COCA-COLA AMATIL

ASX Announcement

15 May 2012

AGM TRADING UPDATE

Coca-Cola Amatil Limited (CCA) today is providing an update at its Annual General Meeting on trading for the first half to 30 June 2012 and is announcing the establishment of distribution agreements for beer with Grupo Modelo, Carlsberg and Molson Coors for Fiji, Papua New Guinea and the Pacific Islands.

AGM TRADING UPDATE

CCA expects to generate around 4-5% growth in net profit for the first half of 2012, before significant items. CCA's Group Managing Director, Terry Davis said, "Given the difficult trading and consumer environment we are pleased with the operating performance in the year to date. Indonesia and PNG have experienced a very strong start to the year, momentum in the Australian business is improving after a weather affected summer trading period and Project Zero initiatives continue to drive productivity improvements across the Group. With the impending acquisition of the Fiji beer and spirits business, together with the establishment of beer distribution agreements in the South Pacific, we remain confident about developing the many opportunities we have for our alcoholic beverages business."

Australia – The Australian business expects to deliver an improved volume and revenue performance in 2012 with volume growth of 1-2% expected for the first half of the year. Mr Davis said, "With significant revenue generated from cold beverages, the business was heavily impacted in January and February by the wettest summer in over 50 years which affected NSW and Queensland throughout the peak trading season. In addition, the macro environment in Australia remains challenging with weaker demand particularly notable for our business in key holiday destinations along the Eastern seaboard.

"We enjoyed a solid Easter trading period and price realisation in the year to date has been positive. Looking forward, there is a strong consumer and trade promotional programme in the lead up to the Olympics, with Coca-Cola a key sponsor."

New Zealand & Fiji – As the New Zealand economy continues to soften, consumer confidence and retail sales have weakened in the year to date. While CCA's business has gained market share this year, the overall beverage category has declined and as a result, New Zealand & Fiji would expect to record a decline in volume and earnings for the half.

Indonesia & PNG – Indonesia and PNG has made a very strong start to the year with volumes growing by over 10% in the first four months. CCA would again expect to deliver strong first half volume and earnings growth. Mr Davis said, "Economic fundamentals in Indonesia continue to be robust with GDP growth expected to be over 6% this year supported by positive government financial reforms that are encouraging much needed investment in infrastructure.

"We will once again up-weight our investment in the region as the growth outlook for both countries remains promising. In 2011 we spent $100 million and this year we will increase our capital expenditure to $120 million, or around 25% of Group capex. This will deliver a 15% increase in our beverage production capacity and a more than 10% increase in cold drink coolers in the market."

Alcohol, Food & Services – AF&S would expect to record an improvement in earnings for the half. The Beam business has performed strongly in the year to date and will benefit from a full six month earnings contribution for the half. The strong Australian dollar however continues to impact SPC Ardmona's competitiveness against cheap imported brands and retailer private label categories in Australia.

Capital expenditure – CCA continues to deliver efficiency and customer service improvements ahead of internal targets from the strong pipeline of capital projects. Mr Davis said, "The rollout of Project Zero initiatives continues to reduce our cost of doing business and hence provides a competitive platform to drive innovation across the Group. The pipeline of projects extends out to at least 2015 with 2012 expected to be a peak year for capital expenditure with an overall investment now expected to be between $440 and $460 million on capacity and capability improvements."

Beverage Cost of Goods Sold – For 2012, CCA continues to expect beverage COGS per unit case to increase by 3.5-4% on a constant currency basis. The Indonesian business expects mid to high single-digit growth in COGS per unit case.

Tax rate – The effective tax rate for 2012 is expected to be around 29%.

Significant items – For the first half of 2012, CCA expects to record a small significant gain as a consequence of the $34.2 million in proceeds received from SABMiller for not proceeding with the acquisition of the Foster's Australian spirits business. This amount will be largely offset by further costs and inventory write downs associated with the ongoing transformation of the SPC Ardmona food business.

Acquisition of Foster's Fiji Beer & Spirits Business – As advised on 20 March 2012, CCA intends to proceed with the acquisition of the Foster's Fiji business at a cost of approximately $62 million and is currently going through the regulatory approval process in Fiji.

DISTRIBUTION AGREEMENTS FOR BEER WITH GRUPO MODELO, CARLSBERG AND MOLSON COORS

CCA has entered into multi-year agreements with Grupo Modelo, Carlsberg and Molson Coors to distribute a large portfolio of premium beer brands across Papua New Guinea, Fiji and the Pacific Islands with some brands to be distributed into New Zealand.

CCA's Group Managing Director, Terry Davis said, "Our new partnerships combine some of the world's leading international premium beer brands with CCA's large-scale customer and distribution capabilities. CCA will now have a stronger beverage portfolio offering across the Pacific region and these partnerships will complement our growth plans with the potential acquisition of Foster's Fiji brewery and distillery which makes Fiji Bitter and Bounty Rum."

CCA will commence distribution of all brands from mid 2012 following receipt of regulatory approvals.

Brands and distribution coverage:

- Grupo Modelo's brands include the best-selling Corona Extra, Pacifico and Negra Modelo with distribution to include Fiji, PNG and Pacific Islands
- The Carlsberg agreement is for the Carlsberg brand with distribution to include Fiji, PNG and Pacific Islands (excluding New Caledonia, Guam and American Samoa)
- Molson Coors brands include Coors Light, Carling, Caffrey's, Cobra with distribution for New Zealand, PNG, Fiji and Pacific Islands excluding Samoa

A further trading update will be provided at the release of CCA's Interim Result on 22 August 2012.

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