

## 2012 AGM – Chairman's Address

David Gonski Chairman

15 May 2012

Ladies and gentlemen....

It is a great pleasure to be able to report to our shareholders that for 2011, Coca-Cola Amatil has again delivered a record result. I believe that to have achieved 5% net profit growth against the backdrop of the difficult trading conditions that CCA faced throughout 2011, was a significant achievement.

For those of you who have been long term shareholders, you would know that the Company has been delivering strong returns for its shareholders over many years, with double-digit earnings per share growth in eight of the past ten years, making CCA one of the best-performing companies in the S&P/ASX 100 index.

Since 2001, CCA has delivered average growth in earnings per share of 10.7% per annum before significant items and the average growth in dividends over this period has been 14.1% per annum.

The Company is certainly benefitting from the strategic decision made in 2005 to focus on organic growth opportunities. CCA has spent the past seven years investing significant amounts of capital in new product development, technology systems and infrastructure to bolster its competitive position in the market place.

The result, I believe, has been to build an excellent and balanced business. CCA today has a strong core Australian and New Zealand business but we also have some good growth opportunities with our Indonesian and our alcoholic beverage businesses.

Importantly, we have been able to create these opportunities without needing to make significant acquisitions, while at the same time generating strong returns on the capital we have invested.

The Company has started the 2012 year in great financial shape. Our balance sheet is strong and this gives us the confidence to continue to reinvest in our business over the next few years so that we may further build upon the position we have established across each of our markets.

I am also pleased to report that CCA's share price performance was again strong in 2011.

Between 2001 and 2011 CCA's total shareholder return, which includes the dividends paid to shareholders, was 288% while the total shareholder return from an investment in the S&P/ASX 100, by contrast, was only 103%.

This highlights the ability of the Company to consistently grow its activities through the highs and lows of the economic cycle.

I would like to cover a few aspects which might be useful to investors in respect of our Company. Firstly, it is important to speak to you about our ongoing relationship with The Coca-Cola Company.

There are two components to our relationship with The Coca-Cola Company. The first is as a major shareholder – which is reflected in their 30% shareholding in our Company – and the second is through the working relationships with them as a supplier of concentrate and partner in new product development.

In both cases, this relationship is strong and healthy. We feel we have great support from The Coca-Cola Company both through its appointees on our Board – Geoff Kelly and Martin Jansen – and also more generally through their senior management throughout the world.

The second area I would like to cover is that of corporate social responsibility.....

CCA has always believed that being a good corporate citizen is an essential part of our business and in fact we believe our financial success is due in part to the way in which we've integrated social and environmental considerations into our core business.

Sustainability at CCA takes many forms – engaging with our communities, being a generous corporate citizen and making sure we do not deplete the environment of resources we use in making our products – especially water.

When it comes to reputation, we understand that trust in our company is not based solely on our ability to deliver strong financial results. Our stakeholders across the CCA Group include not only our shareholders, customers, consumers, suppliers and our staff, but the entire community.

We strive to build trust not only because of our sound financial management and good corporate governance, but also because we are a company that aims to do the right thing across a broad spectrum of community life.

Once again, we have been recognised for this commitment by several national and global measures:

- CCA scored very highly in the recent Corporate Confidence Index which surveys fund managers and broking analysts on a range of measures from performance, earnings quality, integrity and the strength of the management team;
- In the East Coles Corporate Performance Report of ASX 100 companies we ranked Number 1 in our sector in key indices, including Effectiveness of the Board, the CEO and the CFO;
- A survey of 6000 Australians for the AMR Corporate Reputation Index of Australia's leading 60 companies ranked us very highly;
- CCA was one of only two Australian companies recognised for Leadership in the AON Hewett survey of Top 20 Asia-Pacific companies;
- Analysts rate us very favourably for our Environment, Social and Governance measures.



These days our range of Environmental, Social and Governance commitments are too broad for me to list here in detail. However we've put together this short video to show you just some of the major projects we've undertaken in the past 12 months.

### **DVD – SUSTAINABILITY**

Ladies and gentlemen, the Board is very pleased with the operating performance of the Company for 2011 and its operating results so far in 2012.

The strong result, achieved in a tough trading environment, was due to the enormous hard work by each of our 15,000 employees. As a Board and on behalf of you, our shareholders, we wish to publicly acknowledge the work of Terry Davis, his senior team as well as all of our employees. We are very fortunate to have such a dedicated, passionate and committed team of people.

I will now invite Terry to provide more detail on the business priorities for the next few years as well as a trading update for the first half.