COCA-COLA AMATIL

4 March 2013

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

FINANCIAL AND STATUTORY REPORTS 2012

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 2012.

Yours sincerely

George Forster
General Counsel and Company Secretary
Tel: +612 9259 6130

COCA-COLA AMATIL

Financial and Statutory Reports

For the financial year ended 31 December 2012

Contents

Directors' Report **[28]**

Financial Report

Income Statement [64]

Statement of Comprehensive Income [65]

Statement of Financial Position [66]

Statement of Cash Flows [67]

Statement of Changes in Equity [68]

Notes to the Financial Statements

1. Summary of Significant Accounting Policies [69]
2. Segment Reporting [80]
3. Revenue [82]
4. Income Statement Disclosures [82]
5. Income Tax Expense [84]
6. Cash and Cash Equivalents [85]
7. Trade and Other Receivables [86]
8. Inventories [87]
9. Other Financial Assets [87]
10. Investment in Joint Venture Entity [88]
11. Investments in Bottlers' Agreements [88]
12. Property, Plant and Equipment [89]
13. Intangible Assets [90]
14. Impairment Testing of Investments in Bottlers' Agreements and Intangible Assets with Indefinite Lives [91]
15. Trade and Other Payables [93]
16. Interest Bearing Liabilities [94]
17. Provisions [95]
18. Deferred Tax Liabilities [96]
19. Defined Benefit Superannuation Plans [97]
20. Share Capital [100]
21. Shares Held by Equity Compensation Plans [100]
22. Reserves [101]
23. Employee Ownership Plans [102]
24. Dividends [105]
25. Earnings Per Share (EPS) [106]
26. Commitments [107]
27. Contingencies [107]
28. Auditors' Remuneration [108]
29. Business Combinations [109]
30. Key Management Personnel Disclosures [111]
31. Derivatives and Net Debt Reconciliation [114]
32. Capital and Financial Risk Management [115]
33. Related Parties [127]
34. CCA Entity Disclosures [128]
35. Deed of Cross Guarantee [129]
36. Investments in Subsidiaries [130]
37. Events after the Balance Date [131]

Directors' Declaration [132]

Independent Auditor's Report **[133]**

The Directors submit hereunder their Report for the financial year ended 31 December 2012.

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	393,380	–
Ilana Rachel Atlas	5,000	–
Catherine Michelle Brenner	14,083	–
Terry James Davis	524,071	613,785
Anthony Grant Froggatt	38,928	–
Martin Jansen	10,173	–
Geoffrey James Kelly	22,460	–
Wallace Macarthur King, AO	55,516	–
David Edward Meiklejohn, AM	25,497	–

1 Consists of vested share rights for the 2010-2012 plan plus the maximum number of unvested share rights in the 2011-2013 and 2012-2014 plans.

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

Dividends

	Rate per share ¢	Amount $M	Date paid or payable
Dividends declared on ordinary shares for 2012 (not recognised as liabilities) –			
Final dividend (franked to 75%)	32.0	243.9	2 April 2013
Special dividend (unfranked)	3.5	26.7	2 April 2013
Dividends paid on ordinary shares in the financial year –			
Final dividend for 2011 (franked to 100%)	30.5	231.7	3 April 2012
Interim dividend for 2012 (franked to 100%)	24.0	182.7	2 October 2012

Operating and financial review

Principal activities and operations

The principal activities of Coca-Cola Amatil Limited and its subsidiaries (Group or CCA Group) during the financial year ended 31 December 2012 were –

- the manufacture, distribution and marketing of carbonated soft drinks, still and mineral waters, fruit juices, coffee and other alcohol-free beverages;
- the processing and marketing of fruits, vegetables and other food products; and
- the manufacture and distribution of alcohol ready-to-drink products, and the distribution of premium spirits and beer brands.

The Group's principal operations were in Australia, New Zealand, Fiji, Indonesia and Papua New Guinea (PNG).

Financial results

The Group's net profit attributable to members of the Company was $459.9 million, compared with $591.8 million in 2011. The net profit attributable to members includes a net significant item loss of $98.5 million after income tax, relating to a gain on discontinuation of a business acquisition, gain on Cascade related transactions and restructuring expenses attributable to the alcohol strategy and ongoing restructure of the SPC Ardmona (SPCA) business. The corresponding period in 2011 includes a net significant item gain of $59.8 million after income tax, relating to a revaluation gain to fair value of CCA's 50% interest in Pacific Beverages Pty Ltd (Pacific Beverages) and certain expenses that are directly attributable to the sale, the separation of the Pacific Beverages business from CCA and the resulting strategic restructure of CCA, and expenses arising from the SPCA business restructure. Refer to Notes 4c) and 5 to the financial statements for further details.

The Group's trading revenue for the financial year increased by 6.2% to $5,097.4 million, compared with $4,801.2 million for 2011. The Group's earnings before interest and tax (EBIT) and significant items for the financial year increased by 3.1% to $895.5 million, compared with $868.9 million for 2011.

Operating cash flow increased by 15.6% to $741.9 million, compared with $641.8 million in 2011.

Review of operations

Segment result (defined as earnings before interest, tax and significant items) for each operating segment was as follows –

- Non-Alcohol Beverage business –
  Australia increased by 3.3% to $627.4 million, compared with $607.2 million in 2011;
  New Zealand & Fiji was $70.1 million, compared with $79.5 million in 2011;
  Indonesia & PNG increased by 16.8% to $102.9 million, compared with $88.1 million in 2011; and
- Alcohol, Food & Services business increased by 2.0% to $95.1 million, compared with $93.2 million in 2011.

Further details of the operations of the Group during the financial year are set out on pages [x] to [x] of the Annual Report.

Operating and financial review continued

Significant changes in the state of affairs

In August 2012, CCA lent $24.4 million to the Australian Beer Company, part of the Casella group. The loan will convert into an equity interest in the Australian Beer Company after the expiration of CCA's restraint on selling beer in Australia on 16 December 2013.

In September 2012, CCA acquired an 89.6% shareholding of Paradise Beverages (Fiji) Ltd (formerly known as Foster's Group Pacific Limited) for a purchase consideration of approximately $59.7 million.

During the financial year, CCA also acquired various individually immaterial businesses within the beverage industry.

In the opinion of the Directors, there have been no other significant changes in the Group's state of affairs or principal activities during the 12 months to 31 December 2012.

Future developments

Information on the future developments of the Group and its business strategies are included in the front section of the Annual Report.

While the Company continues to meet its obligations in respect of continuous disclosure, further information of likely developments, business strategies and prospects has not been included here because, in the opinion of the Directors, such disclosure would unreasonably prejudice the interests of the Group.

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 corrected as part of routine management, and typically notified to the appropriate regulatory authority.

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	6	6	4	4	4	4	4	4	7	7	1	1	–
I.R. Atlas	6	6	4	4	–	–	4	4	7	7	1	1	–
C.M. Brenner	6	6	–	–	4	4	4	4	7	7	1	1	–
T.J. Davis	6	6	4*	4*	4*	4*	4*	4*	7*	7*	1*	1*	6
A.G. Froggatt	6	6	4	4	–	–	4	4	7	7	1	1	–
M. Jansen[7]	6	6	4	4	–	–	–	–	–	–	–	–	–
G.J. Kelly[7]	6	6	–	–	–	–	4	4	–	–	–	–	–
W.M. King, AO	6	5	–	–	4	3	–	–	7	6	1	1	–
D.E. Meiklejohn, AM	6	6	4	4	4	4	–	–	7	7	1	1	–

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 reviews systems of control so as to effectively safeguard against contraventions of the Company's statutory responsibilities and to ensure there are policies and procedures in place to protect the Company's reputation as a responsible corporate citizen. It consists of four Non-Executive Directors.

3 The Compensation Committee reviews matters relevant to the remuneration of Executive Directors 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 Non-residents of Australia.

** Mr T.J. Davis attended by invitation.*

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	W.M. King, AO	C.M. Brenner	C.M. Brenner	C.M. Brenner
D.M. Gonski, AC	D.E. Meiklejohn, AM	D.M. Gonski, AC	A.G. Froggatt	A.J. Froggatt
M. Jansen		G.J. Kelly	W.M. King, AO	W.M. King, AO
			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.

Share rights

Details of movements in share rights during the financial year are included in Note 23 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.

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.

Remuneration report

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

For the purpose of this report, KMP of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company. For the purpose of this report, the term "executive" encompasses the Group Managing Director, senior executives, general managers and secretaries of the Company and the Group.

CCA's KMP for 2012 are –

KMP Non-Executive Directors

D.M. Gonski, AC	Chairman
I.R. Atlas	Director
C.M. Brenner	Director
A.G. Froggatt	Director
M. Jansen	Director
G.J. Kelly	Director
W.M. King, AO	Director
D.E. Meiklejohn, AM	Director

KMP Executives

T.J. Davis	Executive Director and Group Managing Director	
G. Adams	Managing Director, New Zealand & Fiji	
J. Murphy	Managing Director, Australian Beverages	Appointed 1 July 2012
N.I. O'Sullivan	Group Chief Financial Officer	
V. Pinneri	Managing Director, SPCA	
E. Rey	Managing Director, Indonesia & PNG	
W.G. White	Managing Director, Australasia.	

There were no other changes to KMP during the reporting period, or after the reporting date up to the date the financial report was authorised for issue.

On 17 January 2013, agreement was reached that Mr Adams' employment with CCA would cease by no later than 30 June 2013. Mr Barry O'Connell has been appointed to replace him and takes up his role in early April 2013.

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 [133].

The remuneration report is in six sections as follows –

A. Remuneration Strategy
B. Remuneration Structure
   a) Fixed Remuneration
   b) Variable/At Risk Remuneration
      i) Short Term Incentive Plan (STIP)
      ii) Executive Retention Share Plan (ERSP)
      iii) Long Term Incentive Share Rights Plan (LTISRP)
   c) Performance of CCA and the Link to Reward
   d) Remuneration Consultants
C. Summary of Employment Contracts
D. Statutory Remuneration of Executives
E. Remuneration of Non-Executive Directors
F. Policy on Trading in CCA's Shares.

Remuneration report continued

A. Remuneration Strategy

The Compensation Committee (Committee) is responsible for reviewing the nature and amount of the Group Managing Director's and senior executives' remuneration.The Board (on the recommendations of the Committee) has set a remuneration strategy that supports and drives the achievement of CCA's strategic objectives. By establishing a remuneration structure that motivates and rewards executives for achieving key targets linked to CCA's business objectives, the Board is confident that its remuneration strategy focuses CCA's people on creating superior shareholder wealth, in line with CCA's strategic intent.

The following diagram illustrates how CCA's remuneration strategy and the structure the Board has implemented to achieve this strategy align with CCA's business objectives –

CCA's Strategic Business Objectives

Continue to provide sustainable returns that are superior to those of CCA's competition.	To invest in CCA capacity and encourage business growth.	Conduct business and operate within the community as a good corporate citizen.

Remuneration Components

Base (Fixed) Remuneration

- Base level of reward;
- Set at a competitive market level and reviewed annually in light of data sourced from external remuneration suppliers and/or recommendations from remuneration consultants; and
- Dependent on employee's experience, knowledge, skills, level of responsibility and general performance.

Short Term Incentive

- Determined by reference to achievement of pre-determined business performance and individual performance measures;
- Business performance measures include volume (that aligns to trading revenue) and EBIT or net profit after tax (NPAT);
- Individual performance measures focus on team performance and individual contributions; and
- Delivered in cash annually if pre-determined stretching targets are met, with a proportion deferred into CCA shares for a specified period.

Long Term Incentives

Long Term Incentive Share Rights Plan

- Set by reference to CCA's peer group of companies in the external market;
- Determined by CCA's performance against financial performance measures of total shareholder return (TSR) and earnings per share (EPS);
- No value derived unless CCA meets or exceeds performance measures – greater rewards available for exceeding the minimum performance threshold; and
- Delivered in equity to align shareholder and executive interests.

Executive Retention Share Plan

- Award of shares offered to small number of key executives to incentivise continued employment with CCA; and
- Shares vest if participating executives remain employed for a set number of years from grant date (normally three years).

CCA's Remuneration Strategy

Attract, motivate, retain and reward top calibre executives to deliver superior performance by:

- providing competitive remuneration, linked to the value executives will bring to CCA (with total remuneration for the Group Managing Director and senior executives targeted at the 75th percentile of comparable positions in comparable companies) given the achievement of stretching targets; and
- providing executives with the opportunity to achieve further incentives based on individual performance and the achievement of demanding and stretching targets.

Align executive rewards to CCA's performance and shareholder interests by:

- assessing incentives against multiple financial and non-financial business measures that are aligned with CCA's strategy; and
- making significant components of total remuneration dependent on CCA's performance (with the proportion of equity-based at risk component of remuneration increasing as an executive's potential impact on the performance of the business increases).

A. Remuneration Strategy continued

There are a number of principles which underpin CCA's remuneration strategy –

- remuneration will be competitively set to attract, motivate and retain top calibre executives;
- remuneration will incorporate, to a significant degree, variable pay elements for short term and long term performance, which will:
  - link executive reward with the strategic goals and performance of the Group;
  - align the interests of executives with those of shareholders;
  - reward the Group Managing Director and senior executives for Group, business unit (where applicable) and individual performance against appropriate benchmarks and targets; and
  - ensure total remuneration is competitive by market standards;
- remuneration will be reviewed annually by the Committee through a process that considers Group, business unit (where applicable) and individual performance. The Committee will also consider and will take into account market comparisons for similar roles, together with the level of responsibility of the individual, particularly as CCA is in a unique position in Asia/Pacific of having to compete for senior talent within the global Coca-Cola system;
- remuneration systems will complement and reinforce the Company's Code of Business Conduct and succession planning; and
- remuneration and terms and conditions of employment will be specified in an individual letter of employment and signed by the Company and the executive. The relationship between remuneration and potential annual and long term incentive payments is established for each level of executive management by the Committee. For executives, potential incentive payments as a proportion of total potential remuneration increase with seniority and responsibility within the organisation.

The Committee's Charter is available on CCA's website at www.ccamatil.com.

B. Remuneration Structure

As depicted above, CCA's executive remuneration is structured as a mixture of fixed remuneration (which includes base salary and benefits such as superannuation) and variable remuneration, through at risk short term incentive plan (STIP) and long term incentive (LTI) components (Long Term Incentive Share Rights Plan or LTISRP and Executive Retention Share Plan or ERSP).

While the fixed remuneration is designed to provide for predictable base levels of remuneration, the STIP and LTI components reward executives when certain pre-determined stretching performance conditions and/or service conditions are met or exceeded.

The Company's remuneration structure is designed to provide flexibility to individual remuneration packages for the Group Managing Director and executives based on their importance to the success of the business and the extent to which they are in a position to influence Company performance.

In 2012, there were no significant changes to the remuneration structure, nor were there significant changes to the quantum of on-target fixed remuneration, STIP and LTISRP for key executives, given the consistent successful performance of the CCA Group detailed on page [46].

CCA continues to review and adapt its remuneration approach to comply with all current legislation, and aims to be at the forefront of corporate governance in contemporary remuneration practices and taking into account any feedback from stakeholders, particularly shareholders. To that end, changes took place in 2012 to increase the amount of shares held under a deferred STIP arrangement and also to increase the holding of CCA shares by senior executives, both of which are detailed in the following sections.

The Group Managing Director's and senior executives' total remuneration is targeted at the 75th percentile of comparable positions in comparable companies, which is achieved when individual and Company performance targets are met. CCA's individual and company performance targets are considered by the Board to be consistently demanding and achieving these challenging targets requires high calibre executives to be attracted to and retained within CCA, as well as being appropriately rewarded, hence the targeting at the 75th percentile.

Comparable companies historically have included 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. These comparator definitions have thus resulted in comparator groups for the Group Managing Director remuneration review being defined as companies ranked on the Australian Securities Exchange (ASX) by market capitalisation in the ASX 50, with a sub peer group of ASX companies ranked between number 15 and 40. An alternate peer group that was utilised in the 2012 review was ASX 100 companies with revenues between 50% to 200% of those of CCA.

Remuneration report continued

B. Remuneration Structure continued

The Company's approach in recent years is to have a greater component of at risk remuneration for executives and senior executives represented by CCA shares. At risk remuneration as a percentage of total remuneration is broadly dependent on the importance of the individual to the success of the business and their potential to impact business performance.

CCA executives are also encouraged to hold CCA shares to further align their interests with those of the Company and its shareholders, with the following shareholding guidelines based on length of employment.

From 1 January 2013, these amounts increased as follows (with amounts prior to 1 January 2013 shown in brackets) –

- upon reaching five years of employment, to hold equivalent of at least 40% of annual base salary in CCA shares (was 30%);
- upon reaching 10 years of employment, to hold equivalent of at least 60% of annual base salary in CCA shares (was 50%); and
- upon reaching 15 years of employment, to hold equivalent of at least 100% of annual base salary in CCA shares (was 75% and over 20 years 100%).

The remuneration mix (i.e. the relative proportions of total remuneration received as fixed and variable/at risk remuneration) for those executives with ongoing employment at the end of 2012 are set out in the following table –

Name	Position	Fixed remuneration %	Variable remuneration[1] %
KMP Executives			
T.J. Davis	Executive Director and Group Managing Director	47	53
G. Adams	Managing Director, New Zealand & Fiji	56	44
J. Murphy	Managing Director, Australian Beverages	55	45
N.I. O'Sullivan	Group Chief Financial Officer	46	54
V. Pinneri	Managing Director, SPCA	49	51
E. Rey	Managing Director, Indonesia & PNG	65[2]	35
W.G. White	Managing Director, Australasia	48	52

1 The percentage of each component of remuneration is calculated with reference to "target" performance outcomes in both STIP and LTISRP measures – for more information on performance measurement levels, see the following sections on the STIP and LTISRP.

2 Fixed remuneration for Mr Rey, whilst in Asia, includes expatriate costs.

B. Remuneration Structure continued

a) Fixed Remuneration

Components of fixed remuneration	Fixed remuneration comprising base salary, benefits (including superannuation) and applicable fringe benefits tax (reflecting CCA's total cost to the Company approach) is determined on an individual basis, considering the size and scope of the role, the importance of the role to the Company and the demand for the role in the market place. It may also include deferred remuneration, which is either a once off payment in cash or a once off award of CCA shares made at the completion of a specified employment period. Base salary is reviewed annually through a process that ensures an executive's fixed remuneration remains competitive in the market place and reflects their skills, knowledge, accountability and general performance. This process involves market based reviews, externally benchmarked to equivalent and comparable companies in Australia and where applicable other markets where CCA operates.
Review of fixed remuneration	Fixed remuneration does not vary over the course of a year due to performance. Remuneration packages (including fixed and variable components and benefits) are reviewed annually and no component is guaranteed to increase.
Benchmarks for setting fixed remuneration	The Committee obtains data from external remuneration consultants on the comparable level of fixed remuneration, and considers international and local market practices and market comparisons for similar roles, together with the level of responsibility, performance and potential of the executive (for further detail on how this data is obtained, refer to the section on Remuneration Consultants on page [54]).

b) Variable/At Risk Remuneration

At risk remuneration, which comprises both short (annual) and long term incentives, is an integral part of CCA's approach to providing competitive performance based remuneration. The at risk components of the Group Managing Director's and senior executives' remuneration are intended to ensure that an appropriate proportion of their remuneration is linked to growth in shareholder value and the achievement of key operational targets and are described further below.

i) STIP

Overview	The STIP provides the opportunity for executives to earn an annual incentive upon the achievement of targets set at the beginning of the financial year, which is delivered to senior executives as a combination of cash and deferred shares. The Board annually invites the Group Managing Director and senior executives to participate in the STIP. The on-target STIP amounts are set by reference to companies comparable to CCA. The incentives are included in the executive's remuneration package at an on-target value, which assumes 100% achievement of the targets. Company performance targets are reviewed and approved by the Committee prior to the start of the financial year, and are clearly defined, measurable and stretching taking into account both prior year achievements and prevailing market conditions.

Remuneration report continued

B. Remuneration Structure continued

b) Variable/At Risk Remuneration continued

i) STIP continued

Objective

The STIP's key objectives are set each year to emphasise team performance and to identify and reward individual contributions.

Performance conditions

Payments from the STIP are based on the performance of the Group or business unit (BU) and the individual's performance over the past financial year. The calculation of the STIP award is as follows –

- business performance is weighted at 70% of the award. Group business performance is based on achievement of key performance drivers of volume and NPAT before significant items targets against budget (with achievement against prior year also taken into account), based on a pre-determined formula, with volume achievement weighted at 40% and NPAT achievement weighted at 60%. Individual beverage business units are assessed on their business unit specific volume and EBIT targets and are also weighted at between 40% and 50% for volume and 50% and 60% for EBIT.

  The combination of volume and NPAT/EBIT achievement against stretch targets are direct measurements of the company performance, which if achieved will in turn provide shareholders with increased returns on their investment.

  SPCA is based 70% on achieving EBIT targets, 20% on growing snacking trading revenue and 10% for achieving delivery in full and on time (DIFOT) targets. Growing snacking trading revenue is a more relevant measure for SPCA given recent restructuring and DIFOT is a core customer satisfaction measure, and both will assist in achieving long term profit growth for SPCA.

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

  Country Managing Directors are assessed 80% on their country or business unit results and 20% on the Group results;

- individual performance is weighted at 30% of the award based on achievement of pre-determined key performance indicators (KPIs). KPIs relate to the achievement of various financial and non-financial measures that vary by country and individual. Financial measures can include KPIs such as return on invested capital, trading revenue growth and indirect expense management. Other KPI measures can include growth in customer numbers, customer relationship management, cold drink equipment placement and new product development. Employee metrics, including employee engagement, occupational health and safety, diversity, and turnover and adherence to risk and compliance policies are also commonly used as measures across all countries.

  The selection and weighting of each metric are based on the business objectives of each country or business unit and correlate to the growth targets for that country or business unit. The selection of the metrics and the achievement of the metrics (that are specific to each country and market) are commercially sensitive, and the overall assessments for each of the KMP are not disclosed. Full achievement of all KPIs will result in a maximum 30% being awarded; and

- an individual performance factor of between 0% to 130% is then applied to the total of the two components above; that is an assessment of how an executive achieved their KPIs, that takes into account adherence to CCA's core values and behaviours, with the average of the individual performance factors for all executives in the plan balancing to 100%.

B. Remuneration Structure continued

b) Variable/At Risk Remuneration continued

i) STIP continued

Performance conditions continued

For the Group Managing Director and senior executives, the 2012 STIP weightings for each performance condition are summarised as follows –

Name	Group NPAT %	BU EBIT %	Volume Group %	Volume BU %	BU other[1] %	Individual performance %
KMP Executives						
T.J. Davis	42	–	28	–	–	30
G. Adams	8	34	6	22	–	30
J. Murphy	8	34	6	22	–	30
N.I. O'Sullivan	42	–	28	–	–	30
V. Pinneri	8	39	6	–	17	30
E. Rey	8	28	6	28	–	30
W.G. White	8	34	6	22	–	30

1 Snacking revenue and customer satisfaction metric.

For the Group Managing Director and senior executives, the current STIP ranges (as a percentage of base pay) are set out in the table below –

Name	Position	On-target STIP award as a percentage of base pay %	Maximum STIP award as a percentage of base pay %
KMP Executives			
T.J. Davis	Executive Director and Group Managing Director	88	157
G. Adams	Managing Director, New Zealand & Fiji	70	125
J. Murphy	Managing Director, Australian Beverages	41	73
N.I. O'Sullivan	Group Chief Financial Officer	67	119
V. Pinneri	Managing Director, SPCA	80	144
E. Rey	Managing Director, Indonesia & PNG	50	91
W.G. White	Managing Director, Australasia	102	182

Remuneration report continued

B. Remuneration Structure continued

b) Variable/At Risk Remuneration continued

i) STIP continued

Process of assessing performance conditions	The Committee approved performance measures are designed to align executives' rewards to the key performance drivers of the Company. The Committee annually reviews the ongoing appropriateness of the STIP, its rules and the degree of difficulty in meeting targets. The Committee reviews actual performance against targets, considers individual performance and takes into account relevant factors affecting the business, and approves all incentive payments prior to payment being made in March of the following year. At the completion of the financial year, the Committee relies on audited financial results for calculating the business performance conditions and payments in accordance with the STIP rules. The individual performance and individual performance factors are assessed by the executives' manager, who is considered the best informed and placed to make this assessment, with these assessments being approved by the Country Managing Director or Group Managing Director as appropriate. The individual performance factor takes account of the executive demonstrating adherence to CCA's values and behaviours during the period. The Group Managing Director's individual performance and individual performance factor are assessed by the Chairman and approved by the Board. The Committee believes these methods of assessment provide an appropriate and objective assessment of performance.
Mandatory senior executive deferral into CCA shares – Executive Post-tax Share Purchase Plan	For STIP awards from 2012 onwards for a group of approximately 30 senior executives across the CCA Group (including the Group Managing Director and Group Chief Financial Officer), 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 (EPTSPP) 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 (STI) award in order to purchase shares in the Company. The shares are purchased on market and held in trust for 12 months, irrespective of whether the executive is employed by CCA during this holding period. This assists in increasing the shareholding by 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, 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.
Mandatory senior manager deferral into CCA shares	For Australian senior managers not participating in the above EPTSPP, 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. In both STI deferral plans above where shares are purchased from earned STI, dividends are payable to the executive or manager.

CCA's ERSP and LTISRP constitute the primary LTI components of executive at risk remuneration.

B. Remuneration Structure continued

b) Variable/At Risk Remuneration continued

ii) ERSP

Overview

The ERSP complements the LTISRP and is intended to encourage and motivate retention of key executives. The ERSP offers an award of shares at the end of a three year period to a small number of key executives who are critical to retain in their particular business unit with no performance hurdles attached, so as to guarantee an award to executives who remain employed by the Company at the end of this period.

Whilst it is recognised that this award alone does not guarantee retention and that senior executive retention varies among individuals for many diverse and complex reasons (including, among other things, meaningful career paths, succession planning and employee engagement), offering a tangible reward in the form of CCA shares does provide a direct incentive for participants to remain employed with the Group until vesting date. Once the shares vest, there is no holding restriction.

Dividends are paid to participants on unvested shares, with dividends required to be reinvested into CCA shares via the Dividend Reinvestment Plan (DRP) and for the 2010-2012 ERSP, if the ERSP shares were forfeited, the executive retained the dividends.

The Committee has approved a change for any new participants in a retention share plan for 2013 onwards that shares purchased from dividends reinvested via the DRP are held under holding restriction, and if any unvested ERSP shares are forfeited, then the shares purchased from the dividends paid to the executive on these unvested ERSP shares would also be forfeited.

Participation in ERSP for the 2010-2012 plan

The Board approved the establishment of the ERSP in 2007 and invited 70 key senior executives to participate during 2007 to 2009. Given the successful retention rate for the 2007 plan and in an industry that was undergoing considerable change of ownership resulting in strong competition for talented staff, the Board approved a further award to 43 key senior executives in early 2010 for the 2010-2012 plan.

The Group Managing Director was not eligible to participate without shareholder approval and was not invited to participate in the 2010-2012 ERSP. The retention of these 43 executives was viewed as crucial to the success of their respective CCA business units over the three year period, especially given that there is a shortage of suitable senior executive talent in most of the markets in which CCA operates at this time. The individual awards offered in 2010 were calculated at an annual value of up to 12% of each relevant executive's remuneration package.

For the 2010-2012 ERSP, the 43 executives were awarded 239,050 shares with vesting dates in 2013. Of this group of 43 executives, 41 executives have a vesting date in February 2013, and the other two executives have a vesting date in July and December 2013 respectively.

As at 31 December 2012, five of the 43 executives in the 2010-2012 ERSP had left the employment of the CCA Group and their awards were forfeited.

ERSP awards in 2012

One senior executive (J. Murphy, Managing Director, Australian Beverages) was offered a two year retention award at the beginning of 2012, with 16,493 CCA shares being purchased and held in trust on his behalf until these shares vest in February 2014.

Future ERSP awards

With relatively high executive retention in Australia and New Zealand at present, there are no plans to make retention share awards to a group of executives to participate in a new plan in 2013, when the 2010-2012 ERSP completes.

Any awards in 2013 will be on a case by case basis in order to retain an individual key executive who is viewed as material to the success of the business unit.

Remuneration report continued

B. Remuneration Structure continued

b) Variable/At Risk Remuneration continued

iii) LTISRP

Overview	The LTISRP offers participating executives a right to an ordinary share in the Company, subject to the achievement of applicable performance measures or hurdles. On-target total remuneration for an executive is premised on achieving the threshold performance (i.e. 51st percentile for TSR and for the 2012-2014 LTISRP achieving at least 7% average annual growth per annum in EPS). The minimum EPS performance hurdle of achieving at least 7% average annual growth per annum in EPS for the 2012-2014 LTISRP was set at the beginning of the plan period in early 2012, and took account of the prevailing market and economic conditions at the time. The Board considered it to be a stretching but achievable minimum hurdle for the three year period. No award is made for this hurdle under the plan if less than the 7% average annual growth per annum is achieved over the three year period. For each performance hurdle, an appropriate vesting scale rewards a greater number of shares for over-achievement of the minimum threshold. (Details of the vesting scale for the most recent plan are set out below). Both threshold and maximum LTISRP amounts are set by reference to CCA's peer group of companies in the external market (these companies are listed below). Any awards under the LTISRP are made in accordance with the LTISRP rules. The shares are offered to the executives at no cost. At the end of the performance period, subject to the satisfaction of the performance hurdles, any shares allocated will be acquired by the LTISRP trustee by purchasing shares on the ASX at the prevailing market price or by subscribing for new shares at no cost to the executive. To date, all awards of shares earned by executives have been purchased on market. This generally occurs in February of the following year for any awards that vest.
Participation	The Board annually invites the Group Managing Director and executives to participate in the LTISRP. Pursuant to ASX Listing Rule 10.14, the practice has been that approval is sought from shareholders every year at the Annual General Meeting to allow Mr Davis in his role as Group Managing Director to participate, and as an Executive Director of the Company, in the LTISRP.
Objectives	The LTISRP provides a mechanism for executives to increase their holding of CCA shares. This ensures 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. In addition, the LTISRP assists in retaining senior executives.
Performance conditions	With respect to the 2010-2012, 2011-2013 and 2012-2014 performance periods, half of the awards are subject to a relative TSR measure and half of the awards are subject to the achievement of an average annual growth in EPS over the performance period. The dual group wide performance conditions of TSR and EPS have been in place since the 2007-2009 plan. The Board considers the combination of a relative hurdle requiring an above median performance (TSR) and achieving minimum absolute hurdle (EPS) to be an appropriate combination of stretch financial hurdles and they are relevant direct measurements of the company performance. If these performance conditions are achieved over a three year period in turn shareholders will be provided with increased returns on their investment over the corresponding period. The Board also believes that a return on invested capital measure is more appropriate to be considered on a country by country basis and taken into account over a shorter time period within the STIP assessment. Hurdles and vesting scales are reviewed each year prior to that year's grants being made, to ensure that the performance conditions applying to a grant are appropriate and continue to effectively incentivise executives.

B. Remuneration Structure continued

b) Variable/At Risk Remuneration continued

iii) LTISRP continued

Performance conditions continued

TSR performance condition

The TSR performance condition is subject to the measurement of CCA's TSR for a three year period, and the performance condition applies to two peer groups detailed on page [45]. Half of the TSR performance will be measured against peer group 1 and half will be measured against peer group 2. 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 Committee, it provides the most direct link to shareholder return.

Two peer groups have been adopted to measure TSR performance (each weighted equally), with peer group 1 reflecting comparable ASX 100 companies listed on the ASX (excluding banking and mining stocks) and peer group 2 representing selected consumer staples and food and beverages companies. Both peer groups are considered appropriate to benchmark CCA's relative performance, given CCA's size and position within both the ASX 100 and the consumer staples peer groups.

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. Basic 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 will be measured by comparing the EPS in the year of issue and the measurement year. The EPS hurdle is a stretching and "line of sight" hurdle for Plan participants, as the achievement of the hurdle directly correlates to improved shareholder value and the Committee considers it a most appropriate key indicator of the financial success of the business. Achieving the EPS target will have a positive impact on TSR.

The performance rights generally vest after three years provided the vesting conditions are met (the TSR performance criteria are subject to a retest in the fourth year for the 2010-2012 plan). Due to the regular nature of the LTISRP awards, retesting will not apply for the 2011-2013 plan and all subsequent plans to the 2011-2013 plan.

Process for assessing performance conditions

At the completion of the relevant plan period, an external consultant performs the TSR calculations to ensure independence in accordance with a pre-determined TSR methodology and the LTISRP rules. For those plans subject to an EPS performance measure, the Committee relies on audited financial results and the award of shares is calculated in accordance with the LTISRP 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.

The Committee believes this method of assessment provides an appropriate and objective assessment of performance.

Treatment of awards on cessation and change of control

If a participating executive ceases to be employed 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 number of shares to be allocated will be pro-rated over the performance period and the performance condition will apply as at the end of the performance period; or
- where less than one-third of the performance period has elapsed, no shares will be allocated.

In the event of a change of control of the Company prior to the end of a performance period, the threshold number of shares offered to the executive in respect of the performance period will be allocated to the executive irrespective of whether either of the performance conditions is satisfied.

Remuneration report continued

B. Remuneration Structure continued

b) Variable/At Risk Remuneration continued

iii) LTISRP continued

Treatment of awards on cessation and change of control continued

Due to the change by the Australian Government in the taxation of share plans, no restriction exists for the participants in the selling of vested shares in the 2010-2012 LTISRP and all subsequent plans to the 2010-2012 plan, apart from those employees covered under the Policy on Trading in CCA's Shares, detailed in Section F.

Details of the 2012 offering

The 2012-2014 LTISRP award for the Group Managing Director was approved at the CCA Annual General meeting on 15 May 2012.

Vesting scale
One vesting scale is in place for this particular plan, with the same scale applying to the Group Managing Director and for executives. The same scale applied to the 2011-2013 LTISRP.

The vesting scale is as follows –

	% of the maximum award
Component A – relative TSR, for each of peer group 1 and/or 2 –	
• no portion will vest if performance is below the 51st percentile	0
• at 51st percentile, 100.0% of threshold or target award will vest	51
• at 55th percentile, 127.5% will vest	65
• at 60th percentile, 156.9% will vest	80
• at 65th percentile, 176.5% will vest	90
• at 70th percentile, 186.3% will vest and	95
• at 75th percentile and above, 196.1% will vest (pro-rata vesting between two points occurs on a straight line basis).	100
Component B – average annual growth in EPS, over the performance period –	
• no portion will vest if EPS average annual growth is less than 7.0% per annum	0
• at 7.0% average annual growth, 100.0% of threshold or target award will vest	51
• at 8.0% average annual growth, 117.6% will vest	60
• at 8.5% average annual growth, 127.5% will vest	65
• at 9.5% average annual growth, 147.1% will vest	75
• at 13.5% average annual growth, 186.3% will vest	95
• at 15.5% average annual growth, 195.1% will vest and	99.5
• at 16.0% average annual growth and above, 196.1% will vest (pro-rata vesting between two points occurs on a straight line basis).	100

The above vesting scale was introduced for the 2011-2013 LTISRP, and provides for a graduated scale awarding a greater proportion of the maximum award once the minimum thresholds have been achieved and a lesser proportion closer to the maximum. The Board considers this graduated scale to be appropriate to motivate and reward.

Retesting
For the 2012-2014 LTISRP TSR performance criteria, there is no retesting (TSR performance criteria are subject to a retest in the fourth year for only the 2010-2012 plan). There is no retesting of the EPS performance measure.

B. Remuneration Structure continued

b) Variable/At Risk Remuneration continued

iii) LTISRP continued

TSR peer group for 2012 offering

Two peer groups have been adopted to measure 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 –

AGL Energy Limited	David Jones Limited	Qantas Airways Limited
Amcor Limited	Downer EDI Limited	Ramsay Health Care Limited
Ansell Limited	Duet Group	Seek Limited
APA Group	Echo Entertainment Group Limited	Seven West Media Limited
Asciano Limited	Fairfax Media Limited	Sims Metal Management Limited
BlueScope Steel Limited	Harvey Norman Holdings Limited	Sonic Healthcare Limited
Boart Longyear Limited	Incitec Pivot Limited	Spark Infrastructure Group
Boral Limited	James Hardie Industries Plc	Sydney Airport
Brambles Limited	JB Hi-Fi Limited	Tabcorp Holdings Limited
Caltex Australia Limited	Leighton Holdings Limited	Tatts Group Limited
Campbell Brothers Limited	Monadelphous Group Limited	Telstra Corporation Limited
Coca-Cola Amatil Limited	Myer Holdings Limited	Toll Holdings Limited
Cochlear Limited	News Corporation	Transfield Services Limited
Computershare Limited	OneSteel Limited	Transurban Group
Crown Limited	Orica Limited	UGL Limited
CSL Limited	Primary Health Care Limited	WorleyParsons Limited.
CSR Limited	QR National Limited	

Peer group 2 comprises the following companies –

AAQ Holdings Limited	Gage Roads Brewing Co Limited	Tassal Group Limited
Australian Agricultural Company Limited	Goodman Fielder Limited	Treasury Wine Estates Limited
Australian Vintage Limited	GrainCorp Limited	TW Holdings Limited
Bega Cheese Limited	Little World Beverages Limited	Viterra Inc
Buderim Ginger Limited	MSF Sugar Limited	Warrnambool Cheese and Butter Factory Company Holdings Limited
Clean Seas Tuna Limited	Metcash Limited	Webster Limited
Coca-Cola Amatil Limited	Oz Brewing Limited	Wesfarmers Limited
Elders Limited	Patties Foods Ltd	Woolworths Limited.
Farm Pride Foods Limited	PrimeAg Australia Limited	
FFI Holdings Limited	Ridley Corporation Limited	
Freedom Foods Group Limited	Select Harvests Limited	
	Tandou Limited	

The company listings are as at the commencement of the plan.

Details of the 2013-2015 plan

The 2013-2015 LTISRP award will be made on a similar basis to the 2012-2014 LTISRP with one change compared to the 2012-2014 LTISRP, relating to the Component B average annual growth in EPS. For the 2013-2015 LTISRP, the minimum EPS hurdle changes from 7.0% average annual growth per annum in the 2012-2014 LTISRP to 6.0%, and all other amounts in the vesting scale remain unchanged. This change reflects a more realistic stretch target for the 2013-2015 period, given the current economic conditions, and the reduction to 6% is in line with 2013 forecasts for the Industrials sector (that excludes resources, banking and property trusts).

Remuneration report continued

B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward

The following details the link between CCA's performance and the rewards granted to executives under the STIP and the LTISRP.

STIP

As discussed above, the STIP operates to create a clear connection between executives' and CCA's annual performance, motivating and rewarding executives for high performance during the financial year. The two key financial indicators for the Beverage business used to assess performance under the STIP are volume that aligns to trading revenue and CCA's NPAT. The table below shows CCA Group performance against these two criteria over the past five years –

Financial year end 31 December	2008	2009	2010	2011	**2012**
Trading revenue ($M)	4,091.4	4,436.0	4,490.3	4,801.2	**5,097.4**
Volume (million unit cases)	534.1	555.1	550.8	564.4	**591.3**
NPAT ($M) – before significant items	404.3	449.0	506.6	532.0	**558.4**
Closing share price ($)	9.19	11.53	10.86	11.51	**13.45**
In accordance with the STIP rules, the following results have been achieved –					
CCA Group STIP business performance (as per STIP performance conditions) (%)	110	132	112	100	**105**

The Group business performance factors for the STIP are a result of the actual achievements of the Group against the pre-determined volume and NPAT targets and the corresponding payment due in relation to the payment scale.

As can be seen from the table above, despite the challenging global economic climate, CCA's financial performance has consistently improved over the last five years. CCA's above-market performance over this period has been reflected in the awards granted to executives.

Overall for 2012, CCA again performed well despite a difficult external environment in many of the markets that CCA operates in.

The combined business performance and after taking into consideration individual performance for STIP this has resulted in an average incentive payment in relation to the on-target award for KMP and executives as follows –

	2012 Average %	2011 Average %
• CCA Group	**108**	103
• Australia	**44**	89
• New Zealand	**nil**	80
• Fiji	**77**	59
• Indonesia	**117**	101
• PNG	**84**	132
• SPCA	**nil**	15

Remuneration report continued

B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward continued

STIP continued

The relative proportions of available STIP cash bonuses received and forfeited by executives is shown in the table below. Specific details of the value of these awards can be found in the table of remuneration details on page [60]. To the extent that STIP cash bonuses become payable, they are generally paid in March of the following year.

Name	2012 bonus maximum award % vested	% forfeited
KMP Executives		
T.J. Davis	**67**	**33**
G. Adams	**nil**	**100**
J. Murphy	**28**	**72**
N.I. O'Sullivan	**61**	**39**
V. Pinneri	**nil**	**100**
E. Rey	**64**	**36**
W.G. White	**31**	**69**

Remuneration report continued

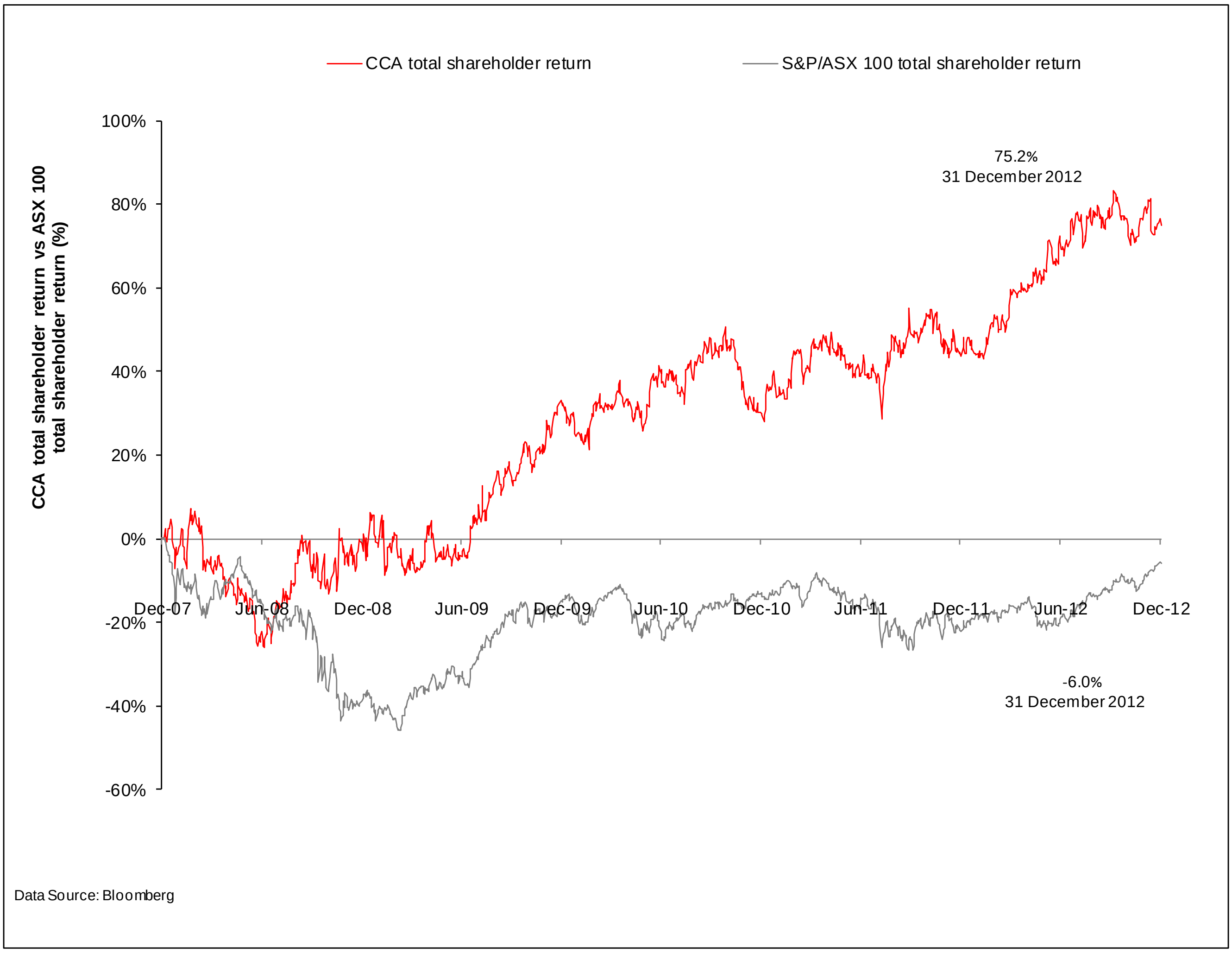
B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward continued

LTISRP

Remuneration outcomes under the LTISRP are directly linked to the value created for CCA shareholders, based on two measures: TSR and the average annual growth in EPS. This operates as a means of rewarding executives for achieving sustainable long term growth.

CCA's TSR is assessed relative to CCA's peer group of companies. 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) –



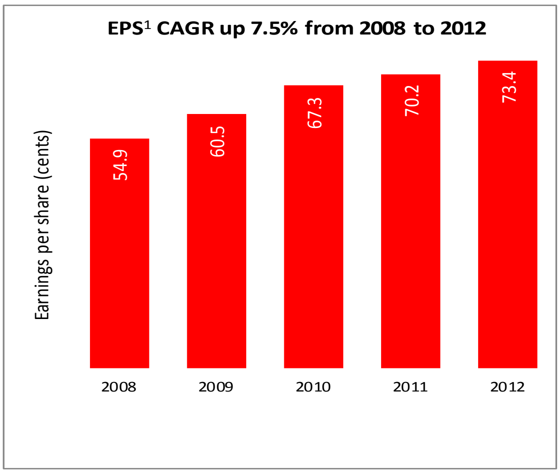
As this graph indicates, over the past five years CCA's TSR performance has significantly improved relative to other ASX 100 companies. CCA's TSR has increased by 75.2% compared to the ASX 100 TSR which decreased by 6.0% over the same period.

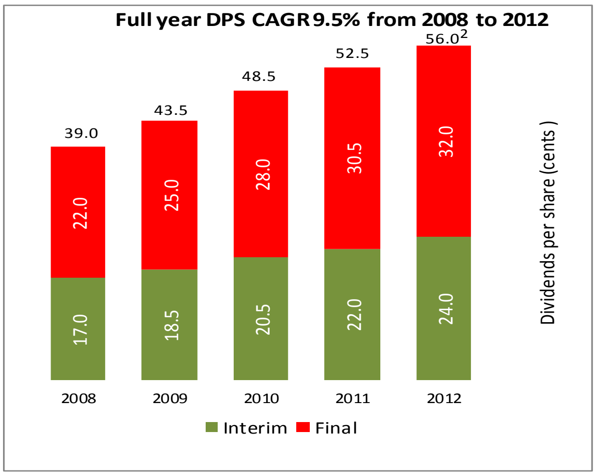
B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward continued

LTISRP continued

Over the period beginning from 2008, CCA's EPS and dividends per share (DPS) compound annual growth rate (CAGR) has also consistently increased, as shown in the graphs below –

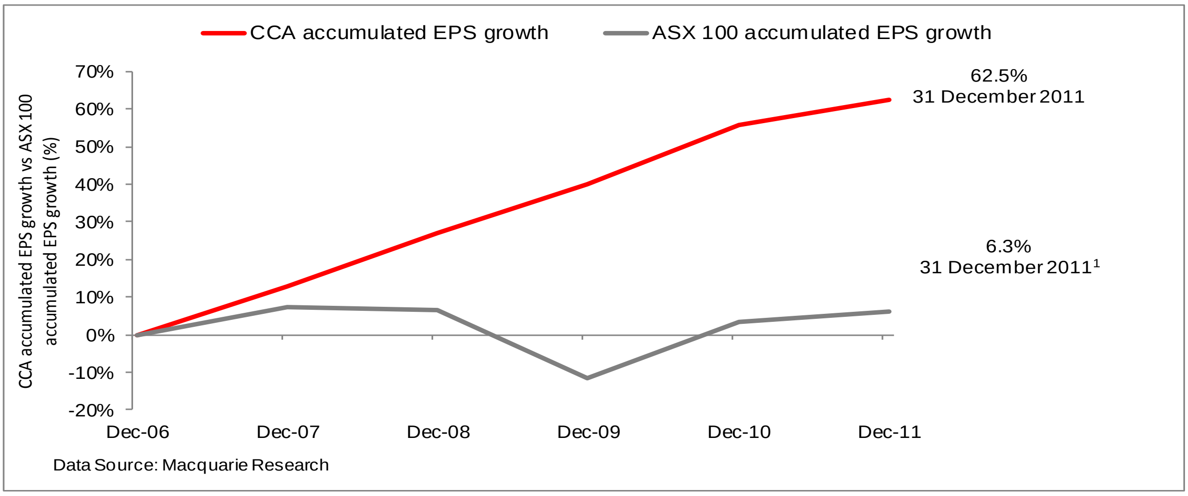




1 Before significant items.

2 Excludes special dividend.

The graph below compares CCA's accumulated EPS growth over the five year period 2007-2011 against that of the ASX 100 companies –



1 2012 results for ASX 100 companies are not yet available for comparison.

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.

As the graph indicates, over the five years, CCA's accumulated EPS growth has increased 62.5% compared to the ASX 100 EPS which increased 6.3% over the same period.

However, CCA's average annual growth in EPS for the 2010-2012 period of 6.7% is below the 2010-2012 LTISRP minimum EPS hurdle of 7.5%, and therefore half of the 2010-2012 LTISRP award that relates to the EPS hurdle did not vest.

Remuneration report continued

B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward continued

LTISRP continued

The following table outlines the performance of each of the completed LTISRPs since 2003, correlating to the performance of the share price and TSR, as detailed above –

Plan	Hurdles	Retest period	Status	Performance (% of maximum)		Overall payout of maximum award[1]
				TSR	NPAT/EPS Growth	%
2003-2005[2]	TSR only	1 year	Complete	30th percentile Did not vest	n/a	**–**
2004-2006[2]	TSR and NPAT growth (minimum = 10.0%)	1 year	Complete	46th percentile Did not vest	10.1% average, Vested at 67.3%	**33.7**
2005-2007[2]	TSR and NPAT growth (minimum = 8.0%)	2 years	Complete	After retests – 82nd percentile Vested at 100.0%	10.3% average, Vested at 72.4%	**97.7**
2006-2008[2]	TSR (2 peer groups) and NPAT growth (minimum = 8.0%)	1 year	Complete	Peer group 1 = 89th percentile Peer group 2 = 81st percentile Combined vested at 100.0%	9.3% average, Vested at 89.2%	**94.6**
2007-2009	TSR (2 peer groups) and EPS growth (minimum = 8.2%)	1 year	Complete	Peer group 1 = 94th percentile Peer group 2 = 100th percentile Combined vested at 100.0%	13.1% average, Vested at 94.8%	**97.4**
2008-2010	TSR (2 peer groups) and EPS growth (minimum = 8.2%)	1 year	Complete	Peer group 1 = 100th percentile Peer group 2 = 95th percentile Combined vested at 100.0%	11.3% average, Vested at 73.9%	**87.0**
2009-2011	TSR (2 peer groups) and EPS growth (minimum = 7.0%)	1 year	Complete	Peer group 1 = 88th percentile Peer group 2 = 71st percentile Combined vested at 95.8%	8.6% average, Vested at 58.2%	**77.0**
2010-2012	TSR (2 peer groups) and EPS growth (minimum = 7.5%)	1 year	Complete	Peer group 1 = 75th percentile Peer group 2 = 71st percentile Combined vested at 95.3%	6.7% average, EPS hurdle did not vest	**47.6**

1 The percentage of this payment that was not achieved (and was therefore forfeited) was 100% less the percentage shown in this column. For further information on the 2010-2012 LTISRP, refer to the table showing share based compensation benefits on page [53].

2 The above table excludes the Component C awards offered only to Mr Davis for 2003 to 2006 inclusive. Details of these awards can be found in the remuneration reports for those years.

B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward continued

LTI

A summary of the terms of each grant of shares or share rights affecting remuneration in the current or a future reporting period is set out below –

Name	Grant date	Vesting date	Expiry date	Performance measure	Fair value at grant date per share or right[1] $	Performance achieved	% vested of maximum award
LTISRP							
T.J. Davis	14 May 2010	31 Dec 2012	31 Dec 2012	EPS	10.05	6.7% cumulative average growth	–
				TSR – peer group 1	7.56	75th percentile	99.0
				TSR – peer group 2	8.29	71st percentile	91.6
	4 May 2011	31 Dec 2013	31 Dec 2013	EPS	10.49	To be determined	n/a
				TSR – peer group 1	7.58	To be determined	n/a
				TSR – peer group 2	7.87	To be determined	n/a
	15 May 2012	31 Dec 2014	31 Dec 2014	EPS	11.50	To be determined	n/a
				TSR – peer group 1	7.61	To be determined	n/a
				TSR – peer group 2	8.94	To be determined	n/a
Other Executives	1 Mar 2010	31 Dec 2012	31 Dec 2012	EPS	10.08	6.7% cumulative average growth	–
				TSR – peer group 1	7.76	75th percentile	99.0
				TSR – peer group 2	8.25	71st percentile	91.6
	1 Mar 2011	31 Dec 2013	31 Dec 2013	EPS	10.41	To be determined	n/a
				TSR – peer group 1	7.24	To be determined	n/a
				TSR – peer group 2	7.70	To be determined	n/a
	1 Mar 2012	31 Dec 2014	31 Dec 2014	EPS	10.51	To be determined	n/a
				TSR – peer group 1	6.10	To be determined	n/a
				TSR – peer group 2	7.94	To be determined	n/a
ERSP							
J. Murphy	22 Feb 2012	23 Feb 2014	n/a	2 years service	12.13	To be determined	n/a
N.I. O'Sullivan	1 Jan 2010	31 Dec 2012	n/a	3 years service	11.07	Service period completed	100
N.I. O'Sullivan	1 Jan 2011	31 Dec 2013	n/a	3 years service	10.86	To be determined	n/a
V. Pinneri	1 Mar 2010	28 Feb 2013	n/a	3 years service	11.07	To be determined	n/a
W.G. White	1 Jul 2010	30 Jun 2013	n/a	3 years service	11.90	To be determined	n/a

1 Fair values vary due to differing dates of grants.

As the rewards received under the LTISRP 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.

Remuneration report continued

B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward continued

LTI continued

Further details of the Group Managing Director's and senior executives' right to allocations of shares under the LTISRP are outlined in the table below –

			Number of share rights			
Name	**Plan**	**Grant date**	**Maximum**	**Vested amount**	**Lapsed amount**	**Unvested (maximum)**
KMP Executives						
T.J. Davis	2010-2012	14 May 2010	247,844	118,097	129,747	–
	2011-2013	4 May 2011	247,844	–	–	247,844
	2012-2014	15 May 2012	247,844	–	–	247,844
G. Adams	2010-2012	1 Mar 2010	19,608	9,343	10,265	–
	2011-2013	1 Mar 2011	15,771	–	–	15,771
	2012-2014	1 Mar 2012	15,771	–	–	15,771
J. Murphy	2010-2012	1 Mar 2010	13,726	6,540	7,186	–
	2011-2013	1 Mar 2011	22,078	–	–	22,078
	2012-2014	1 Mar 2012	36,569	–	–	36,569
N.I. O'Sullivan	2010-2012	1 Mar 2010	30,980	14,762	16,218	–
	2011-2013	1 Mar 2011	52,353	–	–	52,353
	2012-2014	1 Mar 2012	62,941	–	–	62,941
V. Pinneri	2010-2012	1 Mar 2010	15,686	7,474	8,212	–
	2011-2013	1 Mar 2011	25,490	–	–	25,490
	2012-2014	1 Mar 2012	25,490	–	–	25,490
E. Rey	2011-2013	1 Mar 2011	26,471	–	–	26,471
	2012-2014	1 Mar 2012	35,522	–	–	35,522
W.G. White	2010-2012	1 Mar 2010	75,343	35,901	39,442	–
	2011-2013	1 Mar 2011	75,343	–	–	75,343
	2012-2014	1 Mar 2012	102,010	–	–	102,010

The share rights are offered to the executives at no cost. 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 LTISRP trustee by purchasing shares at no cost to the executive. This generally occurs in February of the following year for any awards that vest.

The values attributed to movements in share rights during the year are as follows –

	Value of share rights			
	2012-2014 plan		2010-2012 plan	
Name	**At grant date $**	**Maximum $**	**At date vested $**	**At date lapsed[1] $**
KMP Executives				
T.J. Davis	1,752,254	2,450,557	934,245	1,293,253
G. Adams	97,630	138,230	74,702	102,604
J. Murphy	226,359	320,528	52,291	71,824
N.I. O'Sullivan	389,606	551,680	118,030	162,106
V. Pinneri	157,792	223,416	59,758	82,081
E. Rey	219,875	311,354	–	–
W.G. White	631,459	894,114	287,047	394,241

1 Lapsed value 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.

B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward continued

LTI continued

The years in which vesting will occur and the maximum total value of the grant that may vest if executives achieve optimum performance are contained in the table below –

	Share based compensation benefits				
Name	**Year granted**	**% vested**	**% forfeited**	**Financial years in which rights may vest**	**Maximum total value of grant yet to vest $[1]**
KMP Executives					
T.J. Davis	2012	–	–	2014	1,866,472
	2011	–	–	2013	1,177,061
	2010	47.6	52.4	2012	–
G. Adams	2012	–	–	2014	105,687
	2011	–	–	2013	73,805
	2010	47.6	52.4	2012	–
J. Murphy	2012	–	–	2014	245,064
	2011	–	–	2013	103,334
	2010	47.6	52.4	2012	–
J. Murphy – ERSP	2012	–	–	2014	116,665[2]
N.I. O'Sullivan	2012	–	–	2014	421,811
	2011	–	–	2013	245,033
	2010	47.6	52.4	2012	–
N.I. O'Sullivan – ERSP	2010	100.0	–	2012	–
	2011	–	–	2013	93,050[2]
V. Pinneri	2012	–	–	2014	170,830
	2011	–	–	2013	119,303
	2010	47.6	52.4	2012	–
V. Pinneri – ERSP	2010	–	–	2013	3,075[2]
E. Rey	2012	–	–	2014	238,052
	2011	–	–	2013	123,889
W.G. White	2012	–	–	2014	683,639
	2011	–	–	2013	352,632
	2010	47.6	52.4	2012	–
W.G. White – ERSP	2010	–	–	2013	128,676[2]

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 The minimum value of the grant is nil as no shares will vest if the service criteria are not met. The maximum value of the grant yet to vest has been estimated based on the fair value per grant less amounts already expensed.

Remuneration report continued

B. Remuneration Structure continued

d) Remuneration Consultants

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.

Following amendments made to the Corporations Act 2001 involving recommendations by "remuneration consultants" which came into force on 1 July 2011, where a consultant is providing a recommendation, CCA has developed practices –
- to select and engage a consultant;
- on how CCA is to receive the advice;
- on how to ensure independence from management; and
- how the consultant interacts with management.

CCA recognises the importance of ensuring that any recommendations given in relation to the remuneration of KMP provided by remuneration consultants are provided independently of those to whom the recommendations relate.

The Committee has directly engaged PricewaterhouseCoopers (PwC) independent of management to advise the Committee on the Group Managing Director's and the Non-Executive Directors' remuneration data and benchmarking, effective from 1 January 2012, and also to review contemporary remuneration market practices in ASX 50 companies that may impact KMP.

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

Under the terms of the engagement, PwC provided remuneration recommendations as defined in section 9B of the Corporations Act 2001 and was paid $33,000 (including GST) for the 2012 year for these services. In addition to providing remuneration recommendations, PwC provided advice on a range of other matters for the 2012 year, including internal audit consulting, accounting and expatriate tax advice, and in total PwC was paid $1,672,423 (including GST) for their services to CCA, in addition to the payment for the remuneration recommendations.

PwC has confirmed that the recommendations relating to remuneration have been made free from undue influence by the member(s) of KMP to whom the recommendation relates.

As a consequence of the above, the Board is satisfied that the remuneration recommendations that were made by PwC were free from any undue influence from any member of KMP.

Management also appoints external firms from time to time to assist with remuneration benchmarking, data provision and the like; however, PwC is the only remuneration consultant appointed by the Committee. No other remuneration consultant provided remuneration recommendations during the financial year in relation to KMP.

Listed below are the primary consultants in preparation of proposals for the Committee –

Consultants	Services provided	Type of service
PwC	Group Managing Director remuneration data and benchmarking	Providing remuneration recommendation
	Non-Executive Director remuneration data and benchmarking	Providing remuneration recommendation
	Review of contemporary remuneration market practices in ASX 50 companies	Providing remuneration recommendation
Mercers	Executive and employee remuneration – market data	Providing factual data only
	LTISRP (TSR reporting and peer group detail)	Providing factual data only
Hay	Executive and employee remuneration – market data	Providing factual data only

C. Summary of Employment Contracts

The following are the principal details of the employment contracts for KMP executives as at 31 December 2012 –

T.J. Davis – Group Managing Director

The following discussion and table set out the principal details of the Group Managing Director's employment contract with CCA, as at 31 December 2012.

Mr Davis commenced employment with CCA on 12 November 2001. Given the outstanding success of CCA during Mr Davis' tenure, his remuneration package has increased during this period to be broadly in line with CCA's agreed remuneration position of the 75th percentile. His standard fixed remuneration elements increased by 3.5% on 1 January 2012, in line with the market movement.

Revised terms and conditions agreed upon in November 2009 removed the concept that Mr Davis' employment would expire at the end of a fixed period, with his term of contract classified as open ended. CCA is required to provide 12 months notice in writing or payment in lieu of notice and Mr Davis must give CCA 12 months notice to terminate his employment.

In accordance with the terms of his contract of employment, Mr Davis received a payment of $385,000 for remaining in employment with CCA on 30 November 2012.

Term of contract	Open ended
Termination	Termination by CCA Other than in circumstances of termination for cause, the Company may end Mr Davis' role as Group Managing Director after 30 November 2011 by giving 12 months notice in writing or payment in lieu of notice, calculated in a manner which is consistent with what was previously required to end Mr Davis' role as Group Managing Director prior to 30 November 2011 (i.e. the highest remuneration earned in a complete calendar year by Mr Davis over the most recent three calendar year periods). Mr Davis is only entitled to a payment in lieu of notice if CCA terminates his employment and it is not for cause and he does not work for part or all of the notice period. At this point, CCA could see no reason why Mr Davis would not work for all of his notice period given his lengthy tenure and strong performance over a number of years. Termination by Mr Davis Mr Davis must give CCA 12 months notice in writing to terminate his employment as Group Managing Director. If Mr Davis chooses to resign or retire and gives 12 months notice and continues in the Group Managing Director role for all of that time, then there are no payments made to him in lieu of notice.
Obligations and entitlements on completion of employment	LTISRP awards where testing or retesting has not completed The Board will be able to allocate shares (or make a cash payment in lieu of such shares) in circumstances where it would otherwise be unfair not to allocate shares. Where Mr Davis' employment ceases prior to the completion of the testing (or retesting for the 2010-2012 LTISRP) of awards in the LTISRP, the Board will be able to allocate shares (or make a cash payment in lieu of such shares) in circumstances where it would otherwise be unfair not to do so. If his employment ceases during an uncompleted three year performance period, other than where a capital event has occurred, and provided that the Board considers it fair to do so, the Board may grant to Mr Davis the right to a pro-rata award (or a cash payment in lieu of such award). Such an award will be made at the higher of – • the number of threshold shares offered; or • the number that would have been allocated under the actual performance condition, based on the most recent quarterly testing of the TSR and annual testing of the EPS hurdle respectively.

Remuneration report continued

C. Summary of Employment Contracts continued

Obligations and entitlements on completion of employment continued	Restraints following completion of employment Upon completion of his role as Group Managing Director (unless a capital event occurs before the date), Mr Davis will be paid $150,000 per annum for a three year period providing he does not work, consult, or take up board positions with pre-determined competitor companies in Australia. At the end of this period, Mr Davis will be entitled to any accrued but untaken annual and long service leave; however, the payment in respect of his long service leave accrual will be calculated as at the date his role as Group Managing Director ends.
Fundamental change in role	Consistent with arrangements that apply to chief executive officers in other listed entities, if, within six months of a change of control, there is a material change in Mr Davis' responsibilities (including where he is no longer regarded as being the most senior executive in the CCA Group), and upon being informed of such change the Board does not rectify the situation, Mr Davis will be entitled to resign from his position as Group Managing Director but will receive benefits as if his role as Group Managing Director had been ended by the Company.
Primary benefits	Vehicle benefits, car parking, leave loading, Company products, health assessment, home assistance allowance. As part of the arrangement for Mr Davis to join CCA in November 2001, he was offered a company superannuation benefit that is payable at a rate of 20% on base salary, 20% on any actual STIP earned and 20% on the cash equivalent of any LTISRP that vested during a year. It was agreed with Mr Davis in late 2010 that the superannuation benefit for the LTISRP would cease from the 2011-2013 LTISRP onwards. Mr Davis can elect to have the superannuation benefit paid into a superannuation fund of his choice, or receive the benefit as taxable income, as long as the Superannuation Guarantee (SG) obligations are met. This superannuation benefit is taken into account in Mr Davis' remuneration package and the amounts relating to the current year are disclosed on page [60].

C. Summary of Employment Contracts continued

Other senior executives

All CCA senior executives have agreements in place which set out the basic terms and conditions of employment. The following table provides a summary of some of the key terms of these agreements –

Term of contract	Notice period and termination payments: Termination by CCA	Notice period and termination payments: Termination by employee	Other payments related to service	Restraint following termination	Change of control
G. Adams Managing Director, New Zealand & Fiji					
Open ended	1 month notice If terminated (without cause[1]) and no suitable alternative position is available, 10 months fixed remuneration in lieu of notice and severance.[2]	1 month notice	–	–	If there is a change of control of CCA, CCA may terminate Mr Adams' employment by providing not less than 12 months fixed remuneration, inclusive of notice and severance.
J. Murphy Managing Director, Australian Beverages					
Open ended	1 month notice If the Company terminates Mr Murphy's employment (other than for cause[1]), Mr Murphy will receive 4 months of fixed remuneration in lieu of notice and severance.[2] If terminated (without cause[1]) before 24 February 2014, Mr Murphy will receive the award of ERSP shares that would have vested on this date.	1 month notice	Will receive 16,493 ERSP shares (valued at $200,000 at time of acquisition in 2012), if employed by CCA as at 24 February 2014. Mr Murphy is entitled to receive dividends on those ERSP shares prior to vesting.	6 months[3]	–
N.I. O'Sullivan Group Chief Financial Officer					
Open ended	2 months notice If terminated (without cause[1]) and no suitable alternative position is available, an amount based on 10 months of Ms O'Sullivan's fixed remuneration in lieu of notice and severance.[2] If terminated (without cause[1]) before 1 January 2013 and 1 January 2014 respectively, Ms O'Sullivan will receive the relevant award of ERSP shares that would have vested on these dates.	2 months notice	If employed by CCA on 1 January 2013, Ms O'Sullivan will receive 21,683 ERSP shares (valued at $250,000 at time of acquisition in 2010). If employed by CCA on 1 January 2014, Ms O'Sullivan will receive 23,020 ERSP shares (also valued at $250,000 at time of granting in 2011). Ms O'Sullivan is entitled to receive dividends on those ERSP shares prior to vesting.	6 months[3]	If, on a change of control of CCA, there is a fundamental change[4] in Ms O'Sullivan's role, she will be entitled to resign but will receive benefits as if her role had been terminated by CCA.

Refer to page [58] for footnote details.

Remuneration report continued

C. Summary of Employment Contracts continued

Other senior executives continued

	Notice period and termination payments				
Term of contract	**Termination by CCA**	**Termination by employee**	**Other payments related to service**	**Restraint following termination**	**Change of control**
V. Pinneri Managing Director, SPCA					
Open ended	1 month notice If terminated (without cause[1]) and no suitable alternative position is available, 12 months fixed remuneration in lieu of notice and severance[2].	1 month notice	–	6 months[3]	If, on a change of control of CCA, there is a fundamental change[4] in Mr Pinneri's role, he will be entitled to resign but will receive benefits as if his role had been terminated by CCA.
E. Rey Managing Director, Indonesia & PNG					
Open ended	1 month notice If terminated (without cause[1]) and no suitable alternative position is available, 3 months fixed remuneration in lieu of notice and severance.[2]	1 month notice	–	6 months[3]	–
W.G. White Managing Director, Australasia					
Open ended	4 months notice If the Company terminates Mr White's employment (other than for cause[1]), Mr White will receive a maximum of 12 months of fixed remuneration in lieu of notice and severance.[2] If terminated (without cause[1]) before 1 July 2013, Mr White will receive the ERSP award of shares that would have vested on this date.	4 months notice	Will receive 64,867 ERSP shares (valued at $774,000 at time of acquisition in 2010), if employed by CCA as at 1 July 2013. Mr White is entitled to receive dividends on those ERSP shares prior to vesting.	6 months[3]	If, on a change of control of CCA, there is a fundamental change[4] in Mr White's role, he will be entitled to resign but will receive benefits as if his role had been terminated by CCA.

1 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.

2 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.

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 This applies if, within six months of a change of control, there is a material change in the relevant executive's responsibilities and upon being informed of such a change, the Board does not rectify the situation.

C. Summary of Employment Contracts continued

Other senior executives continued

Senior executive receive superannuation contributions and other benefits under the terms of their employment and these are summarised in the table below. The benefits are accounted for in the calculation of the executives' fixed remuneration. For Australian executives, superannuation can be "cashed down" to not less than 10% of base or the SG maximum contribution limit.

	G. Adams	J. Murphy	N.I. O'Sullivan	V. Pinneri	E. Rey	W.G. White
Super-annuation[1]	14%	9% (to SG max for base salary)	14% (to SG max for base salary)	14%	14%	14%
Primary benefits[2]	Standard benefits, medical insurance, partial subsidy for home leave.	Company products and superannuation insurance.	Standard benefits, allowance to cover car parking, health assessment, home assistance allowance.	Standard benefits, health assessment.	Standard benefits, expatriate benefits.[3]	Standard benefits, car parking, leave loading, health assessment, home assistance allowance.

1 *Superannuation refers to company superannuation. The amount of superannuation paid to executives is calculated as a percentage of base salary and actual STIP earned up to target, and for Australian based executives, any over-target incentive has company superannuation at the SG rate of 9%. For Mr Murphy and Ms O'Sullivan, their superannuation on base salary is capped to the SG maximum contribution rate.*

2 *Standard benefits include Company products, club membership, vehicle benefits, superannuation insurance and participation in Employees Share Plan (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.*

Remuneration report continued

D. Statutory Remuneration of Executives

The following table has been prepared in accordance with section 300A of the Corporations Act 2001; amounts are paid or payable for services provided during the financial year. Details of each executive's remuneration during the financial year are set out below –

		Fixed					Variable – performance related				Total remuneration		
		Short term			Post employment		Short term		Share based payments			Performance related	LTISRP related
	Year	Salary $	Non-monetary benefits[1] $	Other[2] $	Superannuation on base[3] $	Sub total fixed $	STIP[4] $	Superannuation on STIP $	LTISRP[6] $	ESP/ ERSP[7] $	$	%	%
KMP Executives													
T.J. Davis Executive Director and Group Managing Director	**2012**	**2,343,383**	**283,399**	**352,300**	**462,260**	**3,441,342**	**2,423,800**	**947,562[5]**	**1,143,939**	**–**	**7,956,643**	**57**	**14**
	2011	2,228,400	214,151	385,000	445,680	3,273,231	2,162,600	949,466[5]	1,554,679	–	7,939,976	59	20
G. Adams Managing Director, New Zealand & Fiji	**2012**	**298,176**	**82,587**	**–**	**41,745**	**422,508**	**–**	**–**	**67,996**	**8,946**	**499,450**	**15**	**14**
	2011	280,502	62,113	–	39,270	381,885	170,385	23,854	118,204	8,415	702,743	46	17
J. Murphy[8] Managing Director, Australian Beverages	**2012**	**792,692**	**550**	**–**	**16,123**	**809,365**	**161,700**	**22,638**	**123,787**	**83,334**	**1,200,824**	**33**	**10**
	2011	722,625	7,636	–	15,487	745,748	332,600	30,384	72,518	5,000	1,186,250	37	6
N.I. O'Sullivan Group Chief Financial Officer	**2012**	**816,667**	**92,080**	**–**	**16,123**	**924,870**	**606,200**	**82,488**	**244,317**	**224,637**	**2,082,512**	**56**	**12**
	2011	700,000	90,586	–	15,487	806,073	507,000	67,907	242,775	189,351	1,813,106	56	13
V. Pinneri Managing Director, SPCA	**2012**	**356,083**	**45,150**	**–**	**49,852**	**451,085**	**–**	**–**	**108,371**	**29,135**	**588,591**	**23**	**18**
	2011	346,000	45,150	–	48,440	439,590	–	–	107,521	28,832	575,943	24	19
E. Rey[9] Managing Director, Indonesia & PNG	**2012**	**393,823**	**411,339**	**–**	**55,135**	**860,297**	**270,300**	**37,842**	**129,671**	**11,815**	**1,309,925**	**34**	**10**
	2011	63,271	74,291	–	8,858	146,420	42,800	5,250	9,397	1,898	205,765	29	5
W.G. White Managing Director, Australasia	**2012**	**671,400**	**205,810**	**–**	**93,996**	**971,206**	**381,000**	**53,340**	**378,112**	**277,498**	**2,061,156**	**53**	**18**
	2011	649,233	176,714	–	90,893	916,840	591,800	83,552	485,592	281,833	2,359,617	61	21
Former KMP Executive													
P.N. Kelly[9]	2011	349,419	686,621	–	83,861	1,119,901	285,833	68,600	159,797	10,483	1,644,614	32	10
Total KMP Executives	**2012**	**5,672,224**	**1,120,915**	**352,300**	**735,234**	**7,880,673**	**3,843,000**	**1,143,870**	**2,196,193**	**635,365**	**15,699,101**		
Total KMP Executives	2011	5,339,450	1,357,262	385,000	747,976	7,829,688	4,093,018	1,229,013	2,750,483	525,812	16,428,014		

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

2 *Represents the estimated present value of accrued benefits payable under the employment contract terms for Mr Davis less amounts accrued in prior periods.*

3 *Superannuation benefits are provided through an accumulation superannuation plan.*

4 *The minimum STIP value is nil and the maximum value is what was actually paid. The STIP in 2011 does not include that portion compulsorily salary sacrificed in shares of the Company. Australian based executives, excluding Mr Davis, were required to sacrifice up to a maximum of $5,000 of the total amount.*

5 *Superannuation on annual cash incentive and shares purchased for the LTISRP (for more detail, refer page [56]).*

6 *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.*

7 *ESP/ERSP include the following –*

- *ESP amounts represent the Company's matching contribution;*
- *shares purchased for the ERSP are amortised over the vesting period. The expense recognised in the current financial year for the relevant KMP was Mr Murphy $83,334 (2011: nil), Ms O'Sullivan $200,137 (2011: $163,351), Mr Pinneri $18,452 (2011: $18,452) and Mr White $257,356 (2011: $257,356); and*
- *shares purchased as part of the compulsory salary sacrifice by Australian executives. The expense recognised in the prior financial year was $5,000 on behalf of Mr Murphy, Ms O'Sullivan and Mr White.*

8 *Amounts are calculated from 1 January 2012 and not the date of appointment to a key management role to ensure consistency between reporting periods. Mr Murphy was reported in 2011 as being one of the five highest paid executives of the Company and Group as required to be disclosed under the Corporations Act 2001.*

9 *Amounts are calculated from the date the individual was appointed to the executive position or up to the date the individual ceased to hold the executive position. Mr Rey was appointed as a KMP on 1 November 2011 and Mr Kelly ceased to be a KMP on 31 October 2011.*

E. Remuneration of Non-Executive Directors

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

a) Directors' fees

Total fees are not to exceed the annual limit of $2.3 million as previously 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.

The average increase in Director base fees for the last four years has been 3.4% per annum. As a consequence, the base fee has fallen below the median, and it is the Board's intention to apply above average increases over a similar time period going forward, to bring the Director base fee closer to the median.

The annual Directors' fees (excluding superannuation contributions) payable to Non-Executive Directors for the financial year ended 31 December 2012 were as follows –

	$
Chairman	436,100
Director (base fee)	150,500
Audit & Risk Committee – Chairman	30,000
Audit & Risk Committee – member	17,300
Compliance & Social Responsibility Committee – Chairman	23,100
Compliance & Social Responsibility Committee – member	13,900
Compensation Committee – Chairman	23,100
Compensation Committee – member	13,900

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

b) Non-Executive Directors Share Plan

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

c) Superannuation contributions

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

d) 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, these Non-Executive Directors will not have their shares transferred to them until the time of their retirement. Further details on these shares are included in Note 23 to the financial statements.

e) CCA shareholding guidelines

Non-Executive Directors are encouraged to hold CCA shares, with the following shareholding guideline introduced during 2010, based on length of time served as a Director –

- upon reaching five years, to hold equivalent of at least 20% of annual Director fees in CCA shares;
- upon reaching 10 years, to hold equivalent of at least 40% of annual Director fees in CCA shares; and
- upon reaching 15 years, to hold equivalent of at least 60% of annual Director fees in CCA shares.

Remuneration report continued

E. Remuneration of Non-Executive Directors continued

The following table has been prepared in accordance with section 300A of the Corporations Act 2001; amounts are paid or payable for services provided during the financial year –

		Short term		Post employment	Total
	Year	Base fees $	Committee fees $	Superannuation $	$
KMP Non-Executive Directors					
D.M. Gonski, AC	**2012**	**436,100**	**–**	**16,123**	**452,223**
Chairman	2011	411,400	–	15,487	426,887
I.R. Atlas[1]	**2012**	**150,500**	**31,200**	**16,064**	**197,764**
	2011	120,700	19,363	12,606	152,669
C.M. Brenner	**2012**	**150,500**	**37,000**	**16,123**	**203,623**
	2011	142,000	30,378	15,372	187,750
A.G. Froggatt	**2012**	**150,500**	**40,400**	**16,123**	**207,023**
	2011	142,000	25,060	14,821	181,881
M. Jansen	**2012**	**150,500**	**17,300**	**15,102**	**182,902**
	2011	142,000	16,300	14,247	172,547
G.J. Kelly	**2012**	**150,500**	**13,900**	**14,796**	**179,196**
	2011	142,000	13,100	13,959	169,059
W.M. King, AO	**2012**	**150,500**	**13,900**	**14,796**	**179,196**
	2011	142,000	13,100	13,959	169,059
D.E. Meiklejohn, AM[2]	**2012**	**150,500**	**43,900**	**16,123**	**210,523**
	2011	142,000	40,300	15,487	197,787
Total KMP Non-Executive Directors	**2012**	**1,489,600**	**197,600**	**125,250**	**1,812,450**
Total KMP Non-Executive Directors	2011	1,384,100	157,601	115,938	1,657,639

1 Amounts are calculated from the date the individual was appointed as a Non-Executive Director, or up to the date the individual ceased, to hold the Non-Executive Director position. Ms Atlas was appointed as a KMP on 23 February 2011.

2 Mr Meiklejohn can elect to have the superannuation benefit paid into a superannuation fund of his choice, or receive the benefit as taxable income, as long as the Superannuation Guarantee obligations are met. In 2012, Mr Meiklejohn elected to receive part of his superannuation as taxable income.

F. Policy on Trading in CCA's Shares

Under CCA's Policy on Trading in CCA's Shares, Directors, executives and nominated senior managers are prohibited from short term or speculative trading in the Company's shares and transactions in the derivative markets.

The prohibition on short term or speculative trading includes direct dealings in the Company's shares and transactions in the derivative markets involving exchange traded options, share warrants and similar instruments.

The entering into of all types of "protection arrangements" for any CCA shares (or CCA products in the derivative markets) that are held directly or indirectly by Directors, executives or nominated senior managers (including both in respect of vested and unvested shares in any Director or employee share plan) are prohibited at any time, irrespective of whether such protection arrangements are entered into during trading windows or otherwise.

The entering into of any margin lending arrangement involving CCA shares, during or outside a trading window, is also prohibited.

The Policy has been formally circulated to all Directors, executives and nominated senior managers. Failure to comply with the Policy will be regarded as a breach of the CCA Code of Business Conduct and will attract a penalty that may include termination of employment depending on the severity of the breach.

The movement of shares during the reporting period held directly, indirectly or beneficially, by the Group Managing Director is disclosed in Note 30 to the financial statements.

Auditor independence and non-audit services

Auditor independence

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

ERNST & YOUNG

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

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.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 2012, 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

M Wright

Michael Wright
Partner
Sydney
19 February 2013

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	$215,000
Tax compliance services	$5,000

Signed in accordance with a resolution of the Directors.

David M. Gonski, AC
Chairman
Sydney
19 February 2013

Terry J. Davis
Group Managing Director
Sydney
19 February 2013

Income Statement

Coca-Cola Amatil Limited and its subsidiaries

For the financial year ended 31 December 2012

	Refer Note	2012 $M	2011 $M
Revenue, excluding finance income			
Trading revenue		**5,097.4**	4,801.2
Other revenue		**41.8**	54.9
	3	**5,139.2**	4,856.1
Other income[1]	4	**53.2**	212.8
Expenses, excluding finance costs			
Cost of goods sold		**(2,839.3)**	(2,684.3)
Selling		**(692.0)**	(651.7)
Warehousing and distribution		**(390.8)**	(362.3)
Administration and other[1]		**(509.3)**	(501.0)
		(4,431.4)	(4,199.3)
Share of net profit of joint venture entity accounted for using the equity method	10	**–**	0.9
Earnings before interest and tax		**761.0**	870.5
Net finance costs			
Finance income	3	**35.8**	11.8
Finance costs	4	**(147.7)**	(139.6)
		(111.9)	(127.8)
Profit before income tax	4	**649.1**	742.7
Income tax expense[1]	5	**(189.0)**	(150.9)
Profit after income tax		**460.1**	591.8
Profit after income tax attributable to non-controlling interests		**(0.2)**	–
Profit after income tax attributable to members of the Company		**459.9**	591.8

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

	Refer Note	**¢**	¢
Earnings per share (EPS) for profit attributable to members of the Company			
Basic and diluted EPS	25	**60.4**	78.1

Notes appearing on pages [69] to [131] 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 2012

	Refer Note	**2012 $M**	2011 $M
Profit after income tax		**460.1**	591.8
Other comprehensive income			
Foreign exchange differences on translation of foreign operations	22	**(16.4)**	17.2
Transfer to the income statement	22	**–**	0.2
Cash flow hedges[1]	22	**(17.9)**	(59.9)
Other comprehensive income, after income tax		**(34.3)**	(42.5)
Total comprehensive income		**425.8**	549.3
Total comprehensive income attributable to non-controlling interests		**(0.2)**	–
Total comprehensive income attributable to members of the Company		**425.6**	549.3

1 Stated net of $7.9 million deferred tax (2011: $26.2 million).

Notes appearing on pages [69] to [131] to be read as part of the financial statements.

Statement of Financial Position

Coca-Cola Amatil Limited and its subsidiaries

As at 31 December 2012

	Refer Note	2012 $M	2011 $M
Current assets			
Cash assets	6	**1,178.0**	664.9
Trade and other receivables	7	**959.5**	864.4
Inventories	8	**689.5**	752.4
Prepayments		**94.6**	59.3
Derivatives	31	**9.5**	14.7
Other financial assets	9	**–**	288.6
Total current assets		**2,931.1**	2,644.3
Non-current assets			
Long term deposits		**150.0**	–
Other receivables	7	**3.6**	6.6
Investments in bottlers' agreements	11	**905.2**	899.6
Property, plant and equipment	12	**1,993.8**	1,772.1
Intangible assets	13	**628.7**	607.6
Prepayments		**19.8**	10.6
Defined benefit superannuation plans	19	**15.0**	14.5
Derivatives	31	**50.4**	73.7
Other financial assets	9	**24.4**	–
Total non-current assets		**3,790.9**	3,384.7
Total assets		**6,722.0**	6,029.0
Current liabilities			
Trade and other payables	15	**806.3**	735.6
Interest bearing liabilities	16	**351.4**	107.5
Current tax liabilities		**54.5**	44.8
Provisions	17	**82.2**	100.3
Accrued charges		**412.6**	351.7
Derivatives	31	**42.2**	48.5
Total current liabilities		**1,749.2**	1,388.4
Non-current liabilities			
Other payables	15	**2.0**	–
Interest bearing liabilities	16	**2,435.8**	2,201.7
Provisions	17	**13.3**	12.2
Deferred tax liabilities	18	**157.7**	153.8
Defined benefit superannuation plans	19	**30.5**	30.3
Derivatives	31	**254.9**	208.3
Total non-current liabilities		**2,894.2**	2,606.3
Total liabilities		**4,643.4**	3,994.7
Net assets		**2,078.6**	2,034.3
Equity			
Share capital	20	**2,250.0**	2,218.2
Shares held by equity compensation plans	21	**(17.4)**	(16.5)
Reserves	22	**(128.8)**	(91.5)
Accumulated losses		**(30.4)**	(75.9)
Equity attributable to members of the Company		**2,073.4**	2,034.3
Non-controlling interests		**5.2**	–
Total equity		**2,078.6**	2,034.3

Notes appearing on pages [69] to [131] 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 2012

	Refer Note	**2012 $M**	2011 $M
Inflows/(outflows)			
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services taxes)		**5,747.2**	5,389.0
Payments to suppliers, governments and employees (inclusive of goods and services taxes)		**(4,734.3)**	(4,422.6)
Interest income received		**35.6**	11.8
Interest and other finance costs paid		**(139.6)**	(130.2)
Income taxes paid		**(167.0)**	(206.2)
Net cash flows from operating activities	6	**741.9**	641.8
Cash flows from investing activities			
Proceeds from –			
disposal of –			
property, plant and equipment		**5.8**	3.6
trademarks	4&13	**5.2**	–
rights to sell certain CCA branded products	4	**19.0**	–
other financial assets	9	**288.6**	–
discontinuation of business acquisition	4	**34.2**	–
repayment of loan by joint venture entity		**24.5**	6.0
Payments for –			
additions of –			
property, plant and equipment		**(423.3)**	(334.7)
customer lists		**(0.3)**	–
software development assets		**(41.5)**	(26.5)
other financial assets		**(24.4)**	–
acquisitions of entities and operations (net)	29	**(116.0)**	(11.6)
investments in long term deposits		**(150.0)**	–
loan made to joint venture entity		**–**	(11.5)
Net cash flows used in investing activities		**(378.2)**	(374.7)
Cash flows from financing activities			
Proceeds from issue of shares	20	**–**	3.1
Proceeds from borrowings		**685.9**	671.4
Borrowings repaid		**(155.9)**	(322.3)
Dividends paid	24	**(382.6)**	(343.7)
Net cash flows from financing activities		**147.4**	8.5
Net increase in cash and cash equivalents		**511.1**	275.6
Cash and cash equivalents held at the beginning of the financial year		**664.9**	381.6
Effects of exchange rate changes on cash and cash equivalents		**1.3**	7.7
Cash and cash equivalents held at the end of the financial year	6	**1,177.3**	664.9

Notes appearing on pages [69] to [131] 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 2012

	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
		Equity attributable to members of the Company						
At 1 January 2012		**2,218.2**	**(16.5)**	**(91.5)**	**(75.9)**	**2,034.3**	**–**	**2,034.3**
Profit		**–**	**–**	**–**	**459.9**	**459.9**	**0.2**	**460.1**
Other comprehensive income		**–**	**–**	**(34.3)**	**–**	**(34.3)**	**–**	**(34.3)**
Total comprehensive income		**–**	**–**	**(34.3)**	**459.9**	**425.6**	**0.2**	**425.8**
Transactions with equity holders –								
Movements in ordinary shares	20	**31.8**	**–**	**–**	**–**	**31.8**	**–**	**31.8**
Share based remuneration obligations	21&22	**–**	**(0.9)**	**(3.0)**	**–**	**(3.9)**	**–**	**(3.9)**
Dividends appropriated	24	**–**	**–**	**–**	**(414.4)**	**(414.4)**	**–**	**(414.4)**
Non-controlling interests on business combinations		**–**	**–**	**–**	**–**	**–**	**5.0**	**5.0**
Total of transactions with equity holders		**31.8**	**(0.9)**	**(3.0)**	**(414.4)**	**(386.5)**	**5.0**	**(381.5)**
At 31 December 2012		**2,250.0**	**(17.4)**	**(128.8)**	**(30.4)**	**2,073.4**	**5.2**	**2,078.6**
At 1 January 2011		2,180.2	(17.9)	(39.8)	(289.1)	1,833.4	–	1,833.4
Profit		–	–	–	591.8	591.8	–	591.8
Other comprehensive income		–	–	(42.5)	–	(42.5)	–	(42.5)
Total comprehensive income		–	–	(42.5)	591.8	549.3	–	549.3
Transactions with equity holders –								
Movements in ordinary shares	20	38.0	–	–	–	38.0	–	38.0
Share based remuneration obligations	21&22	–	1.4	(9.2)	–	(7.8)	–	(7.8)
Dividends appropriated	24	–	–	–	(378.6)	(378.6)	–	(378.6)
Total of transactions with equity holders		38.0	1.4	(9.2)	(378.6)	(348.4)	–	(348.4)
At 31 December 2011		2,218.2	(16.5)	(91.5)	(75.9)	2,034.3	–	2,034.3

1 Refer to Note 22.

Notes appearing on pages [69] to [131] 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 19 February 2013.

Coca-Cola Amatil Limited is a 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.

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 2012. There has been no effect on the financial statements of the Group.

CCA has amended the reporting of receipts from customers within the statement of cash flows to be inclusive of goods and services taxes, duties and excise taxes. This change has been made to be consistent with the generally accepted interpretation of AASB 107 Statement of Cash Flows requirements. The change adopted does not impact the net cash flows from operating activities.

In 2011, the Coca-Cola Amatil Limited Board of Directors made a formal written election to early adopt the following new and amended Australian Accounting Standards in the preparation of the Group's 2011 and 2012 financial statements –

AASB 10	Consolidated Financial Statements
AASB 11	Joint Arrangements
AASB 12	Disclosures of Interests in Other Entities
AASB 127	Separate Financial Statements
AASB 128	Investments in Associates and Joint Ventures
AASB 2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

Excluding the above mentioned standards, 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 2012. 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 9	Financial Instruments	Adjusts the classification and measurement of financial assets and liabilities.	1 Jan 2015	The impact of the standard is yet to be assessed.	1 Jan 2015
AASB 13	Fair Value Measurement	New guidance on fair value measurement and disclosure requirements.	1 Jan 2013	The impact of the standard is yet to be assessed.	1 Jan 2013

Refer to the following page for footnote details.

1. Summary of Significant Accounting Policies continued

b) Statement of compliance continued

Reference	Title	Summary	Application date of standard[1]	Impact on the Group's financial report	Application date for the Group
AASB 119	Employee Benefits	Changes the accounting for and presentation of pensions and other post-employment benefits.	1 Jan 2013	Approximately $11.4 million after tax decrease to equity (on transition) and immaterial net impact on income statement.	1 Jan 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	Removal of key management personnel disclosure requirements from AASB 124 Related Party Disclosures.	1 Jul 2013	Disclosure changes only.	1 Jan 2014
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income	Changes to presentation of the statement of comprehensive income.	1 Jul 2012	Disclosure changes only.	1 Jan 2013
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	New guidance on the disclosure for netting arrangements	1 Jan 2013	Disclosure changes only.	1 Jan 2013
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	New guidance to address inconsistencies identified in applying some of the offsetting criteria of AASB 132 Financial Instruments: Presentation.	1 Jan 2014	Disclosure changes only.	1 Jan 2014

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

c) Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities. 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 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

1. Summary of Significant Accounting Policies continued

c) Use of estimates continued

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

Subsidiaries

The consolidated financial statements of the Group comprise those of the parent entity, Coca-Cola Amatil Limited, and its subsidiaries. Subsidiaries are all those entities over which the Group has the power to govern financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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.

Investments in subsidiaries are measured initially at cost and subsequently at cost less impairment.

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.

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.

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.

1. Summary of Significant Accounting Policies continued

f) Foreign currency translation continued

ii) Transactions and balances continued
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. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to customers;

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 as the interest accrues, 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.

1. Summary of Significant Accounting Policies continued

i) Income tax continued

ii) Deferred tax continued

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.

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.

1. Summary of Significant Accounting Policies continued

n) Financial assets

The Group classifies its financial assets as either "financial assets at fair value through the income statement" or as "loans and receivables". The classification depends on the purpose for which the financial asset was acquired.

When financial assets are recognised initially, they are measured at fair value. In the case of financial assets not measured at fair value, they are taken through the income statement, along with directly attributable transaction costs.

Recognition and derecognition
All regular purchases and sales of financial assets are recognised on the trade date, that is the date the Group commits to purchase the asset. Regular purchases and sales of financial assets under contracts that require delivery of the assets within the period are established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or been transferred.

i) Financial assets at fair value through the income statement
Financial assets at fair value through the income statement are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Loans and receivables are included in trade and other receivables in the statement of financial position. Loans and receivables are classified as current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

The fair value of all financial assets is 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.

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 14 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 any accumulated impairment losses. 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.

1. Summary of Significant Accounting Policies continued

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.

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	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. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates.

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 14 for details.

1. Summary of Significant Accounting Policies continued

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.

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.

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.

1. Summary of Significant Accounting Policies continued

v) Employee benefits continued

iii) Pensions and post-retirement benefits continued

For defined benefit plans, pension costs are assessed using the projected unit credit method. Under the "corridor" approach, actuarial gains and losses are recognised as income or expense, when the cumulative unrecognised actuarial gains or losses for each individual plan exceed 10% of the defined benefit obligation or the fair value of plan assets, in accordance with the valuations made by qualified actuaries. The defined benefit obligations are measured at the present value of the estimated future cash flows using interest rates on government guaranteed securities with similar due dates to these expected cash flows. Actuarial gains and losses arising from experience adjustments or changes in assumptions are recognised over the average remaining service lives of employees. Past service cost is recognised immediately to the extent that benefits are already vested and otherwise are amortised over the average remaining service lives of the employees. Refer to Note 19 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 financial records 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 total shareholder return performance condition) and the Black Scholes model (for shares with an earnings per share 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 23 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.

1. Summary of Significant Accounting Policies continued

w) Derivative financial instruments

The Group seeks to actively manage its exposures to foreign exchange, commodities and interest rates 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).

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 prospectively and retrospectively 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.

1. Summary of Significant Accounting Policies continued

x) Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value of 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.

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 finance costs and income taxes on a Group basis. Segment performance (segment result) is evaluated on an earnings before interest, tax and significant items basis.

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 38.8% (2011: 37.0%) 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.

	2012 $M	2011 $M	**2012 $M**	2011 $M	**2012 $M**	2011 $M
	Trading revenue[1]		**Other revenue**		**Total revenue, excluding finance income**	
Non-Alcohol Beverage business						
Australia	**3,027.9**	2,880.7	**11.5**	29.9	**3,039.4**	2,910.6
New Zealand & Fiji	**402.8**	415.8	**9.2**	10.5	**412.0**	426.3
Indonesia & PNG	**948.2**	845.5	**1.6**	1.0	**949.8**	846.5
Alcohol, Food & Services business	**718.5**	659.2	**19.5**	13.5	**738.0**	672.7
Total CCA Group	**5,097.4**	4,801.2	**41.8**	54.9	**5,139.2**	4,856.1

	Segment result	
Non-Alcohol Beverage business		
Australia	**627.4**	607.2
New Zealand & Fiji	**70.1**	79.5
Indonesia & PNG	**102.9**	88.1
Alcohol, Food & Services business	**95.1**	93.2
Total operating segments	**895.5**	868.0
Share of net profit of joint venture entity	**–**	0.9
Total CCA Group	**895.5**	868.9

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

	CCA Group	
Segment result	**895.5**	868.9
Significant items[2]	**(134.5)**	1.6
Earnings before interest and tax	**761.0**	870.5
Net finance costs[3]	**(111.9)**	(127.8)
Profit before income tax	**649.1**	742.7
Income tax expense[3]	**(189.0)**	(150.9)
Profit after income tax	**460.1**	591.8
Profit after income tax attributable to non-controlling interests	**(0.2)**	–
Profit after tax attributable to members of the Company	**459.9**	591.8

Refer to the following page for footnote details.

2. Segment Reporting continued

	2012 $M	2011 $M	2012 $M	2011 $M	2012 $M	2011 $M
	Assets[5]		**Liabilities[5]**		**Net assets[5]**	
Non-Alcohol Beverage business						
Australia	**2,498.6**	2,392.8	**978.6**	934.4	**1,520.0**	1,458.4
New Zealand & Fiji	**558.5**	542.8	**107.0**	112.3	**451.5**	430.5
Indonesia & PNG	**643.2**	550.9	**268.8**	218.9	**374.4**	332.0
Alcohol, Food & Services business	**1,669.3**	1,559.8	**328.5**	292.1	**1,340.8**	1,267.7
Total operating segments	**5,369.6**	5,046.3	**1,682.9**	1,557.7	**3,686.7**	3,488.6
Other financial assets	**24.4**	288.6	**–**	–	**24.4**	288.6
Capital employed	**5,394.0**	5,334.9	**1,682.9**	1,557.7	**3,711.1**	3,777.2
Net debt[4]	**1,328.0**	694.1	**2,960.5**	2,437.0	**(1,632.5)**	(1,742.9)
Total CCA Group	**6,722.0**	6,029.0	**4,643.4**	3,994.7	**2,078.6**	2,034.3

	Depreciation and amortisation expenses 2012 $M	2011 $M	Additions of non-current assets[6] 2012 $M	2011 $M
Non-Alcohol Beverage business				
Australia	**79.3**	73.2	**236.8**	174.2
New Zealand & Fiji	**20.3**	18.0	**38.3**	36.1
Indonesia & PNG	**39.5**	40.3	**163.8**	68.5
Alcohol, Food & Services business	**94.3**	73.7	**172.2**	136.8
Total CCA Group	**233.4**	205.2	**611.1**	415.6

	Trading revenue by geography[7] 2012 $M	2011 $M	Non-current assets by geography[6] 2012 $M	2011 $M
Australia	**3,730.0**	3,539.9	**2,552.9**	2,455.4
New Zealand & Fiji	**419.1**	415.8	**462.3**	380.0
Indonesia & PNG	**948.3**	845.5	**536.9**	443.9
Total CCA Group	**5,097.4**	4,801.2	**3,552.1**	3,279.3

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 finance costs and income tax are managed on a Group basis and are not reported internally at a segment level.*

4 *Cash assets, debt related derivative assets and liabilities, loans and interest bearing liabilities are not included as part of segment assets and liabilities as they are managed on a Group basis.*

5 *Certain comparative amounts have been restated arising from a review of the classification of intercompany balances carried out during the financial year. There was no impact on Group totals arising from the restatement.*

6 *This disclosure comprises investments in bottlers' agreements, property, plant and equipment, intangible assets and other non-current financial assets.*

7 *The trading revenue recorded reflects the customer geographic location of revenue earned by the Group.*

	Refer Note	**2012 $M**	2011 $M

3. Revenue

	Refer Note	2012 $M	2011 $M
Trading revenue			
Sales of products		**5,007.9**	4,719.7
Rental of equipment and processing fees		**89.5**	81.5
Total trading revenue		**5,097.4**	4,801.2
Other revenue			
Rendering of services		**21.5**	34.3
Miscellaneous rental and sundry income[1]		**20.3**	20.6
Total other revenue		**41.8**	54.9
Total revenue, excluding finance income		**5,139.2**	4,856.1
Interest income from –			
related parties	33	**0.1**	1.7
non-related parties		**35.7**	10.1
Total finance income		**35.8**	11.8
Total revenue		**5,175.0**	4,867.9

1 Sundry income mainly relates to sales of materials and consumables and scrap sales.

4. Income Statement Disclosures

Profit before income tax includes the following specific expenses –

a) Finance costs

	Refer Note	2012 $M	2011 $M
Interest costs from non-related parties		**152.6**	142.8
Other finance gains		**(0.6)**	(0.8)
Total finance costs		**152.0**	142.0
Amounts capitalised		**(4.3)**	(2.4)
Total finance costs expensed		**147.7**	139.6

b) Income statement disclosures (by nature)

	Refer Note	2012 $M	2011 $M
Depreciation expense	12	**211.8**	185.2
Amortisation expense	13	**21.6**	20.0
Rentals – operating leases		**83.0**	78.8
Defined benefit superannuation plan expense	19b)	**9.8**	10.7
Defined contribution superannuation plan expense		**57.3**	52.1
Share based remuneration expense	22b)	**14.5**	14.8
Employee benefits expense		**77.9**	74.9
Net foreign exchange losses[1]		**10.8**	9.9

1 These amounts are principally included in cost of goods sold. Cost of goods sold also includes compensating amounts relating to commodity pricing and hedging outcomes.

c) Significant items

Alcohol strategy

Following CCA's due diligence review of Foster's Australian spirits business, CCA elected not to proceed with the acquisition of this business and under the terms of CCA's Pacific Beverages sale agreement with SABMiller plc (SABMiller), CCA has received a payment of $34.2 million from SABMiller. CCA has also recognised further restructuring expenses that are directly attributable to the alcohol strategy.

Transactions with The Coca-Cola Company (TCCC)

During the financial year, CCA sold certain of the Foster's non-alcoholic assets, including the Cascade trademark in relation to non-alcoholic products (as acquired by CCA from Foster's, also during 2012) to a subsidiary of TCCC. CCA has also agreed with TCCC to sell Cascade branded products in place of other existing CCA products in certain trade channels. Consequently, CCA received proceeds of $24.2 million from a subsidiary of TCCC and incurred certain expenses that are directly attributable to the transactions.

SPCA business restructure

During the financial year, CCA continued to assess the appropriate structure of SPCA and the net realisable value of its inventories as part of the ongoing restructure of the business, as a consequence of the stronger Australian Dollar resulting in SPCA being non-competitive in many export markets, the movement of domestic grocery private label contracts to imported products and fresh fruit price deflation. This assessment has resulted in recognition of a write down of inventories and other assets and restructuring costs. As a result of CCA's impairment testing, an impairment charge of $48.0 million against goodwill has also been recognised.

As a result of the above transactions, CCA has recognised the following amounts in the income statement during the financial year –

	Refer Note	**2012 $M**	2011 $M
Gain on discontinuation of business acquisition		**34.2**	–
Revaluation to fair value of 50% interest in Pacific Beverages	9	**–**	213.0
Transfer from foreign currency translation reserve	22b)	**–**	(0.2)
Gain on Cascade related transactions		**19.0**	–
		53.2	212.8
Impairment charge on SPCA's goodwill		**(48.0)**	–
Write down of inventories to net realisable value		**(100.4)**	(108.3)
Write down of other assets, restructuring and other costs		**(39.3)**	(102.9)
Total net significant item (losses)/gains		**(134.5)**	1.6

5. Income Tax Expense

	Refer Note	2012	2011
a) Income tax expense			
		$M	$M
Current tax expense		**188.8**	234.0
Deferred tax expense/(benefit)	18d)	**3.8**	(71.5)
Adjustments to current tax of prior periods		**(3.6)**	(11.6)
Total income tax expense		**189.0**	150.9
Total income tax expense includes –			
Income tax benefit on significant items[1]		**(36.0)**	(58.2)

1 Refer to Note 5b) for further details.

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

	2012	2011
	%	%
Applicable (Australian) tax rate	**30.0**	30.0
Adjustments to current tax of prior periods	**(0.6)**	(1.6)
Adjustments to deferred tax assets – tax losses[1]	**(1.6)**	(8.2)
Impairment of goodwill	**2.2**	–
Non-allowable expenses	**0.7**	0.4
Overseas tax rates differential	**(0.9)**	(0.7)
Overseas withholding tax	**(0.7)**	(0.1)
Other	**–**	0.5
Effective tax rate	**29.1**	20.3
Effective tax rate (before significant items)	28.7	28.2

1 Relates mainly to deferred tax assets arising from recognition of CCA's previously unrecognised capital losses, to the extent required to offset the capital gain arising from the gains on the 2012 discontinuation of a business acquisition, and the 2011 revaluation to fair value of CCA's 50% interest in Pacific Beverages respectively. These gains have been classified as significant items. Refer to Notes 4c), 9 and 18d) 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	2012 $M	2011 $M
Cash on hand and in banks		**848.1**	391.3
Short term deposits		**329.9**	273.6
Total cash assets		**1,178.0**	664.9

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represents 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	2012 $M	2011 $M
Cash assets		**1,178.0**	664.9
Bank overdrafts	16	**(0.7)**	–
Cash and cash equivalents held at the end of the financial year		**1,177.3**	664.9

b) Non-cash investing and financing activities

	Refer Note	2012 $M	2011 $M
Dividends satisfied by the issue of shares under the Dividend Reinvestment Plan	24a)	**31.8**	34.9

c) Reconciliation of profit after income tax to net cash flows from operating activities

	Refer Note	2012 $M	2011 $M
Profit after income tax		**460.1**	591.8
Depreciation and amortisation expense		**233.4**	205.2
Impairment and amounts set aside to allowances and provisions		**191.7**	166.3
Share of net profit of joint venture entity		**–**	(0.9)
Share based remuneration		**(6.3)**	(9.8)
Fair value adjustments to derivatives		**(1.9)**	2.2
Revaluation to fair value of other financial assets	4c)	**–**	(212.8)
(Profit)/loss from –			
disposal of property, plant and equipment		**(0.6)**	0.1
discontinuation of business acquisition	4c)	**(34.2)**	–
Cascade related transactions	4c)	**(19.0)**	–
(Increase)/decrease in –			
trade and other receivables		**(119.9)**	(72.0)
inventories		**50.6**	(49.4)
prepayments		**(39.1)**	(15.9)
defined benefit superannuation plans assets		**(5.0)**	(4.4)
Increase/(decrease) in –			
trade and other payables		**53.1**	120.7
tax liabilities		**22.2**	(55.3)
provisions		**(95.2)**	(76.9)
accrued charges		**59.3**	65.6
derivatives		**(5.4)**	(11.1)
defined benefit superannuation plans liabilities		**(1.9)**	(1.6)
Net cash flows from operating activities		**741.9**	641.8

d) Risk exposure

CCA Group's exposure to interest rate risk is disclosed in Note 32. 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	2012 $M	2011 $M
Current			
Trade receivables		**887.2**	776.0
Allowance for doubtful receivables	7a)	**(6.7)**	(4.1)
		880.5	771.9
Amounts due from related entities (trade)	33	**6.8**	12.4
Amounts due from related entities (non-trade)	33	**20.0**	46.9
Other receivables		**52.3**	33.4
Allowance for doubtful receivables		**(0.1)**	(0.2)
		79.0	92.5
Total trade and other receivables (current)		**959.5**	864.4
Non-current			
Amounts due from related entities (non-trade)	33	**0.6**	0.9
Other receivables		**3.0**	5.7
Total other receivables (non-current)		**3.6**	6.6

a) Impaired trade and other receivables

Movements in the allowance for trade receivables are as follows –

	2012 $M	2011 $M
At 1 January	**(4.1)**	(5.3)
Charge	**(4.8)**	(2.7)
Written off	**2.3**	4.0
Acquisitions of entities and operations	**(0.1)**	–
Net foreign currency movements	**–**	(0.1)
	(6.7)	(4.1)

b) Analysis of receivables

As at 31 December 2012, 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 30 days overdue $M	More than 30 but less than 90 days overdue $M	More than 90 days overdue $M	Total $M
2012	**778.1**	**59.7**	**33.1**	**9.6**	**880.5**
2011	704.9	39.2	20.7	7.1	771.9

As at 31 December 2012, trade receivables of $102.4 million (2011: $67.0 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 32 on credit risk of trade and other receivables.

c) Related party receivables

For terms and conditions relating to related party receivables, refer to Note 33.

	Refer Note	2012 $M	2011 $M

8. Inventories

Raw materials at cost		**255.1**	261.3
Raw materials at net realisable value		**4.5**	4.1
		259.6	265.4
Finished goods at cost		**344.7**	391.1
Finished goods at net realisable value		**11.1**	30.5
		355.8	421.6
Other inventories at cost[1]		**65.7**	58.7
Other inventories at net realisable value[1]		**8.4**	6.7
		74.1	65.4
Total inventories		**689.5**	752.4

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

9. Other Financial Assets

Current

On 16 December 2011, CCA lost joint control of Pacific Beverages and discontinued equity accounting as at the date of loss of control. The 50% interest in Pacific Beverages as at the end of the 2011 financial year was classified as a current financial asset and was revalued to fair value through the income statement. Fair value was determined as being the sale price SABMiller paid to CCA for the 50% interest in Pacific Beverages on 13 January 2012.

Prior to 16 December 2011, this investment was classified as an equity accounted investment in joint venture entity by the Group. Refer to Note 10 for further details.

Balance at the beginning of the financial year		**288.6**	–
Reclassification from investment in joint venture entity		**–**	75.6
Revaluation to fair value of 50% interest in Pacific Beverages	4c)	**–**	213.0
Disposal		**(288.6)**	–
Total movements		**(288.6)**	288.6
Balance at the end of the financial year		**–**	288.6

Non-current

In August 2012, CCA lent $24.4 million to the Australian Beer Company, part of the Casella group. The loan will convert into an equity interest in the Australian Beer Company after the expiration of CCA's restraint on selling beer in Australia on 16 December 2013.

Convertible notes		**24.4**	–

	2012 $M	2011 $M

10. Investment in Joint Venture Entity

Carrying amount of investment in Pacific Beverages Pty Ltd[1]	**–**	–

1 The amount was reclassified to other financial assets upon the discontinuation of equity accounting on 16 December 2011. Refer to Note 9 for further details.

The Company had a 50% interest in Pacific Beverages Pty Ltd. The principal activities of Pacific Beverages were the manufacture, importation and distribution of alcoholic beverages.

CCA lost joint control of Pacific Beverages on 16 December 2011 and discontinued equity accounting on that date. Prior to this date, the interest in Pacific Beverages was accounted for using the equity method of accounting. Information relating to the joint venture entity is set out below –

CCA Group's share of Pacific Beverages' revenue, expenses and results[1]

	2012 $M	2011 $M
Revenue[2]	**–**	48.3
Expenses	**–**	(47.8)
Profit after income tax	**–**	0.9

1 The comparative amounts are for the period to 16 December 2011.

2 Beer sales revenue, excluding duties and excise taxes.

11. Investments in Bottlers' Agreements

	2012 $M	2011 $M
Balance at the beginning of the financial year	**899.6**	898.2
Net foreign currency movements	**5.6**	1.4
Balance at the end of the financial year	**905.2**	899.6

The bottlers' agreements reflect a long and ongoing relationship between the Group and The Coca-Cola Company (TCCC). As at 31 December 2012, there were agreements for the five 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 expensed 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 14.

12. 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 2012						
Cost (gross carrying amount)		**186.0**	**334.8**	**2,554.9**	**225.1**	**3,300.8**
Accumulated depreciation and impairment		**–**	**(72.0)**	**(1,456.7)**	**–**	**(1,528.7)**
Net carrying amount		**186.0**	**262.8**	**1,098.2**	**225.1**	**1,772.1**
Year ended 31 December 2012						
At 1 January 2012, net of accumulated depreciation and impairment		**186.0**	**262.8**	**1,098.2**	**225.1**	**1,772.1**
Additions		**–**	**–**	**7.0**	**433.6**	**440.6**
Acquisition of entities and operations	29	**15.4**	**14.0**	**25.1**	**0.9**	**55.4**
Disposals		**(0.1)**	**(0.5)**	**(4.6)**	**–**	**(5.2)**
Depreciation expense	4b)	**–**	**(14.2)**	**(197.6)**	**–**	**(211.8)**
Impairment charge[2]		**–**	**(11.6)**	**(11.7)**	**–**	**(23.3)**
Net foreign currency movements		**(1.3)**	**(2.4)**	**(19.4)**	**(3.7)**	**(26.8)**
Transfer out of property, plant and equipment under construction and reclassifications		**1.9**	**40.7**	**382.2**	**(424.8)**	**–**
Other		**–**	**(0.1)**	**(0.5)**	**(6.6)**	**(7.2)**
At 31 December 2012, net of accumulated depreciation and impairment		**201.9**	**288.7**	**1,278.7**	**224.5**	**1,993.8**
At 31 December 2012						
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**
At 1 January 2011						
Cost (gross carrying amount)		185.0	306.0	2,334.4	139.1	2,964.5
Accumulated depreciation and impairment		–	(60.0)	(1,309.2)	–	(1,369.2)
Net carrying amount		185.0	246.0	1,025.2	139.1	1,595.3
Year ended 31 December 2011						
At 1 January 2011, net of accumulated depreciation and impairment		185.0	246.0	1,025.2	139.1	1,595.3
Additions		–	0.8	23.5	353.5	377.8
Disposals		–	(0.1)	(3.5)	–	(3.6)
Depreciation expense	4b)	–	(12.7)	(172.5)	–	(185.2)
Net foreign currency movements		0.2	0.5	3.1	1.2	5.0
Transfer out of property, plant and equipment under construction and reclassifications		0.8	28.3	240.7	(269.8)	–
Other		–	–	(18.3)	1.1	(17.2)
At 31 December 2011, net of accumulated depreciation and impairment		186.0	262.8	1,098.2	225.1	1,772.1
At 31 December 2011						
Cost (gross carrying amount)		186.0	334.8	2,554.9	225.1	3,300.8
Accumulated depreciation and impairment		–	(72.0)	(1,456.7)	–	(1,528.7)
Net carrying amount		186.0	262.8	1,098.2	225.1	1,772.1

1 Freehold and leasehold buildings include improvements made to buildings.

2 Relates mainly to impairment charges on SPCA's freehold and leasehold buildings and plant and equipment. Refer to Note 4c) for further details of significant items. Through management's ongoing assessment of the recoverable amount of the above, these impairment charges have been identified.

13. Intangible Assets

	Refer Note	Customer lists[1&2] $M	Brand names and trademarks[1] $M	Software development assets $M	Goodwill[1] $M	Other $M	Total intangible assets $M
At 1 January 2012							
Cost (gross carrying amount)		**8.7**	**120.1**	**157.5**	**396.4**	**–**	**682.7**
Accumulated amortisation and impairment		**(7.3)**	**(8.2)**	**(59.6)**	**–**	**–**	**(75.1)**
Net carrying amount		**1.4**	**111.9**	**97.9**	**396.4**	**–**	**607.6**
Year ended 31 December 2012							
At 1 January 2012, net of accumulated amortisation and impairment		**1.4**	**111.9**	**97.9**	**396.4**	**–**	**607.6**
Additions		**0.3**	**–**	**41.5**	**–**	**–**	**41.8**
Disposals[3]		**–**	**(5.2)**	**–**	**–**	**–**	**(5.2)**
Acquisitions of entities and operations		**3.2**	**5.5**	**0.1**	**38.1**	**2.0**	**48.9**
Amortisation expense	4b)	**(0.8)**	**(0.3)**	**(20.5)**	**–**	**–**	**(21.6)**
Impairment charge[4]		**–**	**–**	**–**	**(48.0)**	**–**	**(48.0)**
Net foreign currency movements		**–**	**0.3**	**–**	**(2.0)**	**–**	**(1.7)**
Other		**–**	**–**	**6.9**	**–**	**–**	**6.9**
At 31 December 2012, net of accumulated amortisation and impairment		**4.1**	**112.2**	**125.9**	**384.5**	**2.0**	**628.7**
At 31 December 2012							
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**
At 1 January 2011							
Cost (gross carrying amount)		7.6	120.1	132.3	387.5	–	647.5
Accumulated amortisation and impairment		(6.0)	(7.8)	(43.2)	–	–	(57.0)
Net carrying amount		1.6	112.3	89.1	387.5	–	590.5
Year ended 31 December 2011							
At 1 January 2011, net of accumulated amortisation and impairment		1.6	112.3	89.1	387.5	–	590.5
Additions		–	–	26.5	–	–	26.5
Disposals		–	–	(0.1)	–	–	(0.1)
Acquisitions of entities and operations		1.1	–	–	9.1	–	10.2
Amortisation expense	4b)	(1.3)	(0.3)	(18.4)	–	–	(20.0)
Net foreign currency movements		–	(0.1)	(0.1)	(0.2)	–	(0.4)
Other		–	–	0.9	–	–	0.9
At 31 December 2011, net of accumulated amortisation and impairment		1.4	111.9	97.9	396.4	–	607.6
At 31 December 2011							
Cost (gross carrying amount)		8.7	120.1	157.5	396.4	–	682.7
Accumulated amortisation and impairment		(7.3)	(8.2)	(59.6)	–	–	(75.1)
Net carrying amount		1.4	111.9	97.9	396.4	–	607.6

1 Acquired in business combinations. Refer to Note 29.

2 Asset purchases.

3 Represents the carrying value of the Cascade and other trademarks disposed, refer to Note 4c) for further details.

4 Relates to the impairment charge on SPCA's goodwill. Refer to Note 4c) for further details of significant items.

13. Intangible Assets continued

The useful life of customer lists is finite and amortisation is on a straight line basis.

In assessing the useful life of SPCA brand names, due consideration is given to the existing longevity of SPCA brands, the indefinite life cycle of the industry in which SPCA 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 SPCA 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.

Software development assets represent internally generated intangible assets with 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 2012. Refer to Note 14 for further details of impairment testing of intangible assets with indefinite lives.

14. 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 $M	Goodwill $M	Total IBAs and intangible assets with indefinite lives $M
Year ended 31 December 2012				
Non-Alcoholic Beverage business				
Australia	**691.9**	**–**	**46.1**	**738.0**
New Zealand & Fiji	**173.1**	**–**	**7.5**	**180.6**
Indonesia & PNG	**40.2**	**–**	**16.3**	**56.5**
Alcohol, Food & Services business	**–**	**98.3**	**314.6**	**412.9**
Total	**905.2**	**98.3**	**384.5**	**1,388.0**
Year ended 31 December 2011				
Non-Alcoholic Beverage business				
Australia	691.9	–	32.3	724.2
New Zealand & Fiji	165.0	–	7.1	172.1
Indonesia & PNG	42.7	–	18.1	60.8
Alcohol, Food & Services business	–	98.3	338.9	437.2
Total	899.6	98.3	396.4	1,394.3

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.

Investments in bottlers' agreements and goodwill
Generally, CCA performs its impairment testing on a value in use basis. However, in addition to value in use, it assesses fair value less costs to sell to ensure that the higher value arising from either basis is in excess of the asset's carrying amount. Value in use is calculated using 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 and approved by the Board.

14. Impairment Testing of Investments in Bottlers' Agreements and Intangible Assets with Indefinite Lives continued

a) Impairment testing methodology continued

Brand names 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 after tax 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.

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 to support base valuations as the most likely outcome.

Investments in bottlers' agreements and goodwill

i) EBIT margins
EBIT margins are based primarily on three year business plans presented to and reviewed by 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 and reviewed by 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;

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

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

Brand names 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;

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 (after tax) 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%, 10.6%, 10.3% and 11.6% (2011: 8.0%, 7.6%, 10.6%, 11.4% and 11.6%) 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% (2011: nil to 2.0%) have been used.

c) Sensitivity to changes in assumptions

Following the $48.0 million impairment to SPCA's goodwill recognised during the financial year, the carrying value of the business is now equal to the estimated recoverable amount. Any change in key assumptions in the future could result in the requirement to recognise a further impairment (where material).

15. Trade and Other Payables

	Refer Note	**2012 $M**	2011 $M
Current			
Trade payables		**553.1**	497.0
Amounts due to related entities (trade)	33	**99.4**	96.5
Amounts due to related entities (non-trade)	33	**–**	27.5
Other payables		**153.8**	114.6
Total trade and other payables (current)		**806.3**	735.6
Non-current			
Other payables		**2.0**	–

Related party payables

For terms and conditions relating to related party payables, refer to Note 33.

16. Interest Bearing Liabilities

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

Type of interest bearing liability/ country	2012 $M	2011 $M	Interest rate p.a. 2012 %	Interest rate p.a. 2011 %	Denomination	Maturity date
Current						
Unsecured						
Bonds						
Australia	**171.0**	48.1	**3.5**	4.7	Australian Dollar	Mar to Jun 13
Australia	**123.0**	25.3	**0.8**	1.9	Japanese Yen	Sep 13
	294.0	73.4				
Loans						
Australia	**0.9**	0.6	**6.9**	6.9	Australian Dollar	Dec 13
Bank loans						
Indonesia	**55.8**	33.5	**6.4**	7.1	Indonesian Rupiah	Jan to Mar 13
Bank overdrafts	**0.7**	–	**9.5**	–	Samoan Tala	–
Total interest bearing liabilities (current)	**351.4**	107.5				
Non-current						
Unsecured						
Bonds						
Australia	**1,336.3**	927.1	**4.6**	5.4	Australian Dollar	May 14 to Jul 22
Australia	**145.2**	303.4	**3.8**	2.4	Japanese Yen	Aug 21 to Jun 36
Australia	**650.1**	663.8	**4.1**	4.1	United States Dollar	Nov 14 to Apr 16
New Zealand	**39.5**	37.7	**4.0**	4.0	New Zealand Dollar	Aug 18
New Zealand	**45.0**	45.0	**6.7**	6.7	Australian Dollar	Jul 21
New Zealand	**48.2**	49.1	**4.3**	4.3	United States Dollar	Sep 23
	2,264.3	2,026.1				
Loans						
Australia	**3.3**	3.7	**6.9**	6.9	Australian Dollar	Aug 14 to Apr 18
Bank loans						
New Zealand	**84.6**	79.1	**3.1**	3.2	New Zealand Dollar	Nov 15
Indonesia	**83.6**	92.8	**8.5**	8.5	Indonesian Rupiah	Jul 15
	168.2	171.9				
Total interest bearing liabilities (non-current)	**2,435.8**	2,201.7				

a) Interest rate, foreign exchange and liquidity risk

Further details regarding interest rate, foreign exchange and liquidity risk are disclosed in Note 32.

16. Interest Bearing Liabilities continued

b) Fair value

Details regarding the fair value of interest bearing liabilities are disclosed in Note 32.

c) Financing facilities

The following financing facilities are available as at balance date –

	2012 $M	2011 $M
i) Bank loan facilities		
Total arrangements	**257.9**	239.3
Used as at the end of the financial year	**(224.0)**	(205.4)
Unused as at the end of the financial year	**33.9**	33.9
ii) Overdraft facilities		
Total arrangements	**6.2**	5.0
Used as at the end of the financial year	**(0.7)**	–
Unused as at the end of the financial year	**5.5**	5.0

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.

17. Provisions

	2012 $M	2011 $M
Current		
Employee benefits	**75.8**	87.7
Onerous contracts[1]	**6.4**	12.6
Total provisions (current)	**82.2**	100.3
Non-current		
Employee benefits	**13.3**	12.2
Total provisions (non-current)	**13.3**	12.2

1 The comparative amount relates to restructuring costs classified as significant items. Refer to Note 4c) for further details.

18. Deferred Tax Liabilities

	Refer Note	2012 $M	2011 $M
a) Deferred taxes			
Deferred tax liabilities		**(157.7)**	(153.8)
b) Movements in net deferred tax liabilities for the financial year			
Balance at the beginning of the financial year		**(153.8)**	(189.6)
(Charged)/credited to the income statement as deferred tax (expense)/benefit	18d)	**(3.8)**	71.5
Credited to equity	22c)	**10.2**	28.1
Acquisitions of entities and operations		**(3.1)**	(0.3)
Net foreign currency movements		**1.8**	(0.3)
Other[1]		**(9.0)**	(63.2)
Balance at the end of the financial year		**(157.7)**	(153.8)

1 Current and prior year amounts relate to transfers to current tax liabilities of capital losses recognised in deferred tax benefit to offset the capital gains arising from significant items. Refer to Notes 5b) and 18d) for further details.

	Refer Note	2012 $M	2011 $M
c) Deferred taxes are attributable to the following			
Allowances for current assets		**13.5**	15.5
Accrued charges and employee expense obligations		**39.8**	48.5
Other deductible items		**41.0**	20.0
Investments in bottlers' agreements		**(130.1)**	(130.7)
Property, plant and equipment and intangible assets		**(70.4)**	(72.6)
Retained earnings balances of overseas subsidiaries[1]		**(16.0)**	(21.4)
Other taxable items		**(35.5)**	(13.1)
Net deferred tax liabilities		**(157.7)**	(153.8)

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

	Refer Note	2012 $M	2011 $M
d) Movements in deferred taxes, reflected in deferred tax (benefit)/expense, are attributable to the following			
Allowances for current assets		**1.8**	(11.8)
Accrued charges and employee expense obligations		**10.0**	(6.6)
Other deductible items		**1.2**	(7.4)
Property, plant and equipment and intangible assets		**3.8**	13.0
Retained earnings balances of overseas subsidiaries		**(5.1)**	(0.7)
Tax losses[1]		**(9.8)**	(61.6)
Other taxable items		**1.9**	3.6
Net deferred tax expense/(benefit)	18b)	**3.8**	(71.5)

1 Relates to capital and other tax losses recognised and derecognised respectively as part of the significant items. Refer to Notes 4c) and 5b) for further details.

	Refer Note	2012 $M	2011 $M
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**	748.4
Tax losses – no expiry date		**2.4**	2.0
Tax losses – 2024 to 2026 expiry		**5.2**	5.3
Other items – no expiry date		**31.7**	41.1
Deductible temporary differences not recognised		**755.6**	796.8
Potential tax benefit		**226.7**	239.0

19. 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 assets and liabilities of the CCA Group Superannuation Plan (CCAGSP) were transferred to the CCASP during the 2011 financial year. 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	**2012 $M**	2011 $M	**2012 $M**	2011 $M	**2012 $M**	2011 $M
a) Balances recognised in the statement of financial position							
Present value of funded defined benefit obligations at the end of the financial year	19c)	**137.4**	127.9	**38.2**	35.9	**175.6**	163.8
Fair value of plan assets at the end of the financial year	19d)	**(139.4)**	(128.8)	**–**	–	**(139.4)**	(128.8)
		(2.0)	(0.9)	**38.2**	35.9	**36.2**	35.0
Unrecognised past service cost		**–**	–	**(1.3)**	(1.6)	**(1.3)**	(1.6)
Unrecognised losses		**(13.0)**	(13.6)	**(6.4)**	(4.0)	**(19.4)**	(17.6)
Net defined benefit (assets)/liabilities		**(15.0)**	(14.5)	**30.5**	30.3	**15.5**	15.8
These amounts are disclosed as –							
Defined benefit liabilities		**–**	–	**30.5**	30.3	**30.5**	30.3
Defined benefit assets		**(15.0)**	(14.5)	**–**	–	**(15.0)**	(14.5)
Net defined benefit (assets)/liabilities		**(15.0)**	(14.5)	**30.5**	30.3	**15.5**	15.8
b) Expense recognised in the income statement							
Current service cost		**7.6**	7.3	**2.7**	2.3	**10.3**	9.6
Interest cost		**4.6**	5.8	**2.3**	2.7	**6.9**	8.5
Expected return on plan assets		**(7.8)**	(7.5)	**–**	–	**(7.8)**	(7.5)
Actuarial losses		**0.1**	–	**–**	–	**0.1**	–
Amortisation of previous period reported actuarial gains		**–**	(0.1)	**0.1**	–	**0.1**	(0.1)
Past service cost		**–**	–	**0.2**	0.2	**0.2**	0.2
Expense recognised in the income statement		**4.5**	5.5	**5.3**	5.2	**9.8**	10.7

19. Defined Benefit Superannuation Plans continued

	CCASP		CCBISP[1]	
	2012 $M	2011 $M	**2012 $M**	2011 $M
c) Movements of the present value of defined benefit obligations				
Present value of defined benefit obligations at the beginning of the financial year	**127.9**	108.0	**35.9**	29.0
Current service cost	**7.6**	7.3	**2.7**	2.3
Interest cost	**4.6**	5.8	**2.3**	2.7
Actuarial losses	**3.6**	15.0	**3.0**	3.6
Benefits paid	**(6.3)**	(8.2)	**(1.9)**	(1.6)
Net foreign currency movements	**–**	–	**(3.8)**	(0.1)
Present value of defined benefit obligations at the end of the financial year	**137.4**	127.9	**38.2**	35.9
d) Movements of the fair value of plan assets				
Fair value of plan assets at the beginning of the financial year	**128.8**	128.7	**–**	–
Expected return on plan assets	**7.8**	7.5	**–**	–
Actuarial gains/(losses)	**4.1**	(3.5)	**–**	–
Employer contributions	**5.0**	4.3	**–**	–
Benefits paid	**(6.3)**	(8.2)	**–**	–
Fair value of plan assets at the end of the financial year	**139.4**	128.8	**–**	–

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 applying the "corridor" approach.

	%	%	**%**	%
e) Plan assets				
The percentage invested in each asset class at the reporting date (including pension assets) was –				
Australian equities	**17.0**	17.0	**–**	–
Overseas equities	**14.0**	15.0	**–**	–
Fixed interest securities	**38.0**	40.0	**–**	–
Property	**4.0**	4.0	**–**	–
Other	**27.0**	24.0	**–**	–
f) 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	**3.4**	3.8	**6.5**	7.0
Expected return on plan assets	**–**	6.2	**–**	–
Future salary increases	**3.8**	4.0	**5.0**	5.0
Future inflation	**2.5**	2.8	**5.5**	6.0
Future pension increases	**2.5**	2.8	**–**	–

19. Defined Benefit Superannuation Plans continued

f) Principal actuarial assumptions continued

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 based plans, the 10 year Australian Government bond rate is used as it has the closest term obtainable from the Australian bond market to match the terms of the defined benefit obligations.

g) 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.

h) Expected rate of return on the Plans' assets

The expected returns on the Plans' assets assumptions are determined by weighting the expected long term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

i) Historical information

	CCAGSP			CCASP				
	2010 $M	2009 $M	2008 $M	**2012 $M**	2011 $M	2010 $M	2009 $M	2008 $M
Present value of defined benefit obligations	33.6	29.5	39.4	**137.4**	127.9	74.4	66.2	85.3
Fair value of plan assets	(36.5)	(33.7)	(28.3)	**(139.4)**	(128.8)	(92.2)	(86.4)	(69.3)
(Surplus)/deficit in plan	(2.9)	(4.2)	11.1	**(2.0)**	(0.9)	(17.8)	(20.2)	16.0
Experience adjustments – plan liabilities	(0.4)	2.5	(1.6)	**(1.0)**	2.7	(0.2)	0.6	(4.6)
Experience adjustments – plan assets	0.2	2.2	(6.5)	**4.1**	(3.5)	(0.3)	6.9	(24.2)

	CCBISP				
	2012 $M	2011 $M	2010 $M	2009 $M	2008 $M
Present value of defined benefit obligations	**38.2**	35.9	29.0	28.4	25.7

	CCASP	
	2012 $M	2011 $M
j) Actual return on plan assets		
Actual return on plan assets	**11.9**	4.0

k) Expected future contributions

	2013 $M	2012 $M
Expected future contributions	5.9	6.5

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 plans' 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.

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.

20. Share Capital

	Refer Note	**2012 No.**	2011 No.	**2012 $M**	2011 $M
a) Issued capital					
Fully paid ordinary shares					
Balance at the beginning of the financial year		**759,567,552**	756,003,067	**2,218.2**	2,180.2
Shares issued in respect of –					
Dividend Reinvestment Plan	20b)	**2,565,862**	2,993,585	**31.8**	34.9
Executive Option Plan	23	**–**	570,900	**–**	3.1
Total movements		**2,565,862**	3,564,485	**31.8**	38.0
Balance at the end of the financial year		**762,133,414**	759,567,552	**2,250.0**	2,218.2

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.

All options in the CCA Executive Option Plan were either exercised or lapsed during the financial year ended 31 December 2011. Refer to Note 23 for further details.

b) Dividend Reinvestment Plan

CCA's Dividend Reinvestment Plan (DRP) continues to be available to eligible shareholders. The DRP provides shareholders with the opportunity to receive fully paid ordinary shares, in lieu of cash dividends, at the price calculated using the daily volume weighted average market price of CCA shares during the 10 trading days commencing on the second trading day after the record date for the dividends. The record date for the dividend entitlements is 28 February 2013.

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

	2012			2011		
	Shares issued No.	**Issue price $**	**Proceeds $M**	Shares issued No.	Issue price $	Proceeds $M
Prior year final dividend	**1,751,455**	**11.85**	**20.7**	1,707,129	11.59	19.8
Current year interim dividend	**814,407**	**13.62**	**11.1**	1,286,456	11.75	15.1
Total	**2,565,862**		**31.8**	2,993,585		34.9

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 25.

21. Shares Held by Equity Compensation Plans

	2012 $M	2011 $M
Balance at the beginning of the financial year	**(16.5)**	(17.9)
Movements in unvested CCA ordinary shares held by –		
Employees Share Plan	**(0.4)**	1.1
other plans	**(0.5)**	0.3
Total movements	**(0.9)**	1.4
Balance at the end of the financial year	**(17.4)**	(16.5)

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 23 for further information of CCA share plans.

22. Reserves

	Refer Note	2012 $M	2011 $M
a) Reserves at the end of the financial year			
Foreign currency translation reserve		**(107.3)**	(90.9)
Share based remuneration reserve		**22.9**	25.9
Cash flow hedging reserve		**(44.4)**	(26.5)
Total reserves		**(128.8)**	(91.5)

b) Movements

	Refer Note	2012 $M	2011 $M
Foreign currency translation reserve			
Balance at the beginning of the financial year		**(90.9)**	(108.3)
Translation of financial statements of foreign operations		**(16.4)**	17.2
Transfer to the income statement	4c)	**–**	0.2
Total movements		**(16.4)**	17.4
Balance at the end of the financial year		**(107.3)**	(90.9)

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

	Refer Note	2012 $M	2011 $M
Share based remuneration reserve			
Balance at the beginning of the financial year		**25.9**	35.1
Expense recognised		**14.5**	14.8
Deferred tax adjustment	22c)	**2.3**	1.9
Movements in unvested CCA ordinary shares held by –			
Employees Share Plan		**(6.4)**	(5.5)
other plans		**–**	(0.3)
Share based payments[1]		**(13.4)**	(14.4)
Other		**–**	(5.7)
Total movements		**(3.0)**	(9.2)
Balance at the end of the financial year		**22.9**	25.9

1 Shares purchased on market.

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 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 senior executives as at the end of the financial year.

Refer to Note 23 for further information of CCA share plans.

22. Reserves continued

	Refer Note	2012 $M	2011 $M
b) Movements continued			
Cash flow hedging reserve			
Balance at the beginning of the financial year		**(26.5)**	33.4
Revaluation of cash flow hedges to fair value		**(26.5)**	(87.1)
Transfer to the income statement		**0.7**	1.0
Deferred tax adjustment	22c)	**7.9**	26.2
Total movements		**(17.9)**	(59.9)
Balance at the end of the financial year		**(44.4)**	(26.5)

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.

c) Reserve movements attributable to deferred taxes

	Refer Note	2012 $M	2011 $M
Share based remuneration reserve	22b)	**2.3**	1.9
Cash flow hedging reserve	22b)	**7.9**	26.2
Total	18b)	**10.2**	28.1

23. Employee Ownership Plans

The Company has seven 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 Retention Share Plan which are active; and 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 CCA 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 15,154 (2011: 15,278).

As at the end of the financial year, the number of shares in the ESP was 6,088,937 (2011: 7,136,271). The number of shares vested to employees was 4,805,564 (2011: 5,853,711).

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

23. 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 2012-2014 plan were: $11.99 share price for the share rights offered on 1 March 2012 and $12.87 share price for the share rights offered on 15 May 2012; risk-free rate of 3.7% for the share rights offered on 1 March 2012 and 2.6% for the share rights offered on 15 May 2012 based on Australian Government bond yields for periods matching the expected life of the plan (as at offer date); expected volatility of 18.0% 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 4.74% for the share rights offered on 1 March 2012 and 4.38% for the share rights offered on 15 May 2012 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 2012							
2010-2012	1 March 2010	**1,501,718**	**–**	**(650,176)**	**(851,542)**	**–**	**8.40**[1]
2010-2012	14 May 2010	**247,844**	**–**	**(118,097)**	**(129,747)**	**–**	**8.32**[1]
2011-2013	1 March 2011	**1,492,983**	**–**	**–**	**(132,138)**	**1,360,845**	**8.94**
2011-2013	4 May 2011	**247,844**	**–**	**–**	**–**	**247,844**	**9.11**
2012-2014	1 March 2012	**–**	**1,530,530**	**–**	**(61,500)**	**1,469,030**	**8.77**
2012-2014	15 May 2012	**–**	**247,844**	**–**	**–**	**247,844**	**9.89**
		3,490,389	**1,778,374**	**(768,273)**	**(1,174,927)**	**3,325,563**	
For the year ended 31 December 2011							
2009-2011	1 March 2009	1,300,110	–	(835,378)	(464,732)	–	7.84[1]
2009-2011	22 May 2009	247,844	–	(190,826)	(57,018)	–	6.29[1]
2010-2012	1 March 2010	1,614,875	–	–	(113,157)	1,501,718	9.04
2010-2012	14 May 2010	247,844	–	–	–	247,844	8.99
2011-2013	1 March 2011	–	1,561,308	–	(68,325)	1,492,983	8.94
2011-2013	4 May 2011	–	247,844	–	–	247,844	9.11
		3,410,673	1,809,152	(1,026,204)	(703,232)	3,490,389	

1 Represents fair values of vested shares.

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.

23. 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), 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.

As at the end of the financial year, the number of shares in the Plan was 268,528 (2011: 321,908).

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. The ERSP complements the LTISRP and offers an award of shares at the end of a three year period with no performance hurdles attached, providing the executive is still employed by the Company. This Plan vests mainly in 2013.

All shares in relation to this Plan have been purchased on market and the costs are amortised over the three year 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.

As at the end of the financial year, the number of shares in all issues of the Plan was 345,779 (2011: 345,060).

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 292,767 (2011: 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 Company's Dividend Reinvestment Plan. 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 119,348 (2011: 114,339).

Executive Option Plan

For the 2011 financial year, 570,900 options with an exercise price of $5.44 were exercised and 123,050 options expired, leaving no remaining options on issue under this Plan.

24. Dividends

	Refer Note	2012 $M	2011 $M
a) Summary of dividends appropriated during the financial year			
Prior year final dividend[1]		**231.7**	211.8
Current year interim dividend[2]		**182.7**	166.8
Total dividends appropriated		**414.4**	378.6
Dividends satisfied by issue of shares under the Dividend Reinvestment Plan	6b)	**(31.8)**	(34.9)
Dividends paid as per the statement of cash flows		**382.6**	343.7
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[3]		**243.9**	231.7
Current year special dividend[4]		**26.7**	–
Total		**270.6**	231.7
c) Franking credits			
Balance of the franking account at the end of the financial year		**32.3**	91.1
Franking credits which will arise from payment of income tax provided for in the financial statements		**29.1**	20.1
Total franking credits		**61.4**	111.2

1 Paid at 30.5¢ per share franked to 100% (2011: 28.0¢ per share franked to 100%).

2 Paid at 24.0¢ per share franked to 100% (2011: 22.0¢ per share franked to 100%).

3 Declared at 32.0¢ per share franked to 75% (2011: 30.5¢ per share franked to 100%).

4 Declared at 3.5¢ per share unfranked (2011: nil).

25. Earnings Per Share (EPS)

	2012	2011
	¢	¢
Basic and diluted EPS	**60.4**	78.1
Before significant items –		
Basic and diluted EPS	**73.4**	70.2

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 EPS	**761.1**	757.9
Effect of dilutive securities – share options	**–**	0.2
Adjusted weighted average number of ordinary shares on issue used to calculate diluted EPS	**761.1**	758.1
	$M	$M
Earnings used to calculate basic and diluted EPS –		
Profit after income tax attributable to members of the Company	**459.9**	591.8
Adjustment for significant items[1]	**98.5**	(59.8)
Earnings used to calculate basic and diluted EPS before significant items	**558.4**	532.0

1 Amounts classified as significant items consist of a net loss of $134.5 million before income tax and an income tax benefit of $36.0 million, or $98.5 million loss after income tax for 2012 (2011: a net gain of $1.6 million before income tax and an income tax benefit of $58.2 million, or $59.8 million gain after income tax). Refer to Notes 4c) and 5 respectively for further details.

	2012 $M	2011 $M

26. Commitments

a) Capital expenditure commitments

	2012 $M	2011 $M
Estimated aggregate amount of contracts for purchase of property, plant and equipment not provided for, payable –		
within one year	**97.1**	88.9
later than one year but not later than five years	**14.3**	19.2
	111.4	108.1

b) Operating lease commitments

	2012 $M	2011 $M
Lease commitments for non-cancellable operating leases with terms of more than one year, payable –		
within one year	**70.4**	69.2
later than one year but not later than five years	**164.7**	153.9
later than five years	**111.9**	140.8
	347.0	363.9

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.

27. Contingencies

	2012 $M	2011 $M
Contingent liabilities existed at the end of the financial year in respect of –		
termination payments under employment contracts[1]	**10.2**	9.5
other guarantees	**0.7**	0.6
	10.9	10.1

1 Refer to the remuneration report found in the Directors' Report for further details.

The Directors are of the opinion that provisions are not required in respect of the matters disclosed above, as it is not probable that a future sacrifice of economic benefits will be required.

28. Auditors' Remuneration

	2012 $M	2011 $M
Amounts received, or due and receivable, by –		
CCA auditor, Ernst & Young (Australia) for –		
audit or half year review of the financial reports	**1.600**	1.596
other services –		
assurance related	**0.215**	0.322
tax compliance	**0.005**	0.116
	0.220	0.438
	1.820	2.034
Member firms of Ernst & Young in relation to subsidiaries of CCA for –		
audit or half year review of the financial reports	**0.479**	0.376
other services –		
assurance related	**–**	0.001
tax compliance	**0.005**	0.001
	0.005	0.002
	0.484	0.378
Other firms in relation to subsidiaries of CCA for –		
audit or half year review of the financial reports	**0.090**	0.106
other services –		
assurance related	**0.160**	0.020
tax compliance	**0.019**	0.067
	0.179	0.087
	0.269	0.193
Total auditors' remuneration	**2.573**	2.605

29. Business Combinations

a) Summary of acquisitions

Acquisition of a majority share of Paradise Beverages (Fiji) Ltd (formerly known as Foster's Group Pacific Limited)

As part of its overall alcohol strategy, CCA acquired an 89.6% shareholding in Paradise Beverages (Fiji) Ltd (Paradise Beverages) on 7 September 2012, for a purchase consideration of $59.7 million.

Details of the fair value of the assets and liabilities of Paradise Beverages acquired and goodwill are as follows –

	$M
Purchase consideration – cash paid	**59.7**
Less: Fair value of net identifiable assets acquired (refer to c))	**35.5**
Goodwill	**24.2**

Other acquisitions

Other acquisitions include various individually immaterial acquisitions within the beverages industry. Details of the fair value of assets and liabilities acquired are as follows –

Purchase consideration – cash paid	**58.3**
Less: Fair value of net identifiable assets acquired (refer to c))	**47.6**
Net[1]	**10.7**

1 Consists of goodwill acquired of $13.9 million and discount on acquisition of $3.2 million recognised in the income statement. Other acquisition related costs of $3.2 million have also been recognised in the income statement.

The revenue and profit contribution to the Group has not been disclosed as the structure of these businesses has changed since acquisition, and are immaterial to CCA.

Total goodwill recognised on acquisition for the financial year was $38.1 million (2011: $9.1 million).

	2012 $M	2011[1] $M
b) Purchase consideration		
The net cash outflow on acquisition is as follows –		
Cash paid	**(118.0)**	(11.6)
Net cash acquired	**2.0**	–
Net cash outflow	**(116.0)**	(11.6)

1 Acquisition of a vending business.

29. Business Combinations continued

c) Assets and liabilities acquired

The fair value of the identifiable assets and liabilities of each acquisition as at the respective dates of acquisition are –

	Paradise Beverages Recognised on acquisition $M	Other acquisitions Recognised on acquisition $M	Total Recognised on acquisition $M
Current assets	23.1	8.5	31.6
Non-current assets[1]	25.2	41.5	66.7
Total assets	**48.3**	**50.0**	**98.3**
Current liabilities	5.3	0.1	5.4
Non-current liabilities	2.5	2.3	4.8
Total liabilities	**7.8**	**2.4**	**10.2**
Net identifiable assets acquired	**40.5**	**47.6**	**88.1**
Less: Non-controlling interest	**(5.0)**	**–**	**(5.0)**
CCA Group's share of net identifiable assets acquired	**35.5**	**47.6**	**83.1**

1 Includes property, plant and equipment acquired of $55.4 million. Refer to Note 12 for further details.

The amounts recognised on acquisition above represent provisional assessments of the fair values of assets and liabilities acquired. These amounts will be finalised within 12 months from the respective date of each acquisition.

30. Key Management Personnel Disclosures

a) Total remuneration for KMP

Remuneration by category	2012 $	2011 $
Short term	**12,675,639**	11,653,570
Post employment	**2,004,354**	2,047,056
Share based payments	**2,831,558**	3,198,777
	17,511,551	16,899,403

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

b) Shareholdings of individuals whilst acting in the capacity of KMP

2012 Number of ordinary shares held	Opening balance[1]	Additions[2]	Issued/ awarded as remuneration[3]	Shares withdrawn or sold	Closing balance
Directors in office at the end of the financial year					
D.M. Gonski, AC	380,288	13,092	–	–	393,380
I.R. Atlas	–	5,000	–	–	5,000
C.M. Brenner	13,492	591	–	–	14,083
T.J. Davis[4&5]	528,593	14,652	190,826	(210,000)	524,071
A.G. Froggatt[6]	49,000	–	–	(10,072)	38,928
M. Jansen	10,173	–	–	–	10,173
G.J. Kelly	22,387	73	–	–	22,460
W.M. King, AO	55,162	354	–	–	55,516
D.E. Meiklejohn, AM	25,275	222	–	–	25,497
Executives					
G. Adams[5]	33,608	2,734	15,097	(20,000)	31,439
J. Murphy[5&7]	417	1,148	–	–	1,565
N.I. O'Sullivan[5]	91,507	6,067	23,098	(57,094)	63,578
V. Pinneri[5]	6,168	1,812	7,548	(9,551)	5,977
E. Rey	468	1,120	–	–	1,588
W.G. White[5]	146,275	13,659	58,010	(135,537)	82,407

1 Includes existing balances of shares on appointment to KMP roles.

2 Includes the purchase of ordinary shares and shares issued under the Employees Share Plan, Dividend Reinvestment Plan, Executive Salary Sacrifice Share Plan and Executive Retention Share Plan. The additions to the shareholdings were at arm's length.

3 Shares awarded under the 2009-2011 LTISRP.

4 The closing balance includes beneficial interest in 373,944 shares held by the LTISRP, which are subject to the conditions of the Plan.

5 Subsequent to 31 December 2012, the following awards under the 2010-2012 LTISRP were made to individuals classified as ongoing KMP as at the end of the financial year –

Mr Davis	*118,097*	*Ms O'Sullivan*	*14,762*
Mr Adams	*9,343*	*Mr Pinneri*	*7,474*
Mr Murphy	*6,540*	*Mr White*	*35,901*

6 Indirect interest in 19,777 shares as an executor of a will, and in 19,151 shares under an enduring power of attorney.

7 Appointed to KMP role on 1 July 2012.

30. Key Management Personnel Disclosures continued

b) Shareholdings of individuals whilst acting in the capacity of KMP continued

2011 Number of ordinary shares held	Opening balance[1]	Additions[2]	Issued/ awarded as remuneration[3]	Shares withdrawn or sold[4]	Closing balance
Directors in office at the end of the financial year					
D.M. Gonski, AC	367,529	12,759	–	–	380,288
I.R. Atlas[5]	–	–	–	–	–
C.M. Brenner	12,932	560	–	–	13,492
T.J. Davis[6]	399,774	–	215,500	(86,681)	528,593
A.G. Froggatt[7]	49,000	–	–	–	49,000
M. Jansen	10,173	–	–	–	10,173
G.J. Kelly	22,317	70	–	–	22,387
W.M. King, AO	54,827	335	–	–	55,162
D.E. Meiklejohn, AM	25,275	–	–	–	25,275
Executives					
G. Adams	34,097	3,484	16,027	(20,000)	33,608
P.N. Kelly[8]	149,081	1,446	27,280	(177,807)	–
N.I. O'Sullivan	60,739	4,681	26,087	–	91,507
V. Pinneri	3,837	2,331	–	–	6,168
E. Rey[9]	–	468	–	–	468
W.G. White	325,649	19,916	65,515	(264,805)	146,275

1 Includes existing balances of shares on appointment to KMP roles.

2 Includes the purchase of ordinary shares and shares issued under the Employees Share Plan, Dividend Reinvestment Plan, Executive Salary Sacrifice Share Plan and Executive Retention Share Plan. The additions to the shareholdings were at arm's length.

3 Shares awarded under the 2008-2010 LTISRP.

4 Includes movements attributable to cessation of individuals in KMP roles.

5 Appointed 23 February 2011.

6 The closing balance includes beneficial interest in 378,466 shares held by the LTISRP, which are subject to the conditions of the Plan.

7 Indirect interest in 25,000 shares as an executor of a will, and in 24,000 shares under an enduring power of attorney.

8 Ceased to be a KMP on 31 October 2011.

9 Appointed 1 November 2011.

c) LTISRP awards to individuals whilst acting in the capacity of KMP

Details of share rights provided as remuneration and subsequent vesting, together with terms and conditions of the share rights, can be found in the remuneration report on pages [51] to [52].

30. Key Management Personnel Disclosures continued

c) LTISRP awards to individuals whilst acting in the capacity of KMP continued

Movements in share rights under LTISRP during the financial year were as follows –

Number of share rights held[1]	Opening balance[2]	Granted	Vested	Lapsed and forfeited[3]	Closing balance
2012					
Director in office at the end of the financial year					
T.J. Davis	**495,688**	**247,844**	**(118,097)**	**(129,747)**	**495,688**
Executives					
G. Adams	**35,379**	**15,771**	**(9,343)**	**(10,265)**	**31,542**
J. Murphy	**35,804**	**36,569**	**(6,540)**	**(7,186)**	**58,647**
N.I. O'Sullivan	**83,333**	**62,941**	**(14,762)**	**(16,218)**	**115,294**
V. Pinneri	**41,176**	**25,490**	**(7,474)**	**(8,212)**	**50,980**
E. Rey	**26,471**	**35,522**	**–**	**–**	**61,993**
W.G. White	**150,686**	**102,010**	**(35,901)**	**(39,442)**	**177,353**
2011					
Director in office at the end of the financial year					
T.J. Davis	495,688	247,844	(190,826)	(57,018)	495,688
Executives					
G. Adams	39,216	15,771	(15,097)	(4,511)	35,379
P.N. Kelly	62,746	26,471	(24,155)	(65,062)	–
N.I. O'Sullivan	60,980	52,353	(23,098)	(6,902)	83,333
V. Pinneri	25,490	25,490	(7,548)	(2,256)	41,176
E. Rey	–	26,471	–	–	26,471
W.G. White	150,686	75,343	(58,010)	(17,333)	150,686

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 movements attributable to cessation of individuals in KMP roles.

d) Loans to KMP

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

e) 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).

31. Derivatives and Net Debt Reconciliation

	Refer Note	**2012 $M**	2011 $M
a) Derivatives as per the statement of financial position			
Derivative assets – current	32b)	**(9.5)**	(14.7)
Derivative assets – non-current	32b)	**(50.4)**	(73.7)
Derivative liabilities – current	32b)	**42.2**	48.5
Derivative liabilities – non-current	32b)	**254.9**	208.3
Total net derivative liabilities		**237.2**	168.4
Net derivative liabilities comprises –			
debt related		**173.3**	123.1
non-debt related		**63.9**	45.3
Total net derivative liabilities		**237.2**	168.4
b) Net debt reconciliation			
Cash assets	6	**(1,178.0)**	(664.9)
Receivables – current[1]		**–**	(24.5)
Long term deposits		**(150.0)**	–
Net derivative liabilities – debt related		**173.3**	123.1
Interest bearing liabilities – current	16	**351.4**	107.5
Interest bearing liabilities – non-current	16	**2,435.8**	2,201.7
Total net debt		**1,632.5**	1,742.9

1 Loan to joint venture entity.

32. 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, interest bearing receivables 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.

CCA has a dividend payout policy of 70% to 80% of net profit, subject to the ongoing cash needs of the business.

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

	Refer Note	**2012 $M**	2011 $M
Net debt	31	**1,632.5**	1,742.9
Total equity		**2,078.6**	2,034.3
Total capital employed		**3,711.1**	3,777.2
		%	%
Gearing ratio		**78.5**	85.7

Financial risk management

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 in accordance with Board approved policies 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 uses 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's risk management activities are carried out centrally by CCA's Group Treasury function which is governed by a Board approved Treasury Policy.

32. 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 exposes 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 practise 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 swap, interest rate option 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 2012						
Financial assets						
Cash assets	6	**3.5**	**998.0**	**180.0**	**–**	**1,178.0**
Long term deposits		**3.5**	**150.0**	**–**	**–**	**150.0**
Trade and other receivables	7	**–**	**–**	**–**	**963.1**	**963.1**
Derivative assets	31	**–**	**–**	**–**	**59.9**	**59.9**
Other financial assets	9	**–**	**–**	**–**	**24.4**	**24.4**
			1,148.0	**180.0**	**1,047.4**	**2,375.4**
Financial liabilities						
Trade and other payables	15	**–**	**–**	**–**	**808.3**	**808.3**
Bonds	16	**3.4**	**809.7**	**1,748.6**	**–**	**2,558.3**
Loans	16	**–**	**–**	**4.2**	**–**	**4.2**
Bank loans	16	**3.1**	**140.4**	**83.6**	**–**	**224.0**
Bank overdraft	16	**–**	**–**	**0.7**	**–**	**0.7**
Derivative liabilities	31	**–**	**–**	**–**	**297.1**	**297.1**
			950.1	**1,837.1**	**1,105.4**	**3,892.6**
As at 31 December 2011						
Financial assets						
Cash assets	6	4.2	664.9	–	–	664.9
Trade and other receivables	7	7.9	24.5	–	846.5	871.0
Derivative assets	31	–	–	–	88.4	88.4
Other financial assets	9	–	–	–	288.6	288.6
			689.4	–	1,223.5	1,912.9
Financial liabilities						
Trade and other payables	15	–	–	–	735.6	735.6
Bonds	16	4.2	872.0	1,227.5	–	2,099.5
Loans	16	–	–	4.3	–	4.3
Bank loans	16	4.3	112.6	92.8	–	205.4
Derivative liabilities	31	–	–	–	256.8	256.8
			984.6	1,324.6	992.4	3,301.6

32. Capital and Financial Risk Management continued

Financial risk management continued

a) Risk factors continued

i) Interest rate risk continued

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 2012, 88.0% (2011: 85.0%) 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	
	2012 $M	2011 $M	**2012 $M**	2011 $M
If interest rates were 10% higher with all other variables held constant – increase/(decrease)	**0.5**	0.9	**10.5**	16.0
If interest rates were 10% lower with all other variables held constant – increase/(decrease)	**(0.6)**	(0.9)	**(10.6)**	(16.3)

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 transactions for up to four years into the future before requiring executive management approval. The policy only permits hedging of the Group's underlying foreign exchange exposures. The policy prescribes minimum and maximum hedging parameters linked to actual and forecast transactions involving foreign currencies.

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 formally assesses both at inception and at least monthly thereafter, whether the financial instruments that are used in hedging transactions are effective at offsetting changes in either the fair value or cash flows of the related underlying exposure. Because of the high degree of effectiveness between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the derivative financial instruments are generally offset by changes in the fair values or cash flows of the underlying exposures being hedged. Any ineffective portion of a financial instrument's change in fair value is immediately recognised in the income statement and this is mainly attributable to financial instruments in a fair value hedge relationship. Also refer to section b) of this Note for further details.

32. Capital and Financial Risk Management continued

Financial risk management continued

a) **Risk factors** continued

ii) Foreign currency risk continued

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

	United States Dollars $M	New Zealand Dollars $M	Fijian Dollars $M	Indonesian Rupiah $M	Papua New Guinean Kina $M	Other $M	Total $M
For the year ended 31 December 2012							
Financial assets							
Cash assets	**1.2**	**21.9**	**5.7**	**5.4**	**54.6**	**0.9**	**89.7**
Trade and other receivables	**2.2**	**82.1**	**9.7**	**73.2**	**32.1**	**9.3**	**208.6**
Derivatives financial instruments							
interest rate derivative contracts	**–**	**160.1**	**–**	**–**	**–**	**–**	**160.1**
foreign exchange derivative contracts[1]	**1,072.0**	**5.9**	**–**	**–**	**–**	**304.1**	**1,382.0**
commodity derivative contracts	**3.2**	**–**	**–**	**–**	**–**	**–**	**3.2**
	1,078.6	**270.0**	**15.4**	**78.6**	**86.7**	**314.3**	**1,843.6**
Financial liabilities							
Trade and other payables	**9.1**	**42.7**	**5.1**	**78.4**	**59.2**	**4.9**	**199.4**
Interest bearing liabilities[1]	**698.3**	**124.1**	**0.7**	**139.4**	**–**	**268.3**	**1,230.8**
Derivative financial instruments							
interest rate derivative contracts	**–**	**161.7**	**–**	**–**	**–**	**–**	**161.7**
foreign exchange derivative contracts	**8.4**	**158.2**	**3.9**	**44.5**	**23.6**	**11.2**	**249.8**
commodity derivative contracts	**3.4**	**–**	**–**	**–**	**–**	**–**	**3.4**
	719.2	**486.7**	**9.7**	**262.3**	**82.8**	**284.4**	**1,845.1**
For the year ended 31 December 2011							
Financial assets							
Cash assets	0.3	18.9	4.8	3.9	52.5	4.2	84.6
Trade and other receivables	3.6	84.5	4.1	76.8	22.8	5.9	197.7
Derivatives financial instruments							
interest rate derivative contracts	–	153.4	–	–	–	–	153.4
foreign exchange derivative contracts[1]	1,200.2	10.4	–	–	–	386.5	1,597.1
commodity derivative contracts	28.6	–	–	–	–	–	28.6
	1,232.7	267.2	8.9	80.7	75.3	396.6	2,061.4
Financial liabilities							
Trade and other payables	41.0	38.6	1.4	58.7	17.9	2.5	160.1
Interest bearing liabilities[1]	712.9	116.8	–	126.3	–	328.7	1,284.7
Derivative financial instruments							
interest rate derivative contracts	–	158.1	–	–	–	–	158.1
foreign exchange derivative contracts	0.3	172.0	5.6	76.3	15.6	5.5	275.3
commodity derivative contracts	20.5	–	–	–	–	–	20.5
	774.7	485.5	7.0	261.3	33.5	336.7	1,898.7

1 Other comprises mainly of Japanese Yen.

32. Capital and Financial Risk Management continued

Financial risk management continued

a) Risk factors continued

ii) Foreign currency risk continued

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	
	2012 $M	2011 $M	**2012 $M**	2011 $M
If the Australian dollar appreciated by 10% with all other variables held constant – increase/(decrease)	**(0.2)**	–	**(16.7)**	(25.5)
If the Australian dollar depreciated by 10% with all other variables held constant – increase/(decrease)	**1.3**	1.4	**22.3**	29.4

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.

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	
	2012 $M	2011 $M	**2012 $M**	2011 $M
If the Australian dollar appreciated by 10% with all other variables held constant – increase/(decrease)	**(11.8)**	(10.2)	**(55.9)**	(46.5)
If the Australian dollar depreciated by 10% with all other variables held constant – increase/(decrease)	**14.4**	12.4	**68.2**	56.8

32. Capital and Financial Risk Management continued

Financial risk management continued

a) Risk factors continued

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 also prescribes minimum and maximum hedging parameters linked to the forecast purchase transactions.

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	
	2012 $M	2011 $M	**2012 $M**	2011 $M
If there was a 10% increase in commodity prices with all other variables held constant – increase/(decrease)	**0.3**	0.4	**15.9**	18.0
If there was a 10% decrease in commodity prices with all other variables held constant – increase/(decrease)	**–**	0.1	**(16.1)**	(18.7)

iv) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under 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).

The Group is exposed to credit risk on derivative financial instruments. 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 has policies that set 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.

Customer credit risk is managed by each business unit subject to 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 and financial institutions. The Group does not have any significant credit risk exposure to a single or group of customer(s) or individual institution(s). Approximately 68.1% (2011: 62.6%) of the trade receivables balance as at balance date is reflected by the total of each operation's top five customers.

32. Capital and Financial Risk Management continued

Financial risk management continued

a) Risk factors continued

iv) Credit risk continued

The financial assets that are exposed to credit risk are detailed in the table below –

	Refer Note	**2012 $M**	2011 $M
Cash assets	6	**1,178.0**	664.9
Long term deposits		**150.0**	–
Trade and other receivables	7	**963.1**	871.0
Derivative assets	31	**59.9**	88.4
Other financial assets	9	**24.4**	288.6
Total CCA Group		**2,375.4**	1,912.9

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.

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.

32. Capital and Financial Risk Management continued

Financial risk management continued

a) Risk factors continued

v) Liquidity risk continued

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 timing of cash outflows are 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
For the year ended 31 December 2012							
Financial liabilities							
Trade and other payables	15	**808.3**	**808.3**	**806.3**	**2.0**	**–**	**–**
Interest bearing liabilities	16	**2,787.2**	**3,214.8**	**455.4**	**739.2**	**1,240.0**	**780.2**
Derivative financial instruments							
interest rate derivative contracts[1&2]		**85.0**	**84.0**	**35.6**	**22.7**	**22.4**	**3.3**
foreign exchange derivative contracts[3]		**198.3**	**342.1**	**28.5**	**83.8**	**122.8**	**107.0**
commodity derivative contracts		**13.8**	**3.8**	**3.5**	**0.3**	**–**	**–**
		3,892.6	**4,453.0**	**1,329.3**	**848.0**	**1,385.2**	**890.5**
For the year ended 31 December 2011							
Financial liabilities							
Trade and other payables	15	735.6	735.6	735.6	–	–	–
Interest bearing liabilities	16	2,309.2	2,541.6	236.2	385.7	1,427.4	492.3
Derivative financial instruments							
interest rate derivative contracts[1&2]		73.4	66.3	24.7	23.6	18.0	–
foreign exchange derivative contracts[3]		170.7	385.7	54.0	25.0	196.0	110.7
commodity derivative contracts		12.7	1.0	1.0	–	–	–
		3,301.6	3,730.2	1,051.5	434.3	1,641.4	603.0

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 to be exchanged, representing gross cash flows to be exchanged.

32. Capital and Financial Risk Management continued

Financial risk management continued

a) Risk factors continued

vi) Fair value

All financial assets and financial liabilities are recognised at fair value as at the reporting date without any deduction for transaction costs.

As noted in Note 1 Summary of Significant Accounting Policies, derivative financial instruments are initially recognised in the statement of financial position at cost and subsequently remeasured to their fair value. Accordingly, there is no difference between the carrying value and fair value of derivative financial instruments at reporting date.

The 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	**2012 $M**	2011 $M
Financial assets			
Cash assets	6	**1,178.0**	664.9
Long term deposits		**150.0**	–
Trade and other receivables	7	**963.1**	871.0
Derivatives – fair value through the income statement		**5.2**	6.7
Derivatives – hedge accounted through equity		**54.7**	81.7
Other financial assets	9	**24.4**	288.6
Total financial assets		**2,375.4**	1,912.9
Financial liabilities			
Trade and other payables	15	**808.3**	735.6
Interest bearing liabilities			
Bonds – fair value through the income statement[1]	16	**280.3**	302.0
Bonds – at amortised cost[2&3]	16	**2,278.0**	1,797.5
Loans – at amortised cost	16	**4.2**	4.3
Bank loans – at amortised cost	16	**224.0**	205.4
Bank overdrafts	16	**0.7**	–
Derivatives – fair value through the income statement		**178.8**	134.7
Derivatives – hedge accounted through equity		**118.3**	122.1
Total financial liabilities		**3,892.6**	3,301.6

1 Represents bonds with effective fair value hedge relationships.

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

3 The fair value of bonds at amortised cost for CCA Group was $1,818.0 million (2011: $1,536.0 million).

32. Capital and Financial Risk Management continued

Financial risk management continued

a) Risk factors continued

vi) Fair value continued

The above mentioned 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).

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

	Valuation technique		
	Quoted market price (Level 1) $M	Market observable inputs (Level 2) $M	Total $M
For the year ended 31 December 2012			
Derivative assets			
Derivatives – fair value through the income statement	**–**	**5.2**	**5.2**
Derivatives – hedge accounted through equity	**1.0**	**53.7**	**54.7**
Total derivative assets	**1.0**	**58.9**	**59.9**
Derivative liabilities			
Derivatives – fair value through the income statement	**–**	**178.8**	**178.8**
Derivatives – hedge accounted through equity	**24.8**	**93.5**	**118.3**
Total derivative liabilities	**24.8**	**272.3**	**297.1**
For the year ended 31 December 2011			
Derivative assets			
Derivatives – fair value through the income statement	–	6.7	6.7
Derivatives – hedge accounted through equity	2.3	79.4	81.7
Total derivative assets	2.3	86.1	88.4
Derivative liabilities			
Derivatives – fair value through the income statement	–	134.7	134.7
Derivatives – hedge accounted through equity	38.0	84.1	122.1
Total derivative liabilities	38.0	218.8	256.8

32. Capital and Financial Risk Management continued

Financial risk management continued

b) Hedge accounting

The Group's hedging strategy seeks to actively manage its exposures to interest rates, foreign exchange and commodities. 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 following table provides details of the Group's derivative financial instruments and hedges that are used for financial risk management –

	Refer Note	**2012 $M**	2011 $M
Derivative assets – current			
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as cash flow hedges are –			
foreign exchange derivative contracts		**0.9**	1.4
commodity derivative contracts		**3.4**	13.1
The fair values of derivative financial instruments (non-debt related) at the end of the financial year for which hedge accounting has not been applied are –			
interest rate derivative contracts		**5.1**	0.1
foreign exchange derivative contracts		**0.1**	0.1
Total derivative assets – current (non-debt related)	31a)	**9.5**	14.7
Derivative assets – non-current			
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		**–**	4.7
Total derivative assets – non-current (debt related)		**–**	4.7
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		**45.3**	45.6
foreign exchange derivative contracts		**0.1**	1.0
commodity derivative contracts		**5.0**	15.9
The fair values of derivative financial instruments (non-debt related) at the end of the financial year for which hedge accounting has not been applied are –			
interest rate derivative contracts		**–**	6.4
foreign exchange derivative contracts		**–**	0.1
Total derivative assets – non-current (non-debt related)		**50.4**	69.0
Total derivative assets – non-current	31a)	**50.4**	73.7

32. Capital and Financial Risk Management continued

Financial risk management continued

b) Hedge accounting continued

	Refer Note	2012 $M	2011 $M
Derivative liabilities – current			
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		**3.1**	3.7
Total derivative liabilities – current (debt related)		**3.1**	3.7
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		**6.0**	7.3
foreign exchange derivative contracts		**17.2**	30.4
commodity derivative contracts		**10.4**	6.8
The fair values of derivative financial instruments (non-debt related) at the end of the financial year for which hedge accounting has not been applied are –			
interest rate derivative contracts		**5.3**	0.1
foreign exchange derivative contracts		**0.2**	0.2
Total derivative liabilities – current (non-debt related)		**39.1**	44.8
Total derivative liabilities – current	31a)	**42.2**	48.5
Derivative liabilities – non-current			
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		**170.2**	124.1
Total derivative liabilities – non-current (debt related)		**170.2**	124.1
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		**73.7**	59.4
foreign exchange derivative contracts		**7.6**	12.2
commodity derivative contracts		**3.4**	5.9
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as fair value hedges are –			
interest rate derivative contracts		**–**	6.6
The fair values of derivative financial instruments (non-debt related) at the end of the financial year for which hedge accounting has not been applied are –			
foreign exchange derivative contracts		**–**	0.1
Total derivative liabilities – non-current (non-debt related)		**84.7**	84.2
Total derivative liabilities – non-current	31a)	**254.9**	208.3

33. 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 30, and in the Directors' Report.

Related entities

The Coca-Cola Company (TCCC) directly and through its subsidiary, Coca-Cola Holdings (Overseas) Limited, holds 29.3% (2011: 29.4%) of the Company's fully paid ordinary shares.

CCA had a 50% interest in Pacific Beverages, but lost joint control of Pacific Beverages on 16 December 2011. Refer to Note 9 for further details.

Transactions with related parties

	2012 $M	2011 $M
Reimbursements and other revenues from –		
Entities with significant influence over the Group		
TCCC and its subsidiaries[1&2]	**58.1**	38.0
Joint venture entity		
Service fee[3]	**0.2**	4.5
Finance income	**0.1**	1.7
Purchases and other expenses from –		
Entities with significant influence over the Group		
TCCC and its subsidiaries[4]	**772.9**	726.5
Other related parties	**16.9**	6.1
Amounts owed by –		
Entities with significant influence over the Group		
TCCC and its subsidiaries	**27.4**	16.5
Joint venture entity	**–**	43.7
Amounts owed to –		
Entities with significant influence over the Group		
TCCC and its subsidiaries	**98.4**	95.7
Joint venture entity	**–**	27.5
Other related parties	**1.0**	0.8

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 *Includes the $24.2 million received from TCCC in relation to the Cascade related transactions. Refer to Note 4c) for further details.*

3 *Represents the services provided to Pacific Beverages under certain agreements and arrangements agreed between CCA and Pacific Beverages. The sale of CCA's 50% interest in Pacific Beverages to SABMiller was completed on 13 January 2012. Refer to Note 9 for further details.*

4 *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 2012, the Group has not raised any allowance for doubtful receivables relating to amounts owed by related parties (2011: nil).

34. CCA Entity Disclosures

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

	CCA Entity	
	2012	2011
	$M	$M
a) Financial position		
Current assets	**1,114.6**	842.0
Non-current assets	**4,546.9**	4,518.8
Total assets	**5,661.5**	5,360.8
Current liabilities	**779.8**	461.2
Non-current liabilities	**2,361.7**	2,083.4
Total liabilities	**3,141.5**	2,544.6
Net assets	**2,520.0**	2,816.2
Equity		
Share capital	**2,250.0**	2,218.2
Reserves		
share based remuneration	**20.5**	24.3
cash flow hedging	**(46.1)**	(24.7)
other	**(16.7)**	(15.8)
Total reserves	**(42.3)**	(16.2)
Retained earnings	**312.3**	614.2
Total equity	**2,520.0**	2,816.2
b) Financial performance		
Profit after income tax	**112.5**	730.5
Total comprehensive income	**91.1**	669.3
c) Guarantees entered into by the CCA Entity in relation to the debts of its subsidiaries		
Guarantees[1]	**356.7**	337.2

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

d) Contingencies		
Contingent liabilities existed at the end of the financial year in respect of termination payments under employment contracts[1]	**10.2**	9.5

1 Refer to the remuneration report found in the Directors' Report for further details.

35. Deed of Cross Guarantee

Coca-Cola Amatil Limited and certain subsidiaries as indicated in Note 36 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	2012 $M	2011 $M
Current assets		
Cash assets	**1,089.3**	581.9
Trade and other receivables	**765.7**	682.8
Inventories	**513.4**	593.4
Prepayments	**76.0**	42.8
Derivatives	**9.1**	14.1
Other financial assets	**–**	288.6
Total current assets	**2,453.5**	2,203.6
Non-current assets		
Long term deposits	**150.0**	–
Other receivables	**2.4**	6.0
Investments in securities	**592.2**	529.1
Investments in bottlers' agreements	**691.9**	691.9
Property, plant and equipment	**1,281.6**	1,200.0
Intangible assets	**554.9**	562.9
Prepayments	**19.3**	8.7
Defined benefit superannuation plans	**15.0**	14.5
Derivatives	**45.5**	63.4
Other financial assets	**24.4**	–
Total non-current assets	**3,377.2**	3,076.5
Total assets	**5,830.7**	5,280.1
Current liabilities		
Trade and other payables	**672.3**	619.4
Interest bearing liabilities	**295.0**	73.9
Current tax liabilities	**29.1**	20.1
Provisions	**62.1**	83.3
Accrued charges	**351.7**	302.0
Derivatives	**39.2**	41.7
Total current liabilities	**1,449.4**	1,140.4
Non-current liabilities		
Other payables	**1.2**	–
Interest bearing liabilities	**2,135.0**	1,897.9
Provisions	**13.1**	11.5
Deferred tax liabilities	**97.8**	94.8
Derivatives	**253.8**	206.3
Total non-current liabilities	**2,500.9**	2,210.5
Total liabilities	**3,950.3**	3,350.9
Net assets	**1,880.4**	1,929.2
Equity		
Share capital	**2,250.0**	2,218.2
Shares held by equity compensation plans	**(17.4)**	(16.5)
Reserves	**(24.5)**	0.3
Accumulated losses	**(327.7)**	(272.8)
Total equity	**1,880.4**	1,929.2

Consolidated income statement for the closed group[1]		
Profit before income tax	**500.9**	620.3
Income tax expense	**(141.4)**	(104.5)
Profit after income tax	**359.5**	515.8
Accumulated losses at the beginning of the financial year	**(272.8)**	(410.0)
Dividends appropriated	**(414.4)**	(378.6)
Accumulated losses at the end of the financial year	**(327.7)**	(272.8)

1 *Total comprehensive income for the financial year was $338.1 million (2011: $454.6 million) represented by consolidated profit after income tax for the closed group of $359.5 million (2011: $515.8 million) adjusted for movements in the cash flow hedging reserve of $21.4 million decrease (2011: $61.2 million decrease).*

36. Investments in Subsidiaries

	Footnote	Country of incorporation	Equity holding† 2012 %	Equity holding† 2011 %
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 (formerly known as Foster's Group Pacific Limited)		Fiji	**89.6**	–
Samoa Breweries Ltd		Samoa	**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		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
Amatil Beverages (New Zealand) Ltd		New Zealand	**–**	100
Kovok Spirits Limited		New Zealand	**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.

36. Investments in Subsidiaries continued

	Footnote	Country of incorporation	Equity holding† 2012 %	2011 %
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 35 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 Employees Share Plan, the Long Term Incentive Share Rights Plan, the Executive Salary Sacrifice Share Plan, the Executive Retention Share Plan, the Non-Executive Directors Share Plan and the Non-Executive Directors' Retirement Share Trust.*

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

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

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

37. 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.

In accordance with a resolution of the Directors of Coca-Cola Amatil Limited dated 19 February 2013, 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 2012, 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 36 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 2012.

On behalf of the Directors

David M. Gonski, AC
Chairman
Sydney
19 February 2013

Terry J. Davis
Group Managing Director
Sydney
19 February 2013

Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

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 statement of financial position as at 31 December 2012, the income statement, the statement of comprehensive income, the statement of changes in equity and the 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.

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 2012 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).

ERNST & YOUNG

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

Report on the remuneration report

We have audited the Remuneration Report included in pages [33 to 62] of the directors' report for the year ended 31 December 2012. 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 2012, complies with section 300A of the Corporations Act 2001.

Ernst & Young

Ernst & Young

M G Wright

Michael Wright
Partner
Sydney
19 February 2013

Liability limited by a scheme approved under
Professional Standards Legislation