425.9

1 $445.0 million raised in 2009 from the US 144A bond offering has been repaid during the financial year.

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value.

Short term deposits are made for varying periods, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

a) Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows –

	Refer Note	2014 $M	2013 $M
Cash assets		**818.2**	1,425.9
Bank overdrafts	15	**(15.2)**	(1.5)
Cash and cash equivalents held at the end of the financial year		**803.0**	1,424.4

b) Non-cash investing and financing activities

	Refer Note	2014 $M	2013 $M
Dividends satisfied by the issue of shares under the Dividend Reinvestment Plan	23a)	**–**	21.7

c) Reconciliation of earnings before interest and tax to net cash flows from operating activities

	Refer Note	2014 $M	2013 $M
Earnings before interest and tax		**507.1**	367.9
Adjustments for –			
Depreciation and amortisation expenses		**266.6**	251.5
Impairment charges of –			
property, plant and equipment[1]	11	**41.3**	44.3
intangible assets[1]	12	**15.9**	316.7
Changes in adjusted working capital[2]		**(12.2)**	56.4
Net interest and other finance costs paid		**(129.3)**	(121.9)
Income taxes paid		**(179.0)**	(168.5)
Other items	6d)	**79.8**	(13.3)
		83.1	365.2
Net cash flows from operating activities		**590.2**	733.1

1 Comprises mainly of amounts classified as significant items; refer to Note 4c) for further information.

2 Adjusted working capital is defined as current trade and other receivables plus inventories, and less current trade and other payables, adjusted to exclude movements arising from foreign exchange translation, acquisitions of businesses and payables relating to additions of property, plant and equipment.

d) Other items

Other items comprise of the following amounts –

	2014 $M	2013 $M
Share of net loss of joint venture entity	**0.1**	–
Profit from disposal of property, plant and equipment	**(0.7)**	(0.2)
Movements in –		
prepayments	**22.1**	8.6
provisions	**54.0**	(13.6)
sundry items	**4.3**	(8.1)
Total other items	**79.8**	(13.3)

e) Risk exposure

CCA Group's exposure to interest rate risk is disclosed in Note 29. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents.

7. TRADE AND OTHER RECEIVABLES

	Refer Note	2014 $M	2013 $M
Current			
Trade receivables		**882.5**	889.8
Allowance for doubtful receivables	7a)	**(12.3)**	(10.8)
		870.2	879.0
Amounts due from related entities (trade)	30	**4.8**	2.0
Amounts due from related entities (non-trade)	30	**21.4**	31.8
Other receivables		**74.4**	45.9
		100.6	79.7
Total trade and other receivables (current)		**970.8**	958.7
Non-current			
Amounts due from related entities (non-trade)	30	**–**	0.3
Other receivables		**10.8**	6.9
Total other receivables (non-current)		**10.8**	7.2

a) Impaired trade receivables

Movements in the allowance for trade receivables are as follows –

	2014	2013
At 1 January	**(10.8)**	(6.7)
Charge	**(6.0)**	(5.9)
Written off	**4.7**	2.4
Net foreign currency and other movements	**(0.2)**	(0.6)
Total	**(12.3)**	(10.8)

b) Analysis of receivables

As at 31 December 2014, the analysis of trade receivables (net of allowance) that were past due but not impaired is as follows –

		Past due but not impaired			
	Neither past due nor impaired $M	Less than 31 days overdue $M	More than 30 but less than 91 days overdue $M	More than 90 days overdue $M	Total $M
2014	**762.1**	**81.7**	**22.8**	**3.6**	**870.2**
2013	790.5	58.6	22.2	7.7	879.0

As at 31 December 2014, trade receivables of $108.1 million (2013: $88.5 million) were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of material defaults.

All other receivables do not contain impaired assets and are not past due. Based on the credit history of these other receivables, it is expected that these amounts will be received when due.

Refer to Note 29 on credit risk of trade and other receivables.

c) Related party receivables

For terms and conditions relating to related party receivables, refer to Note 30.

	2014 $M	2013 $M

8. INVENTORIES

	2014 $M	2013 $M
Raw materials at cost	**236.0**	220.6
Raw materials at net realisable value	**2.1**	4.7
	238.1	225.3
Finished goods at cost	**353.8**	346.6
Finished goods at net realisable value	**5.9**	10.5
	359.7	357.1
Other inventories at cost[1]	**84.0**	66.0
Other inventories at net realisable value[1]	**4.3**	9.5
	88.3	75.5
Total inventories	**686.1**	657.9

1 Other inventories include work in progress and spare parts (manufacturing and cold drink equipment).

9. INVESTMENT IN JOINT VENTURE ENTITY

	2014 $M	2013 $M
Carrying amount of investment in Australian Beer Company Pty Ltd (ABC)	**26.3**	26.4

The Company has a 50% interest in ABC. The principal activity of ABC is the manufacture of alcohol beverages. The interest in ABC is accounted for in the consolidated financial statements using the equity method of accounting. The majority of the carrying amount of the investment in ABC is represented by property, plant and equipment assets.

10. INVESTMENTS IN BOTTLERS' AGREEMENTS

	2014 $M	2013 $M
Balance at the beginning of the financial year	**931.8**	905.2
Net foreign currency and other movements	**10.7**	26.6
Balance at the end of the financial year	**942.5**	931.8

The bottlers' agreements reflect a long and ongoing relationship between the Group and TCCC. As at 31 December 2014, there were agreements for the six territories in place throughout the Group, at varying stages of their, mainly, 10 year terms. These agreements are all on substantially the same terms and conditions, with performance obligations relating to manufacture, distribution and marketing.

All of the Group's present bottlers' agreements, the first of which was issued in 1939, that have expired have been renewed or extended at the expiry of their legal terms. No consideration is payable upon renewal or extension.

In assessing the useful life of bottlers' agreements, due consideration is given to the Group's history of dealing with TCCC, established international practice of that company, TCCC's equity in the Group, the participation of nominees of TCCC on the Company's Board of Directors and the ongoing strength of TCCC brands. In light of these considerations, no factor can be identified that would result in the agreements not being renewed or extended and accordingly bottlers' agreements have been assessed as having an indefinite useful life.

Bottlers' agreements acquired from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost less impairment model is utilised for measurement.

All bottlers' agreements were tested for impairment and no impairment losses were recognised for the financial year. A description of management's approach to ensuring each investment in bottlers' agreement is not recognised above its recoverable amount is disclosed in Note 13.

11. PROPERTY, PLANT AND EQUIPMENT

	Refer Note	Freehold and leasehold land $M	Freehold and leasehold buildings[1] $M	Plant and equipment $M	Property, plant and equipment under construction $M	Total property, plant and equipment $M
At 1 January 2014						
Cost (gross carrying amount)		**222.2**	**440.4**	**3,014.9**	**247.8**	**3,925.3**
Accumulated depreciation and impairment		**–**	**(121.7)**	**(1,741.4)**	**–**	**(1,863.1)**
Net carrying amount		**222.2**	**318.7**	**1,273.5**	**247.8**	**2,062.2**
For the year ended 31 December 2014						
At 1 January 2014, net of accumulated depreciation and impairment		**222.2**	**318.7**	**1,273.5**	**247.8**	**2,062.2**
Additions		**0.1**	**–**	**5.5**	**209.6**	**215.2**
Disposals		**–**	**(0.8)**	**(5.1)**	**(0.1)**	**(6.0)**
Depreciation expense	4b)	**–**	**(18.3)**	**(221.2)**	**–**	**(239.5)**
Impairment charge[2]		**–**	**–**	**(41.3)**	**–**	**(41.3)**
Transfer out of property, plant and equipment under construction and reclassifications		**6.7**	**49.1**	**303.3**	**(359.1)**	**–**
Net foreign currency and other movements		**5.7**	**11.2**	**36.3**	**(12.6)**	**40.6**
At 31 December 2014, net of accumulated depreciation and impairment		**234.7**	**359.9**	**1,351.0**	**85.6**	**2,031.2**
At 31 December 2014						
Cost (gross carrying amount)		**234.7**	**501.3**	**3,313.4**	**85.6**	**4,135.0**
Accumulated depreciation and impairment		**–**	**(141.4)**	**(1,962.4)**	**–**	**(2,103.8)**
Net carrying amount		**234.7**	**359.9**	**1,351.0**	**85.6**	**2,031.2**
At 1 January 2013						
Cost (gross carrying amount)		201.9	388.3	2,846.8	224.5	3,661.5
Accumulated depreciation and impairment		–	(99.6)	(1,568.1)	–	(1,667.7)
Net carrying amount		201.9	288.7	1,278.7	224.5	1,993.8
For the year ended 31 December 2013						
At 1 January 2013, net of accumulated depreciation and impairment		201.9	288.7	1,278.7	224.5	1,993.8
Additions		0.3	–	3.4	337.0	340.7
Disposals		–	–	(5.3)	–	(5.3)
Depreciation expense	4b)	–	(21.0)	(205.5)	–	(226.5)
Impairment charge[2]		–	–	(44.3)	–	(44.3)
Transfer out of property, plant and equipment under construction and reclassifications		17.0	50.6	248.4	(316.0)	–
Net foreign currency and other movements		3.0	0.4	(1.9)	2.3	3.8
At 31 December 2013, net of accumulated depreciation and impairment		222.2	318.7	1,273.5	247.8	2,062.2
At 31 December 2013						
Cost (gross carrying amount)		222.2	440.4	3,014.9	247.8	3,925.3
Accumulated depreciation and impairment		–	(121.7)	(1,741.4)	–	(1,863.1)
Net carrying amount		222.2	318.7	1,273.5	247.8	2,062.2

1 Freehold and leasehold buildings include improvements made to buildings.

2 Mainly relates to significant items. Refer to Note 4c) for further details.

12. INTANGIBLE ASSETS

	Refer Note	Customer lists $M	Brand names and trademarks $M	Software development assets $M	Goodwill $M	Other $M	Total intangible assets $M
At 1 January 2014							
Cost (gross carrying amount)		**5.6**	**139.7**	**233.0**	**432.5**	**2.0**	**812.8**
Accumulated amortisation and impairment		**(2.6)**	**(48.8)**	**(103.2)**	**(325.0)**	**(0.2)**	**(479.8)**
Net carrying amount		**3.0**	**90.9**	**129.8**	**107.5**	**1.8**	**333.0**
For the year ended 31 December 2014							
At 1 January 2014, net of accumulated amortisation and impairment		**3.0**	**90.9**	**129.8**	**107.5**	**1.8**	**333.0**
Additions		**–**	**–**	**22.8**	**–**	**–**	**22.8**
Acquisition of business		**–**	**–**	**–**	**3.4**	**–**	**3.4**
Amortisation expense	4b)	**(1.0)**	**(0.5)**	**(25.6)**	**–**	**–**	**(27.1)**
Impairment charge[1]		**–**	**(4.2)**	**(7.1)**	**(3.0)**	**(1.6)**	**(15.9)**
Net foreign currency and other movements		**0.1**	**1.0**	**8.9**	**8.5**	**(0.2)**	**18.3**
At 31 December 2014, net of accumulated amortisation and impairment		**2.1**	**87.2**	**128.8**	**116.4**	**–**	**334.5**
At 31 December 2014							
Cost (gross carrying amount)		**5.6**	**141.0**	**263.8**	**119.4**	**1.7**	**531.5**
Accumulated amortisation and impairment		**(3.5)**	**(53.8)**	**(135.0)**	**(3.0)**	**(1.7)**	**(197.0)**
Net carrying amount		**2.1**	**87.2**	**128.8**	**116.4**	**–**	**334.5**
At 1 January 2013							
Cost (gross carrying amount)		12.2	120.8	205.3	432.5	2.0	772.8
Accumulated amortisation and impairment		(8.1)	(8.6)	(79.4)	(48.0)	–	(144.1)
Net carrying amount		4.1	112.2	125.9	384.5	2.0	628.7
For the year ended 31 December 2013							
At 1 January 2013, net of accumulated amortisation and impairment		4.1	112.2	125.9	384.5	2.0	628.7
Additions		–	4.5	23.1	–	–	27.6
Amortisation expense	4b)	(1.1)	(0.4)	(23.3)	–	(0.2)	(25.0)
Impairment charge[1]		–	(39.7)	–	(277.0)	–	(316.7)
Net foreign currency and other movements		–	14.3	4.1	–	–	18.4
At 31 December 2013, net of accumulated amortisation and impairment		3.0	90.9	129.8	107.5	1.8	333.0
At 31 December 2013							
Cost (gross carrying amount)		5.6	139.7	233.0	432.5	2.0	812.8
Accumulated amortisation and impairment		(2.6)	(48.8)	(103.2)	(325.0)	(0.2)	(479.8)
Net carrying amount		3.0	90.9	129.8	107.5	1.8	333.0

1 Refer to Note 4c) for further details of significant items.

In assessing the useful life of SPC brand names, due consideration is given to the existing longevity of SPC brands, the indefinite life cycle of the industry in which SPC operates and the expected usage of the brand names in the future. In light of these considerations, no factor could be identified that would result in the brand names having a finite useful life and accordingly SPC brand names have been assessed as having an indefinite useful life.

Other brand names have been assessed as having finite useful lives and are amortised on a straight line basis.

All intangible assets with finite useful lives were assessed for indicators of impairment and all intangible assets with indefinite useful lives were tested for impairment at 31 December 2014. Refer to Note 13 for further details of impairment testing of intangible assets with indefinite lives.

13. IMPAIRMENT TESTING OF INVESTMENTS IN BOTTLERS' AGREEMENTS AND INTANGIBLE ASSETS WITH INDEFINITE LIVES

Investments in bottlers' agreements (IBAs) and intangible assets deemed to have indefinite lives have been identified for each of the Group's cash generating units (CGUs).

A segment level summary of IBAs and intangible assets deemed to have indefinite lives is presented below –

	IBAs $M	Brand names and trademarks $M	Goodwill $M	Total IBAs and intangible assets with indefinite lives $M
As at 31 December 2014				
Non-Alcohol Beverage business				
Australia	**691.9**	**–**	**42.2**	**734.1**
New Zealand & Fiji	**209.4**	**–**	**9.1**	**218.5**
Indonesia & PNG	**40.3**	**–**	**16.4**	**56.7**
Alcohol, Food & Services business	**0.9**	**72.1**	**48.7**	**121.7**
Total	**942.5**	**72.1**	**116.4**	**1,131.0**
As at 31 December 2013				
Non-Alcohol Beverage business				
Australia	691.9	–	45.2	737.1
New Zealand & Fiji	201.8	–	8.7	210.5
Indonesia & PNG	37.2	–	15.3	52.5
Alcohol, Food & Services business	0.9	71.6[1]	38.3[1]	110.8
Total	931.8	71.6	107.5	1,110.9

1 Refer to Note 4c) for details of impairment recognised.

a) Impairment testing methodology

Impairment testing is carried out by CCA by comparing an asset's recoverable amount to its carrying amount. The recoverable amount is determined as the greater of fair value less costs to sell, and value in use. Impairments of goodwill and brand names have been recognised during the financial year. Refer to Note 4c) for further details.

Investments in bottlers' agreements and goodwill

CCA determines the recoverable amounts by utilising a discounted cash flow methodology covering a 15 year period with an appropriate residual value at the end of that period, for each CGU. The methodology utilises cash flow forecasts longer than five years in order to minimise reliance on residual values and is based primarily on business plans presented to the Board.

Brand names and trademarks with indefinite useful lives

Value in use is calculated using a "relief from royalty" discounted cash flow methodology covering a 10 year period with an appropriate residual value at the end of that period. The methodology utilises notional royalty cash flows longer than five years in order to minimise reliance on residual values and is based primarily on three year business plans prepared by management. Where impairments have been recognised in the prior year, any change in the key assumptions in the future could result in the requirement to recognise a further impairment (where material).

b) Impairment testing key assumptions

The key assumptions on which management has based its cash flow forecasts to undertake impairment testing are described below. These assumptions have been risk weighted where appropriate. The key assumptions are management's best estimates based on past and current experience and external sources of information.

Investments in bottlers' agreements and goodwill

i) EBIT margins

EBIT margins are based primarily on three year business plans presented to the Board. Beyond those periods, margins have been adjusted to reflect management's views of sustainable long term EBIT margins;

ii) Volumes

Volumes are based on three year business plans presented to the Board. Beyond those periods, volumes are adjusted based on forecast per capita consumption, population growth rates and market share assumptions which are benchmarked against external sources;

13. IMPAIRMENT TESTING OF INVESTMENTS IN BOTTLERS' AGREEMENTS AND INTANGIBLE ASSETS WITH INDEFINITE LIVES (CONTINUED)

b) Impairment testing key assumptions (continued)

Investments in bottlers' agreements and goodwill (continued)

iii) Pricing

Pricing is based on three year business plans presented to the Board. Beyond those periods, pricing is determined with reference to long term inflation forecasts; and

iv) Capital expenditure

Capital expenditure is based on three year business plans presented to the Board. Beyond those periods, capital expenditure is determined as a percentage of sales revenue consistent with historical expenditure.

Brand names and trademarks with indefinite useful lives

i) Sales

Sales are based on three year business plans reviewed by management. Beyond those periods, sales are projected based on business plan targets and management expectations; and

ii) Royalty rates

Royalty rates are based on market rates for comparable brands adjusted for costs associated with maintaining the brand.

Discount and forecast terminal growth rates

i) Discount rates

Discount rates used are the weighted average cost of capital for the Group in each CGU, risk adjusted where applicable. The local currency discount rates used for Australia, New Zealand, Fiji, Indonesia and PNG based CGUs are 7.2%, 7.1%, 9.1%, 12.6% and 11.4% (2013: 7.2%, 7.1%, 9.1%, 11.2% and 10.4%) per annum respectively; and

ii) Forecast terminal growth rates

Forecast terminal growth rates are used in the calculation of the terminal value of each CGU and brand names with indefinite useful lives. For the purpose of impairment testing, real annual growth rates of nil to 2.0% (2013: nil to 2.0%) have been used.

14. TRADE AND OTHER PAYABLES

	Refer Note	**2014 $M**	2013 $M
Current			
Trade payables		**475.6**	568.8
Amounts due to related entities (trade)	30	**125.3**	103.9
Other payables		**79.1**	131.5
Accrued charges		**515.8**	430.1
Total trade and other payables (current)		**1,195.8**	1,234.3
Non-current			
Other payables		**–**	0.8

Related party payables

For terms and conditions relating to related party payables, refer to Note 30.

15. INTEREST BEARING LIABILITIES

The following table sets out significant terms of the major components of interest bearing liabilities –

Type of interest bearing liability/ country	2014 $M	2013 $M	Interest rate p.a. 2014 %	Interest rate p.a. 2013 %	Denomination	Maturity date
Current						
Unsecured						
Bonds						
Australia	**202.1**	255.3	**3.2**	6.3	Australian Dollar	Jul 15
Australia	**–**	448.8[1]	**–**	3.3	United States Dollar	–
	202.1	704.1				
Loans						
Australia	**0.7**	0.8	**6.9**	6.9	Australian Dollar	Apr 15
Bank loans						
Australia	**23.1**	–	**2.4**	–	Australian Dollar	Jan 15
Indonesia	**84.0**	24.5	**8.5**	8.7	Indonesian Rupiah	Jul 15
	107.1	24.5				
Bank overdrafts						
Fiji	**2.8**	–	**3.0**	–	Fijian Dollar	Mar 15
Samoa	**1.0**	1.5	**8.5**	9.5	Samoan Tala	Mar 15
Indonesia	**11.4**	–	**8.3**	–	Indonesian Rupiah	Apr 15
	15.2	1.5				
Finance lease	**0.2**	0.1	**–**	–	New Zealand Dollar	–
Total interest bearing liabilities (current)	**325.3**	731.0				
Non-current						
Unsecured						
Bonds						
Australia	**1,533.7**	1,535.8	**4.4**	4.2	Australian Dollar	Jun 16 to Jul 22
Australia	**132.4**	139.0	**3.8**	3.8	Japanese Yen	Aug 21 to Jun 36
Australia	**337.3**	308.6	**5.0**	5.2	United States Dollar	Mar 16 to Apr 16
New Zealand	**47.8**	46.1	**5.0**	3.9	New Zealand Dollar	Aug 18
New Zealand	**45.0**	45.0	**6.7**	6.7	Australian Dollar	Jul 21
New Zealand	**61.4**	56.1	**4.3**	4.3	United States Dollar	Sep 23
	2,157.6	2,130.6				
Loans						
Australia	**1.8**	2.5	**6.9**	6.9	Australian Dollar	Apr 16 to Apr 18
Bank loans						
New Zealand	**68.9**	92.2	**4.2**	3.1	New Zealand Dollar	Oct 17
Indonesia	**79.0**	152.0	**7.5**	8.0	Indonesian Rupiah	May 17
	147.9	244.2				
Finance lease	**–**	0.1	**–**	–	New Zealand Dollar	–
Total interest bearing liabilities (non-current)	**2,307.3**	2,377.4				

1 $445.0 million raised in 2009 from the US 144A bond offering has been repaid during the financial year.

a) Interest rate, foreign exchange and liquidity risk

Further details regarding interest rate, foreign exchange and liquidity risk are disclosed in Note 29.

b) Fair value

Details regarding the fair value of interest bearing liabilities are disclosed in Note 29.

15. INTEREST BEARING LIABILITIES (CONTINUED)

c) Financing facilities

The following financing facilities are available as at balance date –

	2014 $M	2013 $M
i) Bank loan facilities		
Total arrangements	**306.5**	314.7
Used as at the end of the financial year	**(255.0)**	(268.7)
Unused as at the end of the financial year	**51.5**	46.0
ii) Overdraft facilities		
Total arrangements	**60.4**	22.8
Used as at the end of the financial year	**(15.2)**	(1.5)
Unused as at the end of the financial year	**45.2**	21.3

d) Defaults or breaches

During the current and prior financial year, there were no defaults or breaches to the terms and conditions of any of the Group's borrowings.

16. PROVISIONS

	2014 $M	2013 $M
Current		
Employee benefits[1]	**119.4**	63.6
Onerous contracts	**2.1**	5.0
Total provisions (current)	**121.5**	68.6
Non-current		
Employee benefits	**17.4**	14.8
Total provisions (non-current)	**17.4**	14.8

1 Includes amounts classified as significant items. Refer to Note 4c) for further details.

17. DEFERRED TAX LIABILITIES

	Refer Note	2014 $M	2013 $M
a) Deferred taxes			
Deferred tax liabilities		**159.8**	173.1
b) Movements in net deferred tax liabilities for the financial year			
Balance at the beginning of the financial year		**173.1**	151.8
Credited to the income statement as deferred tax benefit	17d)	**(25.4)**	(1.6)
Charged to equity		**9.3**	18.1
Acquisitions of business		**(1.0)**	–
Net foreign currency movements		**3.7**	1.4
Other		**0.1**	3.4
Balance at the end of the financial year		**159.8**	173.1
c) Deferred taxes are attributable to the following –			
Allowances for current assets		**(10.4)**	(14.8)
Accrued charges and employee expense obligations		**(60.8)**	(35.9)
Other deductible items[1]		**(36.2)**	(35.7)
Investments in bottlers' agreements		**130.3**	129.9
Property, plant and equipment and intangible assets		**83.2**	78.4
Retained earnings balances of overseas subsidiaries[2]		**3.8**	11.5
Other taxable items[1]		**49.9**	39.7
Net deferred tax liabilities		**159.8**	173.1

1 Mainly relates to derivative balances.

2 Represents withholding taxes payable on unremitted retained earnings of overseas subsidiaries.

	Refer Note	2014 $M	2013 $M
d) Movements in deferred taxes, reflected in deferred tax benefit, are attributable to the following –			
Allowances for current assets		**(0.1)**	(0.3)
Accrued charges and employee expense obligations		**(19.3)**	(5.9)
Other deductible items		**(3.0)**	0.2
Property, plant and equipment and intangible assets		**4.1**	8.8
Retained earnings balances of overseas subsidiaries		**(7.7)**	(4.5)
Other taxable items		**0.6**	0.1
Net deferred tax benefit	17b)	**(25.4)**	(1.6)
e) Deductible temporary differences not recognised, as realisation of the benefits represented by these balances is not considered to be probable			
Capital losses – no expiry date		**716.3**	716.3
Tax losses – no expiry date		**3.7**	4.5
Tax losses – 2024 to 2026 expiry		**10.7**	11.5
Other items – no expiry date		**38.4**	38.4
Deductible temporary differences not recognised		**769.1**	770.7
Potential tax benefit		**230.7**	231.2

18. DEFINED BENEFIT SUPERANNUATION PLANS

The Group sponsors a number of superannuation plans that incorporate defined contribution and defined benefit categories. The defined benefit plans are the CCA Superannuation Plan (CCASP), which is predominantly Australian based, and the CCBI Superannuation Plan (CCBISP), which is Indonesian based (Plans). The defined benefit category for the CCASP is closed to new entrants. The Plans provide benefits for employees or their dependants on retirement, resignation or death, in the majority of cases in the form of lump sum payments.

The obligation to contribute to the various Plans is covered by a combination of trust deeds, legislation and regulatory requirements. Contributions to the Plans are made at levels necessary to ensure that the Plans have sufficient assets to meet their vested benefit obligations. The rate of contribution is based on a percentage of employees' salaries and wages and is regularly reviewed and adjusted based on actuarial advice.

The following sets out details in respect of the defined benefit superannuation plans only –

		CCASP		CCBISP		CCA Group	
	Refer Note	**2014 $M**	2013 $M	**2014 $M**	2013 $M	**2014 $M**	2013 $M
a) Balances recognised in the statement of financial position							
Present value of funded defined benefit obligations at the end of the financial year	18d)	**115.2**	120.8	**55.3**	30.5	**170.5**	151.3
Fair value of plan assets at the end of the financial year	18e)	**(123.1)**	(138.7)	**–**	–	**(123.1)**	(138.7)
Net defined benefit (assets)/liabilities		**(7.9)**	(17.9)	**55.3**	30.5	**47.4**	12.6
These amounts are disclosed as –							
Defined benefit liabilities		**–**	–	**55.3**	30.5	**55.3**	30.5
Defined benefit assets		**(7.9)**	(17.9)	**–**	–	**(7.9)**	(17.9)
Net defined benefit (assets)/liabilities		**(7.9)**	(17.9)	**55.3**	30.5	**47.4**	12.6
b) Expense recognised in the income statement							
Service cost	4b)	**5.5**	7.7	**2.2**	3.0	**7.7**	10.7
Interest income on defined benefit superannuation assets	3	**(0.9)**	(0.1)	**–**	–	**(0.9)**	(0.1)
Interest cost on defined benefit superannuation liabilities	4	**–**	–	**2.8**	2.4	**2.8**	2.4
Expense recognised in the income statement		**4.6**	7.6	**5.0**	5.4	**9.6**	13.0
c) Amounts recognised in other comprehensive income							
Actuarial (gains)/losses – experience		**(3.0)**	(3.3)	**3.2**	1.7	**0.2**	(1.6)
Actuarial losses/(gains) – financial assumptions		**12.4**	(9.4)	**16.2**	(9.6)	**28.6**	(19.0)
Actuarial losses/(gains) arising during the financial year		**9.4**	(12.7)	**19.4**	(7.9)	**28.8**	(20.6)
Return on plan assets greater than interest income		**(4.0)**	(11.1)	**–**	–	**(4.0)**	(11.1)
Remeasurement effects recognised in other comprehensive income		**5.4**	(23.8)	**19.4**	(7.9)	**24.8**	(31.7)

18. DEFINED BENEFIT SUPERANNUATION PLANS (CONTINUED)

	CCASP		CCBISP[1]		CCA Group	
	2014	2013	**2014**	2013	**2014**	2013
	$M	$M	**$M**	$M	**$M**	$M
d) Change in defined benefit obligations						
Present value of defined benefit obligations at the beginning of the financial year	**120.8**	137.7	**30.5**	38.2	**151.3**	175.9
Service cost	**5.5**	7.7	**2.2**	3.0	**7.7**	10.7
Interest cost on defined benefit obligations	**4.8**	4.4	**2.8**	2.4	**7.6**	6.8
Actuarial (gains)/losses – experience	**(3.0)**	(3.3)	**3.2**	1.7	**0.2**	(1.6)
Actuarial losses/(gains) – financial assumptions	**12.4**	(9.4)	**16.2**	(9.6)	**28.6**	(19.0)
Benefits paid from plan assets or by plan employer respectively	**(24.8)**	(15.4)	**(2.6)**	(2.6)	**(27.4)**	(18.0)
Administrative expenses paid	**(0.6)**	(1.0)	**–**	–	**(0.6)**	(1.0)
Taxes refunded	**0.1**	0.1	**–**	–	**0.1**	0.1
Net foreign currency movements	**–**	–	**3.0**	(2.6)	**3.0**	(2.6)
Present value of defined benefit obligations at the end of the financial year	**115.2**	120.8	**55.3**	30.5	**170.5**	151.3
e) Change in plan assets						
Fair value of plan assets at the beginning of the financial year	**(138.7)**	(139.4)	**–**	–	**(138.7)**	(139.4)
Interest income on plan assets	**(5.7)**	(4.5)	**–**	–	**(5.7)**	(4.5)
Return on plan assets greater than interest income	**(4.0)**	(11.1)	**–**	–	**(4.0)**	(11.1)
Benefits paid from plan assets	**24.8**	15.4	**–**	–	**24.8**	15.4
Administrative expenses paid	**0.6**	1.0	**–**	–	**0.6**	1.0
Taxes refunded	**(0.1)**	(0.1)	**–**	–	**(0.1)**	(0.1)
Fair value of plan assets at the end of the financial year	**(123.1)**	(138.7)	**–**	–	**(123.1)**	(138.7)

1 The CCBISP has no plan assets. PT Coca-Cola Bottling Indonesia and PT Coca-Cola Distribution Indonesia, in total, accrue CCBISP's liabilities as per the actuarial assessment.

	%	%	**%**	%
f) Plan assets				
The percentage invested in each asset class at the reporting date (including pension assets) was –				
Equity instruments	**33.0**	38.2	**–**	–
Debt instruments	**25.0**	28.1	**–**	–
Real estate	**6.0**	4.7	**–**	–
Cash and cash equivalents	**21.0**	13.4	**–**	–
Other	**15.0**	15.6	**–**	–
g) Principal actuarial assumptions				
The following table sets out the principal actuarial assumptions used as at the reporting date in measuring the defined benefit obligations of each plan (per annum basis) –				
Discount rate	**2.8**	4.3	**8.0**	9.3
Future salary increases	**3.5**	3.8	**8.0**	5.0
Future inflation	**2.5**	2.5	**5.5**	5.5
Future pension increases	**2.5**	2.5	**–**	–

The present value of defined benefit obligations is determined by discounting the estimated future cash flows using a discount rate based on government guaranteed securities with similar due dates to these expected cash flows. For the Australian and Indonesian based plans, 10 year Australian and 9 year Indonesian government bond rates are used respectively, as they have the closest terms obtainable from the bond markets to match the terms of the respective defined benefit obligations.

h) Fair values of the Plans' assets

The fair values of the Plans' assets include no amounts relating to –

- any of the Company's own financial instruments; and
- any property occupied by, or other assets used by, the Company.

18. DEFINED BENEFIT SUPERANNUATION PLANS (CONTINUED)

i) Expected future contributions

	CCASP	
	2015 $M	2014 $M
Expected future contributions	4.5	5.4

While expected employer contributions are based on a percentage of employees' salaries and wages, CCA's funding policy is intended to ensure that the levels of the Australian based plan's assets are sufficient to meet their vested benefit obligations. The amount of contributions may vary to that expected, due to material changes in economic assumptions and conditions, based on regular actuarial advice. Company contributions are agreed between the Plan trustees and the Company, following advice from the Plan actuary at least every three years (or more frequently if circumstances require this).

Vested benefit obligations represent the estimated total amount that the Plans would be required to pay if all defined benefit members were to voluntarily leave the Plans on the particular valuation date. However, the liability recognised in the statement of financial position is based on the projected benefit obligation which represents the present value of employees' benefits accrued to date assuming that employees will continue to work and be members of the Plans until their exit. The projected benefit obligation takes into account future increases in an employee's salary and provides a longer term view of the financial position of the Plans.

j) Maturity profile of defined benefit obligations

The weighted average durations of the defined benefit obligation for CCASP and CCBISP are 8.8 years and 9.2 years respectively.

19. SHARE CAPITAL

	Refer Note	**2014 No.**	2013 No.	**2014 $M**	2013 $M
a) Issued capital					
Fully paid ordinary shares					
Balance at the beginning of the financial year		**763,590,249**	762,133,414	**2,271.7**	2,250.0
Issued in respect of Dividend Reinvestment Plan	19b)	**–**	1,456,835	–	21.7
Balance at the end of the financial year		**763,590,249**	763,590,249	**2,271.7**	2,271.7

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.

b) Dividend Reinvestment Plan (DRP)

CCA's 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 second trading day after the record date for the dividend. The ex-dividend and record dates for the final dividend entitlement are 20 and 24 February 2015.

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

Details of shares issued under the DRP during the financial year are as follows –

	2014			2013		
	Shares issued No.	**Issue price $**	**Proceeds $M**	Shares issued No.	Issue price $	Proceeds $M
Prior year final dividend	**–**	**–**	**–**	1,456,835	14.90	21.7

c) Earnings per share (EPS)

Details of the Company's consolidated EPS, including details of the weighted average number of shares used to calculate EPS, can be found in Note 24.

	2014 $M	2013 $M

20. SHARES HELD BY EQUITY COMPENSATION PLANS

	2014 $M	2013 $M
Balance at the beginning of the financial year	**(16.0)**	(17.4)
Shares vested	**7.2**	9.8
Share based payments[1]	**(7.5)**	(8.4)
Total movements	**(0.3)**	1.4
Balance at the end of the financial year	**(16.3)**	(16.0)

1 Shares purchased on market for Employees Share Plan and Executive Retention Share Plan.

The shares held by equity compensation plans account is used to record the balance of CCA ordinary shares which as at the end of the financial year have not vested to Group employees, and therefore are controlled by the Group. The majority of these shares are held by the Employees Share Plan, with the remainder held by other CCA share plans.

Refer to Note 22 for further information of CCA share plans.

21. RESERVES

a) Reserves at the end of the financial year

	2014 $M	2013 $M
Foreign currency translation reserve	**(36.7)**	(93.5)
Share based remuneration reserve	**13.1**	11.3
Cash flow hedging reserve	**7.6**	(23.4)
Actuarial valuation reserve	**4.7**	23.0
Total reserves	**(11.3)**	(82.6)

b) Movements

Foreign currency translation reserve

	2014 $M	2013 $M
Balance at the beginning of the financial year	**(93.5)**	(106.8)
Translation of financial statements of foreign operations	**56.9**	13.6
Attributable to non-controlling interests	**(0.1)**	(0.3)
Balance at the end of the financial year	**(36.7)**	(93.5)

The foreign currency translation reserve is used to record foreign exchange differences arising from translation of the financial statements of foreign operations.

Share based remuneration reserve

	2014 $M	2013 $M
Balance at the beginning of the financial year	**11.3**	22.9
Expense recognised	**10.5**	8.9
Deferred tax adjustment	**(1.5)**	0.1
Shares vested	**(7.2)**	(9.8)
Share based payments[1]	**–**	(10.8)
Total movements	**1.8**	(11.6)
Balance at the end of the financial year	**13.1**	11.3

1 Shares purchased on market for Long Term Incentive Share Rights Plan.

The share based remuneration reserve is used to record the following share based remuneration obligations to employees and other amounts in relation to CCA ordinary shares –

- as held by the Employees Share Plan, which have not vested to employees as at the end of the financial year;
- to be purchased by the Long Term Incentive Share Rights Plan with respect to unvested incentives for KMP Senior Executives, and for completed plans where awards conditional upon a market condition have not been met; and
- as held by the Executive Retention Share Plan, which have not vested to KMP Senior Executives as at the end of the financial year.

Refer to Note 22 for further information of CCA share plans.

21. RESERVES (CONTINUED)

b) Movements (continued)

	2014 $M	2013 $M
Cash flow hedging reserve		
Balance at the beginning of the financial year	**(23.4)**	(44.4)
Revaluation of cash flow hedges to fair value	**27.9**	29.9
Time value of options –		
transaction related hedged items	**(1.9)**	–
time period related hedged items	**(0.1)**	–
Foreign currency basis spread –		
time period related hedged items	**19.4**	–
Transfer to the income statement	–	0.2
Deferred tax adjustment	**(14.3)**	(9.1)
Total movements	**31.0**	21.0
Balance at the end of the financial year	**7.6**	(23.4)

The cash flow hedging reserve is used to record adjustments to revalue cash flow hedges to fair or market value, where the derivative financial instruments qualify for hedge accounting. Upon realisation of the underlying hedged transactions in future financial years, these revaluation adjustments are reversed from the cash flow hedging reserve and taken to the income statement.

	2014 $M	2013 $M
Actuarial valuation reserve		
Balance at the beginning of the financial year	**23.0**	0.4
Revaluation	**(24.8)**	31.7
Deferred tax adjustment	**6.5**	(9.1)
Total movements	**(18.3)**	22.6
Balance at the end of the financial year	**4.7**	23.0

The actuarial valuation reserve is used to record remeasurements of defined benefit superannuation plan assets and liabilities relating to actuarial gains and losses and the returns on plan assets in excess of or less than interest income.

22. EMPLOYEE OWNERSHIP PLANS

The Company has eight share and option plans for employees and Directors of the Group: the Employees Share Plan, the Long Term Incentive Share Rights Plan, the Executive Salary Sacrifice Share Plan and the Executive Post-tax Share Purchase Plan, which are active; and the Executive Retention Share Plan, the Non-Executive Directors Share Plan, the Non-Executive Directors' Retirement Share Trust and the Executive Option Plan which are inactive. All options in the Executive Option Plan have either been exercised or have lapsed.

Fully paid ordinary shares issued under these Plans rank equally with all other existing fully paid ordinary shares, in respect of voting rights and dividends and future bonus and rights issues.

Employees Share Plan

The Employees Share Plan (ESP) provides employees with an opportunity to contribute up to 3% of their base salary to acquire shares in the Company. The Plan is administered by a trustee which acquires (and holds in trust) shares for the benefit of participants. These shares are acquired through issues of shares to the trustee (the issue price is the weighted average price of a specified five day period prior to issue) or are purchased on market at the prevailing market price. Shares that have been forfeited under the terms of the Plan are also utilised. For every share acquired with amounts contributed by each participant, a matching share is acquired by the trustee. These matching shares, which under normal circumstances vest with the employee after a period of two years from their date of issue (acquisition or utilisation), are acquired with contributions made by the employing entities. Vesting of matching shares with employees does not involve any performance hurdles.

Members of the Plan receive dividends on both vested and unvested shares held on their behalf by the trustee.

As at the end of the financial year, the total number of employees eligible to participate in the Plan was 14,102 (2013: 14,500).

As at the end of the financial year, the number of shares in the ESP, both vested and unvested, was 5,155,416 (2013: 5,396,964). The number of shares vested to employees was 3,714,692 (2013: 4,145,667).

All shares were purchased on market during the financial year. No shares were issued under the Plan during the financial year.

22. EMPLOYEE OWNERSHIP PLANS (CONTINUED)

Long Term Incentive Share Rights Plan

The Long Term Incentive Share Rights Plan (LTISRP) provides Senior Executives with the opportunity to be rewarded with fully paid ordinary shares, providing the Plan meets minimum pre-determined hurdles, as an incentive to create long term growth in value for CCA shareholders. The Plan is administered by a trustee which acquires (and holds in trust) shares for the benefit of participants. These shares are purchased on market or issued to the trustee once the Plan vests.

Senior Executives are invited to participate in the Plan at the invitation of the Compensation Committee. The Committee specifies the performance criteria, covering a three year period, for each annual plan.

Half the grant is subject to a TSR performance condition and the other half is subject to an EPS performance condition. Employees must also meet the service condition of being employed at the end of the three year plan period unless the employment ceased because of death, total and permanent disability, retirement or redundancy or any other reason as determined by the Board in its absolute discretion. In such cases, for employees who have been employed for a period of 12 months or greater within the performance period, there can be a pro-rata award based on the number of completed months employed during the performance period, with the final award being determined at the completion of the performance period. Any unvested share rights are forfeited. No dividends are received on the share rights during the performance period.

The estimated fair value of shares offered in the LTISRP is calculated by multiplying the threshold number of shares by the fair value of the shares at grant date and expensed over the performance period.

For the financial year, the inputs used for valuing the share rights offered under the 2014-2016 plan were: $9.23 share price for the share rights offered on 13 May 2014; risk-free rate of 2.83% based on Australian Government bond yields for periods matching the expected life of the plan (as at offer date); expected volatility of 25% based on the rolling one year historical volatility of CCA's share price and volatility implied in the pricing of traded options; and dividend yield of 5.42% based on the consensus broker forecasts divided by the share price at grant date.

Dividends are payable to participants of the Plan only once the rights vest into shares.

Set out below are details of share rights granted under the Plan –

Sub-plan	Grant date	Opening balance	Granted	Vested	Lapsed and forfeited	Closing balance	Weighted average fair value $
For the year ended 31 December 2014							
2012-2014	1 March 2012	**1,299,933**	**–**	**–**	**(1,299,933)**	**–**	**–**
2012-2014	15 May 2012	**220,307**	**–**	**–**	**(220,307)**	**–**	**–**
2013-2015	1 March 2013	**1,260,306**	**–**	**–**	**(231,375)**	**1,028,931**	**10.45**
2014-2016	13 May 2014	**–**	**1,368,641**	**–**	**(66,983)**	**1,301,658**	**5.60**
2014-2016	13 May 2014	**–**	**209,798**	**–**	**–**	**209,798**	**5.55**
		2,780,546	**1,578,439**	**–**	**(1,818,598)**	**2,540,387**	
For the year ended 31 December 2013							
2011-2013	1 March 2011	1,360,845	–	–	(1,360,845)	–	–
2011-2013	4 May 2011	247,844	–	–	(247,844)	–	–
2012-2014	1 March 2012	1,469,030	–	–	(169,097)	1,299,933	8.77
2012-2014	15 May 2012	247,844	–	–	(27,537)	220,307	9.89
2013-2015	1 March 2013	–	1,324,953	–	(64,647)	1,260,306	10.45
		3,325,563	1,324,953	–	(1,869,970)	2,780,546	

Executive Salary Sacrifice Share Plan

The Executive Salary Sacrifice Share Plan provides Senior Executives with the opportunity to sacrifice earned cash incentives into shares in the Company. The trustee of the Plan acquires shares to the value of the sacrificed amount and holds those shares for the benefit of the participant until the shares are withdrawn.

The sacrificed amount is contributed towards the Plan for the acquisition of shares by the trustee. The trustee holds these shares for the benefit of participants in proportion to their benefits sacrificed.

22. EMPLOYEE OWNERSHIP PLANS (CONTINUED)

Executive Salary Sacrifice Share Plan (continued)

For Australian Senior managers not participating in the Executive Post-tax Share Purchase Plan (detailed in the remuneration report found in the Directors' Report), a portion of the incentive is deferred, with 20% of the pre-tax actual incentive paid (up to target – and 100% of over target) to a maximum of $5,000 sacrificed into CCA shares. These shares are required to be held in trust for a period of 17 months, or until the executive leaves the employment of CCA. For executives outside of Australia, there is no deferral into shares.

As the shares are purchased from earned cash incentives, dividends are payable to the participants of the Plan. Dividends are not forfeited.

As at the end of the financial year, the number of restricted shares in the Plan was 83,382 (2013: 117,715).

Executive Post-tax Share Purchase Plan

For STIP awards from 2013 onwards for a group of approximately 30 Senior Executives, including all KMP Senior Executives, 15% of any pre-tax actual incentive is deducted from their post-tax incentive payment and allocated to an Executive Post-tax Share Purchase Plan for the purpose of acquiring shares in the Company. For Australian executives at the top marginal tax rate, this will equate to approximately 28% of their post-tax incentive being deducted from the short term incentive award in order to purchase shares in the Company. The shares are purchased on market and trading of these shares is restricted for 12 months, irrespective of whether the executive is employed by CCA during this holding period. This assists in increasing the shareholding by KMP Senior Executives and better aligning the executives to the Company.

The shares will transfer to the executive at the end of the 12 month holding period, except if the executive's employment is terminated for cause (or if the executive has already left CCA's employment, and had breached the Company's Code of Business Conduct and that would have resulted in the same outcome), in which case all shares will be forfeited.

The shares are also subject to an exercise of discretion by the Board relating to forfeiture and release and additional limited forfeiture conditions apply, including not taking up employment with a material competitor, supplier or customer of the Company during the 12 month holding period.

As the shares are purchased from earned cash incentives, dividends are payable to the participants of the Plan. Dividends are not forfeited.

As at the end of the financial year, the number of restricted shares in the Plan was 9,206 (2013: 71,446).

Executive Retention Share Plan

Key Senior Executives are invited to participate in the Executive Retention Share Plan (ERSP). The Group Managing Director is not eligible to participate without shareholder approval and was not invited to participate in the Plan.

All shares in relation to the Plan have been purchased on market and the costs are amortised over the vesting period. Forfeited shares are utilised by the Employees Share Plan. Dividends are payable to participants of the Plan on both vested and unvested shares. For shares issued in 2014, dividends reinvested via the DRP are forfeited if the underlying shares are forfeited.

As at the end of the financial year, the number of vested shares in all issues of the Plan was 31,735 (2013: 150,257). There are no unvested shares in the Plan on issue as at 31 December 2014. There are also no plans to commence a Retention Share Plan offering to either KMP or Senior Executives.

Non-Executive Directors Share Plan

The Non-Executive Directors Share Plan was suspended in September 2009.

The Plan is administered by a trustee which acquired (and holds in trust) shares for the benefit of participants, until the participant ceases to be a Director of CCA. Dividends are payable to participants of the Plan.

As at the end of the financial year, there were five Non-Executive Directors participating in the Plan and the number of shares in the Plan was 272,060 (2013: 292,767).

Non-Executive Directors' Retirement Share Trust

The Non-Executive Directors' Retirement Share Trust holds shares in the Company purchased pursuant to applicable Non-Executive Directors' Retirement Allowance Agreements. The participating Directors are entitled to receive dividends or other distributions relating to the shares; however, each applicable Non-Executive Director has agreed to reinvest all dividends receivable on the relevant shares under the DRP. All consequent shares will be held by the trustee of the Non-Executive Directors' Retirement Share Trust and the Directors have agreed that they will not require the trustee to transfer those shares to them until the time of their retirement.

The Trust is administered by a trustee which acquired (and holds in trust) shares for the benefit of participants until the participant ceases to be a Director of CCA.

As at the end of the financial year, there are two applicable Non-Executive Directors participating in the Trust and the number of shares in the Trust was 131,214 (2013: 124,844).

	Refer Note	2014 $M	2013 $M
23. DIVIDENDS			
a) Summary of dividends appropriated during the financial year			
Prior year final dividend[1]		**244.3**	243.9
Prior year final special dividend[2]		**–**	26.7
Current year interim dividend[3]		**152.7**	183.3
Current year interim special dividend[4]		**–**	19.1
Total dividends appropriated		**397.0**	473.0
Dividends satisfied by issue of shares under the Dividend Reinvestment Plan	6b)	**–**	(21.7)
Dividends paid as per the statement of cash flows		**397.0**	451.3
b) Dividends declared and not recognised as liabilities			
Since the end of the financial year, the Directors have declared the following dividends on ordinary shares –			
Current year final dividend[5]		**168.0**	244.3
c) Franking credits			
Balance of the franking account at the end of the financial year		**10.4**	0.5
Franking credits which will arise from payment of income tax provided for in the financial statements		**12.1**	41.1
Total franking credits		**22.5**	41.6

1 Paid at 32.0¢ per share franked to 75% (2013: 32.0¢ per share franked to 75%).
2 Nil (2013: 3.5¢ per share unfranked).
3 Paid at 20.0¢ per share franked to 75% (2013: 24.0¢ per share franked to 75%).
4 Nil (2013: 2.5¢ per share unfranked).
5 Declared at 22.0¢ per share franked to 75% (2013: 32.0¢ per share franked to 75%).

	¢	¢
24. EARNINGS PER SHARE (EPS)		
Basic and diluted EPS	**35.6**	10.5
Before significant items –		
Basic and diluted EPS	**49.2**	65.9

The following reflects the share and earnings information used in the calculation of basic and diluted EPS –

	No. M	No. M
Weighted average number of ordinary shares on issue used to calculate basic and diluted EPS	**763.6**	763.2
	$M	$M
Earnings used to calculate basic and diluted EPS –		
Profit after income tax attributable to members of the Company	**272.1**	79.9
Adjustment for significant items[1]	**103.4**	422.9
Earnings used to calculate basic and diluted EPS before significant items	**375.5**	502.8

1 Amounts classified as significant items consist of a net loss of $144.4 million before income tax and an income tax benefit of $41.0 million, or $103.4 million loss after income tax for 2014 (2013: a net loss of $465.4 million before income tax and an income tax benefit of $42.5 million, or $422.9 million loss after income tax). Refer to Notes 4c) and 5 respectively for further details.

	2014	2013
	$M	$M

25. COMMITMENTS

a) Capital expenditure commitments

Estimated aggregate amount of contracts for purchase of property, plant and equipment not provided for, payable –		
within one year	**82.5**	93.4
later than one year but not later than five years	**6.5**	2.5
	89.0	95.9

b) Operating lease commitments

Lease commitments for non-cancellable operating leases with terms of more than one year, payable –		
within one year	**76.7**	72.3
later than one year but not later than five years	**183.2**	175.6
later than five years	**180.1**	106.8
	440.0	354.7

The Group has entered into commercial non-cancellable operating leases on certain properties, motor vehicles and other items of plant and equipment. Leases vary in contract period depending on the asset involved. Renewal terms are included in certain contracts, whereby renewal is at the option of the specific entity that holds the lease. On renewal, the terms of the leases are usually renegotiated.

26. AUDITORS' REMUNERATION

Amounts received, or due and receivable, by –		
CCA auditor, Ernst & Young (Australia) for –		
audit or half year review of the financial reports	**1.600**	1.600
other services –		
assurance related	**0.337**	0.350
tax compliance	**0.006**	0.086
other	**0.320**	–
	0.663	0.436
	2.263	2.036
Member firms of Ernst & Young in relation to subsidiaries of CCA for –		
audit or half year review of the financial reports	**0.675**	0.584
other services –		
assurance related	**–**	0.089
tax compliance	**0.009**	0.009
	0.009	0.098
	0.684	0.682
Other firms in relation to subsidiaries of CCA for –		
audit or half year review of the financial reports	**0.019**	0.040
other services –		
assurance related	**–**	0.028
tax compliance	**0.042**	0.067
	0.042	0.095
	0.061	0.135
Total auditors' remuneration	**3.008**	2.853

27. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Total remuneration for KMP

Remuneration by category	Refer Note	2014 $M	2013 $M
Short term		**11.5**	9.6
Post employment		**0.6**	1.4
Share based payments[1]		**(1.0)**	1.0
Termination benefits		**5.0**	–
		16.1	12.0

1 Includes reversal amounts in relation to actual or estimated non-vesting of LTISRP amounts and arising from service criteria not being met.

Further details are contained in the remuneration report found in the Directors' Report.

b) Loans to KMP

Neither CCA nor any other Group company has loans with KMP.

c) Other transactions of KMP and their personally related entities

Neither CCA nor any other Group company was party to any other transactions with KMP (including their personally related entities).

28. DERIVATIVES AND NET DEBT RECONCILIATION

a) Derivatives as per the statement of financial position

	Refer Note	2014 $M	2013 $M
Derivative assets – current	29b)	**(24.6)**	(24.0)
Derivative assets – non-current	29b)	**(75.5)**	(51.3)
Derivative liabilities – current	29b)	**22.9**	25.1
Derivative liabilities – non-current	29b)	**119.1**	159.2
Total net derivative liabilities		**41.9**	109.0
Net derivative liabilities comprises –			
debt related		**56.9**	76.8
non-debt related		**(15.0)**	32.2
Total net derivative liabilities		**41.9**	109.0

CCA presents derivative assets and liabilities on a gross basis. Certain derivative assets and liabilities are subject to enforceable master netting arrangements with individual counterparties if they were subject to default. As at 31 December 2014, if these netting arrangements were to be applied to the derivative portfolio, derivative assets and liabilities are reduced by $88.4 million respectively (2013: $72.8 million).

b) Net debt reconciliation

	Refer Note	2014 $M	2013 $M
Cash assets	6	**(818.2)**	(1,425.9)
Net derivative liabilities – debt related		**56.9**	76.8
Interest bearing liabilities – current	15	**325.3**	731.0
Interest bearing liabilities – non-current	15	**2,307.3**	2,377.4
Total net debt		**1,871.3**	1,759.3

29. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising returns to shareholders through the optimisation of net debt and total equity balances.

The capital structure of Group entities is monitored using the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest bearing liabilities and debt related derivatives less cash assets and long term deposits. Total capital employed is calculated as net debt plus total equity.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return equity to shareholders, issue new shares or sell assets to reduce debt. The Group continuously reviews the capital structure to ensure –

- sufficient finance for the business is maintained at a reasonable cost;
- sufficient funds are available for the business to implement its capital expenditure and business acquisition strategies;
- distributions to shareholders are maintained within stated dividend policy requirements; and
- where excess funds arise with respect to the funds required to enact the Group's business strategies, consideration is given to possible returns of equity to shareholders.

The table below details the calculation of the Group's gearing ratio –

	Refer Note	**2014 $M**	2013 $M
Net debt	28	**1,871.3**	1,759.3
Total equity		**1,686.7**	1,739.8
Total capital employed		**3,558.0**	3,499.1
		%	%
Gearing ratio		**110.9**	101.1

Financial risk management

The Group's risk management activities are carried out centrally by CCA's Group Treasury function which is governed by a Board approved Treasury Policy. The Group's principal financial instruments, other than derivatives, comprise cash, short and long term deposits, bank loans and capital markets issues. The main purpose of financial instruments is to manage liquidity and hedge the Group's exposure to financial risks namely –

- interest rate risk;
- foreign currency risk;
- commodity price risk;
- credit risk; and
- liquidity risk.

The Group uses derivatives to reduce the Group's exposure to adverse fluctuations in interest rates, foreign exchange rates and certain raw material commodity prices. These derivatives create an obligation or a right that effectively transfers one or more of the risks associated with an underlying financial instrument, asset or obligation. Derivative financial instruments that the Group may use to hedge risks such as interest rate, foreign currency and commodity price movements include –

- interest rate swaps;
- foreign currency contracts;
- cross currency swaps;
- futures contracts (commodity);
- commodity swaps; and
- option contracts (interest rate, currency and commodity).

The Group establishes an economic relationship between the hedged item (financial risk exposure) and the hedging instrument (derivative) to assess the hedge relationship and effectiveness. Effectiveness is assessed both at inception and at least monthly thereafter, by designating a single or combination of hedging instruments as cash flow hedges to offset the changes in the cash flows of the hedged item, due to movements in the underlying market risk. The notional amounts of the hedging instrument and the hedged item are matched, and all cash flows and dates coincide. The fluctuations in the value of the derivative financial instruments are offset by changes in the fair values or cash flows of the underlying exposures being hedged and have a 100% hedge ratio in the hedge design. However, ineffectiveness may arise from counterparty credit risk, which the Group assesses periodically, but this does not dominate the hedge relationship. The Group does not have any significant credit risk exposure to a single or group of customer(s) or individual institution(s) (refer to Note 29a) iv) Credit Risk).

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

In relation to the above derivative financial instruments, the following table sets out the profile of the hedging instruments separated by risk category for each type of hedge –

Interest rate risk

	Nominal amount[2] (in AUD $M)	Hedge range[1] (interest rates % p.a.) AUD	NZD	USD	JPY	Maturity profile[3]
As at 31 December 2014						
Interest rate options	**190.6**	**2.09% – 4.50%**	**3.25% – 4.50%**	**–**	**–**	28 Jul 15 to 13 Nov 19
Interest rate swaps	**1,638.4**	**3.96% – 6.50%**	**4.35% – 5.08%**	**–**	**–**	21 May 15 to 12 Aug 21
Cross currency swaps	**633.0**	**3.22% – 6.65%**	**5.01% – 6.47%**	**4.15% – 5.20%**	**2.50% – 2.60%**	10 Mar 16 to 20 Jun 36
As at 31 December 2013						
Interest rate options	333.1	2.09% – 6.00%	3.25% – 4.50%	–	–	29 Sep 14 to 13 Nov 19
Interest rate swaps	2,155.2	3.96% – 6.70%	4.35% – 6.02%	–	–	28 Jan 14 to 04 Jun 20
Cross currency swaps	1,074.4	3.03% – 6.65%	4.20% – 6.47%	3.35% – 5.20%	2.50% – 2.60%	03 Nov 14 to 20 Jun 36

Foreign currency risk

	Nominal amount[2] (in AUD $M)	Hedge range[1] (exchange rates) AUD/USD $	AUD/NZD $	AUD/JPY yen	NZD/USD $	IDR/USD rupiah	Maturity profile[3]
As at 31 December 2014							
Cross currency swaps	**633.0**	**0.74 – 0.77**	**1.29 – 1.30**	**85 – 87**	**0.82 – 0.83**	**–**	10 Mar 16 to 20 Jun 36
Foreign currency forwards	**492.5**	**0.81 – 0.98**	**1.05 – 1.26**	**–**	**0.72 – 0.83**	**11,955 – 12,815**	05 Jan 15 to 04 Aug 16
Currency options	**17.7**	**0.85 – 0.90**	**1.10 – 1.25**	**–**	**0.78 – 0.80**	**–**	31 Mar 15 to 05 Jul 16
As at 31 December 2013							
Cross currency swaps	1,074.4	0.74 – 0.90	1.29 – 1.30	85 – 87	0.82 – 0.83	–	03 Nov 14 to 20 Jun 36
Foreign currency forwards	516.5	0.88 – 1.01	1.13 – 1.28	–	0.71 – 0.83	11,235 – 12,306	02 Jan 14 to 05 Jul 16
Currency options	91.8	0.89 – 1.05	1.14 – 1.25	–	0.78 – 0.83	–	15 Jan 14 to 02 Nov 15

Commodity risk

	Nominal volume (in metric tonnes)	Hedge range[1] commodity prices (USD per metric tonne)	Maturity profile[3]
As at 31 December 2014			
Aluminium futures	**49,175**	**1,857.00 – 2,148.40**	16 Jan 15 to 15 Dec 17
Sugar futures[4]	**373,043**	**381.18 – 477.96**	01 May 15 to 02 Oct 17
Coffee futures[5]	**2,632**	**2,039.00 – 4,019.03**	23 Feb 15 to 24 Nov 17
As at 31 December 2013			
Aluminium futures	54,900	1,857.00 – 2,369.00	10 Jan 14 to 16 Dec 16
Sugar futures[4]	411,348	367.51 – 488.32	01 May 14 to 03 Oct 16
Coffee futures[5]	1,666	2,861.82 – 4,212.15	21 Nov 14 to 23 Nov 16

1 Represents low to high ranges at inception date.

2 Nominal amounts are principal amounts of the derivative financial instruments converted to AUD at spot rates as at end of the reporting period.

3 Maturity profile reflects the date range of all open hedge positions taken progressively over a number of years.

4 Market convention for sugar futures are priced in US cents per pound. This has been converted to USD per metric tonne for comparison purposes across the various commodities hedged by the Group.

5 Coffee futures reflect the hedging of Arabica and Robusta beans. Market convention for Arabica coffee futures are priced in US cents per pound. Robusta coffee futures are priced in USD per metric tonne. In the prior year the Group had exposure and hedges in place for Arabica coffee futures only. All coffee futures have been converted to USD per metric tonne for comparison purposes across the various commodities hedged by the Group.

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

a) Risk factors

i) Interest rate risk

Interest rate risk arises from interest bearing financial assets and liabilities that the Group utilises. Non-derivative interest bearing financial instruments are predominantly short term liquid assets and long term debt issued at fixed rates which expose the Group to fair value interest rate risk. The Group's borrowings which have a variable interest rate give rise to cash flow interest rate risk.

The Group's risk management policy for interest rate risk seeks to minimise the effects of interest rate movements on its asset and liability portfolio through active management of the exposures. The policy prescribes that the duration of the portfolio must be three years plus or minus two years and it is usual practice for the next 12 months floating rate exposures to be largely fixed or capped up to a maximum 85% of the forecast exposure.

The Group maintains a mix of offshore and local currency fixed rate and variable rate debt, as well as a mix of long term and short term debt. The Group primarily enters into interest rate swaps, interest rate options and cross currency swap agreements to manage these risks. The Group hedges the interest rate and currency risk on all foreign currency borrowings by entering into cross currency swaps, which have the economic effect of converting foreign currency borrowings to local currency borrowings. The derivative contracts are carried at fair value, being the market value as quoted in an active market.

The derivative financial instruments and details of hedging activities contained in section b) of this Note provide further information in this area. At balance date, the Group had the following mix of financial assets and financial liabilities exposed to floating and fixed interest rate risk –

	Refer Note	Average floating interest rate p.a. %	Floating rate $M	Fixed rate $M	Non-interest bearing $M	Total $M
As at 31 December 2014						
Financial assets						
Cash assets	6	**3.0**	**818.2**	**–**	**–**	**818.2**
Trade and other receivables	7	**–**	**–**	**–**	**981.6**	**981.6**
Derivative assets	28	**–**	**–**	**–**	**100.1**	**100.1**
			818.2	**–**	**1,081.7**	**1,899.9**
Financial liabilities						
Trade and other payables	14	**–**	**–**	**–**	**1,195.8**	**1,195.8**
Bonds	15	**3.4**	**518.7**	**1,841.0**	**–**	**2,359.7**
Loans	15	**–**	**–**	**2.5**	**–**	**2.5**
Bank loans	15	**3.7**	**92.0**	**163.0**	**–**	**255.0**
Bank overdrafts	15	**–**	**–**	**15.2**	**–**	**15.2**
Finance lease	15	**–**	**–**	**0.2**	**–**	**0.2**
Derivative liabilities	28	**–**	**–**	**–**	**142.0**	**142.0**
			610.7	**2,021.9**	**1,337.8**	**3,970.4**

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

a) Risk factors (continued)

i) Interest rate risk (continued)

	Refer Note	**Average floating interest rate p.a. %**	**Floating rate $M**	**Fixed rate $M**	**Non-interest bearing $M**	**Total $M**
As at 31 December 2013						
Financial assets						
Cash assets	6	3.3	1,100.1	325.8	–	1,425.9
Trade and other receivables	7	–	–	–	965.9	965.9
Derivative assets	28	–	–	–	75.3	75.3
			1,100.1	325.8	1,041.2	2,467.1
Financial liabilities						
Trade and other payables	14	–	–	–	1,235.1	1,235.1
Bonds	15	4.2	522.2	2,312.5	–	2,834.7
Loans	15	–	–	3.3	–	3.3
Bank loans	15	3.1	116.6	152.1	–	268.7
Bank overdrafts	15	–	–	1.5	–	1.5
Finance lease	15	–	–	0.2	–	0.2
Derivative liabilities	28	–	–	–	184.3	184.3
			638.8	2,469.6	1,419.4	4,527.8

Sensitivity analysis

The sensitivity analysis on interest rate risk below shows the effect on net profit and equity after income tax if interest rates at balance date had been 10% higher or lower with all other variables held constant, taking into account underlying exposures and related hedges. Concurrent movements in interest rates in the yield curves are assumed.

A sensitivity of 10% has been selected as this is considered a reasonable possible change over the financial year based on historical interest rate movements and also given the current level of both short term and long term Australian interest rates. In 2014, 84.8% (2013: 86.5%) of the Group's debt was effectively held in Australian Dollars. This includes Australian Dollar denominated debt and foreign currency denominated debt which has been swapped into Australian Dollars using cross currency swaps.

Based on the sensitivity analysis, if interest rates were 10% higher/lower, the impact on the Group during the year would be –

	Net profit		**Equity (cash flow hedging reserve) As at 31 December**	
	2014 $M	2013 $M	**2014 $M**	2013 $M
If interest rates were 10% higher with all other variables held constant – increase/(decrease)	**0.2**	0.4	**9.1**	9.6
If interest rates were 10% lower with all other variables held constant – increase/(decrease)	**(0.2)**	(0.5)	**(9.2)**	(9.7)

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

a) **Risk factors** (continued)

ii) Foreign currency risk

Foreign currency risk refers to the risk that the value or the cash flows arising from a financial commitment, or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's foreign currency exchange risk arises primarily from –

- firm commitments and/or highly probable forecast transactions for receipts and payments settled in foreign currencies and prices dependent on foreign currencies respectively;
- borrowings denominated in foreign currency; and
- translation of the financial statements of CCA's foreign subsidiaries.

The Group's risk management policy for foreign exchange is to be able to hedge forecast cost of goods sold related to transactions for up to four years into the future before requiring executive management approval. Foreign currency denominated capital expenditure is generally hedged upon the realisation of firm commitments. The policy only permits hedging of the Group's underlying foreign exchange exposures. The policy prescribes a range of minimum and maximum hedging parameters linked to actual and forecast transactions involving foreign currency exposures which are progressively increased to a range of 25% to 100% in the current year.

Forward foreign exchange and options contracts are used to hedge a portion of the Group's anticipated non-debt related foreign currency risks. These contracts have maturities of less than four years after the reporting date and consequently the net fair value of the gains and losses on these contracts will be transferred from the cash flow hedging reserve to the income statement at various dates during the period when the underlying exposure impacts earnings. The derivative contracts are carried at fair value, being the market value as quoted in an active market.

The Group's exposure to foreign currency risk at the reporting date was as follows (all amounts are in Australian Dollar equivalents) –

	United States Dollars $M	New Zealand Dollars $M	Fijian Dollars $M	Indonesian Rupiah $M	Papua New Guinean Kina $M	Other $M	Total $M
As at 31 December 2014							
Financial assets							
Cash assets	1.3	34.5	8.1	12.1	52.5	12.3	120.8
Trade and other receivables	3.2	99.9	11.2	87.5	29.0	5.8	236.6
Derivative financial instruments							
interest rate derivative contracts	–	0.3	–	–	–	–	0.3
foreign exchange derivative contracts[1]	828.2	–	–	1.1	–	138.0	967.3
commodity derivative contracts	1.2	–	–	–	–	–	1.2
	833.9	134.7	19.3	100.7	81.5	156.1	1,326.2
Financial liabilities							
Trade and other payables	6.3	70.0	10.4	161.3	48.2	5.5	301.7
Interest bearing liabilities[1]	398.7	116.9	2.8	174.4	–	133.4	826.2
Derivative financial instruments							
foreign exchange derivative contracts	8.4	190.1	3.5	63.1	8.3	7.6	281.0
commodity derivative contracts	41.7	–	–	–	–	–	41.7
	455.1	377.0	16.7	398.8	56.5	146.5	1,450.6

1 Other comprises mainly of Japanese Yen.

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

a) Risk factors (continued)

ii) Foreign currency risk (continued)

	United States Dollars $M	New Zealand Dollars $M	Fijian Dollars $M	Indonesian Rupiah $M	Papua New Guinean Kina $M	Other $M	Total $M
As at 31 December 2013							
Financial assets							
Cash assets	1.8	44.9	8.4	2.7	40.6	7.9	106.3
Trade and other receivables	–	99.4	10.7	80.9	23.8	7.4	222.2
Derivative financial instruments							
interest rate derivative contracts	–	1.0	–	–	–	–	1.0
foreign exchange derivative contracts[1]	1,250.0	0.5	–	–	–	167.9	1,418.4
	1,251.8	145.8	19.1	83.6	64.4	183.2	1,747.9
Financial liabilities							
Trade and other payables	8.1	73.8	8.8	143.5	32.2	5.3	271.7
Interest bearing liabilities[1]	813.8	138.2	–	176.5	–	139.0	1,267.5
Derivative financial instruments							
foreign exchange derivative contracts	–	195.9	3.2	55.2	12.6	4.4	271.3
commodity derivative contracts	25.7	–	–	–	–	–	25.7
	847.6	407.9	12.0	375.2	44.8	148.7	1,836.2

1 Other comprises mainly of Japanese Yen.

Sensitivity analysis

The sensitivity analysis on foreign currency risk below shows the effect on net profit and equity after income tax as at balance date from a 10% favourable/adverse movement in exchange rates at that date on a total derivative portfolio basis with all other variables held constant, taking into account all underlying exposures and related hedges.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movement.

The foreign currency risk from the Group's long term borrowings denominated in foreign currency has no significant impact on profit from foreign currency movements as they are hedged into local currency. The table below shows the sensitivities for the movements in exchange rates.

	Net profit		Equity (cash flow hedging reserve) As at 31 December	
	2014 $M	2013 $M	**2014 $M**	2013 $M
If the Australian dollar appreciated by 10% with all other variables held constant – increase/(decrease)	**2.0**	(2.3)	**(19.2)**	(18.5)
If the Australian dollar depreciated by 10% with all other variables held constant – increase/(decrease)	**(0.3)**	(5.9)	**22.9**	30.6

Translation risk

The financial statements for each of CCA's foreign operations are prepared in local currency. For the purpose of preparing the Group's consolidated financial information, each foreign operation's financial statements are translated into Australian Dollars using the applicable foreign exchange rates as at the reporting date or the monthly average for the reporting period. A translation risk therefore exists on translating the financial statements of CCA's foreign operations into Australian Dollars for the purpose of reporting the Group's consolidated financial information. As a result, volatility in foreign exchange rates can impact the Group's net assets, net profit and the foreign currency translation reserve.

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

a) Risk factors (continued)

ii) Foreign currency risk (continued)

In regards to translation risk, the table below presents the impact on net profit and equity after income tax as at balance date from a 10% favourable/adverse movement in exchange rates for the financial year, and as at balance date on the net assets of CCA's foreign operations with all other variables held constant –

	Net profit		**Equity (foreign currency translation reserve) As at 31 December**	
	2014 $M	2013 $M	**2014 $M**	2013 $M
If the Australian dollar appreciated by 10% with all other variables held constant – increase/(decrease)	**(7.2)**	(11.3)	**(87.8)**	(71.3)
If the Australian dollar depreciated by 10% with all other variables held constant – increase/(decrease)	**8.7**	13.7	**107.4**	87.2

iii) Commodity price risk

Commodity price risk is the risk arising from volatility in commodity prices in relation to certain raw materials (mainly sugar and aluminium) used in the business.

The Group's risk management policy for commodity price risk is to be able to hedge forecast transactions for up to four years into the future before requiring executive management approval. The Treasury Policy permits hedging of price and volume exposure arising from the raw materials used in the Group's manufacturing of finished goods. The policy prescribes a range of minimum and maximum hedging parameters linked to actual and forecast transactions involving commodity exposures which are progressively increased to a range of 70% to 100% in the current year.

The Group enters into futures, swaps and option contracts to hedge commodity price risk with the objective of obtaining lower raw material prices and a more stable and predictable commodity price outcome. The derivative contracts are carried at fair value, being the market value as quoted in an active market or derived using valuation techniques where no active market exists.

Sensitivity analysis

The sensitivity analysis on commodity price risk table below shows the effect on net profit and equity after income tax as at balance date from a 10% favourable/adverse movement in commodity prices at that date on a total derivative portfolio basis with all other variables held constant. The table does not show the sensitivity to the Group's total underlying commodities exposure or the impact of changes in volumes that may arise from an increase or decrease in commodity prices.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of commodity prices and the volatility observed both on a historical basis and market expectations for future movement.

	Net profit		**Equity (cash flow hedging reserve) As at 31 December**	
	2014 $M	2013 $M	**2014 $M**	2013 $M
If there was a 10% increase in commodity prices with all other variables held constant – increase/(decrease)	**–**	–	**20.3**	21.4
If there was a 10% decrease in commodity prices with all other variables held constant – increase/(decrease)	**–**	–	**(20.3)**	(21.4)

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

a) Risk factors (continued)

iv) Credit risk

Credit risk is the risk that a contracting entity will not fulfil its obligations under the terms of a financial instrument and will cause the Group to make a financial loss. The Group has exposure to credit risk on all financial assets included in the Group's statement of financial position. To help manage this risk, the Group –

- has a policy for establishing credit limits for the entities it deals with;
- may require collateral where appropriate; and
- manages exposures to individual entities it either transacts with or enters into derivative contracts with (through a system of credit limits).

For credit purposes, there is only a credit risk where the contracting entity is liable to pay the Group in the event of a closeout. The Group is exposed to credit risk on cash balances and on derivative financial instruments with financial institutions. The Group has a policy that sets limits as to the amount of credit exposure to each financial institution. New derivatives and cash transactions are limited to financial institutions that meet minimum credit rating criteria in accordance with the Group's policy requirements.

Bank deposits are made only with approved counterparties and within credit limits assigned to each financial institution. Counterparty credit limits are approved by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate the risk of financial loss as a result of a counterparty's failure to make a payment.

Customer credit risk is managed by each business unit subject to an established policy, procedures and controls relating to customer risk management. Credit limits are set for each customer and these are regularly monitored. Outstanding receivables are regularly monitored and the requirement for impairment is analysed each reporting period. The Group's credit risk is mainly concentrated across a number of customers. Approximately 67.5% (2013: 74.6%) of the trade receivables balance as at balance date is reflected by the total of each operation's top five customers.

The Group's maximum exposure for credit risk is noted in the table below –

	Refer Note	**2014 $M**	2013 $M
Cash assets	6	**818.2**	1,425.9
Trade and other receivables	7	**981.6**	965.9
Derivative assets	28	**100.1**	75.3
Total CCA Group		**1,899.9**	2,467.1

v) Liquidity risk

Liquidity risk is associated with ensuring that there are sufficient funds available to meet the Group's financial commitments as and when they fall due and planning for any unforeseen events which may curtail cash flows.

Liquidity risk is measured by comparing projected debt levels against total committed facilities, where the projected net debt levels take the following into account –

- cash assets;
- existing debt;
- budgeted free cash flows generated by business operations; and
- any proposed acquisitions or divestments.

To help reduce this risk, the Group –

- has a liquidity policy which targets a minimum level of committed facilities relative to net debt;
- has readily accessible funding arrangements in place;
- generally utilises instruments that are tradeable in liquid markets; and
- staggers maturities of financial instruments.

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

a) Risk factors (continued)

v) Liquidity risk (continued)

The Group monitors rolling forecasts of liquidity reserves on the basis of expected cash flow. The objective is to maintain a balance between continuity of funding and flexibility through the use of liquid instruments, borrowings and committed available credit lines.

The contractual cash flows of the Group's financial liabilities are shown in the table below. The contractual amounts represent the future undiscounted principal and interest cash flows and therefore do not equate to the carrying values. The expected timings of cash outflows is set out below –

				Expected timing of contractual cash outflows			
	Refer Note	Carrying value $M	Total contractual cash outflows $M	Less than 1 year $M	1 to 2 year(s) $M	2 to 5 years $M	Over 5 years $M
As at 31 December 2014							
Financial liabilities							
Trade and other payables	14	**1,195.8**	**1,195.8**	**1,195.8**	**–**	**–**	**–**
Interest bearing liabilities	15	**2,632.6**	**3,034.8**	**485.7**	**582.6**	**1,104.1**	**862.4**
Derivative financial instruments							
interest rate derivative contracts[1&2]		**40.2**	**32.2**	**19.9**	**9.5**	**2.8**	**–**
foreign exchange derivative contracts[3]		**60.1**	**157.5**	**3.5**	**30.0**	**15.2**	**108.8**
commodity derivative contracts		**41.7**	**41.7**	**18.7**	**17.3**	**5.7**	**–**
		3,970.4	**4,462.0**	**1,723.6**	**639.4**	**1,127.8**	**971.2**
As at 31 December 2013							
Financial liabilities							
Trade and other payables	14	1,235.1	1,235.1	1,234.3	0.8	–	–
Interest bearing liabilities	15	3,108.4	3,570.4	924.1	380.0	1,440.2	826.1
Derivative financial instruments							
interest rate derivative contracts[1&2]		71.7	61.3	21.9	14.1	18.4	6.9
foreign exchange derivative contracts[3]		84.8	214.4	–	3.4	76.1	134.9
commodity derivative contracts		27.8	27.8	15.0	9.6	3.2	–
		4,527.8	5,109.0	2,195.3	407.9	1,537.9	967.9

1 For floating rate instruments, the amount disclosed is determined by reference to the interest rate at the last repricing date.
2 Net amount for interest rate swaps for which net cash flows are exchanged.
3 Contractual amounts represent gross cash outflows.

Financial risk management (continued)

a) Risk factors (continued)

vi) Fair value

As noted in Note 1 Summary of Significant Accounting Policies, derivative financial instruments are initially recognised in the statement of financial position at fair value on the date on which the derivative contract is entered into and subsequently remeasured to fair value.

The valuation techniques applied by the Group are consistent with those applied in prior year financial reports. The valuation technique used to measure the various financial instruments namely foreign currency contracts, commodity contracts and interest rate contracts are measured based on mark-to-market observable spot exchange rates, commodity prices and interest rate yield curves. This method records any change in fair value of a derivative, in the financial statements.

The financial instruments that are not measured at fair value in the financial statements are bonds that have been accounted for at amortised cost. The bonds at amortised cost have a carrying value of $2,359.7 million (2013: $2,834.7 million) and a fair value of $2,466.0 million (2013: $2,890.8 million). All inputs for valuations are based on interest rates and yield curves at commonly quoted intervals, implied volatilities and credit spreads (i.e. Level 2 inputs) that are observable for a similar liability in the market.

The carrying amounts and estimated fair value of all the Group's financial assets and liabilities recognised in the financial statements are as follows –

	Refer Note	**2014 $M**	2013 $M
Financial assets			
Cash assets	6	**818.2**	1,425.9
Trade and other receivables	7	**981.6**	965.9
Derivatives – hedge accounted through equity	28	**100.1**	75.3
Total financial assets		**1,899.9**	2,467.1
Financial liabilities			
Trade and other payables	14	**1,195.8**	1,235.1
Interest bearing liabilities			
Bonds – at fair value through the income statement[1]	15	**132.4**	139.0
Bonds – at amortised cost[2]	15	**2,227.3**	2,695.7
Loans – at amortised cost	15	**2.5**	3.3
Bank loans – at amortised cost	15	**255.0**	268.7
Bank overdrafts	15	**15.2**	1.5
Finance lease	15	**0.2**	0.2
Derivatives – at fair value through the income statement	28	**19.4**	13.1
Derivatives – hedge accounted through equity	28	**122.6**	171.2
Total financial liabilities		**3,970.4**	4,527.8

1 Represents bonds with effective fair value hedge relationships.

2 Includes bonds carried at historical cost and bonds with effective cash flow hedge relationships.

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

a) Risk factors (continued)

vi) Fair value (continued)

The above mentioned financial assets and financial liabilities remeasurement is based on quoted market prices. For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Certain long dated derivative contracts where there are no observable forward prices in the market are classified as Level 2 as the unobservable inputs are not considered significant to the overall value of the contract.

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).

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.

The fair value as well as the methods used to estimate the fair value of the derivative financial instruments are summarised in the table below –

	Valuation technique		
	Quoted market price (Level 1) $M	**Market observable inputs (Level 2) $M**	**Total $M**
As at 31 December 2014			
Derivative assets			
Derivatives – hedge accounted through equity	**34.8**	**65.3**	**100.1**
Total derivative assets	**34.8**	**65.3**	**100.1**
Derivative liabilities			
Derivatives – at fair value through the income statement	**–**	**19.4**	**19.4**
Derivatives – hedge accounted through equity	**3.3**	**119.3**	**122.6**
Total derivative liabilities	**3.3**	**138.7**	**142.0**
As at 31 December 2013			
Derivative assets			
Derivatives – hedge accounted through equity	23.5	51.8	75.3
Total derivative assets	23.5	51.8	75.3
Derivative liabilities			
Derivatives – at fair value through the income statement	–	13.1	13.1
Derivatives – hedge accounted through equity	4.4	166.8	171.2
Total derivative liabilities	4.4	179.9	184.3

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

b) Hedge accounting

The following table provides details of the Group's derivative financial instruments and hedges that are used for financial risk management and the effects of hedge accounting on the statement of financial position –

	Refer Note	**2014 $M**	2013 $M
Derivative assets – current			
The fair values of derivative financial instruments (debt related) at the end of the financial year designated as cash flow hedges are –			
foreign exchange derivative contracts		**–**	3.4
Total derivative assets – current (debt related)		**–**	3.4
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as cash flow hedges are –			
interest rate derivative contracts		**0.1**	2.5
foreign exchange derivative contracts		**23.8**	18.0
commodity derivative contracts		**0.7**	0.1
Total derivative assets – current (non-debt related)		**24.6**	20.6
Total derivative assets – current	28a)	**24.6**	24.0
Derivative assets – non-current			
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as cash flow hedges are –			
interest rate derivative contracts		**63.9**	43.0
foreign exchange derivative contracts		**11.1**	8.1
commodity derivative contracts		**0.5**	0.2
Total derivative assets – non-current (non-debt related)		**75.5**	51.3
Total derivative assets – non-current	28a)	**75.5**	51.3

29. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

b) Hedge accounting (continued)

	Refer Note	2014 $M	2013 $M
Derivative liabilities – current			
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as cash flow hedges are –			
interest rate derivative contracts		**2.0**	7.1
foreign exchange derivative contracts		**2.5**	3.3
commodity derivative contracts		**18.4**	14.5
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as fair value hedges are –			
foreign exchange derivative contracts		**–**	0.2
Total derivative liabilities – current (non-debt related)		**22.9**	25.1
Total derivative liabilities – current	28a)	**22.9**	25.1
Derivative liabilities – non-current			
The fair values of derivative financial instruments (debt related) at the end of the financial year designated as cash flow hedges are –			
foreign exchange derivative contracts		**37.5**	67.3
The fair values of derivative financial instruments (debt related) at the end of the financial year designated as fair value hedges are –			
foreign exchange derivative contracts		**19.4**	12.9
Total derivative liabilities – non-current (debt related)		**56.9**	80.2
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as cash flow hedges are –			
interest rate derivative contracts		**38.2**	64.6
foreign exchange derivative contracts		**0.7**	1.1
commodity derivative contracts		**23.3**	13.3
Total derivative liabilities – non-current (non-debt related)		**62.2**	79.0
Total derivative liabilities – non-current	28a)	**119.1**	159.2

30. RELATED PARTIES

Parent entity

Coca-Cola Amatil Limited is the parent entity of the Group.

Key management personnel

Disclosures relating to KMP are set out in Note 27, and in the Directors' Report.

Related entities

The Coca-Cola Company (TCCC) through its subsidiary, Coca-Cola Holdings (Overseas) Limited, holds 29.2% (2013: 29.2%) of the Company's fully paid ordinary shares.

CCA has a 50% interest in Australian Beer Company (ABC). Refer to Note 9 for further details.

Transactions with related parties

	2014 $M	2013 $M
Reimbursements and other revenues from –		
Entities with significant influence over the Group		
TCCC and its subsidiaries[1]	**28.8**	20.9
Purchases and other expenses from –		
Entities with significant influence over the Group		
TCCC and its subsidiaries[2]	**796.8**	767.4
Other related parties	**16.7**	16.8
Amounts owed by –		
Entities with significant influence over the Group		
TCCC and its subsidiaries	**26.2**	34.1
Amounts owed to –		
Entities with significant influence over the Group		
TCCC and its subsidiaries	**124.2**	102.1
Other related parties	**1.1**	1.8

1 Under a series of arrangements, the Group participates with certain subsidiaries of TCCC under which they jointly contribute to the development of the market in the territories in which the Group operates. These arrangements include a regular shared marketing expenses program, under which the Group contributes to certain TCCC incurred marketing expenditure and TCCC contributes to certain marketing expenditure incurred by the Group. Certain subsidiaries of TCCC provide marketing support to the Group, which is in addition to the usual contribution to shared marketing initiatives. This is designed to assist the Group with the necessary development of certain territories. Amounts received are either accounted for as a credit to revenue or as a reduction to expense, as appropriate.

2 Represents purchases of concentrates and beverage base for Coca-Cola trademarked products, and finished goods.

Terms and conditions of transactions with related parties

All of the above transactions were conducted under normal commercial terms and conditions.

Outstanding balances at year end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables. For the financial year ended 31 December 2014, the Group has not raised any allowance for doubtful receivables relating to amounts owed by related parties (2013: nil).

31. CCA ENTITY DISCLOSURES

The financial information disclosed in this Note relates to the Company.

	CCA Entity	
	2014	2013
	$M	$M
a) Financial position		
Current assets	**871.0**	1,428.7
Non-current assets	**4,525.3**	4,594.5
Total assets	**5,396.3**	6,023.2
Current liabilities	**740.6**	1,227.2
Non-current liabilities	**2,142.0**	2,118.2
Total liabilities	**2,882.6**	3,345.4
Net assets	**2,513.7**	2,677.8
Equity		
Share capital	**2,271.7**	2,271.7
Reserves		
share based remuneration	**10.5**	8.6
cash flow hedging	**1.1**	(28.1)
actuarial valuation	**15.5**	19.3
other	**(15.7)**	(15.4)
Total reserves	**11.4**	(15.6)
Retained earnings	**230.6**	421.7
Total equity	**2,513.7**	2,677.8
b) Financial performance		
Profit after income tax	**205.9**	594.4
Total comprehensive income	**231.3**	629.1
c) Guarantees		
Subsidiaries bonds, bank loans and other guarantees[1]	**505.7**	589.9

1 No liability has been recognised in relation to these guarantees as the fair value of the guarantees is immaterial.

32. DEED OF CROSS GUARANTEE

Coca-Cola Amatil Limited and certain subsidiaries as indicated in Note 33 have entered into a Deed of Cross Guarantee which provides that all parties to the Deed will guarantee to each creditor, payment in full of any debt of each company participating in the Deed on winding-up of that company. In addition, as a result of ASIC Class Order No. 98/1418, subsidiaries are relieved from the requirement to prepare financial statements.

Consolidated statement of financial position for the closed group	2014 $M	2013 $M
Current assets		
Cash assets	**698.8**	1,321.9
Trade and other receivables	**752.4**	745.9
Inventories	**461.2**	480.0
Prepayments	**58.0**	62.7
Current tax assets	**1.2**	–
Derivatives	**23.6**	20.6
Total current assets	**1,995.2**	2,631.1
Non-current assets		
Other receivables	**10.1**	6.2
Investments in securities	**720.1**	659.9
Investment in joint venture entity	**26.3**	26.4
Investments in bottlers' agreements	**691.9**	691.9
Property, plant and equipment	**1,131.5**	1,242.6
Intangible assets	**224.0**	226.0
Prepayments	**14.1**	15.8
Defined benefit superannuation plans	**7.9**	17.9
Derivatives	**60.4**	40.7
Total non-current assets	**2,886.3**	2,927.4
Total assets	**4,881.5**	5,558.5
Current liabilities		
Trade and other payables	**939.5**	1,023.2
Interest bearing liabilities	**226.0**	704.9
Current tax liabilities	**10.9**	41.1
Provisions	**98.1**	50.3
Derivatives	**22.3**	25.0
Total current liabilities	**1,296.8**	1,844.5
Non-current liabilities		
Other payables	**–**	0.8
Interest bearing liabilities	**2,005.3**	1,985.9
Provisions	**13.8**	13.7
Deferred tax liabilities	**94.1**	103.2
Derivatives	**106.9**	144.1
Total non-current liabilities	**2,220.1**	2,247.7
Total liabilities	**3,516.9**	4,092.2
Net assets	**1,364.6**	1,466.3
Equity		
Share capital	**2,271.7**	2,271.7
Shares held by equity compensation plans	**(16.3)**	(16.0)
Reserves	**28.4**	1.2
Accumulated losses	**(919.2)**	(790.6)
Total equity	**1,364.6**	1,466.3

Consolidated income statement for the closed group[1]		
Profit before income tax	**353.4**	137.5
Income tax expense	**(85.0)**	(115.4)
Profit after income tax	**268.4**	22.1
Accumulated losses at the beginning of the financial year	**(790.6)**	(339.7)
Dividends appropriated	**(397.0)**	(473.0)
Accumulated losses at the end of the financial year	**(919.2)**	(790.6)

1 Total comprehensive income for the financial year was $293.8 million (2013: $56.8 million) represented by profit after income tax of $268.4 million (2013: $22.1 million) adjusted for movements in the cash flow hedging reserve of $29.2 million increase (2013: $18.0 million increase) and in the actuarial valuation reserve of $3.8 million decrease (2013: $16.7 million increase).

33. INVESTMENTS IN SUBSIDIARIES

	Footnote	Country of incorporation	Equity holding† 2014 %	Equity holding† 2013 %
Coca-Cola Amatil Limited	1	Australia		
Subsidiaries				
AIST Pty Ltd	1	Australia	**100**	100
Amatil Investments (Singapore) Pte Ltd		Singapore	**100**	100
Coca-Cola Amatil (Fiji) Ltd		Fiji	**100**	100
Paradise Beverages (Fiji) Ltd		Fiji	**89.6**	89.6
Samoa Breweries Ltd		Samoa	**93.9**	93.9
PT Coca-Cola Bottling Indonesia	2	Indonesia	**100**	100
PT Coca-Cola Distribution Indonesia		Indonesia	**100**	100
Associated Nominees Pty Ltd	3	Australia	**100**	100
Associated Products & Distribution Proprietary	1	Australia	**100**	100
Coca-Cola Amatil (PNG) Ltd		Papua New Guinea	**100**	100
CCA PST Pty Limited	3	Australia	**100**	100
CCA Superannuation Pty Ltd	3	Australia	**100**	100
C-C Bottlers Limited	1	Australia	**100**	100
Beverage Bottlers (Sales) Ltd	1	Australia	**100**	100
CCKBC Holdings Ltd (in liquidation)		Cyprus	**100**	100
Coca-Cola Amatil (Aust) Pty Ltd	1	Australia	**100**	100
Apand Pty Ltd		Australia	**100**	100
Baymar Pty Ltd		Australia	**100**	100
Beverage Bottlers (NQ) Pty Ltd		Australia	**100**	100
Beverage Bottlers (Qld) Ltd	1	Australia	**100**	100
Can Recycling (S.A.) Pty Ltd	1	Australia	**100**	100
Coca-Cola Amatil (Holdings) Pty Limited		Australia	**100**	100
Crusta Fruit Juices Proprietary Limited	1	Australia	**100**	100
Quenchy Crusta Sales Pty Ltd		Australia	**100**	100
Quirks Australia Pty Ltd	1	Australia	**100**	100
Coca-Cola Holdings NZ Ltd		New Zealand	**100**	100
Coca-Cola Amatil (N.Z.) Limited		New Zealand	**100**	100
Kovok Spirits Limited		New Zealand	**100**	100
Vending Management Services Ltd		New Zealand	**100**	100
Johns River Pty Ltd		Australia	**100**	100
Matila Nominees Pty Limited	4	Australia	**100**	100
Neverfail Springwater Limited	1&5	Australia	**100**	100
Neverfail Cooler Company Pty Limited		Australia	**100**	100
Purna Pty Ltd		Australia	**100**	100
Neverfail Bottled Water Co Pty Limited	1&6	Australia	**100**	100
Neverfail SA Pty Limited		Australia	**100**	100
Piccadilly Distribution Services Pty Ltd		Australia	**100**	100
Neverfail Springwater Co Pty Ltd	1	Australia	**100**	100
Neverfail Springwater (Vic) Pty Limited	1	Australia	**100**	100
Neverfail WA Pty Limited	1	Australia	**100**	100
Piccadilly Natural Springs Pty Ltd		Australia	**100**	100
Real Oz Water Supply Co (Qld) Pty Limited		Australia	**100**	100
Neverfail Springwater Co (Qld) Pty Limited	1	Australia	**100**	100
Pacbev Pty Ltd	1	Australia	**100**	100
CCA Bayswater Pty Ltd	1	Australia	**100**	100

Refer to the following page for footnote details.

33. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Footnote	Country of incorporation	Equity holding† 2014 %	2013 %
Subsidiaries (continued)				
SPC Ardmona Limited	1&7	Australia	**100**	100
Ardmona Foods Limited	1	Australia	**100**	100
Australian Canned Fruit (I.M.O.) Pty Ltd		Australia	**100**	100
Digital Signal Processing Systems Pty Ltd		Australia	**100**	100
Goulburn Valley Canners Pty Ltd		Australia	**100**	100
Goulburn Valley Food Canneries Proprietary Limited		Australia	**100**	100
Henry Jones Foods Pty Ltd		Australia	**100**	100
Hallco No. 39 Pty Ltd		Australia	**100**	100
SPC Ardmona (Netherlands) BV		Netherlands	**100**	100
SPC Ardmona (Germany) GmbH (in liquidation)		Germany	**100**	100
SPC Ardmona (Spain), S.L.U.		Spain	**100**	100
SPC Ardmona Operations Limited	1	Australia	**100**	100
Austral International Trading Company Pty Ltd	1	Australia	**100**	100
Cherry Berry Fine Foods Pty Ltd		Australia	**100**	100
SPC Nature's Finest Ltd		United Kingdom	**100**	100

Names inset indicate that shares are held by the company immediately above the inset.

The above companies carry on business in their respective countries of incorporation.

† The proportion of ownership interest is equal to the proportion of voting power held.

Footnotes

1 These companies are parties to a Deed of Cross Guarantee as detailed in Note 32 and are eligible for the benefit of ASIC Class Order No. 98/1418.

2 CCA holds 4.84% of the shares in this company.

3 Associated Nominees Pty Ltd, CCA PST Pty Limited and CCA Superannuation Pty Ltd were trustees of in-house CCA superannuation funds. These superannuation funds were transferred to the AMP SignatureSuper Master Trust in 2007.

4 Matila Nominees Pty Limited is the trustee company for the Group's employee ownership plans.

5 Neverfail Springwater Limited holds 40.7% of the shares in Neverfail Bottled Water Co Pty Limited.

6 Neverfail Bottled Water Co Pty Limited holds 1.5% of the shares in Neverfail Springwater (Vic) Pty Limited.

7 SPC Ardmona Limited holds 50% of the shares in Australian Canned Fruit (I.M.O.) Pty Ltd.

34. EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the financial 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, with the exception of the following –

In December 2014, the CCA Board approved an investment of US$500.0 million (approximately AUD$613.3 million) by a subsidiary of TCCC in new ordinary shares in CCA's Indonesian business (PT Coca-Cola Bottling Indonesia). The investment will equate to a 29.4% ownership interest in PT Coca-Cola Bottling Indonesia, and dilute CCA's equity ownership to 70.6%.

CCA will retain control of, and therefore continue to consolidate PT Coca-Cola Bottling Indonesia, resulting in TCCC's investment being classified as a non-controlling interest within the financial statements of CCA Group.

On 17 February 2015, shareholders of CCA (not associated with TCCC) approved this investment at an Extraordinary General Meeting of CCA. At the date of this report, completion of this investment transaction is subject to approval by Indonesian regulatory authorities.

DIRECTORS' DECLARATION

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

In accordance with a resolution of the Directors of Coca-Cola Amatil Limited dated 27 February 2015, we state that –

In the opinion of the Directors –

a) the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the consolidated entity, are in accordance with the Corporations Act 2001, including –

   i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014, and of its performance for the year ended on that date; and

   ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1b);

c) at the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

d) at the date of this declaration, there are reasonable grounds to believe that the Company and the wholly owned subsidiaries identified in Note 33 to the financial statements as being parties to a Deed of Cross Guarantee with Matila Nominees Pty Limited as trustee, will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed.

This declaration has been made after receiving the declarations required to be made to Directors by the Group Managing Director and Group Chief Financial Officer, in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2014.

On behalf of the Directors

David M. Gonski, AC
Chairman
Sydney
27 February 2015

Alison M. Watkins
Group Managing Director
Sydney
27 February 2015

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Independent auditor's report to the members of Coca-Cola Amatil Limited

Report on the financial report

We have audited the accompanying financial report of Coca-Cola Amatil Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit 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.

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Opinion

In our opinion:

a. the financial report of Coca-Cola Amatil Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1b).

Report on the remuneration report

We have audited the Remuneration Report included in pages 43 to 64 of the directors' report for the year ended 31 December 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Coca-Cola Amatil Limited for the year ended 31 December 2014, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

M Wright

Michael Wright
Partner
Sydney
27 February 2015